

This annual report is based on the Group's annual report published in accordance with Commission Regulation (EU) 2019/815, XBRL-tagged in XHTML format which is the same as the human-readable version, but does not qualify as the Company's official audited annual report.

MVM GROUP ANNUAL REPORT

2024

The MVM logo is a stylized white graphic consisting of three connected, rounded 'M' shapes, positioned in the bottom right corner of the cover.

MVM

Content

CONSOLIDATED FINANCIAL STATEMENTS
MANAGEMENT AND BUSINESS REPORT
STANDALONE FINANCIAL STATEMENTS
STANDALONE BUSINESS REPORT

CONSOLIDATED FINANCIAL STATEMENTS



MVM Energetika Zártkörűen Működő Részvénytársaság

Consolidated Financial Statements

of the MVM Group

**Prepared in Accordance with International Financial Reporting Standards as
Adopted by the EU**

2024

Budapest, 25 April 2025



Károly Tamás Mátrai

Chief Executive Officer



László Fazekas

Deputy CEO, Chief Financial Officer

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I. Consolidated Financial Statements

1. Consolidated Statement of Financial Position

Consolidated Statement of Financial Position (in HUF million)	Note III.	31.12.2024	31.12.2023
Property, plant and equipment	1.	2,825,390	2,520,947
Investment property	2.	3,785	3,884
Goodwill	3.	97,087	98,662
Other intangible assets	3.	352,634	259,485
Interests in associates and joint ventures	5.	216,085	204,411
Interests in other entities	6.	3,133	2,588
Non-current loans and receivables	7.	7,641	14,478
Derivative financial assets	28.	35,685	27,099
Deferred tax assets	8.	25,948	82,376
Non-current assets		3,567,388	3,213,930
Inventories	9.	360,700	665,022
Derivative financial assets	28.	198,757	208,995
Trade receivables and other non-derivative financial assets	28.	873,021	1,565,280
Other non-financial assets	10.	556,751	1,037,501
Current tax assets		15,120	15,319
Non-current assets held for sale	11.	30,820	1,519
Restricted cash	12.	75,651	72,304
Cash and cash equivalents	13.	297,501	245,582
Current assets		2,408,321	3,811,522
Total assets		5,975,709	7,025,452

MVM Energetika Zártkörűen Működő Részvénytársaság
and Subsidiaries Consolidated Financial Statements
For the year ended 31 December 2024
(All figures are in HUF million except if otherwise indicated)

Consolidated Statement of Financial Position (in HUF million)	Note III.	31.12.2024	31.12.2023
Share capital	14.	849,379	849,379
Capital reserve	14.	51,892	51,892
Retained earnings	14.	483,513	482,705
Other reserves	14.	784,273	552,608
Equity attributable to the owners of the Company		2,169,057	1,936,584
Non-controlling interests	4.	297	142
Equity		2,169,354	1,936,726
Non-current loans and borrowings	15.	1,160,428	1,333,217
Non-current derivative financial liabilities	28.	17,185	71,850
Non-current provisions	18.	196,216	128,332
Deferred tax liabilities	8.	286,344	336,494
Liabilities related to long-term employee benefits	17.	24,846	22,898
Other non-current financial liabilities	16.	21,329	53,040
Non-current liabilities		1,706,348	1,945,831
Current loans and borrowings	15.	260,825	329,883
Current derivative financial liabilities	28.	86,757	496,411
Trade payables and other non-derivative financial liabilities	28.	604,386	688,753
Current provisions	18.	51,555	55,663
Liabilities related to short-term employee benefits	17.	36,352	32,188
Liabilities held for sale	11.	15,086	0
Current tax liabilities		67,052	173,988
Other current non-financial liabilities	19.	977,994	1,366,009
Current liabilities		2,100,007	3,142,895
Liabilities		3,806,355	5,088,726
Total equity and liabilities		5,975,709	7,025,452

2. Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income (in HUF million)	Note III.	2024	2023
Sales revenue	20.	4,533,736	5,079,039
Other operating income	21.	882,978	1,238,002
<i>Operating expenses</i>		4,859,355	5,672,486
Material-type expenses	22.	3,838,338	4,676,215
Staff costs	23.	335,856	307,447
Depreciation/Amortisation	1.,2.,3.	268,045	265,926
Recognition and release of provisions	18.	21,269	-23,535
Recognition and reversal of impairment	24.	50,200	27,374
<i>-of which recognition and reversal of impairment under IFRS 9</i>	24.	18,830	11,224
Payment to Central Nuclear Financial Fund (hereinafter referred to as: CNFF)	25.	32,934	31,070
Other operating expenses	26.	429,128	477,692
Own performance capitalised		-116,415	-89,703
Operating profit		557,359,	644,555
Finance income	27.	361,931	422,534
Finance costs	27.	441,222	525,334
Net finance costs		-79,291	-102,800
Share of profit/loss of associates and joint ventures	5.	13,517	3,817
Profit before tax		491,585	545,572
Income tax expense	8.	167,863	176,450
Profit after tax		323,722	369,122
Profit after tax attributable to the owners of the Company		323,867	369,160
Loss after tax attributable to non-controlling interests		-145	-38
Other comprehensive income that cannot be accounted for in profit or loss in subsequent periods:		-111,586	-197,127
Revaluation of tangible assets (net of tax)	8.	-107,595	-195,664
Revaluation of employee benefits (net of tax)	8.	-2,402	-1,352
Changes in fair value of interests measured at fair value through other comprehensive income (net of tax)	8.	-1,589	-111
Other comprehensive income that can be accounted for in profit or loss in subsequent periods:		344,215	-361,607
Foreign currency translation differences (net of tax)		49,753	-99,099
Loss on hedges of a net investment in a foreign operation	28.	-31,301	-
Change in cash flow hedge (net of tax)	8.	324,498	-261,988
Equity-accounted investees – share of OCI		1,265	-520
Other comprehensive income for the year, net of tax		232,629	-558,734
Total comprehensive income		556,351	-189,612
Total comprehensive income attributable to the owners of the Company		556,473	-189,562
Total comprehensive income attributable to non-controlling interests		-122	-50

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(All figures are in HUF million except if otherwise indicated)

3. Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows (in HUF million)	Note III.	2024	2023
Profit for the period (profit after tax)		323,722	369,122
Depreciation/ Amortisation	1., 2., 3.	268,045	265,926
Impairment and scrapping of property, plant, equipment and intangible assets	24.	25,396	6,743
Impairment of goodwill	24.	2,601	0
Development grant received	21.	-6,266	-14,332
Impairment (+)/reversal (-) of purchased CO ₂ allowances		699	47
Impairment of inventories (+) and reversal thereof (-)	24.	3,367	8,060
Impairment of receivables (+) and reversal thereof (-), derecognition of bad debts	24.	18,830	12,564
Impairment of non-current assets held for sale	24.	6	7
Gain (-)/Loss (+) on the derecognition of property, plant and equipment and other intangible assets		1,444	7,345
Gain (-)/Loss (+) on the derecognition of non-current assets held for sale		-2,420	-24,689
CO ₂ allowances and certified energy savings used		112,117	85,685
Changes in allocated CO ₂ allowances		376	-189
Green certificate generated in the reporting year	21.	-448	-655
Share of profit (-)/loss (+) of equity-accounted investees, net of tax	5.	-13,185	-3,817
Gains/Losses on loss of control over subsidiaries		-3,621	0
Gains/Losses on the sale of interests in associates and joint ventures		-332	6
Gain (-)/Loss (+) on the derecognition of interests in other entities		0	-14
Liabilities assumed without consideration		-8,351	0
Unrealised foreign exchange gains (-)/losses (+)		93,904	-11,376
Negative goodwill	31.	-500	-100
Dividends received	27.	-19	-119
Interest income	27.	-22,759	-31,651
Interest expense	27.	82,454	102,751
Income tax expense	8.	167,863	176,450
Cash flows from operating activities before changes in working capital		1,042,923	947,764
Changes in inventories	9.	280,214	187,350
Purchase of CO ₂ allowances and certified energy savings	3.	-171,415	-94,771
Changes in trade receivables and other non-derivative financial assets		449,564	117,201
Changes in other non-financial assets	10.	487,556	262,392
Changes in trade payables and other non-derivative financial liabilities		-97,509	-471,943
Changes in provisions	18.	22,050	-26,303
Changes in other non-current financial liabilities	16.	-29,875	-33,563
Changes in other non-financial liabilities	19.	-418,350	-467,020

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(All figures are in HUF million except if otherwise indicated)

Consolidated Statement of Cash Flows <i>(in HUF million)</i>	Note III.	2024	2023
Changes in liabilities related to employee benefits	17.	1,069	-2,135
Changes in derivative financial assets and liabilities	28.	-31,807	5,270
Changes in restricted cash	12.	-3,347	37,861
Cash flows from operating activities		1,531,073	462,103
Income tax paid		-292,574	-84,452
Net cash flows from operating activities		1,238,499	377,651
Dividends received		11,007	7,327
Interest received		23,982	30,302
Acquisition of property, plant and equipment, intangible assets		-294,544	-336,196
Sale of property, plant and equipment, intangible assets		1,353	2,420
Sale of non-current assets held for sale		3,620	29,181
Development grant received		38,311	84,194
Granting and repayment of loans		3,700	-1,004
Acquisition of subsidiaries and business units, net of cash received	31.	-360,894	-45,233
Proceeds from sale of subsidiary, net of transferred financial assets		-771	0
Proceeds from sale of associates and joint ventures, disinvestment		1,263	3
Acquisition of interests in associates and joint ventures	5.	-4,629	-16,617
Sale of interests in other entities	6.	1	14
Acquisition of interests in other entities	6.	-1,876	0
Cash flows from investing activities		-579,477	-245,609
Dividends, interim dividends paid	4.,14.	-141,068	-417,058
Interest paid		-74,984	-88,368
Capital increase	14.	0	0
Transactions with the shareholder		0	0
Loans and borrowings	15.	1,464,642	2,674,132
Repayment of loans and borrowings	15.	-1,862,047	-2,456,319
Payment of lease liability		-11,438	-10,051
Transactions with non-controlling interests	4.	345	37
Cash flows from financing activities		-624,550	-297,627
Net increase/decrease in cash and cash equivalents		34,472	-165,585
Cash and cash equivalents at the beginning of the year	13.	244,196	404,556
Effect of movements in exchange rates on cash held		2,273	5,225
Cash and cash equivalents at the end of the year	13.	280,941	244,196

**MVM Energetika Zártkörűen Működő Részvénytársaság
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4. Consolidated Statement of Changes in Equity

(in HUF million)	Note III.			Attributable to the owners of the Company										Attributable to non-controlling interests	Total
		Share capital	Capital reserve	Retained earnings	Allocated reserve	Reserves							Total		
						Cash flow hedges	Revaluation reserve of tangible assets	Fair value reserve	Translation reserve related to foreign currencies	Reserve for employee benefits	Reserve for valuation of associates	Total other reserves			
Balance at 1 January 2023		849,379	51,892	224,061	282	-5,099	970,400	1,030	142,206	43	0	1,108,862	2,234,194	165	2,234,359
Profit for the reporting period		0	0	369,160	0	0	0	0	0	0	0	0	369,160	-38	369,122
Other comprehensive income		0	0	0	0	-261,988	-195,664	-111	-99,087	-1,352	-520	-558,722	-558,722	-12	-558,734
Total comprehensive income		0	0	369,160	0	-261,988	-195,664	-111	-99,087	-1,352	-520	-558,722	-189,562	-50	-189,612
Reclassification from other comprehensive income to retained earnings		0	0	75	0	0	0	0	0	-75	0	-75	0	0	0
Recognition/Release of allocated reserve		0	0	-2,589	2,589	0	0	0	0	0	0	2,589	0	0	0
Derecognition of revalued assets		0	0	46	0	0	-46	0	0	0	0	-46	0	0	0
Transactions with non-controlling interests	4.	0	0	0	0	0	0	0	0	0	0	0	0	37	37
Dividend payment	14.	0	0	-108,048	0	0	0	0	0	0	0	0	-108,048	-10	-108,058
Balance at 31 December 2023		849,379	51,892	482,705	2,871	-267,087	774,690	919	43,119	-1,384	-520	552,608	1,936,584	142	1,936,726

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(in HUF million)	Note III.			Attributable to the owners of the Company										Attributable to non-controlling interests	Total
		Share capital	Capital reserve	Retained earnings	Allocated reserve	Reserves							Total		
						Cash flow hedges	Revaluation reserve of tangible assets	Fair value reserve	Translation reserve related to foreign currencies	Reserve for employee benefits	Reserve for valuation of associates	Total other reserves			
Balance at 1 January 2024		849,379	51,892	482,705	2,871	-267,087	774,690	919	43,119	-1,384	-520	552,608	1,936,584	142	1,936,726
Profit for the reporting period		0	0	323,867	0	0	0	0	0	0	0	0	323,867	-145	323,722
Other comprehensive income		0	0	0	0	324,498	-107,595	-1,589	18,429	-2,402	1,265	232,606	232,606	23	232,629
Total comprehensive income		0	0	323,867	0	324,498	-107,595	-1,589	18,429	-2,402	1,265	232,606	556,473	-122	556,351
Reclassification from other comprehensive income to retained earnings		0	0	-56	0	0	0	0	0	56	0	56	0	0	0
Recognition/Release of allocated reserve		0	0	927	-927	0	0	0	0	0	0	-927	0	0	0
Derecognition of revalued assets		0	0	70	0	0	-70	0	0	0	0	-70	0	0	0
Transactions with non-controlling interests	4.	0	0	0	0	0	0	0	0	0	0	0	0	345	345
Dividend payment	14.	0	0	-324,000	0	0	0	0	0	0	0	0	-324,000	-68	-324,068
Balance at 31 December 2024		849,379	51,892	483,513	1,944	57,411	667,025	-670	61,548	-3,730	745	784,273	2,169,057	297	2,169,354

II. Notes to the consolidated financial statements – General

1. Introduction of the Group

MVM Energetika Zártkörűen Működő Részvénytársaság (formerly MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, hereinafter referred to as MVM Zrt., Company or the Parent company) was formed on 31 December 1991 through transformation of its legal predecessor Magyar Villamos Művek Tröszt (hereinafter referred to as MVM Tröszt). MVM Zrt. is a Hungarian-registered private company limited by shares. Its owner is the Hungarian State which holds 100% of its shares; ownership rights and obligations pertaining to the shares of the State have been exercised by the Ministry of Energy since 1 December 2022.

Registered office of MVM Zrt. is Hungary, 1031 Budapest, Szentendrei út 207-209. There were no changes in the Company's name or registered office during the reporting year.

MVM Zrt. and the companies controlled by it (hereinafter referred to as MVM Group or Group) form together a vertically integrated national energy group, the operation of which covers the entire Hungarian energy sector. Subsidiaries, associated companies and joint ventures included in the consolidation scope of the Group as well as the method of consolidation are presented in Note III. 38. With its power plants, electricity transmission network, natural gas and electricity distribution network as well as its natural gas trading (from wholesale to universal services) and electricity trading (from wholesale to direct sale to consumers), as a competitive strategic holding MVM is a dominant participant of the Hungarian electricity and natural gas market. The MVM Group undertakes a role in the energy sector of the region, in particular in the natural gas and electricity trading market of the Czech Republic through innogy Česká republika a.s. and its subsidiaries, and in ensuring secure gas supply for Hungary by operating its four underground natural gas storing facilities. During 2024 the MVM Group also acquired a stake in one of the world's largest deepwater natural gas fields, the Shah Deniz offshore natural gas and condensate field in Azerbaijan.

2. Statement of compliance and basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (hereinafter referred to as EU) (hereinafter referred to as EU IFRSs).

These financial statements were approved by the Board of Directors of MVM Zrt. on 16 April 2025.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following items, which are stated at fair value:

- derivative transactions measured at fair value – derivative transactions in effective cash flow hedges, or derivative transactions that are not designated as hedging relationships (Note II.3. d));

- equity instruments measured at fair value through other comprehensive income (Note II.3. d));
- nuclear technology assets (Note II.3. j)).

In accordance with IFRSs, the provisions of the Hungarian Act on Accounting are applied by the Group to matters not regulated by IFRSs.

The financial year corresponds to the calendar year. The Group prepares the consolidated financial statements on a going concern basis.

Functional and presentation currency

These consolidated financial statements are presented in Hungarian forint, which is the Company's functional currency. In the consolidated financial statements, financial information presented in forint has been rounded to the nearest million ("HUF million"), while information presented in other currencies has been rounded to one currency unit.

Recorded data of the person responsible for directing and managing bookkeeping-related tasks

Public data of the person responsible for directing bookkeeping-related tasks in relation to the consolidated financial statements:

Viktória Kovács

Address: 1131 Budapest, Madarász Viktor utca 27.

Qualified accountant registration number:179762

Persons authorised to sign the consolidated financial statements

Name	Address

Authorised to sign jointly:

Károly Tamás Mátrai

1025 Budapest, Verecke út 88/A

CEO - primary signatory

László Fazekas

1138 Budapest, Turóc utca 7. 5. em. 3.

Deputy CEO, Chief Financial Officer

secondary signatory

Audit

Based on Section 155 (2) of the Act on Accounting, MVM Zrt. must be audited.

Auditor of the Company: Deloitte Könyvvizsgáló és Tanácsadó Kft.

Individual responsible for the audit:

Tamás Horváth auditor

Mother's maiden name: Veronika Grósz

Address: 1029 Budapest, Bölény u. 16.

Chamber of Hungarian Auditors registration number: 003449

The consolidated financial statements are also disclosed on the website of MVM Zrt.
(<https://mvm.hu/Befektetoknek/PenzugyiBeszamolok>).

3. Significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using “acquisition accounting” as at the acquisition date. Control exists if the MVM Group is exposed (or has rights) to variable returns from its involvement with the company (subsidiary) and is able to use its power over the company to affect those returns.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Goodwill is measured as at the acquisition date as follows:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of pre-existing equity interest of the acquirer in the acquiree;
less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the difference arising upon acquisition is negative, the MVM Group reassesses whether all assets acquired and liabilities assumed have been identified, and it revises the measurement performed to determine the amounts to be recognised. If the difference is still negative it is recognised immediately in profit or loss.

The Group rates, classifies and allocates to host contracts, if applicable, the assets acquired and liabilities assumed, including embedded derivatives identified in the contracts of the acquiree, on the basis of their contractual terms, economic and related conditions as at the acquisition date.

The consideration transferred does not include the amounts paid by the acquirer to the acquiree to settle transactions that occurred between them prior to the acquisition. These amounts are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt and equity securities, incurred in connection with the business combination are recognised in profit or loss as incurred.

Any contingent consideration payable by the acquirer is measured at fair value at the acquisition date. If the MVM Group classifies the contingent consideration as equity, then it is not re-measured subsequently and its settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

For goodwill, impairment is assessed at least annually or if an indication exists that the cash-generating unit might be impaired. For impairment testing, MVM Group allocates goodwill to its one or more cash-generating units that are expected to benefit from the synergies of the combination, irrespective of the fact whether other assets or liabilities have been allocated to those units. In assessing impairment, the present value of expected future cash flows from the cash-generating unit is compared to the carrying amount of the net assets of the unit including goodwill.

For option or forward transactions with owners holding non-controlling interests the MVM Group applies the so called present access method, that is, the interests forming the base of the option or forward transaction are not presented as if they had been obtained at the date of acquisition.

As a result, liabilities arising from the option or forward transactions are not included in the consideration paid but are treated by the Group as separate financial liabilities.

Business combinations of jointly controlled entities

A business combination involving jointly controlled entities or businesses is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

The Group accounts for transactions between jointly controlled entities at the carrying amount of the acquiree in its consolidated financial statements upon initial recognition of assets and equity and liabilities. During the method of accounting for the carrying amount, the profit or loss on transactions between jointly controlled entities is accounted for in retained earnings within equity.

Non-controlling interests

Non-controlling interests in an acquiree are measured at the proportionate share of the acquiree's identifiable net assets.

Changes to the MVM Group's interests in its subsidiaries which do not result in the loss of control over the given subsidiary are accounted for as transactions with owners in their capacity as owners. The non-controlling interests are adjusted by the proportionate amount of the identified net assets of the subsidiary. The adjustments have no impact either on the profit or loss or on the value of goodwill.

b) Basis of consolidation

The consolidated financial statements include the financial statements of MVM Zrt. and of all those enterprises in which the Company has direct or indirect controlling influence (subsidiaries), as well as the equity-accounted associated companies and joint ventures of the MVM Group. The Company and its subsidiaries form together the “MVM Group”.

Subsidiaries

Subsidiaries are companies controlled directly or indirectly by the Company. Control is construed as defined in the first paragraph of section a) above.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases, with the following simplifications.

The subsidiaries are first consolidated on the last day of the month of their establishment or acquisition, provided there has been no significant change in the circumstances between the acquisition date and the last day of the acquisition month. If there has been a significant change in the circumstances between the acquisition date and the last day of the acquisition month, the first consolidation takes place as of the acquisition date.

The task of consolidating capital in a full consolidation must be stopped if a subsidiary consolidated fully in the previous year is no longer consolidated using the full consolidation method. The capital is not consolidated and the previously consolidated company is removed from the full consolidation as of the first day of the month in which the change took place, provided there were no significant alterations in the circumstances between the day of the change and the first day of the month of the change. Otherwise, the entity is removed as of the day of the change. If the capital consolidation is discontinued because a subsidiary previously consolidated in full is subject to insolvent or voluntary liquidation proceedings, then the removal is based on the financial statements ending the company's activity, and when the insolvent or voluntary liquidation becomes final it is exempt from inclusion in the full consolidation.

Associates

A company is considered an associate if the MVM Group holds directly or indirectly at least 20% but less than 50% of the voting rights and has significant but non-controlling influence in the company. Influence is considered significant, if MVM Group has the power to participate in the financial and operating policy decisions of the entity. Associates are accounted using the equity method and are recognised initially at cost.

The consolidated financial statements of the MVM Group include the MVM Group's proportionate share of the profit or loss and other comprehensive income for the reporting year of the equity-accounted investees.

When the MVM Group's share of the losses of the associate exceeds the interest in the equity-accounted investee, the carrying amount of the investment must be reduced to zero. Losses exceeding the carrying amount of the investment are accounted for only when and to the extent that the MVM Group has made payments on behalf of the associate or has an obligation relating to this.

Joint arrangements

Joint arrangements are arrangements whereby the MVM Group has joint control with one or more parties over an enterprise. Joint control is the contractually agreed sharing of control over an enterprise which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. Types and accounting treatment of such arrangements are:

- Joint operation – A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The proportionate share in each asset, liability, income and expense of the joint operation is recognised in the consolidated financial statements of the MVM Group. In the period covered by these financial statements the MVM Group had no interests in joint operations.
- Interest in joint ventures (joint venture) – A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Such interests are accounted for by the MVM Group using the equity method.

Eliminations during consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated during consolidation. Unrealised gains arising from transactions with associates and joint ventures consolidated as equity-accounted investees are eliminated against the investment up to the extent of the MVM Group's interest. Unrealised losses are also eliminated in the same way, but only to the extent that there is no evidence of impairment.

Loss of control

On the loss of control over a subsidiary, the assets and liabilities of the subsidiary, any non-controlling interests and the components of equity deriving from accumulated other comprehensive income are derecognised from the financial statements of the MVM Group at the date when the control by the Group ceases. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the MVM Group retains a non-controlling interest in a previous subsidiary after losing control, then such interest is remeasured at fair value at the date that the control is lost. Subsequently, the retained interest is accounted for as an equity-accounted investee or as a financial asset measured at fair value through other comprehensive income, depending on the level of influence retained.

c) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of MVM Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Gains and losses arising on re-measurement are included in the consolidated profit or loss, except

- available-for-sale equity instruments and
- gain or loss on a hedging instrument designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

These are accounted for in other comprehensive income. Non-monetary items measured at cost are translated into the functional currency using the exchange rate valid on the date of the transaction.

Foreign operations

Assets and liabilities of foreign operations, including any goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency, i.e. forint, at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to the presentation currency at the monthly average exchange rate.

Foreign currency differences are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation recognised in other comprehensive income and presented in the translation reserve in equity, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation.

d) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus or minus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

The MVM Group is required to recognise a financial asset or a financial liability in its balance sheet when and only when the contractual provisions of the instrument become relevant to it.

Financial assets are derecognised when the MVM Group's contractual rights to the cash flows from the asset expire, or when it transfers such rights in transaction in which substantially all risks and rewards of ownership of the financial asset are transferred.

The MVM Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are recognised on a net basis in the statement of financial position when and only when the MVM Group has a legal right to offset the amounts, and it intends either to settle them on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets

The Group classifies its financial assets into the following categories, based on the business model applied to manage financial assets as well as contractual cash flow characteristics of the financial asset:

1. Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost, if:

- a. the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- b. the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (hereinafter referred to as: "SPPI").

Financial assets measured at amortised cost are recorded in the books at fair value and are measured subsequently at amortised cost using the effective interest method.

The Group classifies the following assets into the amortised cost category:

- non-current loans and receivables;
- trade receivables and other non-derivative financial assets;
- restricted cash;
- cash and cash equivalents.

2. Debt instruments measured at fair value through other comprehensive income ("FVOCI")

A financial asset is classified into this category, if:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b. the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

No financial assets were classified into this category by the Group.

3. Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets of the Group that cannot be classified into either of the above categories are classified into this category, namely:

- debt instruments that either fail to meet the SPPI criterion or are considered held for trading based on the business model of the Group;
- debt instruments that were irrevocably designated as measured at fair value through profit or loss upon initial recognition;
- equity instruments that are held by the Group for trading, that is, which have been acquired for the purpose of reselling them immediately or in the near term.

Financial assets at fair value through profit or loss are recorded at fair value following initial recognition as well. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit or loss in the year when they are incurred. The Group classifies only derivative financial instruments not subject to hedge accounting into this category.

Of equity instruments, those financial assets (interests) are measured at fair value through other comprehensive income ("FVOCI") which:

- a. those are not held for trading;
- b. the Group makes an irrevocable election to measure the equity instrument at fair value through other comprehensive income ("FVOCI option").

FVOCI equity instruments are measured at fair value both upon initial recognition and subsequently. Changes in the fair value of financial assets classified into this category are accounted for in the fair value reserve within other comprehensive income, whereby amounts resulting from the changes in the fair value may not be reclassified into profit or loss even upon the derecognition of the instrument.

On initial recognition, on its discretion the Group chose to measure equity instruments at fair value through other comprehensive income. The management's intent relating to the instruments did not change and these instruments are not held for trading, therefore the Group chose the measurement through other comprehensive income.

Financial liabilities

The Group classifies financial liabilities as follows:

- financial liabilities measured at amortised cost;
- financial liabilities measured at fair value through profit or loss.

For financial liabilities measured at fair value through profit or loss, attributable transaction costs are recognised in profit or loss when incurred, while financial liabilities carried at amortised cost are recorded at fair value less directly attributable transaction costs. Financial liabilities are derecognised when contractual obligations are discharged, cancelled or expire.

Financial liabilities measured at amortised cost

The financial liabilities at amortised cost category includes all financial liabilities which are not classified as financial liabilities at fair value through profit or loss.

(a) Loans and other borrowings

Loans and borrowings are recognised initially at fair value less transaction costs. If identified borrowing costs incur before the disbursement of the loan or, in the case of revolving loans, the costs related to the drawing of the whole facility and there is no open drawdown of the facility as of the given reporting date, borrowing costs are transferred to other non-financial assets when incurred/upon periodic repayment. In subsequent periods these are recognised at amortised cost using the effective interest method that takes planned drawdowns and repayments into account. Effective interest is accounted for in profit or loss (as finance costs) over the term of the loan. If the loan is not expected to be drawn, borrowing costs are accounted for in profit or loss (as finance costs) over the period when the loan can be drawn, using the straight-line method.

In the case of a hedge of a net investment in a foreign operation, the gain or loss on the hedging instrument that is determined to be an effective hedge of the net investment is recognised in other comprehensive income and is included with the foreign exchange differences arising on translation of the results and financial position of the foreign operation. The ineffective portion of the hedge is recognised in profit or loss (as finance income or cost). When a foreign operation is disposed of, in part or in full, the relevant amount in the hedge translation reserve is transferred to profit or loss.

(b) Trade and other payables

Trade and other payables (including deferrals and accruals) are recognised initially at fair value. In subsequent periods these are recognised at amortised cost using the effective interest method.

Financial liabilities measured at fair value through profit or loss

As currently the MVM Group does not intend to measure non-derivative financial instruments at fair value, only derivative financial instruments not subject to hedge accounting are classified into this category.

(ii) Derivative financial instruments

The MVM Group enters into forward non-hedging and hedging foreign exchange, natural gas, electricity, heating and diesel oil sale and purchase transactions, as well as swap and option transactions. The MVM Group applies the provisions of IAS 39 to hedges.

To manage interest rate risk connected to loans, MVM Group enters into interest rate swap transactions that are not designated as hedge relationships.

Forward and option transactions whereby the objective of initiating, entering into and maintaining the transaction is the purchase, sale or use of the commodity that is the subject of the transaction, and such objective is expected to be fulfilled by transferring (delivering) the commodity that is subject of the transaction when the transaction is closed, are not considered derivative transactions. The Group records these transactions separately from trading transactions in its trading books. Such are the following:

- sale of electricity generated/purchased by the Group;
- purchases to cover the Group's own CO₂ allowance demand.

Exceptions to the above rule are delivery transactions entered into by the Group, when the purpose of the transaction is not the purchase, sale or use of the commodity that is the subject of the transaction, but which were entered into to make profit from short-term price movements. These transactions are considered by the Group part of its normal business; accordingly it recognises their net (realised and unrealised) profit or loss in revenue.

Derivative transactions not subject to hedge accounting are initially recognised and subsequently measured at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Fair value upon initial recognition and fair value changes following initial recognition are recognised in profit or loss.

Derivative transactions subject to hedge accounting are cash flow hedges and relate to the Group's gas and electricity purchase and sale contracts forecast with high probability.

Hedging transactions are designated as hedges upon entering into the transaction, and the hedged transaction or transactions (item or items) as well as its specific risk are clearly attributed to them. Hedges and the attributed hedged transactions (items) are recorded by the Group using hedging documentation supporting the sub-ledger records that contains the type of risk hedged, the expiry date of the hedging relationship, the general measurement procedure used for measuring the transactions, its conditions and that the time value is considered, as well as the method for and dates and results of measuring (analysing) hedge effectiveness.

When entering into a hedge transaction the Group ensures hedge effectiveness. Hedge effectiveness is measured upon expiry of the hedge as well as on the reporting date.

In case of cash flow hedges the effective portion of the gain or loss on the hedge is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss. The amounts booked in other comprehensive income have to be reclassified into profit or loss when the hedged transaction affects profit or loss, for example when the forecast sale or purchase occurs. If the hedged transaction is the acquisition of a non-financial asset or liability, the amount booked in other comprehensive income shall be considered in the cost of the non-financial asset or liability.

If the hedging transaction expires or is sold, terminated or exercised, or the hedging designation is withdrawn, the amounts previously accounted for in other comprehensive income remain in other comprehensive income until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, these amounts shall be reclassified to profit or loss. For effective hedges, directly attributable transaction costs are accounted for in profit or loss when incurred. The replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the documented hedging strategy.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in a host contract that is considered a financial asset are not separated from the host contract; in such cases the SPPI test is applied to the entire hybrid contract (consisting of an embedded derivative and a host contract).

e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash include cash on hand and demand deposits, while cash equivalents comprise short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

f) Statement of cash flows

The Group prepares the consolidated statement of cash flows using the indirect method.

For the purposes of the statement of cash flows, overdraft facilities are recognised as part of cash and cash equivalents.

Items related to the payment of lease liabilities are classified into financing cash flows.

g) Restricted cash

Restricted cash comprises funds that are restricted in some way, generally managed separately from unrestricted cash in order to cover some specific objective. The category of restricted cash includes funds held without any effective right of access (e.g. security deposit), but funds that are technically unrestricted, whose use is limited by law or a valid contract, should be treated as restricted cash too. This includes the fees collected by MAVIR ZRt. as part of system operation activity according to the provisions of the Act on Electricity, see Note II.3. aa).

h) Equity

The MVM Group classifies ordinary shares as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

The MVM Group considers amounts paid as interim dividend as payments to owners and directly recognises such amounts as a reduction in retained earnings, if, on the reporting date, the owners no longer can be required to repay the interim dividend based on legal regulations.

Capital increase provided by the shareholders but not yet registered by the Court of Registration is recognised in shareholders' equity as Unregistered contributed capital.

i) Dividend paid to shareholders

A dividend liability is recognised when it is approved for payment by the shareholder. The amount of the dividend is recognised directly as a reduction in retained earnings.

The Group recognises amounts paid as interim dividend as receivables from shareholders until those are finally approved by the shareholder based on the annual financial statements prepared following the payment of the interim dividend.

j) Property, plant and equipment

Initial recognition

Property, plant and equipment are initially recognised at cost. Cost includes expenses that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the

assets and restoring the site on which they are located, as well as borrowing costs attributable to the acquisition, construction or production of a qualifying asset.

Purchased software that is an integral part of the operation of equipment increase the cost of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the MVM Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing (maintenance costs) of property, plant and equipment are recognised in profit or loss as incurred.

Subsequent measurement

Tangible assets are measured at cost less accumulated depreciation and accumulated impairment, except for nuclear technology assets, to which the revaluation model is applied.

When applying the revaluation model, if the fair value of the asset is higher than its carrying amount and thus a valuation surplus arises, the surplus is recognised in the other comprehensive income. If such surplus reverses a negative revaluation difference recognised previously in profit or loss for the year, then the surplus is recognised in profit or loss for the year up to the amount of the negative difference recognised previously and the remaining surplus is recognised in the other comprehensive income.

If during valuation the fair value of the asset is lower than its carrying amount and thus a negative revaluation difference arises, this amount is recognised in other comprehensive income up to the positive amount of the revaluation reserve recognised in other comprehensive income; and afterwards it is recognised in profit or loss for the year.

Depreciation

Depreciation is accounted for based on the cost less residual value or revalued amount of the assets from the date when the assets are completed and are ready for use. Residual value is assessed only for production and non-production vehicles as well as property. For the other assets, due to their nature, no residual value is assessed by the MVM Group.

Depreciation is accounted for using the straight-line method or in proportion to performance based on the estimated useful lives of the individual components of property, plant and equipment, as these reflect best the expected timing of future economic benefits embodied in the assets. Land is not depreciated.

The estimated useful lives for the reporting and comparative periods in the case of straight-line depreciation are as follows:

• Property	35-50 years
• Technological assets	15-50 years
• Transmission and distribution network	3-50 years
• Storage assets	3-50 years

• Technical machinery, equipment	5-35 years
• Other machinery, equipment	2-8 years

Depreciation methods, useful lives and residual values are reassessed annually at each reporting date.

The MVM Group may change the depreciation rates for any tangible asset if a material change occurs in their expected useful life, the value of the asset or in the expected residual value. A change is considered material if the useful life changes by more than 10% or if the residual value changes by more than 20%.

The cushion gas owned by the Group, which is the mobile gas classified as cushion gas (mobile gas is natural gas stocks put into the storage facilities and afterwards taken out in line with client demand), serves the Group's provision of services over more than one year, therefore it is recognised among property, plant and equipment. Cushion gas is in the underground gas storage facilities. As the majority of the cushion gas can be produced technologically and sold, and its expected residual value at the time when the storage facilities will be closed is higher than its carrying amount, no depreciation is booked on the cushion gas in the financial statements. On each reporting date MVM Group assesses based on market information whether there is any indication that the cushion gas may be impaired and it accounts for impairment if objective evidence exists.

The energy production cycle – useful life – of the nuclear fuel assemblies used by the Group is generally 3-5 years, therefore these are treated in accordance with the provisions of IAS 16 Property, plant and equipment. The Group determines the depreciation of nuclear fuels using the units of production method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the fuel.

Derecognition

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

k) Investment property

MVM Group classifies property as investment property when it is held either to earn rental income or for capital appreciation or for both, but not for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

Investment property is measured based on the cost model; Note II.3.f) applies to these assets as well in respect of the depreciation method and useful lives.

I) Intangible assets

Initial recognition

The MVM Group recognises an intangible asset if it meets the definition of an intangible asset (identifiable non-monetary asset without physical substance) and the recognition criteria set forth in the Conceptual Framework.

An intangible asset can be acquired or internally generated.

Cost includes expenses that are directly attributable to the acquisition of the asset, such as the purchase price and the costs of preparing the intangible asset for its intended use.

In the case of internally generated intangible assets, the costs of the research phase shall be accounted for as expenses, while in the development phase it shall be considered when the items meet the six recognition criteria listed in IAS 38. The cost of an internally generated intangible asset includes all costs incurred from the date when the intangible asset first meets the recognition criteria and that are unavoidable for the asset to be capable of operating in the manner intended by management. Furthermore, the cost of and internally generated intangible asset also includes the fees to register a legal right.

Measurement

The MVM Group does not record amortisation for intangible assets with an indefinite useful life or that are not yet ready for use, but every year it performs an impairment test.

Goodwill is recognised at cost less accumulated impairment losses. Impairment losses recognised in respect of goodwill are recognised in profit or loss and are not reversed in a later period. Goodwill arising upon acquisition of interests in joint ventures and associates is presented in "Interests in associates and joint ventures". At the date of disposal of an MVM Group entity the related goodwill is considered to be part of the MVM Group's share of net assets when calculating the gain or loss on the disposal.

Other intangible assets recognised by the MVM Group which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

In the case of acquisitions MVM Group recognises the value of customer relations obtained through the acquisition, if these have contractual or legal background or meet the criterion for separate recognition. In the case of acquisitions the MVM Group also recognises the value of the brand, if it is separately identifiable and the MVM Group does not plan to discontinue the use of it.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expense, including expense on internally generated goodwill and brands, is recognised in profit or loss when incurred.

Amortisation

Amortisation is accounted for based on cost less residual value of assets in profit or loss using the straight-line method over the estimated useful lives of intangible assets from the date that

they are available for use. Customer relations are an exception, which are amortised typically using the diminishing-balance method, taking assumed churn into account.

The estimated useful lives for the reporting period and the comparative period are as follows:

- rights and concessions 2-34 years
- intellectual property 3-5 years

Generally, the Group does not consider residual values for intangible assets.

The amortisation method, useful lives and residual values are reviewed on each reporting date and are adjusted if necessary.

Derecognition

Gains and losses on disposal of an intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible assets, and are recognised net within other operating income or other operating expenses in profit or loss.

m) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies IFRS 16 to all leases, including leases of right-of-use assets in a sublease, except for:

- leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources;
- leases of biological assets within the scope of IAS 41 Agriculture held by the lessee;
- service concession arrangements within the scope of IFRIC 12 Service Concession Arrangements;
- licences of intellectual property granted by the lessor within the scope of IFRS 15 Revenue from Contracts with Customers; and
- rights held by the lessee under licensing agreements within the scope of IAS 38 Intangible Assets for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights.

The Group acting as a lessor

Finance lease

Lease contracts are presented as finance leases if the lease transfers substantially all the risks and rewards incidental to ownership to the lessee. All other lease contracts are presented as operating leases.

A finance lease is a transaction in which the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

Amounts due from the lessee under a finance lease are presented as receivables at an amount equal to the Group's net investment in the lease.

During the term of a finance lease, all lease payments received are split between principal repayment of the liability and interest income, to produce a constant rate of return on the net investment in the finance lease. The interest income element of the finance lease is recognised as Interest income. Initial measurement of finance lease receivables includes direct costs, such as commissions.

Operating lease

An operating lease is a transaction that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. For operating leases, lease payments are accounted for in the income statement.

The Group acting as a lessor reports an asset subject to an operating lease contract in the balance sheet as a tangible or intangible asset based on the nature of the asset. The Group accounts for depreciation or amortisation on these over their entire useful life.

Lease payments received from operating leases are recognised as income on a straight-line basis over the term of the lease.

The Group acting as a lessee

Initial recognition in the balance sheet

The Group as a lessee recognises a right-of-use asset and a lease liability at the commencement date. Exceptions to the above rule are short-term leases (where the lease term is less than one year) and leases for which the value of the underlying asset when new is less than HUF 1.5 million. The Group accounts for lease payments paid for these short-term and/or low-value leases as operating costs on a straight-line basis over the term of the lease.

The Group separates non-lease components (e.g. maintenance costs of leased property) from lease components, and does not use the practical expedient in IFRS 16.15. An exception to this are the motor vehicles leased by the Group, for which non-lease components are taken into account in the determination of the total cash flows of the lease.

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, or if it is not set forth in the contract, the Group's incremental borrowing rate.

At the commencement date, the right-of-use-asset is measured at the amount of the initial measurement of the lease liability, plus any lease payments made at or before the

commencement date, less any lease incentives received as well as any initial direct costs incurred by the Group and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

On initial recognition the assets and liabilities from the lease are stated in the balance sheet at present value. The measurement takes non-cancellable lease payments (including payments linked to inflation) into account, and includes items payable in the periods covered by an option if the Group is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease.

The commencement date of the lease is the date on which the lessor makes an underlying asset (e.g. property, plant or equipment subject to the lease) available for use by the Group. On the commencement date the lease term commences and a lease liability and a right-of-use asset are recorded in the balance sheet.

To determine whether the Group is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease, the Group considers all relevant facts and circumstances that may create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Revision of lease contracts

Remeasurements

Under IFRS 16, a lease liability shall be remeasured, if the change in the conditions relating to the lease contract is based on existing contractual provisions, i.e. that have formed part of the contract since initial recognition.

The Group as a lessee revises the lease term, that is, whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Group; and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

Lease modifications

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term). A modification may also arise only from a change in the consideration. The effective date of the modification is the date when both parties agree to the lease modification.

The Group shall account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If these criteria are met, the modification is deemed a new lease separate from the original lease.

An agreement on the right to use one or more additional assets is booked as a separate lease, for which the requirements of IFRS 16 apply, irrespective of the original lease.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group as a lessee accounts for the modification by remeasuring the lease liability by using a discount rate determined on that date.

For lease modifications that decrease the scope of the lease, the Group decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognises a gain or loss that reflects proportionally the decrease in the scope.

For all other lease modifications the Group as a lessee makes a corresponding adjustment to the right-of-use asset.

Upon the modification of a lease, the revised lease payments are always discounted using a revised discount rate.

Presentation of leases in the consolidated financial statements

Right-of-use assets from lease contracts are recognised in the balance sheet within Property, plant and equipment, while lease liabilities are included in Other non-current financial liabilities and Trade payables and other non-derivative financial liabilities.

In the income statement, the depreciation charge for right-of-use assets is presented within Depreciation and amortisation, while the interest expense on the lease liabilities is recognised within Finance expenses.

In the statement of cash flows, the Group presents interest calculated and paid on the lease liability within Net cash from operating activities, while cash payments for the principal portion of the lease liability are included in Cash flows from financing activities.

n) Inventories

Inventories are recognised at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of potential completion and sale.

The difference between the net realisable value of a given item of inventories (group/item no.) known as at the reporting date and its carrying amount is considered significant if the net realisable value deviates from the carrying amount by at least 10%, provided that this difference is no less than HUF 10 million, or, irrespective of the % value, if the difference reaches HUF 100 million. In such case the difference is accounted for as impairment.

Purchased inventories

The cost of purchased inventories is determined based on average weighted purchase price and it includes expenses directly related to the acquisition of inventories, and other costs incurred in bringing them to their existing location and condition.

Self-manufactured inventories

The cost of self-manufactured inventories is determined based on their direct production prime cost on the reporting date and it includes production or conversion costs, and other costs incurred in bringing them to their existing location and condition. The cost of self-manufactured inventories and work in progress includes their share of production overheads based on normal operation capacity.

o) Carbon dioxide (CO₂) allowance

Several member firms of the MVM Group is a member of the European Emission Trading System (EU ETS) since they emit significant quantities of greenhouse gases during operation. Within the EU ETS system, power plants producing electric energy are no longer entitled to emission allowances allocated free of charge by the member states, except for power plants that transmit the produced energy in form of useful heat, district heat. These allowances are valid until the end of a pre-determined emissions period. The allowances are credited each year based on the National Allocation Plan. The MVM Group must settle its liability incurred based on actual emissions by surrendering the emission allowances. If the MVM Group decides to sell the emission allowances received, the gains or losses on sale are recognised as other operating income or expenses.

In the case of emission allowances (CO₂ allowances) fair value less costs to sell is a good approximation of the recoverable amount; as costs to sell are insignificant, the MVM Group considers price quoted on an active market as of the reporting date to be the recoverable amount of emission allowances, if available, otherwise the market price determined based on available information is taken into account.

Emission allowances received free of charge are measured initially at fair value as of the acquisition date, which is the market price quoted on an active market. These allowances received free of charge are presented as emission allowances as intangible assets in non-current assets at the same time as accounting for the government grants received in the form of allowances for surrendering the emission obligation as deferred income. Emission allowances purchased from third parties are initially measured at the amount paid for the allowances. Afterwards all emission allowances are measured at cost less impairment. Emission allowances are not amortised.

Emission allowances can be sold on the market while valid. Emission allowances used for trading are recognised at fair value less costs to sell among inventories. Emission allowances are derecognised when sold, or when surrendered to settle the liability based on actual emissions.

The MVM Group recognises provisions for liabilities which arise on account of actual emissions. The provisions are measured based on best estimates relating to expenses necessary to settle the obligation existing on the reporting date. The deferred income related to the government grant is released (recognised in profit or loss) in the period when the

surrendering obligation due to related emission is recognised. The release of deferred income is accounted for as a reduction in the recognised expense.

p) Green certificates

Green certificates are a form of grant for producers of renewable energy in Romania. Parallel to the electricity they produce, producers are entitled to green certificates for a specific amount of generated electricity, which they can sell separately under the terms defined in legislation.

Green certificates received are accounted for as government grants. The government grant is recorded in the books when the conditions for acquiring the green certificate are met with an adequate level of certainty, in other words, the electricity necessary for the certificate has been produced. At that point, the green certificate is recorded as an asset, against 'Other operating income'.

The MVM Group measures green certificates at fair value as at the date of initial acquisition, which is the market price quoted on the active market, as costs sell are insignificant.

The green certificates received free of charge are recognised by the MVM Group as intangible assets until the recognition criteria of the assets held for sale are satisfied.

Green certificates recognised as intangible assets are not amortised. The recoverable amount of the green certificates recorded as assets is measured by the MVM Group — similarly to initial recognition — based on the market price quoted on the active market on the reporting date, and impairment is recognised if necessary.

Revenue from the sale of green certificates is recognised under 'Other operating income', net of the carrying amount of the related intangible asset.

q) Impairment

Financial assets

Based on the new impairment model introduced by IFRS 9, the Group classifies financial assets in the amortised cost and the FVOCI debt instruments categories, loan commitments and financial guarantee contracts as well as contract assets into one of the following three stages, depending on the change in the initial credit quality of the instrument:

1. Performing (Stage 1);
2. Underperforming (Stage 2);
3. Non-performing (Stage 3).

Based on the model, upon initial recognition of the instruments the Group recognises impairment for losses estimated on the basis of default events expected to occur during the next 12 months. If the credit quality of the instrument deteriorates significantly, the instrument is reclassified into Stage 2 (underperforming), and impairment is assessed at the lifetime expected loss. The Group assesses significant deterioration based on ratings assigned by rating agencies and its own rating models.

The next step is classification into the non-performing stage in cases when objective evidence of impairment exists. There is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when cash flows expected from the financial

asset are more than 30-90 days past due. In such case the Group assesses on a case-by-case basis whether the credit risk of the financial asset has increased significantly.

The three-stage model detailed above is applied by the MVM Group to Non-current loans and receivables, Restricted cash and Cash and cash equivalents.

For financial assets classified into the Cash and cash equivalents and Restricted cash categories the MVM Group does not materially differentiate in the risk management procedures, those are all treated as exposures to credit institutions. The risk management procedures of the Group include initial and subsequent rating of these credit institutions based on applicable internal policies and also the establishment of individual limits for these credit institutions. The ratings derived at based on the internal rating system applied by the MVM Group indicated low credit risk for all credit institutions, therefore the Group did not booked impairment on these.

The risk management procedures of the Group include initial and subsequent rating of these credit institutions based on applicable internal policies and also the establishment of individual limits for these credit institutions.

Taking advantage of the option provided by IFRS 9, the Group applies a simplified model to financial assets classified as trade receivables and other non-derivative financial assets; that is, upon recognition it accounts for lifetime expected credit loss instead of 12-month expected credit loss for trade receivables and contract assets that do not contain a significant financing component. For trade receivables, contract assets and lease receivables containing a significant financing component the Group also opted to account for lifetime expected credit losses upon recognition.

For key clients of its member companies and for state-owned companies the Group assesses the amount of lifetime expected credit loss individually. For other trade receivables, necessary impairment is assessed on a portfolio basis, i.e. for the purposes of determining the amount of expected credit loss, trade receivables and contract assets are grouped on the basis of the products sold underlying the trade receivable (electricity, natural gas), the market segment of the trade debtor (competitive market, universal services) and the number of days in default. Contract assets relate to not invoiced performance and substantially have the same risk characteristics as trade receivables related to contracts of the same type. Consequently, the Group concluded that the expected credit loss rate of trade receivables is a reasonable estimate of the loss rate for contract assets.

Expected loss rates are based on historical receipt and default data of the last three years and on historical losses observable in the given period. Historical loss rates are adjusted to reflect both current and forward-looking information. Such information may include for example internal changes affecting risk management and collection processes, as well as external extreme changes affecting solvency of customers, e.g. in the unemployment rate or average wages. The Group reviews the mentioned forward-looking information and its effect on expected losses annually. The effect of forward-looking information on impairment is not significant.

In the statement of comprehensive income, impairment and reversal thereof accounted for in the reporting year is recognised under 'Recognition and reversal of impairment', while income received from impaired receivables settled financially in the reporting year is recognised under 'Other operating income'.

Non-financial assets

Except for inventories and deferred tax assets, the carrying amount of non-financial assets are reviewed on every reporting date to assess whether any indication of impairment exists. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit" - hereinafter referred to as "CGU").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Assets not involved directly in production do not generate separate cash flows. If there is an indication that such an asset may be impaired, then the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. All impairment losses are recognised in profit or loss.

In respect of assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the impaired carrying amount that would have been determined, if no impairment loss had been recognised. An impairment loss in respect of goodwill may not be reversed.

r) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately prior to the classification as held for sale the assets (or components of the disposal group) are re-measured in accordance with the Group's accounting policies to measure the assets (or disposal group) at the lower of the carrying amount and the fair value less costs to sell. No depreciation is booked on assets held for sale.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are recognised up to the extent of any cumulative impairment loss.

s) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive

obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The amount of contributions payable to a defined contribution plan is recognised as a liability in the periods during which related services are rendered by the employees. The amount of the contribution is recognised in profit or loss in the staff costs line item. Prepaid contributions are recognised as assets to the extent that cash refund or a reduction in future payments is available. The Group makes payments to pension and other welfare funds under defined contribution plans.

Defined benefit plans and other long-term employee benefits

Some entities within the MVM Group provide other long-term benefits to their employees under collective agreements (anniversary and long-service benefits as well as other benefits). In addition, they provide non-pension benefits due at the time of retirement (e.g. average earnings and bonus for retiring employees).

The amount of net benefit liability related to defined benefit plans and other long-term employee benefits agrees with the present value of expected future payments necessary to fulfil the obligations from the reporting year and prior-period services of the employees. The discount rate is calculated based on the risk-free HUF interest rate (ÁKK Government Debt Management Agency HUF yield curve) as of the reporting date. The calculation is performed annually by an actuary using the projected unit credit method.

The MVM Group determines the net interest on the net benefit liability as the product of the net benefit liability and the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the finance costs line item.

Actuarial gains and losses from defined benefit plans are recognised in other comprehensive income, while actuarial gains and losses from other long-term employment benefit plans are recognised as employee costs in profit or loss in the staff costs line item.

In case of a plan amendment or a curtailment, the change in the benefit related to past service and the gain or loss on the curtailment is recognised immediately in profit or loss. Gains and losses arising upon settlement of employment benefit plans are recognised upon settlement.

Upon reduction or settlement of the defined benefit plan, previously recognised accumulated other comprehensive income deriving from actuarial gains and losses is transferred to retained earnings within equity in proportion to the share of the settlement or reduction of the net liability recognised as at the first day of the given year plus net interest accounted for during the year.

Termination benefits

Termination benefits are recognised as a liability and an expense when the MVM Group is demonstrably committed to a detailed formal plan to terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy, and it can no longer withdraw the offer of those benefits, or it recognises costs for a restructuring that involves the payment of termination benefits.

Short-term employee benefits

Short-term employee benefit obligations (including electricity price discounts provided to employees) are measured on an undiscounted basis and are recognised as costs when the related service is provided. Short-term employee benefits are recognised in profit or loss as staff costs.

The amount payable is recognised as a liability if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

t) Provisions

A provision is recognised if, as a result of a past event, the MVM Group has a present obligation (legal or constructive), and it is probable that an outflow of resources embodying economic benefits will be required to fulfil the obligation, furthermore, the amount of the obligation can be estimated reliably. Provisions are reviewed at the reporting date in light of the current best estimate.

Obligation to surrender emission allowances

The MVM Group recognises provisions for the full liability to surrender (settle) emission allowances based on actual carbon dioxide emissions, the amount of which is measured to the extent of emission allowances existing at the reporting date (received free of charge and purchased by the reporting date) (covered emission) based on their carrying amount and for liabilities not covered by existing emission allowances based on market value of emission allowances as at the reporting date, since such liabilities can be settled by purchasing emission allowances. Provisions for the obligation to surrender emission allowances are recognised within other material costs.

Onerous contracts

The MVM Group recognises provisions for onerous contracts when benefits expected from the contracts are lower than unavoidable costs related to the fulfilment of contractual obligations. Unavoidable costs are the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

The amount of the provision reflects the MVM Group's best estimate.

Provisions for environmental protection liabilities and recultivation

Provisions for environmental protection costs are recognised if environmental remediation is probable and related costs are reliably measurable. The provision is recognised as the (legal or constructive) obligation arises.

The MVM Group recognised recultivation provisions for expected costs at the end of the operating life in relation to environmental restoration of sites, decommissioning of power plants, abandonment of natural gas field and mine closures.

The recognised amount represents the best estimate of expenses necessary to fulfil such liabilities at the current reporting date and price level. Where the impact of the time value of money is significant the provision equals amount of expenses expected to be necessary to settle the liability discounted to present value.

The initial estimated recultivation cost is presented in the value of the asset classified into property, plant and equipment and is depreciated over the useful life of the asset, if the remediation obligation arises at the same time as the relevant asset is initially recognised. If the obligation arises continuously during use, the provision is recognised in profit or loss at the time when the obligation arises.

Changes in a decommissioning, restoration or similar liability already recognised and accounted for as part of cost of the related asset, which result from the change in timing or amount of resources estimated to be needed for settlement or from change in the discount rate are treated as follows:

- If the related asset is measured using the cost model, changes to the liability are added to or deducted from the cost of the related asset in the reporting period. The amount deducted from the cost of the asset cannot exceed the carrying amount of the asset. If the reduction in the liability exceeds the carrying amount of the asset, the surplus is immediately recognised in profit or loss. If the cost of the asset increases as a result of the adjustment, an impairment test is performed concerning the asset.
- The provision recognised is reviewed every year to ensure that it reflects appropriately the changes in expected expenses.

Provisions for decommissioning of nuclear installations and waste management

Under the recommendations of the European Parliament, the Council and the Commission (2006/851/Euratom EU directive – hereinafter referred to as the directive), EU member states must ensure that sufficient financial resources are available for the decommissioning of nuclear installations and waste management.

The directive requires member states to establish a so called decommissioning fund, which covers the expenditure necessary for decommissioning nuclear installations.

The fund can be “internal” or “external”. Internal fund means a fund managed by the company supervising the nuclear installation, while external fund means a fund managed by an entity independent from the company supervising the nuclear installation.

Under Act of 2006 on Nuclear Energy, the Hungarian Government is responsible for tasks related to temporary storage and final disposal of radioactive waste and spent nuclear fuel as well as to decommissioning nuclear equipment. Final disposal of radioactive waste, establishment and operation of storage facilities for temporary and final storage of spent fuel of nuclear reactors as well as decommissioning of nuclear installations is performed by Radioaktív Hulladékokat Kezelő Nonprofit Kft. (hereinafter referred to as: RHK Kft.). The financial source of the activities of RHK Kft. is the Central Nuclear Financial Fund (hereinafter referred to as: Fund or CNFF).

Payments to the Fund have to be determined so that those cover the costs incurred in relation to the storage of radioactive waste generated before the establishment of the Fund, costs of temporary storage and final disposal of radioactive waste placed centrally at assigned institutions based on legal regulations after the Fund has been established, as well as costs of decommissioning nuclear facilities. The MVM Group makes payments to the Fund annually. The annual amount payable is stipulated in the Act on State Budget at an amount calculated by RHK Kft. and approved by the Government.

Point 17 of Section 7 of the EU directive sets forth that in this situation, as the company operating the nuclear installation has no influence on the financial management of an external decommissioning fund, if the invested amount did not cover the necessary amount, in effect the member state is responsible.

Based on the above, in the MVM Group's opinion the transaction falls in the scope of IFRIC 6, that is, payment liabilities related to the final disposal of radioactive waste and the establishment and operation of storage facilities for temporary storage and final disposal of spent fuels of nuclear reactors as well as decommissioning of nuclear installations are charged on current market participants (those present in the given period) and accordingly MVM Group fulfils its liabilities for the reporting period by paying the reporting year liability imposed on it, therefore it has no further provisioning obligation.

u) Contingent assets and liabilities

Contingent assets

Contingent assets are possible assets that i) arise from past events and ii) whose existence will be confirmed only by the occurrence (or non-occurrence) of one or more uncertain future events not wholly within the control of the Group.

Such assets usually arise from unplanned or unexpected events that give rise to the possibility of an inflow of economic benefits.

The Group does not recognise contingent assets; however, it discloses them where an inflow of economic benefits is probable.

Contingent assets are assessed continually, and if, and only if, it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

Contingent liabilities

A contingent liability is disclosed in the Notes, if

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence (or non-occurrence) of one or more uncertain future events not wholly within the control of the Group; or
- there is a present obligation that arises from past events but is not recognised under provisions because:
 - it is not probable that it will result in an outflow of resources embodying economic benefits; or
 - the amount of the obligation cannot be estimated reliably.

A contingent liability may not be disclosed in the Notes either, if an outflow of resources embodying economic benefits is only possible rather than probable.

The Group reviews the conditions of assessment of the contingent liability annually, and in case of any changes in the conditions (for example, an outflow of future economic benefits becomes probable), it changes the accounting treatment of the transaction in the period in which the change occurs.

v) Revenue

The consideration calculated for recognising revenue does not include amounts collected on behalf of others, such as VAT, or amounts obtained and paid by the Group as an agent.

An agreement is considered a contract generating revenue if it has been approved by the parties to the contract and the rights and payment obligations of the parties can be identified. Furthermore, the following two criteria has to be met: (a) the contract has commercial substance and (b) it is probable that the Group will collect the consideration. Multiple contracts are considered a single contract, if the contracts have been negotiated as a package; or the amount to be paid in one contract depends on any element of another contract; or obligations in two or more contracts can be considered a single performance obligation.

Those performance obligations promised in a contract are considered goods or services sold, from which the customer can benefit either on their own or together with other goods/services that are readily available on the market, and the good/service does not depend significantly from other contractual obligations.

In the case of contracts with multiple elements revenue is allocated primarily based on the stand-alone selling price. If the Group typically does not sell certain goods or services separately, allocation is based on the typical market pricing of competitors that are active on the same market. If no such information is available either, the allocation is based on the production cost of the particular service of the Group plus a margin customary on the given market.

In the case of contracts with more than one performance obligations, any discounts applied relate typically to the entire contract, thus each obligation shares the revenue reducing effect of the discounts. Contracts with variable consideration typically belong to a separately identifiable performance obligation of the contracts, thus the variable consideration generally affects only the amount of revenue accounted for in relation to a particular obligation.

The Group typically sells services, installations as well as electricity and natural gas, therefore there is no significant risk of the customer returning the goods purchased, thus its estimation when determining the revenue accounted for in connection with the sale does not represent a risk.

As a main rule, the Group accounts for the revenue allocated to an obligation upon transferring the control of the contractual performance obligations, i.e. at a point in time, except for the following cases which result in recognising revenues over time.

If the customer uses the service provided by the Group (e.g. sale of electricity or natural gas) over time, then revenue is recognised over time.

If in a longer project the customer has the control during the whole project (that is, it has free disposition over the intangible or tangible asset being created during the construction/development of the asset), revenue is recognised over time in proportion to performance. Such cases typically include construction and installation projects carried out on land owned by the customer.

If a longer project is carried out under the control of the Group, but in the case of a breach of contract by the customer the Group would not have a real alternative to sell the output of the

project (the product) to anyone else, revenue is also recognised over time, if the Group has a contractual right to receive the consideration for pro-rated partial performance.

When revenue is recognised over time, the Group uses (a) for electricity and natural gas sale contracts a method based on invoicing, and (b) for long-term construction/installation contracts the input method; in this latter case revenue is recognised in proportion to costs already incurred relative to the total expected costs of the satisfaction of the obligation. If the outcome of the contract to be performed during the period cannot be estimated reliably, revenue is recognised only up to the extent of contractual costs expected to be recovered. The Group chose the input method because more accurate information is available to the calculation of inputs, thus it provides more reliable results than the output method which would require significantly more estimates, thus it would be less reliable.

In the case of performance obligations satisfied at a point in time the Group recognises the revenue allocated to the obligation when the product is physically transferred to the customer.

When the amount of the expected revenue is uncertain, revenue is recognised to the extent that subsequent actual consideration does not result in a significant decrease in the revenue recognised so far.

The activities of the Group are typically invoiced monthly or quarterly, therefore the length of time between when the contractual obligations are satisfied and when the consideration is received is not significant, thus the Groups's contracts with customers do not contain a significant financing component.

Uncertainties deriving from estimating variable consideration do not threaten the reliability of the annual financial statements, as services and implementation contracts are substantiated by periodical settlements based on measured performance; the value of contracts spanning annual reporting periods considerably and requiring estimates in the long run is not significant.

Non-cash consideration is not common for the Group's contracts with customers, therefore the measurement of its fair value does not represent a risk when revenue is recognised.

The Group recognises incremental costs of obtaining contracts with customers (e.g. agent commissions) as an asset in its balance sheet (Other non-financial assets), if the term of the related contract exceeds 12 months. The Group has no significant such costs, thus the value of assets from the capitalisation of those costs is also insignificant. After any capitalisations, these costs are expensed over the term of the contract, typically using straight-line amortisation (taking into account the dynamics of contractual revenues), or impairment may be recognised, if the expected profit content of the contract as at the date of preparation of the financial statements is not expected to cover the carrying amount of the capitalised cost.

Costs to fulfil the Group's contracts with customers are typically accounted for and presented in accordance with the rules of tangible assets, intangible assets and inventories, in the way described and presented in the sections related to such assets.

Consumers have to pay a system access fee when they connect to the electricity and/or natural gas network, based on the actual cost for expanding the network. The performance obligation is the connection service whose benefits the consumer will continuously enjoy over the expected useful life. This is why the amount from the system access fees is accrued and only recognised as revenue over the expected useful life for the given consumption point. The accrued system access fees are recognised in the balance sheet under other current non-

financial liabilities. On paying the system access fee the consumer gains the right at the given connection point to use the available output; this right can be transferred with the consumption point. The network development contribution is a contract recognised “over time”, since the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

w) Grants received

A government grant can be recognised only if there is reasonable assurance that the MVM Group will comply with the conditions attaching to it and will receive the grant. According to IAS 20, receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant will be fulfilled.

The MVM Group does not reduce the carrying amount of the asset by the grants received in relation to the asset, but recognises the amount of grant as deferred income and accounts for it in other operating income in proportion to the depreciation of the asset.

The MVM Group accounts for grants that become receivable as compensation for costs and expenses against operating income. If the grant affects more than one year, only the part attributable to the reporting year is recognised as other income when the conditions are fulfilled, and the part related to subsequent years is recognised as deferred income.

Amounts received from the Hungarian State provided to the MVM Group by the state as the owner are not considered government grants. These transactions are considered equity transactions.

x) Own performance capitalised

On the one hand, own performance capitalised includes changes to self-manufactured inventories of the Group (work in progress, semi-finished and finished products, services in progress taken into inventory), as an item reducing operating expenses if it is an addition and an item increasing operating expenses if it is a decrease.

On the other hand, the Group presents here as an item reducing operating costs the prime cost calculated retrospectively of tangible assets produced by the member firms for their own purposes (self-manufactured property, plant and equipment) and of constructions capitalised and constructions in progress between the member firms (property, plant and equipment manufactured within the Group).

y) Tariff adjustment

Certain surplus costs of the MVM Group related to transmission system operation, universal service provision and natural gas wholesale as compared with budgets approved by the regulatory authority are compensated by the regulator through increasing in the next years, or if the costs fell short of the budget by reducing future prices. These surplus costs or cost shortfalls compared to budget to be included in future prices do not meet the definitions of an asset or a liability under IFRSs. Therefore assets and liabilities deriving from future price changes are not recognised in the reporting year financial statements.

z) Finance income and costs

Finance income comprises the following: interest income on funds invested (including FVOCI financial assets), dividend income, exchange gains on foreign exchange items, measurement

gain on fair valuation of derivative financial instruments, gains on the disposal of FVOCI financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the MVM Group's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date, while for unlisted securities it is the date when the relevant authorised body makes decision relating to distribution.

Finance costs comprise the following: interest expense on borrowings, unwinding of the discount on provisions, exchange losses on foreign exchange items, measurement loss on fair valuation of derivative financial instruments, and impairment losses recognised on FVOCI financial assets. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

aa) Settlements arising from performing tasks by MAVIR ZRt. required by the Act on Electric Energy¹

Fees collected to support discount-rate electricity supply

Employees who currently work or who had worked before retirement at companies operating in the energy sector as well as widow(er)s of such employees are entitled to discount-rate electricity. The discount varies between 37-60% depending on consumption.

Universal service providers apply the discount tariffs to the entitled persons. The difference between the discount and the full price is paid by:

- a) the employer, for employees who currently work at companies operating in the energy sector;
- b) the employer of the passed away spouse, for widow(er)s;
- c) MAVIR ZRt. in other cases (retired persons)

to the universal service providers.

In the case c) above MAVIR ZRt. collects the relevant amounts from the regulated tariffs. Amounts collected but not transferred to universal service providers are kept on a separate account and are recognised as liabilities.

Items related to fees collected to support discount-rate electricity supply are recognised in balance sheet items 'Trade receivables and other non-derivative financial assets'/'Trade payables and other non-financial liabilities', or 'Other non-financial assets/liabilities' and 'Restricted cash'.

Fees to support the stranded costs of conversion of the cogeneration process

The fee to support the stranded costs of conversion of the cogeneration process include amounts to be kept by MAVIR ZRt. on a separate account as required by the Electric Energy Act to support renewable and cogeneration power plants. The items related to the fee to support the stranded costs of conversion of the cogeneration process are recognised in the same balance sheet items as the fees collected to support discount-rate electricity supply.

¹ Act LXXXVI of 2007 on Electricity (hereinafter referred to as Act on Electricity)

Items related to fees to support the stranded costs of conversion of the cogeneration process are recognised in balance sheet items 'Trade receivables and other non-derivative financial assets'/'Trade payables and other non-derivative financial liabilities', or 'Other non-financial assets/liabilities' and 'Restricted cash'.

Feed-in Tariff System

MAVIR ZRt., as a licensee of transmission network and transmission system operation, established a balance group (hereinafter referred to as: feed-in tariff balance group) for the settlement of electricity subject to the feed-in obligation under the Act on Electricity, as defined in the commercial policy, and has been operating it since 1 January 2008. According to the legislation, MAVIR ZRt., in charge of the feed-in tariff balance group, is responsible for:

- the receipt and settlement of electricity generated by producers subject to the feed-in obligation (feed-in tariff producers),
- sale and settlement on the organised electricity market (HUPX) of the scheduled amount of electricity to be received mandatorily,
- the determination, allocation and accounting of the feed-in tariff cash to be paid by the cost bearers (balance group representatives) specified in Section 13 (1) of the Act on Electricity,
- balancing of the feed-in tariff balance group, settlement of balancing, including settlement of amount of electricity of the feed-in tariff balance groups (self-scheduling feed-in tariff producers or scheduling group representatives) under self-scheduling management and the settlement of the regulatory surcharges.

While operating the FIT balance group, MAVIR ZRt. may have neither expenses nor incomes from this activity. The items related to the Feed-in Tariff System are recognised in balance sheet items 'Trade receivables and other non-derivative financial assets'/'Trade payables and other non-financial liabilities', or 'Other non-financial assets/liabilities' and 'Restricted cash'.

Premium Tariff System

According to Section 13 (6) of the Electricity Act, it is the task of the transmission system operator (hereinafter referred to as: Recipient) to determine and account for the premium tariff in relation to electricity subject to the premium tariff, and to determine, distribute and account for in accordance with the law the premium cash payable by the entities defined in Section 13 (1) required to pay the premium cash.

Producers of electricity (generated from renewable sources) subject to the premium tariff (hereinafter referred to as: Premium Producers) shall be entitled to join the Premium Tariff Scheme, provided other statutory conditions apply. Only newly constructed producers of electricity using renewable energy may request the premium tariff and enter tenders. With the exception of biomass and biogas power plants, expired FIT entitlements may not be extended with the premium tariff. The support may only be provided in the form of premium. The power plants sell the electricity on the market themselves. The market benchmark price determined retrospectively every month (HUPX average price) is supplemented to the supported price. The Agency determines the level of eligibility for the tariff allocated to the power plants above 0.5 MW but below 1 MW (with the exception of wind power plants). All wind power plants and

all power plants with a capacity higher than 1 MW may only receive the premium tariff in tendering procedures.

MAVIR ZRt. may not incur any expenses or income from operating the Premium Tariff Scheme. The items related to the Premium Tariff Scheme are recognised in balance sheet items 'Trade receivables and other non-derivative financial assets'/'Trade payables and other non-financial liabilities', or 'Other non-financial assets/liabilities' and 'Restricted cash'.

Distribution balancing and payment settlement system

The distribution balancing payment settlement system prescribed by Section 142 of the Electricity Act was implemented from 1 January 2019:

To allow distributors to share in the revenue from the distribution tariff and the street lighting distribution tariff in proportion to their reasonable costs, a transparent accounting system for balancing payments between distributors (hereinafter "balancing payment") should be in place, linked to the network access fees. The settlement system is operated through a separate account established for this purpose by the transmission system operator, with funds that distributors are obliged to pay into the separate account and the funds that the transmission system operator is obliged to pay to distributors from the separate account.

The balancing payment does not constitute revenue for the transmission system operator, the transmission system operator may not use it for any other purpose and is obliged to keep it separate from its other funds. The transmission system operator shall recognise as a liability the funds held in the special account set up to execute the balancing payment and the net return less the costs of handling the funds.

The items related to the Distribution balancing payment settlement system are recognised in balance sheet items 'Trade receivables and other non-derivative financial assets'/'Trade payables and other non-financial liabilities', or 'Other non-financial assets/liabilities' and 'Restricted cash'.

Renewable and storage support schemes

Based on Government Decree 382/2023 (VIII.14) on the different application of the Act on Electricity in times of emergency, the Government introduced a compulsory feed-in tariff system and a premium tariff system to promote the use of renewable energy sources and waste as an energy source, as well as a system of revenue compensation from 1 January 2026 for electricity storage facilities, the detailed rules of which are laid down in Government Decree No. 389/2007 (XII.23) on the compulsory feed-in and purchase price of electricity produced from renewable energy sources or waste and cogenerated electricity (feed-in tariff decree), Government Decree 299/2017 (X.17) on the mandatory feed-in and premium tariff support of electricity produced from renewable energy sources (METÁR Decree), NFM Decree 63/2016 (XII.28) on the detailed rules for the determination and payment of the amount of funds required to finance the operating support of electricity produced from renewable energy sources (Financing Decree), MEKH Decree 17/2023 (XI.21) on the detailed rules for the compensation of revenues of electricity storage facilities (Revenue Compensation Decree), the Trading Rules of the Hungarian Electricity System, and the Business Policy of MAVIR ZRt.

bb)Income tax

The MVM Group accounts for corporation tax, local business tax, innovation contribution, income tax of energy suppliers, small business tax and the special tax for electric energy producers as income tax, since these taxes are based on taxable profit.

Corporation tax is assessed based on taxable profit of the individual companies calculated in accordance with local rules; the tax rate varies by country. Effective from 1 January 2017, the corporation tax rate is 9% in Hungary.

Local business tax is payable by entities operating in Hungary to local governments. The base of the tax is revenue less certain production costs and costs of sale. The typical rate is 1-2% and is determined by the competent local government at the location of the entity's operations.

Innovation contribution is a tax assessed at 0.3% payable by entities operating in Hungary to the state budget; its base is substantially the same as that of the local business tax.

The income tax of energy suppliers is an income tax payable by enterprises performing energy supply (generation, trading or distribution of energy) in Hungary; its base is the taxable profit of the enterprise, however, this can be different as the taxable profit for corporation tax purposes. The tax is assessed at 31%, except for 2023 and 2024, when it is assessed at 41%.

The small business tax is an alternative to corporate tax for smaller companies, which is based on the income withdrawn from the business plus the amount of staff costs. The tax rate is 10%.

A special tax of 65% for electric energy producers is levied on producers of electricity from power plants with an installed capacity exceeding 0.5 MW, subject to the exceptions laid down in the legislation. The tax is based on the extra income that eligible producers realise on the market above the subsidised price.

Income tax expense comprises current tax expense and deferred tax expense. Income tax expense is recognised in profit or loss, except that the amount of tax relating to items recognised in other comprehensive income or directly in equity is presented in other comprehensive income or in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

An entity within the MVM Group shall offset current tax assets and current tax liabilities if, and only if, the entity:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, as well as for tax losses carried forward.

The tax base of an asset is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity when it recovers the carrying amount of the asset. If those economic benefits will not be taxable, the tax base of the asset is equal to its carrying amount.

The tax base of a liability is its carrying amount, less any amount that will be deductible for tax purposes in respect of that liability in future periods.

A deferred tax liability may not be recognised, if taxable temporary differences arise from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not considered a business combination, and at the time of the transaction, affects neither accounting profit or nor taxable profit (tax loss);
- for differences associated with investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will not reverse in the foreseeable future, and the MVM Group is able to control the timing of the utilisation of the temporary difference.

A deferred tax asset may not be recognised, if deductible taxable temporary differences arise from:

- the initial recognition of an asset or liability in a transaction which is not considered a business combination, and at the time of the transaction, affects neither accounting profit or nor taxable profit (tax loss);
- for differences associated with investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will not reverse in the foreseeable future, or if taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax is measured at the tax rates enacted or substantively enacted at the reporting date that are expected to be applied to temporary differences when they reverse.

Deferred tax assets and deferred tax liabilities may be offset if, and only if:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax asset (including any assets related to losses carried forward) is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference or the loss carried forward can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group's taxes assessed by the tax authorities and other statutory fiscal obligations are not income taxes if they are not based on reporting-year profits. These liabilities are recognised in the Group's consolidated financial statements when the tax can be levied based on the activity defined in the applicable legislation. If the activity takes place over a certain period, the tax is also accounted for on a gradual basis. Such liabilities include, for example, taxes payable by the Group on certain types of assets or certain extra-profit taxes based on the results of operations in previous periods.

cc) Operating segments

The decision makers of the MVM Group monitor the performance of the Group members by member firm during day-to-day operation, based on financial statements prepared in accordance with these accounting policies. In line with this, the significant segments – which are in effect the member firms of the MVM Group – are presented in the financial statements.

dd) Accounting for mineral exploration and field development costs, and joint arrangements

Hydrocarbon exploration and production accounting is carried out in accordance with the requirements of IFRS 6 – Exploration for and Evaluation of Mineral Resources, following the principles set out therein and applying the “successful efforts” method as follows.

The MVM Group measures all exploration and evaluation assets at cost less accumulated depreciation and impairment. Geological hydrocarbon fields are considered to be cash-generating units.

Licensing costs

Amounts spent on acquiring exploration rights are recognised as exploration and evaluation assets under intangible assets, and amortised on a straight-line basis over the expected duration of the exploration. All licences are reviewed annually to determine whether the MVM Group plans to carry out further exploration activities. If no further activity is planned, the carrying amount of the licence is written off.

If a hydrocarbon reserve is identified that can be extracted in an economically viable manner (proven reserves) and a decision is made to develop the field, the cost less accumulated amortisation is reclassified to property, plant and equipment together with other exploration costs (see next section).

Exploration costs

Geological and geophysical exploration costs are charged to profit or loss when incurred.

Costs directly related to hydrocarbon exploration drilling are recognised as exploration and evaluation assets under intangible assets when incurred. These costs include wages and salaries, used materials, fuels, the cost of drilling equipment, including depreciation, and payments to contractors.

If there are no meaningful hydrocarbon reserves discovered, the exploration costs are written off as failed drilling.

In the event of a hydrocarbon discovery that is expected to result in a proven reserve, the costs are still recognised under exploration and evaluation assets, even if additional well drilling or delineation activities (exploratory or exploratory-type stratigraphic test drilling) are required to bring the field into commercial production. All exploration and evaluation assets are reviewed at least once a year from a technical, commercial and financial perspective to confirm the MVM Group’s intention to continue to develop the field or to sell the asset. Otherwise, the exploration and evaluation assets are written off.

When proven hydrocarbon reserves are identified, and the MVM Group decides to develop the field, the related costs are reclassified to property, plant and equipment.

If the exploration success cannot be determined based on data available at the time the financial statements are prepared, the exploration and evaluation assets related to the field may only remain under intangible assets for more than one year if

- The exploration is expected to result in a reserve that adequately justifies its completion, and
- The MVM Group is committed with regard to evaluating the reserves and the economic and operational feasibility of the project, i.e.
 - expenditure for the evaluation of reserves and further developments are included in its business plan;
 - it is negotiating with partners, relevant public bodies (e.g. Mining Authority) or potential business partners;
 - it has a contract or an approved plan for additional seismic measurements, exploration and field development work programme activities;
 - it prepares logistics and other infrastructure plans.

Field development costs

Costs related to constructing, establishing and commissioning geological field infrastructure (including pipelines, processing equipment, storage facilities) and for the drilling of production and delineation wells (including wells considered unsuccessful) are recorded under property, plant and equipment.

The depreciation of the property, plant and equipment associated with each hydrocarbon field is accounted for using the unit of production method, based on the proven developed reserves of hydrocarbons, in proportion to the production for the year.

The field development phase starts once the related project has been approved by the MVM Group. Any geological and geophysical costs that may still be incurred at this stage are also capitalised.

A hydrocarbon field may be subject to a trial production period, lasting up to several years with due consideration of technological and economic efficiency aspects and the requirements of the Mining Act. The depreciation in line with production must commence no later than one year after the start of the trial production.

For assets of hydrocarbon fields already in production, the depreciation in line with production is calculated based on the quantity extracted and the proven reserve in production:

- during the year: based on the opening proven reserve in production and the quantities extracted so far during the given year
- at the end of the year: based on the opening proven stock “counted back” from the closing proven stock plus the quantity extracted during the given year.

Significant accounting estimates and assumptions

The MVM Group makes assumptions when evaluating exploration and evaluation assets and deciding whether to proceed with exploration activities, or whether it is capable of doing so.

The level of proven reserves for every hydrocarbon field is considered an accounting estimate; these estimates are reviewed and reflected prospectively in the financial statements.

Joint arrangements on hydrocarbon exploration and production

Where there are several partners (joint ventures), the parties usually enter into a Joint Operating Agreement (JOA). These designate the party that will act as the operator for the day-to-day management tasks related to the joint arrangement. The JOA sets out the rights and obligations of the parties and provides guidance on how costs are shared.

If the MVM Group, as an operator, is reimbursed by other parties for costs shared in the joint arrangement, then it acts as an agent in accordance with IFRS 15 and so this has no impact on profit or loss. That said, the balance sheet must show the total liabilities incurred in connection with the activities under the joint arrangement, and the receivables from non-operator parties in respect of their share of these liabilities. The two items cannot be offset against each other.

There are two types of joint arrangement according to the rights and obligations of the parties exercising joint control over the arrangement, see Note II. 7. b). Only the features related to hydrocarbon exploration and production are highlighted below.

a.) Joint operation

A joint operation is a joint arrangement where the parties involved have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Any joint arrangement not structured through a separate vehicle is a joint operation. In this case, without establishing a separate vehicle, the parties use their own or the jointly controlled assets for the joint operation. For example, they can agree to be separately responsible for a stage of the exploration or production using their own assets and fulfilling the liabilities incurred. They can also agree on how to share the revenues and expenses of the joint operation. Accordingly, when the MVM Group participates in a joint operation, it only recognises its own assets, liabilities, income and expenses, including its share of the joint costs. It is not necessary for the MVM Group to share in the assets of the joint operation in the same proportion as its liabilities, but this should be taken into account when preparing the financial statements.

b.) Joint venture

A joint venture is a joint arrangement where the MVM Group has rights to the net assets of the joint arrangement. Interests in joint ventures are accounted for using the equity method.

Joint arrangements for hydrocarbon exploration and production through a separate legal vehicle can be both joint operations and joint ventures. The following factors are considered to determine this:

- Legal form of the joint arrangement

If the legal form of the arrangement does not confer separation between the parties and the separate vehicle, the assets and liabilities held in the separate vehicle are deemed the parties' assets and liabilities. Therefore, by virtue of its legal form, the joint arrangement constitutes a joint operation. For example, in an entity without a legal personality, the rights to the assets and the obligations for the liabilities are the rights and obligations of the parties sharing control, and accordingly, the arrangement is a joint operation.

- Contract terms

If the type of joint arrangement does not transpire clearly from the legal form, it must be assessed whether there are terms in the JOA that give the parties rights to the assets of the arrangement or make them liable for the liabilities of the arrangement.

- Other facts and circumstances

Even if the legal form and terms of the contractual agreement do not indicate that the parties to the arrangement have rights to the assets and obligations for the liabilities, there may be other facts and circumstances that would qualify the arrangement as a joint operation. The facts and circumstances must demonstrate that the parties sharing control are entitled to the full economic benefits of the arrangement, and that the settlement of the liabilities of the arrangement is solely dependent on the financial performance of the parties.

- Facts and circumstances indicating a joint operation:

- Funding for the joint arrangement is provided solely by the parties sharing control.
- The parties sharing control are obliged to purchase substantially all of the production from the joint arrangement. As a result, the parties are entitled to substantially all of the economic benefits of the arrangement, and the liabilities of the arrangement are, in substance, satisfied by the cash flows received from the parties.

- Facts and circumstances indicating a joint venture:

- The joint arrangement has separate licences for the activity.
- The joint arrangement undertakes obligations vis-a-vis the authority (start of production, liquidation obligations). Failure to comply with these only affects the assets of the joint arrangement (e.g. loss of a licence or security deposit) and the parties sharing control cannot be held to account.
- The liability of the parties sharing control in the joint arrangement is limited to the extent of their capital, and they undertake nothing vis-a-vis third parties.
- The assets of the joint arrangement are not "tagged" between the owners.

- The joint arrangement concludes contracts, pays taxes and contributions on its own behalf.

ee) Fair value measurement

Accounting policies and disclosures of the MVM Group require the determination of fair value of financial and non-financial instruments.

According to IFRS 13 fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the individual notes.

Equity instruments measured at fair value through other comprehensive income

Fair value of these financial assets is determined with reference to their closing bid price quoted on an active market valid on the reporting date.

Financial assets measured at amortised cost

Fair value of financial assets measured at amortised cost is determined for disclosure purposes based on present value of future cash flows discounted at market rate as of the reporting date.

Fair value of non-financial assets

When measuring the fair value of non-financial assets the MVM Group takes into account the ability of market participants to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant, that would use the asset in its highest and best use which is physically possible, legally permissible and financially feasible.

For this reason the MVM Group applies individual models at asset level for measuring the fair value of non-financial assets.

Financial liabilities measured at amortised cost

Fair value of financial liabilities measured at amortised cost is determined for disclosure purposes based on present value of future principal and interest cash flows discounted at market rate as of the reporting date.

Derivative transactions

The fair value of electricity- and natural gas related forward transactions is measured based on quoted market prices if available. If quoted market price is not available, fair value is estimated based on the present value of the difference between the contract price and the forward prices on the reporting date discounted to the remaining period.

The MVM Group applies discounted cash flow value to calculate fair values related to arm's length interest, foreign exchange and natural gas-related commodity type transactions. Fair value is estimated based on the present value of the difference between the contract price and the forward prices on the reporting date discounted to the remaining period.

4. Early adopted standards

In relation to 2024 and 2023 the MVM Group did not use the option to early adopt standards not yet effective.

5. Impact of new and revised standards effective from 1 January 2024 on the financial statements

5.1 Impact of other new and revised standards effective from 1 January 2024 on the financial statements

Initial application of new and amended IFRS standards and interpretations in the reporting period:

IASB AND IFRS IC DOCUMENTS	Adopted by the EU effective from
Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback (date of issue: 20 November 2023).	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: classification of non-current and current liabilities and classification of liabilities from loan agreements with covenants as current or non-current (date of issue: 19 December 2023).	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (date of issue: 15 May 2024).	1 January 2024

The amendments have no significant impact on the financial statements of the Group in the current or future reporting periods or on foreseeable future transactions.

6. New standards, amendments to standards and interpretations not yet effective

Standards adopted by the EU

The standards, standard amendments and interpretations presented below were not applied in the financial statements since they are not yet in force for the financial year ended 31 December 2024, and the Group did not elect to early apply them either. (Application of the standards, amendments to standards and interpretations will be mandatory for annual periods beginning on or after the dates in brackets.)

The amendment is as follows:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates in relation to the exchangeability of currencies and additional requirements for lack of exchangeability (Effective for financial years beginning on or after 1 January 2025).

Standards not yet adopted by the EU

The standards, amendments to standards and interpretations below were not applied in these consolidated financial statements, as these have not yet been adopted by the EU. Their application and effective date depends on adoption by the EU.

New standards and amendments are as follows:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures in connection with contracts relating to renewable electric energy.
- Annual Improvements to IFRS Accounting Standards: Annual improvements issued by IASB that include minor amendments and clarifications to several IFRS (e.g. IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7).
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments

These standards, amendments and interpretations are not expected to have significant impact on the consolidated financial statements of the Group in the future.

7. Significant accounting judgements and estimates

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with the accounting policies described above requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements on the below areas is described in this Note:

a) *Measurement of the fair value of nuclear technology assets*

The Group elected to use the revalued amount model for the nuclear technology assets of MVM Paksi Atomerőmű Zrt. Accordingly, on each reporting date it measures the fair value of items within this asset group without involving an independent appraiser. The revaluation gain or loss was recognised in the revaluation reserve.

For these assets, due to the lack of available fair value, fair value is based on the depreciated replacement cost (DRC). As a first step, replacement cost new (RCN) is determined and is allocated to the individual assets. In the next step these values are reduced taking into account physical deterioration. Finally, the effect of functional and economic obsolescence is taken into account by setting the recoverable amount as the upper limit for the fair value of the assets based on a discounted cash flow model. For 2024 and 2023 the fair values of the assets were the amounts derived from the discounted cash flow model prepared by the MVM Group, as its recoverable amount was lower than the depreciated replacement cost.

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Main assumptions used in measurement and fair values as of the reporting dates presented in the financial statements are as follows:

Description	31.12.2024	31.12.2023
WACC	2025: 7.9% 2026-2029: 8.2% From 2029: 9.3%	2024: 10.3% 2025-2028: 9.1% From 2029: 8.7%
HUF/EUR rate	2025: 393.17; 2026: 393.33; 2027: 397.11 2028: 401.08; 2029: 405.09; 2030: 409.14; 2031: 413.23; 2032: 417.36; 2033: 421.54; 2034: 423.49; 2035: 423.49; Subsequently adjusted for EUR-HUF inflation difference	2024: 386.8; 2025: 385.2; 2026: 389; 2027: 392.9; 2028: 396.9; 2029: 400.8; 2030: 404.8; 2031: 408.9; 2032: 413.0; 2033: 413; 2034: 413; 2035: 413; Subsequently adjusted for EUR-HUF inflation difference
Electricity price used	In relation to the end of 2024 70% PPC price level (annual universal service provision electricity consumption ~10.8 TWh, ~ 70% of annual electricity sales of MVM Paksi Atomerőmű Zrt.) and 30% power exchange price level. The power exchange price level uses HUPX annual moving average prices until 2027, between 2028 and 2029 EEX German Futures annual moving average price + spread*, afterwards the long-term forecast prepared by KPMG for the MVM Group in 2024. * The average of the difference between EEX German Futures and HUPX in the period from 2025 to 2027. In relation to the end of 2023: 70% PPC price level (annual universal service provision electricity consumption ~10.8 TWh, ~ 70% of annual electricity sales of MVM Paksi Atomerőmű Zrt.) and 30% power exchange price level. The power exchange price level uses HUPX annual moving average prices until 2026, afterwards the long-term nominal electricity price level forecast prepared by the Boston Consulting Group (BCG) for the MVM Group.	
Production volume used	For both years based on the available business plan containing a 1-year plan and a 4-year outlook, thereafter based on a long-term estimate that takes the useful lives of the individual blocks into account.	

Description	31.12.2024	31.12.2023
Expected useful lives of nuclear assets	Block 1: 2032	
	Block 2: 2034	
	Block 3: 2036	
	Block 4: 2037	
Fair value (in HUF million)	593,747	829,888

During the measurement, the effect of changes in factors that have the greatest impact on the value of the model, such as electric energy prices, exchange rate and WACC, is continuously assessed and presented to management.

The following table presents sensitivity of the fair value calculated by the discounted cash flow model applied to assumptions materially influencing the fair value:

Fair value changes (in HUF million)	31.12.2024	31.12.2023
Electric energy price change		
5% increase	91,489	102,716
5% decrease	-91,489	-102,716

Fair value changes (in HUF million)	31.12.2024	31.12.2023
WACC change		
1 percentage point increase	-45,482	-56,138
1 percentage point decrease	49,632	61,278

Fair value changes (in HUF million)	31.12.2024	31.12.2023
Changes in HUF/EUR rate		
2% HUF/EUR increase	9,630	15,181
2% HUF/EUR decrease	-9,630	-15,181

Operating expenses are considered unobservable parameters in determining fair value; these can be estimated with great certainty, therefore their expected changes do not result in significant changes in the calculated fair values.

b) Measurement of assets acquired and liabilities assumed during the acquisition of Magyar Földgáztároló Zrt. as well as goodwill

MVM Group performed an impairment test of Magyar Földgáztároló Zrt. based on a combination of the value in use and the fair value less costs of disposal. The value was calculated at replacement value for all sites. The adjusted consolidated net asset value of Magyar Földgáztároló Zrt. totals HUF 298,432 million (of which goodwill amounts to HUF 29,780 million), while the market value of the net asset value based on the impairment test totals HUF 624,328 million, therefore the Group booked no impairment on the value of goodwill related to the acquisition of Magyar Földgáztároló Zrt.

The model underlying the calculation relating to 2024 contains some major assumptions that in their present form involve significant uncertainty and have an impact on the estimated asset value. These are:

- TTF price: its increase/decrease by 10% has an effect of +HUF 34,907 million/ - HUF 34,907 million (in the calculations TTF price was assumed to be 37.48 EUR/MWh for 2025, 32.47 EUR/MWh for 2026, 28.25 EUR/MWh for 2027 and 26.15 EUR/MWh for 2028);
- HUF/EUR rate: its increase/decrease by 2% has an effect of +HUF 8,062 million/ -HUF 8,063 million (in the calculations the exchange rate was assumed to be 393.2 HUF/EUR for 2025, 393.3 HUF/EUR for 2026, 397.1 HUF/EUR for 2027 and 401.1 HUF/EUR for 2028);

- WACC: its increase/decrease by 1 percentage point: has an effect of -HUF 14,833 million/+HUF 15,379 million (in the 2024 calculations WACC was assumed to be 9.6% for medium term and 10.1% for long term).

The MVM Group used 10% WACC for medium term and 10.2% WACC for long term for 2023 in the calculations.

c) Measurement of customer relations, brand and goodwill of innogy Energie s.r.o

On 30 October 2020, as part of the acquisition of innogy Česká republika a.s., its subsidiary, innogy Energie s.r.o.-t ("iEnergie") was also acquired by the MVM Group. During the allocation of the purchase price to iEnergie, as a separate CGU, significant hidden intangible assets were identified and recorded, of which customer relations (HUF 162,835 million) and the brand name (HUF 18,238 million) represent the highest amounts and involve material estimates.

Measurement of customer relations

The MVM Group determined that the customer relations generate future economic benefits, and they meet the identifiability criteria for intangible assets, i.e. are controllable and separable.

Customer relations were measured using the Multi-period Excess Earnings Method (hereinafter referred to as the "MEEM" method). The fundamental principle underlying the method is that the value of an intangible asset equals the excess earnings generated by it less contributory asset charges. Contributory asset charges (hereinafter referred to as "CAC") are based on the concept that the intangible asset practically rents or leases from a hypothetical third party the assets that are necessary for it to generate income. For this hypothetical lease it has to pay an appropriate fee; the value of the intangible asset is the after-tax discounted cash flow remaining after the payment of such fee. In the MEEM method the present value of future tax benefits was also taken into account.

During the calculations pertaining to customer relations, the MVM Group calculated with the following dropout rates, reflecting the proportion of customers anticipated to leave the company: natural gas B2C: 7.14%, natural gas B2B: 10.77%, electricity B2C: 7.33%, electricity B2B: 9.88%, other: 8.78% (estimated as the average of the former). Note that the B2C segment accounts for the vast majority of the gross margin. The CAC fee was defined at 0.7% of revenue during the calculations. The MVM Group calculated with a 5.7%-6.3% WACC.

The MVM Group writes down customer relations until 2053 with diminishing-balance amortisation based on the dropout rate applied. The value of customer relations at the end of 2024 amounted to HUF 134,106 million, while at the end of 2023 to HUF 141,705 million. The 2024 decrease resulted from amortisation booked in an amount of HUF 14,590 million, which was partly counterbalanced by the HUF 6,991 million FX revaluation.

Brand name

As part of the acquisition, the MVM Group simultaneously acquired the right for the companies acquired to continue the use of the “innogy” brand name. The management of the MVM Group does not plan to change the company’s image or to introduce a new brand name; the acquisition of it was a material consideration in the transaction, thus it was identified as a separable intangible asset.

The value of the brand name was determined using the Relief-from-Royalty (hereinafter referred to as “RfR”) method. Under the RfR method, the amount of royalty that would be paid to the owner of the brand is determined, and the payment of this amount can be avoided by purchasing the brand name.

The pre-tax royalty rate was determined as 0.5% of revenue, based on the RoyaltySource database. The MVM Group take the following into account in determining the royalty rate:

- iEnergie is active on the natural gas and electricity sales market. Considering that these are homogeneous products, the brand name has a more limited effect on the choice of the service provider than in general in the case of other products.
- “innogy” is a recently introduced regional brand name in the Czech Republic.

The net revenue expected to be generated based on the brand name was determined based on the business plans of iEnergie. The 19% corporation tax rate was then applied to the royalty saving thus calculated. The cash flow associated with the estimated royalty was discounted using 5.7%-6.3% WACC.

In accordance with generally accepted valuation principles, the useful life of the “innogy” brand name was estimated by the MVM Group to be 15 years. At the end of 2023 the value of the brand name was HUF 16,534 million. In 2024 HUF 1,421 million amortisation and HUF 826 million FX revaluation was recognised in relation to the brand name, resulting in a closing carrying amount of HUF 15,939 million.

Goodwill

The MVM Group recorded goodwill of HUF 58,140 million in its books at the end of 2020 in connection with the acquisition of the iEnergie cash-generating unit (hereinafter referred to as: iEnergie CGU). The iEnergie CGU comprises Innogy Energie s.r.o., Innogy Zákaznické služby s.r.o. (“iZS”) and 87.1% of the balance sheet of Innogy Česká Republika a.s. (“iCR”). At the end of 2024 and 2023, the MVM Group conducted a goodwill impairment test using the value-in-use method. At the end of 2024 and 2023 the value in use of the iEnergie CGU was determined on the basis of the 2025-2029 and 2024-2028 business plans. In both years the measurement also took into account a terminal value with an assumed growth rate of 1% (2023: 0%) and an EBIT margin of 5% (2023: 4.5%) for iEnergie. For the discounting, the MVM Group used a WACC rate of 6.2% for 2024 and 7.7% for 2023. Under these assumptions, the recoverable amount of the iEnergie CGU is HUF 363,509 million (at 15.78 CZK/HUF 2024 year-end exchange rate) at the end of 2024, and HUF 420,011 million (at 15.48 CZK/HUF 2023 year-end exchange rate) at the end of 2023. The carrying amount of the iEnergie CGU (including goodwill) is HUF 113,405 million for 2024 and HUF 267,048 million for 2023. On this basis it was not necessary to recognise impairment on the goodwill in either years.

d) Recovery of deferred tax assets

Recovery of deferred tax assets is dependent on future taxable profits of the individual Group entities. The Group substantiates the availability of future taxable profits with a business plan broken down by member firm that is prepared for a period for which the Group is able to prepare a reliable plan.

e) Consolidation of MAVIR ZRt.

When reviewing the inclusion of MAVIR ZRt. in the consolidation, the Group took the rules of the EU's Third Energy Package into consideration, particularly, the provisions of the Electricity Act on the operation of vertically integrated electricity companies, and the content of Resolution 200/2012 of the Hungarian Energy and Public Utility Regulation Authority (MEKH) on the certification of MAVIR ZRt.

The MVM Group owns 100% of the voting shares in MAVIR ZRt. In MAVIR ZRt.'s case, the Supervisory Board is the board controlling the relevant activities, whose members are elected by the general meeting. The Electricity Act stipulates certain restrictions regarding the election of the independent members of the Supervisory Board; the MEKH verifies compliance with these conditions and approves the appointment of independent members. Based on an examination of the current situation it is clear that the provisions of the Electricity Act were complied with in the case of supervisory board members, and the Supervisory Board has the required number of independent members. Consequently, the company found that MAVIR ZRt. complies with the ITO provisions of the Electricity Act. That said, owing to the differences between the Electricity Act's rules on independence and the control concept of IFRS 10, the consolidation conditions in IFRS 10 also apply. On the strength of the information and material currently available, we cannot rule out with complete certainty that the competent bodies will not subsequently review compliance with the ITO model on account of the consolidation based on IFRS 10.

f) Accrual of universal service revenue

The Group recognises revenue from universal service provision of electricity (HUF 22,129 million) and natural gas (HUF 26,972 million) used by consumers by the end of the reporting period but not yet invoiced, under trade receivables and other non-derivative financial assets. Based on Government Decree 259/2022 (VII.21) on the determination of certain universal-service tariffs, from 1 August 2022 retail customers can benefit from reduced tariffs up to 2,523 kWh per metering point per year in the case of electricity, and up to 1,729 m³/year per consumption point in the case of natural gas. Non-retail customers entitled to the universal service are billed in the manner set out in Government Decree 217/2022 (VI.17); they can benefit from reduced tariffs up to a consumption of 4,606 kWh/year for electricity, and up to 1,489 m³/year for natural gas. Consumption exceeding these quantities are billed at the market price determined by the Hungarian Energy and Public Utility Regulatory Authority (MEKH) in the case of retail customers, and at the price published by MVM Next Zrt. in the case of non-retail customers.

The accrual of universal-service revenue from electricity and natural gas is based on the difference between the quantity sold and the quantity invoiced. The quantity sold is based on the data measured in the distribution system, while the billed data is determined based on reports extracted from the different billing systems. The quantity below and above the average

consumption to be accrued is determined in proportion to the actual invoicings. The amount of accruals is calculated based on the regulated prices in force at the time.

8. Changes in accounting policies and disclosures

a) Changes in accounting policies

The Group did not change its accounting policies in 2024.

b) Changes in disclosures, reclassifications

In order to present the data in the consolidated financial statements in a more transparent manner, a material presentation amendment was made in the consolidated statement of financial position compared to the previous period.

The companies concerned are entitled to the various compensations for protecting utility payments based on law, thus such supports are not considered financial assets as they are not contractual rights but entitlements based on laws. Consequently, the Group recognises related receivables under other non-financial assets instead of trade receivables and other non-derivative financial assets.

The amendment to the accounting policies is presented retrospectively by the Group in accordance with the provisions of IAS 8 – Accounting policies, changes in accounting estimates and errors. The impact of the amendment on the given line items of the previous year's financial statements is as follows:

Consolidated statement of financial position (in HUF million)	31.12.2023 Disclosed	31.12.2023 adjusted	01.01.2023 Disclosed	01.01.2023 adjusted
Trade receivables and other non-derivative financial assets	1,672,926	1,565,280	1,444,885	1,395,637
Other non-financial assets	929,855	1,037,501	1,253,131	1,302,379
Current assets	3,811,522	3,811,522	4,762,405	4,762,405

Consolidated statement of cash flows (in HUF million)	2023 Disclosed	2023 adjusted
Changes in trade receivables and other non-derivative financial assets	58,803	117,201
Changes in other non-financial assets	320,790	262,392
Net cash flows from operating activities	377,651	377,651

c) Disclosures related to material errors

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. An error discovered during the audit of the data of a financial year closed with approved financial statements is deemed material if, in the year when discovered during the audit, the total of all errors (whether negative or positive) for a given financial year and the impacts thereof - increasing or decreasing profit or loss, equity - exceeds 2 per cent of total assets in the year audited. If a material error is found, recognition, measurement and disclosure of amounts of elements of financial statements are corrected as if a prior period error had never occurred (retrospective restatement), if it is not impracticable according to the terms of IAS 1.

The Group did not correct any material errors related to previous periods in relation to the financial year ended 31 December 2024.

III. Notes to the financial statement items

1. Property, plant and equipment

(in HUF million)	Property	Oil and natural gas assets	Nuclear technology assets	Technical machinery, equipment	Other machinery, equipment	Construction in progress	Total
Gross value							
Balance at 1 January 2023	1,187,356	-	2,104,082	615,040	90,189	195,004	4,191,671
of which ROU at 1 January 2023	51,473	-	-	1,157	18,188	-	70,818
Purchases	-	-	-	-	-	324,717	324,717
Capitalisation	118,922	-	38,094	101,934	13,147	-272,097	-
ROU Initial recognition 2023 contracts	2,456	-	-	9	5,628	-8,093	-
Assets acquired in business combination (see Note III.31.)/ assets acquired in transactions with the parent company	1,996	-	-	43,404	52	-	45,452
Other increases*	1,960	-	-	5,208	210	5,066	12,444
Result of revaluation through other comprehensive income	-	-	-331,538	-	-	-	-331,538
Derecognitions	-7,034	-	-20,215	-9,896	-2,201	-2,123	-41,469
Translation difference	-3,912	-	-	-1,430	-1,310	-224	-6,876
Other decreases*	-5,388	-	-	-8,574	-96	-6,507	-20,565
ROU Revaluation	193	-	-	5	197	-	395
ROU Adjustment	207	-	-	-297	532	-	442
Balance at 31 December 2023	1,296,756	-	1,790,423	745,403	106,348	235,743	4,174,673
of which ROU at 31 December 2023	55,899	-	-	835	24,128	-	80,862

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<i>(in HUF million)</i>	Property	Oil and natural gas assets	Nuclear technology assets	Technical machinery, equipment	Other machinery, equipment	Construction in progress	Total
Gross value							
Balance at 1 January 2024	1,296,756	-	1,790,423	745,403	106,348	235,743	4,174,673
of which ROU at 1 January 2024	55,899	-	-	835	24,128	-	80,862
Purchases	-	-	-	-	-	277,029	277,029
Capitalisation	96,764	4,093	49,206	83,532	17,552	-251,147	-
ROU Initial recognition 2024 contracts	1,360	-	-	3	3,146	-4,509	-
Assets acquired in business combination (see Note III.31.)/ assets acquired in transactions with the parent company	25,375	314,203	-	111,522	1,659	717	453,476
Other increases*	15,106	-	46	36,246	1,116	4,215	56,729
Result of revaluation through other comprehensive income	-	-	-188,649	-	-	-	-188,649
Derecognitions	-8,806	-	-20,904	-14,005	-3,099	-1,298	-48,112
Translation difference	3,351	35,059	-	1,223	1,102	222	40,957
Other decreases*	-25,202	-	-1,066	-50,285	-2,128	-4,500	-83,181
ROU Revaluation	931	-	-	-	-55	-	876
ROU Adjustment	990	-	-	-27	794	-	1,757
Change in recultivation provision	-	-1,436	-	-	-	-7	-1,443
Balance at 31 December 2024	1,406,625	351,919	1,629,056	913,612	126,435	256,465	4,684,112
of which ROU at 31 December 2024	51,017	-	-	792	28,162	-	79,971

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<i>(in HUF million)</i>	Property	Oil and natural gas assets	Nuclear technology assets	Technical machinery, equipment	Other machinery, equipment	Construction in progress	Total
Depreciation							
Balance at 1 January 2023	267,696	-	848,891	290,248	53,129	2,757	1,462,721
of which ROU at 1 January 2023	15,624	-	-	469	6,984	-	23,077
Depreciation for the year	46,434	-	131,797	41,545	11,896	-	231,672
- of which ROU depreciation	5,452	-	-	95	4,483	-	10,030
Other increases*	1,118	-	-	2,062	170	-	3,350
Impairment recognised in profit or loss	-	-	-	309	7	1,633	1,949
Reversal of impairment recognised in profit or loss	-	-	-	-86	-3	-297	-386
Derecognitions	-2,373	-	-20,153	-8,036	-2,140	-1,178	-33,880
Translation difference	- 1,547	-	-	-846	-846	-12	-3,251
Other decreases*	-917	-	-	-5,586	-67	-	-6,570
ROU Revaluation	-303	-	-	-	-31	-	-334
ROU Adjustment	-593	-	-	-175	-777	-	-1,545
Balance at 31 December 2023	309,515	-	960,535	319,435	61,338	2,903	1,653,726
of which ROU at 31 December 2023	19,734	-	-	372	10,214	-	30,320

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<i>(in HUF million)</i>	Property	Oil and natural gas assets	Nuclear technology assets	Technical machinery, equipment	Other machinery, equipment	Construction in progress	Total
Depreciation							
Balance at 1 January 2024	309,515	-	960,535	319,435	61,338	2,903	1,653,726
of which ROU at 1 January 2024	19,734	-	-	372	10,214	-	30,320
Depreciation for the year	52,749	14,671	95,600	53,691	14,172	-	230,883
- of which ROU depreciation	5,586	-	-	84	5,457	-	11,127
Other increases*	2,233	-	-	6,369	484	-	9,086
Impairment recognised in profit or loss	1,688	-	-	18,838	33	1,934	22,493
Reversal of impairment recognised in profit or loss	-	-	-	-	-3	-585	-588
Derecognitions	-5,593	-	-20,826	-12,718	-2,918	-214	-42,269
Translation difference	1,426	688	-	757	724	10	3,605
Other decreases*	-4,842	-	-	-7,405	- 1,195	-2,138	-15,580
ROU Revaluation	-986	-	-	-	-56	-	-1,042
ROU Adjustment	-317	-	-	-10	-1,265	-	-1,592
Balance at 31 December 2024	355,873	15,359	1,035,309	378,957	71,314	1,910	1,858,722
of which ROU at 31 December 2024	20,254	-	-	432	13,961	-	34,647

Net value							
Balance at 31 December 2023	987,241	-	829,888	425,968	45,010	232,840	2,520,947
of which ROU at 31 December 2023	36,165	-	-	463	13,914	-	50,542
Balance at 31 December 2024	1,050,752	336,560	593,747	534,655	55,121	254,555	2,825,390
of which ROU at 31 December 2024	30,763	-	-	360	14,201	-	45,324

* These line items include reclassifications between tangible assets, reclassifications into investment property, assets held for sale or inventories, as well as changes in assets due to sale of equity accounted investees.

The carrying amount of the technology assets as at each reporting date had these assets not been revalued would have been the following:

(in HUF million)	31.12.2024	31.12.2023
Carrying amount of nuclear technology assets without revaluation	155,386	147,524

Nuclear technology assets

The value of technology assets decreased by HUF 236,141 million as compared with the previous year. For details of fair value measurement of technology assets see Note III. 29, while disclosures related to revaluation through other comprehensive income are included in Note II. 7. a). Capitalisations in the reporting year mainly result from renovation and modernisation work.

Oil and natural gas assets

Oil and natural gas assets grew due to the acquisition of interest in the Shah Deniz offshore natural gas and condensate field in Azerbaijan (see Note III. 31.), while the reasons for the decrease in such assets include changes in the recultivation provision and the depreciation booked in the reporting year.

Property

Property mainly comprises the distribution and transmission networks as well as properties.

The sites of the Group (Budapest Szentendrei út), the buildings and related land of power plants in Vértesi Erőmű Zrt. and MVM Balance Zrt., as well as properties of MVM Zrt. and properties for other than nuclear technology purposes of MVM Paksi Atomerőmű Zrt. represent a major part. Furthermore, the cushion gas owned by the Group also represents a considerable part (HUF 208,920 million).

Construction in progress

MVM Paksi Atomerőmű Zrt. accounts for 39% of the Group's construction in progress. A major item in terms of the amount concerned is unused nuclear fuel. Assets under construction belonging to transmission activity amounted to HUF 67,961 million.

Mortgages registered on property, plant and equipment

At MVM ZG Solar Kft., MVM ZG Solar Star Kft. Raaba Energy Kft., „4D Energetika” Kft., Innovolt Kft. and Tatóine SolarPark Kft. there is collateral complying with market standards and normal for project financing by banks, including, among others, lien on real estate and movable properties.

Capitalised borrowing costs

Capitalised borrowing costs amounted to HUF 7,989 million in 2024 and HUF 9,639 million in 2023.

Commitments to acquire property, plant and equipment

The Group had the following commitments to acquire property, plant and equipment as at the end of the periods under review:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Commitments to acquire property, plant and equipment	128,303	64,156

2. Investment property

This line item includes the land in Balatonfüred owned by MVM Paksi Atomerőmű Zrt. and held for unspecified purpose, the land at Vásárosnamény owned by MVM Zrt., as well as Hotel Astra Vendégház in Budapest District 1 which is leased out and Budapesti Elektromos Művek Headquarters purchased in 2023 and also held for renting, both owned by MVM Ingatlankezelő Kft.

In the period concerned HUF 177 million income from rental and HUF 229 million direct operating expenses arose in relation to the investment properties of the Group.

Changes in the gross value and depreciation of investment property are presented in the following table:

Investment property (in HUF million)	
Gross value	
Balance at 1 January 2023	980
Purchases	-
Other increases	3,595
Derecognition	-
Other decreases	340
Balance at 31 December 2023	4,235
Balance at 1 January 2024	4,235
Purchases	-
Other increases	-
Derecognition	-
Other decreases	-
Balance at 31 December 2024	4,235
Depreciation	
Balance at 1 January 2023	316
Depreciation for the year	96
Other increases	-
Derecognition	-
Other decreases	61
Balance at 31 December 2023	351
Balance at 1 January 2024	351
Depreciation for the year	99
Other increases	-
Derecognition	-
Other decreases	-
Balance at 31 December 2024	450
Net value	
Balance at 31 December 2023	3,884
Balance at 31 December 2024	3,785

The market values of the properties do not differ significantly from their carrying amounts. The market value was determined using the comparable uncontrolled price method, based on property prices specific to given regional areas.

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3. Goodwill and other intangible assets

(in HUF million)	Goodwill	Exploration and evaluation of mineral resources	Rights and concessions	Other intangible assets					Total
				Intellectual property	Customer relations	CO ₂ allowance	Other	Total	
Gross value									
Balance at 1 January 2023	107,819	-	137,754	59,702	207,053	14,684	27,277	446,470	554,289
Additions	-	-	22,290	5,160	-	94,771	688	122,909	122,909
Assets acquired in business combination (see Note III.31.) / assets acquired in transactions with the parent company*	1,984	-	-	-	-	-	-	-	1,984
Other increases*	-	-	10,030	20	-	1,375	-	11,425	11,425
Derecognition	-	-	-4,458	-3,662	-	-73	-	-8,193	-8,193
Use	-	-	-	-	-	-86,715	-	-86,715	-86,715
Translation difference	-	-	-4,470	-168	-13,326	-5	-	-17,969	-17,969
Other decreases*	-	-	-4,937	-9,239	-	-	-99	-14,275	-14,275
Balance at 31 December 2023	109,803	-	156,209	51,813	193,727	24,037	27,866	453,652	563,455
Balance at 1 January 2024	109,803	-	156,209	51,813	193,727	24,037	27,866	453,652	563,455
Additions	-	10	72,384	11,043	-	121,144	1,070	205,651	205,651
Assets acquired in business combination (see Note III.31.) / assets acquired in transactions with the parent company*	1,026	7,320	444	-	-	-	-	7,764	8,790
Other increases*	-	-	26,682	2,241	-	1,017	-	29,940	29,940
Derecognition	-	-	-3,991	-340	-	-	-	-4,331	-4,331
Use	-	-	-	-	-	-103,399	-	-103,399	-103,399
Translation difference	-	808	3,264	269	9,952	5	-	14,298	14,298
Other decreases*	-	-	-16,361	-1,151	-	-	-46	-17,558	-17,558
Balance at 31 December 2024	110,829	8,138	238,631	63,875	203,679	42,804	28,890	586,017	696,846

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(in HUF million)	Goodwill	Exploration and evaluation of mineral resources	Other intangible assets						Total
			Rights and concessions	Intellectual property	Customer relations	CO ₂ allowance	Other	Total	
Amortisation									
Balance at 1 January 2023	11,141	-	69,896	37,555	38,657	847	26,814	173,769	184,910
Amortisation for the year	-	-	14,195	4,674	15,186	-	103	34,158	34,158
Other increases*	-	-	1,746	788	-	309	-	2,843	2,843
Impairment recognised in profit or loss	-	-	-9	-	-	-39	-	-48	-48
Reversal of impairment recognised in profit or loss	-	-	3,252	-	-	-	-	3,252	3,252
Derecognition	-	-	-4,235	-3,583	-	-	-	-7,818	-7,818
Other decreases*	-	-	-2,222	-59	-2,608	-	-	-4,889	-4,889
Translation difference	-	-	-3,635	-3,454	-	-	-11	-7,100	-7,100
Balance at 31 December 2023	11,141	-	78,988	35,921	51,235	1,117	26,906	194,167	205,308
Balance at 1 January 2024	11,141	-	78,988	35,921	51,235	1,117	26,906	194,167	205,308
Amortisation for the year	-	-	18,337	3,725	14,903	-	98	37,063	37,063
Impairment recognised in profit or loss	2,601	-	271	381	-	699	-	1,351	3,952
Reversal of impairment recognised in profit or loss	-	-	-12	-10	-	-	-	-22	-22
Other increases*	-	-	79	185	-	-	-	264	264
Derecognition	-	-	-3,587	-262	-	-	-	-3,849	-3,849
Translation difference	-	-	2,141	157	2,936	-	-	5,234	5,234
Other decreases*	-	-	-187	-638	-	-	-	-825	-825
Balance at 31 December 2024	13,742	-	96,030	39,459	69,074	1,816	27,004	233,383	247,125
Net value									
Balance at 31 December 2023	98,662	-	77,221	15,892	142,492	22,920	960	259,485	358,147
Balance at 31 December 2024	97,087	8,138	142,601	24,416	134,605	40,988	1,886	352,634	449,721

* These line items include reclassifications between intangible assets or reclassifications into assets held for sale, as well as changes in assets due to sale of equity accounted investees.

Goodwill

The amount of goodwill as at 31 December 2024 derives mainly from the acquisition of the following companies in previous years, taking impairment accounted for also into account:

- innogy Česká republika a.s.	HUF 58,140 million
- Magyar Földgáztároló Zrt.	HUF 29,780 million

The HUF 1,026 million rise in goodwill in the reporting year relates to acquisitions in the reporting year, which is described in Note III. 31.

In the reporting year the Group wrote down the HUF 2,601 million goodwill arisen on several previous minor acquisitions. It still deemed the recovery of the goodwill of the other companies as substantiated. Details of the goodwill impairment test are described in Note II.7 c) for innogy Energie s.r.o and in Note II.7 b) for Magyar Földgáztároló Zrt.

Exploration and evaluation of mineral resources

These intangible assets are exploration and evaluation assets related to the Shah Deniz offshore natural gas and condensate field in Azerbaijan, the amount of which increased because of the acquisition of interest in the joint arrangement (see Note III. 31.) and capitalisable costs incurred in the reporting year.

Rights and concessions

Rights and concessions primarily include purchase of rights and concessions and acquisitions of licences necessary for performing IT and administration services, as well as internally generated system developments which create new functions. Furthermore, this item also includes the right to use the innogy brand name (HUF 15,939 million).

Intellectual property

Intellectual property primarily includes software owned by Group entities.

Customer relations

Customer relations mainly represent the value of customer relations identified and recognised during the acquisition of innogy Energie s.r.o in 2020.

4. Disclosures in relation to non-controlling interests related to subsidiaries

The Group recognises companies controlled by it as subsidiaries, see Note III. 38. The Hungarian-registered subsidiaries of the Group perform their primary activities in Hungary, except for MVM Upstream Kft., which performs its core activity in a branch in Azerbaijan. The foreign resident subsidiaries of the Group operate mainly in the Czech Republic, Serbia, Croatia, Austria, Slovakia, Romania, Switzerland, Macedonia and China.

The following table shows the changes in non-controlling interests in accordance with the consolidated statement of changes in equity:

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<i>(in HUF million)</i>	Rába Energiá- szolgáltató Kft.	Kapos CNG Kft.	European Power Services Zrt.	innogy Energetika Plhov- Náchod s.r.o.	Mobiliti VOLÁNBUSZ Kft..	SERBHUNGAS d.o.o.	Total
Balance at 1 January 2023	22	-	5	133	5	-	165
Non-controlling interest accounted for during acquisition / acquisition of interests	-	-	-	-	-	37	37
Profit/Loss for the year attributable to non-controlling interest	6	-	-16	3	1	-32	-38
Other comprehensive income attributable to non-controlling interest	-	-	-	-12	-	-	-12
Cumulative translation difference	-	-	-	-12	-	-	-12
Total comprehensive income	6	-	-16	-9	1	-32	-50
Dividend	-8	-	-	-2	-	-	-10
Balance at 31 December 2023	20	-	-11	122	6	5	142

<i>(in HUF million)</i>	Rába Energiá- szolgáltató Kft.	Kapos CNG Kft.	European Power Services Zrt.	innogy Energetika Plhov- Náchod s.r.o.	Mobiliti VOLÁNBUSZ Kft..	SERBHUNGAS d.o.o.	Total
Balance at 1 January 2024	20	-	-11	122	6	5	142
Non-controlling interest accounted for during acquisition / acquisition of interests	-	-	-	-	-	345	345
Profit/Loss for the year attributable to non-controlling interest	1	-	-122	2	4	-30	-145
Other comprehensive income attributable to non-controlling interest	-	-	-	5	-	18	23
Cumulative translation difference	-	-	-	5	-	18	23
Total comprehensive income	1	-	-122	7	4	-12	-122
Dividend	-9	-	-57	-2	-	-	-68
Balance at 31 December 2024	12	-	-190	127	10	338	297

Hungarian-Serbian joint venture SERBHUNGAS d.o.o. was established in 2023 with an MVM CEEnergy Zrt. stake of 50.56%. In 2024 the owners increased capital in proportion to their stakes, of which the contribution of the Serbian owner was recorded as non-controlling interest.

The tables below present summary financial information on subsidiaries which have non-controlling interests, before eliminating intra-group items. Due to significant consolidation adjustments the below figures cannot be compared to the amounts included in the financial statements and are for disclosure purposes only.

<i>(in HUF million)</i>	31.12.2024					
	Rába Energia- szolgáltató Kft.	Kapos CNG Kft.	European Power Services Zrt.	innogy Energetika Plhov- Náchod s.r.o	Mobiliti VOLÁN- BUSZ Kft.	SERBHUN- GAS d.o.o.
Registered office	Hungary	Hungary	Hungary	Czech Republic	Hungary	Serbia
Non-controlling interests	3.33%	0.37%	50.00%	7.00%	5.00%	49.44%
Non-current assets	100	36	41	2,107	2,086	21
Current assets	1,965	51	2,422	1,931	513	2,784
Non-current liabilities	28	-	16	821	1,258	10
Current liabilities	1,789	8	1,968	1,387	1,138	2,113
Net assets	248	79	479	1,830	203	682

Revenue	9,465	47	2,795	5,716	672	5,778
Profit or loss	126	10	81	40	108	-62
Total comprehensive income	124	10	81	111	108	-26

Operating cash flow	18	-	-295	666	-696	-671
Investment cash flow	-17	-	-2	-37	-11	-19
Financing cash flow	-1	-	112	-138	707	696
Net change in cash and cash equivalents	-	-	-185	491	-	6

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(in HUF million)	31.12.2023					
	Rába Energia- szolgáltató Kft.	Kapos CNG Kft.	European Power Services Zrt.	innogy Energetika Plhov- Náchod s.r.o	Mobiliti VOLÁN- BUSZ Kft.	SERBHUN- GAS d.o.o.
Registered office	Hungary	Hungary	Hungary	Czech Republic	Hungary	Serbia
Non-controlling interests	3.33%	0.37%	50.00%	7.00%	5.00%	49.44%
Non-current assets	152	55	89	2,155	2,320	4
Current assets	1,941	35	1,398	2,067	755	379
Non-current liabilities	96	2	39	817	1,453	1
Current liabilities	1,596	9	936	1,662	1,503	373
Net assets	401	79	512	1,743	119	9

Revenue	14,679	46	2,538	6,643	622	8
Profit or loss	271	9	68	30	45	-67
Total comprehensive income	271	9	68	-123	45	-67

Operating cash flow	21	25	102	658	1,037	295
Investment cash flow	-21	-6	-	-441	-844	-3
Financing cash flow	-	-19	-	34	-193	76
Net change in cash and cash equivalents	-	-	102	251	-	368

5. Interests in associates and joint ventures

As at the reporting date of the 2023 and 2024 financial years, associates and joint ventures included the following enterprises, together with carrying amounts calculated using the equity method:

<i>(in HUF million)</i>	31.12.2024		31.12.2023	
Name of associate	%	Carrying amount	%	Carrying amount
ADEX Szervezett Villamosenergia-piac Holding Zrt. ^(b)	40.00%	3,609	-	-
AGRI LNG Project Company SRL	25.00%	-	25.00%	-
CEEGEX Zrt. ^(c)	49.00%	-	-	-
Teplo Votice, s.r.o.	20.00%	22	20.00%	22
Dunamenti Erőmű Zrt.	25.00%	6,360	25.00%	7,019
Elektromontaža d.o.o. Kraljevo	33.40%	4,338	33.40%	3,612
Energotehnika Južna Bačka d.o.o. Novi Sad	33.40%	11,943	33.40%	10,029
E.ON Hungária ZRt.	25.00%	157,552	25.00%	154,049
Komunálinfo Zrt. ^(a)	-	-	42.42%	61
Kecskeméti Tormostar Kft.	30.49%	622	30.49%	699
Rollin Technologies Zrt.	24.91%	17	24.91%	13
Smart Charging Kft.	23.61%	17	23.61%	24
Vilii Fly Kft.	24.90%	-	24.90%	82
Total associates		184,480		175,610
Name of joint venture				
Corvinus Energy Kft.	50.00%	30,172	50.00%	24,053
OGD Berettyóújfalu Koncessziós Kft.	50.00%	1,433	50.00%	4,748
Total joint ventures		31,605		28,801

(a) The Group sold its interest in Komunálinfo Zrt. on 16 September 2024.

(b) In November 2024 the number of associates increased: through contributing in kind its interest in HUPX Zrt., MAVIR ZRt. acquired 40% interest in ADEX Szervezett Villamosenergia-piac Holding Zrt., the core activity of which is operation of organised electricity markets, through its subsidiaries, in Slovenia, Serbia and now in Hungary.

(c) On 17 December 2024 the Group sold its majority interest in CEEGEX Zrt. and as a result, the company became an associate.

The reporting date of the financial statements of the above companies is 31 December.

Among associates and joint ventures the interests in Dunamenti Erőmű Zrt., E.ON Hungária ZRt. and Corvinus Energy Kft. are considered individually significant.

Dunamenti Erőmű Zrt. started operations on 1 January 1992; its core activity includes production and trade of electricity, production of heat energy and services related to the core activity. The majority (74.92%) owner of Dunamenti Erőmű Zrt. is MET Danube Holding AG, a member of the MET Holding Group. 25% of shares is held by the MVM Group, while 0.08% of shares is held by minority shareholders. In 2024 the company generated profit.

E.ON Hungária Zrt. coordinates the operations of the subsidiaries of the E.ON Hungária Group engaged in trading, network and other activities. Given that part of the E.ON Hungária Group's

activities are subject to regulated prices, the differences between the regulated prices and the actual costs have a significant impact on its profitability in addition to energy price developments.

The carrying amount of the interest in E.ON Hungária Zrt. changed in 2024 due to the Group's share of the profit for the reporting year of the associate (+ HUF 3,503 million).

Corvinus Energy Kft. is a 50-50% joint venture between MVM CEEnergy Zrt. and Horizon General LLC. Corvinus Energy Kft. (and its wholly owned mining companies, HHE Sarkad Kft. and from December 2023 HHE Gyulavári Kft.) conducts hydrocarbon exploration and production activities in Békés county, at the Nyékpusztai site near Sarkad. The drilling of the first well was completed in March 2022, and production started in February 2023. The two additional wells drilled during 2023 as part of the project were brought into production in December 2023 and January 2024 respectively. Natural gas and condensate (light oil) production is still ongoing within the Corvinus project.

The carrying amount of the interest in Corvinus Energy Kft. changed in 2024 due to the capital increases (+ HUF 1,808 million) and the Group's share of the profit for the reporting year of the associate (+ HUF 4,311 million).

Main financial information of associates and joint ventures classified as individually significant is as follows:

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<i>(in HUF million)</i>	31.12.2024		
	Dunamenti Erőmű Zrt.	Corvinus Energy Kft.	Total
Main location of activity	Hungary	Hungary	
Ownership share	25.00%	50.00%	
Current assets	29,810	15,416	
Non-current assets	24,513	51,245	
Current liabilities	25,320	11,715	
Non-current liabilities	3,509	429	
Net assets	25,494	54,517	
Elimination of interim profit or loss	-54	0	
Adjusted net assets	25,440	54,517	
Group's share of net assets	6,360	30,172*	
Impairment booked based on company valuation	0	0	
Carrying amount in the consolidated statement of financial position	6,360	30,172	36,532
Revenue	72,583	25,698	
Profit after tax	5,658	8,623	
Changes in interim profit or loss	0	0	
Total comprehensive income	7,352	8,623	
Group's share from profit or loss	1,415	4,311	
Group's share from total comprehensive income	1,838	4,311	
Profit/Loss attributable to the Group booked in the profit/loss of associates	1,415	4,311	5,726
Of which: dividends received	2,484	0	2,484

* In the case of farm-in agreements, the Group recognises amounts spent by it in the exploration phase that can be capitalised as exploration and evaluation assets based on its accounting policies as the Group's share of the net assets of the joint venture.

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(in HUF million)	31.12.2024
	E.ON Hungária ZRt.
Main location of activity	Hungary
Ownership share	25.00%
Current assets	298,647
Intangible assets	34,517
Right-of-use assets	13,659
Tangible assets	1,068,820
Investments	10,659
Provisions	16,700
Financial liabilities	274,073
Trade liabilities, accrued expenses and deferred income	279,288
Deferred tax liabilities	138,936
Other current liabilities	182,998
Net assets	534,307
of which: attributable to NCI	123,527
Adjusted net assets (net of attributable to NCI)	410,780
Group's share of net assets	102,695
Impairment booked based on company valuation	0
Goodwill	54,857
Carrying amount in the consolidated statement of financial position	157,552
Group's share from profit or loss*	9,949
Reversal of impairment booked based on company valuation	0
Profit/Loss attributable to the Group booked in the profit/loss of associates	9,949
Of which: dividends received	6,446

* Profit/Loss attributable to the Group equals the total comprehensive income attributable to it.

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<i>(in HUF million)</i>	31.12.2023		
	Dunamenti Erőmű Zrt.	Corvinus Energy Kft.	Total
Main location of activity	Hungary	Hungary	
Ownership share	25.00%	50.00%	
Current assets	43,185	6,669	
Non-current assets	12,684	41,202	
Current liabilities	24,256	5,879	
Non-current liabilities	3,536	1,005	
Net assets	28,077	40,987	
Group's share of net assets	7,019	24,053*	
Impairment booked based on company valuation	0	0	
Carrying amount in the consolidated statement of financial position	7,019	24,053	31,072
Revenue	96,011	11,455	
Profit after tax	7,779	1,127	
Total comprehensive income	5,763	1,127	
Group's share from profit or loss	1,945	564	
Group's share from total comprehensive income	1,441	564	
Profit/Loss attributable to the Group booked in the profit/loss of associates	1,945	564	2,509
Of which: dividends received	3,746	0	3,746

* In the case of farm-in agreements, the Group recognises amounts spent by it in the exploration phase that can be capitalised as exploration and evaluation assets based on its accounting policies as the Group's share of the net assets of the joint venture.

<i>(in HUF million)</i>	31.12.2023
	E.ON Hungária ZRt.
Main location of activity	Hungary
Ownership share	25.00%
Current assets	299,666
Intangible assets	28,291
Right-of-use assets	7,388
Tangible assets	983,948
Investments	10,011
Provisions	12,112
Financial liabilities	156,473
Trade liabilities, accrued expenses and deferred income	307,862
Deferred tax liabilities	138,357
Other current liabilities	205,667
Net assets	508,833
of which: attributable to NCI	112,064
Adjusted net assets (net of attributable to NCI)	396,769
Group's share of net assets	99,192
Impairment booked based on company valuation	0
Goodwill	54,857
Carrying amount in the consolidated statement of financial position	154,049
Group's share from profit or loss*	-1,290
Reversal of impairment booked based on company valuation	0
Profit/Loss attributable to the Group booked in the profit/loss of associates	-1,290
Of which: dividends received	4,822

* Profit/Loss attributable to the Group equals the total comprehensive income attributable to it.

Aggregated financial information of other, individually not significant associates and joint ventures:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Interests in associates and joint ventures that are individually not significant	22,001	19,290
Share of profit/loss of associates and joint ventures that are individually not significant	-2,158	2,598
Total comprehensive income from associates and joint ventures that are individually not significant	-1,317	2,598

6. Interests in other entities

In the Group's consolidated statement of financial position significant items within interests in other entities as at the reporting date include the interest in PannErgy Nyrt., which is 9.31% of share capital and was acquired by the Group in 2019 in an OTC transaction. The MVM Group

has no significant influence in the company. A further major interest in other entities is the 4% stake in the Azerbaijan Gas Supply Company, a trading company established for the exclusive sale and supply of natural gas produced from the Shah Deniz natural gas and condensate field.

The value of interests in other entities increased in the reporting year in the case of PannErgy Nyrt., as a result of the change in the fair value. The effect of the change in the fair value was recognised through other comprehensive income, based on the decision of the Group.

Changes to the value of interests in the period covered by the financial statements:

<i>(in HUF million)</i>	Interest in PannErgy Nyrt.	Interest in Azerbaijan Gas Supply Company	Interests in other entities	Total
Balance at 31 December 2023	2,095	-	493	2,588
Acquisition/ Assets acquired in business combination	-	1,876	-	1,876
Sale	-	-	- 1	- 1
Reclassification	-	-	-	-
Effect of measurement through other comprehensive income	519	-2,080	24	-1,537
Translation difference	-	207	-	207
Balance at 31 December 2024	2,614	3	516	3,133

7. Non-current loans and receivables

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Long-term debt securities	1,231	4,909
Loans granted to employees	1,575	1,501
Other non-current receivables	4,835	8,068
Total	7,641	14,478

Significant items of the HUF 6,837 million decrease in non-current loans and receivables include the HUF 3,678 million fall in the balance of long-term debt securities and the HUF 2,410 million decrease, due to the extension of recultivation period, in reimbursement receivables related to environmental costs in the context of the remediation of the Óbuda Gas Plant, recognised under other non-current receivables.

8. Income taxes

As described in Note II. 3. bb), of the taxes in force in Hungary, the Group accounts for corporation tax, local business tax, innovation contribution and income tax of energy suppliers, small business tax as well as special tax for electric energy producers as income tax. The tax bases for the individual tax types are assessed based on profit or loss calculated on a net basis but using different calculation methods, therefore the tax bases are different. MVM Zrt. is not

subject to the income tax of energy suppliers, the small business tax and the windfall tax of photovoltaic producers, some of its subsidiaries are subject to these taxes.

Income tax rates of the Group in Hungary in the financial years concerned were as follows:

Current tax rate	2024	2023
Corporation tax	9%	9%
Local business tax	2%	2%
Innovation contribution	0.3%	0.3%
Income tax for energy suppliers	31%/41%	31%/41%
Small business tax	10%	10%
Special tax for electric energy producers	65%	65%

The income tax rate is 23% in Austria, 25% in Azerbaijan, 21% in the Czech Republic, 18% in Croatia, 25% in China, 10% in North Macedonia, 16% in Romania, 19.6% in Switzerland, 15% in Serbia and 21% (from 2025 24%) in Slovakia. In the Czech Republic and Slovakia, energy trading companies are also subject to a windfall tax, in the Czech Republic with a 60% rate on tax bases exceeding the average income tax base for 2018-2021 by more than 20%, while in Slovakia the tax rate is 0.363% per month on 99% of the pre-tax profit.

When assessing deferred tax liabilities and assets, the Group calculates the deferred tax of the individual Group companies for the individual tax types using expected current tax rate of the given company calculated based on the above tax rates enacted or substantively enacted at the reporting date.

The amount of deferred tax includes the deferred tax relating to the above tax types that are considered income taxes (if the given company is subject to the particular tax type).

Income tax recognised in profit or loss for the period

The income tax recognised in the consolidated financial statements in profit or loss for the period in the financial years ended 31 December 2024 and 2023 comprises the following components:

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Tax recognised in profit or loss for the period (in HUF million)	31.12.2024	31.12.2023
Current tax		
Tax for the year	192,520	234,434
Effect of tax loss	- 349	- 2,349
Adjustments for prior years	- 1,400	- 4,671
Total	190,771	227,414
Deferred tax expense / (income)		
Origination and reversal of temporary differences	- 57,767	- 120,515
Effect of tax rate changes	9,553	23,487
Deferred tax assets recognised in the reporting year for previously unrecognised tax losses	- 442	- 2,974
Write off of deferred tax assets recognised previously for tax losses	183	1,883
Tax effect of previously unrecognised temporary differences	- 7,145	- 2,373
Temporary differences, for which no deferred tax asset was recognised in the reporting year	32,610	52,938
Adjustments for prior years	100	- 3,410
Total	- 22,908	- 50,964
Total	167,863	176,450

The current tax for the year includes the income taxes payable for the given year determined based on tax laws, calculated net of tax losses (tax loss carry-forwards) and prior-year tax effects. The effect of tax loss line item includes the tax effect of the tax loss carry-forward in the given year, which shows the amount by which the tax loss carry-forward used in the year reduced the current-year tax payment liability.

The overall decrease in current tax expense derived from the lower corporation tax and income taxes paid abroad and from the parallel rise in the income tax for energy suppliers.

The MVM Group is subject to the global minimum tax, introduced as part of the BEPS (Base Erosion and Profit Shifting) Project initiated by the OECD, as its consolidated sales revenue exceeds the threshold set by the law. In relation to the new tax, out of the 11 jurisdictions affected (in which the companies of the MVM Group operate), Top-up tax liability arises solely in North Macedonia, which amounted to HUF 7 million. Regarding the remaining jurisdictions, no Top-up tax liability arises due to the compliance with the Transitional country-by-country reporting ("CbCR")-based exemption rules.

Income tax recognised in other comprehensive income

Tax recognised in other comprehensive income (in HUF million)	31.12.2024			31.12.2023		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Revaluation of property, plant and equipment	- 188,649	81,054	- 107,595	- 331,538	135,874	- 195,664
Cash flow hedges	435,027	- 110,529	324,498	- 355,275	93,287	- 261,988
Employee benefits	- 3,862	1,460	- 2,402	- 2,117	765	- 1,352
Interests measured through other comprehensive income	- 1,537	- 52	- 1,589	- 124	13	- 111
Total	240,979	-28,067	212,912	- 689,054	229,939	- 459,115

The value of cash flow hedges accounted for in other comprehensive income can be considered in the tax base only upon accounting for the transaction in profit or loss, therefore the Group recognises deferred tax assets and deferred tax liabilities related to the transactions and accounted for in other comprehensive income.

The value of employee benefits accounted for in other comprehensive income is the actuarial profit or loss on benefits related to retirement; it can be taken into account in the tax base in the period of actual payment.

The impact on profit or loss of revaluation of interests measured at fair value through other comprehensive income is at the same time taxable income up to the extent of impairment reversal recognised by tax laws as well as of gain or loss on sale; the attributable current tax is presented in the other comprehensive income. Furthermore, the deferred tax liability attributable to the portion of revaluation exceeding the impairment reversal recognised by tax laws, as taxable temporary difference, is also included in other comprehensive income.

Income tax accounted for directly in equity

No income tax was recognised directly in equity either in the reporting year or in the previous year.

Reconciliation of effective tax rate

The table below presents quantitative reconciliation of income tax expense calculated based on accounting profit and the income tax expense recognised in profit or loss for the year, as well as the applicable tax rate of the Group and the average effective tax rate.

Reconciliation of effective tax rate	31.12.2024	31.12.2023
Profit for the period	323,722	369,122
Income tax expense	167,863	176,450
Profit before tax	491,585	545,572
Tax calculated using the Company's domestic tax rate	55,549	61,650
Effect of tax rates in foreign jurisdictions	17,916	33,232
Effect of different tax rates	75,831	16,515
Effect of different tax bases	10,192	11,293
Effect of tax rate changes	9,553	23,487
Non-deductible expenses	68,765	101,032
Tax-exempt income	- 391,759	- 490,976
Tax allowances	- 40	-
Deferred tax assets recognised in the reporting year for previously unrecognised tax losses	- 442	- 2,974
Write-off of deferred tax assets recognised previously for tax losses	183	1,883
Reporting-year tax losses for which no deferred tax asset was recognised	297,954	377,992
Tax effect of previously unrecognised temporary differences	- 7,145	- 2,373
Temporary differences, for which no deferred tax asset was recognised in the reporting year	32,610	52,938
Adjustments for prior years	- 1,300	- 7,249
Other	- 4	-
Total income tax expense	167,863	176,450

The income tax calculated based on profit or loss before tax and using the applicable tax rate is included in line item 'Tax calculated using the Company's domestic tax rate' in the reconciliation of effective tax rate. The applicable tax rate is the current tax rate of the parent company (MVM Zrt.) based on the decision of the Group; it includes corporation tax (in both years 9%), local business tax (in both years 2%) and innovation contribution (in both years 0.3%). MVM Zrt. is not subject to the other income taxes, therefore the applicable tax rate does not include these types of tax.

In the effect of different tax rates line item in the reconciliation of effective tax rate the Group recognises the effect of the difference between the applicable tax rates of the member companies and the applicable tax rate of the Group. The most significant item within the effect presented in this row is that the applicable tax rate of the Group does not contain the income tax of energy suppliers, instead, its effect is presented in this row.

The effect of different tax bases included in the reconciliation of effective tax rate arises from the tax base of other income taxes different from the base of the corporation tax.

The effect of tax rate changes arises due to the difference between the current tax rate and the tax rate expected when deferred tax assets/liabilities reverse. The reporting-year difference results basically from the 41% rate of the income tax for energy suppliers extended for 2025. In addition, the income tax of energy suppliers is only payable in proportion to taxable revenue, which ratio in the period of reverse may differ from the ratio of actual taxable revenue in the reporting year and the expected taxable revenue in previous years.

Non-deductible expenses and tax exempt income represent the effect of individual permanent differences in the given year. Non-deductible expenses include treating grants as expenses that cannot be deducted for the purposes of income tax of energy suppliers, impairment that cannot be considered in the tax base in future periods either, as well as the effect of tax inspections related to previous periods. Tax exempt income includes grants received that are not taxable for the purposes of income tax of energy suppliers, tax exempt dividends as well as effects of tax inspections related to previous periods. The income tax effect of tax inspections is included in the 'Adjustments for prior years' row.

The tax effect of previously unrecognised temporary differences line item includes the tax effect of unrecognised temporary differences arisen in previous years which, however, are recognised in the reporting year due to changes in expected recovery.

The temporary differences for which no deferred tax asset was recognised in the reporting year line item includes the tax effect of unrecognised deductible temporary differences arising in the reporting year and temporary differences recognised in previous years that are unrecognised in the reporting year due to changes in expected recovery.

Unrecognised temporary differences

Deferred tax assets have not been recognised in respect of the following items:

Unrecognised deductible temporary differences	31.12.2024	31.12.2023
Deductible temporary differences for which no corporation tax was recognised	56,670	20,784
Deductible temporary differences for which no income tax of energy suppliers was recognised	276,724	403,954
Corporation tax loss carried forward*	160,385	96,723
Tax loss carried forward in respect of income tax for energy suppliers*	2,095,689	1,385,536

* The prior-year figure of the rows marked with an asterisk (*) was adjusted because of self-revision.

No deferred tax asset was recognised on the items presented in the table, as in the management's opinion – taking business plans into account – it is not probable that taxable profit will be available in future periods against which the temporary differences can be utilised to realise tax benefits.

The main reason behind the change in unrecognised deductible temporary differences is the change in tax losses carried forward, more specifically, the change in tax losses in respect of income tax for energy suppliers.

Tax losses by expiry date:

Expiry of unrecognised tax loss	31.12.2024	31.12.2023
2024		2,340
2025*	43,008	43,808
2026*	62,377	62,023
2027*	380,941	386,109
2028*	924,647	924,717
2029	774,852	196
Unlimited*	70,249	63,066
Total	2,256,074	1,482,259

* The prior-year figure of the rows marked with an asterisk (*) was adjusted because of self-revision.

In Hungary corporation tax loss can be carried forward for 5 years; however, tax losses produced up to 31 December 2014 can be utilised without time limitation. At the same time, the loss carried forward can be utilised only up to 50% of the positive tax base for the given year. Tax losses in respect of income tax for energy suppliers can also be carried forward in accordance with the rules applicable to the corporation tax base. HUF 2,171,332 million of tax losses expiring between 2024 and 2029 relate to Hungarian subsidiaries.

In Austria and Macedonia tax loss can be carried forward without any time limit, but in Austria it can be utilised only up to 75% of the positive tax base for the given year. If the company is liquidated, the tax loss cannot be utilised. In Slovakia tax losses can be carried forward for 4 years. In Romania the limit for using losses carried forward is 7 years for losses produced until 2023 and 5 years afterwards, while in China it is 5 years.

Deferred tax on investments in subsidiaries, associates and joint ventures and on goodwill

The Company did not recognise deferred tax on interest in subsidiaries, associates and joint ventures and on goodwill, as potential dividends and the result from the sale of reported interests are tax exempt, and no reversal of the temporary difference is expected.

Disputed tax balances

As at the reporting date the Group has no disputed tax balances.

Deferred tax assets and tax liabilities

Recognised deferred tax assets and liabilities

The balance as of 31 December 2024 and 2023 of deferred tax presented in the consolidated balance sheet and recognised in the comprehensive income includes the following items:

Recognised deferred tax assets and liabilities	31.12.2024			31.12.2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	295,809	- 547,894	- 252,085	270,196	- 619,383	- 349,187
Other intangible assets	2,032	- 36,624	- 34,592	1,330	- 36,706	- 35,376
Investment property	214	- 103	111	102	- 136	- 34
Interests in other entities	-	- 126	- 126	2	- 79	- 77
Non-current loans and receivables	242	- 162	80	258	- 187	71
Inventories	1,662	- 2,758	- 1,096	1,351	- 1,731	- 380
Derivative financial assets	2	- 32,289	- 32,287	368	- 2,178	- 1,810
Trade receivables and other non-derivative financial assets	37,689	- 5,441	32,248	35,014	- 7,035	27,979
Other non-financial assets	50,159	- 194	49,965	36,334	- 1,996	34,338
Non-current assets held for sale	-	- 113	- 113	-	- 30	- 30
Non-current loans and borrowings	-	- 531	- 531	-	- 378	- 378
Provisions	48,695	- 12,130	36,565	48,383	- 18,894	29,489
Liabilities related to employee benefits	12,668	- 3,600	9,068	10,915	- 2,231	8,684
Other non-current financial liabilities	4,364	- 408	3,956	4,744	- 391	4,353
Current loans and borrowings	115	- 6	109	1	- 6	- 5
Derivative financial liabilities	2,163	- 2,379	- 216	83,235	- 317	82,918
Trade payables and other non-derivative financial liabilities	2,996	- 2,626	370	2,108	- 352	1,756
Other current non-financial liabilities	395	- 74,124	- 73,729	115	- 59,343	- 59,228
Tax allowances	-	-	-	-	-	-
Tax loss carried forward	1,907	-	1,907	2,799	-	2,799
Tax assets/Tax liabilities before offsetting	461,112	- 721,508	- 260,396	497,255	- 751,373	- 254,118
Set off tax	- 435,164	435,164	-	- 414,879	414,879	-
Net tax asset/tax liability	25,948	- 286,344	- 260,396	82,376	- 336,494	- 254,118

The main item within recognised deferred tax liabilities derives from the revaluation of nuclear technology assets. The decrease in deferred tax liabilities related to tangible assets resulted from the fall in revaluation, as well as from the decrease due to deferred tax liabilities that reversed owing to depreciation attributable to the higher revalued amount; furthermore, this item also includes the deferred tax attributable to right-of-use assets recognised under IFRS 16 Leases that may not be recognised under tax laws.

The main item contributing to the increase in deferred tax assets related to trade receivables and other non-derivative financial assets as well as other non-financial assets derives from changes in tariff regulation deferred expenses and accrued income.

The fall in deferred tax liabilities and the rise in deferred tax assets related to derivative financial assets and liabilities as well as other non-financial assets was caused by the valuation as at the reporting date of effective cash flow hedges.

The most significant items within the increase in deferred tax liabilities related to other current non-financial liabilities derives also from the change in tariff regulation accruals and deferrals.

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Analysis of changes in net deferred tax assets and tax liabilities:

Recognised deferred tax assets and liabilities	Balance at 1 January 2023	Recognised in profit or loss for the period	Recognised in other comprehensive income	Recognised directly in equity	Acquired in business combination	Translation difference	Balance at 31 December 2023
Property, plant and equipment	- 538,320	54,939	135,874	-	- 1,847	167	- 349,187
Other intangible assets	- 39,402	1,593	-	-	-	2,433	- 35,376
Investment property	203	- 237	-	-	-	-	- 34
Interests in other entities	- 89	2	10	-	-	-	- 77
Non-current loans and receivables	- 45	116	-	-	-	-	71
Inventories	- 5,533	5,114	-	-	-	39	- 380
Derivative financial assets	- 32,768	- 5,563	35,328	-	-	1,193	- 1,810
Trade receivables and other non-derivative financial assets	24,116	3,940	-	-	-	- 77	27,979
Other non-financial assets	15,621	20,844	- 2,067	-	-	- 60	34,338
Non-current assets held for sale	- 1,070	1,040	-	-	-	-	- 30
Non-current loans and borrowings	204	- 582	-	-	-	-	- 378
Provisions	34,289	- 4,774	-	-	-	- 26	29,489
Liabilities related to employee benefits	6,389	1,549	765	-	-	- 19	8,684
Other non-current financial liabilities	3,715	667	-	-	-	- 29	4,353
Current loans and borrowings	- 3,201	3,200	-	-	-	- 4	- 5
Liabilities due to derivative transactions	13,335	5,127	65,548	-	-	- 1,092	82,918
Trade payables and other non-derivative financial liabilities	- 926	2,694	-	-	-	- 12	1,756
Other current non-financial liabilities	- 14,710	- 38,990	- 5,522	-	-	- 6	- 59,228
Tax allowances	-	-	-	-	-	-	-
Tax loss carried forward	2,399	285	-	-	122	- 7	2,799
Total	- 535,793	50,964	229,936	-	- 1,725	2,500	- 254,118

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Recognised deferred tax assets and liabilities	Balance at 1 January 2024	Recognised in profit or loss for the period	Recognised in other comprehensive income*	Recognised directly in equity	Acquired in business combination	Translation difference	Balance at 31 December 2024
Property, plant and equipment	- 349,187	16,622	81,054	-	-	- 574	-252,085
Other intangible assets	- 35,376	2,530	-	-	-	- 1,746	-34,592
Investment property	- 34	145	-	-	-	-	111
Interests in other entities	- 77	- 2	- 47	-	-	-	-126
Non-current loans and receivables	71	9	-	-	-	-	80
Inventories	- 380	- 683	-	-	-	- 33	-1,096
Derivative financial assets	- 1,810	1,227	- 31,351	-	-	- 353	-32,287
Trade receivables and other non-derivative financial assets	27,979	4,382	-	-	-	- 113	32,248
Other non-financial assets	34,338	15,599	-	-	-	28	49,965
Non-current assets held for sale	- 30	- 79	-	-	-	- 4	-113
Non-current loans and borrowings	- 378	- 153	-	-	-	-	-531
Provisions	29,489	6,615	-	-	-	461	36,565
Liabilities related to employee benefits	8,684	- 1,093	1,460	-	-	17	9,068
Other non-current financial liabilities	4,353	- 421	-	-	-	24	3,956
Current loans and borrowings	- 5	114	-	-	-	-	109
Liabilities due to derivative transactions	82,918	313	- 84,539	-	-	1,092	-216
Trade payables and other non-derivative financial liabilities	1,756	- 1,456	-	-	-	70	370
Other current non-financial liabilities	- 59,228	- 19,865	5,361	-	-	3	-73,729
Tax allowances	-	-	-	-	-	-	-
Tax loss carried forward	2,799	- 896	-	-	-	4	1,907
Total	- 254,118	22,908	- 28,062	-	-	- 1,124	- 260,396

* Main items of the change in deferred tax recognised in other comprehensive income include the reporting-year effect of the revaluation of nuclear technology assets and derivative transactions entered into with cash flow hedging purposes. Details of deferred taxes acquired in business combination are presented in Note III. 31. The translation difference resulted from the FX translation of deferred tax balances of companies with a functional currency different from the reporting currency of the Group.

9. Inventories

(in HUF million)	31.12.2024	31.12.2023
Goods	323,301	633,270
Raw materials	23,508	14,301
Finished products and work in progress	3,866	4,921
Other materials	10,025	12,530
Total	360,700	665,022

The decrease in inventories was mainly influenced by the change in the Group's natural gas stocks, which was largely due to the decrease in purchase prices, and partly cushioned by the weak forint against the euro. In terms of volumes, the MVM Group accumulated lower stock levels compared to the previous year due to higher volume of removed inventories caused by the colder weather. The lower volumes were also due to the fact that the Group's stock levels at the end of the storage period were below the same period of the previous year.

The impairment recorded and reversed on inventories in 2024 amounted to HUF 3,367 million, a significant part of which is the impairment of power plant spare parts.

10. Other non-financial assets

(in HUF million)	31.12.2024	31.12.2023
Receivables related to stock exchange transactions	279,020	741,092
VAT receivables	95,494	124,681
Utility bill protection support and other reimbursement receivables	88,781	107,646
Advances given	42,147	26,022
Spare parts and accessories	20,105	19,370
Prepayments	15,745	11,378
Receivables arising from Electricity Act settlements	5,557	2,670
Receivables related to use of LNG terminal	5,057	0
Incremental costs of obtaining contracts with customers	1,443	1,931
Other receivables from authorities	670	724
Miscellaneous receivables	2,732	1,987
Total	556,751	1,037,501

Receivables related to stock exchange transactions

The main reason for the decrease in receivables related to forward transactions is that at the end of 2024, the contracts that were concluded in 2021 and 2022 in a much higher price environment than the current one expired, and the difference between the strike price and the year-end forward price of the forward transactions still open at the end of 2024 is much smaller than it was before.

VAT receivables

A significant item within value added tax receivables is the VAT receivable related to advances from customers.

Utility bill protection support and other reimbursement receivables

This row presents the difference (HUF 85,860 million) between the amount of support actually paid in the reporting year and the amount of the compensation for the reporting year calculated on the basis of actual closing data, which, in accordance with legislation in force, is settled financially by adjusting the payments relating to the following year's claim.

Advances given

Significant items within advances given include advances related to purchase of nuclear fuel inventories, purchase of natural gas and electricity by several companies and sponsor activity.

Spare parts and accessories

The majority of spare parts and accessories are necessary for the Group's generation of electricity, and serve the activity of the enterprises in the short term.

Miscellaneous receivables

A significant item within the increase in miscellaneous receivables is the change in trade creditors with debt balances.

11. Non-current assets and liabilities held for sale

Major items of non-current assets held for sale include assets for sale of MVM NET Zrt. and related liabilities, green certificates, cushion gas and motor vehicles, the amount of which in the reporting year was as follows.

- Assets for sale of MVM NET Zrt. amount to HUF 29,556 million, while related liabilities in the same disposal group total HUF 15,086 million.
- Green certificates that are available for immediate sale total HUF 709 million.
- The volume of technological cushion gas to be sold next year during the forced replacement of cushion gas is considered an asset held for sale; its carrying amount as at the reporting date is HUF 295 million.
- Motor vehicles held for sale amounted to HUF 259 million in 2024.
- Other assets held for sale totalled HUF 1 million.

The main reason behind the increase relative to the previous year of HUF 29,301 million (assets) and HUF 15,086 million (liabilities) is the reclassification of assets and liabilities of MVM NET Zrt. to be sold.

12. Restricted cash

Composition of restricted cash:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Fees to support the stranded costs of conversion of the cogeneration process	19,069	11,455
MÁK electricity networks development and other advance for grant	18,540	31,694
Feed in Tariff restricted deposit account	7,304	5,035
Other restricted cash	30,738	24,120
Total	75,651	72,304

The HUF 3,347 million increase in the reporting period in restricted cash was determined by the combined change in the balances of the following items.

The higher cash value for the fees to support the stranded costs of conversion of the cogeneration process was caused by the unused amount of the increased claim (district heating compensation) received from the utility bill protection fund.

The decrease in advances from the Hungarian State Treasury for the development of electricity grids and other subsidy advances is because most of the advances paid in previous years were used in 2024.

The higher Feed in Tariff cash balance is due to an increase in the market trading price, while the closing balance includes an accumulated surplus of revenue that is later paid out.

From the HUF 6,618 million increase in other restricted cash, a significant item is the cash balance of the four new photovoltaic power plant operating companies that were added to the MVM Group on 30 September 2024. This item includes securities deposited for grid connections and restricted security deposit accounts of project companies.

13. Cash and cash equivalents

<i>Cash and cash equivalents (in HUF million)</i>	31.12.2024	31.12.2023
Petty cash, cheques	42	42
Bank deposits	297,459	245,540
Cash and cash equivalents	297,501	245,582
Overdraft facilities (see Note III.15.)	-16,560	- 1,386
Cash and cash equivalents in the statement of cash flows	280,941	244,196

14. Share capital and reserves

Share capital

Share capital of MVM Zrt. consists of 106,172,431 ordinary shares, which were fully paid to the Company. The face value of shares is HUF 8,000 each.

All of the shares of the Company is owned by the Hungarian State, it exercises its ownership rights and obligations as a sole shareholder since 1 December 2022 by the Ministry of Energy, previously by NVTNM and the Ministry for Technology and Industry.

In 2023 and in 2024 the share capital did not change.

<i>(number)</i>	Ordinary shares	Of which Treasury shares
Number as at 31 December 2022	106,172,431	-
Number as at 31 December 2023	106,172,431	-
Number as at 31 December 2024	106,172,431	-

Capital reserve

The capital reserve comprises on the one hand the HUF 31,257 million originated upon the transformation of MVM Tröszt into a business association, on the other hand, the HUF 20,635 million transferred from retained earnings to the capital reserve in 2020. The value of the capital reserve rarely changes because the capital reserve is not directly distributable, the amount can change only in certain cases (withdrawal form capital reserve accompanied by asset withdrawal and transfer to other components of equity).

Retained earnings

Retained earnings of the Group comprises the accumulated earnings of previous years less dividends paid to owners.

The following dividends were paid:

<i>(in HUF million)</i>	2024	2023
Dividends paid	324,000	108,048
Dividend per share at MVM Zrt. (HUF/share)	3,052	1,018

Based on its Resolution 25/2023 (IV.25.), in 2023 the sole shareholder of MVM Zrt. decided to distribute HUF 108,048 million dividend in cash benefit.

On the basis of the interim balance sheet of MVM Zrt. for the period ended 30 June 2023, based on its Resolution 87/2023 (XI.24.) the sole shareholder of the Company decided to distribute HUF 309,000 million interim dividend, which was paid through cash transfer. Based on the

accounting policies of the Group this is recognised at the end of 2023 as receivable from the owners.

Based on its Resolution 27/2024 (IV.24.), in 2024 the sole shareholder of MVM Zrt. decided to distribute HUF 324,000 million dividend in cash benefit, of which HUF 15,000 million remaining following the payment of the interim dividend was paid to the owner in 2024 H1.

On the basis of the interim balance sheet of MVM Zrt. for the period ended 30 June 2024, based on its Resolution 57/2024 (XI.12.) the sole shareholder of the Company decided to distribute HUF 126,000 million interim dividend, which was paid through cash transfer. Based on the accounting policies of the Company this was recognised as at the reporting date as receivable from the owners.

The Board of Directors of MVM Zrt. proposes to pay HUF 339,500 million dividend from MVM Zrt.'s free retained earnings supplemented with the profit after tax for 2024 (of which HUF 126,000 million has already been paid as interim dividend paid through cash transfer), but the final amount of the dividend will be decided on by the Ministry of Energy.

Allocated reserve

The allocated reserve comprises equity components of the Group to be recognised as allocated reserve in accordance with the law.

Other reserves – Fair value reserve

The Group primarily records its interest in PannErgy Nyrt. as FVOCI assets.

Other reserves – Revaluation reserve of tangible assets

Revaluation reserve includes the result from revaluing the nuclear technology assets of MVM Paksi Atomerőmű Zrt. using the revaluation method; it is non-distributable.

The significant accounting judgements regarding the measurement of the fair value of tangible assets are detailed in Note II.7.a).

Other reserves – Cash flow hedge valuation reserve

To mitigate its financial risks the Group enters into hedging derivative (typically commodity and foreign exchange) transactions and designates them as cash flow hedging relationships. The Group performed a hedge effectiveness test for hedging derivative transactions open as of the reporting date, based on which all transactions are considered effective.

Other reserves – Reserve for employee benefits

Actuarial gains and losses arising from defined benefit plans (post-employment benefits) are accounted for in other comprehensive income.

Other reserves – Foreign currency translation reserve

This reserve stems partly from the translation of the financial statements of foreign operations into the presentation currency of the consolidated financial statements, and partly from the effective portion of the hedge of the net investment in the foreign operation.

15. Loans and borrowings

Non-current loans and borrowings

<i>(in HUF million)</i>	Non-current bank loans	Non-current bond liabilities
1 January 2023	1,053,609	251,749
Increase	2,146,882	255,484
Increase due to acquisition/loss of control	-	-
Repayment	- 2,121,350	-
Reclassification into current loans	- 246,674	-
FX revaluation	- 342	- 6,141
31 December 2023	832,125	501,092
Increase	1,019,675	271,325
Increase due to acquisition/loss of control	55,734	-
Repayment	- 920,382	-
Reclassification into current loans	- 673,982	-
FX revaluation	4,155	70,686
31 December 2024	317,325	843,103

Non-current loans and bond liabilities of the Group outstanding at end of reporting period: HUF 1,160,428 million, influenced by the following main factors:

- On 13 March 2024, MVM Zrt. successfully completed an international foreign-currency bond issue, raising USD 750 million nominal amount in funds, with 6.5% fixed interest, maturing in 7 years. The funds raised as a result of the issue are for general corporate financing purposes and will contribute to implementing the MVM Group's strategy. In addition, the carrying amount of the bonds was affected by the unwinding of discount and the FX exchange rate differences.
- Foreign currency investment loans (current and non-current) with the European Investment Bank (EIB) amount to EUR 144.7 million, maturing in 2025, 2036 and 2037, and are designed to finance the reinforcement and expansion of the transmission network owned by MAVIR ZRT. No FX amounts were drawn in the reporting period.

- Most significant items from investment loans drawn in HUF (total amount of current and non-current liabilities, net of upfront loan costs, is HUF 139.3 billion):
 - = Loans (HUF 86.8 billion) concluded with EIB for a term of 15 years each (maturing in 2027-2039) were drawn under the investment credit facility agreements for the financing of the strengthening and expansion of the electricity transmission network owned by MAVIR ZRt., the renovation of the storage facilities owned by Magyar Földgáztároló Zrt. and network development constructions of MVM Démász Áramhálózati Kft. and MVM Émász Áramhálózati Kft.
 - = Furthermore, the 15-year loan agreement with the International Investment Bank (IIB), taken over by the Hungarian Development Bank (MFB) on 30 March 2022, and the 15-year loan agreements with the MFB both concluded to finance the gas network development investments of MVM Főgáz Kft. and MVM Égáz-Dégáz Zrt. (HUF 52.5 billion).
- A currently EUR 400 million multi-currency revolving credit facility agreement for general corporate financing purposes was signed with Bank of China Limited Magyarországi Fióktelepe on 6 May 2022 then it was modified on 14 October 2024. Taking the drawdowns and repayments made during the reporting period into account, the outstanding amount of long-term loans (net of upfront loan costs) at the end of the reporting period is HUF 35 billion (EUR 85 million).
- After drawdowns and repayments in the reporting year there were no amounts drawn at the end of the period under the currently HUF 225 billion revolving credit line agreement originally concluded in 2017 (with UniCredit Bank as agent and 13 banks) for refinancing and general corporate financing purposes, which has since been amended several times, with unilateral extension option.
- On 25 March 2021 the Company signed a loan agreement with a consortium consisting of three Hungarian banks with OTP Bank Nyrt. as the agent, for a total amount of HUF 100 billion. The term of the loan is 10 years; this non-current funding will assist the MVM Group in implementing its business strategy. The loan outstanding at the end of the period totals HUF 64.1 billion (net of upfront loan costs), its current portion amounts to HUF 10.3 billion.
- An EUR 500 million revolving credit agreement was concluded in 2021 (with OTP Bank as agent and 11 banks) for refinancing and general corporate finance, expiring in 2026, of which the non-current debt outstanding at the end of the reporting period (net of upfront loan costs) after drawdowns and repayments in the reporting year is HUF 41 billion (EUR 100 million).
- On 14 October 2022, the Group entered into an EUR 250 million revolving credit agreement with ICBC Austria Bank GmbH for a 3-year term for general corporate financing purposes. After repayment of the total amount drawn down during the reporting period, no new amounts were drawn up to the end of the period, the Company has no outstanding liability.
- A HUF 150 billion revolving credit agreement was concluded in 2024 (with OTP Bank as agent and 9 banks) for general corporate financing purposes, expiring in 2029, of which no amounts have been drawn yet.

- Non-current project loans of the companies acquired in 2024 (“4D Energetika” Kft., Innovolt Kft., Tatóoine SolarPark Kft.) outstanding as at the end of the reporting year total HUF 52.9 billion.
- The amount of the non-current loan outstanding as at the end of the reporting year of MVM ZG Solar Kft. under the agreement concluded with MFB to replace the shareholder outstanding debt and to finance in part the purchase price of Mátrai Fotovoltaikus Erőmű as per the purchase contract, totals HUF 16.5 billion (net of upfront loan costs).

Current loans and borrowings

<i>in HUF million</i>	Overdraft facility	Portion of non-current loans reclassified into current loans	Other current borrowings and loans	Accrual of interest payable	Total
1 January 2023	2,974	23,698	118,683	5,272	150,627
Increase	-	-	271,766	6,210	277,976
Increase due to acquisition/loss of control	-	-	-	-	-
Decrease	- 1,588	-	-	- 5,272	- 6,860
Reclassification	-	246,674	-	-	246,674
Repayment	-	- 72,059	- 262,910	-	- 334,969
FX revaluation	-	159	- 3,724	-	- 3,565
31 December 2023	1,386	198,472	123,815	6,210	329,883
Increase	15,348	-	173,642	9,683	198,673
Increase due to acquisition/loss of control	-	1,086	2	155	1,243
Decrease	- 122	-	-	- 6,210	- 6,332
Reclassification	-	673,982	-	-	673,982
Repayment	-	- 767,609	- 174,056	-	- 941,665
Decrease due to acquisition/loss of control	-	-	-	-	-
FX revaluation	- 52	170	4,923	-	5,041
31 December 2024	16,560	106,101	128,326	9,838	260,825

Current loans also include the HUF 53,311 million current loan concluded by the Group with China Construction Bank in 2024, the HUF 52,009 million drawn from the revolving credit agreement signed with MFB, as well as the current loan from Všeobecná úverová banka in Slovakia (HUF 20,505 million) and from Erste Bank (HUF 2,500 million).

Non-current bank loans

Type of loan	Currency	Nominal average interest rate (31.12.2024)	Nominal average interest rate (31.12.2023)	Year of maturity (31.12.2024)	Balance			Balance		
					31.12.2024	Of which non-current	Of which current	31.12.2023	Of which non-current	Of which current
Loans with floating and fixed interest rates	HUF	6.55%	13.03%	2025-2039	288,375	261,087	27,288	608,373	451,842	156,531
Loans with floating and fixed interest rates	EUR	4.27%	3.69%	2025-2037	135,009	56,201	78,808	422,179	380,243	41,936
Borrowings from local governments	CZK	-	-	-	42	37	5	45	40	5
Total					423,426	317,325	106,101	1,030,597	832,125	198,472

Issued bonds

Loan type	Currency	Coupon	Maturity (31.12.2024)	Balance			Balance		
				31.12.2024	Of which non-current	Of which current	31.12.2023	Of which non-current	Of which current
NKP bond	HUF	3.25%	03.09.2031	54,323	54,323	-	54,199	54,199	-
EUR bond	EUR	0.88%	18.11.2027	203,654	203,654	-	189,509	189,509	-
USD bond I.	USD	7.5%	09.06.2028	293,141	293,141	-	257,384	257,384	-
USD bond II.	USD	6.5%	13.03.2031	291,985	291,985	-	-	-	-
Total				843,103	843,103	-	501,092	501,092	-

Loan collateral

Loan	Borrower	Collateral
MFB Project loan	MVM ZG Solar Kft.	Collateral complying with market standards and normal for project financing: framework mortgage on all properties, business shares, assets, bank account and other receivables of the company. Amount of principal debt as at 31 December 2024: HUF 18,467 million.
KHB Project loan	MVM ZG Solar Star Kft.	Collateral complying with market standards and normal for project financing: framework mortgage on all properties, business shares, assets, bank account and other receivables of the company. Amount of principal debt as at 31 December 2024: HUF 2,314 million.
Erste Project loan	Raaba Energy Kft.	Collateral complying with market standards and normal for project financing: framework mortgage on all properties, business shares, assets, bank account and other receivables of the companies. Amount of principal debt as at 31 December 2024: HUF 4,043 million.
OTP Bank Nyrt.	“4D Energetika” Kft.	Collateral complying with market standards and normal for project financing: framework mortgage on all properties, business shares, assets, bank account and other receivables of the company. Amount of principal debt as at 31 December 2024: HUF 9,070 million.
Uncredit Bank Zrt. (as agent and 3 banks)	Innovolt Kft.	Collateral complying with market standards and normal for project financing: framework mortgage on all properties, business shares, assets, bank account and other receivables of the company. Amount of principal debt as at 31 December 2024: HUF 36,490 million.
MBH Bank Nyrt.	Tatooine SolarPark Kft.	Collateral complying with market standards and normal for project financing: framework mortgage on all properties, business shares, assets, bank account and other receivables of the company. Amount of principal debt as at 31 December 2024: HUF 9,845 million.

The other loans of MVM Zrt. are unsecured medium- and long-term loan contracts, in which MVM Zrt. does not provide any collateral right to the banks, and therefore it has to comply with standard

market covenant clauses and financial covenants, the breaching of which may result in the termination of the loan contracts.

Loan covenants

In 2023 and 2024 the Company complied with all loan covenants. Based on the loan agreements, the ratio of adjusted EBITDA to interest expenses of the MVM Group must exceed 3, the ratio of adjusted net debt to net asset value must be less than 0.9, and the ratio of net debt to EBITDA must be less than 4.5.

16. Other non-current financial liabilities

<i>(in HUF million)</i>	2024	2023
Long-term finance lease	20,095	21,972
Liabilities due to financial support	674	24
Other non-current liabilities	560	31,044
Total	21,329	53,040

The change in other non-current liabilities is because MVM CEEnergy Zrt. acquired part of its natural gas reserves in 2022 under a deferred payment scheme, which based on its payment schedule and maturity is recognised under current liabilities in the reporting year.

Liabilities due to financial support substantially include contractual commitments undertaken free of charge towards foundations by the Group in the context of its corporate social responsibility.

17. Employee benefits

Liabilities related to long-term employee benefits

Most members of the Group provide other long-term benefits to their employees under collective agreements. The scope and extent of benefits varies with member firms. The MVM Group provides the following anniversary, long-service and other benefits to its employees:

- Anniversary bonus;
- Long-service/Career/Loyalty bonus;
- Bonus for volunteer firefighters;
- Other benefits.

For retiring employees the MVM Group provides the following post-employment benefits, the scope and extent of which varies with member firms:

- Bonus for retiring employees;
- Average earnings for retiring employees;
- Voluntary pension fund.

The MVM Group does not allocate a legally separate fund to cover liabilities related to the above future employee benefits, thus the present value of the whole commitment is recognised among liabilities.

The following table shows changes in the present value of defined benefit obligations:

<i>(in HUF million)</i>	2024	2023
Defined benefit obligation at the beginning of the period	27,146	21,008
<i>of which: current portion</i>	<i>4,248</i>	<i>3,676</i>
Increase due to acquisition/loss of control	-	-
Interest costs	1,716	2,566
Current service costs	4,905	5,230
<i>of which: extension</i>	<i>347</i>	<i>1,057</i>
Payments in the current period	-5,993	-5,095
Curtailments	-189	-
Actuarial (gains) losses	2,073	3,437
<i>of which: recognised in other comprehensive income</i>	<i>3,862</i>	<i>-2,117</i>
<i>Decrease due to acquisition/loss of control</i>	<i>-</i>	<i>-</i>
<i>Reclassification into liabilities held for sale</i>	<i>-40</i>	
Defined benefit obligation at the end of the period	29,618	27,146
<i>of which: current portion</i>	<i>4,772</i>	<i>4,248</i>

The following table shows the present value of defined benefit obligations by maturity:

<i>(in HUF million)</i>	2024	2023
0-1 year	4,324	4,248
1-2 years	3,026	1,784
3-5 years	6,540	6,241
6-10 years	8,735	7,850
11-15 years	4,152	4,051
16-20 years	1,740	1,853
21-25 years	678	657
Over 26 years	423	462
Total	29,618	27,146

Of the items recognised in net profit in relation to the defined benefit plan, the current service costs, actuarial gains and losses related to benefits not connected to retirement and the effect of curtailment presented as correction of booked expenses are recognised as 'Staff costs', while interest expenses are recognised as 'Finance costs'.

Actuarial gains and losses on benefits connected to retirement are presented in other comprehensive income.

The reporting-year amount deriving from actuarial gains and losses arising upon reduction or settlement of the defined benefit plan and transferred into retained earnings within equity from accumulated other comprehensive income recognised previously totalled HUF 66 million (loss accounted for previously).

Expenses recognised in the statement of profit or loss in relation to defined benefit plan (in HUF million)	2024	2023
Staff costs	2,929	6,550
Finance costs	1,716	2,566
Total	4,645	9,116

Actuarial assumptions

The Group used the following basic actuarial assumptions when assessing liabilities related to the defined benefit plan.

Actuarial assumptions	2024	2023
Discount rate at 31 December	5.61%	6.63%
Wage increase over the rate of inflation after the year following the reporting year	0.20%	0.00%
Inflation	3.00%	3.00%

The discount rate is set in line with the yield on Hungarian government securities; it increased due to changes in market processes. The annual rate of leaving is determined by gender, employment category (manual-non-manual) and number of years of service. The current year's life expectancy assumptions are based on the 2023 life expectancy table of the Hungarian Central Statistical Office. The elements of the defined benefit plan are not annuities but mostly one-off payments, therefore life expectancy assumptions are not considered a significant factor and accordingly are not disclosed.

We performed a sensitivity analysis in relation to the changes in the main actuarial assumptions of the liability related to the defined benefit plan, separately for the individual conditions, assuming that all other parameters remain constant. The results are presented in the table below:

Subject of the sensitivity analysis	Assumed change	Change in liability, expressed in %, in case of a positive shift in the subject of the sensitivity analysis	Change in liability, expressed in %, in case of a negative shift in the subject of the sensitivity analysis
Discount rate	+/-30 basis points	-2%	+2%
Wage increase over the rate of inflation after the year following the reporting year	+/-100 basis points	+7%	-6%
Rate of leaving*	+/-10%	-1%	+1%

* Assuming uniform changes irrespective of gender, manual – non-manual position and years in service.

Liabilities related to short-term employee benefits

<i>(in HUF million)</i>	2024	2023
Income settlement	13,086	11,563
Other settlements related to employees	1,635	1,492
<i>Current portion of obligations related to defined benefit plans</i>	4,772	4,248
Accrued staff costs	16,859	14,885
<i>Accrual of 13th month wages and contributions</i>	389	316
<i>Accrual of bonuses and related contributions</i>	6,937	6,853
<i>Accrual of other staff benefits</i>	9,533	7,716
Total	36,352	32,188

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18. Provisions

<i>(in HUF million)</i>	Field abandonment reclamation obligations*	Other reclamation and environmental protection obligations	Onerous contracts	CO ₂ allowance	Other	Total
Balance at 1 January 2023	30,589	92,825	40,789	7,483	22,170	193,856
Reclassification/ Change against reimbursement receivable	-	1,690	-	-	336	2,026
Provisions recognised during the period	11,619	7,200	1,076	4,900	20,796	45,591
Provisions used during the period	-49	-5,424	-31,833	-1,910	-11,878	-51,094
Provisions released during the period	-	-8,599	-	-5,758	-6,443	-20,800
Change due to business combination	-	-	-	-	41	41
Unwind of discount	4,109	8,490	1,881	-	-	14,480
Remeasurement	-	-	-	-2	-103	-105
Balance at 31 December 2023	46,268	96,182	11,913	4,713	24,919	183,995
Of which: current	125	21,544	8,653	4,713	20,628	55,663
Of which: non-current	46,143	74,638	3,260	-	4,291	128,332
Reclassification/ Change against reimbursement receivable	-	-2,906	-	-	347	-2,559
Provisions recognised during the period	213	4,887	32,881	5,543	24,696	68,220
Provisions used during the period	-104	-7,259	270	-1,784	-18,704	-27,581
Provisions released during the period	-12,006	-536	-841	-2,979	-2,228	-18,590
Change due to acquisition/loss of control	33,833	-	-	-	-548	33,285
Unwind of discount	3,348	4,458	698	-	-	8,504
Change against IAS 16 assets	-1,443	-	-	-	-	-1,443
Remeasurement	3,830	-	-	2	108	3,940
Balance at 31 December 2024	73,939	94,826	44,921	5,495	28,590	247,771
Of which: current	125	10,412	10,934	5,495	24,589	51,555
Of which: non-current	73,814	84,414	33,987	-	4,001	196,216

*To ensure comparability between years, field abandonment reclamation obligations were removed from 2023 data and presented separately.

Changes in provisions

<i>(in HUF million)</i>	2024	2023
Provisioning (without CO ₂)	62,677	40,691
Use of provisions (without CO ₂)	-25,797	-49,184
Release of provisions (without CO ₂)	-15,611	-15,042
Recognition and release of provisions (statement of profit or loss)	21,269	-23,535

Provisions for field abandonment and other recultivation and environmental protection obligations

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Provision for mine closure and environmental protection liabilities related to Mátra power plant	37,859	34,545
Provision for abandonment and recultivation of natural gas field	37,065	-
Provision for recultivation of natural gas storage facilities	36,874	46,268
Provision for recultivation of Óbudai Gázgyár	35,153	35,342
Provision for long-term handling of liquid radioactive waste	13,185	13,332
Provision for power plant closure and recultivation at Oroszlány	8,594	12,928
Other	35	35
Total	168,765	142,450

Recultivation provisions were recognised due to liabilities of the MVM Group arising from legal regulations related to environmental protection.

Provision for mine closure and environmental protection liabilities related to Mátra power plant

In 2023 the MVM Group revised its liabilities and ordered new studies to support its mine closure and environmental protection liabilities related to the Mátra power plant, according to which work will be completed by 2028. (There is no legal obligation to dismantle the plant. Most of the power plant site will remain in use after the lignite operations are terminated, since the new production unit(s) will use the existing roads, structures and buildings, and preservation work is ongoing.)

In 2024 HUF 4,051 million provision was recognised (mainly due to changes in the timing of the recultivation work), while HUF 2,770 million provision was used and HUF 2,033 million interest

effect was accounted for. The risk-free HUF yield curve was used as discount rate in the calculations.

Provision for abandonment and recultivation of natural gas field

The provision for the abandonment liability amounts to HUF 37,065 million in 2024.

In addition to the effect of the acquisition of interest in the joint arrangement (see Note III.31.), the amount of the field abandonment provision was affected by changes in estimates of expected cash outflows, recorded in asset value, and by the unwinding of the recorded discount.

Shah Deniz is an unincorporated Joint Venture (JV) partnership operated by BP ("Operator") on behalf of the partners in the Shah Deniz Production Sharing Agreement ("SD PSA").

Pursuant to section 14.2 of the PSA, the Contracting Parties shall establish a joint escrow account, the so-called "Abandonment Fund", to finance the abandonment of the SD field. The abandonment fund cannot exceed 10% of the total CAPEX. All monies allocated to the fund are considered costs recoverable as OPEX. The Contracting Parties are obliged to contribute to the abandonment fund after exploiting 70% of the hydrocarbons, which is currently estimated to be between 2027 and 2045.

Provision for recultivation of natural gas storage facilities

The provision for the full recultivation of the four storage facilities of the MVM Group (Hajdúszoboszló, Zsana, Kardoskút, Pusztaederics) amounts to HUF 35,127 million within the total balance (in 2023: HUF 44,418 million). Specific data (liquidation of wells, recultivation costs) for the calculation of the recultivation provisions were provided by a technical plan approved by the competent mining office. The value of the provision increased by HUF 2,503 million as a result of interest effect and decreased by HUF 11,794 million due to change in estimate. The change in estimate is mainly caused by changes in the business assumptions used for the closure of storage facilities: the expected year of the recultivation is 2035 for Hajdúszoboszló, Pusztaederics and Kardoskút (in contrast to 2030-2031 assumed previously), while it is still 2047 for Zsana. The total number of wells to be liquidated is 246 (in 2023: 246), which includes active and observation wells.

In addition, in 2024 HUF 213 million (2023: HUF 213 million) well recultivation provision was recognised for one well in connection with field abandonment work expected. Furthermore, HUF 1,534 million (2023: HUF 1,637 million) environmental protection provision was recognised in relation to site soil contamination, based on measurements and expert opinions.

Provision for recultivation of Óbudai Gázgyár

The Group recognised a provision for expected costs of remediation intervention of the soil and groundwater contamination in the area of the former Óbudai Gázgyár (and in a smaller part at the sites in South Pest).

E.ON Beteiligungen GmbH and the Municipality of Budapest undertook to reimburse to the MVM Group HUF 8,750 million and HUF 1,500 million of the costs related to the known pollution in the territory of Óbudai gázgyár; this receivable is recognised at present value under Non-current loans and receivables.

In 2024 the value of the provision increased by HUF 737 million as a result of interest effect and decreased by HUF 915 million as a result of the change in estimate; furthermore, HUF 11 million was used from the provision recognised previously, and as a joint effect, the balance of the provision as at the reporting date was HUF 35,153 million (2023: HUF 35,342 million). The main reason for the change in estimate was the change in the expected timing of recultivation work, which was counterbalanced by the increase in provision due to the updated cost estimate. No changes were made to the technical content authorised for implementing the remediation. A public procurement tender for the recultivation tasks has been prepared, but has yet to be approved and launched.

Provision for long-term handling of liquid radioactive waste

MVM Paksi Atomerőmű Zrt. recognised a provision for the obligation of handling low and medium activity liquid waste generated during production. The use and recognition of the provision due to waste generated are continuous; from 2020 processing has been carried out at an increased rate as compared with previous years owing to the implementation of a new technology. The estimate for the amount of the provision is affected by the planned costs of waste processing, the expected industry producer price index and the average interest used in discounting.

In 2024 HUF 130 million provision was used, the value of the provision decreased by HUF 820 million as a result of the change in estimate and HUF 803 million interest effect was accounted for; as a result, the balance of the provision as at the reporting date was HUF 13,185 million (2023: HUF 13,332 million).

The reason for the change in estimate of the provision is the decrease in the provision due to the increase in the interest used for discounting, which was mitigated by the effect on provision owing to the expected growth in the planned costs of waste processing.

The amount paid by the MVM Group to the Fund in relation to decommissioning and waste management of nuclear installations does not cover the resources expected to be necessary to fulfil the above obligations, therefore the Group is required to recognise provisions for these.

Provision for power plant closure and recultivation at Oroszlány

The provision for the recultivation of the power plant at Oroszlány and the slurry fields, as well as for related other recultivation and environmental protection obligations amounted to HUF 12,928 million as at the end of 2023.

In 2024 the value of the provision increased by HUF 884 million as a result of interest effect, decreased by HUF 4,348 million due to use, and fell by HUF 870 million as a result of change in estimate and reclassification into the other provision category, resulting in HUF 8,594 million balance as at the reporting date.

Vértesi Erőmű Zrt. has not produced or sold electricity and thermal energy since 1 January 2016. The Hungarian Energy and Public Utility Regulatory Authority revoked the operating licence of Vértesi Erőmű Zrt. as an electricity producer and district heating producer with regard to the Oroszlány Power Plant from 5 September 2022.

On 9 September 2022, the Veolia Group took over the assets of the Oroszlány Power Plant. The new owner aims to refurbish and modernise the plant, and then re-commission it as a dual-fuel plant, based on mostly biomass and a small amount of selected waste that can no longer be utilised but can be prepared for energy purposes (SRF). The Group provides the necessary slurry store for this activity, so the recultivation of the secondary waste disposal slurry fields 5-6 of the Oroszlány Power Plant is not expected to start, and therefore no provisioning is expected in this case.

Provisions for onerous contracts

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Provisions for onerous contracts	44,921	11,913
Total	44,921	11,913

Provision recognised for long-term onerous contracts

This line item contains the costs of the capacity allocated for long term in the natural gas pipeline that are not likely to be recovered, discounted as of the reporting date (2024: HUF 16,506 million, 2023: HUF 3,646 million).

There are also provisions for the Group's existing onerous natural gas trading contracts and for statutory obligations, in the context of which unavoidable losses are foreseeable over the business planning horizon. Provisions were determined based on current medium-term business plan of the Group and assumptions to the best of its knowledge, discounted as of the reporting date. (2024: HUF 28,415 million, 2023: HUF 8,267 million).

19. Other current non-financial liabilities

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Liabilities related to stock exchange transactions	345,185	708,112
Advances for grants and deferral thereof	278,150	279,212
Liabilities related to contracts with customers	232,497	224,652
Related to central budget	95,111	130,979
VAT	78,366	116,862
Other taxes and contributions related to employees	8,073	6,726
PIT	3,848	3,151
Energy tax	2,665	2,420
Water use fee	1,485	1,295
Other tax liability	674	525
Liabilities from FIT settlement	8,334	7,028
Windfall tax	7,583	4,471
Accrual of capacity auction gain/loss	3,120	3,915
Other	8,014	7,640
Total	977,994	1,366,009

The change in other current non-financial liabilities as compared with the previous period resulted primarily from the decrease in liabilities related to stock exchange transactions and in VAT liabilities. This was slightly counterbalanced by the rise in liabilities related to contracts with customers and in liabilities from FIT settlement.

The main reason for the decrease in liabilities related to stock exchange transactions is that at the end of 2024, the contracts that were concluded in 2021 and 2022 in a much higher price environment than the current one expired. The difference between the strike price and the year-end forward price of the forward transactions still open at the end of 2024 is much smaller than it was before.

The increase in the liability related to contracts with customers is because of changes in deferred income due to pre-invoicing and changes in advances from customers.

Grants

As at the end of 2024, advances for grants amounted to HUF 61,397 million (2023: HUF 75,186 million), deferrals related to grants and network development contributions totalled HUF 166,254 million (2023: HUF 162,303 million), while deferrals related to other assets was HUF 50,499 million (2023: HUF 41,723 million).

HUF 869,514 million of government and EU grants were disbursed in 2024, the most significant items of which are:

- The Group is entitled to compensation for protecting utility payments under Government Decree 289/2022 (VIII.5.) "on the protection of utility payments ensuring the universal electricity and natural gas service under unchanged conditions during the state of

emergency". The compensation is settled in accordance with the contract signed with the designated Ministry and the relevant legislation. During 2024 HUF 761,576 million subsidy was disbursed to the MVM Group as compensation for protecting utility payments in Hungary (including subsidies received as compensation for network access fees affecting distributors) and HUF 11,224 million due to the Czech price cap, of which as at the end of 2024 HUF 58,930 million was recognised as other non-financial assets.

- In 2024, the MVM Group received a grant of HUF 51,938 million to compensate for system security services, of which HUF 26,930 million was recognised under other non-financial assets at the end of 2024.

The Group incurred a repayment obligation of HUF 4,226 million in the reporting period, of which HUF 3,619 million was related to the subsidy received to compensate for the Czech Republic's price-cap-driven utility bill protection mechanism. In addition, HUF 329 million was related to the optimisation of the central heating system in Náchod ("efficient system"), which in 2024 was found not to meet the conditions for the grant, and so the Group withdrew from the grant and repaid the full amount.

In addition, the amount of grants was shaped by disbursement of other than state or EU grants, repayment of previous grant amounts and by the amount of release in proportion to the depreciation of assets purchased from the grants.

20. Sales revenue

<i>(in HUF million)</i>	2024	2023
Sale of natural gas	2,295,043	2,475,367
Sale of electricity	1,480,666	1,716,300
Transmission, system operation, system-level services	393,565	500,114
Revenue from natural gas and electricity distribution	170,953	172,961
Economic, IT, engineering and other services	95,651	112,723
Sale of heat	36,739	56,534
Network, technological installation	30,838	20,172
Storage revenue	17,966	24,868
Sale of crude oil	12,315	-
Total	4,533,736	5,079,039

Revenue by geographical region:

<i>(in HUF million)</i>	2024	2023
To EU countries	3,958,956	4,857,858
- of which		
Hungary	2,344,386	3,090,301
Czech Republic	840,624	1,014,568
Luxemburg	326,211	305,999
Slovakia	137,887	153,221
Croatia	120,115	152,896
To non-EU countries	336,120	147,770
- of which		
Switzerland	151,201	75,600
United Kingdom	81,633	32,630
Azerbaijan	59,264	-
Serbia	14,416	13,045
Revenue outside the scope of IFRS 15 and IFRS 16	238,660	73,411
Total	4,533,736	5,079,039

Net sales revenue fell by HUF 545,303 million (-11%) as compared with the previous year, primarily due to the decrease in revenue from natural gas and electricity trade.

Sale of natural gas

The MVM Group is a major player in Hungarian and regional natural gas trading. In addition to wholesale, it is the only universal service provider supplying the Hungarian population, a partner to business customers and a major player in Czech natural gas trade.

The decrease in revenue from natural gas sales (-HUF 180,324 million) was mainly due to lower prices, which was only partially offset by an increase in volumes sold. In 2024 the oil and gas market stabilised somewhat, with market volatility significantly lower than in the previous two years. However, mainly due to geopolitical risks, natural gas prices have seen a steady increase over the year compared to the February low. By the end of the year, the benchmark Dutch TTF had risen to a level not seen since October 2023. Colder winter weather, faster than anticipated falls in the levels of European natural gas storage facilities as well as keener competition from Asian importers also contributed to the higher prices, while the supply-side expansion of LNG lagged behind the growing demand.

Sale of electricity

The Group is a major player in Hungarian and regional electricity trading. It is present in all areas of electricity trading: wholesale, universal service, retail, street lighting.

Electricity purchased from Hungarian power plants plays a key role in the purchasing portfolio. However, energy supplied by both domestic and foreign commercial partners still remains a feature.

The Group (its wholesaler is MVM Partner Zrt. pursuant to Decision No. 747/2011 issued by the Hungarian Energy and Public Utility Regulatory Authority) is a licensee with significant market power, and is therefore obliged to sell part of its portfolio under the conditions and limits set out in the relevant decision, by means of an auction to electricity traders and large consumers.

In addition, the Group provides system-level services to the Hungarian electric energy system to ensure the safety of supplies. (e.g. frequency control, voltage and reactive power control, black-start).

At consolidated level, sales revenue for the reporting period from the electricity trading segment fell by HUF 235,634 million.

The decrease in revenue from electricity trading, similar to the decrease in revenue from natural gas sales, is mainly attributable to the lower level of electricity prices. The fall in allowance and natural gas prices played a significant role in the drop in electricity prices, but the unusually mild winter weather at the beginning of 2024 also exerted an impact through lower demand, while supply remained relatively stable. In the second half of the year, there were several cases of extremely high prices caused by a combination of factors. The colder weather than the seasonal norm at the end of 2024 increased the heating needs from the population, which pushed demand to high levels. Volumes sold increased only by 1%.

Transmission, system operation, system-level services

MAVIR ZRt., a member of the Group, is responsible to balance consumption and production. Furthermore, as transmission system operator it supervises and directs the smooth operation of the electric energy system, is responsible for its safe operation and has control over reserves necessary for controlling the national electricity grid as well as over cross-border transmission lines and network capacities.

Sales revenue from transmission and system operation services changed mainly due to the decrease in transmission tariffs.

Natural gas and electricity distribution

The Group's two electricity and two natural gas distribution companies ensure the supply of electricity and natural gas to customers, as well as the maintenance, network development and operation of the distribution network.

The year-on-year decrease in distribution revenue was driven mainly by the lower tariffs of electricity distribution.

In relation to its construction contracts in progress as of 31 December 2024 the Group recognised and invoiced the following sales revenue and costs on a cumulative basis until the end of 2024:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Aggregate amount of sales revenue of projects accounted for until the end of the year	63,447	24,148
Aggregate amount of costs of projects accounted for until the end of the year	51,101	23,411
Aggregate amount of profit realised on the projects until the end of the year	12,394	737
Aggregate billings until the end of the year in connection with projects	59,144	20,183
Net receivables/liabilities related to contracts with customers	-6,631	3,965

The following table presents the consideration (revenue) allocated to performance obligations not yet satisfied or satisfied only in part and included in customer contracts of the Group that cover a period longer than 1 year; the related revenues will also be accounted for by the Group in subsequent periods:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Due in 2024	-	25,932
Due in 2025	26,002	3,055
Due in 2026	918	1,247
Total	26,920	30,234

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Reporting-year changes in receivables from customer contracts as well as contract assets and liabilities:

<i>(in HUF million)</i>	Accrued trade receivables and revenue	Contract assets	Contract liabilities
Balance at 1 January 2023	946,523	1,846	185,391
Revenue accounted for in the reporting year of the balance at the beginning of the year of contract liabilities	-	-	10,639
Adjustment of revenues accounted for in a previous period – due to revision of the estimated proportion of performance over time	470	-13	-1,243
Adjustment of revenues accounted for in a previous period – due to revision of the estimate for variable consideration	-	-	-59
Adjustment of revenues accounted for in a previous period – due to contract modification	70	19	160
Increase due to acquisitions (business combinations)	1,233	-	-14
Change in impairment of contract assets	-26	-13	-
Reclassification of contract assets into receivables	-787	-	-
Other changes	-206,947	7,734	29,778
Balance at 31 December 2023	740,562	9,573	224,652

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<i>(in HUF million)</i>	Accrued trade receivables and revenue	Contract assets	Contract liabilities
Balance at 1 January 2024	740,562	9,573	224,652
Revenue accounted for in the reporting year of the balance at the beginning of the year of contract liabilities	-	-	-1,029
Adjustment of revenues accounted for in a previous period – due to revision of the estimated proportion of performance over time	1,362	37	-308
Adjustment of revenues accounted for in a previous period – due to revision of the estimate for variable consideration	-	-	-
Adjustment of revenues accounted for in a previous period – due to contract modification	-216	-38	146
Increase due to acquisitions (business combinations)	3,263	-	197
Change in impairment of contract assets	-129	-	-
Reclassification of contract assets into receivables	-2,152	-	-
Other changes	-115,083	-852	8,839
Balance at 31 December 2024	627,607	8,720	232,497

21. Other operating income

<i>(in HUF million)</i>	2024	2023
Grants	843,792	1,175,747
Damage, indemnity, penalties, fines	12,469	11,743
Liabilities forgiven/assumed, assets received free of charge	10,869	3,621
Net compensation due to distributors	5,468	17,049
Effect of sale, derecognition of member companies	3,621	-
Intangible and tangible assets sold	3,036	25,009
Impaired receivables settled financially	559	969
Income accounted for in connection with business combination	500	100
Green certificate generated in the reporting year	448	655
Income related to CNG	185	1,669
Other income	2,031	1,440
Total	882,978	1,238,002

Grants

The most significant item among the grants is the subsidy for protecting utility payments amounting to HUF 808,381 million, which is detailed in Note III.19.

Other significant items include a subsidy of HUF 20,190 million to compensate for system security services, a subsidy of HUF 7,094 million for the operation of district heating services, and HUF 6,266 million income related to the EU grant received for tangible assets and implementation of intangible assets.

Liabilities forgiven/assumed, assets received free of charge

The largest item in the 2024 balance of income from liabilities forgiven/assumed and assets received free of charge is the income tax liability assumed for the Group's Azerbaijan site (HUF 8,351 million). Under the joint arrangement, the State Oil Fund of the Republic of Azerbaijan (SOFAZ) will pay the income tax of the parties to the joint arrangement, on their behalf and in their place, to the state budget.

Net compensation due to distributors

The net compensation payable to electricity distributors shall be the net amount of the compensation payable by the transmission system operator and the compensation payable by electricity distributors to the transmission system operator. The reason for the reporting-period decrease is the fact that the volume of nationwide available energy as well as the proportion of the compensation due to electricity distributors decreased as compared to the previous year.

Effect of sale, derecognition of member companies

On 20 December 2024, the Group acquired a 40% stake in ADEX Szervezett Elektromamosenergia-piac Holding Zrt. via increasing its share capital by means of contributing the shares of its wholly owned subsidiary HUPX Zrt., in several stages.

The Group sold 51% of the shares in CEEGEX Zrt. to FGSZ on 17 December 2024. The combined effect of the two transactions on profit is HUF 3,621 million.

Intangible and tangible assets sold

In 2024 the MVM Group realised HUF 1,846 million gain on sale of cushion gas in storage.

22. Material-type expenses

<i>(in HUF million)</i>	2024	2023
<i>Purchase of natural gas</i>	2,540,226	2,876,561
<i>Purchase of electric energy</i>	834,334	1,322,581
Total purchase cost of resold energy	3,374,560	4,199,142
<i>System-level services</i>	72,464	105,301
<i>Control energy</i>	71,562	66,259
<i>Purchase of energy for transmission losses</i>	31,223	48,066
<i>Other system operation costs</i>	1,743	3,635
Total system operator activity costs	176,992	223,261
Direct expenses related to upstream activities	21,593	-
Costs of electric energy and purchased energy used for heat production	46,749	71,450
Costs of maintenance and other materials	116,399	100,793
Costs of CO₂ allowances	102,045	81,569
Total material-type expenses	3,838,338	4,676,215

Purchase cost of resold energy

Purchase cost of resold energy decreased (- HUF 824,582 million) as compared to the previous year.

The value of natural gas purchases decreased by HUF 336,335 million thanks to a fall in natural gas prices, which was partly offset by an increase in volume.

The cost of electricity purchases fell HUF 488,247 million short of the previous year for the reasons presented in relation to electricity sales revenue.

Expenses related to system operation activity

The 31% decrease in the value of system-level services was caused by a 5-42% price decrease on the system-level services market, seen mostly with aFRR products.

In addition to price changes, the 8% increase in control energy expenses is due to changes in the volume of energy purchased from outside the Group.

The amount of energy purchased for transmission losses fell by 35%. With a 45% decrease in the average purchase price, the volume purchased increased by 89 GWh.

Direct expenses related to upstream activities

The MVM Group's natural gas and condensate extraction activities were launched in 2024 upon the acquisition of a stake in the Shah Deniz natural gas field. The costs of services used for the transportation of natural gas and the extraction of hydrocarbons are included in direct expenses.

Costs of electric energy and purchased energy used for heat production

Costs of electric energy and purchased energy used for heat production decreased primarily due to the fall in costs of natural gas use (2024: HUF 36,985 million, 2023: HUF 65,351 million).

Costs of maintenance and other materials

Costs of maintenance and other materials grew by HUF 15,606 million, mainly due to the increase in electric and control technology equipment (+ HUF 7,959 million), spare parts (+ HUF 2,187 million) and maintenance costs (+ HUF 4,848 million).

Costs of CO₂ allowances

Major items within material costs of CO₂ allowance include the balance of the value of allowances used and the balance of provisions recognised and used for settlement obligation.

The increase in the material cost of CO₂ allowance is chiefly due to the increase in the price of the CO₂ allowance.

23. Staff costs

<i>(in HUF million)</i>	2024	2023
Wage costs	256,138	227,535
Wage contributions	41,257	37,458
Other staff costs	38,461	42,454
Total	335,856	307,447

In total, staff costs grew by HUF 28,409 million as a result, on the one hand, of average headcount growth, on the other hand, of the reporting-year basic wage increase. Based on the Group-level wage agreement signed, basic wages were increased by 14.25% in average as of 1 May 2024 across the Group.

Amounts paid to pension and other welfare funds based on defined contribution plans are recognised as other staff costs. Expenses accounted for based on defined contribution plans amounted to HUF 12,394 million in 2024 (2023: HUF 10,987 million).

Average Group-level headcount

Average headcount (persons) Staff category *	2024	2023
Manual	6,390	6,428
Non-manual	12,924	12,263
Total payroll staff	19,314	18,691
Not on the payroll	11	33
Total	19,325	18,724

* The average headcount is the average over 12 months of the average monthly headcount, irrespective of the operation period of the member firm in the reporting year.

24. Recognition and reversal of impairment

(in HUF million)	2024	2023
Impairment of non-current assets	28 607	7,138
<i>Impairment of intangible assets</i>	3,253	2,534
<i>Impairment of tangible assets</i>	22,493	1,949
<i>Scrapping of intangible assets</i>	519	314
<i>Scrapping of tangible assets</i>	2,342	2,341
Reversed impairment of non-current assets	-610	-395
<i>Reversed impairment of intangible assets</i>	-22	-9
<i>Reversed impairment of tangible assets</i>	-588	-386
Impairment of non-current assets held for sale	6	7
Impairment of inventories (see Note III.9.)	3,409	8,104
Reversed impairment of inventories (see Note III.9)	-42	-44
Impairment and reversal on other non-financial assets, bad debts	81	1,340
Recognition and reversal of impairment outside the scope of IFRS 9	31,451	16,150
Impairment of receivables	32,807	21,358
Reversed impairment of receivables	- 14,058	-10,134
Impairment within the scope of IFRS 9	18,749	11,224
Total	50,200	27,374

In 2024, the impairment recognised on power plant assets of MVM Mátrai Energia Zrt. is considered to be individually significant from the impairment booked on non-current assets. The Group performed impairment tests on the assets of MVM Mátia Energia Zrt. based on value in use for the tangible and intangible assets related to lignite production. The WACC used in the impairment test is 7.9% for 2025, 8.3% for 2026-2029 and 9.4% for 2030-2033. The market value of lignite production according to the impairment model is HUF 38,037 billion, based on which HUF 22,210 billion impairment was recognised at the consolidated level on tangible and intangible assets related to lignite production.

The majority of the reporting-year impairment booked on receivables (HUF 32,807 million) as well as reversed impairment (- HUF 14,058 million) comprises impairment of trade receivables of MVM

Next Energiakereskedelem Zrt. and its legal predecessor, E.ON Áramszolgáltató Kft., (HUF 24,598 million) and the reversal thereof (- HUF 12,552 million).

25. Payments to the Central Nuclear Financial Fund (CNFF)

<i>(in HUF million)</i>	2024	2023
Payment to the CNFF	32,934	31,070

MVM Paksi Atomerőmű Zrt. paid the amount specified in the Budget Act and equalling the 2024 figure (HUF 32,934 million) to the Central Nuclear Financial Fund. The amount of the payment increased by HUF 1,864 million as compared with the previous year.

26. Other operating expenses

<i>(in HUF million)</i>	2024	2023
Expenses related to distribution and universal service provision	110,269	173,308
Costs of technical, IT and operating services	72,257	61,616
Subcontractors' performance, mediated services, cost of materials sold	59,438	45,954
Public utility charges, telecommunication services	47,653	65,172
Fees paid to authorities, insurance premiums, membership fees and taxes	42,903	47,115
Marketing costs	25,637	23,531
Advisory costs	12,830	8,600
Penalties, indemnity, fines, repair costs paid and other punitive expenses	5,012	4,293
Rental and other fees	4,299	3,891
Financial support granted	3,867	2,408
Loss on intangible and tangible assets sold	1,957	3,359
Other operating expenses	43,006	38,445
Total	429,128	477,692

The decrease in other operating expenses of HUF 48,564 million was mainly due to a decrease in distribution costs and utility charges (- HUF 80,558 million) stemming from a fall in energy prices, and a decrease in regulatory fees, insurance premiums and membership fees (- HUF 4,212 million). Compared to the same period of the previous year, the most significant increases were observed in subcontractors' performance (+ HUF 13,484 million) and technical and IT services (+ HUF 10,641 million).

27. Finance income and finance costs

Finance income

<i>(in HUF million)</i>	2024	2023
Foreign exchange gain	211,285	289,090
Gain on derivative transactions not subject to hedge accounting	119,928	93,115
Interest income	22,759	31,651
Dividends received	19	119
Other finance income	7,940	8,559
Total	361,931	422,534

Finance income decreased as compared with the previous period, largely due to the fall in foreign exchange gain and interest income.

A significant part of other financial income comprises compensation for recovery costs and booked default interest.

Finance costs

<i>(in HUF million)</i>	2024	2023
Foreign exchange loss	271,735	280,921
Loss on derivative transactions not subject to hedge accounting	81,366	140,298
Interest expense on loans, borrowings	70,468	83,140
Interest expense due to change in the time value of provisions (see Note III. 18.)	8,353	14,480
Other interest expense	3,565	5,131
Other finance costs	5,735	1,364
Total	441,222	525,334

Finance costs contracted compared to 2023, mainly as a result of the loss on derivatives not subject to hedge accounting and a decrease in interest expense on loans and borrowings in line with interest rate trends.

The main items within derivative transactions are realised and unrealised gain and loss on interest rate swap and FX derivative transactions not subject to hedge accounting. The year-on-year decrease is due to more favourable market prices compared to the dealing prices of transactions not subject to hedge accounting.

Major items within other finance costs relate to bank charges.

28. Financial instruments

Risk management

The Group's CEO is responsible for setting the risk management guidelines and frameworks for the Group. When meeting such responsibility, he relies extensively on facts discovered by the Group Risk Management Directorate of MVM Zrt. in relation to the various risks as well as on their recommendations aimed at managing the risks. The principles, procedures and methods set forth in relation to the risk management system implemented by the Group ensure identification, analysis, evaluation and continuous monitoring of risks to which the Group is exposed as well as development of necessary action plans. The MVM Group also operates a Risk Management Committee that holds meetings at least twice a year. Its permanent members are the chief executive officer and the deputy-CEOs, as well as the risk management director.

The Deputy CEO, Chief Financial Officer is responsible for reviewing risk management policies and systems, as well as adjusting them if necessary to changed market environment and group activities.

Integrated Enterprise Risk Management (ERM)

To identify and assess risks that threaten the achievement of organisational objectives and to mitigate them as far as possible, the MVM Group operates an integrated Enterprise Risk Management system.

This includes

- identifying, correcting and managing events and risks that could hinder the achievement of the objectives,
- helping management to manage risks, and
- regulating the processes needed to achieve the above.

The integrated risk management procedure sets out the actions to be taken in relation to each risk – and how to take them – to reduce or eliminate the risks, and how to monitor the completion of the actions on an ongoing basis.

The Group is exposed to the following risks derived from financial instruments:

- credit risk (counterparty risk);
- liquidity risk;
- market risk (including foreign exchange risk, interest rate risk, equity price risk and commodity price risk arising from trading commodities).

This Note presents information about the Group's exposure to the above risks, the Group's objectives, rules and processes for measuring and managing risk.

Carrying amount of financial instruments of the Group by category:

(in HUF million)	Carrying amount	
	31.12.2024	31.12.2023
Non-current loans and receivables	7,641	14,478
Trade receivables and other non-derivative financial assets	873,021	1,565,280
Restricted cash	75,651	72,304
Cash and cash equivalents	297,501	245,582
Total financial assets measured at amortised cost	1,253,814	1,897,644
Derivative financial assets measured at fair value through profit or loss	114,441	129,560
Financial assets arising from cash flow hedges	120,001	106,534
Interests measured at fair value through other comprehensive income	3,133	2,588
Non-current loans and borrowings	1,160,428	1,333,217
Other non-current financial liabilities	21,329	53,040
Current loans and borrowings	260,825	329,883
Trade payables and other non-derivative financial liabilities	604,386	688,753
Total financial liabilities measured at amortised cost	2,046,968	2,404,893
Derivative financial liabilities measured at fair value through profit or loss	65,704	158,702
Financial liabilities arising from cash flow hedges	38,238	409,559

The 2024 loss on derecognition of financial assets measured at amortised cost (including gain/loss on receivables sold through factoring) total HUF 2,590 million (2023: HUF 223 million gain).

a) Credit risk (counterparty risk)

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations in full and/or on time. For the Group this primarily means risk from non-payment/non-performance by its commercial or financial partners. The risk arises primarily from financial - economic factors, such as insolvency of the partner, or for technical - commercial or administrative reasons.

Furthermore, because of increasing outstanding receivables due to rising sales volumes and market prices, the electric energy and natural gas market trade debtors as well as banks and investment partners, where the current liquidity surplus of variable amount and composition is deposited represent counterparty risk for the Group.

To mitigate the above risk the Group applies various procedures and measures:

- preliminary review of creditworthiness of new partners; periodic review of existing partners;

- establishing individual partner limits and ongoing checking of adherence to such limits, monitoring of any breaches of limit, developing action plans;
- establishing partner limits for treasury partners based on an internal model, taking the data of external rating agencies into account, and continuous monitoring thereof;
- for treasury partners, in addition to the ISDA contracts that provide the legal background of hedge transactions, the use of a Credit Support Annex that requires in the case of all partners two-way margining on a weekly basis, based on the current market value (MtM) of the transactions concluded;
- regular review and modification if necessary of the recorded partner limits, taking into account past experience and available information relating to the partner;
- continuous reconciliation of cash flows required from the partner and cash flows that can actually be realised;
- continuous check of the changes in outstanding receivables;
- application of collection measures;
- requesting financial collateral in advance to secure the exposure in the case of partners considered risky and those who fail to meet the required rating category.

Based on the internal credit risk management procedures of the Group and the related contracts, in certain cases collateral may be requested from the debtor to secure an existing or future outstanding receivable. Preferred collateral securing outstanding receivables is mainly bank guarantees or sureties provided by the partner's parent company/related company, as well as advances which are required by the Group primarily from partners considered risky and in all cases when the credit facility approved for the given partner is not sufficient with regard to the given partner/transaction.

The Group seeks to manage the ever-changing market/economic conditions by periodically reviewing and adjusting the counterparty rating model in a manner consistent with the Group's risk appetite (e.g. critical sectors have been identified where a more stringent limit-setting methodology is applied, i.e. lower limits may be issued in these segments).

The uncertain economic environment fuelled by the war in Ukraine as well as the price volatility on the energy market and the risk factors caused by high prices are being addressed by the Group through more stringent counterparty rating methodology and the inclusion of more guarantees. In order to share non-payment risks, loan insurance arrangements were introduced for a part of the retail portfolio in 2024.

Maximum value as at 31 December of assets exposed to credit risk is presented in the following table:

Maximum credit risk exposure (in HUF million)	31.12.2024	31.12.2023
	Gross carrying amount	Gross carrying amount
Non-current loans and receivables	7,641	14,479
Derivative financial assets (non-current)	35,685	27,099
Derivative financial assets (current)	198,757	208,995
Trade receivables and other non-derivative financial assets	920,570	1,604,572
Restricted cash	75,651	72,304
Cash and cash equivalents	297,501	245,582
Maximum credit risk exposure	1,535,805	2,173,031
Exposures secured by collateral	282,245	508,252
Net credit risk exposure	1,253,560	1,664,779

Collection policy

The Group continuously monitors overdue outstanding receivables and sends reminders to its partners in payment default. If the partner fails to pay despite several reminders, the Group uses all legal means to ensure recovery of past due receivables to the greatest extent possible.

In spite of the market difficulties, in 2024 there was no significant deterioration in the general payment behaviour.

Rating of receivables and impairment

The following tables present the amount of impairment allocated on trade receivables and non-current loans and receivables by maturity as well as changes to impairment in the reporting year.

The table below shows cost and impairment of non-current loans and receivables by maturity:

(in HUF million)	31.12.2024			31.12.2023		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Not past due	7,641	0	7,641	14,479	1	14,478
Past due	-	-	-	-	-	-
Between 1 - 30 days	-	-	-	-	-	-
Between 31 - 90 days	-	-	-	-	-	-
Between 91 - 180 days	-	-	-	-	-	-
Between 181 - 365 days	-	-	-	-	-	-
Over 1 year	-	-	-	-	-	-
Total	7,641	0	7,641	14,479	1	14,478

Changes of impairment charged on non-current loans and receivables:

Changes in charged impairment (in HUF million)	2024	2023
Opening balance at 1 January	1	1
Impairment recognised in the reporting year	-	-
Impairment derecognised in the reporting year	-1	-
Reversal of reporting-year impairment	-	-
Balance of impairment account at 31 December	0	1

In 2024 and in 2023 the MVM Group measured non-current receivables and assessed impairment for them based on the incurred loss model and the expected credit loss model individually. All such impaired receivables belong to the non-performing stage.

The following table shows cost and impairment of trade receivables and other non-derivative financial assets by maturity:

Trade receivables and other non-derivative financial assets (in HUF million)	31.12.2024			31.12.2023		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Not past due	823,539	2,676	820,863	1,512,179	4,215	1,507,964
Past due	97,031	44,873	52,158	92,393	35,077	57,316
<i>Between 1 - 30 days</i>	35,038	2,307	32,731	28,866	984	27,882
<i>Between 31 - 90 days</i>	10,899	1,852	9,047	15,894	2,003	13,891
<i>Between 91 - 180 days</i>	7,767	3,297	4,470	8,406	2,801	5,605
<i>Between 181 - 365 days</i>	12,011	8,907	3,104	14,989	8,233	6,756
<i>Over 1 year</i>	31,316	28,510	2,806	24,238	21,056	3,182
Total	920,570	47,549	873,021	1,604,572	39,292	1,565,280

Changes in impairment recognised on trade receivables and other non-derivative financial assets:

<i>Changes in charged impairment (in HUF million)</i>	2024		2023	
	Individual	Collective	Individual	Collective
Opening balance at 1 January	3,511	35,781	5,051	28,677
Change due to acquisition/loss of control	7	-	13	-
Impairment recognised in the reporting year	1,682	31,125	812	20,546
Exchange difference of impairment	103	675	-82	-885
Derecognised impairment, other changes	-2,008	-9,158	-1,132	-3,574
Reclassification into non-current assets held for sale	-87	-24	n/a	n/a
Reversal of reporting-year impairment	-426	-13,632	-1,151	-8,983
Balance of impairment account at 31 December	2,782	44,767	3,511	35,781
		47,549		39,292

In 2024 and 2023 the MVM Group measured receivables and assessed incurred and expected credit loss individually as well as collectively. The majority of individually impaired trade receivables and other non-derivative financial assets belong to the non-performing stage. A detailed description of the methods used to assess impairment is included in Note II.3. q).

In 2024 the recognition and reversal of impairment on trade receivables and other non-derivative financial assets increased by HUF 7,525 million, which is primarily due to the increase in impairment of collectively assessed receivables.

The Group applies the following impairment rates for collective assessment of impairment in the case of trade receivables and other non-derivative financial assets:

Past due category	Impairment %
Not past due	0.00 – 2.04%
Between 1 - 30 days	0.00 – 40.49%
Between 31 - 90 days	0.00 – 58.41%
Between 91 - 180 days	0.00 – 70.72%
Between 181 - 365 days	34.29 – 94%
Over 1 year	100%

b) Liquidity risk

Liquidity risk is the risk that the Group will be unable to settle its financial liabilities when they fall due.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, where possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group prescribes for its entities that they must maintain a strong liquidity position and shape the liquidity profiles of their assets, liabilities and contingent liabilities to ensure balanced cash flows and the settlement of all obligations when due.

The objective of the Group is that the aggregated value of its cash, cash equivalents and other easy-to-sell investments exceed at all times the amount of expected cash outflows related to its financial liabilities. Compliance with the above objective is continuously monitored with the help of regular cash flow forecasts, based on which amounts, maturities and dates of performance of expected cash inflows related to receivables and cash outflows related to liabilities are compared.

To ensure efficient and as cost-effective as possible management of liquidity risk the Group uses cash pool accounts which ensure daily liquidity of the members involved in the cash pool; bank credit facilities are also available for the Group to cover potential unexpected illiquidity. The available financing portfolio provides appropriate conditions to ensure liquidity as well as financial flexibility for the Group.

Unused credit facilities of the Group at the end of the periods under review:

Credit facility	Expiry date (31.12.2024)	31.12.2024		31.12.2023	
		Original currency, million*	In HUF million	Original currency, million*	In HUF million
EUR credit facility	2025-without expiry	1,082,926	444,097	443,793	169,875
HUF credit facility	2025-2029	964,403	964,403	644,768	644,768
USD credit facility	2025	33	13,000	3	1,150
CZK credit facility	2025-without expiry	1,360	22,175	870	13,468
RON credit facility	2025	9	717	9	669
Multi-currency credit facility	2025-2028	199,724	199,724	21,053	21,053

*In the case of the multi-currency credit facility the amount of the credit facility is shown in HUF million in the 'Original currency' column.

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Financial liabilities by maturity (principal and interest cash flows) as of 31 December 2024:

Financial liabilities (in HUF million)	Non-derivative financial liabilities			Derivative financial liabilities				Total financial liabilities
	Other non-current financial liabilities	Current and non-current loans and borrowings	Trade payables and other non-derivative financial liabilities	Transactions not subject to hedge accounting		Transactions subject to hedge accounting		
				Inflow	Outflow	Inflow	Outflow	
Carrying amount	21,329	1,421,253	604,386	65,704		38,238		2,150,910
Contractual cash flows	21,512	1,727,048	604,706	539,594	606,604	45,113	83,872	2,459,035
0-1 month	-	147,509	510,741	513,619	515,137	826	3,590	662,532
1-12 months	-	169,767	93,965	25,786	75,298	38,109	72,202	347,337
1-2 years	21,437	86,120	-	189	12,547	5,660	7,530	121,785
2-5 years	74	728,089	-	-	3,086	518	550	731,281
Over 5 years	1	595,563	-	-	536	-	-	596,100

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Financial liabilities by maturity (principal and interest cash flows) as of 31 December 2023:

Financial liabilities (in HUF million)	Non-derivative financial liabilities			Derivative financial liabilities				Total financial liabilities
	Other non-current financial liabilities	Current and non-current loans and borrowings	Trade payables and other non-derivative financial liabilities	Transactions not subject to hedge accounting		Transactions subject to hedge accounting		
				Inflow	Outflow	Inflow	Outflow	
Carrying amount	53,040	1,663,100	688,753	158,702		409,559		2,973,154
Contractual cash flows	53,241	2,007,909	688,538	107,252	270,148	303,810	722,154	3,330,928
0-1 month	-	49,146	534,450	100,250	101,404	66,851	68,474	586,373
1-12 months	-	373,515	154,088	7,002	132,963	222,870	599,899	1,030,593
1-2 years	22,138	196,478	-	-	18,805	12,118	49,835	275,138
2-5 years	31,103	1,126,092	-	-	16,975	1,971	3,946	1,176,145
Over 5 years	-	262,678	-	-	1	-	-	262,679

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Financial receivables by maturity (principal and interest cash flows) as of 31 December 2024:

Financial receivables (in HUF million)	Non-derivative financial assets		Derivative financial assets				Total financial receivables
	Non-current loans and receivables	Trade receivables and other non- derivative financial assets	Transactions not subject to hedge accounting		Transactions subject to hedge accounting		
			Inflow	Outflow	Inflow	Outflow	
Carrying amount	7,641	873,021	114,441		120,001		1,115,104
Contractual cash flows	7,641	873,021	214,690	98,346	234,116	112,131	1,118,991
0-1 month	-	639,142	87,434	86,549	9,597	6,368	643,256
1-12 months	-	233,879	110,009	11,797	202,003	102,908	431,186
1-2 years	260	-	15,844	-	21,592	2,855	34,841
2-5 years	1,631	-	1,403	-	924	-	3,958
Over 5 years	5,750	-	-	-	-	-	5,750

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Financial receivables by maturity (principal and interest cash flows) as of 31 December 2023:

Financial receivables (in HUF million)	Non-derivative financial assets		Derivative financial assets				Total financial receivables
	Non-current loans and receivables	Trade receivables and other non- derivative financial assets	Transactions not subject to hedge accounting		Transactions subject to hedge accounting		
			Inflow	Outflow	Inflow	Outflow	
Carrying amount	14,478	1,565,280	129,560		106,534		1,815,852
Contractual cash flows	14,478	1,565,280	473,414	340,807	268,481	159,801	1,821,045
0-1 month	-	774,246	265,305	262,965	1,367	1,324	776,629
1-12 months	-	791,034	184,420	77,798	256,343	152,437	1,001,562
1-2 years	271	-	21,965	44	7,328	2,950	26,570
2-5 years	4,902	-	1,724	-	3,443	3,090	6,979
Over 5 years	9,305	-	-	-	-	-	9,305

c) Market risk

Market risk is the risk that changes in market prices – such as exchange rates, interest rates and commodity prices – will affect the Group's profit or loss and the fair values of financial instruments reported in the financial statements. The objective of market risk management is to ensure that the planned profit or recovery that can be achieved during the performance of the individual business activities (energy trading, services, implementation, etc.) should be influenced by relevant market factors, such as exchange rates, interbank interest rates or changes in commodity prices only up to a tolerable extent.

Market risk management policy and guidelines are specified at group level involving the companies concerned and are reviewed periodically.

It is the joint and coordinated responsibility of the Group Risk Management Directorate of MVM Zrt. and the companies to ensure management of market risks as well as full compliance with internal procedures and legal regulations.

The Group Risk Management Directorate of MVM Zrt. measures and reports sensitivity analyses relating to the commodity price risks present in the Group on a weekly basis, in individual cases it performs scenario analysis and stress tests. In terms of market risk the Group is primarily exposed to risks arising from changes to the price of electric energy, natural gas, primary energy resources and emission allowances, currency risks as well as risks derived from changes to interest rates.

Commodity price risk

Electric energy trading business line

Due to its electric energy trading activity the MVM Group faces various market commodity risks during its operation, such as risks arising from changes to the price of electric energy, primary energy resources and emissions allowances. The risk deriving from electricity price fluctuations affects both divisions of the electric energy wholesale activities: wholesale covered by assets and own-account trading.

Open positions from asset-backed wholesale activities, which are expected to be settled upon the delivery of the underlying commodity at the close of the transaction, do not qualify as derivatives under IFRS 9, since the purpose of such activities is to sell electricity generated by the Group's power plants or purchased from other power plants and other traders and organised markets to end-consumers through the MVM Group's retail electricity business.

To reduce commodity price risk, longer open positions (more than 1 month) of foreign retail electricity companies belonging to the Group are hedged (and subsequently delivered) on a back-to-back basis by the wholesaler. The purpose of asset-based trading is therefore to ensure the wholesale activity necessary for the sale of electricity generated by the company's own and other contracted power plants and to meet the needs of end-consumers at all times.

To a limited extent, the MVM Group carries out own-account trading as well, which is aimed at achieving short-term exchange gains and taking advantage of geographical and timing pricing ineffectiveness, opportunities to realise arbitrage. These transactions are considered financial instruments held for trading and are measured at fair value through profit or loss.

In order to manage risks effectively, both short-term and long-term market commodity risks are measured, valued and reported on a daily and weekly basis.

To mitigate the commodity price risk of the electric energy wholesale division, in line with the hedging policy approved by the owner for asset-based activities, some part of the open positions are regularly closed basically on OTC market or on stock exchange with forward and futures financial commodities. The hedging policy also takes into account the volumes sold on mandatory sale auctions organised quarterly based on regulatory provisions due to the SMP status of the electric energy wholesale business line.

Due to different risks and accounting treatment, risks of own-account trading are measured separately from asset-based trading according to a separate limit structure. The Group developed a Value at Risk (VaR) type risk measurement technique to measure market risks of own-account trading. VaR estimates the potential highest loss of open positions at a statistical confidence level determined for a given period, assuming “normal” market conditions.

For measuring market risks of own-account trading the VaR calculated at 95% on a 100-day sample was approved.

On 31 December 2024 the portfolio-level daily VaR limit of own-account electricity trading amounted to EUR 5,000,000 (HUF 2,050 million). This means that the (estimated) market risk of the MVM Group from own-account electricity trading at 95% confidence level and considering the historical price of 100 days may amount to EUR 5,000,000 (HUF 2,050 million). On 31 December 2023 the portfolio-level VaR limit of own-account electricity trading also amounted to EUR 5,000,000 (HUF 1,914 million).

Natural gas trading business line

Typically two pricing methods are common on the regional natural gas market: indexing to European liquid gas exchanges and trading at fixed prices. Of the gas exchanges, the price quotations of the largest Dutch TTF exchange that determines the European price level, the Austrian VTP exchange that influences the Hungarian price level based on its physical proximity and liquidity and the German THE exchange that is widespread mainly on Czech and Slovakian markets are typical in the wholesale segment, while sale at fixed prices may derive mainly from needs connected to retail trading.

Measuring and managing market risks of natural gas trade is very important for the Group, as the pricing of products requested by consumers often differs from the pricing of purchasing sources. For this reason the Group continuously monitors the composition of its purchase and sales portfolios and manages it actively while adhering to the set limit structure. In order to manage risks effectively, both short-term and long-term market commodity risks are measured, valued and reported on a daily and weekly basis. To mitigate its financial risks the Group enters into hedging derivative (typically commodity and foreign exchange swap/forward) transactions and designates a part of them as cash flow hedging relationships.

Through regulatory prices relating to the universal service provision the Group undertakes the wholesale risks of the supply chain which result from the difference between the recognised specific natural gas price taken into account when determining the justified amount of the purchase cost of

natural gas and the actual purchase cost. Due to the significant flexibility deriving from consumption depending on temperature, this risk can be managed with limited efficiency.

On 31 December 2024 the portfolio-level 3-day VaR limit of own-account natural gas trading amounted to HUF 1,914 million (about EUR 5 million). This means that the (estimated) market risk of the MVM Group from own-account natural gas trading at 95% confidence level and considering the historical price of 250 days may not exceed HUF 1,914 million during 3 days. On 31 December 2023 the portfolio-level VaR of own-account natural gas trading amounted to HUF 1,718 million (about EUR 4.3 million).

Natural gas extraction division

In 2024, the Group acquired a stake in the Shah Deniz natural gas field in Azerbaijan, and as a result it is exposed to natural gas and oil condensate risks. A significant part of these exposures is managed by the Group, taking into account the opposing risk of the Group related to the natural gas universal service.

Sensitivity analysis for derivative commodity transactions:

The following increases as of the reporting date in future prices of natural gas commodity transactions entered into by the natural gas division would have increased equity and profit or loss as shown in the table below.

(in HUF million)	31.12.2024		31.12.2023	
	Rate of strengthening (%)	Amount	Rate of strengthening (%)	Amount
Equity	19%	78,322	25%	148,428
Profit or loss	19%	12,035	25%	-2,582

The analysis is based on the assumption that all other variables remain constant. A fall in the future prices would have an equal but opposite effect on equity and profit or loss.

Foreign exchange risk

The functional and presentation currency of the MVM Group is the Hungarian forint. The Group's significant regional presence and the euro-based price quotations of its main markets constitute a significant foreign exchange exposure. In accordance with the risk management guidelines, subsidiaries seek to establish natural hedge positions in foreign currency, i.e. applying the principle of FX purchase/liability versus FX sale/asset. If this is not possible for some reason, the net foreign exchange position is hedged with a derivative – generally a forward purchase/sale of foreign exchange. The amount of foreign exchange risk that subsidiaries can take on is capped by a limit system or hedge path.

During the long-term management of the Group's FX balance sheet items, the expected probabilities of FX appreciation and depreciation based on historical exchange rate movements and the current hedging cost of the given hedging direction are considered.

Similar to commodity risk, the effective time horizon for managing FX risk is typically 1-2 years at most, which means, just like all market participants, the Group will have to adapt to a changed exchange-rate environment in the medium to long term.

Foreign exchange rate exposures

Exposure of the Group as of 31 December 2024 by currency, without functional currency:

Exposure to foreign exchange risk (in HUF million)	31.12.2024						
	EUR	USD	CNY	CZK	RON	RSD	Other currency
Interests in associates and joint ventures	11,402	-	-	22	-	16,281	-
Interests in other entities	346	3	-	-	-	-	-
Non-current loans and receivables	-	-	-	-	82	-	-
Derivative financial assets (non-current)	35,680	5	-	-	-	-	-
Derivative financial assets (current)	198,743	14	-	-	-	-	-
Trade receivables and other non-derivative financial assets	315,656	14,086	10,115	33,640	2,845	2,409	102
Cash and cash equivalents	200,040	11,448	3,444	6,024	1,140	37	1,645
Restricted cash	6,738	-	-	-	-	-	-
Total financial assets	768,605	25,556	13,559	39,686	4,067	18,727	1,747
Non-current loans and borrowings	259,852	585,126	-	37	-	-	-
Non-current derivative financial liabilities	16,267	918	-	-	-	-	-
Other non-current financial liabilities	561	-	-	2,391	557	-	-
Current loans and borrowings	194,317	7,290	-	16,476	2	-	-
Current derivative financial liabilities	86,689	68	-	-	-	-	-
Trade payables and other non-derivative financial liabilities	287,056	5,797	3,264	51,234	516	2,078	103
Total financial liabilities	844,742	599,199	3,264	70,138	1,075	2,078	103
Net exposure	-76,137	-573,643	10,295	-30,452	2,992	16,649	1,644

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Exposure to foreign exchange risk (in HUF million)	31.12.2023						
	EUR	USD	CNY	CZK	RON	RSD	Other currency
Interests in associates and joint ventures	4,702	-	-	22	-	13,641	-
Interests in other entities	323	-	-	-	-	-	-
Non-current loans and receivables	-	-	-	-	91	1	-
Derivative financial assets (non-current)	26,828	271	-	-	-	-	-
Derivative financial assets (current)	208,811	184	-	-	-	-	-
Trade receivables and other non-derivative financial assets	671,721	-	7,601	25,409	4,504	8	63
Restricted cash	3,889	-	-	-	-	-	-
Cash and cash equivalents	207,161	581	2,736	3,050	1,972	1,562	1,567
Total financial assets	1,123,435	1,036	10,337	28,481	6,567	15,212	1,630
Non-current loans and borrowings	571,446	257,536	-	40	-	-	-
Non-current derivative financial liabilities	71,850	-	-	-	-	-	-
Other non-current financial liabilities	31,149	-	32	2,179	563	1	-
Current loans and borrowings	157,172	1,224	-	7	10	-	1
Current derivative financial liabilities	496,410	1	-	-	-	-	-
Trade payables and other non-derivative financial liabilities	430,601	731	2,630	49,875	694	352	189
Total financial liabilities	1,758,628	259,492	2,662	52,101	1,267	353	190
Net exposure	-635,193	-258,456	7,675	-23,620	5,300	14,859	1,440

Analysis of exchange-rate sensitivity

The appreciation in the HUF at the reporting date vis-à-vis the following currencies would have increased (positive amounts) or decreased (negative amounts) equity and profit as shown in the following table in HUF million. The analysis was based on exchange rate changes deemed reasonably possible by the Group on the reporting date. The analysis assumes that all other variables remain constant, including interest rates and other currencies included in the table. The analysis is based on the same principles as for comparative data, with the exception of the exchange rate fluctuation deemed reasonably possible, which is different, as demonstrated in the table below.

Currency	31.12.2024			31.12.2023		
	Rate of strengthening (%)	Equity	Profit or loss	Rate of strengthening (%)	Equity	Profit or loss
Against EUR	2	1,523	3,405	2	12,704	6,730
Against USD	3	17,209	17,180	3	7,754	7,765
Against CNY	3	-309	-309	4	-307	-307
Against CZK	2	609	609	2	472	473
Against RON	2	-60	-60	2	-106	-106
Against RSD	2	-333	-7	2	-297	-24

If the HUF were to weaken as of the reporting date against the currencies above, this would have the same but opposing effect on equity and profit or loss, provided that all other variables remain constant.

In the table above, the change in profit or loss is also included in the amount of the change in equity.

Interest rate risk

The MVM Group is exposed to changes in interest rates in the context of its business activities and financial transactions. MVM Zrt. provides the necessary financing for the members of the MVM Group – with the exception of certain project financing transactions – in the form of a parent company loan. Such parent company loans are usually linked to benchmarks bearing variable interest. Accordingly, the member companies of the MVM Group are exposed to risks related to changes in reference rates. MVM Zrt. also uses external financing in addition to the financing needs of individual members of the Group to finance acquisitions and group-wide capex.

The MVM Group manages the interest rate risks stemming from its financing activities by choosing the type of interest rate used for the financing source and by using interest rate derivatives, typically interest rate swaps.

The interest rate structure of the interest-bearing financial instruments of the Group as at the reporting date was as follows:

Fixed-rate instruments <i>(in HUF million)</i>	Carrying amount	
	31.12.2024	31.12.2023
Non-current loans and receivables	7,641	14,478
Restricted cash	75,651	72,304
Cash and cash equivalents	297,501	245,582
Total financial assets	380,793	332,364
Non-current loans and borrowings	1,013,750	641,000
Other non-current financial liabilities	1,234	30,161
Current loans and borrowings	11,022	7,016
Total financial liabilities	1,026,006	678,177

Floating-rate instruments <i>(in HUF million)</i>	Carrying amount	
	31.12.2024	31.12.2023
Non-current derivative financial assets	2,091	-
Current derivative financial assets	4,204	1,821
Total financial assets	6,295	1,821
Non-current loans and borrowings	146,678	692,217
Non-current derivative financial liabilities	3,186	-
Other non-current financial liabilities	20,095	22,879
Current loans and borrowings	249,803	322,867
Current derivative financial liabilities	2,259	8,870
Trade payables and other non-derivative financial liabilities	7,468	8,026
Total financial liabilities	429,489	1,054,859

Fair value sensitivity analysis for fixed-rate financial instruments

The Group generally does not have fixed-rate financial assets and liabilities which are measured at fair value through profit or loss. Therefore a change in the interest rate as at the reporting date would not affect the Group's equity and profit or loss.

Cash flow sensitivity analysis for floating-rate financial instruments

The following increases/decreases in interest rates as of the reporting date would have decreased/increased equity and profit or loss as shown in the table below. This analysis assumed that all other variables, including foreign exchange rates, remain constant.

<i>(in HUF million)</i>	31.12.2024			31.12.2023		
	Increase (basis points)	Equity	Profit or loss	Increase (basis points)	Equity	Profit or loss
Floating-rate instruments (HUF)	100	-1,921	-1,921	200	-6,608	-6,608
Floating-rate instruments (EUR)	50	-1,272	-1,272	100	-3,453	-3,453

In the table above, the change in profit or loss is also included in the amount of the change in equity.

Share price risk

The Group is exposed to share price risk which derives from the change of listed price of financial assets measured at fair value through other comprehensive income. These interests are companies listed on the Budapest Stock Exchange, in 2024 PannErgy Nyrt.

Sensitivity analysis of price of financial assets measured at fair value through other comprehensive income:

The following increases in the closing stock exchange price of listed interests included in FVOCI financial assets would have increased equity and profit or loss as shown in the table below. The analysis is based on the assumption that all other variables remain constant.

<i>(in HUF million)</i>	31.12.2024			31.12.2023		
	Rate of strengthening (%)	Equity	Profit or loss	Rate of strengthening (%)	Equity	Profit or loss
PannErgy Nyrt.	10	261	-	10	209	-
Interests in other entities	10	54	-	10	50	-

Hedge accounting

To mitigate the Group's financial risks associated with gas trading, the Group enters into derivative natural gas and oil commodity swaps and hedges some of them in cash flow hedges. The fair value of these hedges was HUF 74,306 million (natural gas: HUF 75,140 million, oil: - HUF 834 million) at the end of 2024, and - HUF 315,175 million (only natural gas) at the end of 2023. As a result of the hedging strategy, by the end of 2024:

- 78% of all bid natural gas swaps and 95% of all offer swaps were concluded at average prices of 44 and 43 EUR/MWh respectively for 2025;
- 20% of all bid swaps and 5% of all offer swaps were concluded at average prices of 36 and 40 EUR/MWh respectively for 2026;
- 2% of all bid swaps were concluded at average prices of 31 EUR/MWh for 2027;

- 100% of all heat oil and diesel oil offer swaps were concluded at average prices of 72 USD/barrel and 458 and 662 USD/metric ton for 2025.

To mitigate the Group's financial risks associated with electricity trading, the Group enters into derivative electricity commodity transactions and hedges some of them in cash flow hedges. The fair value of these hedges was HUF 5,875 million at the end of 2024 (at the end of 2023: HUF 23,928 million). The electricity transactions included in hedge accounting as at 31 December 2024 cover the delivery period 2025-2027. The weighted average trade price of these purchase-type hedges is 97.57 EUR/MWh for 2025 delivery, 87.87 EUR/MWh for 2026 delivery and 77.79 EUR/MWh for 2027 delivery. Currently there are no sales-type hedges in our records. The largest part of the purchase-type hedges – 74% – relates to deliveries in 2025, 22% to deliveries in 2026 and 4% to deliveries in 2027.

To mitigate the Group's financial risks associated with gas and electricity trading, the Group enters into derivative FX forwards, and hedges some of them in cash flow hedges. The fair value of these hedges was HUF 1,582 million at the end of 2024, and -HUF 11,778 million at the end of 2023. Most of the year-end 2024 transactions are EUR-USD sell transactions. As a result of the hedging strategy, by the end of 2024:

- 97% of all EUR-USD sales for 2025 were concluded at an average rate of EUR-USD 1.071.
- 3% of all EUR-USD sales for 2026 were concluded at an average rate of EUR-USD 1.062.

In 2024 and 2023, the equity portion of the above hedges was included in the value of inventories for commodity and FX transactions related to the purchase of natural gas, and under sales revenue for commodity and FX transactions related to the sale of natural gas and electricity. At the end of 2024, an ineffective portion of HUF 678 million was recognised in the sales revenue related to hedges. For 2023 this amount was HUF 214 million.

From September 2024 there has been a foreign exchange risk on the Group's net investment in the Shah Deniz offshore natural gas and condensate field in Azerbaijan, which is held by MVM Upstream Kft, whose functional currency is USD. Risk arises from fluctuations in the spot USD/HUF exchange rate, which causes a change in the value of the net investment.

The hedged risk for the hedge of the net investment in the foreign operation is the weakening of the USD against the HUF, resulting in a decrease in the Group's net asset value in MVM Upstream Kft.

The Group's net investment in the aforementioned member firm is hedged by the issuance of USD bonds (carrying amount of the bonds as at 31 December 2024: HUF 586,126 million), which reduces the foreign exchange risk of the net assets of the foreign operation in relation to the USD-HUF exchange rate. A part of the issued bonds proportionate to the net investment – USD 800 million – was included in the hedge.

For the purpose of assessing hedge effectiveness, the Group determines the economic relationship between the hedge and the hedged transaction by comparing the change due to the USD spot exchange rate of the portion of the bonds proportional to the net investment with the same change in the net investment.

Amounts related to the hedge:

<i>(in HUF million)</i>	31.12.2024				During 2024	
	Nominal value	Carrying amount		Line item of the hedge in the financial statements	Change in value for calculation of hedge ineffectiveness (+ liab. decrease/- liab. increase)	Change in value recorded in other comprehensive income
		Assets	Liabilities			
USD bonds	314,846		314,846	Non-current loans and borrowings	-31,301	-31,301

No portion was recognised in profit or loss during 2024 from ineffectiveness, and there was no reclassification from other comprehensive income to the income statement.

Amounts related to the hedged transaction:

<i>(in HUF million)</i>	During 2024	
	Change in value for calculation of hedge ineffectiveness (+ investm. increase/- investm. decrease)	Translation reserve related to foreign currencies
USD investment in foreign operation	31,301	1,871

At 2024 year-end, there is no amount in the translation reserve related to foreign currencies from the hedging relationship for which hedge accounting is no longer applied.

d) Fair value of financial instruments

The following table presents fair values and carrying amounts of financial instruments:

<i>(in HUF million)</i>	31.12.2024		31.12.2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current loans and receivables	7,641	7,641	14,478	14,478
Trade receivables and other non-derivative financial assets	873,021	873,021	1,565,280	1,565,280
Restricted cash	75,651	75,651	72,304	72,304
Cash and cash equivalents	297,501	297,501	245,582	245,582
Total financial assets measured at amortised cost	1,253,814	1,253,814	1,897,644	1,897,644
Interests in other entities	3,133	3,133	2,588	2,588
Total financial assets measured at fair value through other comprehensive income	3,133	3,133	2,588	2,588
Derivative financial assets (non-current)	35,685	35,685	27,099	27,099
Derivative financial assets (current)	198,757	198,757	208,995	208,995
Non-current derivative financial liabilities	17,185	17,185	71,850	71,850
Current derivative financial liabilities	86,757	86,757	496,411	496,411
Total derivative financial assets and liabilities	130,500	130,500	-332,167	-332,167
Non-current loans and borrowings	1,160,428	1,117,232	1,333,217	1,295,172
Other non-current financial liabilities	21,329	21,329	53,040	53,040
Current loans and borrowings	260,825	259,012	329,883	328,252
Trade payables and other non-derivative financial liabilities	604,386	604,386	688,753	688,753
Total other financial liabilities	2,046,968	2,001,959	2,404,893	2,365,217

The best estimate of the fair value of non-current loans and receivables is their carrying amount.

Fair values of interests in PannErgy Nyrt. recorded among interests in other entities were measured based on closing prices of the Budapest Stock Exchange. The carrying amount of not listed interests in other entities well approximates their fair value.

Fair values of derivative financial assets measured at fair value were determined based on quoted stock exchange data at the location of the transaction, using the discounted cash flow method.

The carrying amount of cash, trade and other non-derivative financial receivables as well as trade payables and other non-derivative financial liabilities more or less approximates their market value due to their current nature.

A part of non-current and current loans bears floating interest, their fair value does not differ significantly from their amortised cost; their carrying amount more or less approximates their fair

value. For non-current and current loans bearing fixed rate, fair value assessed for disclosure purposes on the individual reporting dates was measured using the discounted cash flow method, using the floating interest rate of loans with similar risk.

Other non-current financial liabilities include primarily grants provided based on contracts as well as non-current lease liabilities, which are stated at discounted present value, therefore their fair value approximates their carrying amount.

Fair value hierarchy

The table below analyses financial instruments measured at fair value, by valuation method. The different levels of the fair value hierarchy have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability either directly (i.e. as prices) or indirectly (i.e. can be derived from prices);
- Level 3: inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

Description	31.12.2024			31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Interests in other entities	3,133			2,588		
Derivative financial assets (non-current)	-	35,685	-	-	27,099	-
Derivative financial assets (current)	-	198,757	-	-	208,995	-
Total financial assets measured at fair value	3,133	234,442	-	2,588	236,094	-
Non-current derivative financial liabilities	-	17,185	-	-	71,850	-
Current derivative financial liabilities	-	86,757	-	-	496,411	-
Total financial liabilities measured at fair value	-	103,942	-	-	568,261	-
Fixed-rate loans and borrowings	-	988,750	-	-	648,016	-
Total financial liabilities not measured at fair value where fair value is measured for disclosure purposes	-	988,750	-	-	648,016	-

Except for the categories presented, the fair value of financial instruments equals the carrying amount.

In the above periods no reclassifications were made between levels.

e) Capital management

The Group aims to establish a strong equity position to retain the confidence of investors, creditors and the market and support the future development of its business activities. The management constantly monitors the yields achieved, which are supported by the operating profit and the profit before tax, as well as performing to the ratios relating to financial covenants. The management also monitors the share capital/equity ratios of the Company and its Hungarian subsidiaries to ensure they comply with the level required by Section 3:133. (2) of Act V of 2013 on the Hungarian Civil Code (hereinafter referred to as Civil Code), as well as for limited liability companies by Section 3:161. (4) and for companies limited by shares by Section 3:212. (2).

By managing its capital the Group strives towards achieving a balance between the highest possible profit, dividend and liabilities as well as a strong equity position.

The Group aims to keep the financial ratios at the levels permitted by the contracts.

In relation to the end of 2024 and 2023 decision makers and credit institutions monitor financial information according to IFRSs.

Of the indicators related to financial covenants the ratio of adjusted net debt to net asset value relates to capital management. Based on the loan agreements, this ratio shall be lower than 0.9, irrespective of the applicable financial reporting framework. This criterion was met in both 2024 and 2023.

29. Fair value of non-financial instruments

Only the technological assets of MVM Paksi Atomerőmű Zrt. are measured at fair value corresponding to Level 3 of the fair value hierarchy. Fair value measurement is described in Note II.7.a). The measurement is a recurring measurement. The effect of measurements on profit or loss or other comprehensive income for the period is included in the statement of comprehensive income.

30. Related party transactions

Parent company and ultimate controlling party

As at 1 December 2022 the Ministry of Energy was appointed to exercise the ownership rights over MVM Zrt., as a state-owned company.

Apart from the dividend and interim dividend, the MVM Group had no other transactions with the parent company in 2024.

Transactions with key management personnel

Key management personnel are the persons who have, either directly or indirectly, authority and responsibility with respect to planning, directing and controlling the activities of the entity, including managing and other directors.

The Group considers officers charged with management, members of the supervisory board, members of the board of directors and the chairperson of the works council of MVM Zrt. and the subsidiaries key management personnel.

Key management personnel received the following benefits:

<i>(in HUF million)</i>	2024	2023
Short-term benefits	6,235	5,014

Transactions with other related parties

For the purposes of the Group receivables from and liabilities to as well as transactions with associates and joint ventures qualify as transactions with other related parties.

Associates and joint ventures are presented in Note III. 5.

Of associates, transactions with Dunamenti Erőmű Zrt. and E.ON Hungária ZRt. as well as the companies controlled by them are considered significant.

In the case of Dunamenti Erőmű Zrt. related-party transactions relate to the purchase of electric energy produced by the power plants.

E.ON Hungária ZRt. became an associate on 15 December 2021 (date of inclusion: 31 December 2021). The Group primarily has contacts with the distribution and energy trading companies controlled by E.ON Hungária ZRt.

Of joint ventures, transactions with Corvinus Energy Kft. and the companies controlled by it are considered significant. Corvinus Energy Kft. became a joint venture on 23 November 2021. It provides natural gas extraction services to the Group.

Items with other associates are recognised on an aggregate basis.

<i>(in HUF million)</i>	31.12.2024		
	Dunamenti Erőmű Zrt.	Corvinus Group	E.ON Hungária Group
Income from associates	2,118	553	175,515
Costs to associates	17,442	11,603	113,843
Trade receivables and other non-derivative financial assets	132	34	25,459
Trade payables and other non-derivative financial liabilities	17,522	1,721	17,261

<i>(in HUF million)</i>	31.12.2023		
	Dunamenti Erőmű Zrt.	Corvinus Group	E.ON Hungária Group
Income from associates	3,151	326	429,861
Costs to associates	20,064	4,310	74,022
Trade receivables and other non-derivative financial assets	302	45	46,669
Trade payables and other non-derivative financial liabilities	7,039	1,233	11,405

Transactions with other associates not significant individually

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Sales revenue from associates	1,766	9,885
Costs to associates	1,802	572
Trade receivables and other non-derivative financial assets	412	505
Trade payables and other non-derivative financial liabilities	533	138

Several Group companies have transactions with external partners over which the Hungarian State has significant influence.

The following transactions are deemed individually significant considering their volume:

Sales revenue from transmission system operation fees of the Group in 2024 from MÁV Magyar Állam Vasutak Zrt. amounted to HUF 2,627 million.

MVM NET Zrt. had HUF 11,645 million, HUF 428 million and HUF 290 million sales revenue in the reporting year under the contracts concluded with Nemzeti Infokommunikációs Szolgáltató Zrt., HM Elektronikai, Logisztikai és Vagyongkezelő Zrt. and Nemzeti Útdíjfizetési Szolgáltató Zrt., respectively, which relates to use of network, leased line services and the provision of integrated telecommunication services.

Chapter VI of the Act on Nuclear Energy discusses payments by MVM Paksi Atomerőmű Zrt. to the Central Nuclear Financial Fund. Annual payments in 2024 amounted to HUF 32,934 million.

MVM Next Energiakereskedelmi Zrt. sells electricity and/or natural gas to the following partners:

Revenue (in HUF million)	2024	2023
MÁV Magyar Államvasutak Zrt.	65,171	137,926
Nemzeti Sportügynökség Nonprofit Zrt.	7,896	14,916
Dunántúli Regionális Vízmű Zrt.	6,718	6,547
ÉRV. Északmagyarországi Regionális Vízművek Zrt.	5,771	4,476
Tiszamenti Regionális Vízművek Zrt.	5,573	5,406
DMRV Duna Menti Regionális Vízmű Zrt.	5,507	5,367
Magyar Posta Zrt.	4,624	11,383
Északdunántúli Vízmű Zrt.	4,125	4,062
Magyar Közút Nonprofit Zrt.	1,529	7,933
NISZ Nemzeti Infokommunikációs Szolgáltató Zrt.	1,249	1,275
Győr-Sopron-Ebenfurti Vasút Zrt.	1,020	9,072
Magyar Nemzeti Vagyonkezelő Zrt.	879	2,526
HM Elektronikai, Logisztikai és Vagyonkezelő Zrt.	549	7,216
Szerencsejáték Zrt.	354	708
VADEX Mezőföldi Erdő- és Vadgazdálkodási Zrt.	219	444

MVM Next Energiakereskedelmi Zrt. used postal and payment services provided by Magyar Posta Zrt. in a value of HUF 20,297 million (2023: HUF 15,097 million).

E.ON Áramszolgáltató Kft. used postal and payment services provided by Magyar Posta Zrt. in a value of HUF 1,777 million (2023: HUF 3,152 million).

In 2001 the Group member MVM MIFŰ Kft. won a tender for district heating provision services issued by the city of Miskolc and concluded a contract with MIHŐ Miskolci Hőszolgáltató Kft. owned by Miskolci Vagyonkezelő Zrt. MVM MIFŰ Kft. had sales revenues from the sale of heat amounting to HUF 3 billion in 2024 and HUF 4.2 billion in 2023.

In 2005 the MVM Észak-Budai Fűtőerőmű Kft., one of the legal predecessors of MVM Balance Zrt. concluded a 20 year contract with the Municipality of Budapest for supplying heat energy to the Óbuda and North Buda district heating zones. Resulting revenues amounted to HUF 28.8 billion in 2023 and HUF 15 billion in 2024.

31. Disclosures relating to acquisitions

a) Acquisition of Sysco-Lux Kft.

Effective from 1 January 2024 Sysco-Lux Kft., a company engaged in retail and wholesale trade of lights and providing lightning technology and engineering services, became a fully consolidated subsidiary within the MVM Group. A 60% interest in the company was acquired by MVM Optimum Zrt. in November 2022, then in December 2023 it became wholly owned by the MVM Group after MVM Lumen Kft. purchased the remaining 40% interest held by private individual owners.

The Group accounted for HUF 29 million other operating expenses in relation to the acquisition, which mainly include business and technical advisory services.

The table below presents the main data related to the acquisition:

Data in HUF million	Sysco-Lux Kft.
Consideration (cash) paid in the previous years (A)	1,177
Cash and cash equivalents	-95
Net cash flow	1,082

Other assets and liabilities of the subsidiary:	
Property, plant and equipment	22
Inventories	79
Trade receivables and other non-derivative financial assets	251
Other non-financial assets	7
Current tax assets	1
Assets (1)	360

Other non-current financial liabilities	5
Current loans and borrowings	2
Trade payables and other non-derivative financial liabilities	193
Liabilities related to short-term employee benefits	7
Current tax liabilities	1
Other current non-financial liabilities	96
Liabilities (2)	304

Net asset value net of cash (1-2)	56
Net asset value including cash (B)	151
Goodwill (A)-(B)	1,026

Following its inclusion into consolidation, Sysco-Lux Kft. realised HUF 771 million revenue until 30 September 2024, while it had HUF 53 million profit after tax after the acquisition. As of 1 October 2024, the company merged into MVM Lumen Kft.

b) Acquisition of “4D Energetika” Kft.

In January 2024, as a further step in the expansion of renewable energy portfolio, MVM Zöld Generáció Zrt. purchased 100% interest in “4D Energetika” Kft. engaged in the operation of photovoltaic power plants.

The table below presents the main data related to the acquisition:

Data in HUF million	“4D Energetika” Kft.
Consideration (cash) paid (A)	17,017
Cash and cash equivalents	-1,133
Assumed owner's loan	2,439
Net cash flow	18,323

Other assets and liabilities of the subsidiary:	
Property, plant and equipment	26,826
Other intangible assets	1
Inventories	65
Trade receivables and other non-derivative financial assets	307
Other non-financial assets	677
Current tax assets	50
Assets (1)	27,926

Non-current loans and borrowings	11,321
Current loans and borrowings	622
Trade payables and other non-derivative financial liabilities	50
Current tax liabilities	4
Other current non-financial liabilities	45
Liabilities (2)	12,042

Net asset value net of cash (1-2)	15,884
Net asset value including cash (B)	17,017

Following its inclusion into consolidation, “4D Energetika” Kft. realised HUF 3,256 million revenue until the end of 2024, while it had HUF 1,188 million profit after tax after the acquisition.

c) Subsequent adjustment related to the acquisition of MVM Émász Áramhálózati Kft.

In August 2021 MVM Zrt. acquired full ownership of MVM Émász Áramhálózati Kft.; the main duty of this company is transmission of electricity on the distribution networks, supplying it to consumers and the provision of related services. The transaction was the last step of the comprehensive framework agreement signed by MVM Zrt. and E.ON Beteiligungen GmbH on 3 October 2019.

Because of the increase in the costs of IT separation related to the acquisition, the parties agreed on a subsequent purchase price adjustment prior to the completion of the transaction, and as a result, in 2024 the MVM Group recorded HUF 500 million current receivables from the seller within the Trade receivables and other non-derivative financial assets balance sheet line item, which increased the amount of negative goodwill recognised previously.

d) Acquisition of the “Iron” companies

In July 2024 MVM Zöld Generáció Zrt. purchased five companies engaged in operating photovoltaic power plants: Tatooine SolarPark Kft., Békés Solar Kft., Napraforco-Operation Kft., Solar Engine Kft. and Finasys Solarpark Kft. (hereinafter referred to as: “Iron” companies).

The table below presents the main data related to the acquisition:

Data in HUF million	Aggregated data as at the date of acquisition of the “Iron” companies
Consideration (cash) paid (A)	18,334
Cash and cash equivalents	-1,923
Assumed owner’s loans, bank loans and related interest	4,437
Net cash flow	20,848

Other assets and liabilities of the subsidiary:	
Property, plant and equipment	29,918
Other intangible assets	443
Trade receivables and other non-derivative financial assets	1,167
Other non-financial assets	34
Assets (1)	31,562

Non-current loans and borrowings	11,082
Current loans and borrowings	3,555
Trade payables and other non-derivative financial liabilities	250
Liabilities related to short-term employee benefits	5
Current tax liabilities	114
Other current non-financial liabilities	145
Liabilities (2)	15,151

Net asset value net of cash (1-2)	16,411
Net asset value including cash (B)	18,334

After the acquisition the “Iron” companies realised in total HUF 1,219 million revenue until the end of 2024, while they had HUF 26 million profit after tax after the acquisition.

e) Acquisition of interest in the Shah Deniz natural gas and condensate field

On 5 June 2024, the MVM Group signed an agreement with the Azerbaijani state-owned Southern Gas Corridor CJSC (SGC) to acquire a 5% stake in the production-sharing agreement for the Shah Deniz offshore natural gas and condensate field in Azerbaijan, and a further 4% stake in the Azerbaijan Gas Supply Company (AGSC), a trading company established for the exclusive sale and supply of natural gas produced from the Shah Deniz natural gas and condensate field. The transaction was completed in August 2024, the Group recognises the interest acquired in AGSC in

the 'Interests in other entities' line item. Both transactions were carried out through MVM Upstream Kft.

The table below presents the data of the acquisition related to the natural gas and condensate field:

Data in HUF million	Data of the Shah Deniz division as at the date of acquisition
Consideration (cash) paid – Net cash flow	281,940
Other assets and liabilities of the division:	
Property, plant and equipment	314,920
Other intangible assets	7,320
Inventories	1,636
Trade receivables and other non-derivative financial assets	24
Other non-financial assets	29
Assets (1)	323,929
Non-current provisions	33,833
Trade payables and other non-derivative financial liabilities	8,156
Liabilities (2)	41,989
Net asset value (1-2)	281,940

f) Acquisition of the Innovolt Group

In September 2024 MVM Zöld Generáció Zrt. further expanded its renewable energy portfolio by acquiring Innovolt Kft. and its three subsidiaries engaged in operating photovoltaic power plants (hereinafter referred to as: Innovolt Group).

The Group accounted for HUF 112 million other operating expenses in relation to the acquisition, which mainly include business and technical advisory services.

The table below presents the main data related to the acquisition:

Data in HUF million	Consolidated data of the Innovolt Group as at the date of acquisition
Consideration (cash) paid (A)	30,773
Cash and cash equivalents	-6,029
Assumed owner's loans and related interest	15,634
Net cash flow	40,378
Other assets and liabilities of the subsidiary:	
Property, plant and equipment	81,790
Trade receivables and other non-derivative financial assets	2,380
Other non-financial assets	8
Current tax assets	2
Assets (1)	84,180
Non-current loans and borrowings	52,564
Other non-current financial liabilities	1,418
Current loans and borrowings	341
Current derivative financial liabilities	4,167
Trade payables and other non-derivative financial liabilities	75
Current tax liabilities	114
Other current non-financial liabilities	757
Liabilities (2)	59,436
Net asset value net of cash (1-2)	24,744
Net asset value including cash (B)	30,773

After the acquisition the companies of the Innovolt Group realised in total HUF 1,293 million revenue until the end of 2024, while they had HUF 238 million profit after tax after the acquisition.

32. Operating segments

In 2024 during day-to-day operating and strategic assessments the Board of Directors of the MVM Group reviewed the effectiveness of the following 9 largest Group companies:

- MVM Partner Zrt.
Electric energy trade
- MVM CEEnergy Zrt.
Natural gas trade
- MAVIR Zrt.
System operation, network development, electricity market integration
- MVM Paksi Atomerőmű Zrt.
Generation of electricity
- Magyar Földgáztároló Zrt.
Natural gas storage
- MVM Zrt.
Strategic holding, group integration
- MVM Next Energiakereskedelmi Zrt.
Retail trade of natural gas and electricity
- MVM Mátra Energia Zrt.
Generation of electricity from lignite fuel extracted from mines owned by it
- innogy Energie s.r.o
Retail trade of natural gas and electricity

The scope of member companies reviewed did not expand relative to 2023.

Operation and strategy analyses are performed using the data of the nine key Group companies, as these jointly represent a decisive part of the Group performance.

In the decision-making processes the management of the Group regularly reviews the IFRS financial statements prepared for Group purposes of the key member firms.

Intra-group transactions between the individual companies are significant in volume and arise primarily between MVM Partner Zrt., MVM CEEnergy Zrt. MVM Paksi Atomerőmű Zrt., MVM Mátra Energia Zrt. and MAVIR Zrt.

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(in HUF million)	31.12.2024												
	MVM Partner Zrt.	MVM CEEnergy Zrt.	MAVIR Zrt.	MVM Paksi Atomerőmű Zrt.	MVM Zrt.	Magyar Földgáztároló Zrt.	MVM Next Zrt.	MVM Mátra Energia Zrt.	innogy Energie s.r.o	All other segments	TOTAL	Intersegment eliminations, consolidation adjustments	IFRS consolidated figures
Sales to third parties	266,877	1,068,828	325,851	1,906	-431	2,405	1,466,482	9,511	789,972	602,335	4,533,736		4,533,736
Intersegment sales	1,209,147	596,678	96,872	238,322	62,143	35,885	61,038	148,329	44,122	1,042,911	3,535,447	-3,535,447	0
Other operating income	212	641,937	1,862	1,619	406	2,399	157,831	20,891	2,734	52,436	882,327	651	882,978
Total operating expenses	-1,280,369	-2,208,899	-288,354	-267,361	-58,622	-18,011	-1,648,974	-210,121	-788,574	-1,573,252	-8,342,537	3,483,182	-4,859,355
Depreciation and amortisation	-353	-210	-26,290	-103,806	-689	-6,801	-1,668	-16,927	-1,708	-98,788	-257,240	-10,805	-268,045
Recognition and reversal of impairment	8	-2,959	-509	-3,273	1,241	-120	-10,931	-24,201	-3,314	-3,464	-47,522	-2,678	-50,200
Operating profit/loss	195,867	98,544	136,231	-25,514	3,496	22,678	36,377	-31,390	48,254	124,430	608,973	-51,614	557,359
Finance income	29,102	33,214	26,532	2,280	571,902	6,481	30,868	8,854	76,606	73,696	859,535	-497,604	361,931
Finance costs	-17,082	-59,450	-13,542	-10,819	-396,518	-8,490	-51,724	-3,272	-64,677	-72,130	-697,704	256,482	-441,222
Share of profit/loss of associates and joint ventures	0	-4,907	0	0	-491	0	178	0	0	-149	-5,369	18,886	13,517
Profit/Loss before tax	207,887	67,401	149,221	-34,053	178,389	20,669	15,699	-25,808	60,183	125,847	765,435	-273,850	491,585
Income tax payment liability	-83,263	-3,924	-3,372	8,151	-2,040	-2,421	-18,616	-3,576	-20,058	-30,031	-159,150	-8,713	-167,863

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<i>(in HUF million)</i>	31.12.2024												
	MVM Partner Zrt.	MVM CEEnergy Zrt.	MAVIR Zrt.	MVM Paksi Atomerőmű Zrt.	MVM Zrt.	Magyar Földgáztároló Zrt.	MVM Next Zrt.	MVM Mátra Energia Zrt.	innogy Energie s.r.o	All other segments	TOTAL	Intersegment eliminations, consolidation adjustments	IFRS consolidated figures
Assets	726,124	614,920	806,801	779,398	3,935,480	224,796	929,961	146,747	437,207	2,813,064	11,414,498	-5,438,789	5,975,709
<i>Interests in associates and joint ventures</i>	0	27,589	3,617	0	182,544	0	340	0	0	127	214,217	1,868	216,085
<i>Capital expenditures</i>	1	0	82,785	102,915	3,485	9,444	6	1,743	0	82,927	283,306	-28,751	254,555
Liabilities	582,189	403,232	385,903	371,440	2,681,541	126,787	727,255	71,759	260,627	1,586,952	7,197,685	-3,391,330	3,806,355

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(in HUF million)	31.12.2023												
	MVM Partner Zrt.	MVM CEEnergy Zrt.	MAVIR Zrt.	MVM Paksi Atomerőmű Zrt.	MVM Zrt.	Magyar Földgáztároló Zrt.	MVM Next Zrt.	Mátrai Erőmű Zrt.	innogy Energie s.r.o	All other segments	TOTAL	Intersegment eliminations, consolidation adjustments	IFRS consolidated figures
Sales to third parties	168,079	872,709	405,453	1,848	-9,101	4,518	2,025,592	8,277	901,320	700,344	5,079,039	-	5,079,039
Intersegment sales	1,819,437	871,549	131,467	208,255	60,443	56,527	128,388	142,354	59,332	1,126,177	4,603,929	-4,603,929	-
Other operating income	421	776,286	3,134	1,222	1,424	3,930	185,673	11,121	80,404	183,704	1,247,319	-9,317	1,238,002
Total operating expenses	-1,751,661	-2,391,732	-345,697	-291,686	-50,996	-50,861	-2,378,383	-136,559	-907,410	-1,935,451	-10,240,436	4,567,950	-5,672,486
Depreciation and amortisation	-303	-170	-23,610	-135,037	-831	-6,349	-1,635	-9,757	-1,590	-71,377	-250,659	-15,267	-265,926
Recognition and reversal of impairment	54	-108	-151	-4,059	-98	-92	-7,947	-39	-739	-9,794	-22,973	-4,401	-27,374
Operating profit/loss	236,276	128,812	194,357	-80,361	1,770	14,114	-38,730	25,193	133,646	74,774	689,851	-45,296	644,555
Finance income	64,681	34,720	22,070	1,391	874,143	5,814	75,011	3,537	101,233	70,488	1,253,088	-830,554	422,534
Finance costs	-104,303	-86,240	-24,973	-16,833	-671,073	-14,022	-85,303	-8,126	-100,180	-64,916	-1,175,969	650,635	-525,334
Share of profit/loss of associates and joint ventures	-	-	-	-	9,634	-	467	-	-	-180	9,921	-6,104	3,817
Profit/Loss before tax	196,654	77,292	191,454	-95,803	214,474	5,906	-48,555	20,604	134,699	80,166	776,891	-231,319	545,572
Income tax payment liability	-81,123	-5,350	-1,874	-8,370	-1,903	-2,796	-19,248	-4,057	-80,216	-22,870	-227,807	51,357	-176,450

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(in HUF million)	31.12.2023												
	MVM Partner Zrt.	MVM CEEnergy Zrt.	MAVIR Zrt.	MVM Paksi Atomerőmű Zrt.	MVM Zrt.	Magyar Földgáz-tároló Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Mátra Energia Zrt.	innogy Energie s.r.o	All other segments	TOTAL	Intersegment eliminations, consolidation adjustments	IFRS consolidated figures
Assets	1,251,278	1,052,753	587,669	1,001,129	4,902,669	220,586	1,092,351	180,287	503,841	2,299,697	13,092,260	-6,066,808	7,025,452
Interests in associates and joint ventures	-	27,754	-	-	193,844	-	360	-	-	277	222,235	-17,824	204,411
Capital expenditures	-	-	52,851	109,110	1,288	8,470	1	6,261	-	67,497	245,478	-12,638	232,840
Liabilities	1,115,833	1,094,008	292,308	182,636	3,501,938	128,751	999,923	75,743	463,020	1,223,843	9,078,003	-3,989,277	5,088,726

33. Lease transactions

a) Assets leased under leases

A number of Group companies use office buildings and warehouses as their registered offices or sites under lease.

In addition, the Group leases some of its natural gas network tools, as well as the land on which its photovoltaic power plants are built under lease contracts.

Furthermore, the Group leases the energy equipment and facilities used by Rába Energiaszolgáltató Kft. as well as systems in Szolnok used by MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt. for district heat generation and district heating service provision purposes.

The vast majority of its motor vehicles is also used by the Group under lease contracts.

The following table presents contractual cash flows relating to lease liabilities, by maturity, as well as the carrying amounts of lease liabilities:

<i>(in HUF million)</i>	2024	2023
0-1 months	891	818
1-12 months	7,968	8,624
1-2 years	6,352	7,490
2-5 years	10,210	12,616
Over 5 years	9,838	5,970
Total contractual cash flows	35,259	35,518
Carrying amount of lease liability	27,563	29,998
<i>of which: non-current</i>	<i>20,095</i>	<i>21,972</i>
<i>of which: current</i>	<i>7,468</i>	<i>8,026</i>

Amounts accounted for in profit or loss in connection with leases:

	2024	2023
Interest expense on lease liabilities	1,805	1,528
Depreciation charge for right-of-use assets	11,127	10,030
Expense relating to short-term leases	891	859
Expense relating to leases of low-value assets that are not considered short-term leases	288	246
Expense relating to variable lease payments not included in the measurement of lease liabilities	35	35
Income from subleasing right-of-use assets	-	-

The Group's total cash outflow for leases amounted to HUF 12,383 million in 2024, while it totalled HUF 11,172 million in 2023. The Company has no significant lease agreements not

yet commenced as at 31 December 2024. The average term of the lease liabilities existing as at 31 December 2024 is 8.39 years (31 December 2023: 6.59 years).

b) Leases with the Group as lessor

Currently MVM Next Energiakereskedelmi Zrt. has 28 building energy contracts concluded with multi-occupational buildings, housing associations and enterprises for gas furnace modernisation that qualify as leases. In addition, the contract of MVM Optimum Kft. relating to the lease of street lighting equipment is also considered a lease.

Non-current finance lease receivables (in HUF million)	31.12.2024	31.12.2023
Gross investment in the lease	150	1,447
Unearned interest	36	385
Non-current finance lease receivable	114	1,062

Current finance lease receivables (in HUF million)	31.12.2024	31.12.2023
Gross investment in the lease	37	176
Unearned interest	14	115
Current finance lease receivable	23	61

Finance lease receivables (in HUF million)	31.12.2024	31.12.2023
	Value of receivables from finance lease	Value of receivables from finance lease
Due within one year	37	176
Due between 1 and 5 years	121	1,398
Due over 5 years	29	49
Gross investment in the lease	187	1,623
of which receivables from finance lease	137	1,123
of which unearned interest	50	500

In 2024 the Group realised HUF 166 million finance income from its net investment in leases.

34. Off-balance sheet liabilities

Guarantees

The MVM Group is exposed to the risk that the following guarantees be called from it on 31 December 2024.

Description	Amount	Currency
Bank guarantees given	64.57	CNY million
Bank guarantees given	1.54	CZK million
Bank guarantees given	20.58	EUR million
Bank guarantees given	2,330.90	HUF million
Bank guarantees given	0.74	RON million

These guarantees were provided by banks on behalf of the member companies of the MVM Group as a security of certain contractual liabilities of the Group.

The table shows the performance, completion, warranty and availability (non-payment) guarantees by currency. The breakdown by type of bank guarantee is dominated by the value of completion and warranty guarantees.

So far the Group has met its contractual liabilities, therefore no such guarantees were called in 2024, nor is it expected in the future either.

Litigations

The members of the Group have been involved in several litigations during their normal course of business. The value of the expected compensation claims for lawsuits or lawsuit threats, in which members of the Group are or may be involved in the future as defendants, is HUF 17,320 million, for which a provision of HUF 4,161 million has been recorded.

Other off-balance sheet liabilities

If the Group were to breach the full feed-in obligation under the gas procurement contracts for the years 2025-2036, the maximum penalty payable (calculated based on current price assumptions) would be HUF 7,137 billion.

In relation to LNG purchase contracts and the natural gas purchase contracts concluded with RWE, the Group currently does not expect to pay any penalty, since it believes that revenue (net of redirection and other costs) from the alternative sales opportunity will cover for the suppliers the penalty payable, which compensation is allowed under the contractual terms.

35. Activity financial statements

MVM Zrt. qualifies as an integrated electricity and natural gas enterprise, therefore based on relevant legislation it shall present licensed activities separately in its consolidated annual financial statements, which means accumulated stand-alone balance sheets and accumulated stand-alone income statements prepared in accordance with the Hungarian accounting regulations.

Separate presentation of licensed activities means the separate presentation of at least the assets, liabilities, accruals and deferrals, and a separate income statement.

Under Section 134 of the decree on the implementation of the Natural Gas Act (Government Decree No. 19/2009 (I.30.) on the Implementation of the Provisions of Act XL of 2008 on Natural Gas Supply), MVM Főgáz Kft. is exempt from the requirement to prepare a separate balance sheet and income statement for the licensed activity, as less than 1% of its annual revenue is derived from activities not requiring a licence.

Separation method

The balance sheet and the income statement are separated through cost centres, order numbers by means of direct allocation and, if this is not possible, then with the use of cost drivers determined for each general ledger account. Cost drivers are created by the companies based on values (e.g. net sales revenues, pre-tax profit/loss, after-tax profit/loss, tax base, levels of cost types, etc.) that can be allocated to the various activities.

The data of the income statement and the balance sheet are allocated once a year following the year-end close.

The separation method is described in the relevant internal policies of the companies. The presentation of methodologies described in **Appendix 1** includes a simplified description of the policies.

In the case of MVM Next Energiakereskedelmi Zrt., the financial statements of the divisions include accumulations on an aggregate basis due to the horizontal performance (revenue and expense) between the individual divisions, which accumulations are eliminated in the stand-alone financial statements of the company. This is the reason for the differences between the stand-alone financial statements of the company and the consolidated divisional financial statements in relation to sales revenue and material-type expenses. Furthermore, the amounts of the receivables and liabilities line items presented in the company's separate financial statements and the amounts of the licensees' receivables and liabilities presented in the division accounts differ, because trade debtors with receivables and trade creditors with payables are reclassified by licensee, which causes a difference compared to the reclassifications in the company's separate financial statements.

With regard to the separation of the balance sheet, the individual activity balance sheets are not closed on their own at certain companies. Any differences are presented on the "Separation/Distribution difference" balance sheet line item in conformance with official guidelines.

36. Subsequent events and other supplementary information

Managing sanction risks

The MVM Group's central compliance guidelines include requirements to ensure sanctions compliance, but the volatility of the geopolitical situation since 2022 and primarily the volume and complexity of sanctions against Russia due to the Russian-Ukrainian war posed new challenges for the member firms of the MVM Group. For this reason, and also in view of the

stricter financing requirements, MVM Zrt. launched a project to develop then fine-tune a group-wide sanctions compliance framework. The sanction risk exposure of the individual member companies was assessed, based on which the member firms were classified in terms of sanction risk, thus MVM Zrt. has an adequate picture of the sanction exposure of its member companies. MVM Zrt. purchased a complex automated screening tool that enables MVM Zrt. to continuously monitor and revise the position of the business partners of the MVM Group (its integrated subsidiaries) regarding exposure to sanction, corruption and reputation risks. A new project is in progress to fine-tune the group-wide sanctions compliance framework. However, it cannot be guaranteed that applicable regulations and screening mechanisms are always efficient in detecting every similar issue.

The MVM Group continuously monitors changes to the sanctions provisions, reviews the MVM Group's exposure, and seeks to take the necessary steps to ensure compliance. MVM Zrt. implemented a number of measures to ensure sanctions compliance, such as the incorporation of sanction screening in the supplier rating process and the inclusion of a sanction clause in the MVM Group's general terms and conditions. In the large corporate commercial segment sanctions compliance is ensured by standardised KYC questionnaires, which in the future will cover the entire MVM Group. The exposures related to sanctioned regions and business partners are reviewed from time to time, not only in relation to partners but also in relation to goods being exported and imported, and sanctions compliance has become an important aspect of planned transactions. Sanction compliance is a key factor when planning transactions.

Sale of stake in PannErgy Nyrt.

On 31 March 2025, MVM Zrt. signed an agreement with PannErgy Nyrt. and its 100% subsidiary, PannErgy Geotermikus Erőművek Zrt., on the sale of 1,675,745 ordinary shares of PannErgy Nyrt. owned by MVM Zrt. The purchase price is HUF 1,512 per share. The transaction will be implemented in two stages.

In the first round, PannErgy Geotermikus Erőművek Zrt. will purchase 975,745 shares, which was already completed on 1 April 2025 as part of a "large in scale" stock exchange transaction.

The remaining 700,000 shares can be taken over if the general meeting of PannErgy Nyrt. approves the reduction of the company's share capital and authorizes the company's board of directors to purchase additional treasury shares. The final deadline for the second transaction is 30 September.

37. Disclosures on auditor remuneration

Pursuant to the requirements of Section 133 of the Hungarian Act on Accounting, the Group discloses the amounts paid to the appointed auditor (Deloitte Könyvvizsgáló Kft.) and its related parties as follows:

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<i>(in HUF million)</i>	2024	2023
Mandatory audit (MVM Zrt. separate and consolidated annual financial statements, interim balance sheet)	81	77
Mandatory audit (subsidiaries)	516	471
Other audit services	313	195
Other services	1	27
Total	911	770

38. Subsidiaries, associates and joint ventures within the consolidation scope of the Group

Company	Activity	Country	31.12.2024	31.12.2023
			Level of interest	Level of interest
MVM MIFŰ Kft.	Provision of district heating (Miskolc)	Hungary	100%	100%
Speciális Nehézszállító Zrt.	Installation and maintenance of power plant systems	Hungary	100%	100%
MVM EnerGo Kft.	Trade of electrical fittings and cables	Hungary	100%	100%
MVM ERBE Zrt.	Energy design - installation	Hungary	100%	100%
MVM Zöld Generáció Zrt.	Generation of electricity (wind and solar energy)	Hungary	100%	100%
MVM Partner Zrt.	Electric energy wholesale	Hungary	100%	100%
MVM Partner Serbia d.o.o	Electric energy wholesale	Serbia	100%	100%
MVM Partner d.o.o.	Electric energy wholesale	Croatia	100%	100%
MVM Partner DOOEL Skopje	Electric energy wholesale	Macedonia	100%	100%
MVM Energy Romania SA	Holding	Romania	100%	100%
MVM Paksi Atomerőmű Zrt.	Generation of electricity from nuclear fuel	Hungary	100%	100%
ATOMIX Kft.	Services (nuclear power plant)	Hungary	100%	100%
Vértesi Erőmű Zrt.	Conservation, recultivation	Hungary	100%	100%
MVM Balance Zrt.	Generation of electricity	Hungary	100%	100%
MAVIR ZRt.	System operation, transmission network operation	Hungary	100%	100%
CEEGEX Zrt.	Operation of the Hungarian organised natural gas market	Hungary	N/A	100%
HUPX Zrt.	Operation of the Hungarian power exchange	Hungary	N/A	100%
HUDEX Energiatőzsde Zrt.	Operation of the financial power and natural gas exchange	Hungary	100%	100%
MVMI Zrt.	IT services	Hungary	100%	100%
MVM Hotel Panoráma Kft.	Organised holidays	Hungary	100%	100%
Niker d.o.o.	Organised holidays	Croatia	100%	100%
Római Irodaház Kft.	Operation and letting of office building	Hungary	100%	100%
MVM NET Zrt.	Operation of network and IT systems	Hungary	100%	100%
Magyar Földgáztároló Zrt.	Operation of underground natural gas storage facilities	Hungary	100%	100%
MVM CEEnergy Zrt.	Natural gas wholesale	Hungary	100%	100%
MVM ESCO Zrt. "u.v.l."	Energy and energy efficiency services	Hungary	100%	100%

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Company	Activity	Country	31.12.2024	31.12.2023
			Level of interest	Level of interest
MVM BSZK Zrt.	Security services	Hungary	N/A	100%
MFGK Austria GmbH	Natural gas wholesale	Austria	100%	100%
MVM CEEnergy Slovakia s.r.o.	Natural gas wholesale	Slovakia	100%	100%
MVM Future Energy Technology Srl.	Generation of electricity by way of a hydro power plant	Romania	100%	100%
MVM Smart Future Lab Zrt.	Energy R&D and incubation	Hungary	100%	100%
MVM Switzerland AG	International business development	Switzerland	100%	100%
MVM Titán Zrt.	Manufacture of steam boilers, lease of property and assets	Hungary	100%	100%
NRG Finance Kft.	Generation of electricity, lease of assets	Hungary	100%	100%
Rába Energiaszolgáltató Kft.	Energy supply and operation	Hungary	96.67%	96.67%
MVM Services Zrt.	Business supporting services	Hungary	100%	100%
MVM Optimum Zrt.	Complementary products and services	Hungary	N/A	100%
MVM Otthon Plusz Zrt.	Mediation of retail business services	Hungary	100%	100%
MVM Démász Áramhálózati Kft.	Electricity distribution	Hungary	100%	100%
MVM Next Energiakereskedelmi Zrt.	Retail of electricity and natural gas	Hungary	100%	100%
MVM Főgáz Földgázhálózati Kft.	Natural gas distribution	Hungary	100%	100%
„Flogiston” Kft.	Manufacture of measuring instruments	Hungary	100%	100%
MVM Mobiliti Kft.	CNG fuel supply	Hungary	100%	100%
KAPOS CNG Kft.	CNG fuel supply	Hungary	99.63%	99.63%
MVM Égáz-Dégáz Földgázhálózati Zrt.	Natural gas distribution	Hungary	100%	100%
GRAPE Solutions Zrt.	Software development	Hungary	N/A	100%
MVM Ügyfélkapcsolati Kft.	Customer relation services	Hungary	100%	100%
MVM Oroszlányi Szolgáltató Zrt.	Supply of district heating and domestic hot water (Oroszlány)	Hungary	100%	100%
MVM WATT ETA Kft.	Implementation of electricity sector projects and street lighting operation	Hungary	100%	100%
MVM XPert Zrt.	Construction and maintenance of power transmission lines and substation	Hungary	100%	100%
e-Mobi Nonprofit Kft.	Operation of electric charging equipment	Hungary	100%	100%
MVM ZG Solar Kft.	Generation of electricity (solar power plant)	Hungary	100%	100%

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Company	Activity	Country	31.12.2024	31.12.2023
			Level of interest	Level of interest
Komm Hull Villamosenergia Kereskedő Kft.	Generation of electricity (solar power plant)	Hungary	100%	100%
MVM NUKA Zrt.	Maintenance of nuclear power plant	Hungary	100%	100%
MVM Mátra Energia Zrt.	Generation of electricity (lignite-fired coal power plant)	Hungary	100%	100%
MVM Mátra Gép Kft.	Maintenance of coal power plants	Hungary	100%	100%
MVM Mátra Mélyépítő Kft.	Mining services	Hungary	100%	100%
GEOSOL Kft.	Waste recycling	Hungary	100%	100%
MVM CEEnergy Croatia d.o.o.	Natural gas trade	Croatia	100%	100%
Raaba Energy Kft.	Generation of electricity (solar power plant)	Hungary	100%	100%
European Power Services Zrt.	Maintenance of power plants, technical services	Hungary	50%	50%
MVM CEEnergy CZ sro.	Natural gas trade	Czech Republic	100%	100%
MVM ZG Solar Service Kft.	Operation and maintenance of solar power plants	Hungary	100%	100%
innogy Česká republika a.s.	Financial, HR, IT services	Czech Republic	100%	100%
innogy Energie s.r.o	Retail trade of natural gas and electricity	Czech Republic	100%	100%
innogy Energo s.r.o.	Generation of heat and electricity, sale of CNG	Czech Republic	100%	100%
innogy Zákaznické služby, s.r.o.	Customer relation services	Czech Republic	100%	100%
innogy Energetika Plhov-Náchod s.r.o	Generation of heat and electricity	Czech Republic	93%	93%
MVM EGI Zrt.	Provision of engineering services, installation of industrial cooling and air conditioning regulating systems	Hungary	100%	100%
MVM EGI Cooling Technology (China) Co. Ltd.	Manufacture of heat exchangers	China	100%	100%
MVM EGI Cooling Systems Trading (Beijing) Co. Ltd.	Technical planning, logistics services and project management	China	100%	100%
MVM Tisza Erőmű Kft.	Implementation of CCGT power plant	Hungary	100%	100%
Mobiliti VOLÁNBUSZ Kft.	Development of environmentally friendly buses	Hungary	95%	95%
MVM ZG SOLAR STAR Kft.	Generation of electricity (solar power plant)	Hungary	100%	100%
MVM Ingatlankezelő Kft.	Management of real estate	Hungary	100%	100%
MVM Vízerőmű Kft.	Generation of electricity (hydroelectric power plant)	Hungary	100%	100%
MVM Optimum Kft.	Energy construction projects and operating services	Hungary	100%	100%

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Company	Activity	Country	31.12.2024	31.12.2023
			Level of interest	Level of interest
MVM Lumen Kft.	Operation of street lighting	Hungary	100%	100%
MVM ÉMÁSZ Áramhálózati Kft.	Electricity distribution	Hungary	100%	100%
MVM EÉ Ügyfélkapcsolati Kft.	Customer relation services	Hungary	N/A	100%
NGBS Hungary Kft.	Design, manufacture and construction of heating-cooling systems	Hungary	100%	100%
Fermandor Kft.	Materials testing	Hungary	100%	100%
E.ON Áramszolgáltató Kft.	Retail of electricity	Hungary	N/A	100%
M-IT Services Kft.	IT professional advisory	Hungary	100%	100%
MVM OVIT Építő Kft.	Architectural, specialised industry and metal industry activities	Hungary	N/A	100%
MVM OVIT Beton Kft.	Manufacture of concrete elements	Hungary	N/A	100%
MVM OVIT Rentra Kft.	Painting	Hungary	N/A	100%
MVM ERBE ENGINEERING Zrt.	Implementation design	Hungary	100%	100%
Dunántúli Naperőmű Energia Zrt.	Generation of electricity (solar power plant)	Hungary	100%	100%
Dunántúli Megújuló Energia Zrt.	Generation of electricity (solar power plant)	Hungary	100%	100%
DEHNMIB Naperőmű Ingatlan Kft.	Property development and operation	Hungary	100%	100%
SERBHUNGAS d.o.o. Novi Sad	Natural gas trade	Hungary	51%	51%
"EKS Service" Kft.	Corrosion protection, construction, geoinformatics	Hungary	N/A	100%
"4D Energetika" Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
MVM Upstream Kft.	Oil and natural gas extraction services	Hungary	100%	N/A
MVM OVIT Manufacturing Zrt.	Construction of utility projects for electricity and telecommunications	Hungary	100%	N/A
Tatooine SolarPark Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Békés Solar Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Napraforco-Operation Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Solar Engine Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Finasys Solarpark Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Innovolt Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
HSE Europa Solar Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Jupiter Flex SolarPark Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A
Jupiter Solution SolarPark Kft.	Generation of electricity (solar power plant)	Hungary	100%	N/A

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Associates, joint ventures and not fully consolidated subsidiaries of the Group:

Company	Country	31.12.2024	31.12.2023
		Level of interest	Level of interest
MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	100%	100%
ART Program S.R.L.	Romania	100%	100%
Bakony-Sol Kft.	Hungary	100%	100%
Smart BioEnergy s.r.o.	Czech Republic	100%	N/A
Dunamenti Erőmű Zrt.	Hungary	25%	25%
AGRI LNG Project Company SRL	Romania	25%	25%
Corvinus Energy Kft.	Hungary	50%	50%
HHE Sarkad Kft.	Hungary	50%	50%
HHE Gyulavári Kft.	Hungary	50%	50%
Komunálinfo Zrt.	Hungary	N/A	42.42%
Kecskeméti Termostar Kft.	Hungary	30.49%	30.49%
Drone Technologies Kft.	Hungary	N/A	N/A
E.ON Hungária ZRt.	Hungary	25%	25%
Poizo Kft.	Hungary	N/A	N/A
Smart Charging Kft.	Hungary	23.61%	23.61%
Teplo Votice, s.r.o.	Czech Republic	20%	20%
Olife Energy Net, a.s.	Czech Republic	100%	100%
Energo International, s.r.o.	Czech Republic	100%	100%
Energo TTS s.r.o.	Slovakia	80%	80%
TTS Martin, s.r.o.	Slovakia	80%	80%
TTS Steel, s.r.o.	Slovakia	80%	80%
TTS Servis, s. r. o.	Slovakia	80%	80%
Sysco-Lux Kft.	Hungary	N/A	100%
Sysco-Lux GmbH	Austria	100%	100%
Vilii Fly Magyarország Kft.	Hungary	24.9%	24.9%
Rollin Technologies Kft.	Hungary	24.91%	24.91%
Energotehnika Južna Bačka d.o.o. Novi Sad	Serbia	33.4%	33.4%
Elektromontaža d.o.o. Kraljevo	Serbia	33.4%	33.4%
OGD Berettyóújfalu Koncessziós Kft.	Hungary	50%	50%
CEEGEX Zrt.	Hungary	49%	N/A
ADEX Szervezett Villamosenergia-piac Holding Zrt.	Hungary	40%	N/A
Sonnet Romania Holding S.A	Romania	100%	N/A

Appendix 1

Accumulated stand-alone activity separation balance sheet and income statement of the Group prepared in accordance with Hungarian accounting regulations as well as the methodology applied to separate activities:

Accumulated stand-alone activity separation balance sheet of the Group prepared in accordance with Hungarian accounting regulations

2024

Figures in HUF million

Description	Companies performing activities subject to licensing																					
	Trading		Electric energy												Universal service provider	Storage	Street lighting	Distribution		Charging electric mv		Total
			MVM Paks Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Zöld Generáció Kft.			MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamos- energia Kereskedő Kft.	MVM Vízérőmű Kft.	Speciális Nehézszállító Zrt.				MVM Next Energia- kereskedelmi Zrt.	MVM Balance Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Démász Áramhálózati Kft.	
MVM Partner Zrt.	MVM Next Energia- kereskedelmi Zrt.	MVM Paks Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Balance Zrt.	NRG Finance Kft.	Solar power	Wind power	Capital expenditures	MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamos- energia Kereskedő Kft.	MVM Vízérőmű Kft.	Speciális Nehézszállító Zrt.	MVM Next Energia- kereskedelmi Zrt.	MVM Balance Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Démász Áramhálózati Kft.	MVM ÉMÁSZ Áramhálózati Kft.	e-Mobi Nonprofit Kft.	MVM Mobiliti Kft.	Total	
A. NON-CURRENT ASSETS	421	0	167,302	19,122	14,424	714	71,318	2,035	1,067	36,053	9,224	6,023	3,701	0	0	1,199	4	279,968	177,906	0	2,173	792,654
I. Intangible assets	343	0	5,384	42	0	13	44	0	1	297	0	0	3	0	0	0	0	8,339	10,901	0	527	25,894
1. Capitalised value of formation and restructuring	0	0	0	0	0	0	44	0	0	297	0	0	0	0	0	0	0	0	0	0	0	341
2. Capitalised value of research and development	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	165	0	0	0	167
3. Rights and concessions	343	0	537	41	0	13	0	0	1	0	0	0	0	0	0	0	0	7,365	10,767	0	0	19,067
4. Intellectual property	0	0	4,845	1	0	0	0	0	0	0	0	0	3	0	0	0	0	809	134	0	527	6,319
5. Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Advances on intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Upwards revaluation of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Tangible assets	71	0	156,739	18,956	14,424	701	71,274	2,034	1,066	35,756	9,224	6,023	2,452	0	0	1,199	4	271,579	166,992	0	0	758,494
1. Land and buildings and related rights and concessions	0	0	26,874	4,541	3,347	0	19,734	288	0	9,494	3,054	2,709	526	0	0	0	0	183,109	101,908	0	0	355,584
2. Technical equipment, machinery, vehicles	0	0	92,931	12,168	9,561	373	46,079	1,744	0	24,961	5,490	3,162	1,667	0	0	0	3	62,019	28,725	0	0	288,883
3. Other equipment, fittings, vehicles	70	0	1,733	588	35	0	5,461	2	0	1,301	673	152	35	0	0	0	1	862	1,566	0	0	12,479
4. Breeding animals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Capital expenditures, renovations	1	0	34,836	1,071	925	328	0	0	1,061	0	7	0	203	0	0	834	0	24,997	34,187	0	0	98,450
6. Payments on account	0	0	365	588	556	0	0	0	5	0	0	0	21	0	0	365	0	592	606	0	0	3,098
7. Upwards revaluation of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Investments	7	0	5,179	124	0	0	0	1	0	0	0	0	1,246	0	0	0	0	50	13	0	1,646	8,266
1. Long-term interests in related companies	0	0	3,895	75	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1,646	5,617
2. Non-current loans to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Long-term significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Non-current loans to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Other long-term interests	0	0	112	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112
6. Non-current loans to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Other non-current loans	7	0	1,172	49	0	0	0	0	0	0	0	0	14	0	0	0	0	50	13	0	0	1,305
8. Long-term debt securities	0	0	0	0	0	0	0	0	0	0	0	0	1,232	0	0	0	0	0	0	0	0	1,232
9. Upwards revaluation of investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Revaluation difference on investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV. Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. CURRENT ASSETS	282,067	80,298	169,876	60,544	11,820	431	5,463	709	185	6,742	2,540	1,033	9,042	1,135	59,018	908	13	33,985	32,259	75	532	758,675
I. Inventories	2	2,062	151,777	44,551	4,700	0	13	2	0	8	6	10	61	0	2,772	0	11	5,803	5,842	14	0	217,634
1. Raw materials and consumable goods	0	0	131,095	42,325	3,934	0	13	2	0	8	6	10	61	0	0	0	11	5,545	5,763	0	0	188,773
2. Work in progress and semi-finished goods	0	0	0	2,215	0	0	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	2,230
3. Young, fattened and other livestock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Finished goods	0	0	0	11	0	0	0	0	0	0	0	0	0	0	0	0	0	243	0	0	0	254
5. Goods	2	2,062	0	0	766	0	0	0	0	0	0	0	0	0	2,772	0	0	0	79	14	0	5,695
6. Advances on inventories	0	0	20,682	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,682
II. Receivables	263,543	78,236	18,070	15,883	7,120	431	5,450	707	37	2,534	118	1,023	5,300	1,135	56,230	908	2	16,651	24,336	60	526	498,300
1. Trade receivables	12,524	71,214	0	1,224	0	0	0	0	0	0	0	0	0	0	39,731	0	2	1,064	1,402	1	140	127,302
2. Receivables from related companies	184,792	1,144	17,504	14,229	4,988	321	5,324	693	0	1,379	96	909	5,286	1,128	15,540	908	0	9,916	20,861	51	280	285,349
3. Receivables from companies in which the Group has a significant equity share	0	73	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	1	78
4. Receivables from affiliated companies	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11
5. Bills receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Other receivables	56,688	5,601	485	430	2,132	110	126	14	37	1,155	5	114	14	7	955	0	0	5,671	2,073	8	105	75,730
7. Revaluation difference on receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Revaluation gain on derivative transactions	9,528	204	81	0	0	0	0	0	0	0	17	0	0	0	0	0	0	0	0	0	0	9,830
III. Securities	0	0	0	0	0	0	0	0	0	0	0	0	3,678	0	0	0	0	0	0	0	0	3,678
1. Interests in related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Interests in other entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Treasury shares, business shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Debt securities held for trading	0	0	0	0	0	0	0	0	0													

Accumulated stand-alone activity separation balance sheet of the Group prepared in accordance with Hungarian accounting regulations

2024

Figures in HUF million

Description	Companies performing activities subject to licensing																					
	Trading		Electric energy												Universal service provider	Storage	Street lighting	Distribution		Charging electric mv		Total
			Production																			
	MVM Partner Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Zöld Generáció Kft.			MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamos-energia Kereskedő Kft.	MVM Vízérőmű Kft.	Speciális Nehézszállító Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Balance Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Démász Áramhálózati Kft.	MVM ÉMÁSZ Áramhálózati Kft.	e-Mobi Nonprofit Kft.	MVM Mobiliti Kft.	
D. EQUITY	129,785	65,148	139,675	70,110	14,095	1,194	6,959	5,320	278	12,953	6,259	3,208	10,242	1,125	-3,344	2,107	1	138,041	92,779	-110	2,224	698,049
I. Subscribed/Registered capital	14,577	0	120,391	28,469	201	801	87	41	20	361	63	72	4,586	755	0	2	0	104,984	84,505	4	5	359,924
Of which: repurchased ownership shares at face value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Subscribed/Registered, but unpaid capital (-)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
III. Capital reserve	0	439	5,497	40,190	3,972	0	4,114	1,940	962	6,663	3,618	2,946	0	16	50,210	2,105	0	7,091	5,810	1,104	2,473	139,150
IV. Retained earnings	0	24,701	2,999	20,497	5,276	93	1,845	3,211	-399	2,838	-37	-365	4,567	175	-53,964	0	0	25,546	2,668	-1,023	-297	38,331
V. Allocated reserve	0	0	2	0	0	0	44	0	0	297	1,861	0	0	0	731	0	0	165	0	0	0	3,100
VI. Valuation reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Valuation reserve from upwards revaluations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Fair value reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VII. PROFIT/LOSS AFTER TAX	115,208	40,008	10,786	-19,046	4,646	300	869	128	-305	2,794	754	555	1,089	179	-321	0	1	255	-204	-195	43	157,544
E. PROVISIONS	50	2,071	37,689	6,207	2,229	0	111	1	0	0	2	0	2,216	0	2,783	0	0	2,449	177	0	0	55,985
1. Provisions for expected liabilities	50	2,071	37,689	6,207	2,229	0	111	1	0	0	2	0	73	0	2,783	0	0	2,449	177	0	0	53,842
2. Provisions for future costs	0	0	0	0	0	0	0	0	0	0	0	0	2,143	0	0	0	0	0	0	0	0	2,143
3. Other provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F. LIABILITIES	151,242	76,514	146,170	27,843	11,384	43	44,461	354	392	18,798	4,951	5,081	579	19	267,068	0	14	100,308	88,118	94	214	943,647
I. Subordinated liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Subordinated liabilities to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Subordinated liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Subordinated liabilities to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Subordinated liabilities to other entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Non-current liabilities	0	0	101,142	0	5,915	0	41,128	0	0	16,547	4,072	4,362	0	0	0	0	9	56,156	59,094	0	0	288,425
1. Non-current borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Debts on the issuance of bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Investment and development loans	0	0	0	0	0	0	0	0	0	0	3,303	0	0	0	0	0	0	0	0	0	0	3,303
5. Other non-current loans	0	0	0	0	0	0	0	0	0	16,547	0	0	0	0	0	0	0	0	0	0	0	16,547
6. Non-current liabilities to related companies	0	0	101,142	0	5,915	0	41,128	0	0	0	769	4,362	0	0	0	0	9	56,156	59,094	0	0	268,575
7. Non-current liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Non-current liabilities to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Other non-current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Deferred tax liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Current liabilities	151,242	76,514	45,028	27,843	5,469	43	3,333	354	392	2,251	879	719	579	19	267,068	0	5	44,152	29,024	94	214	655,222
1. Current borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- of which: convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Current loans	0	0	0	0	0	0	0	0	0	1,920	741	0	0	0	0	0	0	0	0	0	0	2,661
3. Advances from customers	0	58	0	0	30	0	0	0	0	0	0	0	0	0	22	0	0	3,676	713	0	0	4,499
4. Trade liabilities	29,229	703	5,760	3,189	1,359	2	41	4	18	8	2	69	124	4	5,713	0	2	7,052	7,037	5	93	60,414
5. Bills payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Current liabilities to related companies	48,803	67,903	18,439	17,404	3,789	31	2,599	277	164	139	85	618	157	9	98,368	0	2	19,653	15,288	72	121	293,921
7. Current liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Current liabilities to affiliated companies	0	0	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14
9. Other current liabilities	53,212	7,252	20,815	7,250	291	10	693	73	210	184	51	32	298	6	162,965	0	1	13,771	5,986	17	0	273,117
10. Revaluation difference on liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Revaluation loss on derivative transactions	19,998	598	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,596
G. ACCRUED EXPENSES AND DEFERRED INCOME	6,451	11,880	15,728	1,493	328	1	24,890	42	0	11,329	604	14	179	4	30,603	0	3	94,932	56,510	59	234	255,284
1. Income accruing for future periods	0	905	0	25	0	0	0	0	0	0	0	0	0	0	0	0	0	20,396	972	0	0	22,298
2. Accrued expenses	6,451	10,975	2,763	1,459	267	1	301	42	0	336	604	14	179	4	30,603	0	3	12,683	14,117	45	234	81,081
3. Deferred income	0	0	12,965	9	61	0	24,589	0	0	10,993	0	0	0	0	0	0	0	61,853	41,421	14	0	151,905
H. SEPARATION/DISTRIBUTION DIFFERENCE	-1	9,630	-1,814	0	-1,547	-84	764	-2,789	582	0	0	-775	0	0	-190,691	0	0	5,106	1,321	62	44	-180,192
TOTAL EQUITY AND LIABILITIES	287,527	165,243	337,448	105,653	26,489	1,154	77,185	2,928	1,252	43,080	11,816	7,528	13,216	1,148	106,419	2,107	18	340,836	238,905	105	2,716	1,772,773

Accumulated stand-alone activity separation balance sheet of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing											
	Heat energy					Gas energy						
	Production					Trading			Universal service provider	Storage	Distribution	
	MVM Paksi Atomerőmű Zrt.	MVM MIFŰ Kft.	MVM Balance Zrt.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	Total	MVM Partner Zrt.	MVM CEEnergy Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Next Energia-kereskedelmi Zrt.	Magyar Földgáztároló Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.	Total
A. NON-CURRENT ASSETS	254	1,104	10,111	3,336	14,805	4	27,632	0	0	207,709	100,335	335,680
I. Intangible assets	1	0	0	49	50	3	0	0	0	410	1,704	2,117
1. Capitalised value of formation and restructuring	0	0	0	0	0	0	0	0	0	0	0	0
2. Capitalised value of research and development	0	0	0	0	0	0	0	0	0	0	0	0
3. Rights and concessions	0	0	0	49	49	3	0	0	0	176	1,511	1,690
4. Intellectual property	1	0	0	0	1	0	0	0	0	234	193	427
5. Goodwill	0	0	0	0	0	0	0	0	0	0	0	0
6. Advances on intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
7. Upwards revaluation of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
II. Tangible assets	252	1,104	10,111	3,278	14,745	1	42	0	0	207,297	98,604	305,944
1. Land and buildings and related rights and concessions	49	118	1,256	2,570	3,993	0	7	0	0	180,646	84,281	264,934
2. Technical equipment, machinery, vehicles	149	986	3,494	564	5,193	0	0	0	0	20,295	10,942	31,237
3. Other equipment, fittings, vehicles	3	0	7	51	61	1	35	0	0	562	1,492	2,090
4. Breeding animals	0	0	0	0	0	0	0	0	0	0	0	0
5. Capital expenditures, renovations	51	0	3,131	93	3,275	0	0	0	0	5,746	1,875	7,621
6. Payments on account	0	0	2,223	0	2,223	0	0	0	0	48	14	62
7. Upwards revaluation of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0
III. Investments	1	0	0	9	10	0	27,590	0	0	2	27	27,619
1. Long-term interests in related companies	0	0	0	0	0	0	27,589	0	0	0	0	27,589
2. Non-current loans to related companies	0	0	0	0	0	0	0	0	0	0	0	0
3. Long-term significant equity share	0	0	0	0	0	0	0	0	0	0	0	0
4. Non-current loans to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0
5. Other long-term interests	0	0	0	0	0	0	0	0	0	0	0	0
6. Non-current loans to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0
7. Other non-current loans	1	0	0	9	10	0	1	0	0	2	27	30
8. Long-term debt securities	0	0	0	0	0	0	0	0	0	0	0	0
9. Upwards revaluation of investments	0	0	0	0	0	0	0	0	0	0	0	0
10. Revaluation difference on investments	0	0	0	0	0	0	0	0	0	0	0	0
IV. Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0	0
B. CURRENT ASSETS	430	916	6,940	3,999	12,285	74	467,468	198,338	89,581	7,966	15,246	778,673
I. Inventories	391	299	2,944	937	4,571	0	258,442	38,518	7,230	1,988	1,295	307,473
1. Raw materials and consumable goods	343	0	229	124	696	0	0	0	0	1,628	1,294	2,922
2. Work in progress and semi-finished goods	0	0	0	0	0	0	0	0	0	0	0	0
3. Young, fattened and other livestock	0	0	0	0	0	0	0	0	0	0	0	0
4. Finished goods	0	0	0	0	0	0	0	0	0	0	0	0
5. Goods	0	299	2,715	813	3,827	0	258,442	38,518	7,230	359	1	304,550
6. Advances on inventories	48	0	0	0	48	0	0	0	0	1	0	1
II. Receivables	39	617	3,996	3,060	7,712	74	200,986	159,820	82,351	5,202	13,914	462,347
1. Trade receivables	30	34	1,898	83	2,045	0	50,192	31,987	16,906	131	98	99,314
2. Receivables from related companies	8	305	1,883	2,346	4,542	66	93,802	10,147	0	4,018	13,268	121,301
3. Receivables from companies in which the Group has a significant equity share	0	0	0	0	0	0	0	369	0	0	0	369
4. Receivables from affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0
5. Bills receivable	0	0	0	0	0	0	0	0	0	0	0	0
6. Other receivables	1	278	215	614	1,108	8	17,769	92,315	65,445	1,053	548	177,138
7. Revaluation difference on receivables	0	0	0	0	0	0	0	0	0	0	0	0
8. Revaluation gain on derivative transactions	0	0	0	17	17	0	39,223	25,002	0	0	0	64,225
III. Securities	0	0	0	0	0	0	0	0	0	0	0	0
1. Interests in related companies	0	0	0	0	0	0	0	0	0	0	0	0
2. Significant equity share	0	0	0	0	0	0	0	0	0	0	0	0
3. Interests in other entities	0	0	0	0	0	0	0	0	0	0	0	0
4. Treasury shares, business shares	0	0	0	0	0	0	0	0	0	0	0	0
5. Debt securities held for trading	0	0	0	0	0	0	0	0	0	0	0	0
6. Revaluation difference on securities	0	0	0	0	0	0	0	0	0	0	0	0
IV. Cash and cash equivalents	0	0	0	2	2	0	8,040	0	0	776	37	8,853
1. Petty cash, cheques	0	0	0	0	0	0	0	0	0	0	0	0
2. Bank deposits	0	0	0	2	2	0	8,040	0	0	776	37	8,853
C. DEFERRED EXPENSES AND ACCRUED INCOME	2	268	447	1,077	1,794	6	47,758	46,985	198,217	48	8,650	301,664
1. Accrued income	1	268	324	1,041	1,634	0	42,842	45,691	27,655	47	8,521	124,756
2. Prepayments	1	0	123	36	160	6	4,916	1,294	170,562	1	129	176,908
3. Deferred expenses	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	686	2,288	17,498	8,412	28,884	84	542,858	245,323	287,798	215,723	124,231	1,416,017

Accumulated stand-alone activity separation balance sheet of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing											
	Heat energy					Gas energy						
	Production					Trading			Universal service provider	Storage	Distribution	
	MVM Paksi Atomerőmű Zrt.	MVM MIFÜ Kft.	MVM Balance Zrt.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	Total	MVM Partner Zrt.	MVM CEEnergy Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Next Energia-kereskedelmi Zrt.	Magyar Földgáztároló Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.	Total
D. EQUITY	295	858	3,424	3,610	8,187	70	195,609	90,686	-68,758	123,131	63,725	404,463
I. Subscribed/Registered capital	206	500	0	2,748	3,454	84	2,984	50	1,197	6,607	10,025	20,947
Of which: repurchased ownership shares at face value	0	0	0	0	0	0	0	0	0	0	0	0
II. Subscribed/Registered, but unpaid capital (-)	0	0	0	0	0	0	0	0	0	0	0	0
III. Capital reserve	6	269	2,534	25	2,834	0	40,923	-1,804	817	50,905	48,622	139,463
IV. Retained earnings	198	0	1,538	448	2,184	0	64,570	50,213	-49,136	56,574	654	122,875
V. Allocated reserve	0	0	0	0	0	0	0	0	0	0	0	0
VI. Valuation reserve	0	0	0	0	0	0	39,812	13,301	0	0	0	53,113
1. Valuation reserve from upwards revaluations	0	0	0	0	0	0	0	0	0	0	0	0
2. Fair value reserve	0	0	0	0	0	0	39,812	13,301	0	0	0	53,113
VII. PROFIT/LOSS AFTER TAX	-115	89	-648	389	-285	-14	47,320	28,926	-21,636	9,045	4,424	68,065
E. PROVISIONS	67	154	2,638	795	3,654	0	37,714	1,886	7,260	6,406	455	53,721
1. Provisions for expected liabilities	67	154	2,638	780	3,639	0	21,721	1,886	7,260	771	455	32,093
2. Provisions for future costs	0	0	0	15	15	0	15,993	0	0	5,635	0	21,628
3. Other provisions	0	0	0	0	0	0	0	0	0	0	0	0
F. LIABILITIES	190	1,564	9,528	2,239	13,521	8	306,894	28,331	241,845	80,136	41,229	698,443
I. Subordinated liabilities	0	0	0	0	0	0	0	0	0	0	0	0
1. Subordinated liabilities to related companies	0	0	0	0	0	0	0	0	0	0	0	0
2. Subordinated liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0
3. Subordinated liabilities to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0
4. Subordinated liabilities to other entities	0	0	0	0	0	0	0	0	0	0	0	0
II. Non-current liabilities	37	337	3,920	0	4,294	0	0	0	0	72,525	24,341	96,866
1. Non-current borrowings	0	0	0	0	0	0	0	0	0	0	0	0
2. Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0
3. Debts on the issuance of bonds	0	0	0	0	0	0	0	0	0	0	0	0
4. Investment and development loans	0	0	0	0	0	0	0	0	0	0	0	0
5. Other non-current loans	0	0	0	0	0	0	0	0	0	0	0	0
6. Non-current liabilities to related companies	37	337	3,920	0	4,294	0	0	0	0	72,525	24,341	96,866
7. Non-current liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0
8. Non-current liabilities to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0
9. Other non-current liabilities	0	0	0	0	0	0	0	0	0	0	0	0
10. Deferred tax liabilities	0	0	0	0	0	0	0	0	0	0	0	0
III. Current liabilities	153	1,227	5,608	2,239	9,227	8	306,894	28,331	241,845	7,611	16,888	601,577
1. Current borrowings	0	0	0	0	0	0	0	0	0	0	0	0
- of which: convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0
2. Current loans	0	0	0	0	0	0	0	0	0	0	0	0
3. Advances from customers	0	0	120	0	120	0	1,750	24	16	81	2,276	4,147
4. Trade liabilities	111	7	1,362	353	1,833	3	146,604	287	2,722	4,063	2,429	156,108
5. Bills payable	0	0	0	0	0	0	0	0	0	0	0	0
6. Current liabilities to related companies	19	1,219	3,937	1,680	6,855	0	138,833	8,627	216,224	2,926	7,301	373,911
7. Current liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	2	0	0	0	0	2
8. Current liabilities to affiliated companies	0	0	0	0	0	0	0	319	1,150	0	0	1,469
9. Other current liabilities	23	1	189	206	419	5	16,869	7,088	21,733	541	4,882	51,118
10. Revaluation difference on liabilities	0	0	0	0	0	0	0	0	0	0	0	0
11. Revaluation loss on derivative transactions	0	0	0	0	0	0	2,836	11,986	0	0	0	14,822
G. ACCRUED EXPENSES AND DEFERRED INCOME	51	64	643	1,606	2,364	6	2,529	5,487	23,291	5,759	18,839	55,911
1. Income accruing for future periods	0	0	0	191	191	0	122	1,764	1,989	4,693	2,516	11,084
2. Accrued expenses	4	15	189	211	419	6	2,407	3,723	21,302	506	4,056	32,000
3. Deferred income	47	49	454	1,204	1,754	0	0	0	0	560	12,267	12,827
H. SEPARATION/DISTRIBUTION DIFFERENCE	83	-352	1,265	162	1,158	0	112	118,933	84,160	291	-17	203,479
TOTAL EQUITY AND LIABILITIES	686	2,288	17,498	8,412	28,884	84	542,858	245,323	287,798	215,723	124,231	1,416,017

Accumulated stand-alone activity separation balance sheet of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing																				
	Other activities																				
	MVM Partner Zrt.	MVM MIFÜ Kft.	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Zöld Generáció Kft.	Magyar Földgáztároló Zrt.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Next Energia-kereskedelmi Zrt.	MVM Démász Áramhálózati Kft.	MVM ÉMÁSZ Áramhálózati Kft.	MVM CEEnergy Zrt.	e-Mobi Nonprofit Kft.	MVM Mobiliti Kft.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Vízérőmű Kft.	Speciális Nehézszállító Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.	Komm Hull Villamos-energia Kereskedő Kft.	Total
A. NON-CURRENT ASSETS	145	47	10,212	21,469	159,566	4,587	0	21,221	945	241,948	186	17	12,337	561	2,820	44	235	3,732	78	579	480,729
I. Intangible assets	63	0	5	2	315	92	0	683	17	54,352	0	0	0	0	6	0	0	0	0	0	55,535
1. Capitalised value of formation and restructuring	0	0	0	0	0	0	0	0	0	734	0	0	0	0	0	0	0	0	0	0	734
2. Capitalised value of research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Rights and concessions	63	0	2	2	31	72	0	163	17	53,549	0	0	0	0	0	0	0	0	0	0	53,899
4. Intellectual property	0	0	3	0	284	20	0	520	0	69	0	0	0	0	6	0	0	0	0	0	902
5. Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Advances on intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Upwards revaluation of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Tangible assets	4	47	10,192	20,315	3,057	4,493	0	3,204	30	2,047	28	0	44	561	2,604	43	235	3,691	0	579	51,174
1. Land and buildings and related rights and concessions	0	47	6,568	10,618	648	0	0	92	1	1,900	0	0	8	401	376	0	50	1,645	0	149	22,503
2. Technical equipment, machinery, vehicles	0	0	2,527	8,339	2,222	5	0	1,990	24	20	28	0	0	159	1,458	38	111	1,953	0	279	19,153
3. Other equipment, fittings, vehicles	4	0	31	482	187	790	0	214	0	121	0	0	36	1	24	5	43	72	0	0	2,010
4. Breeding animals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Capital expenditures, renovations	0	0	1,066	876	0	3,698	0	496	5	6	0	0	0	0	548	0	31	21	0	151	6,898
6. Payments on account	0	0	0	0	0	0	0	412	0	0	0	0	0	0	198	0	0	0	0	0	610
7. Upwards revaluation of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Investments	78	0	15	1,152	156,194	2	0	17,334	898	185,549	158	17	12,293	0	210	1	0	41	78	0	374,020
1. Long-term interests in related companies	74	0	0	1,150	154,022	0	0	17,334	898	185,201	156	17	12,292	0	210	0	0	21	78	0	371,453
2. Non-current loans to related companies	0	0	0	0	2,172	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,172
3. Long-term significant equity share	0	0	0	0	0	0	0	0	0	340	0	0	0	0	0	0	0	0	0	0	340
4. Non-current loans to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Other long-term interests	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	5
6. Non-current loans to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Other non-current loans	4	0	15	2	0	2	0	0	0	3	2	0	1	0	0	1	0	20	0	0	50
8. Long-term debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Upwards revaluation of investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Revaluation difference on investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV. Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. CURRENT ASSETS	461,763	358	1,062	17,462	2,013	53	35	1,177	303	179,141	953	702	86,083	240	767	268	16	10,254	156	1,000	763,806
I. Inventories	81	0	277	5,557	0	4	0	0	3	16	33	105	0	222	111	76	0	2,576	14	0	9,075
1. Raw materials and consumable goods	0	0	108	5,100	0	0	0	0	3	3	32	104	0	0	0	76	0	2,502	14	0	7,942
2. Work in progress and semi-finished goods	0	0	0	106	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106
3. Young, fattened and other livestock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Finished goods	0	0	0	1	0	4	0	0	0	0	1	0	0	0	0	0	0	40	0	0	46
5. Goods	81	0	0	4	0	0	0	0	0	13	0	1	0	222	111	0	0	26	0	0	458
6. Advances on inventories	0	0	169	346	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	523
II. Receivables	447,708	358	784	11,900	2,013	43	35	1,177	300	178,840	915	597	84,603	18	647	192	16	7,612	142	1,000	738,900
1. Trade receivables	10,142	0	512	58	0	0	4	104	0	298	33	23	26,652	10	470	158	10	1,916	1	0	40,391
2. Receivables from related companies	33,682	358	241	11,822	1,810	24	0	932	270	177,270	442	402	43,149	6	43	24	6	4,886	134	1,000	276,501
3. Receivables from companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Receivables from affiliated companies	1	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	6
5. Bills receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Other receivables	310,009	0	29	20	203	19	31	141	30	1,267	440	172	9,671	2	134	10	0	810	7	0	322,995
7. Revaluation difference on receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Revaluation gain on derivative transactions	93,874	0	2	0	0	0	0	0	0	0	0	0	5,131	0	0	0	0	0	0	0	99,007
III. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Interests in related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Interests in other entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Treasury shares, business shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Debt securities held for trading	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Revaluation difference on securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV. Cash and cash equivalents	13,974	0	1	5	0	6	0	0	0	285	5	0	1,480	0	9	0	0	66	0	0	15,831
1. Petty cash, cheques	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3
2. Bank deposits	13,973	0	0	5	0	6	0	0	0	285	5	0	1,480	0	9	0	0	65	0	0	15,828
C. DEFERRED EXPENSES AND ACCRUED INCOME	1,136	349	343	1,660	1,471	85	7	37	10	4,543	214	108	321	1	19	211	0	2,100	77	0	12,692
1. Accrued income	938	349	334	1,337	1,470	34	7	21	9	3,028	200	90	247	1	19	201	0	2,076	74	0	10,435
2. Prepayments	198	0	9	323	1	51	0	16	1	1,515	14	18	74	0	0	10	0	24	3	0	2,257
3. Deferred expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	463,044	754	11,617	40,591	163,050	4,725	42	22,435	1,258	425,632	1,353	827	98,741	802	3,606	523	251	16,086	311	1,579	1,257,227

Accumulated stand-alone activity separation balance sheet of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing																				
	Other activities																				
	MVM Partner Zrt.	MVM MIFÜ Kft.	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Zöld Generáció Kft.	Magyar Földgáztároló Zrt.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Next Energia-kereskedelmi Zrt.	MVM Démász Áramhálózati Kft.	MVM ÉMÁSZ Áramhálózati Kft.	MVM CEEnergy Zrt.	e-Mobi Nonprofit Kft.	MVM Mobiliti Kft.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Vízermű Kft.	Speciális Nehézszállító Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.	Komm Hull Villamos-energia Kereskedő Kft.	Total
D. EQUITY	17,018	8	3,852	5,196	156,481	1,937	141	20,771	1,151	248,107	4,054	1,695	22,275	59	1,415	21	251	6,696	127	274	491,529
I. Subscribed/Registered capital	1,900	0	6,003	-8	3,160	3	5	7	889	39,303	0	0	41	3	307	17	223	5,045	0	6	56,904
Of which: repurchased ownership shares at face value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Subscribed/Registered, but unpaid capital (-)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Capital reserve	0	0	264	2,255	149,524	0	0	20,812	0	93,799	0	0	0	540	1,687	229	0	107	0	268	269,485
IV. Retained earnings	0	0	-2,961	7,214	3,224	2,057	78	0	104	127,486	2,105	591	10,667	-557	-698	-75	33	650	0	0	149,918
V. Allocated reserve	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	3
VI. Valuation reserve	5,629	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,629
1. Valuation reserve from upwards revaluations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Fair value reserve	5,629	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,629
VII. PROFIT/LOSS AFTER TAX	9,489	8	546	-4,265	573	-123	58	-48	158	-12,484	1,949	1,104	11,567	73	119	-150	-5	894	127	0	9,590
E. PROVISIONS	17	0	261	33,834	0	20	0	8	0	43,269	76	1	426	0	15	1	0	4,438	0	0	82,366
1. Provisions for expected liabilities	17	0	261	33,834	0	20	0	8	0	43,269	76	1	21	0	15	1	0	4,329	0	0	81,852
2. Provisions for future costs	0	0	0	0	0	0	0	0	0	0	0	0	405	0	0	0	0	109	0	0	514
3. Other provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F. LIABILITIES	434,600	73	1,537	1,416	2,025	764	60	1,367	22	152,499	2,277	311	75,433	19	2,041	455	0	4,532	90	102	679,623
I. Subordinated liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Subordinated liabilities to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Subordinated liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Subordinated liabilities to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Subordinated liabilities to other entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Non-current liabilities	0	0	0	0	0	585	0	8	0	28	0	0	0	0	552	181	0	0	0	0	1,354
1. Non-current borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Debts on the issuance of bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Investment and development loans	0	0	0	0	0	0	0	0	0	28	0	0	0	0	0	0	0	0	0	0	28
5. Other non-current loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Non-current liabilities to related companies	0	0	0	0	0	585	0	0	0	0	0	0	0	0	552	181	0	0	0	0	1,318
7. Non-current liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Non-current liabilities to affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Other non-current liabilities	0	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0	8
10. Deferred tax liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Current liabilities	434,600	73	1,537	1,416	2,025	179	60	1,359	22	152,471	2,277	311	75,433	19	1,489	274	0	4,532	90	102	678,269
1. Current borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- of which: convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Current loans	0	0	0	1	0	0	0	0	0	11	0	0	0	0	0	0	0	0	0	0	12
3. Advances from customers	592	0	36	0	0	1	1	0	0	11	114	11	0	0	3	0	0	1,312	30	0	2,111
4. Trade liabilities	6,678	0	751	326	2	33	51	328	0	3,591	46	38	53,627	2	404	134	0	2,405	28	0	68,444
5. Bills payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Current liabilities to related companies	7,254	73	593	349	2,023	24	2	97	11	145,329	62	65	16,304	12	110	102	0	510	15	102	173,037
7. Current liabilities to companies in which the Group has a significant equity share	0	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0	0	0	8
8. Current liabilities to affiliated companies	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
9. Other current liabilities	378,710	0	156	740	0	121	6	934	11	3,521	2,055	197	2,539	5	972	38	0	305	17	0	390,327
10. Revaluation difference on liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Revaluation loss on derivative transactions	41,366	0	0	0	0	0	0	0	0	0	0	0	2,963	0	0	0	0	0	0	0	44,329
G. ACCRUED EXPENSES AND DEFERRED INCOME	11,408	321	4,236	145	3,101	2,295	3	7	1	3,789	52	141	719	786	179	46	0	420	77	428	28,154
1. Income accruing for future periods	0	0	18	3	0	0	0	0	0	556	0	4	6	0	0	11	0	48	5	0	651
2. Accrued expenses	11,408	321	111	141	460	148	7	7	1	2,130	52	137	713	4	179	35	0	326	72	0	16,245
3. Deferred income	0	0	4,107	1	2,641	2,147	3	0	0	1,103	0	0	0	782	0	0	0	46	0	428	11,258
H. SEPARATION/DISTRIBUTION DIFFERENCE	1	352	1,731	0	1,443	-291	-162	282	84	-22,032	-5,106	-1,321	-112	-62	-44	0	0	0	17	775	-24,445
TOTAL EQUITY AND LIABILITIES	463,044	754	11,617	40,591	163,050	4,725	42	22,435	1,258	425,632	1,353	827	98,741	802	3,606	523	251	16,086	311	1,579	1,257,227

Accumulated stand-alone activity separation income statement of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing																										
	Electric energy																			Universal service provider	Storage	Street lighting	Distribution		Charging electric mv		Total
	Trading		Production							Distribution		Charging electric mv															
	MVM Partner Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Zöld Generáció Kft.			MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamos-energia Kereskedő Kft.	MVM Vizerőmű Kft.	Speciális Nehézszállító Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Balance Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Démász Áramhálózati Kft.	MVM ÉMÁSZ Áramhálózati Kft.				e-Mobi Nonprofit Kft.	MVM Mobiliti Kft.			
01. Net domestic sales revenue	1,071,609	959,157	237,012	150,713	27,422	681	10,672	1,262	0	6,721	1,927	1,519	3,916	457	357,549	0	60	119,279	123,123	294	1,140	3,074,513					
02. Net export sales revenue	210,639	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	331	210,970					
I. Net sales revenue (01+02)	1,282,248	959,157	237,012	150,713	27,422	681	10,672	1,262	0	6,721	1,927	1,519	3,916	457	357,549	0	60	119,279	123,123	294	1,471	3,285,483					
03. Changes in self-manufactured inventories	0	0	0	974	0	0	0	0	0	0	0	0	0	0	0	0	0	401	0	0	0	1,375					
04. Capitalised value of self-manufactured assets	0	0	2,098	1,064	163	0	0	0	131	0	0	0	0	0	0	0	0	16,151	8,485	0	0	28,092					
II. Own performance capitalised (+03+04)	0	0	2,098	2,038	163	0	0	0	131	0	0	0	0	0	0	0	0	16,552	8,485	0	0	29,467					
III. Other income	223	11,105	4,847	24,611	1,633	3	1,103	4	0	783	3	100	12	0	157,683	0	0	25,870	30,854	13	3	258,850					
Of which: reversed impairment	0	6,663	0	0	0	0	0	0	0	0	0	0	0	0	1,570	0	0	537	0	0	0	8,770					
05. Material costs	29	0	34,512	56,788	8,559	115	221	35	0	101	20	9	77	19	0	0	6	56,069	43,513	3	576	200,652					
06. Services used	9,617	14,760	53,415	7,749	5,215	95	2,105	613	11	1,007	254	185	1,099	132	37,396	0	6	17,122	17,284	101	456	168,622					
07. Other services	1,629	1,435	3,617	528	563	3	275	68	0	57	26	9	76	8	4,066	0	1	547	502	6	8	13,424					
08. Cost of goods sold	1,069,071	801,377	0	2,272	145	0	0	0	0	0	0	0	0	0	241,399	0	0	0	0	252	0	2,114,516					
09. Services sold (mediated)	0	84,964	0	0	1,119	4	0	0	0	2	0	0	12	0	216,734	0	0	31,581	42,037	20	0	376,473					
IV. Material-type expenses (05+06+07+08+09)	1,080,346	902,536	91,544	67,337	15,601	217	2,601	716	11	1,167	300	203	1,264	159	499,595	0	13	105,319	103,336	382	1,040	2,873,687					
10. Wage costs	1,943	0	41,857	7,749	2,379	11	910	173	116	21	23	20	772	15	0	0	36	11,045	10,584	85	227	77,966					
11. Other staff benefits	300	77	8,621	1,259	395	1	126	24	0	0	0	0	153	4	12	0	0	2,139	1,309	7	28	14,455					
12. Wage contributions	293	10	6,550	1,183	363	1	132	25	15	3	3	2	125	4	1	0	5	1,750	1,557	11	34	12,067					
V. Staff costs (10+11+12)	2,536	87	57,028	10,191	3,137	13	1,168	222	131	24	26	22	1,050	23	13	0	41	14,934	13,450	103	289	104,488					
VI. Depreciation/ Amortisation	97	137	11,679	6,162	1,942	72	3,154	261	0	2,548	572	302	438	0	638	0	2	12,764	12,269	11	71	53,119					
VII. Other expenses	7,815	20,263	52,770	120,174	3,742	9	722	34	294	390	120	103	273	77	10,882	0	1	25,074	30,627	7	38	273,415					
Of which: impairment	0	7,024	3,178	0	18	0	36	5	293	10	0	0	1	0	5,897	0	0	1,188	1,561	0	11	19,222					
A. OPERATING PROFIT/LOSS (I+II+III-IV-V-VI-VII)	191,677	47,239	30,936	-26,502	4,796	373	4,130	33	-305	3,375	912	989	903	198	4,104	0	3	3,610	2,780	-196	36	269,091					
13. Dividends, profit shares received (due)	0	0	869	702	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,571					
- of which from related companies	0	0	869	702	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,571					
14. Income from, capital gains on interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
- of which from related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
15. Income from, capital gains on investments (securities, loans)	0	0	0	0	0	0	0	0	0	0	0	0	73	0	0	0	0	0	0	0	0	73					
- of which from related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
16. Other interest received and similar income	2,831	0	33	2,545	87	13	219	47	0	59	73	26	242	0	0	0	0	221	377	1	10	6,784					
- of which from related companies	2,824	0	33	2,545	87	13	219	47	0	0	0	26	242	0	0	0	0	216	377	1	8	6,638					
17. Other income from financial transactions	30,755	2,543	2,160	5,605	347	0	1	112	0	0	17	2	9	0	0	0	0	57	83	1	14	41,706					
- of which revaluation difference	4,075	0	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,155					
VIII. Income from financial transactions (13+14+15+16+17)	33,586	2,543	3,062	8,852	434	13	220	159	0	59	90	28	324	0	0	0	0	278	460	2	24	50,134					
18. Expenses, capital losses on interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
- of which to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
19. Expenses, capital losses on investments (securities, loans)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
- of which to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
20. Interest payable and similar expenses	321	0	8,407	129	610	0	3,480	0	0	640	245	443	0	0	0	0	2	3,479	3,333	0	18	21,107					
- of which to related companies	320	0	8,407	129	610	0	3,480	0	0	0	75	443	0	0	0	0	2	3,479	3,333	0	18	20,296					
21. Impairment of interests, securities and bank deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
22. Other expenses on financial transactions	34,250	7,102	348	845	143	0	1	65	0	0	3	0	3	0	4,104	0	0	108	110	1	0	47,083					
- of which revaluation difference	7,044	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	7,047					
IX. Expenses on financial transactions (18+19+20+21+22)	34,571	7,102	8,755	974	753	0	3,481	65	0	640	248	443	3	0	4,104	0	2	3,587	3,443	1	18	68,190					
B. PROFIT/LOSS ON FINANCIAL TRANSACTIONS (VIII-IX)	-985	-4,559	-5,693	7,878	-319	13	-3,261	94	0	-581	-158	-415	321	0	-4,104	0	-2	-3,309	-2,983	1	6	-18,056					
C. PROFIT/LOSS BEFORE TAX	190,692	42,680	25,243	-18,624	4,477	386	869	127	-305	2,794	754	574	1,224	198	0	0	1	301	-203	-195	42	251,035					
X. Tax liability	75,484	2,672	14,457	422	-169	86	0	-1	0	0	0	19	135	19	321	0	0	46	1	0	-1	93,491					
X/1. Deferred tax difference (±)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
D. PROFIT/LOSS AFTER TAX	115,208	40,008	10,786	-19,046	4,646	300	869	128	-305	2,794	754	555	1,089	179	-321	0	1	255	-204	-195	43	157,544					

Accumulated stand-alone activity separation income statement of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing											
	Heat energy					Gas energy						
	Production				Total	Trading			Universal service provider	Storage	Distribution	Total
MVM Paksi Atomerőmű Zrt.	MVM MIFÜ Kft.	MVM Balance Zrt.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Partner Zrt.		MVM CEEnergy Zrt.	MVM Next Energia-kereskedelmi Zrt.	MVM Next Energia-kereskedelmi Zrt.	Magyar Földgáztároló Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.		
01. Net domestic sales revenue	202	2,494	18,712	3,296	24,704	0	689,505	390,014	255,763	37,720	35,079	1,408,081
02. Net export sales revenue	0	0	0	0	0	0	274,809	0	0	2,462	0	277,271
I. Net sales revenue (01+02)	202	2,494	18,712	3,296	24,704	0	964,314	390,014	255,763	40,182	35,079	1,685,352
03. Changes in self-manufactured inventories	0	0	0	0	0	0	0	0	0	0	0	0
04. Capitalised value of self-manufactured assets	14	0	34	44	92	0	0	0	0	329	4,340	4,669
II. Own performance capitalised (+03+04)	14	0	34	44	92	0	0	0	0	329	4,340	4,669
III. Other income	6	169	4,296	8,212	12,683	0	643,133	9,467	10,421	1,403	1,246	665,670
Of which: reversed impairment	0	0	0	0	0	0	0	1,948	2,194	0	1	4,143
05. Material costs	71	1,553	14,126	6,081	21,831	0	15	0	0	7,923	5,041	12,979
06. Services used	111	428	884	1,259	2,682	14	29,394	13,480	29,280	5,872	9,414	87,454
07. Other services	6	43	307	51	407	0	2,424	525	6,435	784	355	10,523
08. Cost of goods sold	0	0	68	5	73	0	1,482,887	300,272	188,993	3,406	0	1,975,558
09. Services sold (mediated)	0	0	959	0	959	0	51,121	17,147	29,172	0	0	97,440
IV. Material-type expenses (05+06+07+08+09)	188	2,024	16,344	7,396	25,952	14	1,565,841	331,424	253,880	17,985	14,810	2,183,954
10. Wage costs	65	19	779	1,415	2,278	0	1,382	0	0	3,275	5,457	10,114
11. Other staff benefits	16	1	126	250	393	0	310	39	4	518	874	1,745
12. Wage contributions	11	2	118	222	353	0	220	5	1	509	843	1,578
V. Staff costs (10+11+12)	92	22	1,023	1,887	3,024	0	1,912	44	5	4,302	7,174	13,437
VI. Depreciation/ Amortisation	18	106	863	266	1,253	0	12	68	28	6,466	5,659	12,233
VII. Other expenses	28	360	5,713	1,747	7,848	0	35,594	27,648	20,927	3,691	2,862	90,722
Of which: impairment	9	1	533	188	731	0	25	3,316	5,058	119	132	8,650
A. OPERATING PROFIT/LOSS (I+II+III-IV-V-VI-VII)	-104	151	-901	256	-598	-14	4,088	40,297	-8,656	9,470	10,160	55,345
13. Dividends, profit shares received (due)	0	0	0	0	0	0	0	0	0	0	0	0
- of which from related companies	0	0	0	0	0	0	0	0	0	0	0	0
14. Income from, capital gains on interests	0	0	0	0	0	0	0	0	0	0	0	0
- of which from related companies	0	0	0	0	0	0	0	0	0	0	0	0
15. Income from, capital gains on investments (securities, loans)	0	0	0	0	0	0	0	0	0	0	0	0
- of which from related companies	0	0	0	0	0	0	0	0	0	0	0	0
16. Other interest received and similar income	0	0	31	109	140	0	5,819	0	0	6,338	788	12,945
- of which from related companies	0	0	31	109	140	0	5,009	0	0	6,333	787	12,129
17. Other income from financial transactions	5	0	300	110	415	0	102,811	1,946	24	89	98	104,968
- of which revaluation difference	0	0	0	0	0	0	5,856	0	0	0	0	5,856
VIII. Income from financial transactions (13+14+15+16+17)	5	0	331	219	555	0	108,630	1,946	24	6,427	886	117,913
18. Expenses, capital losses on interests	0	0	0	0	0	0	0	0	0	0	0	0
- of which to related companies	0	0	0	0	0	0	0	0	0	0	0	0
19. Expenses, capital losses on investments (securities, loans)	0	0	0	0	0	0	0	0	0	0	0	0
- of which to related companies	0	0	0	0	0	0	0	0	0	0	0	0
20. Interest payable and similar expenses	16	54	12	0	82	0	16,792	0	4	5,793	2,521	25,110
- of which to related companies	16	54	12	0	82	0	16,789	0	0	5,793	2,521	25,103
21. Impairment of interests, securities and bank deposits	0	0	0	0	0	0	4,907	0	0	0	0	4,907
22. Other expenses on financial transactions	0	0	97	53	150	0	38,857	11,316	13,000	29	0	63,202
- of which revaluation difference	0	0	0	0	0	0	1,914	0	0	0	0	1,914
IX. Expenses on financial transactions (18+19+20+21+22)	16	54	109	53	232	0	60,556	11,316	13,004	5,822	2,521	93,219
B. PROFIT/LOSS ON FINANCIAL TRANSACTIONS (VIII-IX)	-11	-54	222	166	323	0	48,074	-9,370	-12,980	605	-1,635	24,694
C. PROFIT/LOSS BEFORE TAX	-115	97	-679	422	-275	-14	52,162	30,927	-21,636	10,075	8,525	80,039
X. Tax liability	0	8	-31	33	10	0	4,842	2,001	0	1,030	4,101	11,974
X/1. Deferred tax difference (±)	0	0	0	0	0	0	0	0	0	0	0	0
D. PROFIT/LOSS AFTER TAX	-115	89	-648	389	-285	-14	47,320	28,926	-21,636	9,045	4,424	68,065

Accumulated stand-alone activity separation income statement of the Group prepared in accordance with Hungarian accounting regulations
2024

Figures in HUF million

Description	Companies performing activities subject to licensing																				
	Other activities																				
	MVM Partner Zrt.	MVM MIFÜ Kft.	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM Zöld Generáció Kft.	Magyar Földgáztároló Zrt.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Next Energia-kereskedelmi Zrt.	MVM Démász Áramhálózati Kft.	MVM ÉMÁSZ Áramhálózati Kft.	MVM CEEnergy Zrt.	e-Mobi Nonprofit Kft.	MVM Mobiliti Kft.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Vízérőmű Kft.	Speciális Nehézszállító Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.	Komm Hull Villamos-energia Kereskedő Kft.	Total
01. Net domestic sales revenue	131,905	2,923	2,919	7,185	2,486	324	113	926	31	29,211	3,707	1,939	8,039	82	1,999	1 186	152	7,746	465	0	203,338
02. Net export sales revenue	331,239	0	232	0	0	0	0	0	0	0	0	0	1,003,335	0	27	0	0	10,688	0	0	1,345,521
I. Net sales revenue (01+02)	463,144	2,923	3,151	7,185	2,486	324	113	926	31	29,211	3,707	1,939	1,011,374	82	2,026	1 186	152	18,434	465	0	1,548,859
03. Changes in self-manufactured inventories	0	0	0	13	0	4	0	0	0	0	-266	0	0	0	0	0	0	-794	0	0	-1,043
04. Capitalised value of self-manufactured assets	0	0	693	13	0	51	0	6	0	4	0	0	0	0	0	0	0	26	0	0	793
II. Own performance capitalised (+03+04)	0	0	693	26	0	55	0	6	0	4	-266	0	0	0	0	0	0	-768	0	0	-250
III. Other income	24	0	1,523	87	205	492	0	5	0	1,167	35	4	6	400	4	3	0	923	6	18	4,902
Of which: reversed impairment	0	0	0	0	0	0	0	0	0	8	16	0	0	0	0	0	0	0	0	0	24
05. Material costs	24	3	274	1,461	1	83	6	18	1	184	121	104	16	1	811	241	9	6,605	55	0	10,018
06. Services used	7,995	4	2,668	1,634	1	377	2	276	15	16,185	442	160	15,513	72	199	537	34	7,088	154	0	53,356
07. Other services	209	0	10	100	2	17	0	5	2	4,334	3	0	802	0	11	15	0	199	0	0	5,709
08. Cost of goods sold	492,022	0	11	209	0	177	0	0	0	245	325	432	973,114	1	283	4	0	143	18	0	1,466,984
09. Services sold (mediated)	20	2,909	650	367	1,499	45	16	36	5	306	0	2	43	40	154	43	0	2	12	0	6,149
IV. Material-type expenses (05+06+07+08+09)	500,270	2,916	3,613	3,771	1,503	699	24	335	23	21,254	891	698	989,488	114	1,458	840	43	14,037	239	0	1,542,216
10. Wage costs	1,558	0	254	1,468	0	131	20	150	10	5,479	352	44	1,450	24	163	347	69	2,256	0	0	13,775
11. Other staff benefits	255	0	98	238	0	9	3	24	1	868	69	6	327	2	19	28	14	443	0	0	2,404
12. Wage contributions	238	0	43	224	0	19	3	19	1	832	56	7	230	4	25	53	11	349	0	0	2,114
V. Staff costs (10+11+12)	2,051	0	395	1,930	0	159	26	193	12	7,179	477	57	2,007	30	207	428	94	3,048	0	0	18,293
VI. Depreciation/ Amortisation	13	1	488	1,167	264	119	0	443	23	689	48	40	13	233	221	8	20	289	85	18	4,182
VII. Other expenses	83	20	329	4,648	23	36	0	14	8	15,718	122	54	422	25	41	36	0	891	10	0	22,480
Of which: impairment	9	0	20	0	0	0	0	0	0	7	29	0	0	1	16	3	0	23	0	0	108
A. OPERATING PROFIT/LOSS (I+II+III-IV-V-VI-VII)	-39,249	-14	542	-4,218	901	-142	63	-48	-35	-14,458	1,938	1,094	19,450	80	103	-123	-5	324	137	0	-33,660
13. Dividends, profit shares received (due)	1,206	0	0	0	840	0	0	0	267	5,251	0	0	976	0	0	0	0	0	0	0	8,540
- of which from related companies	1,206	0	0	0	840	0	0	0	267	5,072	0	0	976	0	0	0	0	0	0	0	8,361
14. Income from, capital gains on interests	0	0	0	0	0	0	0	0	0	88	0	0		0	0	0	0	0	0	0	88
- of which from related companies	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0
15. Income from, capital gains on investments (securities, loans)	0	0	0	0	1,608	0	0	0	0	0	0	0		0	0	0	0	0	0	0	1,608
- of which from related companies	0	0	0	0	1,608	0	0	0	0	0	0	0		0	0	0	0	0	0	0	1,608
16. Other interest received and similar income	3,406	20	0	0	125	51	0	0	12	10,336	15	7	1,072	0	13	1	0	200	0	0	15,258
- of which from related companies	1,458	20	0	0	125	51	0	0	12	10,324	14	7	923	0	12	1	0	195	0	0	13,142
17. Other income from financial transactions	169,325	4	58	0	86	1	0	1	1	5,437	4	2	24,902	0	19	0	0	668	1	0	200,509
- of which revaluation difference	73,339	0	3	0	0	0	0	0	0	0	0	0	6,141	0	0	0	0	0	0	0	79,483
VIII. Income from financial transactions (13+14+15+16+17)	173,937	24	58	0	2,659	52	0	1	280	21,112	19	9	26,950	0	32	1	0	868	1	0	226,003
18. Expenses, capital losses on interests	0	0	0	0	0	0	0	0	0	328	0	0	0	0	0	0	0	0	0	0	328
- of which to related companies	0	0	0	0	0	0	0	0	0	328	0	0	0	0	0	0	0	0	0	0	328
19. Expenses, capital losses on investments (securities, loans)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- of which to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20. Interest payable and similar expenses	137	1	0	0	2,974	47	0	0	0	32,777	4	2	3,092	0	8	28	0	52	0	0	39,122
- of which to related companies	132	1	0	0	2,974	47	0	0	0	32,777	4	2	3,092	0	8	28	0	52	0	0	39,117
21. Impairment of interests, securities and bank deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22. Other expenses on financial transactions	121,520	0	7	0	13	0	0	1	1	-13,914	8	2	30,588	0	10	0	0	209	0	0	138,445
- of which revaluation difference	28,811	0	0	0	0	0	0	0	0	0	0	0	2,001	0	0	0	0	0	0	0	30,812
IX. Expenses on financial transactions (18+19+20+21+22)	121,657	1	7	0	2,987	47	0	1	1	19,191	12	4	33,680	0	18	28	0	261	0	0	177,895
B. PROFIT/LOSS ON FINANCIAL TRANSACTIONS (VIII-IX)	52,280	23	51	0	-328	5	0	0	279	1,921	7	5	-6,730	0	14	-27	0	607	1	0	48,108
C. PROFIT/LOSS BEFORE TAX	13,031	9	593	-4,218	573	-137	63	-48	244	-12,537	1,945	1,099	12,720	80	117	-150	-5	931	138	0	14,448
X. Tax liability	3,542	1	47	47	0	-14	5	0	86	-53	-4	-5	1,153	7	-2	0	0	37	11	0	4,858
X/1. Deferred tax difference (±)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D. PROFIT/LOSS AFTER TAX	9,489	8	546	-4,265	573	-123	58	-48	158	-12,484	1,949	1,104	11,567	73	119	-150	-5	894	127	0	9,590

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Description of balance sheet item	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM MIFÜ Kft.	MVM Partner Zrt.	MVM Balance Zrt.	NRG Finance Kft.	MVM Next Energiakereskedelmi Zrt.	MVM Vízérőmű Kft.	Speciális Nehézszállító Zrt.	MVM Égáz-Dégáz Földgázhálózati Zrt.	MVM Émász Áramhálózati Kft.
I. and II. Intangible and tangible assets	Assets are allocated to activities basically through cost-centre classification. Allocation of assets under construction and purchases during the year to activities is performed through profit centre classification of PST elements and related CO orders.	Can be allocated directly to activities.	Can be allocated directly to activities.	If cannot be allocated directly to activities, by using the same method as for the distribution of the costs of the responsible organisational unit, based on prior-year net asset value.	Can be allocated directly to activities.	Can be allocated directly to activities, except for concession rights, which are distributed based on the net asset value.	Clearly allocated to the supporting division. Licensed activities of MVM Next Energiakereskedelmi Zrt. use necessary assets through internal service.	For the majority of the balance sheet line items the Company separated the items in proportion to the capacity of power plant equipment. A proportion of 68% for Kiskörei Vízérőmű and of 32% for Tiszalóki Vízérőmű could be taken into account. Intangible assets are distributed by the amount of current purchases by the site. The value of tangible assets could be determined by classifying the assets in the given site. Individual items of assets under construction are allocated to the assets under construction of the given site in accordance with their purpose.	Can be allocated directly to activities.	Licensed, except for assets recorded separately as non-licensed (currently none).	Licensed, except for assets recorded separately as non-licensed (currently none).
III. Investments	Allocation of long-term interests to activities based on subject; non-current loans given are distributed using staff costs as cost driver.	Allocation of long-term interests to activities based on subject; non-current loans given are distributed using net sales revenue as cost driver.	-	Can be allocated directly to activities.	Can be allocated directly to activities.	-	Interests: supporting division. Housing loan granted to employees: supporting division.	Other non-current loans given recognised under investments are distributed in proportion to the persons supported by the housing loan. Long-term debt securities that objectively relate to both sites, are distributed there in proportion of the installed nominal capacity of power plant production machinery.	-	Interest in other companies - activity not requiring a licence. Loans given to employees – split in proportion to staff costs.	Interest in other companies - activity not requiring a licence. Loans given to employees – split in proportion to staff costs.
IV. Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-
I. Inventories	The nuclear fuel can be allocated to activity profit centres; other materials are distributed using material costs as cost driver.	Can be allocated directly to activities.	Can be allocated directly to activities.	Basically can be allocated directly to activities, if not, then based on material costs.	Can be allocated directly to activities.	Can be allocated directly to activities.	Raw materials and consumable goods, packaging: supporting division Natural gas: directly trading division. Goods in transit, advances on inventories: cost driver - material costs Mediated services: booked on an item-by-item basis to the appropriate division.	Inventories are allocated to the two sites based on value in stock.	Can be allocated directly to activities.	From the licensed income statement, split in proportion to material costs.	Split in proportion to material costs excluding items recognised in profit margin.
II/1. Trade receivables	The cost driver of the distribution is determined basically in proportion to sales revenue of heat and electric energy produced and of other activity.	Distributed in proportion to net sales revenue.	Can be allocated directly to activities.	Can be allocated directly to activities, if not, then based on revenue.	Can be allocated directly to activities.	Can be allocated directly to activities.	Based on SAP sub-ledger or can be allocated directly to activities.	Trade receivables, receivables from related companies and other receivables relate to both sites, are distributed there in proportion of the installed nominal capacity of power plant production machinery.	Can be allocated directly to activities.	From the licensed income statement, split in proportion to net sales revenue.	From the licensed income statement, split in proportion to net sales revenue.
II/2. Receivables from related companies	Basically can be allocated directly to activities.	Can be allocated directly to activities, if not, then it is distributed based on net sales revenue.	Can be allocated directly to activities. Cash pool receivables are distributed in proportion to net sales revenue of the activities.	Can be allocated directly to activities, if not, then based on revenue.	Can be allocated directly to activities.	Can be allocated directly to activities.	Supporting division or can be allocated directly to divisions. Cash pool receivables under receivables from related companies, allocated to the licensed activity is determined based on the working capital of the licensed activity.		Can be allocated directly to activities; otherwise based on item-by-item inspection.	Cash pool receivables in proportion to net working capital, other receivables from related companies from the licensed income statement, split in proportion to net sales revenue. Dividends receivable - activity not requiring a licence.	Receivables related to customers - split in proportion to net sales revenue. Cash pool receivables - split in proportion to net working capital. Dividends receivable - allocated to activity not requiring a licence.
II/3. Receivables from entities in which the Group has a significant equity share	Basically can be allocated directly to activities.	-	Can be allocated directly to activities.	-	-	Can be allocated directly to activities.	Can be allocated directly to divisions.		Can be allocated directly to activities; otherwise based on item-by-item inspection.	-	-
II/4. Receivables from affiliated companies	The cost driver of the distribution is determined basically in proportion to sales revenue of heat and electric energy produced and of other activity.	-	-	Can be allocated directly to activities, if not, then based on revenue.	-	-	Can be allocated directly to divisions.		-	-	-

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II/5. Bills receivable	-	-	-	-	-	-	-	-	-	-	-
II/6. Other receivables	Basically can be allocated directly to activities; separation of other receivables is performed using cost drivers related to the given receivable.	Distributed in proportion to net sales revenue.	Distributed consistently with the appropriate income statement line item.	Basically can be allocated directly to activities, if not, (e.g. tax receivables) then based on a typical indicator, e.g. calculated tax. Determination is performed on a G/L item-by-G/L item basis.	Part of them can be allocated directly to activities, the others are distributed among activities in proportion to material costs incurred, services used, other services.	Partly can be allocated directly to activities, thereafter based on the proportion of directly attributable and directly not attributable assets and liabilities.	Directly allocable to activity, or in the absence of a typical cost driver, receivables are distributed among activities in proportion to operating revenue attributable to the licensed activity. Staff taxes and contributions recorded among other receivables and liabilities are recognised at the Supporting division.	Other receivables relate to both sites, are distributed in proportion of the installed nominal capacity of power plant production machinery.	-	Utility tax, energy tax, building and land tax receivable - allocated to licensed activity. Receivables related to grants - allocated to licensed activity. Receivables related to employees - split in proportion to staff costs. VAT receivable- split in proportion to material-type expenses and third-party capex. Local business tax and innovation contribution receivable - split in proportion to tax base. Other receivables - split in proportion to profit/loss before tax.	Utility tax, energy tax, building and land tax receivable - allocated to licensed activity. Receivables related to grants - allocated to licensed activity. Receivables related to employees - split in proportion to staff costs. VAT receivable- split in proportion to material-type expenses and third-party capex. Local business tax and innovation contribution receivable - split in proportion to tax base. Other receivables - split in proportion to profit/loss before tax.
II/7. Revaluation difference on receivables	-	-	-	Can be allocated directly to activities, if not, in proportion to receivables.	-	-	-	-	-	-	-
II/8. Revaluation gain on derivative transactions	Distributed in proportion to prime cost by activity.	-	-	Basically can be allocated directly to activities, if not, then it can only be an FX transaction, which is distributed based on activity FX turnover.	-	-	Can be allocated to competitive markets.	-	-	-	-
III. Securities	-	-	-	-	-	-	Allocated to the supporting division.	-	-	-	-
IV. Cash and cash equivalents	The cost driver of the distribution is determined basically in proportion to sales revenue of heat and electric energy produced and of other activity.	Distributed in proportion to net sales revenue.	In proportion to net sales revenue of the activities.	If cannot be allocated directly to activities, cash and cash equivalents are distributed based on costs, expenses, inventories and equity.	Can be allocated directly to activities.	Based on the proportion of directly attributable and directly not attributable assets and liabilities.	Directly allocable to activity, or in the absence of a typical cost driver, recognised at the supporting division.	Within cash and cash equivalents, the housing deposit account is distributed by prorating the persons supported by housing loans, by site. FX deposit accounts are distributed in proportion of site performance. Local petty cash is distributed by site, based on the annual closing amount.	-	Housing bank deposits ensuring liquidity recognised under cash and cash equivalents are distributed in proportion to staff costs. Cash and cash equivalents related to grants belong to the licensed activity. The other items are distributed in proportion to net working capital.	Housing bank deposits ensuring liquidity recognised under cash and cash equivalents are distributed in proportion to staff costs. Cash and cash equivalents related to grants belong to the licensed activity. The other items are distributed in proportion to net working capital.
C. Deferred expenses and accrued income	The basis for distribution is determined taking into account the subject of deferral or accrual.	Can be allocated directly to activities, if not, then it is distributed based on net sales revenue.	Distributed consistently with the appropriate income statement line items.	Can be allocated directly to activities, if not, then is distributed based on the given type of cost or income.	A significant part can be allocated directly to activities; the others e.g. deferred staff costs in proportion to staff costs, deferred services used in proportion to services used are distributed among activities.	Partly can be allocated directly to activities, thereafter based on the proportion of directly attributable and directly not attributable assets and liabilities.	Allocated to activity based on general ledger data; for lack of this, allocated to the supporting division.	Deferred expenses and accrued income were distributed in proportion to the capacity of the production equipment, while costs according to cost centres.	Can be allocated directly to activities.	Items are allocated directly to the licensed activity if possible. The other items according to the typical cost driver.	Items are directly allocated to activities if possible. The other items according to the typical cost driver.
D/I.-III. Subscribed/Registered capital and capital reserve	The cost driver of the net asset value is determined based on breakdown of prior-year intangible and tangible assets by activity, then it is used to perform the distribution.	Fixed amounts, based on the estimated capital requirements of the activity.	Based on distribution in proportion to assets corresponding to the value of fixed assets.	Fixed amounts, based on the estimated capital requirements of the activity.	Can be allocated directly to activities.	Based on the proportion of directly attributable and directly not attributable assets and liabilities.	In accordance with the provisions of the Act on Electricity and the Act on Natural Gas Supply, as well as with the professional records of MEKH.	Distributed in proportion to the installed nominal capacity of the production machinery of Tiszaölki and Kiskőrei Vízérőmű.	Is determined based on proportional registered/subscribed capital and capital reserve complying with the initial financing needs of the licensed activity.	Licensed items.	Licensed items.
D/IV. Retained earnings	The retained profit/loss for the previous year in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities. Other changes to retained earnings can be allocated directly to activities.	The retained profit/loss for the previous year in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	-	The retained profit/loss for the previous year in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	When distributing retained earnings, the profit/loss after tax in the income statements is allocated to the retained earnings of the individual sites. When dividend is approved, the profit/loss is allocated to the positive retained earnings.	The prior-year profit/loss after tax in the activity income statement is recorded in the retained earnings line item of the activity balance sheet.	Split in line with licensed and non-licensed profit/loss for the given year.	Split in line with licensed and non-licensed profit/loss for the given year.

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D/IV. Allocated reserve D/VI. Valuation reserve	Can be allocated directly to activities.	-	Can be allocated to activity based on classification of the asset under construction according to activity. Heat activity.	-	Can be allocated directly to activities.	-	Can be allocated directly to divisions.	-	Is allocated to activities based on the title of the recognition of allocated reserve.	-	-
D/VII. Profit/Loss after tax	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by division.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Split in line with reporting-year licensed and non-licensed profit/loss.	According to the split of reporting-year licensed and non-licensed profit/loss.
E. Provisions	Determined based on subjects; basically can be allocated directly to activities, or cost drivers related to the particular provision are used.	Basically can be allocated directly to activities, if not, then based on the typical indicator.	Can be allocated directly to activities.	Basically can be allocated directly to activities, if not, (e.g. release of provisions related to IAS 19), then based on a typical indicator, e.g. staff costs. Determination is performed on a G/L item-by-G/L item basis.	Provisions for CO ₂ allowance and other expected liabilities can be clearly allocated to activities; IAS 19 provisions are distributed among activities in proportion to staff costs.	-	Can be allocated directly to divisions. Determination is performed on a G/L item-by-G/L item basis.	Provisions arise in connection with specific activities; provisions for expected liabilities were recognised in connection with future payments of pensions and anniversary bonuses and were distributed in proportion to headcount. Provisions for future costs were distributed by site in proportion to nominal installed capacity of power plant machinery.	Can be allocated directly to activities; or in relation to employees it is distributed based on full-time equivalents that can be allocated to the given activity.	Items related to personnel split in proportion to staff costs, all other items allocated to licensed activity.	Items related to personnel split in proportion to staff costs, all other items allocated to licensed activity.
F/II. Non-current liabilities	Can be allocated directly to activities.	-	Can be allocated directly to activities.	-	Can be allocated directly to activities.	-	Supporting division.	-	-	Licensed items.	Licensed items.
F/III./1. Current borrowings	-	-	-	-	Can be allocated directly to activities.	-	-	-	-	Licensed items.	Licensed items.
F/III./2. Current loans	Can be allocated directly to activities.	-	Can be allocated directly to activities.	-	Can be allocated directly to activities.	-	Supporting division.	-	-	Licensed items.	Licensed items.
F/III./3. Advances from customers	The cost driver of the distribution is determined basically in proportion to sales revenue of heat and electric energy produced and of other activity, or can be allocated directly to activities.	-	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	-	Can be allocated directly to divisions or distributed using revenue as the cost driver.	-	-	From the licensed income statement, split in proportion to net sales revenue.	From the licensed income statement, split in proportion to net sales revenue.
F/III./4. Trade liabilities	Basically relate directly to activities, or cost drivers related to the particular trade liability are used.	Distributed in proportion to direct prime cost.	Consistently with the appropriate income statement line item. If distribution of trade liabilities by activity cannot be identified, distribution is performed in proportion to material-type expenses.	Basically can be allocated to activities, if not, then distributed based on cost of goods sold and material-type expenses.	A part can be allocated directly to activities, the others are distributed among activities in proportion to services used.	Can be allocated directly to activities.	Can be allocated directly to divisions.	Trade liabilities, current liabilities from related companies and other liabilities relate to both sites; these liability items are distributed in proportion of nominal installed capacity of power plant production machinery.	Can be allocated directly to activities; otherwise based on item-by-item inspection.	From the licensed income statement, split in proportion to material-type expenses and third-party capex.	From the licensed income statement, split in proportion to material-type expenses and third-party capex.
F/III./5. Bills payable	-	-	-	-	-	-	-	-	-	-	-

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F/III./7. Current liabilities to companies in which the Group has a significant equity share	Dividend liabilities have to be distributed in proportion to profit after tax; other liabilities to related companies either relate directly to activities, or cost drivers related to the particular trade liability are used.	-	Consistently with the appropriate income statement line item. If distribution of trade liabilities by activity cannot be identified, distribution is performed in proportion to material-type expenses.	Basically can be allocated to activities, if not, then distributed based on service cost amount.	-	Can be allocated directly to activities.	Trade liabilities distributed in proportion to material-type expenses, other current liabilities recognised at the supporting division.	Trade liabilities, current liabilities from related companies and other liabilities relate to both sites; these liability items are distributed in proportion of nominal installed capacity of power plant production machinery.	-	-	-
F/III./8. Current liabilities to affiliated companies	The cost driver is basically determined based on a combined ratio calculated from the prior-year balance sheet and income statement.	-	-	Basically can be allocated to activities, if not, then distributed based on service cost amount.	-	-	Trade liabilities can be allocated directly to divisions, other liabilities allocated to the supporting division.		-	-	-
F/III./9. Other current liabilities	Can be allocated directly to activities, or the cost driver is calculated basically based on breakdown of staff costs by activity.	Distributed in proportion to direct prime cost.	Distributed consistently with the appropriate income statement line item.	Basically can be allocated directly to activities, if not, (e.g. tax liabilities) then based on a typical indicator, e.g. calculated tax. Determination is performed on a G/L item-by-G/L item basis.	Distributed among activities in proportion to costs (services used) or expenses (staff costs) incurred, in accordance with the type of liability.	Partly can be allocated directly to activities (robin hood tax, environmental pollution charge), thereafter based on the proportion of directly attributable and directly not attributable assets and liabilities.	Basically can be allocated directly to divisions. Liabilities related to income: supporting division. Tax liabilities: based on calculated tax. Determination is performed on a G/L item-by-G/L item basis. Internal loans: together with cash and cash equivalents ensuring balance sheet agreement.		Can be allocated directly to activities; otherwise based on item-by-item inspection.	Utility tax, energy tax, building and land tax liability - allocated to licensed activity. Liabilities related to grants - allocated to licensed activity. Liabilities related to employees- split in proportion to staff costs. VAT liability - split in line with the proportion of net sales revenue. Local business tax and innovation contribution liability - split in proportion to tax base. Other current liabilities - split in proportion to profit/loss before tax.	Utility tax, energy tax, building and land tax liability - allocated to licensed activity. Liabilities related to grants - allocated to licensed activity. Liabilities related to employees- split in proportion to staff costs. VAT liability - split in line with the proportion of net sales revenue. Local business tax and innovation contribution liability - split in proportion to tax base. Other current liabilities - split in proportion to profit/loss before tax.
F/III./10. Revaluation difference on liabilities	-	-	-	Can be allocated directly to activities, if not, in proportion to receivables.	-	-	-	-	-	-	-
F/III./11. Revaluation loss on derivative transactions	Distributed in proportion to prime cost by activity.	-	-	Basically can be allocated directly to activities, if not, then it can only be an FX transaction, which is distributed based on activity FX turnover.	Can be allocated directly to activities.	-	Can be allocated to divisions based on individual assessment.	-	-	-	-
G. Accrued expenses and deferred income	The basis of distribution is determined taking into account the subject of the deferral/accrual.	Distributed in proportion to direct prime cost.	Distributed consistently with the appropriate income statement line items.	Can be allocated directly to activities, if not, then is distributed based on the given type of cost or income.	Partly can be allocated directly to activities, accrued material costs are distributed among activities in proportion to material costs incurred, services used and other services in proportion to services used and other services incurred, accrued staff costs in proportion to staff costs incurred.	Partly can be allocated directly to activities, thereafter based on the proportion of directly attributable and directly not attributable assets and liabilities.	Can be allocated directly to divisions.	Accrued expenses and deferred income are distributed in proportion to the capacity of production equipment, while costs according to cost centres.	Can be allocated directly to activities.	Accruals of costs, expenses and income directly related to the profit margin, as well as deferred income can be allocated directly to licensed activity. Accrued interest split in proportion to net finance income/costs. Other material-type expenses and other staff costs split according to the typical cost driver. Other income separated in proportion to net sales revenue excluding profit margin settlement.	Accruals of costs, expenses and income directly related to the profit margin, as well as deferred income can be allocated directly to licensed activity. Accrued interest split in proportion to net finance income/costs. Other material-type expenses and other staff costs split according to the typical cost driver. Other income separated in proportion to net sales revenue excluding profit margin settlement.
H. Separation difference	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Amount determined for the individual activities during the separation of the activity balance sheet.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Item ensuring agreement between assets and equity and liabilities. Recognised on the equity and liabilities side.	Item ensuring agreement between assets and equity and liabilities. Recognised on the equity and liabilities side.

Methodology applied to separate balance sheet items of the Group by activity

2024

Description of balance sheet item	Magyar Földgáztároló Zrt.	MVM CEEnergy Zrt.	MVM Zöld Generáció Kft.	MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamosenergia Kereskedő Kft.	MVM Démász Áramhálózati Kft.	MVM Mobiliti Kft.	e-Mobi Nonprofit Kft.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.
I. and II. Intangible and tangible assets	Basically based on item-by-item inspection and in proportion to prior-year profit/loss before tax.	If can be allocated directly to activities, then it is distributed based on that, if not, then according to application of revenue ratio.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	Licensed, except for assets recorded separately as non-licensed.	Intellectual property includes development of the IT system, which is part of the licensed activity, thus it is recognised in the licensed operation activity. Rights and concessions as well as tangible assets are recognised as part of the other core activity (activity not requiring a licence).	Intellectual property is recognised on licensed activity, tangible assets are recognised as part of the other core activity (activity not requiring a licence).	Intangible and tangible assets are allocated to activities – if possible – primarily directly based on sub-ledger asset records. If the asset serves several activities and cannot be directly allocated to any of the activities, separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	In proportion to divisional distribution of depreciation/amortisation.
III. Investments	Based on item-by-item inspection (cost centre).	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	It does not relate to activities requiring a licence.	-	-	-	Interest in other companies - allocated to activity not requiring a licence. Loans given to employees – split in proportion to staff costs.	Capital increases in e-Mobi NKft. are recognised on the licensed operation activity, as the capital increases relate to the operation of the electric chargers.	-	Loans granted to employees were recognised under other non-current loans, if possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Loans to employees (Other non-current loans): Based on item-by-item inspection and in proportion to number of working hours of the divisions. Other items shall be allocated uniformly to other activity.
IV. Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-
I. Inventories	Based on item-by-item inspection (cost centre).	Can be allocated directly to activities.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed proportionally, as necessary.	-	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed proportionally, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed proportionally, as necessary.	Split in proportion to material costs excluding items recognised in profit margin.	Are recognised as part of other core activity, based on general ledger data.	Are recognised as part of other core activity, based on general ledger data.	If possible, allocated directly to activities. If direct allocation is impracticable, then distribution is made in proportion to volume of heat.	A separate warehouse is provided for licensed street-lighting operation.
II/1. Trade receivables	Basically based on item-by-item inspection (cost centre).	Can be allocated directly to activities, if not, based on revenue ratio.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Split in proportion to net sales revenue.	Split between activities based on general ledger data. Items connected to charging services and operation are recognised on the licensed activity.	Split between activities based on general ledger data.	If possible, allocated directly to activities. If direct allocation is impracticable, then distribution is made in proportion to volume of heat.	Distributed based on SX system.
II/2. Receivables from related companies	Basically based on item-by-item inspection (cost centre) and in proportion to sales revenue.	Can be allocated directly to activities, if not, then based on revenue or ratio related to financing.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Receivables related to customers - split in proportion to net sales revenue. Cash pool receivables - split in proportion to net working capital. Dividends receivable - allocated to activity not requiring a licence.	The licensed operation activity includes the parts determined using cash pool receivable as the cost driver. Trade receivables from related companies, other receivables from related companies are recognised as part of the other core activity, based on individual inspection.	Split between activities based on general ledger data.	Trade receivable part: Can be allocated directly to activities Cash pool receivable: If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	-
II/3. Receivables from entities in which the Group has a significant equity share	Basically based on item-by-item inspection (cost centre) and in proportion to sales revenue.	Can be allocated directly to activities, if not, then based on revenue ratio.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	Can be allocated directly to activities, if not, then based on item-by-item inspection; the remaining part is distributed in proportion to sales revenue, as necessary.	-	-	-	-	-
II/4. Receivables from affiliated companies	-	-	-	-	-	-	-	-	-	-	-
II/5. Bills receivable	-	-	-	-	-	-	-	-	-	-	-

Methodology applied to separate balance sheet items of the Group by activity

2024

Description of balance sheet item	Magyar Földgáztároló Zrt.	MVM CEEnergy Zrt.	MVM Zöld Generáció Kft.	MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamosenergia Kereskedő Kft.	MVM Démász Áramhálózati Kft.	MVM Mobiliti Kft.	e-Mobi Nonprofit Kft.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.
II/6. Other receivables	Basically in proportion to corporation tax or sales revenue.	Basically can be allocated directly to activities, if not, (e.g. tax receivables) then based on a typical indicator, e.g. calculated tax, revenue ratio. Determination is performed on a G/L item-by-G/L item basis.	In proportion to sales revenue.	In proportion to sales revenue.	In proportion to sales revenue.	In proportion to sales revenue.	Utility tax, energy tax, building and land tax receivable - allocated to licensed activity. Receivables related to grants - allocated to licensed activity. Receivables related to employees - split in proportion to staff costs. VAT receivable- split in proportion to material-type expenses and third-party capex. Local business tax and innovation contribution receivable - split in proportion to tax base. Other receivables - split in proportion to profit/loss before tax.	Value added tax recognised under other receivables was split between activities using cost drivers. The other items within other receivables were recognised as part of the other core activity, based on individual inspection.	Other receivables are separated in proportion to revenue (cost driver).	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat. In the case of value added tax, for November and December in the given year, except for mixed entries, it is distributed in proportion of amounts booked to general ledger numbers beginning with 51, 52 and 81.	Receivables related to employees based on divisional distribution used for staff costs in the income statement. Local business tax is distributed in line with the income statement according to the business tax base. Value added tax (VAT) receivables according to the proportion obtained based on the divisional classification of trade liabilities. Receivables from settlement of corporation tax are distributed in proportion to profit/loss before tax.
II/7. Revaluation difference on receivables	-	-	-	-	-	-	-	-	-	-	-
II/8. Revaluation gain on derivative transactions	-	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	-	-	-	-	-	-	-	-	-
III. Securities	-	-	-	-	-	-	-	-	-	-	-
IV. Cash and cash equivalents	In proportion to sales revenue.	If cannot be allocated directly to activities, then it is distributed based on ratio related to financing or revenue ratio.	Can be allocated directly to activities, the remaining part is distributed in proportion to sales revenue, as necessary. Accounts related to tender settlements are allocated to the activity that receives the grant from the tender.	Can be allocated directly to activities, the remaining part is distributed in proportion to sales revenue, as necessary. Accounts related to tender settlements are allocated to the activity that receives the grant from the tender.	Can be allocated directly to activities, the remaining part is distributed in proportion to sales revenue, as necessary. Accounts related to tender settlements are allocated to the activity that receives the grant from the tender.	Can be allocated directly to activities, the remaining part is distributed in proportion to sales revenue, as necessary. Accounts related to tender settlements are allocated to the activity that receives the grant from the tender.	Housing bank deposits ensuring liquidity recognised under cash and cash equivalents are distributed in proportion to staff costs. Cash and cash equivalents related to grants belong to the licensed activity. The other items are distributed in proportion to net working capital.	Within cash and cash equivalents, bank deposits are split between activities based on the cost driver. Petty cash is recognised as part of the other core activity, based on individual inspection.	Cash and cash equivalents are separated in proportion to revenue (cost driver).	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Cash and cash equivalents were separated in proportion to revenue.
C. Deferred expenses and accrued income	Based on item-by-item inspection (cost centre).	Can be allocated directly to activities, if not, then distributed based on revenue or ratio related to financing.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Items are allocated directly to the licensed activity if possible. The other items are split based on the typical cost drivers.	Accrued income is separated between activities based on general ledger data. Prepayments are separated based on cost drivers.	Accrued income is recognised on the other core activity based on individual inspection, prepayments are separated in proportion to revenue.	Items are directly allocated to activities if possible. Deferred expenses and accrued income that can allocated to individual activities only indirectly, separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to the quantity of heat.	-
D/I.-III. Subscribed/Registered capital and capital reserve	Opening balance sheet in proportion to fixed assets.	Subscribed/Registered capital - fixed amount, based on the estimated capital requirements of the activity. Capital reserve – allocated to activity in accordance with the first-year unbundling. For a change in the capital reserve, the purpose shall be considered and based on that, the change can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	Distributed in proportion to the value of fixed assets of the individual activities (adjusted for the amount of deferred income related to assets implemented from grants).	Distributed in proportion to the value of fixed assets of the individual activities (adjusted for the amount of deferred income related to assets implemented from grants).	Distributed in proportion to the value of fixed assets of the individual activities (adjusted for the amount of deferred income related to assets implemented from grants).	Distributed in proportion to the value of fixed assets of the individual activities (adjusted for the amount of deferred income related to assets implemented from grants).	Licensed items.	The licensed division includes at least HUF 3 million, as well as the amounts distributed based on the resolution of Management of the prior-year and reporting-year capital increases.	HUF 2 million registered capital is recognised on the licensed activity. The capital reserve is split in line with the proportion of profit/loss after tax of the licensed activity and the other core activity.	Subscribed/Registered capital: Distributed only among Oroszlány, Bokod and other activity, based on the asset side ratio of the balance sheet total. Capital reserve: If possible, allocated directly to activities. If direct allocation is impracticable, then based on the asset side ratio of the balance sheet total.	-

Methodology applied to separate balance sheet items of the Group by activity

2024

Description of balance sheet item	Magyar Földgáztároló Zrt.	MVM CEEnergy Zrt.	MVM Zöld Generáció Kft.	MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamosenergia Kereskedő Kft.	MVM Démász Áramhálózati Kft.	MVM Mobiliti Kft.	e-Mobi Nonprofit Kft.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.
D/IV. Retained earnings	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities. Allocated to activity based on first-year unbundling.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	The prior-year profit/loss after tax in the activity income statements is included in the retained earnings line item of the balance sheets of the individual activities.	Split in line with licensed and non-licensed profit/loss for the given year.	The prior-year rolled retained earnings are recognised on the licensed activity.	The prior-year rolled retained earnings are recognised on the licensed activity.	The prior-year retained earnings adjusted for the change in the reporting-year allocated reserve, and the profit/loss after tax less dividend payment of the activity income statements is included in the retained earnings line item of the individual activities. The value of formation and restructuring is distributed between Oroszlány and Bokod district heat generation based on heat volume.	-
D/IV. Allocated reserve D/VI. Valuation reserve	Opening balance sheet in proportion to fixed assets.	Can be allocated directly to activities, if not, then typical ratio is used.	Is allocated to activities based on the title of the recognition of allocated reserve.	Is allocated to activities based on the title of the recognition of allocated reserve.	Is allocated to activities based on the title of the recognition of allocated reserve.	Is allocated to activities based on the title of the recognition of allocated reserve.	Licensed item. -	-	-	Allocated directly to activities.	-
D/VII. Profit/Loss after tax	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Based on breakdown of income statement by activity.	Split in line with reporting-year licensed and non-licensed profit/loss.	Can be allocated to the individual core activities based on the separated income statement.	Can be allocated to the individual core activities based on the separated income statement.	Based on breakdown of income statement by activity.	Consistently with the income statement.
E. Provisions	Basically based on item-by-item inspection (cost centre).	Basically can be allocated directly to activities, if not, (e.g. release of provisions related to IAS 19), then based on revenue ratio. Determination is performed on a G/L item-by-G/L item basis, by title.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Items related to personnel split in proportion to staff costs, all other items allocated to licensed activity.	Can be allocated directly to activities, it is recognised as part of the other core activity.	Can be allocated directly to activities, it is recognised as part of the other core activity.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	-
F/II. Non-current liabilities	In proportion to sales revenue.	Can be allocated directly to activities, if not, then based on revenue ratio.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Licensed items.	Non-current loans are recognised at the other core activity, based on individual inspection.	-	-	-
F/III./1. Current borrowings	-	-	-	-	-	-	Licensed items.	-	-	-	-
F/III./2. Current loans	In proportion to sales revenue.	-	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Distributed in accordance with the financing needs of the individual activities. General purpose loans based on the quantity (kWh) of the electricity produced.	Licensed items.	Can be allocated directly to activities. Part of activity not requiring a licence.	-	-	-
F/III./3. Advances from customers	-	Can be allocated directly to activities, if not, then based on revenue ratio.	-	-	-	-	From the licensed income statement, split in proportion to net sales revenue.	-	-	Can be allocated directly to activities.	Advances from customers are recognised based on item-by-item inspection.
F/III./4. Trade liabilities	In proportion to sales revenue.	Can be allocated directly to activities, if not, then based on revenue ratio.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	From the licensed income statement, split in proportion to material-type expenses and third-party capex.	Split between activities based on general ledger data. Items that cannot be classified are separated based on cost drivers.	Split between activities based on general ledger data.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Trade liabilities are distributed between activities based on item classification. If the number of trade liability items does not make possible an individual inspection due to closing deadlines, trade liabilities are distributed based on the divisional proportion of material-type expenses.

Methodology applied to separate balance sheet items of the Group by activity

2024

Description of balance sheet item	Magyar Földgáztároló Zrt.	MVM CEEnergy Zrt.	MVM Zöld Generáció Kft.	MVM ZG Solar Kft.	Raaba Energy Kft.	Komm Hull Villamosenergia Kereskedő Kft.	MVM Démász Áramhálózati Kft.	MVM Mobiliti Kft.	e-Mobi Nonprofit Kft.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.
F/III./5. Bills payable	-	-	-	-	-	-	-	-	-	-	-
F/III./6. Current liabilities to related companies	Basically in proportion to sales revenue.	Can be allocated directly to activities, if not, then based on revenue or ratio related to financing.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Cash pool liability - split in proportion to net working capital. Dividend payment liability- split based on prior-year profit/loss. Other items - split in proportion to material-type expenses and third-party capex.	Split between activities based on general ledger data. Items that cannot be classified are separated based on cost drivers.	Split between activities based on general ledger data.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Current liabilities to related companies is distributed taking the share of revenue into account.
F/III./7. Current liabilities to companies in which the Group has a significant equity share	Basically in proportion to sales revenue.	Can be allocated directly to activities, if not, based on revenue ratio.	-	-	-	-	-	-	-		-
F/III./8. Current liabilities to affiliated companies	-	-	-	-	-	-	-	-	-	-	The separation was determined at a specific rate based on item-by-item reconciliation.
F/III./9. Other current liabilities	Basically in proportion to staff costs.	Basically can be allocated directly to activities, if not, (e.g. tax liabilities) then based on a typical indicator, e.g. calculated tax, or revenue ratio. Determination is performed on a G/L item-by-G/L item basis.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Utility tax, energy tax, building and land tax liability - allocated to licensed activity. Liabilities related to grants - allocated to licensed activity. Liabilities related to employees- split in proportion to staff costs. VAT liability - split in line with the proportion of net sales revenue. Local business tax and innovation contribution liability - split in proportion to tax base. Other current liabilities - split in proportion to profit/loss before tax.	Distribution between the two activities is made using cost drivers determined based on staff-related cost drivers for other staff-related liabilities and based on revenue for other current liabilities.	This includes current liabilities related to staff costs: it is separated between activities in proportion to staff costs separated in the income statement.	In the case of current liabilities direct allocation to activities, or the items within the balance sheet line item are distributed based on typical cost drivers. If the given item cannot be allocated to activities, then it is distributed based on individual methods (headcount, gross wages, ratio of arrears, number of consumers, quantity of heat, in proportion to asset side of the balance sheet).	Current liabilities are distributed based on net sales revenue. Liabilities arising from settlement of corporation tax are distributed in proportion to profit/loss before tax (in the case of overpayment as well). Value added tax (VAT) liabilities in proportion to trade debtors. Local business tax liabilities are distributed in proportion to the share of the business tax base in the licensed and the other division (consistently with the income statement).
F/III./10. Revaluation difference on liabilities	-	-	-	-	-	-	-	-	-	-	-
F/III./11. Revaluation loss on derivative transactions	-	Basically can be allocated directly to activities, if not, based on revenue ratio.	-	-	-	-	-	-	-	-	-
G. Accrued expenses and deferred income	Basically based on item-by-item inspection (cost centre).	Can be allocated directly to activities, if not, then based on revenue or ratio related to financing.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Accruals of costs, expenses and income directly related to the profit margin, as well as deferred income can be allocated directly to licensed activity. Accrued interest split in proportion to net finance income/costs. Other material-type expenses and other staff costs split according to the typical cost driver. Other income separated in proportion to net sales revenue excluding profit margin settlement.	Income accruing for future periods was recognised on the other core activity. Accrued material-type expenses were distributed between the two activities based on a cost driver determined on the basis of revenue, while accrued staff costs were distributed based on the proportion of staff costs.	It is split between activities based on general ledger data, and in proportion to revenue and staff costs.	Items are directly allocated to activities if possible. Accrued expenses and deferred income that can allocated to individual activities only indirectly can be distributed as follows: For income accruing for future periods and deferred income, determined directly depending on the type of the income. Accrued expenses are, if possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	-
H. Separation difference	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.	Item ensuring agreement between assets and equity and liabilities. Recognised on the equity and liabilities side.	Separation difference ensuring balance sheet agreement.	Separation difference ensuring balance sheet agreement.	Value ensuring agreement of activity assets with activity equity and liabilities.	Value ensuring agreement of activity assets with activity equity and liabilities.

Methodology applied to separate income statement items of the Group by activity
2024

Description of income statement line item	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM MIFŰ Kft.	MVM Partner Zrt.	Speciális Nehézszállító Zrt.	MVM Balance Zrt.	Magyar Földgáztároló Zrt.	NRG Finance Kft.	MVM Égáz-Dégáz Földgázhálózati Zrt.	MVM Vízerőmű Kft.
I. Net sales revenue	Can be allocated directly to activities based on profit centre classification of cost calculation items.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities, except for income from concession rights, which is distributed based on the proportion of directly attributable and directly not attributable income and expenses.	Can be allocated directly to activities.	Net sales revenue according to the sites affected, in accordance with the ratio upon production, or according to the place where it arises. (The electric energy produced in the core activity is sold to one customer.)
II. Own performance capitalised	Basically can be allocated directly to activities based on profit centre classification of cost calculation items.	Can be allocated directly to activities.	-	-	Can be allocated directly to activities.	Can be allocated directly to activities.	Based on item-by-item inspection.	-	Can be allocated directly to activities.	Self-constructed assets in accordance with the ratio between Tiszaalóki and Kiskörei Vízerőmű, according to the place where they arise.
III. Other income	Basically can be allocated directly to activities on a subject-by-subject basis, based on profit centre classification of cost calculation items.	In proportion to net sales revenue.	Can be allocated directly to activities.	Basically can be allocated directly to activities, if not, (e.g. release of provisions related to IAS 19), then based on a typical indicator, e.g. headcount in the unit. Determination is performed on a G/L item-by-G/L item basis.	Can be allocated directly to activities.	CO ₂ allowance provisions can be allocated to activities. Further major other income items can also be allocated to activities, or is distributed based on system settings.	Basically based on item-by-item inspection (cost centre).	Distributed based on the proportion of directly attributable income and expenses.	Income related to assets and energy settlement, as well as depreciation accounted for on external funds allocated to licensed.The other items are split based on the typical cost drivers related to the subject.	Between the two sites, based on breakdown by the place when it arises.
IV./1. Material costs	Nuclear fuel can be allocated directly to activity profit centres; other material costs are booked on profit centres allocated to CO items, further distribution is performed based on secondary controlling accounting.	Can be allocated directly to activities, or distributed in proportion to the share of heat and electric energy provided.	Can be allocated directly to activities.	Basically can be allocated directly to activities, if not, (e.g. public utility costs) then based on a typical indicator, e.g. staff number of the unit. Determination is performed on a G/L item-by-G/L item basis.	Can be allocated directly to activities, except for materials purchased for direct use according to cost centre.	The major items (fuel oil and natural gas costs) can be allocated clearly to activities. Further material costs are distributed based on statistical indicators.	Basically based on item-by-item inspection (cost centre) and in proportion to sales revenue.	Can be allocated directly to activities.	Can be allocated directly to activities.	Material costs are distributed based on booking to cost centre/equipment, following the actually incurred distribution principle.
IV./2. Services used	Booked on profit centres allocated to cost calculation items, further distribution is performed based on secondary controlling accounting.	Can be allocated directly to activities, or distributed in proportion to the share of heat and electric energy provided.	Can be allocated directly to activities.	Basically can be allocated directly to activities, if not, (e.g. costs of advisory services), then based on a typical indicator e.g. sales revenue. Determination is performed on a G/L item-by-G/L item basis.	Can be allocated directly to activities, except for direct services used according to cost centre.	Major items (power plant rental, maintenance and operating costs) can be allocated clearly to activities; further costs of services used are distributed based on statistical indicators.	Basically based on item-by-item inspection (cost centre) and in proportion to sales revenue.	Partly allocated directly to activities, thereafter distributed based on the proportion of directly attributable and directly not attributable income and expenses.	Can be allocated directly to activities.	Services used are also distributed according to cost centres.
IV./3. Other services	Booked on profit centres allocated to cost calculation items, further distribution is performed based on secondary controlling accounting.	Can be allocated directly to activities, or distributed in proportion to the share of heat and electric energy provided.	Can be allocated directly to activities.	Basically can be allocated directly to activities, if not, (e.g. insurance premiums), then based on a typical indicator e.g. sales revenue. Determination is performed on a G/L item-by-G/L item basis.	Can be allocated directly to activities.	Major items (property insurance premiums, fees paid to authorities) can be allocated clearly to activities; further costs are distributed based on statistical indicators.	Basically based on item-by-item inspection (cost centre).	Partly allocated directly to activities, thereafter distributed based on the proportion of directly attributable and directly not attributable income and expenses.	Can be allocated directly to activities.	Other services are also distributed according to costs centres.
IV./4 Cost of goods sold	Can be allocated directly to activities based on profit centre classification of cost calculation items.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	-	Can be allocated directly to activities.	Based on item-by-item inspection (cost centre).	-	Can be allocated directly to activities.	-
IV./5 Services sold (mediated)	Can be allocated directly to activities based on profit centre classification of cost calculation items.	Can be allocated directly to activities.	Can be allocated directly to activities.	Can be allocated directly to activities.	-	Can be allocated directly to activities.	Based on item-by-item inspection (cost centre).	Distributed based on the proportion of directly attributable and directly not attributable income and expenses.	Can be allocated directly to activities.	Services sold (mediated) can be clearly allocated to the income and are distributed based on that.
V. Staff costs	Booked on profit centres allocated to cost calculation items, further distribution is performed based on secondary controlling accounting.	Can be allocated directly to activities, or distributed in proportion to the share of heat and electric energy provided.	Can be allocated directly to activities.	Can be allocated directly to organisational units, the organisational units are allocated directly to activities, or distributed among activities based on indicators, e.g. headcount of the organisational unit.	Can be allocated directly to activities, or is distributed among profit centres based on working hours.	Wage costs of organisational units that can be linked clearly to activities is allocated to the appropriate activity; the wage costs of other units is distributed among activities based on statistical indicators by re-charging.	Basically based on item-by-item inspection (cost centre) and in proportion to sales revenue.	Distributed based on the proportion of directly attributable and directly not attributable income and expenses.	Can be allocated directly to activities.	When accounting for staff costs, the items are split based on cost centres and equipment codes.

Methodology applied to separate income statement items of the Group by activity

2024

Description of income statement line item	MVM Paksi Atomerőmű Zrt.	MVM Mátra Energia Zrt.	MVM MIFŰ Kft.	MVM Partner Zrt.	Speciális Nehézszállító Zrt.	MVM Balance Zrt.	Magyar Földgáztároló Zrt.	NRG Finance Kft.	MVM Égáz-Dégáz Földgázhálózati Zrt.	MVM Vízérőmű Kft.
VI. Depreciation/ Amortisation	A significant part of production equipment can be allocated to licensed activities or to joint activity; from the latter separation is performed in proportion to electricity provided and heat energy sold.	Can be allocated directly to activities, or distributed in proportion to the share of heat and electric energy provided.	Can be allocated directly to activities.	Can be allocated directly to organisational units, the organisational units are allocated directly to activities or are distributed among the activities based on net asset value.	Can be allocated directly to activities based on the cost centre classification of tangible assets.	Can be allocated directly to activities.	Basically based on item-by-item inspection (cost centre) and in proportion to sales revenue.	Distributed based on the classification of tangible assets, except for concession rights, which are distributed based on the net asset value.	Can be allocated directly to activities.	Amortisation that can be accounted for is split according to cost centres.
VII. Other expenses	Basically can be allocated directly to activities on a subject-by-subject basis, based on profit centre classification of cost calculation items. Settlement to CNFF can be allocated directly to activities.	Can be allocated directly to activities, or distributed in proportion to the share of heat and electric energy provided.	Can be allocated directly to activities. Business tax, innovation contribution is distributed using a revenue-material cost ratio.	Basically can be allocated directly to activities, if not, (e.g. local business tax), then based on a typical indicator, e.g. based on calculated activity local business tax base. Determination is performed on a G/L item-by-G/L item basis.	Can be allocated directly to activities, tax-type items (local business tax, innovation contribution) are distributed based on income, costs and expenses impacting the tax base as well as reconciling items.	Some items can be allocated clearly to activities (CO ₂ allowance provisions), certain items (business tax, innovation contribution) are distributed in proportion to sales revenue, further expenses in proportion to staff costs (IAS 19 provisions) or in proportion to costs incurred (fines paid).	Basically in proportion to sales revenue.	Partly allocated directly to activities, thereafter distributed based on the proportion of directly attributable and directly not attributable income and expenses.	Expenses related to assets and energy settlement, as well as utility tax, land and building tax allocated to licensed. Local business tax and innovation contribution split in proportion to tax base. The other items are split based on the typical cost drivers related to the subject.	When accounting for other expenses, the Company also applied separation of cost centre data, and since this item is largely determined by the financial support given, it was split according to the given site. Local business tax and innovation contribution are distributed based on income, costs, expenses and reconciling items that affect the tax base.
VIII. Income from financial transactions	Cash pool items are allocated to directly distributable profit centres, which are distributed using a cost driver in proportion to the average of electricity provided and heat sold in the last three years, the others are distributed based on prime cost.	In proportion to net sales revenue.	Can be allocated directly to activities.	If cannot be allocated directly to activities, then interest is distributed based on the activity equity, while exchange differences based on activity FX turnover.	Can be allocated directly to activities.	Can be allocated directly to activities; further items are distributed based on system settings.	In proportion to sales revenue.	Directly allocated to activities or based on the proportion of directly not attributable income and expenses.	Interest on employee loans split in proportion to staff costs. Dividend received is allocated to non-licensed. All other items are split in proportion to net working capital.	When accounting for profit/loss on financial transactions, it is presented under finance income or expenses of Tiszaölki Vízérőmű, since the decisions of the management are finalised in this site, thus financial transactions also can be considered to be under this management influence.
IX. Expenses on financial transactions	Cash pool items are allocated to directly distributable profit centres, which are distributed using a cost driver in proportion to the average of electricity provided and heat sold in the last three years, the others are distributed based on prime cost.	In proportion to net sales revenue.	Can be allocated directly to activities.	If cannot be allocated directly to activities, then interest is distributed based on the activity equity, while exchange differences based on activity FX turnover.	Can be allocated directly to activities.	Can be allocated directly to activities; further items are distributed based on system settings.	In proportion to sales revenue.	Directly allocated to activities or based on the proportion of directly not attributable income and expenses.	Interest expense related to non-current loans is allocated to licensed activity. All other items are split in proportion to net working capital.	
X. Tax liability	Corporation tax is accounted for to the activity with profit before tax in proportion to profit/loss before tax, the income tax for energy suppliers can be allocated directly to activities.	Based on calculated profit/loss of the activity.	In proportion to profit before tax of profitable activity.	Based on calculated profit/loss of the activity.	Can be allocated directly to activities.	Distributed in proportion to sales revenue.	Calculated separately.	Corporation tax is distributed based on the proportion of directly not attributable income and expenses; robin hood tax by allocation directly to activities.	Income tax for energy suppliers can be allocated to the licensed distributor. Corporation tax payable is distributed according to profit/loss before tax.	Tax payable is presented in proportion to profit/loss before tax.
X/1. Deferred tax difference (±)	-	-	-	-	-	-	-	-	-	-

Methodology applied to separate income statement items of the Group by activity

2024

Description of income statement line item	MVM Zöld Generáció Kft./MVM ZG Solar Kft./Raaba Energy Kft./Komm Hull Villamosenergia Kereskedő Kft.	MVM Démász Áramhálózati Kft.	MVM Next Energiakereskedelmi Zrt.	MVM Mobiliti Kft.	e-Mobi Nonprofit Kft.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM CEEnergy Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Émász Áramhálózati Kft.
I. Net sales revenue	Can be allocated directly to activities.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	Can be allocated directly to divisions.	Revenue that can be allocated to a licence holder is recognised at the licence holder, revenue that cannot be allocated to a licence is recognised at the other activity based on general ledger account.	Revenue that can be allocated to a licence holder is recognised at the licence holder, revenue that cannot be allocated to a licence is recognised at the other activity based on general ledger account.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities.	For the accounting separation of revenue and expenses specific to the activity, the appropriate line items of the income statement were determined based on items that can be collected from the SX system, from the general ledger system or through calculation using a typical cost driver. Figures of net sales revenue, direct material costs and services used can be derived from the SX system.	Can be allocated directly to activities.
II. Own performance capitalised	Can be allocated directly to activities.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	Can be allocated directly to activities based on the SAP FI report.	-	-	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	-	-	Can be allocated directly to activities.
III. Other income	Can be allocated directly to activities.	Income related to assets and energy settlement, as well as depreciation accounted for on external funds allocated to licensed. The other items are split based on the typical cost drivers related to the subject.	Generally can be allocated directly to divisions. Determination is performed on a G/L item-by-G/L item basis.	Other income that can be allocated to a licence holder is recognised at the licence holder, other income that cannot be allocated to a licence is recognised at the other activity based on general ledger account. With the exception of accounting for rounding difference, which is split using a cost driver.	Split in proportion to sales revenue, except for grants received for development purposes and provisions recognised; these can be allocated to the activity not requiring a licence.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	-	Income related to assets and energy settlement, as well as depreciation accounted for on external funds allocated to licensed. The other items are split based on the typical cost drivers related to the subject.
IV./1. Material costs	Can be allocated directly to activities, except for materials purchased for direct use according to cost centre.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	Activities to be allocated were determined in accordance with the allocation methodology. These also include direct material-type, staff, depreciation and allocated IT (number of users, number of PCs), motor vehicle, HR (based on headcount), property (based on m2) costs. Then the total costs are distributed based on set percentages to divisions (US, TRA, SUP) or can be allocated directly to divisions.	Based on general ledger account, sub-ledger records. Material costs that cannot be allocated directly to licensed activities are distributed between activities in proportion to revenue.	Based on general ledger account, sub-ledger records. Electricity purchased for other than selling purposes can be allocated to licensed activity. Costs of materials purchased for direct use and fuel costs are costs that can be allocated to the activity not requiring a licence. The other material costs were distributed in proportion to revenue.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	Material costs accounted for on general items are allocated in proportion to indirect costs.	Can be allocated directly to activities.
IV./2. Services used	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	On one hand, it can be distributed directly to divisions (US, TRA, SUP). The other part is distributed to the divisions (US, TRA, SUP) based on set percentages through the activities to be allocated determined in accordance with the allocation methodology. In the case of costs, upon receiving the invoice the invoice approvers decide that to which division should it be booked, or sometimes it can be clearly decided based on the contract that to which division it relates.	Based on general ledger account, sub-ledger records. Services used that cannot be allocated directly to licensed activities are distributed between activities in proportion to revenue.	Based on general ledger account, sub-ledger records. Services used that cannot be allocated directly to licensed activities are distributed between activities in proportion to revenue.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	Services used: - costs accounted for on registered office, site items based on divisional m2 - costs accounted for on motor vehicle items based on divisional km and operating hours - services used not distributed using a cost driver: in proportion to costs.	Can be allocated directly to activities.
IV./3. Other services	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	For one part of other services it can be clearly established to which controlling object it should be booked. (E.g. motor vehicle, property insurance costs). Upon receiving the invoice the invoice approvers decide that to which division should it be booked, or sometimes it can be clearly decided based on the contract that to which division it relates. The other part is distributed to the divisions (US, TRA, SUP) based on set percentages through the activities to be allocated determined in accordance with the allocation methodology.	Based on general ledger account, sub-ledger records. Other services that cannot be allocated directly to licensed activities are distributed between activities in proportion to revenue.	Property insurance is recognised directly on the licensed activity. Other services that cannot be allocated directly to licensed activities are distributed between activities in proportion to revenue.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then distributed based on revenue or ratio to financing.	The process in the case of other services is the same as for material costs.	Can be allocated directly to activities.
IV./4 Cost of goods sold	-	Developed SAP report (after deduction of the values of the activity not requiring a licence).	Can be allocated directly to divisions.	Recognised directly on the activity not requiring a licence.	-	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, otherwise distribution is based on calculation.	-	Can be allocated directly to activities.

Methodology applied to separate income statement items of the Group by activity

2024

Description of income statement line item	MVM Zöld Generáció Kft./MVM ZG Solar Kft./Raaba Energy Kft./Komm Hull Villamosenergia Kereskedő Kft.	MVM Démász Áramhálózati Kft.	MVM Next Energiakereskedelmi Zrt.	MVM Mobiliti Kft.	e-Mobi Nonprofit Kft.	MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt.	MVM CEEnergy Zrt.	MVM Watt Eta Hálózati és közvilágítási Szolgáltató Kft.	MVM Émász Áramhálózati Kft.
IV./5 Services sold (mediated)	Allocated to activities based on revenue.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	Can be allocated directly to divisions.	Recognised directly on the activity not requiring a licence.	Recognised directly on the activity not requiring a licence.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	-	Can be allocated directly to activities.
V. Staff costs	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Developed SAP report (after deduction of the values of the activity not requiring a licence).	Activities to be allocated were determined in accordance with the allocation methodology. These also include direct material-type, staff, depreciation and allocated IT (number of users, number of PCs), motor vehicle, HR (based on headcount), property (based on m2) costs. Then the total costs are distributed based on set percentages to divisions (US, TRA, SUP) or can be allocated directly to divisions.	Is distributed between activities based on general ledger account in proportion to revenue (cost driver).	Is separated on an item-by-item basis. (6 licensed persons)	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Distributed based on typical ratio (revenue/headcount).	Directly based on divisional working hours or in proportion to indirect costs.	Can be allocated directly to activities.
VI. Depreciation/ Amortisation	Distributed based on cost-centre classification of tangible assets, or in proportion to sales revenue.	Developed SAP report (after deduction of the values of the activity not requiring a licence), with the exception of two assets (off-grid small power plant, Nagylak optical cable) depreciation of all assets is licensed distribution.	Clearly allocated to the supporting division.	Amortisation recognised under intellectual property relates to licensed activity; the amortisation of rights and concessions as well as the depreciation of tangible assets can be allocated directly to the other core activity.	Intangible assets relate to the licensed activity, thus the amortisation booked on them also relates to the licensed activity. Tangible assets and related depreciation are recognised on other activities.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then it is distributed based on revenue ratio.	Depreciation of motor vehicles directly, based on divisional number of kilometres driven. Tangible and intangible assets other than motor vehicles: in proportion to divisional working hours.	Can be allocated directly to activities.
VII. Other expenses	Distributed in proportion to sales revenue, or tax-type items (local business tax, innovation contribution) based on income, costs and expenses impacting the tax base as well as reconciling items.	Expenses related to assets and energy settlement, as well as utility tax, land and building tax allocated to the licensed activity. Local business tax and innovation contribution split in proportion to tax base. The other items are split based on the typical cost drivers related to the subject.	Basically can be allocated directly to activities.	Based on general ledger account, sub-ledger records. Other expenses that cannot be allocated directly to the other core activity are distributed between the activities in proportion to revenue.	Other expenses that cannot be allocated directly to the other core activity are distributed between the activities in proportion to revenue. The provision is recognised directly on the activity not requiring a licence.	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to the number of consumers or quantity of heat.	Basically can be allocated directly to activities, if not, (e.g. local business tax), then based on a typical indicator, e.g. based on calculated activity local business tax base. Otherwise it is distributed based on the use of revenue ratio.	In the case of scrapped, missing and sold items of intangible and tangible assets, distribution to divisions is made in proportion to licensed and non-licensed divisional working hours. Taxes based on the fact that the base belongs to the division. Company car tax based on the divisional number of kilometres driven.	Expenses related to assets and energy settlement, as well as utility tax, land and building tax allocated to licensed. Local business tax and innovation contribution split in proportion to tax base. The other items are split based on the typical cost drivers related to the subject.
VIII. Income from financial transactions	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Interest on employee loans split in proportion to staff costs. Dividend received is allocated to non-licensed. All other items are split in proportion to net working capital.	Profit/Loss on financial transactions allocated to the licensee is determined based on the funding costs of the working capital need generated by the licensed activity. It is adjusted for the interest effect on the interim cash position of the actual financial disbursement of the compensation for the potential loss of the licensed activity. Exchange differences, other finance income/expense: apart from items that can be allocated directly to divisions, it is allocated to divisions in accordance with different cost drivers by subject. Hedges: can be allocated directly to divisions.	Items that can be allocated directly to a core activity are allocated to that activity. Other expenses that cannot be allocated directly to the other core activity are distributed between the activities in proportion to revenue.	-	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then distributed based on revenue or ratio related to financing.	Cash pool interest and other interest received based on net sales revenue.	Interest on employee loans split in proportion to staff costs. Dividend received is allocated to non-licensed. All other items are split in proportion to net working capital.
IX. Expenses on financial transactions	Can be allocated directly to activities, or based on the quantity (kWh) of the electricity produced.	Interest expense related to non-current loans is allocated to licensed activity. All other items are split in proportion to net working capital.	Profit/Loss on financial transactions allocated to the licensee is determined based on the funding costs of the working capital need generated by the licensed activity. It is adjusted for the interest effect on the interim cash position of the actual financial disbursement of the compensation for the potential loss of the licensed activity. Exchange differences, other finance income/expense: apart from items that can be allocated directly to divisions, it is allocated to divisions in accordance with different cost drivers by subject. Hedges: can be allocated directly to divisions.	The methodology described for the distribution of income from financial transactions is applied.	-	If possible, allocated directly to activities. If direct allocation is impracticable and other justifiable distribution cannot be applied either, then separation between production and provision of services is made in proportion to headcount, within that it is distributed in proportion to quantity of heat.	Can be allocated directly to activities, if not, then distributed based on revenue or ratio related to financing.	Interest paid in proportion to the divisional distribution of net sales revenue.	Interest expense related to non-current loans is allocated to licensed activity. All other items are split in proportion to net working capital.
X. Tax liability	Distributed in proportion to profit/loss before tax.	Income tax for energy suppliers can be allocated to the licensed distributor. Corporation tax payable is distributed according to profit/loss before tax.	Based on calculated profit/loss of the activity, among divisions with a positive tax base, in proportion to the tax base.	The corporation tax liability calculated for the entire company (based on tax base adjustments of the company-level profit/loss before tax and tax regulations in force) is distributed in proportion to profit/loss before tax to activities with profit before tax.	-	Corporation tax: Based on calculated profit/loss of the activity.	Based on calculated profit/loss of the activity. Settlement of income tax for energy suppliers can be allocated directly to activities.	-	Income tax for energy suppliers can be allocated to the licensed distributor. Corporation tax payable is split in proportion to profit/loss before tax in the income statements.
X/1. Deferred tax difference (±)	-	-	-	-	-	-	-	-	-

MANAGEMENT AND BUSINESS REPORT



MVM

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INTRODUCTION OF THE MVM GROUP

General information

MVM Energetika Zártkörűen Működő Részvénytársaság (hereinafter referred to as MVM Zrt., Company or the Parent company) was formed on 31 December 1991 through transformation of its legal predecessor Magyar Villamos Művek Tröszt (hereinafter referred to as MVM Tröszt). MVM Zrt. is a Hungarian-registered private company limited by shares. Its owner is the Hungarian State which holds 100% of its shares; ownership rights and obligations pertaining to the shares of the State have been exercised since 1 December 2022 by the Ministry of Energy.

Registered office of MVM Zrt.: 1031 Budapest, Szentendrei út 207-209.

Activity of the MVM Group

MVM Zrt. together with the companies it manages (hereinafter referred to as: MVM Group or the Group) form a vertically integrated, national energy group, which is a key player in the Hungarian and regional energy system, and plays an important role in Hungary's energy security and achieving the goals of its energy strategy. The MVM Group's portfolio covers the entire Hungarian energy sector, and it plays an increasingly dominant role in the region. The MVM Group is a major player in the Hungarian electricity and natural gas market by means of its power plants, electricity transmission grid, natural gas and electricity distribution network, natural gas storage facilities, as well as its natural gas and electricity trading activities. The MVM Group is also active in the regional energy sector, particularly in the Czech natural gas and electricity trading market through innogy Česká republika a.s. and its subsidiaries. From August 2024, the MVM Group expanded its activities to include hydrocarbon production in Azerbaijan.

MANAGEMENT AND BUSINESS REPORT

The consolidated annual financial statements of MVM Energetika Zártkörűen Működő Részvénytársaság have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). IFRS consists of standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

MVM Energetika Zártkörűen Működő Részvénytársaság (hereinafter referred to as “MVM Zrt.”) has prepared and hereby discloses its Consolidated Management and Business Report relating to its financial statements for the 2024 financial year, by which it complies with

- the provisions of Section 95 of Act C of 2000 on Accounting (hereinafter referred to as “Act on Accounting”) in respect of the business report, the non-financial statement and the corporate governance statement,
- the provisions of Decree No. 24/2008. (VIII. 15.) of the Minister of Finance in respect of the management report and the liability statement.

The Consolidated Annual Financial Statements were approved and authorised for issue by the Board of Directors of MVM Zrt. on 16 April 2025.

Budapest, 25 April 2025



Károly Tamás Mátrai
Chief Executive Officer
MVM Zrt.



László Fazekas
Deputy CEO, Chief Financial Officer
MVM Zrt.

Consolidated Financial Statements

2024

1. CONSOLIDATED FINANCIAL RESULTS OF THE MVM GROUP

1.1. Income Statement

MVM Group, consolidated HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
OPERATING INCOME	5,416,714	6,317,041	-900,327	-14
Net sales revenue	4,533,736	5,079,039	-545,303	-11
Other operating income	882,978	1,238,002	-355,024	-29
OPERATING EXPENSES	4,859,355	5,672,486	-813,131	-14
Material-type expenses	3,838,338	4,676,215	-837,877	-18
Staff costs	335,856	307,447	+28,409	+9
Depreciation/ Amortisation	268,045	265,926	+2,119	+1
Recognition and release of provisions	21,269	-23,535	+44,804	+190
Recognition and release of impairment	50,200	27,374	+22,826	+83
Payment to the CNFF	32,934	31,070	+1,864	+6
Other operating expenses	429,128	477,692	-48,564	-10
Own performance capitalised	-116,415	-89,703	-26,712	-30
EBITDA	825,404	910,481	-85,077	-9
OPERATING PROFIT	557,359	644,555	-87,196	-14
Net finance costs	-79,291	-102,800	+23,509	+23
Profit of associates	13,517	3,817	+9,700	+254
PROFIT BEFORE TAX	491,585	545,572	-53,987	-10
Income tax expense	167,863	176,450	-8,587	-5
PROFIT AFTER TAX	323,722	369,122	-45,400	-12
Other comprehensive income for the year, net of tax	232,629	-558,734	+791,363	+142
TOTAL COMPREHENSIVE INCOME	556,351	-189,612	+745,963	+393

Net sales revenue

Net sales revenue was HUF 545.3 billion below the prior-year figure, primarily due to lower prices in the natural gas and electricity market:

- Sales from electricity trading (without universal service provision sales) decreased by HUF 220.1 billion, mainly as a result of lower sales prices. Universal service provision sales fell by HUF 5.2 billion.
- Electricity distribution revenue was HUF 10.9 billion lower, primarily due to the tariff decrease.
- Revenue from electricity system operator activity decreased by HUF 108.8 billion mainly as a result of lower tariff income.
- Revenue from natural gas trade (which also includes revenue from natural gas production) is lower by HUF 87.9 billion parallel to the decrease in market prices. The reduction in prices was counterbalanced only in part by the increase in turnover. Natural gas universal service sales were lower by HUF 92.4 billion due to the decrease in the average sales price.
- Natural gas storage revenues were HUF 6.9 billion down, mainly as a result of the lower tariff. Revenue from natural gas distribution increased by HUF 0.5 billion.
- Revenue from sale of crude oil amounted to HUF 12.3 billion.
- Revenue from sale of heat decreased by HUF 19.8 billion and revenue from economic, engineering and other services by HUF 16.8 billion, while revenue from network, technological installation grew by HUF 10.7 billion.

Other operating income was HUF 355.0 billion down. The amount of grants decreased by HUF 332.0 billion, mainly due to the lower amount of the compensation for protecting utility payments. The base effect of the temporary sale of own natural gas in storage in 2023 and other minor items resulted in a further HUF 23.0 billion decrease.

Operating expenses (without depreciation/amortisation)

Material-type expenses fell by HUF 837.9 billion:

- The cost of purchasing electricity decreased by HUF 488.2 billion and the cost of purchasing natural gas by HUF 336.3 billion. Transportation and service fees related to natural gas production launched in 2024 amounted to HUF 21.6 billion. System operation expenses were HUF 46.3 billion down as a consequence of the reduction in prices.
- Also owing to price decreases, power plant material costs fell by HUF 24.7 billion. Maintenance costs grew by HUF 13.7 billion.
- Other material costs were higher by HUF 22.3 billion mainly in relation with CO₂ allowance costs.

The increase in staff costs totalled HUF 28.4 billion, primarily owing to the increase in salaries, and the higher headcount at the customer service, support and international functions.

Other operating expenses were HUF 48.6 billion down on the prior-period figure. The costs of network and metering losses as well as of the difference from profile-based metering decreased by HUF 55.7 billion, costs of corrective gas and volume variances by HUF 6.7 billion, operational and IT costs by HUF 6.8 billion, while taxes and duties payable by HUF 4.2 billion. In contrast, a cost increase resulted from the higher amount of subcontractors' performance (+HUF 14.5 billion), EEO obligations (+HUF 6.0 billion) and other minor items (+HUF 4.3 billion).

Own performance capitalised increased profit for the period by HUF 26.7 billion, primarily in relation with substation and transmission line construction activities, as well as the infrastructure and production segments.

The amount of payments to the Central Nuclear Financial Fund grew by HUF 1.9 billion.

The impact on profit or loss of recognition and release of provisions is worse by HUF 44.8 billion. Contrary to the use in the previous period, in the reporting period a portfolio risk provision was recognised, resulting in HUF 30.1 billion reduction in profit. The balance of recognised and released provisions for contractual and other expected liabilities is worse by HUF 26.2 billion. Provisions for the termination of long-term capacity contracts increased by HUF 11.6 billion and provisions for mine and power plant closure by HUF 9.7 billion, while the change in the natural gas storage recultivation provision is more favourable by HUF 22.7 billion, the change in the provision for radioactive waste processing by HUF 3.6 billion, and the overall impact on profit or loss of the more favourable change in other provisions amounts to HUF 6.5 billion.

The amount of impairment grew by HUF 22.8 billion mainly due to impairment booked on the assets of Mátra Power Plant.

EBITDA

Due to the above, EBITDA decreased by HUF 85.1 billion.

Depreciation/Amortisation

Depreciation/ Amortisation grew by HUF 2.1 billion. Acquisitions and capitalisation of capital expenditures resulted in growth, mainly in the production, the international and the infrastructure business divisions; however, the re-measurement of nuclear technology assets of Paksi Atomerőmű recognised at fair value had a decreasing effect.

Net finance cost

The HUF 23.5 billion improvement of net finance cost resulted from the HUF 85.7 billion improvement in the gain/loss on derivative transactions as well as the HUF 11.5 billion decrease in net interest payment liability; in contrast, the balance of exchange gains and losses worse by HUF 69.1 billion represented a deteriorating item, while other minor items resulted in HUF 4.6 billion deterioration.

Share of profit/loss of associates and joint ventures

Share of profit/loss of associates and joint ventures increased by HUF 9.7 billion as a result of the HUF 8.8 billion rise in profit from valuation of associates and the HUF 0.9 billion growth in dividend income.

Tax liability

The HUF 8.6 billion decrease in tax liability resulted mainly from a fall by HUF 45.9 billion in windfall taxes paid in the Czech Republic, by HUF 9.8 billion in corporation tax, by HUF 2.0 billion in business tax and by HUF 0.3 billion in innovation contribution, while the amount of deferred tax grew by HUF 28.1 billion, the settlement of income tax for energy suppliers by HUF 14.2 billion and income tax paid abroad by HUF 7.0 billion.

1.2. Cash flow

MVM Group, consolidated HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
Profit after tax	323,722	369,122	-45,400	-12
Depreciation/ Amortisation	268,045	265,926	+2,119	+1
Other changes	451,156	312,716	+138,440	+44
Cash flows from operating activities before changes in working capital	1,042,923	947,764	+95,159	+10
Changes in inventories	280,214	187,350	+92,864	+50
Changes in trade receivables and other non-derivative financial assets	449,564	117,201	+332,363	+284
Changes in trade payables and other non-derivative financial liabilities	-97,509	-471,943	+374,434	+79
Changes in provisions	22,050	-26,303	+48,353	+184
Other changes in working capital	-166,169	-291,966	+125,797	+43
Income tax paid	-292,574	-84,452	-208,122	-246
Net cash flows from operating activities	1,238,499	377,651	+860,848	+228
Dividends received	11,007	7,327	+3,680	+50
Interest received	23,982	30,302	-6,320	-21
Acquisition of property, plant and equipment, intangible assets	-294,544	-336,196	+41,652	+12
Sale of property, plant and equipment, intangible assets	1,353	2,420	-1,067	-44
Sale of non-current assets held for sale	3,620	29,181	-25,561	-88
Development grant received	38,311	84,194	-45,883	-54
Granting and repayment of loans	3,700	-1,004	+4,704	+469
Proceeds from sale of subsidiary, net of transferred financial assets	-771	0	-771	N/A
Acquisition of subsidiaries and business units, net of cash received	-360,894	-45,233	-315,661	-698
Proceeds from sale of associates and joint ventures, disinvestment	1,263	3	+1,260	+42,000
Acquisition of interests in associates and joint ventures	-4,629	-16,617	+11,988	+72
Sale of interests in other entities	1	14	-13	-93
Acquisition of interests in other entities	-1,876	0	-1,876	N/A
Cash flows from investing activities	-579,477	-245,609	-333,868	-136
Dividends paid	-141,068	-417,058	+275,990	+66
Interest paid	-74,984	-88,368	+13,384	+15
Loans and borrowings	1,464,642	2,674,132	-1,209,490	-45
Repayment of loans and borrowings	-1,862,047	-2,456,319	+594,272	+24
Payment of lease liability	-11,438	-10,051	-1,387	-14
Transactions with non-controlling interests	345	37	+308	+832
Cash flows from financing activities	-624,550	-297,627	-326,923	-110
Net increase/decrease in cash and cash equivalents	34,472	-165,585	+200,057	+121
Cash and cash equivalents at the beginning of the year	244,196	404,556	-160,360	-40
Effect of movements in exchange rates on cash held	2,273	5,225	-2,952	-56
Cash and cash equivalents at the end of the year	280,941	244,196	+36,745	+15

Operating cash flow increased cash and cash equivalents by HUF 1,238.0 billion, meaning HUF 860.8 billion more cash inflow than in the previous year. The main reasons behind include:

- Operating profit increased cash by HUF 95.2 billion.
- Changes in working capital increased operating cash flows by HUF 973.8 billion:
 - The cash flow impact of the change in inventories is HUF +92.9 billion and is derived from lower inventory purchase costs on account of the lower natural gas prices compared to the previous year.
 - The balance of trade receivables and payables and non-derivative financial receivables and liabilities (deposits related to stock exchange and OTC transactions, interim dividend paid in the previous year) is + HUF 706.8 billion.
- Attributable to higher tax paid is - HUF 208.1 billion.

Investment cash flow decreased cash and cash equivalents by HUF 579.5 billion. This means HUF 333.9 billion higher cash outflow than the same period in the previous year, principally as a result of the higher amount of acquisitions and the lower amount of development grants.

The **financing cash flow** decreased cash and cash equivalents by HUF 624.6 billion, which is HUF 326.9 billion up on the previous year, mainly as a result of the balance of loans drawn, issue of bonds and repayment of loans (HUF -615.2 billion), lower interest expenses (HUF +13.4 billion) and the lower amount of dividends paid (HUF +276.0 billion).

1.3. Assets

MVM Group, consolidated HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NON-CURRENT ASSETS	3,567,388	3,213,930	+353,458	+11
Property, plant and equipment	2,825,390	2,520,947	+304,443	+12
Investment property	3,785	3,884	-99	-3
Goodwill	97,087	98,662	-1,575	-2
Other intangible assets	352,634	259,485	+93,149	+36
Interests in associates and joint ventures	216,085	204,411	+11,674	+6
Interests in other entities	3,133	2,588	+545	+21
Non-current loans and receivables	7,641	14,478	-6,837	-47
Derivative financial assets	35,685	27,099	+8,586	+32
Deferred tax assets	25,948	82,376	-56,428	-69
CURRENT ASSETS	2,408,321	3,811,522	-1,403,201	-37
Inventories	360,700	665,022	-304,322	-46
Derivative financial assets	198,757	208,995	-10,238	-5
Trade receivables and other non-derivative financial assets	873,021	1,565,280	-692,259	-44
Other non-financial assets	556,751	1,037,501	-480,750	-46
Current tax assets	15,120	15,319	-199	-1
Non-current assets held for sale	30,820	1,519	+29,301	+1,929
Cash and cash equivalents	297,501	245,582	+51,919	+21
Restricted cash	75,651	72,304	+3,347	+5
TOTAL ASSETS	5,975,709	7,025,452	-1,049,743	-15

Non-current assets

The ratio of non-current assets within assets is 60%; the 2024 actual amount is HUF 3,567.4 billion which is HUF 353.5 billion up on the prior-year figure.

The difference is mainly due to the increase in property, plant and equipment (+ HUF 304.4 billion) and in other intangible assets (+ HUF 93.1 billion), as well as the decrease in deferred tax assets (- HUF 56.4 billion).

Property, plant, equipment and other intangible assets grew primarily owing to the assets of the companies acquired in 2024 (+ HUF 461.2 billion). Further significant changes in the portfolio resulted from the amount of technological assets of MVM Paksi Atomerőmű Zrt., which decreased as compared to the previous year, due to the year-end fair value measurement (- HUF 188.6 billion), capital expenditures completed in 2024 (+ HUF 311.3 billion), depreciation charge (- HUF 267.9 billion), booked impairment (- HUF 23.8 billion) and the effect of revaluation of assets denominated in FX (+ HUF 55.0 billion). Within other intangible assets, acquisition of the reporting-year white certificate was an increasing factor (+ HUF 50.4 billion), mainly at MVM Next Zrt.

Current assets

Current assets as at the end of 2024 totalled HUF 2,408.3 billion, HUF 1,403.2 billion down on the previous year. Main contributing items include trade receivables and other non-derivative financial assets (- HUF 692.3 billion), the lower security and other deposit portfolio (- HUF 377.2 billion), the interim dividend paid in the reporting year that was lower than in 2023 (- HUF 183.0 billion) and the combined effect of lower trade receivables, priced derivatives and accrued income (- HUF 129.3 billion). Further decrease is due to other non-financial assets (- HUF 480.8 billion), as well as inventories (- HUF 304.3 billion) mainly because of the higher volume of removed inventories owing to the colder weather.

Closing cash and cash equivalents amounted to HUF 297.5 billion, which represents HUF 51.9 billion increase relative to the previous year.

1.4. Equity and liabilities

MVM Group, consolidated HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
EQUITY	2,169,354	1,936,726	+232,628	+12
Share capital	849,379	849,379	0	0
Capital reserve	51,892	51,892	0	0
Retained earnings	483,513	482,705	+808	+0
Reserves	784,273	552,608	+231,665	+42
Non-controlling interests	297	142	+155	+109
LIABILITIES	3,806,355	5,088,726	-1,282,371	-25
Non-current liabilities	1,706,348	1,945,831	-239,483	-12
Non-current loans and borrowings	1,160,428	1,333,217	-172,789	-13
Non-current derivative financial liabilities	17,185	71,850	-54,665	-76
Non-current provisions	196,216	128,332	+67,884	+53
Deferred tax liabilities	286,344	336,494	-50,150	-15
Liabilities related to long-term employee benefits	24,846	22,898	+1,948	+9
Other non-current financial liabilities	21,329	53,040	-31,711	-60
Current liabilities	2,100,007	3,142,895	-1,042,888	-33
Current loans and borrowings	260,825	329,883	-69,058	-21
Current derivative financial liabilities	86,757	496,411	-409,654	-83
Trade payables and other non-derivative financial liabilities	604,386	688,753	-84,367	-12
Current provisions	51,555	55,663	-4,108	-7
Liabilities related to short-term employee benefits	36,352	32,188	+4,164	+13
Liabilities held for sale	15,086	0	+15,086	N/A
Current tax liabilities	67,052	173,988	-106,936	-61
Other current non-financial liabilities	977,994	1,366,009	-388,015	-28
EQUITY AND LIABILITIES	5,975,709	7,025,452	-1,049,743	-15

Equity

The 2024 amount of equity totals HUF 2,169.4 billion, which is higher by HUF 232.6 billion than the prior-year figure, as a combined effect of the decrease resulting from the higher dividend payment relative to the previous year (- HUF 324.0 billion), the reporting-year profit after tax (+ HUF 323.7 billion) and the change in valuation reserve in connection with the valuation of hedges (+ HUF 324.5 billion).

Non-current liabilities

Non-current liabilities in 2024 total HUF 1,706.3 billion, their amount is HUF 239.5 billion down on the previous year. Non-current loans and borrowings were down by HUF 172.8 billion, non-current derivative financial liabilities by HUF 54.7 billion and deferred tax liabilities by HUF 50.2 billion. The reason behind the HUF 67.9 billion growth in non-current provisions is the recultivation provision (HUF 37.1 billion) recognised by MVM Upstream Kft. due to the acquisition of the natural gas field in Azerbaijan, and the portfolio risk provision recognised by MVM CEEnergy Zrt. (HUF 26.7 billion).

Current liabilities

Current liabilities amounting to HUF 2,100.0 billion decreased by HUF 1,042.9 billion relative to 2023. The difference is due to current liabilities related to derivative transactions (- HUF 409.7 billion) and lower liabilities related to stock exchange transactions (- HUF 367.6 billion). In addition, tax liability and current loans are also down on the prior-year by HUF 106.9 billion and HUF 69.1 billion, respectively.

1.5. Capital expenditures and investments, R&D activity

MVM Group HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
Capital expenditures	311,265	352,855	-41,590	-12
Investments	367,399	65,141	+302,258	+464
TOTAL DEVELOPMENTS	678,664	417,996	+260,688	+62

The MVM Group carried out HUF 311.3 billion CAPEX in 2024, HUF 41.6 billion less than in the previous year.

Main projects included the following items:

- MAVIR Zrt.'s projects for operational safety and network development purposes as well as IT improvements;
- purchase of nuclear fuel, replacement and control technology investment projects as well as regular targeted safety inspections of MVM Paks Atomerőmű Zrt.;
- projects at distribution network companies (MVM Démász Áramhálózati Kft., MVM Émász Áramhálózati Kft., MVM Főgáz Földgázhálózati Kft., MVM Égáz-Dégáz Földgázhálózati Zrt.) in line with the asset strategy and customer requirements;
- power plant projects of MVM Mátra Energia Zrt.;
- investments related to the storage infrastructure of Magyar Földgáztároló Zrt. and accounting for the replacement of cushion gas.

Investments

In 2024, the MVM Group realised HUF 367.4 billion in investments, HUF 302.3 billion more than in the previous year.

The most significant investments were:

- MVM Upstream Kft. acquired a 5% stake in the production-sharing agreement for the Shah Deniz offshore gas and condensate field in Azerbaijan, and a further 4% stake in the Azerbaijan Gas Supply Company, a trading company established for the exclusive sale of natural gas produced from the Shah Deniz natural gas and condensate field;
- MVM Zöld Generáció Zrt. acquired several solar power plants in Hungary, which increased its installed renewable production capacities by 312 MW.

Research and development (R&D)

Major research and development activities of the MVM Group in 2024:

- the research and development activities of MVM Paksi Atomerőmű Zrt. to increase the safety of the nuclear power plant, meet regulatory requirements, support extended operating hours, and promote more efficient and reliable generation of electricity;
- the replacement of MAVIR Zrt.'s Regulatory Reserves IT system, the preparation of the IT system for the management of dynamic load data for transmission lines and transformers, and the development of a fully digital substation;

- MVM Démász Áramhálózati Kft.'s research and development activities are focused on investigating the possibilities of using grid resilience services and developing innovative technical solutions for the integration of renewable energy sources;
- MVM Zrt.'s 4-year research cooperation with the BME Zero Carbon Centre, which examines the priority issues of the transition to a climate-neutral economy in the electricity sector with the aim of accomplishing the transition in an innovative way with the highest possible added value for the MVM Group and the Hungarian economy.

2. RESULTS OF THE BUSINESS DIVISIONS OF THE MVM GROUP

The MVM Group is divided into six main business divisions:

- Generation (electricity and heat generation),
- Infrastructure (electricity transmission, electricity and natural gas distribution, natural gas storage)
- Wholesale (electricity and natural gas wholesale)
- Retail and customer relations (retail trade of electricity and natural gas, street lighting e-mobility)
- International (operations in Azerbaijan, the Czech Republic and Romania)
- Other companies (holding, technical service providers, other providers)

The results of the individual business divisions for the 2024 financial year were as follows.

The analyses are based on the individual contributions of the activities to the consolidated results of the MVM Group under IFRS.

NET SALES REVENUE HUF million	FY 2024 actual	FY 2023 actual*	Change	Change %
Generation	505,220	469,472	+35,748	+8
Infrastructure	710,546	866,434	-155,888	-18
Wholesale	3,356,502	4,046,178	-689,676	-17
Retail and customer relations	1,604,413	2,319,713	-715,300	-31
International	914,149	983,953	-69,804	-7
Other	225,068	176,625	+48,443	+27
Consolidation between business divisions	-2,782,162	-3,783,336	+1,001,174	+26
MVM Group, consolidated	4,533,736	5,079,039	-545,303	-11

EBITDA HUF million	FY 2024 actual	FY 2023 actual*	Change	Change %
Generation	105,819	114,444	-8,625	-8
Infrastructure	269,728	303,185	-33,457	-11
Wholesale	289,436	392,138	-102,702	-26
Retail and customer relations	37,284	-37,524	+74,808	+199
International	104,404	143,397	-38,993	-27
Other	34,802	22,127	+12,675	+57
Consolidation between business divisions	-16,069	-27,286	+11,217	+41
MVM Group, consolidated	825,404	910,481	-85,077	-9

*2023 figures are restated due to reclassifications between the segments in 2024.

Indicators		FY 2024 actual	FY 2023 actual	Change	Change %
Generation of electricity	GWh	20,071	19,480	+591	+3
Upstream activity - natural gas production	million m3	382	0	+382	N/A
Upstream activity - oil production	mboe ¹	470	0	+470	N/A
Sale of heat energy	TJ	3,758	4,178	-420	-10
Installed electric capacity	MW	4,419	4,207	+212	+5
nuclear	MW	2,027	2,027	0	0
renewable	MW	880	568	+312	+55
lignite, natural gas and other	MW	1,513	1,613	-100	-6
Sale of electricity	GWh	38,846	38,440	+406	+1
Sale of natural gas	GWh	165,214	134,411	+30,803	+23
Carbon-free generation of electricity	GWh	17,333	16,729	+604	+4
nuclear	GWh	16,017	15,918	+99	+1
renewable	GWh	1,316	811	+505	+62
Carbon-free generation of electricity	%	86	86	0	0

¹thousand barrel oil equivalent

2.1. Generation business division

The Paks Nuclear Power Plant, owned by MVM Paksi Atomerőmű Zrt., is the largest power plant in Hungary. For more than 30 years, safe and cheap electricity generated from nuclear power plants in an environmentally friendly manner has provided a significant share of Hungary's electricity needs.

The purpose of Zöld Generáció Zrt. is to increase the share of safe, reliable, cheap and environmentally friendly renewable electricity generation in line with the National Energy Strategy and the national commitments to the European Union. Increasing the share of renewable power plants in MVM's portfolio will be achieved via developments in renewable energy programmes, acquisitions and the exploration of other alternative renewable energy generation options (geothermal, biomass, biogas, etc.). MVM Zöld Generáció Zrt. and its subsidiaries also have solar, hydro and wind power units.

In 2020, the MVM Group acquired sole ownership of the lignite-fired Mátra Power Plant, which has been in operation since 1969. The fuel is provided by the Visonta and Bükkábrány mines through open-cast mining.

MVM Balance Zrt. is responsible for operating the gas turbine power plants, as well as selling the available electricity capacity and the electricity and heat generated. In 2021 the Miskolc Combined Cycle Power Plant – shut down in 2014 – was relaunched, and thanks to the modernisation work completed it now operates reliably and complies with the stricter EU environmental rules.

The MVM Group is also an active player on the district heating market, where it supplies district heating to the given regions in Oroszlány, Szolnok, Tatabánya, Miskolc and North Buda by implementing state-of-the-art technologies.

The technical service companies belonging to the power generation business division of the MVM Group participate in the preparation, planning and implementation of projects necessary for the operation of electric and heat energy generating units, electricity networks as well as in the maintenance of equipment, and they undertake comprehensive engineering services for these activities.

Generation HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NET SALES REVENUE	505,220	469,472	+35,748	+8
EBITDA	105,819	114,444	-8,625	-8
Indicators				
Generation of electricity (GWh)	20,006	19,414	+592	+3
Sale of heat energy (TJ)	3,175	3,120	+55	+2

Power generation based on nuclear energy

The amount of EBITDA from power generation based on nuclear energy was HUF 22.6 billion up on the prior-period figure.

Net sales revenue increased by HUF 37.4 billion, mainly due to the increase in the unit price of electricity sales. Other income is lower by HUF 0.3 billion as a one-off base effect of an intra-group transfer of division in 2023, moderated by the higher amount of damage compensation received. Maintenance and material costs grew by HUF 3.0 billion, operating, subcontractor and other costs by HUF 12.0 billion and staff costs by HUF 3.5 billion. The balance of provisions improved by HUF 3.3 billion, mainly due to the impact of the change in the provision recorded for radioactive waste processing. The amount of impairment booked on inventories is lower by HUF 0.8 billion. The amount of payments to the Central Nuclear Financial Fund grew by HUF 1.9 billion. Own performance capitalised increased by HUF 1.8 billion.

Renewable power generation

Renewable capacities grew by 312 MW compared to the previous period, thanks to the expansion of photovoltaic power plant capacities. This means that the power generation portfolio of the MVM Group using renewable resources reaches 880 MW installed capacity.

EBITDA from the generation of electricity using renewable resources was up by HUF 12.9 billion.

Revenue from the sale of electricity increased by HUF 17.5 billion, primarily owing to the increasing volume of power generation in solar power plants as a result of extended capacities and to higher sales prices. Other income was HUF 0.5 billion down. Operating costs rose by HUF 3.2 billion and staff costs by HUF 0.5 billion. Own performance capitalised deteriorated by HUF 0.4 billion.

Flexible electricity generation and heat generation

The amount of EBITDA from flexible electricity generation and heat generation did not change markedly relative to the base period.

Heat sales revenues decreased by HUF 18.6 billion, mainly due to lower unit prices, which was further mitigated by lower sales volumes as a result of the mild weather. Revenues from electricity generation are HUF 4.8 billion higher due to higher volumes sold and unit prices, while revenues from system-level services also increased, since a significant fall in prices was offset by a rise in volumes offered. Other sales revenues dropped by HUF 0.4 billion overall.

Heat subsidy revenue is lower by HUF 3.7 billion, which is determined based on the methodology used by MEKH. The insurance compensation received in connection with the failure of a gas turbine increased the reporting-period profit by HUF 2.1 billion as a one-off effect.

The costs of fuel oil and natural gas use decreased by HUF 16.5 billion due to the fall in the purchase unit prices. Operating and other costs grew by HUF 0.2 billion. HUF 0.5 billion provisions were recognised.

Coal-fired power generation

EBITDA from the activity is HUF 49.1 billion down on the base-period figure.

Revenue from sale of electricity increased by HUF 6.3 billion, mainly due to the rise in unit prices, moderated by the decrease in the volume sold. Revenue from heat generation is higher by HUF 0.4 billion, while revenue from other activities rose by HUF 2.4 billion.

Other income grew by HUF 9.7 billion as a result of the amount received as compensation for the system security service.

Costs of materials purchased for power generation and other minor items increased by HUF 27.1 billion mainly due to the higher unit price of CO₂ allowances. Staff costs grew by HUF 1.9 billion.

The balance of provisions worsened by HUF 13.4 billion, primarily as a result of provisions recorded for mine closures and recultivation. HUF 24.2 billion impairment was booked on tangible assets due to changes in the methodology for budgetary compensation.

Own performance capitalised deteriorated by HUF 1.3 billion.

Other activities

The change in EBITDA of the other activities in the business division totalled HUF 2.1 billion, mainly owing to the improved provision balance of Vértesi Erőmű Zrt and the more favourable result of technical service provision activity.

The change in the consolidation effects within the business division is HUF 2.9 billion.

2.2. Infrastructure business division

MAVIR ZRt. is the transmission system operator of the Hungarian electricity system, and the owner and operator of the transmission network. As a subsidiary of the MVM Group, MAVIR ZRt. operates according to the ITO model, which ensures compliance with the rules on the separation of activities in line with the EU directive. The company is responsible for maintaining the capacity balance of the national energy system, balancing the deviations of the balance groups from the plans. It ensures the smooth operation and further expansion of the electric energy market and the system of balance groups helping the market, as well as equal access for system users.

HUPX Zrt. is the operator on the Hungarian electricity market, its core activity is to provide the reference prices and the exchange trading platform. In autumn 2024 it was contributed in kind to ADEX Szervezett Villamosenergia-piac Holding Zrt.

The MVM Group includes two electricity and two natural gas distribution network companies. Distribution networks are operated by MVM Démász Áramhálózati Kft. in the Southern Great Plain, by MVM Émász Áramhálózati Kft. in Northern Hungary, by MVM Főgáz Földgázhálózati Kft. in Budapest and in 18 municipalities near the capital and by MVM Égáz-Dégáz Földgázhálózati Zrt. in North-Western Hungary and in the Southern Great Plain. The companies are engaged in establishing, developing, operating, maintaining and managing the networks.

Magyar Földgáztároló Zrt. is the company with the largest Hungarian and one of the largest Central European gas storage capacities. It has 4.3 billion m³ of natural gas storage capacity at four sites.

Infrastructure HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NET SALES REVENUE	710,546	866,434	-155,888	-18
EBITDA	269,728	303,185	-33,457	-11
Indicators				
Electric energy transmission (GWh)	41,180	40,394	+786	+2
Electricity distribution (GWh)	10,210	10,076	+134	+1
Natural gas distribution (GWh)	28,458	28,725	-267	-1
Natural gas storage level (GWh)	27,563	41,114	-13,551	-33
Natural gas storage level (%)	60	84	-24	-29

Electric energy transmission

The EBITDA of the electric energy transmission activity decreased by HUF 55.3 billion.

The revenue from the activity fell by HUF 113.3 billion. Tariff revenues fell by HUF 118.8 billion as a result of lower system operator tariff, moderated by the slight increase in electricity sales. Sales revenue from energy regulation items was HUF 1.5 billion up on the base-period figure, while sale of cross-border capacity and other minor items caused a HUF 4.0 billion increase in sales revenue overall.

Other operating income was HUF 1.3 billion down.

System operator costs decreased by HUF 61.0 billion due to the fall in prices on the electricity market, while staff costs increased by HUF 1.4 billion and the balance of other minor items decreased profit for the period by HUF 0.3 billion.

Natural gas distribution

The amount of EBITDA from natural gas distribution is more by HUF 7.5 billion.

Net sales revenue was HUF 2.6 billion higher, mainly due to the tariff increase, but the figure was moderated by the decrease in volume.

Gas procurement costs fell by HUF 6.6 billion, maintenance costs grew by HUF 1.2 billion and staff costs by HUF 0.3 billion, while other operating items increased by HUF 1.3 billion. Own performance capitalised improved profit for the period by HUF 1.1 billion.

Electricity distribution

The EBITDA of the electricity distribution activity decreased by HUF 2.1 billion.

Revenue from distribution fee was HUF 3.7 billion lower, mainly due to the tariff decrease. Revenue from selling back electricity purchased for the residual curve deviation decreased by HUF 11.0 billion as a result of lower unit prices, while other items overall fell HUF 2.7 billion short of the prior-year figure. Other operating income dropped by HUF 38.1 billion, as unlike in the base period, there was no income from funding to protect utility payments in the reporting period, furthermore, the balance of compensation payable and received was also less favourable.

The cost of purchased electricity decreased by HUF 55.7 billion. Maintenance costs rose by HUF 4.3 billion, staff costs were HUF 2.0 billion higher, and other minor items caused a HUF 2.4 billion decrease in the result. Changes in provisions improved profit for the period by HUF 0.6 billion, the lower amount of impairment by HUF 1.3 billion and own performance capitalised by HUF 4.5 billion.

Natural gas storage

The EBITDA from this activity exceeded the base period by HUF 9.0 billion.

Storage revenues fell by HUF 25.8 billion due to the combined effect of unit prices and volume decrease. Revenues related to cushion gas were HUF 2.2 billion higher. The sale of recovered cushion gas resulted in sales revenue of HUF 1.0 billion in the base period, while no such income arose in the reporting period.

The cost of purchasing electricity decreased by HUF 12.5 billion, while the cost of purchasing natural gas increased by HUF 0.4 billion. Maintenance and operating costs grew by HUF 0.9 billion, the costs of CO₂ allowances by HUF 0.5 billion and staff costs by HUF 0.4 billion.

The more favourable balance of reclamation provisions owing to interest-rate changes increased the activity's result by HUF 23.3 billion.

Telecommunications

The EBITDA from this activity exceeded the base period by HUF 1.4 billion, mainly due to the decrease in operating costs as a result of the delivery of the LTE450 network.

Other activities

The change in EBITDA of the other activities in the business division totalled HUF 1.0 billion, primarily thanks to the higher revenue of power exchanges with almost unchanged cost-level.

The change in the consolidation effects within the business division is HUF 5.0 billion.

2.3. Wholesale division

MVM Partner Zrt. is a major player on the Hungarian electricity market with the largest generation portfolio in terms of purchases and contributes to the stable domestic supply of electricity in many ways. The company supplies the majority of its (mainly residential) consumers entitled to a universal service through the universal service providers and is also active in regional electricity trading with countries neighbouring Hungary. The company pursues trading throughout Europe and is present on several European stock exchanges and OTC markets through its Budapest headquarters.

MVM CEEnergy Zrt. is the leading player on the Hungarian natural gas wholesale market. The company is the most important partner of the universal natural gas supplier and the natural gas traders in ensuring a reliable supply of natural gas to residential consumers as well as small and medium enterprises, and also plays a significant role in the end-consumer market, as a partner to power plants, district heating companies and industrial customers. The company grows its regional market presence through its subsidiaries.

Wholesale HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NET SALES REVENUE	3,356,502	4,046,178	-689,676	-17
EBITDA	289,436	392,138	-102,702	-26
Indicators				
Sale of electricity (GWh)	37,612	37,224	+388	+1
Sale of natural gas (GWh)	165,956	134,634	+31,322	+23

Electric energy wholesale

The extremely high volatility of previous years consolidated at lower levels in the first half of 2024. The fall in allowance and natural gas prices played a significant role in the drop in electricity prices, but the unusually mild winter weather also exerted an impact through lower demand, while supply remained relatively stable. In the second half of the year, there were several cases of extremely high prices caused by a combination of factors. The colder weather than the seasonal norm increased the heating needs from the population, which pushed demand to high levels. In addition to the high demand, wind generation was extremely weak across the continent, while plant availability in the region declined due to maintenance at the Kozloduy nuclear power plant in Bulgaria and the Gönyű and Mátra plants in Hungary.

EBITDA from electricity wholesale activities was HUF 41.8 billion lower than in the previous period.

Sales revenue from electricity trading decreased by HUF 518.1 billion mainly owing to lower sales prices, with sales to universal service providers coming in HUF 27.0 billion higher due to the increase in unit prices regulated by decree. Revenue from energy regulation dropped by HUF 17.8 billion. Revenue from other activities decreased by HUF 2.5 billion overall.

Parallel to this, the costs of purchasing electricity fell by HUF 479.3 billion, the costs of balancing energy by HUF 3.1 billion, the cross-border capacity reservation fee by HUF 6.9 billion and the costs of CO₂ allowances by HUF 10.7 billion.

Unlike in the previous year, in 2024 no provisions for electricity trade were released, which decreased profit by HUF 5.4 billion.

At the same time, the windfall tax payable decreased by HUF 1.9 billion, while the balance of other minor items pulled the profit up by HUF 0.1 billion.

Natural gas wholesale

In 2024 the oil and gas market stabilised somewhat, with market volatility significantly lower than in the previous two years. However, mainly due to geopolitical risks, gas prices have seen a steady increase over the year compared to the February low. By the end of the year, the benchmark Dutch TTF had risen to a level not seen since October 2023. Keener competition from Asian importers also contributed to the higher prices, while the supply-side expansion of LNG lagged behind the growing demand.

The EBITDA of natural gas wholesale fell by HUF 35.2 billion compared to the previous period.

Natural gas trading revenues came in HUF 262.4 billion lower, with unit prices and volumes increasing; however, sales to the universal service provider decreased by 0.4 TWh.

The purchase cost of natural gas continues to exceed the average price of sales to the universal service segment, although at a decreasing rate, which is compensated via the utility cost reduction fund. Mainly due to the lower funding to protect utility payments as a result of lower purchase prices, other operating income were down by HUF 134.1 billion on the prior-period figure.

The costs of natural gas procurement decreased by HUF 397.2 billion due to the lower volumes purchased.

The change in provisions reduced profit for the period by HUF 37.0 billion due to changes in the provisions recognised for contractual and other expected liabilities in the base period. Impairment of bad debts decreased profit by HUF 2.8 billion, while the amount of debts assumed from MVM Next Zrt. is lower by HUF 3.6 billion. The balance of other minor items improved the profit for the period by HUF 0.3 billion.

The change in the consolidation effects within the business division is - HUF 25.7 billion.

2.4. Retail and customer relations business division

MVM Next Energiakereskedelmi Zrt. plays a significant role on the Hungarian universal service provision market for electricity and also supplies the entire Hungarian universal service provision segment for natural gas. In addition to the universal service provision activities, it has a significant share in both electricity and natural gas retailing on the competitive market.

Within the MVM Group, MVM Ügyfélkapcsolati Kft. supports the customer side operation of the main licensed activities. Its key priority is to operate customer-centric service channels and enhance the real customer experience.

Via MVM Mobiliti Kft. the MVM Group is a leading player in the fast-growing e-mobility market, and also operates CNG filling stations.

The MVM Group has a significant share in the street lighting market, which includes the modernisation and expansion of street lighting, and the development, expansion and operation of outdoor lighting.

Retail and customer relations HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NET SALES REVENUE	1,604,413	2,319,713	-715,300	-31
EBITDA	37,284	-37,524	+74,808	+199
Indicators				
Sale of electricity (GWh)	23,564	24,205	-641	-3
Sale of natural gas (GWh)	44,699	44,613	+86	+0

Retail

EBITDA from the retail activity is HUF 77.2 billion up on the base-period figure.

Revenues from the sale of electricity by universal service providers decreased by HUF 12.9 billion due to changes in consumption patterns and the composition of the customer base. Revenues from user sales were down by HUF 393.2 billion as a result of the decrease in unit prices and in traded volumes. The settlement of quantity differences with distributors decreased the sales revenue by HUF 76.4 billion, as it declined both in volume and unit price.

Revenue from natural gas trade was HUF 155.2 billion lower due to a decrease of 5.5 TWh in trading. Universal service sales revenue decreased by HUF 93.1 billion, with a lower average selling price and a 0.3 TWh increase in traded volumes.

The lower amount allocated to protect utility payments to compensate for losses in the universal service segment of electricity and the base effect of the compensation for the 2023 business-rescue measure collectively reduced profit by HUF 100.2 billion.

Electricity procurement costs decreased by HUF 635.1 billion, and natural gas procurement costs by HUF 298.0 billion.

The balance of provisions reduced the result for the period by HUF 0.7 billion and the balance of impairment booked on receivables and reversed by HUF 3.0 billion.

Services related to billing and receivables management rose by HUF 11.6 billion, energy efficiency obligations by HUF 6.0 billion, operating costs and other minor items by HUF 3.1 billion and staff costs by HUF 0.5 billion.

Client relations and other activities

The EBITDA from client relations and other activities increased by HUF 1.2 billion, primarily thanks to the more favourable results from energy efficiency services.

The change in the consolidation effects within the business division is - HUF 3.6 billion.

2.5. International business division

Since 2020, MVM Zrt. has wholly owned the innogy Česká republika Group, the number one natural gas trader in the Czech Republic, supplying energy to nearly 1.7 million retail and corporate customers. It operates in a competitive market environment in both the business and retail sectors. It is also involved in combined heat and power generation, power plant installation and e-mobility.

MVM Energy Romania performs maintenance work for and operates micro-hydroelectric power plants at Csíkmadaras, Úz-völgy and Vargyas. It provides clean and affordable energy for its customers in a sustainable way.

The transaction between the MVM Group and the Azerbaijan-owned Southern Gas Corridor CJSC was completed on 30 August 2024, under which MVM Upstream Kft. acquired a 5% stake in the production-sharing agreement for the Shah Deniz offshore natural gas and condensate field in Azerbaijan, and a further 4% stake in the Azerbaijan Gas Supply Company (AGSC), a trading company established for the exclusive sale of natural gas produced from the Shah Deniz natural gas and condensate field.

International HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NET SALES REVENUE	914,149	983,953	-69,804	-7
EBITDA	104,404	143,397	-38,993	-27
Indicators				
Sale of electricity (GWh)	5,228	5,491	-263	-5
Sale of natural gas (GWh)	21,768	23,154	-1,386	-6
Generation of electricity (GWh)	51	53	-2	-4
Sale of heat energy (TJ)	584	1,058	-474	-45

Presence on the Czech market

EBITDA from electricity and natural gas trade is HUF 83.1 billion down on the base-period figure.

Electricity trading revenues were HUF 52.2 billion lower due to the reduction in sales prices and alongside a decrease in traded volumes of 0.3 TWh. Sales revenue from natural gas trading decreased by HUF 70.9 billion, driven by a decrease unit prices and a 1.4 TWh fall in traded volumes. Revenues from heat generation were HUF 2.1 billion lower.

The funding received in the previous period to compensate for a significant part of the losses caused by the introduction of the price cap in the Czech electricity and natural gas markets was not an item in the reporting period due to the phasing out of the price cap, which reduced income by HUF 69.6 billion between the two periods. Other income, mainly from services, decreased by HUF 10.2 billion.

The cost of purchasing electricity decreased by HUF 83.7 billion and the cost of purchasing natural gas by HUF 35.9 billion.

Alongside the fall in purchasing costs, utility fees decreased by HUF 3.3 billion, maintenance costs by HUF 1.2 billion, while costs of services used and other minor items overall by HUF 1.3 billion. Staff costs rose by HUF 1.4 billion.

The balance of impairment of receivables was HUF 2.5 billion worse than in the previous year, but at the same time the amount of provisions recognised was lower by HUF 1.0 billion. Own performance capitalised decreased by HUF 0.6 billion.

Upstream activity

EBITDA from natural gas and condensate extraction activities was HUF 42.3 billion in 2024.

The MVM Group has conducted this activity since 1 September 2024, so its full-period result creates a discrepancy compared to the base period.

Presence on the Romanian market

The EBITDA figure from the Romanian market activity decreased by HUF 0.3 billion, mainly due to the lower profitability of electric energy trade.

The change in the consolidation effects within the business division is HUF 2.1 billion.

2.6. Other companies

The main activity of MVM Zrt. – as a holding entity – comprises asset management, group management and optimising operations, as well as communicating owner interests. In addition, the company's activities include the provision of management services, rental activities and the utilisation of other real estate. The profitability of the entities in the portfolio affects the company's results via dividend income.

The technical service companies of the MVM Group provide installation, construction and maintenance services related to the transmission and distribution network systems, mainly for members of the MVM Group. With its water-saving cooling systems, MVM EGI Zrt. provides a reliable foundation for thousands of power plants worldwide.

The other entities provide IT, accounting, property management, energy efficiency, innovation and other services, mainly for members of the MVM Group.

Other companies HUF million	FY 2024 actual	FY 2023 actual	Change	Change %
NET SALES REVENUE	225,068	176,625	+48,443	+27
EBITDA	34,802	22,127	+12,675	+57

Holding company

The EBITDA of the holding entity exceeded the base-period figure by HUF 1.6 billion.

Net sales revenue increased by HUF 10.4 billion, mainly due to the higher figure for intra-group management and mediated services. Other income fell by HUF 1.3 billion, mainly due to the lack of the 2023 one-off profit increasing effect of the property contribution in kind within the Group.

Staff costs decreased by HUF 0.3 billion, while mediated services rose by HUF 3.3 billion, the costs of intra-group services supporting operation by HUF 2.4 billion, advisory costs by HUF 1.6 billion, IT and other costs by HUF 1.8 billion.

Reversal of impairment recognised previously improved profit by HUF 1.3 billion.

Technical service providers

EBITDA from technical service provision exceeded the base-period figure by HUF 6.7 billion.

The increase in sales revenue above operating costs improved the result from installation and maintenance services by HUF 7.7 billion in connection with the substation construction and transmission divisions.

EBITDA from the production of refrigeration systems decreased by HUF 0.5 billion due to completion of projects and project delays.

Overall, the EBITDA from the other activities in the business division decreased by HUF 0.5 billion.

Other service providers

The EBITDA from other services – typically inside the Group – exceeded the previous period by HUF 4.9 billion.

The EBITDA of IT services increased by HUF 3.1 billion, the EBITDA of real estate management by HUF 1.0 billion, and the result from other, mainly internal administrative services by HUF 0.9 billion.

The change in the consolidation effects within the business division is - HUF 0.5 billion.

The change in consolidation effects between the business divisions is HUF 11.2 billion.

Management Report

2024

3. BUSINESS ENVIRONMENT OF THE MVM GROUP

The performance of the MVM Group was also influenced by changes in the global economy, energy market developments and external as well as internal conditions determining national economies. From the perspective of both political and economic events, 2024 was a volatile year that has a significant impact on coming years. In addition to the international and Hungarian macroeconomic and regulatory environment, the energy market, regulatory changes, climate policy, technology and social impacts are of the greatest importance here, as they interact closely with each other and with the environments above.

3.1. Macroeconomic environment

By the start of 2024, the dominant outlook was a climate of declining inflation and lower base rates consistent with the previous year's trends. Accordingly, the primary question for the economy at the beginning of the year was the rate of consumption growth. However, the GDP growth expectations of 2.5% had to be revised quickly. While the first quarter still produced growth of 0.6% quarter-on-quarter, the second quarter saw the indicator turn negative. The economy continued to contract in the third quarter, shrinking by 0.7%. By the end of 2024 the country had extricated itself from the recession, but the economic indicators were below expectations at the beginning of the year, thereby setting new challenges for 2025. The decline in manufacturing, construction and agriculture can be cited as reasons for the full-year performance, but positive elements such as stronger services, especially accommodation and hospitality, should be highlighted. The GDP index, revised during the year, eventually produced growth of 0.2% on an annual basis.

Although the country headed into 2025 with a high monthly inflation rate from December, annual price inflation is expected to total 3.7%, while the base rate fell from 10% to 6.5% by the end of the year (it reached this level in September 2024).

3.2. Regulatory environment

The regulatory environment in 2024 brought significant changes to the MVM Group's operations, in particular due to emergency legislation and the energy emergency. Acts VIII and LIV of 2024 amending Act XLII of 2022 authorised the Government to extend the state of emergency, which was prolonged until 18 May 2025 by Government Decree 330/2024 (XI.14). The energy emergency remains in place due to the war and energy shortages.

Legislative amendments fundamentally determining the MVM Group's operations include the amendment of Act LXXXVI of 2007 on Electricity (hereinafter referred to as: Act on Electricity) and its implementing decrees. Amendments to the Act on Electricity include extending the deadline for connections, facilitating access to the grid for renewable energy producers, and setting network access fees, which may not increase the charges paid by residential consumers.

Act XVIII of 2005 on District Heating (Act on District Heating) was also amended last year. This is designed to reduce administrative burdens and to regulate the restriction of service in the event of a gas supply crisis. Amendments to the implementing decrees of the Act on District Heating include provisions on fines, permits and the connection of heat generators providing energy from renewable sources.

Under the 2024 amendment to Act XL of 2008 on the Natural Gas Supply (Act on Natural Gas Supply), one of the changes to be highlighted is that hydrogen can only be injected into the natural gas system when mixed with natural gas, and can only be transported, distributed and stored when mixed with natural gas. The reservation of gas storage capacities was also regulated. The amendments to the Act on Natural Gas Supply were aimed at transposing REMIT II in Hungary too.

The purpose of the amendment to Act CXVI of 1996 on Atomic Energy (Act on Atomic Energy) is to regulate the operation of the Paks Nuclear Power Plant at the level of laws. The amendment of the Act on Atomic Energy makes it possible to maintain the capacity of the Paks Nuclear Power Plant and to invest in new nuclear power plant units.

The EU introduced an ESG (Environmental, Social, Governance) approach to promote sustainability and uniform corporate social responsibility. Act CVIII of 2023 on Sustainable Finance and Unified Corporate Responsibility (ESG Act) entered into force on 1 January 2024.

The amendments to Government Decree 122/2015 (V.26) on the implementation of Act LVII of 2015 on Energy Efficiency (Act on Energy Efficiency) introduced new provisions on the reporting of building energy consumption data

and the validation of energy-efficiency measures. The amendment to the Act on Energy Efficiency increases the EEO obligation from 2028.

Under the amendment to Government Decree 289/2022 (VIII.5) on the protection of utility payments, the Government ensured the financing for this and the maintenance of the special natural gas reserve in 2024 as well.

The purpose of the amendment to Government Decree 754/2021 (XII.22) is to determine the amount of electricity to be produced by MVM Mátra Energia Zrt. for 2025 and the period thereafter. Pursuant to Government Decree 72/2024 (III.28) on the revision of the obligation to maintain oil stocks of natural gas-fired power plants with a capacity of 50 MW or more, the natural gas-fired power plants shall not be required to keep normative energy stocks during the state of emergency. Pursuant to the amendment to Government Decree 232/2015 (VIII.20), MVM Zöld Generáció Zrt. will – for 20 years – ensure the operation of the solar power plant established with EU funding and may sell the generated energy only in the manner specified in the decree.

With regard to price regulation, the Hungarian Energy and Public Utility Regulatory Authority (MEKH) set the network access fees for 2024 based on Government Decree 484/2022 (XI.29). The amendment to Decree 70/2016 (XII.29) NFM on the framework for calculating regulated prices for the universal service on the natural gas market resulted in a change in the universal service margin rates. Pursuant to Government Decree 76/2024 (IV.3), the universal service provider applies a daily rate for the prorated use of discounted quantities. Decree 5/2024 (IV.3) EM amended Decree 69/2016 (XII.29) NFM on the assessment of sales prices for the universal natural gas service.

3.3. Climate policy environment

The international environment surrounding climate policy is radically affected by the Russia-Ukraine war that commenced in February 2022, and the energy-driven responses of the European Union in reaction to the conflict. The REPowerEU plan, published on 18 May 2022, builds on the results of the Fit For 55 legislative package adopted in July 2021 to rapidly reduce dependence on Russian fossil fuels and to accelerate the green transition.

The main objectives of the short-term goals and the medium-term measures to be implemented by 2027 are to diversify the EU's alternative energy supply options, to promote energy savings and to accelerate the transition to renewable energy. The energy transition has become the number one focus of all EU Member States, including Hungary, therefore such planning and implementation are also being detailed along the three main pillars of increasing the share of renewable energy sources in the system, energy efficiency, and reducing harmful emissions.

Just like the Russian-Ukrainian war, the Israeli-Hamas war that broke out on 7 October 2023 has had a major impact on the world's energy situation and intensified the aspirations of nations for energy sovereignty, the diversification of energy routes, the importance of strategic cooperation and efforts contributing to the energy transition.

The key strategic objectives of the current National Energy Strategy (NES) include strengthening energy independence and energy security, maintaining the results of the reductions in utility bills, as well as decarbonising energy production through the combined use of nuclear and renewable energy sources.

Hungary fulfilled its obligation to review and update its draft National Energy and Climate Plan (NECP) in 2024, which strengthened further Hungary's climate policy ambitions.

The draft NECP sets out the 2030 targets, which are:

- reduction in gross GHG emissions, by at least 50% compared to 1990,
- renewable energy to account for at least 30% in gross final energy consumption,
- reduction of non-ETS (Emissions Trading System) emissions of at least 18.7% compared to 2005,
- maximum import exposure for natural gas should be 80%, and
- final energy consumption in 2030 should not exceed 740 PJ.

The Energy Efficiency Obligation Scheme (EEO) under the Energy Efficiency Directive has been in effect from 1 January 2021. In the Hungarian EEO, obligated parties can implement energy efficiency measures anywhere, including in the industrial, residential, public, transport, service and agricultural sectors. The obligation covers energy trading and universal service licensees, natural gas trading and universal service licensees, as well as entities selling transport fuel to final customers. Effective from 2024, under the European Commission proposal, the annual energy savings obligation

of Member States, and thus the EEO obligation of the MVM Group will be increased significantly under the amendment to the Fit for 55 package. Ultimately, the planned increase in the target was not implemented in 2024, but some of the accounting and supply rules for certified energy savings were altered, and further changes were proposed for the coming year, such as an increase in the number of measures to be taken in the household sector.

3.4. Energy market

Electric energy

The economic and social pressures of the global energy crisis in previous years have eased, but geopolitical factors are still capable of causing hectic changes on the global economy, with the risk of further disruptions persisting. Prices have been highly volatile in 2024 as well. The fighting in Ukraine, more than two years after the Russian invasion, is now accompanied by a shift in US economic policy.

The highest price quoted on the HUPX (Hungarian Power Exchange) in 2024 was 999.01 EUR/MWh, on 3 March 2024. The lowest price, -149.98 EUR/MWh, was registered on 4 February 2024. There were 262 hours with negative prices on the overnight market in 2024, which is a significant increase in volume compared to previous years, thus confirming the growing volatility in the markets. According to MAVIR data, Hungary's gross electricity consumption in 2024 was 44.7 terawatt hours (TWh), 1 TWh (2.3 percent) higher than in 2023. Consumption was highest in the colder months of the year, in January (4.38 TWh), November (4.15 TWh) and December (4.2 TWh), similar to the trends in 2023.

The aggregate production of the Hungarian power plants also increased, exceeding 34 TWh in 2024, compared to 32 TWh in 2023. The Hungarian power plants reached their highest output of 2024 in July, November and December, when they produced 3.07 TWh, 3.1 TWh and 3.1 TWh of electricity, respectively.

Imports accounted for 23.98 percent (10.7 TWh) of the annual gross consumption. This is lower than in the previous year, when imported electricity was 11.1 TWh, making up 25.4% of the total consumption.

The peak load of the Hungarian electricity system reached its highest level of the year on 22 January 2024, with a gross grid load of 7,441 megawatts (MW).

The EU's energy demand increased by less than 2% compared to 2023 but is still lower than pre-crisis levels. Looking at Europe as a geographical entity, France has become the largest energy exporter, selling 89 TWh. In addition, hydropower exceeded expectations in Northern and Southern Europe, with record contributions from Norway, Switzerland and Italy, but due to the extreme weather and extreme heat waves, the Balkan region faced power cuts, a warning sign of the grid challenges that lie ahead.

Natural gas market

In 2024 the oil and gas market stabilised somewhat, with market volatility significantly lower than in the previous two years. However, mainly due to geopolitical risks, natural gas prices have seen a steady increase over the year compared to the February low. While there were no risks to security of supply thanks to the high storage levels, the uncertainty surrounding the shutdown of the Russian-Ukrainian transit channel and the adverse weather outlook led to an upwards trend in gas prices. By the end of the year, the benchmark Dutch TTF had risen to a level not seen since October 2023. Keener competition from Asian importers also contributed to the higher prices, while the supply-side expansion of LNG lagged behind the growing demand.

The benchmark stock market prices generally rose in 2024: the TTF ended the year up 49%, the US Henry Hub up 40%, and the Asian JKM LNG was up 30%, gas prices are still above the levels seen before the energy crisis and the outbreak of the Russia-Ukraine war. The average price per barrel of North Sea Brent crude oil averaged around USD 80 in 2024, down 2.6% from USD 82 a year earlier. The average price of US West Texas Intermediate (WTI) was USD 77, it changes very slightly compared to the previous average of USD 78.

In August 2022, the benchmark European gas price, the Dutch TTF, rose to unprecedented levels, so in December 2022 the European Union introduced the Market Correction Mechanism (MCM), which set the maximum TTF price at EUR 180/MWh, and established a reference price for LNG (liquefied natural gas), further expanding the range of European benchmarks. This measure was originally planned for one year, then was extended in November 2023 until January 2025. It will not be extended any further, since following the normalisation of the very high prices caused by the outbreak of the war between Russia and Ukraine, the price of natural gas was well below the level of activation even in the last two years, thus this measure has never been activated.

Following the outbreak of the war between Russia and Ukraine, several European countries expressed their intention to cut off Russian supplies completely, but little further progress was achieved on this in 2024: the volumes of Russian pipeline gas rose by 13% during the year from the very low figure in 2023. The volume of LNG imports also increased compared to last year, with European customers importing 14% more LNG from Russia in 2024 due to the higher prices for alternative sources of supply. A significant proportion of LNG exported from Russia was shipped to Europe, with France, Spain and Belgium receiving the largest share of the liquefied product. Some LNG is sent on to third countries, typically in Asia, and EU officials have spoken out against this, with the United Kingdom and the Netherlands banning LNG transit in November 2023. In June 2024, EU countries agreed to ban re-sales of LNG to non-EU countries from March 2025, with the goal of stopping all Russian imports by 2027.

Thanks to the mild winter experienced during the 2023/2024 period when natural gas inventories were removed from storage, storage levels in Hungary were around 70% at the beginning of March 2024. Increasing storage from an already high level helped to reach the maximum storage capacity as soon as possible, with the EU's November target of 90% reached in August. This meant the 2024 winter season started with a secure supply. However, the colder-than-average weather in November meant that the rate of removing natural gas inventories was significantly higher than in the previous year, so although the storage levels by the end of the year were lower than in the previous year, the supply continued to flow smoothly.

PV power plants

The growth of solar PV investments continued in Hungary in 2024, with an annual increase of more than 1.5 gigawatts. MAVIR data shows that the total installed capacity of solar PV systems exceeded 7,550 megawatts by the beginning of 2025. Looking at the figures of the Hungarian system operator, there are already 293,000 residential solar panels in operation, which will soon reach 300,000 thanks to the developments funded by the Solar Plus Programme. Within industry, the solar panel capacity exceeded 4,000 MW. With its new investments and developments, Hungary remains a major player in the field of solar energy. As solar panels have proliferated, negative hourly prices have also appeared on the power exchange, so the role of storage and consumer flexibility will become a focus area alongside solar panels in the coming years. Transactions completed in the second half of 2024 added a total of 249 MWp of installed renewable capacity to the MVM Group. This involved the acquisition of power plants with a capacity of between 3 and 63 MWp each, in four locations around Hungary. The MVM Group makes a major contribution to the green transition with its continuously expanding renewable generation capacity. Thanks to the continuation of its green investments, the Group's renewable portfolio is approaching 900 MWp of capacity.

3.5. Social and technology environment

Due to conflicts and other factors throughout the world, uncertainty will persist on the energy market and price volatility is not expected to wane.

Global demand for electricity grew by 4.3% in 2024 and is forecast to grow further by nearly 4% by 2027, with much of the additional demand coming from emerging economies that are expected to account for 85% of the overall growth. Despite the rapid expansion of clean energy, two-thirds of the growth in global energy demand was met by fossil fuels, pushing energy-related CO₂ emissions to a new record high. In the coming years, electricity generated from renewable energy sources and nuclear power is expected to satisfy the excess global demand, but carbon emissions may increase slightly.

The transition to clean energy has accelerated in recent years as a result of government policies and industrial strategies, but there is more short-term uncertainty than usual about how committed countries will be to climate protection. Energy and climate issues are prominent topics on the agenda for voters, who have been hit by high fuel and electricity prices as well as floods and heatwaves.

While the commitment of governments is important, this is not the only driving force behind the continued growth of clean energy: costs and the intense competition in the clean energy sector both influence its uptake. The sector's capacity for innovation is not negligible, with implications for economic growth and employment.

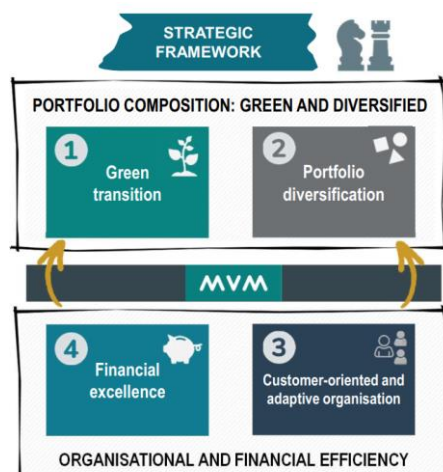
2024 was also a year of extreme weather events. Extreme storms, droughts and heatwaves are becoming more frequent, with 2024 being the hottest year on record so far. The increasing impacts of the weather on energy systems highlight the importance of enhancing electricity security.

The eruption of artificial intelligence will also have an impact on energy consumption. The growing use of electricity in data centres, partly linked to the increasing use of AI, is already exerting a strong local impact, but the potential energy impacts of artificial intelligence are broader than this, they may even result in better coordination of energy systems and shorter innovation cycles.

4. MVM GROUP'S OBJECTIVES AND STRATEGIC VISION

The MVM Group's vision is to become the leading energy and infrastructure player in Central and Eastern Europe (CEE) by 2035 relying on carbon-neutral solutions.

The realisation of this vision is mapped out in the MVM Group's new four-pillar system of strategic objectives published at the beginning of 2024:



- **Green transition**

Transforming electricity generation capacity with carbon-neutral solutions is a key strategic objective of the MVM Group. This involves reducing greenhouse gas intensity, expanding the carbon neutral and flexible generation portfolio, extending the lifetime of the Paks nuclear power plant and optimising the generation mix by phasing out coal-based electricity generation.

- **Portfolio diversification**

Hungary remains the MVM Group's core market, but plans include expanding activities in the region, and ensuring that EBITDA from outside Hungary reaches at least 25% by 2035.

The MVM Group aims to further improve its gas and electricity wholesale positions, especially in neighbouring countries.

The development of transmission and distribution networks, substations, interconnectors and energy storage is key to serving the rapidly growing electricity demand and integrating new renewable capacity. Digital solutions are playing an increasingly important role in optimising network development and operational costs.

- **Customer-oriented and adaptive organisation**

At the heart of this pillar are efficiency, digitalisation and customer orientation. This includes improving the customer experience, comprehensive digitalisation of processes, increasing the utilisation of online channels, becoming the preferred energy provider, transforming governance, continuously improving MVM's employer brand value, and becoming one of the Top 3 in Hungary and the Czech Republic.

- **Financial excellence**

A stable and predictable financial position is essential for implementing the MVM Group's overall strategy. Accordingly, a prudent funding policy is a key objective, focusing on competitive funding costs, a healthy mix of banking and bond funding, a comfortable liquidity position and a balanced repayment schedule.

With the primary objective of maintaining investment-grade credit ratings, the Sole Shareholder of the MVM Group and its management are strongly committed to conservative leverage ratios.

The 4 pillars are designed to cover the main priorities, so they support growth objectives, the development of a customer-focused, efficient organisation and sound financial foundations. Each of the strategic objective pillars supports the realisation of each element of the vision, and are individually in line with the owners' expectations (customer focus, efficiency, profitability, regionality) that define the MVM Group's mission.

The 4 pillars serve both the green and diversified growth objectives, as well as ensuring organisational and financial efficiency, thereby securing MVM's long-term position among the Top 5 companies in the CEE region.

5. MAIN RISKS OF THE MVM GROUP

5.1. Risk management policy

As a group of companies owned by the State, the MVM Group strives to operate prudently and essentially to assume a low risk profile, but at the same time, it is confronted with new situations in the context of its strategic objectives, where other, previously unknown risks may emerge. The MVM Group management therefore pays particular attention to identifying and systematically managing the risks that arise. For this purpose it also operates a Risk Management Committee that holds meetings at least twice a year. Its permanent members are the chief executive officer and the deputy-CEOs, as well as the risk management director.

The purpose of the risk management is to support the long-term success of the MVM Group by identifying and responding to the risks that affect it. The MVM Group is exposed to risks typical for the industry, which it seeks to manage to the extent that does not already jeopardise the achievement of the strategy and business objectives. The MVM Group's risk management focuses on striking the right balance between risks and opportunities, and on applying management methods that are proportionate to the nature and extent of the risks.

Managing risks effectively is of paramount importance to the Group's growth and success, and also contributes to maintaining the MVM Group's good reputation.

Main risks affecting the Company:

- Risks of regulated operations
- Risks of market and customer demand changes, and adapting to them
- Financial risks
- Commercial risks
- Corporate governance risks
- Information security risks
- Risks to human resources
- Technical risks
- Health, safety and environmental protection risks
- Risks related to climate change

The risk management report prepared for the senior management at MVM Zrt. ensures the monitoring of the most significant risks, up-to-date risk mitigation measures and their regular follow-up.

5.2. Risk management

In accordance with Group-level risk management guidelines, the MVM Group's member companies monitor risk elements in regular risk reports, which are kept at the desired level through a system of volumetric, financial and VaR-based limits. The risks to be identified can be grouped into the following categories, according to their main characteristics:

- Interest rate risk: The interest rate risks of the MVM Group typically arise in connection with managing its floating-rate external debt and refinancing external debt.
- Foreign exchange risk: The MVM Group's FX risks typically arise in connection with the commercial/service provision divisions and with its financing/capital market transactions.
- Bulk commodity risk: The MVM Group's bulk commodity risks typically arise in connection with its trading activities in electricity, natural gas, oil products, CO₂ allowances and coal.
- Counterparty risk: The MVM Group's counterparty risks typically arise in connection with activities with its business partners (e.g. commercial, banking, insurance, investment and other).

5.3. Integrated risk management system

The MVM Group operates an integrated Enterprise Risk Management (ERM) system to identify and assess risks that threaten the achievement of organisational objectives and to mitigate them as far as possible.

This includes:

- identifying, correcting, and then – looking ahead – preventing future events and risks that could hinder the achievement of the objectives,
- helping management to manage risks, and
- regulating the processes needed to achieve this.

The integrated risk management procedure sets out the actions to be taken in relation to each risk – and how to take them – to reduce or eliminate the risks, and how to monitor the completion of the actions on an ongoing basis.

The risks and the responses thereto are continuously monitored via regular risk management reporting.

Each department is required to continuously monitor and track the risks it is associated with, and in each data reporting request made they must update the information related to existing risks, and record new risks, according to the current status.

5.4. Funding, liquidity risk

As with all companies that finance themselves from the loan and capital markets, the MVM Group is exposed to the general sentiment of the international loan and capital markets as well as the risk appetite of financing banks and institutions when it comes to raising external debt. The availability of debt capital has been unproblematic in recent months/years.

An escalation in the geopolitical situation and the resulting increased volatility on money and capital markets may make it more difficult or expensive to raise external funds. The MVM Group currently has an appropriate amount of undrawn credit available, which provides an adequate source of liquidity in case of a sudden increase in financing needs.

5.5. Commodity market risk

Overall, the MVM Group's retail and wholesale activities cover 23 countries in Europe. In these markets, the MVM Group is exposed to commodity price fluctuations – mainly in the markets for electricity, natural gas, oil and carbon dioxide (CO₂) emission allowances. Because of heightened geopolitical risks and the prolonged military conflict, the regional energy market prices are still characterised by increased uncertainty, which underpins the principle of operating within strict risk management limits.

In addition to commodity price risk, the liquidity and availability of individual markets are also critical for risk management, as they create the opportunity for appropriate risk management.

On the MVM Group's main markets (natural gas, electricity), one of the main tasks of the wholesale activity is to serve/supply the cyclicity of demand, i.e. to convert/supplement the often rigid and homogeneous "standard" products. The resulting basis risk constitutes a very significant part of the commodity market risk faced by the MVM Group.

To mitigate its financial risks the MVM Group enters into hedging derivative (typically commodity and foreign exchange) transactions and designates a part of them as cash flow hedging relationships. Derivative transactions entered into with hedging purpose are designated as hedges when these transactions are entered into, that is, the related hedged item and the type of risk intended to be hedged are clearly designated. Application of hedge accounting commences on the date of the establishment of the hedging relationship, which is the date of entering into the derivative transaction. The MVM Group prepares hedging documentation on hedges and performs effectiveness tests monthly and upon the expiry of the transaction.

5.6. Foreign exchange risk

The functional and presentation currency of the MVM Group is the Hungarian forint. The MVM Group's significant regional presence and the EUR-based price quotations of its main markets constitute a significant foreign exchange exposure. In accordance with the risk management guidelines, the member companies seek to establish natural hedge positions in foreign currency, i.e. applying the principle of FX purchase/liability versus FX sale/asset. If this is not possible for some reason, the net foreign exchange position is hedged with a derivative – generally a forward purchase/sale of foreign exchange. The amount of foreign exchange risk that member companies can take on is capped by a limit system.

During the long-term management of the MVM Group's – and MVM Zrt.'s – FX balance sheet items, the expected probabilities of FX appreciation and depreciation based on historical exchange rate movements and the current hedging cost of the given hedging direction are considered.

Similar to commodity risk, the effective time horizon for managing FX risk is typically 1-2 years at most, which means, just like all market participants, the MVM Group will have to adapt to a changed exchange-rate environment in the medium and long term.

5.7. Interest rate risk

The MVM Group is exposed to changes in interest rates in the context of its business activities and financial transactions. MVM Zrt. provides the necessary financing for the members of the MVM Group – with the exception of certain project financing transactions – in the form of a parent company loan. Such parent company loans are usually linked to benchmarks bearing variable interest. Accordingly, the members of the MVM Group are exposed to the risks associated with changes in such variable rate benchmarks, which they can manage with interest rate derivatives entered into through the central Treasury. MVM Zrt. also uses external financing in addition to the financing needs of individual members of the MVM Group to finance acquisitions and group-wide capex.

The MVM Group manages the interest rate risks stemming from its financing activities by choosing the type of interest rate used for the financing source and by using interest rate derivatives, typically interest rate swaps.

5.8. Counterparty risk

The MVM Group's counterparty risks typically arise in connection with activities with its business partners (e.g. commercial, banking, insurance, investment and other).

Counterparty risk is the probability that a business partner will not fulfil its contractual obligations. The most important are non-payment risk – where the counterparty is unable to make the required payments when due, with negative effects on the seller's liquidity and financial performance – and default risk, where the counterparty fails to meet its supplier obligations and so the purchase has to be replaced at a higher price.

The MVM Group seeks to manage the ever-changing market and economic conditions by periodically reviewing and adjusting the counterparty rating model in a manner consistent with the MVM Group's risk appetite (e.g. critical sectors have been identified where a more stringent limit-setting methodology is applied, i.e. lower limits may be issued in these segments).

The uncertain economic environment fuelled by the continuously changing geopolitical situation as well as the price volatility on the energy market and the risk factors caused by high prices are being addressed by the MVM Group through more stringent counterparty rating methodology and the inclusion of more guarantees. In order to share non-payment risks, loan insurance arrangements were introduced for a part of the retail portfolio in 2024.

The MVM Group continuously monitors overdue outstanding receivables and sends reminders to its partners in default. If the partner fails to pay despite several reminders, the Group uses all legal means to ensure recovery of past due receivables to the greatest extent possible.

5.9. Project risk

Each project is implemented under different conditions. Under these constantly changing individual circumstances, it is necessary to find the fixed points at which the project risks can be identified, assessed and managed.

As a result of the MVM Group's acquisitions, the MVM Group is now seeing projects from Hungary to China, including individual projects worth several billion forints, with a risk profile – in addition to the highly volatile cost elements at

present – that can reach a gross exposure of up to several billion Hungarian forints. This size of risk already poses a significant threat to the achievement of targets of the subsidiaries, but these targets can be accomplished if the risks are managed effectively.

The professional assistance provided to the subsidiaries in the area of project risk management ranges from general training through process reviews to support for specific projects. In the latter case, in relation to specific projects, the support includes the preparation of a project risk profile, an assessment of the specific risk elements and/or a proposal for the definition of a specific risk management methodology.

6. MVM GROUP'S ENVIRONMENTAL PROTECTION ACTIVITIES

Environmental protection activities of the MVM Group are presented in Chapter 13 Environmental Information of the Sustainability Report.

7. SOCIAL AND HR ACTIVITIES OF THE MVM GROUP

Social and HR activities of the MVM Group are presented in Chapter 14 Social Information of the Sustainability Report.

8. SITES AND BRANCHES OF THE GROUP

Company	Registered office, site, branch
MVM Zrt.	1031 Budapest, Szentendrei út 207-209. 4623 Tuzsér, külterület 0120/34. 7030 Paks, hrsz. 8803/17. 7030 Paks, Gagarin utca 1.
MVM Paksi Atomerőmű Zrt.	7030 Paks, hrsz. 8803/17. 7030 Paks, Dózsa György út 95. 1024 Budapest, Kút utca 4/a 8230 Balatonfüred, Germering utca 19. 8230 Balatonfüred, Kouvola utca 1. 9400 Sopron, Fenyves sor 10. 7133 Fadd-Dombori, Duna sor 22-23.
ATOMIX Kft.	7030 Paks, hrsz. 8803/17. 7030 Paks, Szent István tér 2. 8230 Balatonfüred, Germering utca 19. 8230 Balatonfüred, Kouvola utca 1.
MVM Mátra Energia Zrt.	3271 Visonta, Erőmű utca 11. 3422 Bükkábrány, Külfejtéses Bányauzem kültelek 030/1.
MVM Mátra Gép Kft.	3271 Visonta, Erőmű utca 11.
MVM Mátra Mélyépítő Kft.	3271 Visonta, Erőmű utca 11. 3422 Bükkábrány, külterület hrsz. 030/1. 3353 Aldebrő, külterület hrsz. 0149/2.
GEOSOL Kft.	3273 Halmajugra, külterület 07/130. 3273 Halmajugra, külterület 07/21. 3273 Halmajugra, külterület 07/48. 3273 Halmajugra, külterület 07/129. 3273 Halmajugra, külterület 08/2. 3273 Halmajugra, külterület 07/50. 3273 Halmajugra, külterület 07/51. 3273 Halmajugra, külterület 09. 3273 Halmajugra, külterület 010/1. 3272 Visonta, Erőmű utca 11. 3272 Visonta, külterület 0163/88. 3272 Visonta, külterület 0158/25. 1143 Budapest, Ilka utca 2-4. 3275 Detk, külterület 0127/15.
MVM Balance Zrt.	2040 Budaörs, Kinizsi utca 26. 3021 Lőrinci, Erőműtelep 8196 Litér, Királyszentistváni út 3599 Sajószöged, Bába út 1037 Budapest, Kunigunda útja 49. 8400 Ajka, Gyártelep 1961/1. 3531 Miskolc, hrsz. 23358/16. 3531 Miskolc, hrsz. 23358/4. 3534 Miskolc, hrsz. 21551/2. 3535 Miskolc, hrsz. 30519/3.

MVM Tisza Erőmű Kft.	3580 Tiszaújváros, Debreceni út 2/A
MVM MIFŰ Kft.	3531 Miskolc, Tatár utca 29/b 3531 Miskolc, 23358/14. hrsz.
MVM OTSZ Zrt.	2840 Oroszlány, Bánki Donát utca 2. 2840 Oroszlány, Külterület hrsz. 0718/9. 2840 Oroszlány, Külterület hrsz. 0718/10. 5000 Szolnok, Széchenyi István körút 9678/35. 5000 Szolnok, József Attila út 4566/10. 5000 Szolnok, Móra Ferenc út 1428/14. 5000 Szolnok, Vegyiművek lakótelep 19012/9/A/2.
NRG Finance Kft.	1031 Budapest, Szentendrei út 207-209. 9027 Győr, Martin utca 1.
Rába Energiaszolgáltató Kft.	9027 Győr, Martin utca 1.
Vértési Erőmű Zrt.	2840 Oroszlány, külterület hrsz. 0718/10. 8066 Pusztavám, Közterület 071/2. hrsz. Márkushegyi Bányaüzem
MVM Zöld Generáció Zrt.	1031 Budapest, Szentendrei út 207-209. 9482 Nagylózs, külterület hrsz. 07/12/A 9483 Sopronkövesd, külterület hrsz. 0216/25/A 4900 Fehérgyarmat, külterület hrsz. 0239/24. 4621 Fényeslitke, külterület hrsz. 028/61. 4621 Fényeslitke, külterület hrsz. 028/62. 4621 Fényeslitke, külterület hrsz. 028/63. 5500 Gyomaendrőd, belterület hrsz. 3748/3. 5310 Kisújszállás, belterület hrsz. 1846/2. 4600 Kisvárd, külterület hrsz. 0307/6. 4700 Mátészalka, külterület hrsz. 0169/10. 4700 Mátészalka, külterület hrsz. 0169/12. 4700 Mátészalka, külterület hrsz. 0169/14. 4700 Mátészalka, külterület hrsz. 0176/6. 4485 Nagyhalász, külterület hrsz. 0297/2. 4252 Nyíradony, belterület hrsz. 3985/4. 4361 Nyírbogát, belterület hrsz. 1345/5. 4150 Püspökladány, belterület hrsz. 2026/1. 5081 Szajol, belterület hrsz. 946/20. 5000 Szolnok, külterület hrsz. 091/10. 4931 Tarpa, belterület hrsz. 121. 6060 Tiszaújváros, külterület hrsz. 0634/23. 5536 Körösújfal, belterület hrsz. 247. 5411 Kétpó, belterület hrsz. 346/2. 7621 Pécs, belterület hrsz. 23429/14. 4100 Berettyóújfal, belterület hrsz. 3982/3. 2735 Dánszentmiklós, külterület hrsz. 048/7. 4030 Debrecen, külterület hrsz. 0439/64. 4030 Debrecen, külterület hrsz. 0439/65. 2510 Dorog, külterület hrsz. 0294/3. 5321 Kunmadaras, külterület hrsz. 042/20. 5321 Kunmadaras, külterület hrsz. 042/23. 6115 Kunszállás, külterület hrsz. 0285/49. 4356 Nyírcsaholy, külterület hrsz. 0321/10. 2840 Oroszlány, külterület hrsz. 0706/8. 2840 Oroszlány, külterület hrsz. 0706/9.

MVM Zöld Generáció Zrt.	2840 Oroszlány, külterület hrsz. 0706/10. 2840 Oroszlány, külterület hrsz. 0706/11. 2840 Oroszlány, külterület hrsz. 0706/12. 2840 Oroszlány, külterület hrsz. 0706/13. 2840 Oroszlány, külterület hrsz. 0706/14. 2840 Oroszlány, külterület hrsz. 0706/15. 2840 Oroszlány, külterület hrsz. 0706/16. 2840 Oroszlány, külterület hrsz. 0706/17. 2840 Oroszlány, külterület hrsz. 0706/18. 2840 Oroszlány, külterület hrsz. 0706/19. 2840 Oroszlány, külterület hrsz. 0706/20. 2840 Oroszlány, külterület hrsz. 0706/21. 2840 Oroszlány, külterület hrsz. 0706/22. 7630 Pécs, belterület hrsz. 23425/16. 7630 Pécs, belterület hrsz. 23425/17. 7630 Pécs, belterület hrsz. 23425/18. 7630 Pécs, belterület hrsz. 23425/19. 7630 Pécs, belterület hrsz. 23425/20. 5919 Pusztaföldvár, belterület hrsz. 1031. 6346 Sükösd, külterület hrsz. 024/104. 6729 Szeged, külterület hrsz. 01176/14. 6729 Szeged, külterület hrsz. 01176/17. 6729 Szeged, külterület hrsz. 01176/19. 6729 Szeged, külterület hrsz. 01177/1. 6729 Szeged, külterület hrsz. 01178/14. 6729 Szeged, külterület hrsz. 01179/5. 6728 Szeged, külterület hrsz. 01196/28. 6728 Szeged, külterület hrsz. 01196/33. 6728 Szeged, külterület hrsz. 01196/35. 6728 Szeged, külterület hrsz. 01196/43. 6728 Szeged, külterület hrsz. 01246/12. 6728 Szeged, külterület hrsz. 01246/13. 6728 Szeged, külterület hrsz. 01246/14. 6728 Szeged, külterület hrsz. 01293/1. 5530 Vésztő, külterület hrsz. 0218/8. 5530 Vésztő, külterület hrsz. 0218/9.
MVM ZG Solar Kft.	1031 Budapest, Szentendrei út 207-209. 3561 Felsőzsolca, hrsz. 056. 3561 Felsőzsolca, hrsz. 039/4. 3561 Felsőzsolca, hrsz. 039/5. 3561 Felsőzsolca, hrsz. 039/6. 3561 Felsőzsolca, hrsz. 040/2. 7030 Paks, hrsz. 0181/3. 7030 Paks, hrsz. 081/4. 7030 Paks, hrsz. 081/6. 7030 Paks, hrsz. 087/6. 7030 Paks, hrsz. 087/7. 7030 Paks, hrsz. 087/8. 7030 Paks, hrsz. 0184. 6623 Árpádhalom, 166/13. 3070 Bátorfőnyé, 2022/16.

MVM ZG Solar Kft.	5671 Békéscsaba, 0786/6. 7570 Barcs, 520/2. 2687 Bercel, 0340/11. 7827 Beremend, 0182/29. 2060 Bicske, 041/8. 8053 Bodajk, 0207/10. 7150 Bonyhád, 048/6. 7013 Cece, 0292/32. 2700 Cegléd, 1651/64. 3973 Cigánd, 0108/3. 8074 Csókakő, 070/2. 9300 Csorna, 0123/24. 2118 Dány, 089/9. 9436 Fertőszéplak, 424/2. 9436 Fertőszéplak, 424/5. 2686 Galgaguta, 0148/2. 5925 Gerendás, 088/168. 9821 Győrvár, 05/1. 9821 Győrvár, 03/15. 3011 Heréd, 082/1. 8380 Hévíz, 022/53. 6800 Hódmezővásárhely, 3570/63. 7095 Iregszemcse, 0291/28. 6440 Jánoshalma, 712. 5130 Jászapáti, 1346/1. 9123 Kajárpéc, 0241/11. 9123 Kajárpéc, 0251/74. 2366 Kakucs, 036/41. 2366 Kakucs, 036/42. 6237 Kecel, 2691. 6000 Kecskemét, 0778/10. 6000 Kecskemét, 0778/12. 6000 Kecskemét, 0778/13. 6000 Kecskemét, 0983/65. 7839 Kemse, 025/33. 2870 Kisbér, 0129/37. 3384 Kisköre, 1031/2. 6100 Kiskunfélegyháza, 2222/2. 6400 Kiskunhalas, 3270/23. 2900 Komárom, 1782/233. 7300 Komló, 0308/5. 9730 Kőszeg, 0117/6. 5725 Kőtegyán, 760/4. 8693 Lengyeltóti, 936. 5800 Mezőkovácsháza, 2440. 3400 Mezőkövesd, 0225/7. 5751 Nagykamarás, 047/79. 8291 Nagyvázsony, 099/3. 8191 Öskü, 077/15. 8191 Öskü, 077/17. 7030 Paks, 5348/1. 7030 Paks, 5348/3. 7030 Paks, 0259/18.

MVM ZG Solar Kft.	7030 Paks, 0259/20. 7030 Paks, 0259/22. 7030 Paks, 0259/24. 3777 Parasznya, 065/4. 7621 Pécs, 23429/2. 7621 Pécs, 23429/3. 7621 Pécs, 23429/4. 7621 Pécs, 23429/6. 2300 Ráckeve, 0251/1. 3033 Rózsaszentmárton, 0102/8. 3033 Rózsaszentmárton, 0102/9. 3712 Sajóvámos, 678/2. 7000 Sárbogárd, 0238/43. 7000 Sárbogárd, 0238/44. 6230 Soltvadkert, 0316/53. 8683 Somogytúr, 0134/3. 2241 Sülysáp, 0431/9. 6635 Szegvár, 478/3. 3922 Taktaharkány, 1439/2. 3922 Taktaharkány, 1476. 7090 Tamási, 1422/6. 2251 Tápiószecső, 0204/2. 2045 Törökbálint, 9001. 5661 Újkígyós, 05/123. 2163 Vácrátót, 057/32. 2163 Vácrátót, 057/34. 8100 Várpalota, 4134/17. 8100 Várpalota, 4134/19. 8200 Veszprém, 071/39. 8200 Veszprém, 071/42. 8741 Zalaapáti, 0148. 8900 Zalaegerszeg, 0779/3. 3262 Markaz, 0116/2. 3271 Visonta, 0151/141.
MVM ZG Solar Service Kft.	1031 Budapest, Szentendrei út 207-209.
Komm Hull Villamosenergia Kereskedő Kft.	1031 Budapest, Szentendrei út 207-209.
Raaba Energy Kft.	1031 Budapest, Szentendrei út 207-209. 9730 Kőszeg, 2881 hrsz. 9751 Vép, hrsz. 038/4. 9735 Csepreg, hrsz. 1901/13. 9735 Csepreg, hrsz. 1901/20. 8897 Söjtör, hrsz. 0337/3. 8897 Söjtör, hrsz. 0337/5. 8897 Söjtör, hrsz. 0337/2. 5820 Mezőhegyes, külterület hrsz. 17/4. 5820 Mezőhegyes, külterület hrsz. 20. 6100 Kiskunfélegyháza, külterület hrsz. 0590/27. 6782 Mórahalom, külterület hrsz. 0274/3. 6782 Mórahalom, külterület hrsz. 0274/30. 6000 Kecskemét, külterület hrsz. 0206/234.

Raaba Energy Kft.	6783 Ásotthalom, külterület hrsz. 0166/79. 6783 Ásotthalom, külterület hrsz. 0166/80. 6412 Balotaszállás, külterület hrsz. 0116/80. 6412 Balotaszállás, külterület hrsz. 0116/81. 6412 Balotaszállás, külterület hrsz. 0116/82. 6412 Balotaszállás, külterület hrsz. 0116/83. 6412 Balotaszállás, külterület hrsz. 0116/84.
MVM ZG SOLAR STAR Kft.	1031 Budapest, Szentendrei út 207-209.
MVM Vízerőmű Kft.	4450 Tiszalök, Vízerőmű 3384 Kisköre, Vízerőmű (Pf:12.)
MVM XPert Zrt.	1158 Budapest, Rákospalotai Körvasútsor 105. 1158 Budapest, Késmárk utca 14. 1158 Budapest, Késmárk utca 24-28. 2060 Bicske, Akácfa utca 3561 Felsőzsolca, Arnóti út 2800 Tatabánya, Környei út 34.
MVM EnerGo Kft.	1158 Budapest, Késmárk utca 14.
Speciális Nehézszállító Zrt.	1158 Budapest, Késmárk utca 14. 1158 Budapest, Rákospalotai Körvasút sor 105. 2132 Gőd-felső, Ady Endre utca 6100 Kiskunfélegyháza, Csanyi út 71/B 8360 Keszthely, Alsópáhoki út.
MVM Titán Zrt.	1158 Budapest, Késmárk utca 14. 6100 Kiskunfélegyháza, Csanyi út 71/B ép. C. lház 6100 Kiskunfélegyháza, Csanyi út 71/C ép. 2132 Gőd, Ady Endre utca
MVM NUKA Zrt.	7030 Paks, 8803/17. hrsz. 7030 Paks, Tolnai út 42. l.em. 7030 Paks, 8803/16 hrsz. 7030 Paks, Dankó Pista utca 1. 7030 Paks, Vasút utca 2.
MVM ERBE Zrt.	1117 Budapest, Budafoki út 95. 7030 Paks, hrsz. 8803/17.
MVM ERBE Engineering Zrt.	1117 Budapest, Budafoki út 95. 7030 Paks, Tolnai út 105.
MVM EGI Zrt.	1117 Budapest, Irinyi József utca 4-20. B. ép
MVM EGI Cooling Systems (China) Co. Ltd.	West Quanda road,Wuqing development Zone,Tianjin New Technology Industrial area, China
MVM EGI Cooling Systems Trading (Beijing) Co. Ltd.	Room 500, 5th Floor, Sunflower Tower, No. 37, Maizidian Street, Chaoyang District, Beijing, China
European Power Services Zrt.	1037 Budapest, Montevideó utca 3/A. 3. em. 34/A. ajtó
MAVIR ZRt.	1031 Budapest, Anikó utca 4. 1158 Budapest, Körvasútsor 106. 2730 Albertirsa, Dánosi út 9028 Győr, Tatai út

MAVIR ZRt.	3599 Sajószöged, Bábai út 7401 Kaposvár, Toponár külterület 2132 Gőd, Ady Endre út 123.
HUDEX Energiatőzsde Zrt.	1134 Budapest, Dévai utca 26-28.
MVM CEEnergy Zrt.	1138 Budapest, Váci út 144-150.
MFGK Austria GmbH	Austria, Meidlinger Hauptstraße 73/Top M73/2, 1120 Viena
MVM CEEnergy SLOVAKIA s.r.o.	Slovakia, 82104 Bratislava, Ivánska cesta 30/B
MVM CEEnergy Croatia d.o.o.	Croatia, Zagreb 10000, Radnička cesta 177
MVM CEEnergy CZ s.r.o.	Czech Republic, Limuzská 3135/12, Strašnice, 108 00 Praha 10
Serbhungas d.o.o.	Serbia, Novi Sad 21000, Bulevar Oslobođenja 69.
Magyar Földgáztároló Zrt.	1138 Budapest, Váci út 144-150. 4064 Nagyhegyes, 0159/1. 6411 Zsana, 086/20. 8946 Pusztaderics, 0134/6. 5945 Kardoskút, 0100/3.
MVM Partner Zrt.	1031 Budapest, Szentendrei út 207-209. 1138 Budapest, Váci út 150. CZ-11000 Praha 1, Staré Mesto, Na Perstyné utca 342/1. Czech Republic SK-82109 Bratislava, mestska cast Ruzinov Gusevova 1415/6. Slovakia RO-Bucuresti, Calea Dorobanti 32. D' or Offices. ép. V. em. 520. ajtó Romania
MVM Partner d.o.o.	Croatia, Zagreb 10000, Ilica 1.
MVM Partner Serbia d.o.o. Beograd	Serbia, Beograd, Novi-Beograd, 11070, Vladimira Popovica 50
MVM Partner DOOEL Skopje	North Macedonia, Skopje, 8-ma Udarna Brigada no.43/3,1000
MVM Next Energiakereskedelmi Zrt.	1081 Budapest, II. János Pál pápa tér 20. 1013 Budapest, Feszty Árpád utca 6. 1101 Budapest, Salgótarjáni út 45. 1023 Budapest, Árpád fejedelem útja 26-28. 4034 Debrecen, Vágóhíd utca 2. 9027 Győr, Puskás Tivadar utca 37. 6724 Szeged, Kossuth L. sugárút 64-66. 6724 Szeged, Kossuth L. sugárút 68. 6724 Szeged, Kossuth L. sugárút 89. 6724 Szeged, Damjanich utca 21. 5700 Gyula, Dózsa György utca 4-6. 8230 Balatonfüred, Aranyhíd sétány 2.
MVM Démász Áramhálózati Kft.	6724 Szeged, Pulz utca 44. 6724 Szeged, Pulcz utca 42. 6500 Baja, Bajcsy-Zsilinszky utca 6. 6500 Baja, Bokodi út 66. 5600 Békéscsaba, Gábor Áron utca 1. 2700 Cegléd, Kossuth Ferenc utca 63. 6000 Kecskemét, Szultán utca 2-4. 6400 Kiskunhalas, Mátyás tér 2.

MVM Démász Áramhálózati Kft.	2750 Nagykőrös, Kossuth Lajos utca 76. 5900 Orosháza, Táncsics utca 20.
MVM Főgáz Földgázhálózati Kft.	1081 Budapest, II. János Pál pápa tér 20. 1101 Budapest, Salgótarjáni út 45. 1097 Budapest, Koppány utca 6-8.
FLOGISTON Kft.	2000 Szentendre, Kőúzó utca 5.
MVM Ügyfélkapcsolati Kft.	1081 Budapest, II. János Pál pápa tér 20. 1139 Budapest, Béke tér 9. 1023 Budapest, Árpád fejedelem útja 26-28. 6720 Szeged, Kossuth Lajos sgt. 64-66. 6724 Szeged, Pulcz utca 44. 4034 Debrecen, Vágóhíd utca 2. 3527 Miskolc, Sajószigeti út 3. 7621 Pécs, Mátyás király utca 3. 3525 Miskolc, Dózsa György utca 13.
MVM Émász Áramhálózati Kft.	3525 Miskolc, Dózsa György utca 13. 3527 Miskolc, József Attila utca 65. 1097 Budapest, Koppány utca 6-8. 1081 Budapest, II. János Pál pápa tér 20. 1037 Budapest, Kunigunda útja 47/A-47/B
MVM Égáz-Dégáz Földgázhálózati Zrt.	6724 Szeged, Pulcz utca 44. 6724 Szeged, Vásárhelyi Pál utca 6. 6500 Baja, Bajcsy-Zs. út. 4. 5600 Békéscsaba, Kétegyházi út 4. 6000 Kecskemét, Ipoly sor 5. 9700 Szombathely, Rákóczi F. utca 23. 6400 Kiskunhalas, Kertész utca 2. 5520 Szeghalom, Bocskai utca 53-2. 2800 Tatabánya, Eötvös utca 11. 6080 Szabadszállás, Dózsa Gy. utca 10. 6600 Szentes, Klauzál Gábor utca 24. 9027 Győr, Puskás Tivadar utca 37. 1081 Budapest, II. János Pál pápa tér 20. 9400 Sopron, Fuváros út 2.
MVM Lumen Kft.	6724 Szeged, Pulz utca 44. 3525 Miskolc, Dózsa György utca 13. 3200 Gyöngyös, Gyár út 7. 9027 Győr, Puskás Tivadar utca 37-39. 1081 Budapest, II. János Pál pápa tér 20.
MVM Watt Eta Kft.	7630 Pécs, Engel János József utca 6. 1023 Budapest, Árpád fejedelem útja 26-28. 6724 Szeged, Kossuth Lajos sugárút 64-66.
MVM Mobiliti Kft.	1037 Budapest, Montevideo út 10.
e-Mobi Nonprofit Kft.	1037 Budapest, Montevideo út 10.
Mobiliti VOLÁNBUSZ Kft.	1037 Budapest, Montevideo út 10.
KAPOS CNG Kft.	1081 Budapest, II. János Pál pápa tér 20. 7400 Kaposvár, Kanizsai utca 27. 7400 Kaposvár, Cseri út 16.

MVM Services Zrt.	1031 Budapest, Szentendrei út 207-209. 1158 Budapest, Rákospalotai Körvasút sor 105. 1023 Budapest, Árpád fejedelem útja 26-28. 1101 Budapest, Salgótarjáni út 45. 1117 Budapest, Budafoki út 54. 1081 Budapest, II. János Pál pápa tér 20. 6724 Szeged, Kossuth Lajos sugárút 64-66. 6720 Szeged, Vásárhelyi Pál utca 6. 7030 Paks, Vasút utca 10. 7030 Paks, Gagarin utca 1. 5600 Békéscsaba, Andrássy út 46. 2750 Nagykőrös, Kossuth Lajos utca 76. 6000 Kecskemét, Szultán utca 2-4. 6500 Baja, Deák Ferenc utca 3.
MVMI Zrt.	7030 Paks, Vasút utca 1. 7030 Paks 8803/17 hrsz. 1031 Budapest, Szentendrei út. 207-209. 1139 Budapest, Béke tér 9. 6726 Szeged, Temesvári körút 27-29. 7621 Pécs, Mátyás király utca 3.
MVM Otthon Plusz Zrt.	1023 Budapest, Árpád fejedelem útja 26-28.
MVM ESCO Zrt.	1081 Budapest, II. János Pál pápa tér 20. 1031 Budapest, Anikó utca 4.
MVM Optimum Kft.	1023 Budapest, Árpád Fejedelem útja 26-28. 1081 Budapest, II. János Pál Pápa tér 20.
MVM Ingatlankezelő Kft.	1031 Budapest, Szentendrei út 207-209. 1032 Budapest, Bécsi út 154. 1149 Budapest, Pillangó park 7. 1103 Budapest, Kőér utca 2/A 1027 Budapest, Tölgyfa utca 28. 1081 Budapest, II. János Pál pápa tér 20. 1101 Budapest, Salgótarjáni utca 45. 1097 Budapest, Koppány utca 4. 1097 Budapest, Koppány utca 8. 1139 Budapest, Szegedi út 13. 1119 Budapest, Fehérvári út 17. I. em. 2. ajtó 1133 Budapest, Dráva utca 2. 1011 Budapest, Iskola utca 20. 1039 Budapest, Kossuth Lajos üdülőpart 108. 1117 Budapest, Budafoki út 54. 1116 Budapest, Mezőkövesdi út 5-7. Fsz. 1096 Budapest, Haller utca 32-40. 1076 Budapest, Péterffy S. utca 21-23. 1204 Budapest, Ady Endre utca 90-92. Fsz. 4. ajtó 1148 Budapest, Kerepesi út 52. 1134 Budapest, Angyalföldi út 5/b 1173 Budapest, Pesti út 170.6724 Szeged, Kossuth Lajos sugárút 64-70. 6724 Szeged, Teréz utca 6-8. 6724 Szeged, Kossuth Lajos sugárút 70. 1. ép. 6725 Szeged, Kossuth Lajos sugárút 70. 2. ép.

MVM Ingatlankezelő Kft.	6724 Szeged, belterület hrsz. 25800. 6900 Makó, belterület hrsz. 4783/3. 6900 Makó, Liget utca 3/C 6900 Makó, Liget utca 3/D 6900 Makó, Liget utca 3. 6900 Makó, belterület hrsz. 4783/8. 6724 Szeged, Pulz utca 42. 6724 Szeged, Teréz utca 4. alagsor 1. ajtó 6724 Szeged, Teréz utca 4. alagsor 2. ajtó 6724 Szeged, Teréz utca 4. alagsor 3. ajtó 6724 Szeged, Teréz utca 4. alagsor 4. ajtó 6724 Szeged, Teréz utca 4. mfszt 2. ajtó 6724 Szeged, Teréz utca 4. mfszt 3. ajtó 6724 Szeged, Teréz utca 4. mfszt 4. ajtó 6724 Szeged, Teréz utca 4. udvarszint 6400 Kiskunhalas, Mátyás tér 2. 6500 Baja, belterület hrsz. 10011. 6500 Baja, Bokodi út 76/C 5600 Békéscsaba, Andrássy út 46. 5900 Orosháza, Táncsics Mihály utca 20. 6000 Kecskemét, Szultán utca 4. 6000 Kecskemét, Szultán utca 2. 2750 Nagykőrös, Kossuth Lajos út 76. 6100 Kiskunfélegyháza, Batthyány utca 2-4. A. lház. Fsz. 1. ajtó 6726 Szeged, Pillich Kálmán utca 45. 6300 Kalocsa, Ecetgyár utca 35/A 9400 Sopron, belterület hrsz. 9101/13. 6721 Szeged, Szent István tér 12-13. fogadósz 6728 Szeged, Napos út 12. 6728 Szeged, belterület hrsz. 16844/9. 6430 Bácsalmás, Vörösmarty sor 92. 6430 Bácsalmás, Hősök tere 3. 6500 Baja, Szentháromság tér 6. 6440 Jánoshalma, Bajai utca 4. 6000 Kecskemét, Izsáki út 2/D 6200 Kiskőrös, Bajcsy-Zs. utca 15. 6120 Kiskunmajsza, Iskola utca 6. 7621 Pécs, Zrinyi út 2. 7621 Pécs, Mária utca 3. 5630 Békés, Rákóczi utca 4. 5600 Békéscsaba, Mednyánszky utca 17. 5700 Gyula, Béke sugárút 35. 5800 Mezőkovácsháza, Árpád utca 176. 3527 Miskolc, Sajószigeti utca 3. 3530 Miskolc, Arany J. utca 6-8. Fsz. 1. ajtó 3530 Miskolc, Arany J. utca 6-8. Fsz. 2. ajtó 6640 Csongrád, Kossuth tér 9. 6800 Hódmezővásárhely, Kossuth tér 1.6760 Kistelek, Árpád utca 26. 6900 Makó, Deák Ferenc utca 41. 6782 Mórahalom, Röszei út 2. 6600 Szentés, Kossuth Lajos utca 13. 2400 Dunaújváros, Magyar út 11.

MVM Ingatlankezelő Kft.	8000 Székesfehérvár, Sár utca 1. 9024 Győr, Wesselényi út 6. 9400 Sopron, Selmeczi utca 15-17. 4034 Debrecen, Bem tér 14. Fsz. 8. ajtó 3300 Eger, Törvényház utca 4. 5000 Szolnok, Thököly út 79. 2. ép. Fsz. 2800 Tatabánya, Gál István lakótelep 704. 2030 Érd, Szabadság tér 13. 2200 Monor, Kossuth Lajos utca 65-67. 2750 Nagykőrös, Szabadság tér 4. 4400 Nyíregyháza, Nagy Imre tér 1. 7100 Szekszárd, Széchenyi utca 55-57. 9700 Szombathely, Lipp Vilmos utca 14. 8200 Veszprém, Szabadság tér 4. 8800 Nagykanizsa, Zrínyi Miklós utca 15. 8900 Zalaegerszeg, Berzsényi Dániel utca 7. 4034 Debrecen, Vágóhid utca 2. 3. ép. 2. em. 2500 Esztergom, Bajcsy-Zsilinszky út 7. 5000 Szolnok, Thököly út 79. 2. ép. 1. em. 2040 Budaörs, Kinizsi utca 26. 6200 Kiskőrös, Petőfi utca 110. 2220 Vecsés, Telepi út 43. Fsz. 2085 Pilisvörösvár, Fő utca 40. 8800 Nagykanizsa, Király utca 36. Fsz. 3600 Ózd, Városház tér 1. 4030 Debrecen, Barna utca 23. 2643 Diósjenő, Kossuth utca 21. 2600 Vác, Erzsébet utca 6. 2194 Tura, Rákóczi út 119. 3910 Tokaj, Rákóczi utca 54. 3580 Tiszaújváros, Lévy J. út 66. Fsz. A18. ajtó 3800 Szikszó, Thököly utca 8. 2310 Szigetszentmiklós, Viola utca 1-3. 2000 Szentendre, Árpád utca 6. Fsz. 2. ajtó 3170 Szécsény, Ady E. út 12. 3245 Recsk, Kossuth Lajos utca 146. 2300 Ráckeve, Móricz Zsigmond út 1-9. 3630 Putnok, Városi piac 2/B/4. 3060 Pásztó, Rákóczi út 6. 2626 Nagymaros, Csillag utca 4. Fsz. F16. ajtó 3400 Mezőkövesd, Ady E. út 2. 3700 Kazincbarcika, Jószerencsét utca 6. 5100 Jászberény, Bercsényi utca 8. 5130 Jászapáti, Dr. Szlovencsák Imre út 4-6. 3360 Heves, Szerelem Alfréd utca 11. 2230 Gyömrő, Szt. István utca 31. 2360 Gyal, Körösi út 118-120. 2100 Gödöllő, Dózsa Gy. út 69. Fsz. 3. ajtó 3390 Füzesabony, Rákóczi út 71. 2030 Érd, Balatoni út 66. 3860 Encs, Petőfi Sándor utca 30. 3780 Edelény, István Király útja 52.

MVM Ingatlankezelő Kft.	2120 Dunakeszi, Fő utca 105. 2370 Dabas, Szent István tér 1/b 3973 Cigánd, Vasút út 9. 2040 Budaörs, Ebnér köz 2. 3070 Bányaterenye, Kossuth út 2. 2660 Balassagyarmat, Thököly utca 10. 3881 Abaújszántó, Béke utca 29. 2760 Nagykáta, Szabadság tér 7. Fsz. 1. ajtó 3450 Mezőcsát, Hősök tere 5. 6724 Szeged, Textilgyár út 2. 7400 Kaposvár, Kossuth tér 5. 6090 Kunszentmiklós, Endrédy István utca 6. 8900 Zalaegerszeg, Kossuth L. utca 34. 8200 Veszprém, Kossuth Lajos utca 6. 1. ajtó 5720 Sarkad, Kossuth utca 27. 6300 Kalocsa, Szent István Király út 57. Fsz. 12. ajtó 2100 Gödöllő, Dózsa Gy. út 69. Fsz. 4. ajtó 2760 Nagykáta, Szabadság tér 7. Fsz. 2. ajtó 8800 Nagykanizsa, Király utca 36. 1. em. 5600 Békéscsaba, Kétegyházi út 4. 6400 Kiskunhalas, Kertész utca 2. 6080 Szabadszállás, Dózsa György út 10. 6080 Szabadszállás, Dózsa György út 12. 6080 Szabadszállás, belterület hrsz. 659/4. 5520 Szeghalom, Bocskai utca 53. 2800 Tatabánya, belterület hrsz. 5085/72. 3501 Miskolc, Patak utca 3-2. 3501 Miskolc, Patak utca 9. 3900 Szerencs, Rákóczi út 87/C 2700 Cegléd, belterület hrsz. 2004/2.
Római Irodaház Kft.	1031 Budapest, Szentendrei út 207-209.
MVM Hotel Panoráma Kft.	8313 Balatongyörök, Petőfi utca 5.
NIKER d.o.o.	Horvátország, 52210-Rovinj, Centener 62
MVM Smart Future Lab Zrt.	1031 Budapest, Szentendrei út 207-209. 1114 Budapest, Bartók Béla út 15/a 1. em. 18. ajtó 2840 Oroszlány, Külterület hrsz. 0718/10. 3021 Lőrinci, Erőmű telep 8196 Litér, Királyszentistváni út 3599 Sajószöged, Bába út
MVM Switzerland AG	Switzerland, 8001 Zurich, Bahnhofstrasse 10.
MVM Energy Romania SA	Romania, Bucharest, 70 Jean Louis Calderon Street, 3rd floor, Room 10, District 2
MVM Future Energy Technology SRL	Romania, Str Gál Sándor Nr. 5, Miercurea Ciuc, Harghita
innogy Česká republika a.s.	Czech Republic, Limuzská 3135/12, Strašnice, 108 00 Praha 10
innogy Energie s.r.o.	Czech Republic, Limuzská 3135/12, Strašnice, 108 00 Praha 10
innogy Energo s.r.o.	Czech Republic, Limuzská 3135/12, Strašnice, 108 00 Praha 10

innogy Energetika Plhov-Náchod s.r.o.	Czech Republic , Plhovská 544, 547 01 Náchod
innogy Zákaznické služby s.r.o.	Czech Republic, Plynární 2748/6, Moravská Ostrava, 702 00 Ostrava
NGBS Hungary Kft.	1222 Budapest, Gyár utca 15. I. ép. 4200 Hajdúszoboszló, Mező utca 24.
MVM NET Zrt.	1138 Budapest, Tomori utca 32. 1031 Budapest, Szentendrei út 207-209. 1151 Budapest, Mogoród útja 12-14. ép. 1117 Budapest, Budafoki út 54. 7030 Paks, hrsz. 8803/17.
FERMANDOR Kft.	7030 Paks, hrsz. 8803/17. 7030 Paks, Tolnai út 105.
M-IT Services Kft.	1031 Budapest, Czetz János köz 3.
Dunántúli Naperőmű Energia Zrt.	1031 Budapest, Szentendrei út 207-209. 7400 Kaposvár, külterület hrsz. 0293/1.
Dunántúli Megújuló Energia Zrt.	1031 Budapest, Szentendrei út 207-209. 7400 Kaposvár, külterület hrsz. 0293/1.
DEHNMIB Naperőmű Ingatlan Kft.	1031 Budapest, Szentendrei út 207-209. 7400 Kaposvár, külterület hrsz. 0293/1.
4D Energetika" Kft.	1031 Budapest, Szentendrei út 207-209.
MVM Upstream Kft.	1031 Budapest, Szentendrei út 207-209.
MVM OVIT Manufacturing Zrt.	1158 Budapest, Késmárk utca 14. 2132 Göd, Ady Endre út 106. 6100 Kiskunfélegyháza, Csanyi út 71. B. ép.
Tatooine SolarPark Kft.	1031 Budapest, Szentendrei út 207-209. 5211 Tiszapüspöki, hrsz. 079/1. 5211 Tiszapüspöki, hrsz. 0133. 5211 Tiszapüspöki, hrsz. 0134. 5211 Tiszapüspöki, hrsz. 0135/1. 5211 Tiszapüspöki, hrsz. 0135/2. 5211 Tiszapüspöki, hrsz. 0144/5.
Békés Solar Kft.	1031 Budapest, Szentendrei út 207-209. 4813 Gyüre, 050/16 hrsz.
Napraforco-Operation Kft.	1031 Budapest, Szentendrei út 207-209. 4813 Gyüre, 050/15 hrsz.
Solar Engine Kft.	1031 Budapest, Szentendrei út 207-209. 4813 Gyüre, 050/13 hrsz.
Finasys Solarpark Kft.	1031 Budapest, Szentendrei út 207-209. 4813 Gyüre, 050/14 hrsz.
Innovolt Kft.	1031 Budapest, Szentendrei út 207-209.
HSE Europa Solar Kft.	1031 Budapest, Szentendrei út 207-209.
Jupiter Flex SolarPark Kft.	1031 Budapest, Szentendrei út 207-209.
Jupiter Solution SolarPark Kft.	1031 Budapest, Szentendrei út 207-209.

Corporate governance statement

2024

9. MVM GROUP'S CORPORATE GOVERNANCE SYSTEM

9.1. Governance of the MVM Group

The central corporate governance system of the MVM Group is based on the ownership, and it covers the companies under the majority control of MVM Energetika Zártkörűen Működő Részvénytársaság ("MVM Zrt.") pursuant to Act V of 2013 on the Hungarian Civil Code (hereinafter "Civil Code"), since MVM Zrt. has the direct or indirect control rights over these companies.

MVM Zrt. treats companies not under its majority control as investments. In the decisions made by the supreme bodies of these companies and during its participation in the decision-making process, MVM Zrt. considers the value and significance of the investment. Accordingly, the holding entity represents the interests of the MVM Group, via the legal instruments available by virtue of its ownership – by means of a manager designated as per the given rules within MVM Zrt.

9.1.1. Two pillars of MVM Group governance

MVM Zrt. manages the operations of the MVM Group under the framework embodied by the corporate governance system operated in accordance with the owner's requirements and ensuring an optimal Group structure. The MVM Group's corporate governance system is based on the following two pillars:

- divisional management, and
- functional area management.

For companies not classified under any of the business divisions, MVM Zrt. communicates the owner's requirements to the company by exercising the ownership rights and via the tools provided by the management of the functional area. As regards the MVM Group's international presence, i.e. for companies with their headquarters abroad, these activities are carried out under the legal system applicable in the country where the registered office is based, within specific regulatory frameworks.

9.1.2. Management of divisions, exercise of ownership rights

MVM Zrt. manages and coordinates the value-adding activities of the MVM Group and the operations of the companies that perform these activities in a business division structure. The business division is a cross-company management category, made up of companies that perform value-adding activities relevant to the division.

The business division is managed by the head of the division in accordance with legal provisions, conducting his activities in line with strategies. The responsibilities and authority of the business division manager are essentially related to the performance of the division's holding functions, but he is also responsible for the division's performance, whereby this responsibility is adapted to the particular features of the business division.

Within the MVM Group, the main legal means for managing companies is the exercise of ownership rights, which is aligned with the shareholding held, directly or indirectly, in the given company. The scope of the management is determined by the legal provisions in force, the articles of association of the companies and, for certain entities, by the agreements on delegating the exercise of ownership rights.

The management activity of the person exercising the ownership rights is manifested towards the companies under their control directly or indirectly, thereby direct and indirect exercisers of ownership control shall be distinguished. In the former case, MVM Zrt. owns the target company, or, MVM Zrt. exercises certain rights of the direct owner by agreement with the direct owner of the target company. Indirect ownership is exercised through the direct owner of the target company.

Within MVM Zrt., the CEO of MVM Zrt. is entitled to designate the person exercising the ownership rights, i.e. to appoint himself or another manager as the person exercising the ownership rights.

9.1.3. Functional area management

The second pillar of the MVM Group's governance system is functional area management. The management of the given function at a uniform professional level across the Group is at the centre of this management activity of MVM Zrt., which is achieved by means of legal and regulatory tools.

Functional areas – as specialist areas providing specific professional support – operate independently and centrally manage their respective functions at group level in a uniform manner across business divisions. At the core of these activities is their support of the implementation of business needs to contribute to the operational success of the company and the group – while understanding the business needs – and delivering this support with a consistent quality and methodology, emphasising the activities that can be optimised at group level.

Functional area management is carried out via central policies, the hierarchical regulatory system of the MVM Group is as follows:

- **Central Governance Code:** A document setting out the legal basis for the MVM Group's governance system, the principles of the unified governance model and the framework for the MVM Group's central regulatory system, at the highest level of the central regulatory hierarchy.
- **Central directives:** Short, concise documents setting out the mandatory minimum standards for the activities of the functional areas set out in the Central Governance Code, to be regulated uniformly within the MVM Group. They lay down the basic conditions and requirements for the group-level operation of the functional area activity towards the companies and towards MVM Zrt. as the holding entity.
- **Centralised procedures:** Documents related to the central directives that regulate individual topics uniformly, concisely and as procedures at group level. They can be linked to the provisions of the central directives if more detailed process-based regulation of certain topics is needed. A central directive does not always have to include a centralised procedure.
- **Internal company policies:** In line with the central regulatory framework, the companies (including MVM Zrt.) issue company-level policy documents under their own authority to govern their internal operating processes and to define tasks and responsibilities within the companies, which fit into the central regulatory system and hierarchy.

The central functional areas may, in addition to the above, define for the companies additional recommendations and guidelines that are not covered by the central directives; it is not mandatory to comply with these.

9.2. Mandatory corporate governance rules

The companies of the MVM Group continuously monitor changes in the relevant legislation, including the scope of the mandatory corporate governance rules. In addition to the mandatory accounting documents required by the Act on Accounting and the regulations related to data protection, in the case of the MVM Group Act CXXII of 2009 on the more efficient operation of publicly-owned companies (hereinafter referred to as: the "Act") should be highlighted. Section 7/J (1) of the Act defines the scope of companies which fall under Government Decree 339/2019 (XII.23) on the internal control system of publicly owned companies, which entered into force as an implementing decree of the Act.

The Minister without Portfolio for the Development of Public Assets and the Ministry of Finance jointly issued a manual to support the CEOs of the public companies concerned in properly designing their internal control systems, based on which MVM Zrt. and the companies of the MVM Group concerned also prepared the relevant policy documents.

10. SYSTEM OF INTERNAL CONTROLS AND RISK MANAGEMENT

10.1. Compliance

The MVM Group is committed to the highest standards of ethics, integrity, compliance with the law and strict adherence to the expectations of its owners. In developing the MVM Group's compliance system, the objective and task was to operate in line with the regulatory environment, which is implemented commensurate with the identified risks and in a manner that supports the continuity and smoothness of business operations and other areas. For this purpose the MVM Group operates a compliance function at both central and company level. In the case of companies required by law to operate an internal control system, the compliance function also performs the statutory tasks of the compliance support unit. The MVM Group strives to continuously improve the compliance system in line with legal requirements as well as based on best Hungarian and international practices.

By creating the Code of Ethics of the MVM Group, the MVM Group has expressed its commitment to respect for the individual as a fundamental principle, and to the moral values and principles that contribute to the best professional work of its employees, to the achievement of common goals, to the preservation of the MVM Group's reputation, and to the protection and enhancement of its professional and personal integrity. In line with international best practices, the MVM Group has established internal policies for managing conflicts of interest, gift giving and hospitality, and for investigating reported abuses.

The MVM Group is firmly opposed to all forms of corruption that undermine confidence in the legitimate operation of the Group and distort competition. Employees may not solicit, accept, offer or give an undue advantage in the course of and/or in connection with their work, whether for their own benefit, for the benefit of the company, or for the benefit of a third party. As part of its commitment to anti-corruption, by the end of 2024, in addition to MVM Zrt. further 25 subsidiaries implemented an anti-corruption management system operating according to ISO 37001 and obtained certification, or renewed the certification obtained previously under a renewal audit. In line with the requirements of the standard, the continuous improvement of the anti-corruption management system ensures that the controls in place work properly at all times.

In 2023 the MVM Group Business Partner Code of Ethics was completed, which maps out the principles and values of the MVM Group Code of Ethics and the expectations of the MVM Group vis-a-vis its business partners. Based on the MVM Group's Business Partner Code of Ethics, the MVM Group expects its business partners to be familiar with and follow the ethical and compliance principles of the MVM Group and apply them in their own value chains, and to take measures commensurate with the size, complexity and risk exposure of their organisation to ensure ethical operation and compliance.

With respect to any event that deviates from the laws and internal policies relevant for the MVM Group, and from its operation in accordance with the objectives, values and principles of the Group, in particular in cases of suspected corruption, financial misconduct and suspected violations of the Code of Ethics, the MVM Group encourages the confidential communication of reasonable concerns in good faith without fear of reprisal, and ensures they are investigated in an independent manner. The following channels can be used for reporting to MVM Zrt., even anonymously: mvm.hu/Rolunk/KozerdekuInformaciok/IntegritastSertoEsemeny

In addition to general compliance knowledge, the training and communication system implemented by the compliance function includes training on the ethical principles of the MVM Group and on the prevention of capital market abuse, which is a key focus for all new joiners.

The MVM Group aims to further strengthen and develop its compliance function and enhance its commitment against corruption and sanctions compliance.

The Code of Ethics of the MVM Group is available at:

mvm.hu/ESG/Governance/EtikaiKodex

The Anticorruption Policy of the MVM Group is available at:

mvm.hu/ESG/Governance/AntikorrupciosRanyitasiRendszer

The Business Partner Code of Ethics of the MVM Group is available at:

mvm.hu/ESG/Governance/MVMCsoportUzletiPartneriEtikaiKodex

10.2. Internal audit system

In the MVM Group internal audit activity is organised as a group-wide audit function reporting directly to the CEO of MVM Zrt. (hereinafter referred to as: BELL). The professional management and supervision of BELL is carried out by the supervisory boards of the MVM Group, primarily the Supervisory Board of MVM Zrt. The internal audit activity conducted by BELL is an independent and objective assurance and advisory activity that adds value to and improves the quality of the organisation's operations. It contributes as a third line of defence to the effective functioning of the internal control system, thus helping the MVM Group achieve its strategic objectives and further supporting the preservation and growth of the assets of the state-owned company.

BELL functions according to a centralised operating model, but deviates partially from this for nuclear licensees and licensees subject to the Separation Rules (distribution and storage) on the basis of specific provisions.

As a general rule, BELL audits the companies obliged to have internal control systems pursuant to Section 7/J (1) of the Act, as well as the companies of the Group not obliged to do so but which have voluntarily undertaken to comply with the provisions of the Act regarding the operation of internal control systems; it also provides internal audit services on a case-by-case basis to the Group's member companies not included as defined above. Given the data flow restrictions imposed by the Separation rules, BELL's audit powers are limited in certain cases.

BELL ensures that the supervisory boards of the MVM Group can carry out their statutory tasks of ownership control, including their management control activities conducted via the internal control system, in an efficient and systematic manner. The internal audit powers assigned by law to the supervisory boards are shared between the Supervisory Board of MVM Zrt. and the supervisory boards of the companies operating an internal control system under the Act.

The focus of the internal audit activity is on controlling the processes that are most relevant and risky for the effective, efficient, economical and legally compliant operation of the MVM Group and for preserving and growing the company's assets.

BELL analyses, examines and evaluates the establishment and operation of the internal control system and its compliance with legislation and regulations, resulting in findings, proposals and recommendations to improve processes, establish control points and increase operational efficiency. BELL is not responsible for the operational implementation of the proposals and recommendations it makes, but only for recording their implementation and informing the supervisory boards.

All BELL auditors are registered with the Ministry of Finance as persons authorised to carry out internal audit activities and are required to perform their work in accordance with the law and the professional standards and code of ethics of the Institute of Internal Auditors (IIA).

10.3. Internal audits on operation of ISO management systems

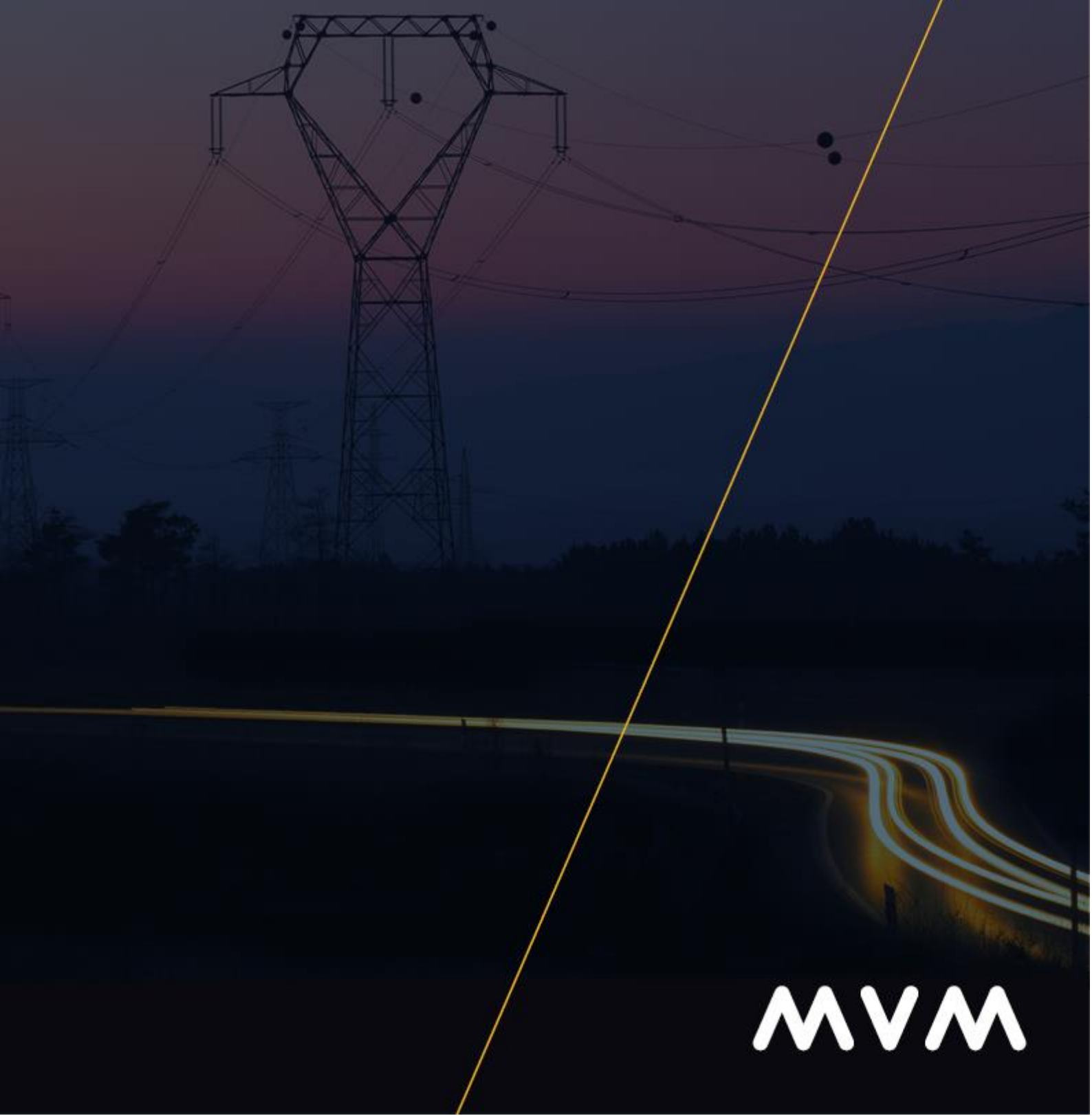
To promote proper and efficient internal operations, several companies of the MVM Group have been certified according to ISO management system standards.

In addition to the internal control and compliance function, MVM Zrt.'s internal control system also includes internal audits carried out in accordance with the individual standards. MVM Zrt. currently maintains and operates management systems in accordance with five standards (MSZ EN ISO 9001:2015, MSZ EN ISO 50001:2019, MSZ EN ISO 14001:2015, MSZ ISO/IEC 27001:2014 and MSZ ISO 37001:2019). The proper functioning of the systems is verified with a certificate obtained after an accredited third-party certification audit carried out annually. The standards also require the documented implementation of internal audits to ensure compliance with the standard requirements, in addition to the importance of verification by an external certifier. An internal audit carried out in accordance with the requirements of the ISO standards audits the operations of all units based on the requirements of the standards, internal policies and the legislation referred to in them. These internal audits may only be carried out by colleagues qualified in internal auditing according to the respective standards. Colleagues with internal auditor qualifications also take part in annual refresher training to keep their professional knowledge up to date.

11. FUNCTIONING AND COMPOSITION OF EXECUTIVE BODIES

The executive bodies of the MVM Group are presented in Section 12.2 Governance within Chapter 12 General Information of the Sustainability Report.

SUSTAINABILITY REPORT



MVM

12. GENERAL INFORMATION

12.1. Basis for preparation

ESRS BP-1

MVM Zrt. has prepared its sustainability report (ESRS Sustainability Statement) for the year 2024 (1 January 2024-31 December 2024) on a consolidated basis, in accordance with the European Sustainability Reporting Standards (ESRS). This consolidation is identical in scope and timing to the financial statements.

Corporate designations used in the report:

- consolidated group of companies: MVM Group, Group;
- MVM Zrt.: MVM Zrt., parent company;
- subsidiaries: official short names.

Many practices and activities within the Group relate to a single company or group of companies, and these are always clearly identified.

Sustainability disclosure statements

General statement

In connection with this Sustainability Statement, the MVM Group acknowledges that it has certain limitations given that this is its first time reporting under the Corporate Sustainability Reporting Directive (CSRD). Consequently, comparisons over time may be limited as the sustainability reporting frameworks are constantly evolving. The data collection processes and methods for some sustainability metrics are still under development. Therefore, some datapoints may be subject to estimation and may not accurately capture all aspects of performance. Future changes in structure or operations may affect the reported sustainability metrics. The sustainability impacts reported here are influenced by external factors such as regulatory changes, market conditions and technological development that can affect the outcomes of our sustainability initiatives.

We are committed towards continually improving our sustainability reporting processes and addressing these limitations, to provide more comprehensive and reliable information to our stakeholders in future reports.

ESEF declaration

Section 134/J (1) of the Hungarian Act on Accounting requires the Company to prepare its consolidated management and business report in the electronic reporting format (XHTML) as defined in Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation), and to indicate the sustainability disclosures defined by the ESEF taxonomy in the consolidated sustainability report using the XBRL markup language, including the disclosures prescribed by Article 8 of Regulation (EU) 2020/852. Given that the ESEF taxonomy for sustainability reporting has not yet been adopted, the Company has not been able to perform the XBRL tagging.

Managing the value chain

The materiality assessment of impacts, risks and opportunities covered the upstream and downstream value chain fully for the included scope of companies in terms of identifying material impacts, risks and opportunities. For the value chain, a material topic in relation to suppliers was identified in S2 - Workers in the Value Chain, while in the context of E1-6, value chain information must be provided during the disclosure requirement for gross and total GHG emissions in scopes 1, 2 and 3. The extension to include the value chain is presented in these disclosure requirements.

For 2024, the MVM Group exercises the option specified in ESRS 1 that, when disclosing metrics, the undertaking is not required to provide upstream and downstream value chain information, except for the datapoints from other EU legislation listed in Appendix B of ESRS 2, and when disclosing information on policies, actions and targets in accordance with ESRS 2 and other ESRSS, upstream and downstream value chain information may be limited to information available in-house.

ESRS BP-2

The MVM Group uses the following timeframes:

- short-term: 12 months from the end of the current reporting period;
- medium-term: the business planning period (until the end of 2029);
- long-term: period from the end of the medium term, currently until the end of 2035, which is the end of the time horizon for the corporate strategy.

In derogation from the ESRS, and to ensure consistency with business planning, the long-term period starts from the sixth year after the reporting period.

The metric containing value chain data estimated using indirect sources is part of the Scope 3 emissions of the E1-6 disclosure. The basis of preparation, the level of accuracy and the actions taken to improve accuracy going forward are described under the E1-6 disclosure requirement.

For given quantitative metrics and monetary amounts, any high degree of measurement uncertainty, information on the sources of measurement uncertainty as well as the assumptions, approximations and judgements used during the measurements are all presented. Forward-looking information always has a certain degree of uncertainty – this is not described separately. To ensure the report is reliable, we aim to avoid presenting information with a high degree of uncertainty. Where this is not possible or appropriate because of ESRS requirements, the high uncertainty aspect is presented.

The MVM Group is disclosing sustainability information for the first time in accordance with the requirements of the ESRS, so there are no identifiable changes compared to the previous period, and therefore the group does not disclose any revised comparative figures.

The Group considers a material error for the prior period to be one that changes the group-wide value of the given metric by 2% or more. Material errors for 2023 were identified in relation to Demand Side Management – number of controlled metering points, and E5-5 Resource outflows - Waste. The nature of the material error is described at the relevant disclosure, along with its correction if feasible, or the reason for the error is given if it can't be corrected.

Disclosures with references:

Integrated with references to other parts of the Management and Business Report:

- SBM-1: Strategy, business model and value chain.

Integrated with references to other parts of the Financial Report:

- ESRS E2-6: Anticipated financial effects from pollution-related risks and opportunities
- ESRS E4-6: Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities
- ESRS E5-6: Anticipated financial effects from resource use and circular economy-related (waste management-related) risks and opportunities
- Payments to the State

The exact chapters are presented in the disclosure requirements.

12.2. Governance

The central corporate governance system of the MVM Group is based on its ownership, and it covers the companies under the majority control of MVM Energetika Zártkörűen Működő Részvénytársaság ("MVM Zrt.") pursuant to Act V of 2013 on the Hungarian Civil Code (hereinafter "Civil Code"), since MVM Zrt. has the direct or indirect control rights over these companies.

MVM Zrt. treats companies not under its majority control as investments. In the decisions made by the supreme bodies of these companies and during its participation in the decision-making process, MVM Zrt. considers the value and

significance of the investment. Accordingly, the holding entity represents the interests of the MVM Group – via the legal instruments available by virtue of its ownership – through a manager designated as per the given rules within MVM Zrt.

ESRS GOV-1: Management bodies

The roles and responsibilities for sustainability (impacts, risks, opportunities) are described in the GOV-2 disclosure requirement.

Several members of the management bodies have direct experience in specific areas of sustainability issues, particularly energy, as described below. The management team members who play a key role in monitoring, managing and overseeing sustainability issues have the appropriate professional expertise in relation to the issues they are responsible for. Sustainability training is also presented in the GOV-2 disclosure requirement.

Composition and diversity

The rules of operation for MVM Zrt. are also governed by the Company's Articles of Association, which were adopted on the basis of, and in accordance with, the provisions of Act V of 2013 on the Hungarian Civil Code (hereinafter: Civil Code). With regard to the provisions of the Civil Code, the current Articles of Association of MVM Zrt. contain the duties and powers of the CEO, the Board of Directors, the Supervisory Board and the Sole Shareholder.

Main decision-making body

The Hungarian State has been the Sole Shareholder of MVM Zrt. since 23 November 2015. The Ministry of Energy has exercised all the rights and obligations of ownership with regard to the shares since 1 December 2022. The Company does not have a General Meeting; its rights are exercised by the Sole Shareholder, who makes decisions in writing on matters that would otherwise fall within the competence of the General Meeting, and it notifies the Chairman of the Board of Directors and the Chief Executive Officer of the company in writing within 15 days of the decision. The decisions become effective upon their communication to the Chairman of the Board of Directors and the CEO. Matters falling within the exclusive competence of the Sole Shareholder are governed by the Civil Code and by the Articles of Association of MVM Zrt. In addition to the exclusive powers provided for by law, the Articles of Association establish a number of other exclusive powers for the Sole Shareholder of MVM Zrt., which are mainly aimed at ensuring closer ownership control over the business management of the Company, but also include exclusive powers related to the direction of the MVM Group.

Supervisory Board

The Supervisory Board is responsible for supervising the management for the Sole Shareholder in order to safeguard the interests of the Company. The Supervisory Board consists of at least three and no more than six members. The chairman and members are elected by the Sole Shareholder. The Supervisory Board must examine any proposal concerning a matter falling within the exclusive competence of the Sole Shareholder, and in this context the Supervisory Board is obliged to submit its opinion to the Sole Shareholder.

Composition of the MVM Zrt. Supervisory Board as of 31 December 2024:

Chair of the Supervisory Board

- Dr. Gábor Szörényi 22.08.2023 – indefinite term

Supervisory Board members:

- Dr. Árpád Vidoven 28.05.2021 – indefinite term
- Dr. Márk Ádám Janó 01.06.2021 – indefinite term
- Dr. Zsolt Sólyom Gonda 17.12.2021 – indefinite term
- Dr. Anett Pandurics 22.08.2023 – indefinite term
- Regina Alexandra Vajó 11.09.2024 – indefinite term

Dr. Gábor Szörényi – chairman

- Actively involved in the creation of the ERRA (Energy Regulators Regional Association).
- Elected President of the ERRA from 2008 to 2012, then Secretary General until 2017. Still involved in various aspects of ERRA, participating in planning and leading workshops and training.
- In 2011 and 2012, he represented the Hungarian Energy Office (MEH) on the Regulatory Boards of the Council of European Energy Regulators (CEER) and the EU Agency for the Cooperation of Energy Regulators (ACER).
- Between 2013 and 2021, he was a member of the Supervisory Board of the then Budapesti Elektromos Művek Nyrt.
- Between 2016 and 2019, he was a member of the German firm Innogy's International Business Council - Grid & Infrastructure.
- Since 2021 he is a contracted adviser to the Hungarian Energy and Public Utility Regulatory Authority (MEKH), mainly on regulatory issues related to the Clean Energy Package, which includes new technologies and innovative solutions.
- ACER elected him as an alternate member of its Board of Appeal for a five-year term from 2021.

Dr. Árpád Vidoven

- Worked as a lawyer at Górnagy and Vidoven Law Office between 2002 and 2012.
- Joined the Prime Minister's Office in 2013 as Senior Policy Adviser, where he held the position of State Secretary for Public Administration from 2014 to 2018.
- Worked as State Secretary for Public Administration in the Prime Minister's Cabinet Office from 2018 to 2019, and from 2019 as State Secretary for Public Administration in the Ministry of Defence.
- He was a Member of Parliament and parliamentary clerk between 1998 and 2006.
- Member of the Supervisory Board of Paks II Atomerőmű Zrt. between 2014 and 2015, and a member of its Board of Directors between 2015 and 2022.
- Member of the Board of Directors of Steindl Imre Program Nonprofit Zrt. since 2016.
- Member of the Supervisory Board of MVM Zrt. since 2021, and prior to that he held the same position at MVM Services Zrt. between 2015 and 2021.

Dr. Márk Ádám Janó

- He has a law degree and started his professional career in a law firm and at the Budapest City Council.
- Later, he was Cabinet Secretary of the Parliamentary Committee on Human Rights, Minorities, Civil and Religious Affairs.
- State Secretary for Public Administration at the Prime Minister's Office since 2018. Member of the Supervisory Board of NKM Mobilitás Kft. (now MVM Mobilitás Kft.) in 2017-2018, and at Nemzeti Közművek Zrt. (now MVM Services Zrt.) in 2018-2021.

Dr. Zsolt Solyom Gonda

- Energy specialist with a law degree.
- Worked as a lawyer at Díjbeszedő Rt. and Díjbeszedő Faktorház Rt. in 2003-2004
- Subsequently, he held various senior positions at institutions connected to the predecessors of the Ministry of Finance.
- Group leader at the European Commission's ESCO Mining Sector Working Group from 2013 to 2015.
- Head of the Department of Public Utilities Regulation at the Prime Minister's Office from 2015 to 2016, Head of the Public Utilities Department of the Government Committee for Postal Affairs and National Financial Services from 2016, and from 2018 Head of the Department of Public Utilities of the Minister without Portfolio for National Asset Management at the Government Office of the Prime Minister.
- Member of the Supervisory Board of KAF Központi Adatgyűjtő és Feldolgozó Zrt. between 2015 and 2017, and member of the Supervisory Board of ENKSZ Első Nemzeti Közműszolgáltató Zrt. between 2017 and 2020. He held his position as Chairman of the Supervisory Board of ENKSZ Zrt. continuously during the transformation of the companies (NKM, then MVM Services Zrt.) until 31 December 2023. Previously, he was also a member of the Board of Directors of EDF DÉMÁSZ Zrt. (now MVM Next Energiakereskedelmi Zrt.).

- Member of the Board of Directors of MVM Paksi Atomerőmű Zrt., a member of the Supervisory Board of MVM Zrt. from 2021, of the Board of Directors of Nemzeti Vízművek Zrt. from 2024, of the Supervisory Board of FEAK Zrt. from 2023, and a member of the ESG Accreditation Committee.
- Head of the Ministry of Energy's Corporate Portfolio Division.

Dr. Anett Pandurics

- Holds an MSc and MBA in Economics from the Budapest University of Economics, and a PhD in Strategic Management from the Corvinus University of Budapest.
- Consultant at IFUA Horváth & Partner Kft. from 1998 to 2001.
- Director of Strategic Coordination at Magyar Posta Rt. from 2001 to 2005
- Member of the Board of Directors at Magyar Posta Biztosító Zrt. and Magyar Posta Életbiztosító Zrt. from 2022, and CEO and Chairman of the Board of Directors of Magyar Posta Biztosító Zrt. and Magyar Posta Életbiztosító Zrt. from 2005 to 2023.
- President of the Association of Hungarian Insurance Companies between 2013 and 2022.
- Member of the Board of Directors of Richter Gedeon Nyrt. since 2018. Also, a member of the Remuneration Sub-Committee, which she has chaired since 2022.
- Member of the Supervisory Board and Audit Committee of MOL Nyrt. since 2019. Also chaired the latter since 2022.
- Received numerous awards, including the Pro Universitate Award, the Pro Scientia Award, and the Muzsai Géza Insurance Professional Excellence Award. Sits on the editorial board of several scientific journals, and is active as a lecturer, teacher and mentor.

Regina Alexandra Vajó

- In addition to her degree in economics, she is a qualified accountant in the fields of public finance and business, and a qualified tax adviser.
- Started her career at the Ministry of Labour, and has worked in public administration for the past 21 years. In this capacity, she initially managed accounting and budgetary functions, and coordinated the financial management of the Central Nuclear Financial Fund.
- Responsible for budgetary processes at the Ministry of Innovation and Technology/Ministry of Technology and Industry and its associated institutions from 2019, then from 2023, Deputy State Secretary for Economic Affairs at the Ministry of Energy.
- Member of the Board of Directors at the National Waste Management Coordination and Asset Management Agency since 2023, and sits on the Supervisory Board of the Independent Energy Data Centre.
- Represents the Ministry of Energy on the National ESG Council since 2024 in relation to the circular economy and waste management.

Audit Committee

The Sole Shareholder elects an Audit Committee of three (3) people from the independent members of the Supervisory Board, for a term of office equal to the term of each member's tenure on the Supervisory Board. The Chair of the Audit Committee is elected by the Audit Committee members from among themselves.

The Audit Committee discharges the duties set out in the Civil Code and in other applicable legislation.

Composition of the MVM Zrt. Supervisory Board as of 31 December 2024:

Chair of the Audit Committee

- Regina Alexandra Vajó 11.09.2024 (chair from 15 October) – indefinite term

Audit Committee members:

- Dr. Márk Ádám Janó 12.01.2022 – indefinite term
- Dr. Árpád Vidóvén 19.01.2022 – indefinite term

The CVs of the audit committee members are included in the previous section.

The Audit Committee, by means of Resolution 13/2024 (X.15), elected Regina Alexandra Vajó as Chair of the Committee as of 15 October 2024.

Board of Directors

The Board of Directors is the executive body of the Company, comprising at least three and no more than seven members. Legal requirements must be met for people to take this office, and there must be compliance with the rules on conflicts of interest laid down in the Civil Code and the Articles of Association. The chair and members of the Board are elected and recalled by the Sole Shareholder. The Board meets at least 6 times a year, with no more than 2 months between each meeting. The Board decides on all matters which fall under its exclusive competence in accordance with the Civil Code and the Articles of Association of MVM Zrt. These latter powers, just like the exclusive decision-making powers of the Sole Shareholder, are essentially intended to ensure control over the business management of the Company and the performance of the Board of Directors' group-wide governance functions. The Board of Directors is entitled to shape the working organisation of the Company by approving its Organisational and Operational Policy. MVM Zrt. does not distinguish between executive and non-executive members on the Board of Directors. All Board members are independent.

Composition of the MVM Zrt. Board of Directors as of 31 December 2024:

Chair of the Board of Directors

- Dr. Gábor Czepek 01.10.2021 – indefinite term

Members of the Board of Directors:

- Károly Tamás Mátrai 26.01.2023 – indefinite term
- László Fazekas 26.01.2023 – indefinite term
- Balázs Benczédi 26.01.2023 – indefinite term
- Dr. Péter János Horváth 26.01.2023 – indefinite term
- Róbert Barlai 19.05.2023 – indefinite term
- Dr. Livia Pavlik 11.09.2024 – indefinite term

Dr. Gábor Czepek – Chair

- Chair of the Board of Directors at MVM Zrt., and at the same time, State Secretary for Public Administration of the Ministry of Energy from 1 December 2022, and Parliamentary State Secretary and Deputy Minister from 15 September 2024. Government commissioner for the development of Hungarian-Slovak energy infrastructure from 12 March 2024.
- Prior to his current role, he gained corporate governance experience at companies that are key players in the Hungarian economy and energy market. As a legal and public-sector leader, he plays a key role in government work too.
- Held the position of Deputy State Secretary in the Ministry of Justice between 2010 and 2014.
- State Secretary for Public Administration at the Ministry of National Development from 2014 to 2018, where he was responsible for energy policy, among other things.
- CEO of Szerencsejáték Zrt. and also, Chairman of the Board of Directors from 2018 to 2021. Subsequently, he played a prominent role in exercising ownership rights over state-owned enterprises, assisting the work of the organisation headed by the Minister of National Assets.
- Chairman of the Board of Directors and CEO at MVM Zrt. in 2021, and Chairman of the Board of Directors of MNV Zrt. and MVM Paksi Atomerőmű Zrt.

Károly Tamás Mátrai – CEO

- Economist. More than 25 years of experience as an energy expert in energy trading, business management, brokerage and finance.
- CEO and member of the Board of Directors of KELER KSZF between 2008 and 2020, the leading clearing house for the capital and energy markets in Central and Eastern Europe, and served on the Supervisory Board of the Association of Futures Markets (AFM).
- He then spent two years as CFO of MET Romania Energy at the Swiss-based MET Group, before taking on the role of Head of Integration at Cogen Energia Espana, also part of the MET Group.
- CEO of the MVM Group since January 2023.
- Plays a leading role on a number of boards and advisory bodies. Chairman of the Board of Directors at MVM Paksi Atomerőmű Zrt., member of the Supervisory Board of innogy Česká republika a.s. Board member of the Hungarian Hydrocarbon Stockpiling Association and the National Association of Strategic and Public Utility Companies. He was also recently elected as a member of the International Advisory Body for Submarine Cable Resilience.

Dr. Livia Pavlik

- Economist, registered auditor.
- Associate Professor at the Corvinus University of Budapest, where she has lectured since 1993. Qualified trainer at the Chamber of Hungarian Auditors. Main research area in the first part of her career was international accounting, with a special focus on deferred taxes and financial instruments accounting under the International Financial Reporting Standards. Later, her research focused on management accounting, in particular cost accounting and controlling methods.
- Appointed Vice Dean (Finance) in 2008 at the Faculty of Business Administration of Corvinus University of Budapest. Appointed Director of the University Campus in 2013, thereby gaining considerable experience in university management in addition to her lecturing career.
- Chancellor of Corvinus University of Budapest from 2014 to 2020.
- Ministerial Commissioner responsible for the model change of the Hungarian higher education system between 2018 and 2022.
- Appointed Chancellor of Semmelweis University in 2020, a position she still holds today.
- Member of the following Supervisory Boards: Member of the MVM Zrt. Supervisory Board and chair of the Audit Committee 2023-2024, member of the Supervisory Board and Audit Committee of Richter Gedeon Nyrt. 2021-2024, chair of the Supervisory Board and chair of the Audit Committee of Richter Gedeon Nyrt. since 2024, chair of the Supervisory Board of MOL-PE Circular Economy Science Park Nonprofit Zrt. since 2020, chair of the Supervisory Board of Molekuláris- Ujjenyomat Kutató Központ Nonprofit Zrt. since 2020, chair of the Supervisory Board of the Hungarian University and College Sports Association since 2020, and member of the Board of Directors at MVM Zrt. since 2024.

Róbert Barlai

- Started his career in the Hungarian capital market in 1993 with a private broker. Thereafter he worked at the brokerage firm of Hypo Bank Zrt., and from 1999 at the investment firm of Erste Bank Zrt., from where he left in 2008 to join OTP Bank Nyrt. as commercial director. As managing director of OTP Bank Nyrt. he built up the capital market operations of the entire banking group and established an independent, group-wide Treasury matrix organisation. Also responsible for the development of custody, securities issuing and correspondent banking services.
- In recognition of his professional work, he was a member of the Board of Directors of the Budapest Stock Exchange for nearly 10 years from 2009, and a management board member of several companies affiliated to OTP Bank Nyrt.
- Elected a member of the Board of Directors of Diófa Alapkezelő Zrt. in 2021. Worked for almost a year as Deputy CEO of Granit Bank Zrt. from 2022, developing its capital market and investment services operations.

- Member of the Board of Directors at Equilor Befektetési Zrt. since 2022, and at Waberers International Nyrt. since 2023.
- Appointed to the Board of Directors of MVM Zrt. on 19 May 2023.

Balázs Benczédi

- Financial economist. Started his professional career in 1998 at ING Bank N.V. Hungary, where he worked until 2006, latterly as Head of Treasury and a member of the Board of Directors.
- Worked at Raiffeisen Bank Zrt. from 2006 to 2007, then from 2011 to 2021 he was CEO of MKB-Pannónia Alapkezelő Zrt. (formerly Pannónia CIG Fund Alapkezelő Zrt.).
- Chair of the Board of Directors of Pannónia CIG Alapkezelő Zrt. between 2011 and 2017, and member of the Board of Directors between 2017 and 2021.
- Member of the Board of Directors at MKB Bank Zrt. between 2016 and 2018.
- Member of the Board of Directors of Solus Capital Kockázati Tőkealap-kezelő Zrt. (formerly Primus Capital Kockázati Tőkealap-kezelő Zrt.) between 2018 and 2021, and chair of the Board of Directors of the company between 2019 and 2020.
- Member of the Supervisory Board of MKB Consulting Kft. between 2019 and 2021, and member of the Board of Directors of MKB Bank Nyrt. between 2020 and 2021.
- CEO of Diófa Alapkezelő Zrt. since 2022, and appointed a member of the Board of Directors of MVM Zrt. in January 2023.

László Fazekas

- Economist.
- Started his professional career at E.ON Földgáz Trade Zrt. (now MVM CEEnergy Zrt.) in 2006. After holding various expert and managerial positions in finance, controlling and risk management, he became the company's CFO between 2015 and 2016, and CEO between 2016 and 2018.
- Headed up the Group Controlling Directorate of MVM Zrt. between 2018 and 2021. Chief Financial Officer, Deputy CEO of MVM Zrt. since 2021, and member of the Board of Directors at MVM Zrt. since January 2023. Under his guidance, the MVM Group has so far successfully completed four bond issues, three of which were international and one was the first green bond issue in MVM's history, following the establishment of the green financing framework.
- He is also a member of the Board of Directors at innogy Ceska republika and E.ON Hungária Zrt., and sits on the Supervisory Board of MVM CEEnergy Zrt.

Dr. Péter János Horváth

- Petroleum engineer, qualified engineer in foreign trade and a doctor of philosophy, and since 2015 he has been an associate professor at the University of Pécs.
- Started his professional career in 1986 at the Petroleum Research Company, and between 1991 and 2005 held senior positions at MOL-Chem Kft. and MOL Nyrt.
- Managing director of Ural Group Limited between 2005 and 2006, and International Procurement Manager of MOL Nyrt. between 2006 and 2010.
- President of the Hungarian Energy and Public Utility Regulatory Authority from 2010 to 2013 and from 2020 to 2023.
- CEO of MVM Zrt. between 2013 and 2015, President and CEO of ENKSZ Első Nemzeti Közműszolgáltató Zrt. between 2015 and 2016, and adviser to the CEO of FŐGÁZ Zrt. between 2016 and 2017.
- CEO of Mátra Erőmű Zrt. between 2019 and 2020, and held the position of energy consultant at Opus Global Nyrt. in 2020.
- Among his other positions, he chaired the Board of Directors of the Hungarian Hydrocarbon Stockpiling Association between 2012 and 2014, and was a member of the Board of Directors between 2010 and 2017, and between 2020 and 2023.

- Chair of the Board of Directors of FŐGÁZ Zrt. and ENKSZ Első Nemzeti Közműszolgáltató Zrt. between 2015 and 2016, and a member of the Board of Directors of TIGÁZ Zrt. between 2019 and 2020. Awarded the Hungarian Order of Merit Officer's Cross in 2013.
- He has been CEO and a Board member at MVM Paksi Atomerőmű Zrt. since 2023.
- Appointed a member of the Board of Directors of MVM Zrt. in January 2023. Also, a member of the Board of Directors of MVM Zrt. from 2013 to 2015.

The Sole Shareholder appointed Dr. Livia Pavlik as a member of the body as of 11 September 2024. During the 2024 financial year, there were four members of the MVM Zrt. Board of Directors who were not employed by MVM Zrt. or by any company belonging to the MVM Group. Besides his Board duties, Dr. Péter János Horváth was also employed by MVM Paksi Atomerőmű Zrt., a subsidiary of MVM Zrt. Besides their membership of the Board of Directors, Károly Tamás Mátrai and László Fazekas were employed by MVM Zrt. as of 31 December 2024. There are no employee representatives on the boards.

Composition of management bodies:

Breakdown of management bodies by gender	Female	Male
Board of Directors (persons)	1	6
Supervisory Board (persons)	2	4
Breakdown of management bodies by gender in percent	23%	77%

Chief Executive Officer

The Chief Executive Officer is the top executive of MVM Zrt. who, within the bounds set by the internal policies of the Company, is responsible for managing the Company and handles the operational management in matters that do not fall within the remit of the Sole Shareholder and the Board of Directors. The CEO is always a member of the Board of Directors. If the CEO ceases to be a member of the Board for any reason, their appointment as CEO shall cease at the same time. If the Sole Shareholder appoints the CEO of the company to be the Chair of the Board of Directors as well, they shall be entitled to use the title of Chairman-CEO.

The CEO of the Company as of 31 December 2024 was Károly Tamás Mátrai.

Presentation of management

Károly Tamás Mátrai – CEO

CV is included in Chapter 12 General information, 12.2 Governance.

László Fazekas – Chief Financial Officer, Deputy CEO

CV is included in Chapter 12 General information, 12.2 Governance.

Attila Bally – Chief Technical Officer, Deputy CEO

- Economist.
- Spent a significant part of his career in the MVM Group, where he was CEO of MVM Partner Zrt. and Chief Commercial Officer, Deputy CEO of MVM Zrt. among other roles.
- Appointed CEO of NKM Áramszolgáltató Zrt. (DÉMÁSZ Zrt.) in 2017 and was also CEO of NKM Földgázszolgáltató Zrt. (FŐGÁZ Zrt.) until 2019.
- Returned to the MVM Group in 2021 after 2 years at OPUS Global Nyrt.
- Chief Technical Officer and Deputy CEO of MVM Zrt. since May 2023.

Krisztián Szabolcs Deme – Chief Customer Relations Officer, Deputy CEO

- Economist, management and organisation expert. Spent 8 years at Magyar Földgáztároló Zrt. in the fields of trade, marketing and regulatory affairs, working before that as a manager in the IT and commercial areas of the E.ON Hungária Group.
- Chief Customer Relations Officer and Deputy CEO of MVM Zrt. since May 2023.

Dr. Csaba Kiss – Chief Generation Officer, Deputy CEO

- PhD in technical sciences. More than 30 years of international and domestic experience in the electric power industry, with great expertise in power plant operation and development.
- Managing director of various types of power plant since 1999, including the coal-fired AES Borsodi Thermal Power Plant and the coal/biomass-fired AES Tiszapalkonya Power Plant in Hungary, as well as the oil-fired AES Ottana Power Plant in Italy.
- Director of Power Generation and managing director at E.ON Hungária Zrt. between 2006 and 2013.
- Managing director of GE Energy Zrt. from 2013 to 2017, and also served as adviser to the CEO of Paks II Zrt.
- Joined the MVM Group in 2018 as Chief Generation and Chief Technical Officer (Deputy CEO) of MVM Zrt., and since 2022 has held the position of CEO at MVM Balance Zrt. and MVM Mátra Energia Zrt.
- Chief Power Generation Officer, Deputy CEO at MVM Zrt. since May 2023.

József Miklós Tamáska – Chief Operating Officer (Group)

- Economist. Consulting experience with international firms, such as PwC Hungary, in the development and implementation of market-oriented practices and strategies for various companies in the energy sector.
- Chief controller at GDF Suez from 2009, later worked at the Hungarian Energy and Public Utility Regulatory Authority.
- Interim manager at the MET Group's Croatian subsidiary and for various projects, then controlling manager at MVM CEEnergy Zrt.
- Chief Operating Officer (Group) at MVM Zrt. since May 2023.

ESRS GOV-2: Information provided to management bodies on sustainability

The basic document defining the tasks and competences of the departments at MVM Zrt. is the Company's organisational and operational policy. According to the policy, the Chief Financial Officer, Deputy CEO is in charge of financial matters, the Director of Security is responsible for environmental matters, while the Communications Director, the Chief Customer Relations Officer, Deputy CEO and the Chief Operating Officer (Group) are responsible for social matters. The Chief Financial Officer, Deputy CEO and the Director of Security are responsible for tasks related to operating the environmental, social and governance (ESG) framework.

Through his department, the Chief Financial Officer, Deputy CEO plans and manages the business management of the MVM Group in accordance with the owners' requirements, and ensures the operation and development of the Group's financial and accounting processes in compliance with the relevant legislation. During 2024, the Chief Financial Officer, Deputy CEO headed up the areas of financing and treasury and investment liaison, controlling, accounting and taxation, financial risk management and sustainability performance coordination, as defined in the central policy documents. He exercised the powers set forth in the central policy documents and carried out the functions of process sponsor for the relevant policies. As of 1 March 2024 he is responsible for managing and coordinating the process of preparing and auditing the report presenting the sustainability performance of the MVM Group.

Among other duties, the Security Director manages the execution of MVM Zrt.'s environmental duties and obligations under the law, and ensures that environmental aspects are implemented in MVM Zrt.'s contracts to the extent required.

The Chief Operating Officer (Group) liaises with the social partners, in particular the trade unions and works councils of the MVM Group, and represents the MVM Group in negotiations regarding collective agreements, works agreements and wage negotiations. In collaboration with the Communications Director, he is responsible for implementing consistent internal communication with customers in the areas under his remit and within the organisations he manages.

The Communications Director is responsible for devising the MVM Zrt. and MVM Group's unified, group-wide employer brand, communications and brand strategy, as well as for approving the communication and marketing strategy and tactical subdivision for the corporate and sub-brands of the firms belonging to the MVM Group. At Group level, he coordinates the framework for implementing support, donations and sponsorship activities (CSR) by the companies of the MVM Group. He is responsible for the strategic management of the marketing and communication activities of MVM Zrt. and the companies of the MVM Group.

The Chief Customer Relations Officer, Deputy CEO liaises with the sectoral organisations representing key corporate clients and the municipal organisations representing key municipalities, as well as with important social and educational organisations.

The ESG Committee, an advisory body for the CEO, was established at MVM Zrt. in May 2023. The ESG Committee aims to support the oversight of ESG-related issues, including ESG benchmarking, preliminary approvals of MVM Zrt.'s ESG strategy, KPI framework and related KPI targets, and to make recommendations to the CEO on ESG-related decisions. The Commission is also informed annually about the review of the double materiality assessment, as well as the results and effectiveness of the policies, actions, metrics and targets adopted.

The MVM Group Strategy (2024-2035) – and as part of it the ESG framework – was also approved by the Sole Shareholder. The strategy was broken down in the first half of 2024 on this basis. A set of strategic objectives divided into business areas provides the foundations for backtesting the strategy. A detailed set of tasks and key performance indicators (KPIs) also helps monitor the achievement of the four-pillar framework's key strategic objectives and the 12 group-level KPIs. Twice a year, in conjunction with the preparation of the annual (31 December) and half-yearly (30 June) reports, a detailed written assessment of progress achieved on the strategic objectives against the 12 group-level KPIs is prepared and presented to the Board of Directors as a briefing.

It was also defined in a policy in 2024 that all materials submitted to the Board of Directors must include an ESG assessment. This assessment is formulated by the Sustainability Performance Coordination Unit, and it aims to highlight and assess the ESG aspects of the given presentation/briefing, both in terms of impact and financial materiality, and to make recommendations for further improvements.

In addition, the policy also stipulates that the ESG implications of the subject matter are specifically disclosed for all materials submitted to the management bodies.

ESG and sustainability training

The MVM Group considers it important to educate its employees on environmental, sustainability and ESG issues, and to raise awareness about ESG topics. As regards training, emphasis is placed on topics that affect perceptions about the MVM Group's operations, and on presenting employee responsibility. Separate, detailed training is available for employees on specific key topics such as anti-corruption, ethics and the environment. To consolidate knowledge, employees attend refresher training on an annual basis. A comprehensive ESG study programme is permanently available to all non-manual workers with a Success Factors training module.

An extended ESG study programme is available for managers, with a special focus on the topic of leadership responsibility. The Catalyst programme, which includes manager training among other things, was also launched in 2024. The programme will also include several ESG-relevant workshops.

ESRS GOV-3: Presentation of sustainability incentives for management

Within the MVM Group, the incentive for top management is a bonus determined as a percentage of their salary. To determine this bonus, twelve group-level indicators were defined, four of which are related to sustainability performance. The indicators are incorporated into the performance requirements for management covered by Section 208 of the Labour Code. The composition and weighting vary from person to person. Hence, based on the Remuneration Policy,

the achievement or non-achievement of the targets linked to the indicators impacts on the annual bonus of the managers covered by Section 208 of the Labour Code. The indicators are aligned with the Group's strategy.

Sustainability performance indicators related to management bonuses:

	Group-level indicator	Calculation method	2024 target
1. Green transition			
1.	CAPEX earmarked for development of renewable energy sources and flexible instruments supporting their integration	HUF billion	254.2
2.	Additional installed capacity growth, renewable and flexible	MW	310
3.	Reducing greenhouse gas (GHG) emission intensity	gCO ₂ /kWh	205
2. Financial excellence			
4.	ESG rating compared to competitors	%	100%

The performance incentive targets of MVM Zrt.'s CEO are approved by the Ministry of Energy that exercises the ownership rights over MVM Zrt., and this serves as a reference for the top management of MVM Zrt. and other member firms. The member-firm incentive scheme is approved by the entity exercising the ownership rights over the given member firm. The system of indicators is reviewed annually in accordance with the Remuneration Policy.

ESRS GOV-4: Due diligence

At the MVM Group, certain elements of the due diligence process are integrated into the Group's operations (not as a separate and interrelated process).

The MVM Group's Central Code of Management declares that the management of MVM Zrt. and the firms belonging to the MVM Group are obliged to act and cooperate with each other in their daily work bearing in mind the expectations of the owners – i.e. the MVM Group's strategy and vision – and the objectives of ensuring higher profitability for the MVM Group along with sustainable business management.

The ISO management systems related to each element of the due diligence process are described in the chapter dealing with the internal audits on the ISO management systems in the Corporate Governance Statement.

In the Sustainability Report, the due diligence elements applied by the MVM Group are presented as follows. In this context, we drew on the links between the due diligence elements and the ESRS disclosure requirements as described in chapter 4 of ESRS 1.

- Embedding due diligence into governance, strategy and business model: GOV-2, GOV-3, SBM-3;
- Working with relevant stakeholders at all key steps of the due diligence process: GOV-2, SBM-2, IRO-1, policies;
- Identifying and assessing adverse impacts: this took place as part of the double materiality assessment in 2024. The process integration will happen through internal policies and central guidelines during 2025.
- Actions to address these adverse impacts: the actions to mitigate negative impacts are presented at the material topics;
- Monitoring and communicating the effectiveness of these resources: metrics and targets are presented at the material topics.

ESRS GOV-5: Risk management for sustainability reporting

The MVM Group operates an Integrated Enterprise Risk Management (ERM) system as described in the Management and Business Report chapter. The system also covers risks to health, safety and the environment. At the same time, the ESRS sets broader expectations in terms of topics and timeframes. Therefore, the double materiality assessment not only evaluates the risks identified in the ERM. The double materiality assessment is described in more detail in chapter 12.4. The double materiality assessment criteria are expected to be integrated into the ERM system in the course of 2025.

The risk assessment for the sustainability reporting process was carried out in an Internal Audit Advisory project, focusing on the monitoring of legal compliance. The Sustainability Performance Coordination Unit also identified the quality of data from member firms as a risk. To manage this risk, data from member firms is always checked before being aggregated. The quality of the aggregated data is also checked during the audit. In accordance with legislation, the auditor checked the report at a limited assurance level too.

12.3. Strategy

ESRS SBM-1: Strategy, business model and value chain

Activity of the MVM Group

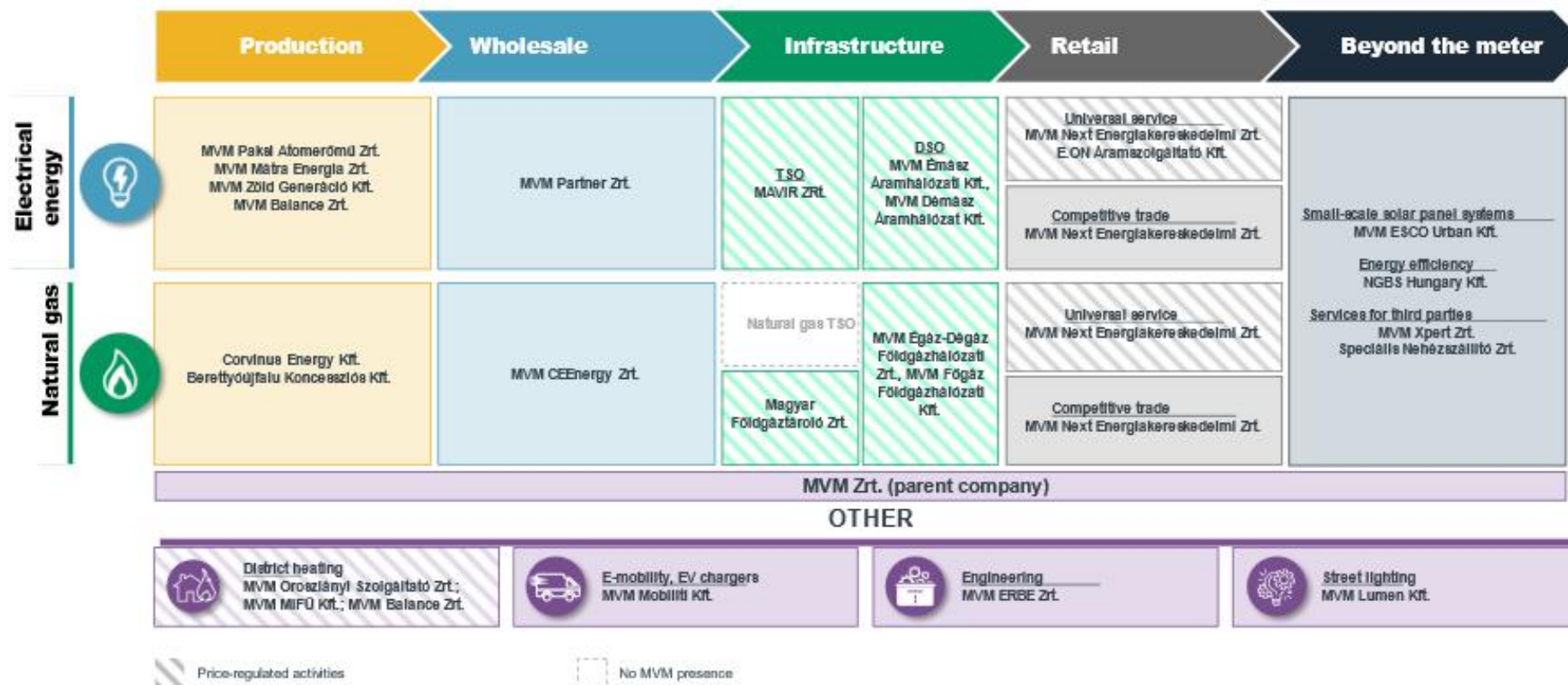
The parent company (directly or indirectly) of the firms belonging to the MVM Group is the 100% state-owned MVM Zrt. Collectively, MVM Zrt. and the companies it controls form a vertically integrated, national energy group covering the entire Hungarian energy sector, the second largest group of companies in Hungary. In addition to its role in the Hungarian market, MVM also aims to become a dominant group in the region.

The MVM Group is a major player on the Hungarian electricity and gas markets through its power plants, its electricity transmission network, its gas and electricity distribution network, and its gas and electricity trading activities. The Group is also involved in the regional energy sector, particularly in the Czech gas and electricity trading market through innogy Česká Republika a.s. and its subsidiaries, and in the secure supply of natural gas to Hungary by operating four underground gas storage facilities.

The MVM Group plays an important role in ensuring public ownership to support energy policy objectives.

A general presentation of the MVM Group and changes during the reporting period are presented in the "Presentation of the MVM Group" section in the "Management and Business Report" chapter of this report, and in the table entitled "Presentation of the Group's sites and branches".

MVM IN THE HUNGARIAN ENERGY VALUE CHAIN



Business model

The MVM Group is the leading provider of electricity and natural gas in the Hungarian market. It strives to support its customers' decarbonisation plans, i.e. to contribute to sustainability, which it can achieve together with its customers by means of electrification. The natural gas value chain currently plays a key role in the MVM Group's business model. In the medium and long term, decarbonisation efforts are expected to lead to increasing customer demand for electricity from both households and businesses, which will also mean a diminishing role for natural gas in the value chain. Thanks to its high degree of vertical integration, the MVM Group covers a large part of the value chain, thereby minimising dependency on external players and the resulting risks.

In terms of electricity generation, and in line with the strategy, priority is given to carbon-neutral solutions with a particular focus on renewable energy sources. The backbone of the Hungarian electricity system and the MVM Group's electricity generation portfolio is the Paks Nuclear Power Plant, which in 2024 provided about 47% of the total generation (34 TWh) in Hungary. The nuclear fuel is supplied to the nuclear power plant by TVEL, part of the Rosatom group. According to Hungarian legislation, the nuclear power plant must have at least two years of fuel in stock. Following the outbreak of the Russian-Ukrainian war in 2022, the nuclear power plant increased its stockpile over the legal requirement to ensure a secure supply. An agreement was signed in October 2024 with the French company Framatome to supply nuclear fuel to the Paks Nuclear Power Plant from 2027.

Fossil fuels have an unavoidable role to play in achieving the green transition to ensure security of supply. For decades, Hungary's consumption of natural gas has exceeded its domestic gas production, and therefore Hungary is dependent on imports of natural gas. Thanks to the infrastructure improvements made in recent years, Hungary has gas interconnectors with all neighbouring countries, except Slovenia. The MVM Group's main supplier of natural gas is Gazprom Export, with whom a long-term agreement was signed in 2021 for 10+5 years in 2021, with a contracted volume of 4.5 billion m³/year. LNG is another significant element in the procurement portfolio: by means of the MVM Group, Hungary made a significant contribution to the construction of the LNG regasification terminal on the island of Krk in Croatia, committing to 1 billion m³/year of regasification capacity for the period 2021-2027. The underlying LNG supply contracts are crucially important for Hungary's supply security. The MVM Group procures natural gas from a number of additional domestic and regional sources and supply routes, and plans to further expand its trading portfolio with additional alternative sources in the coming years. In 2024, MVM acquired a 5% stake in the production-sharing agreement for the Shah Deniz gas field in Azerbaijan, an investment that also contributes to the Group's diversification objectives. The Group also has interests in natural gas production projects in Hungary, in cooperation with professional operators, which contribute to the diversification of the natural gas procurement portfolio as well. In particular, MVM is the market leader in the Czech retail gas segment through the innogy Ceska Republika group, and innogy purchases its gas through large Western European traders.

The MVM Group is divided into six main business divisions:

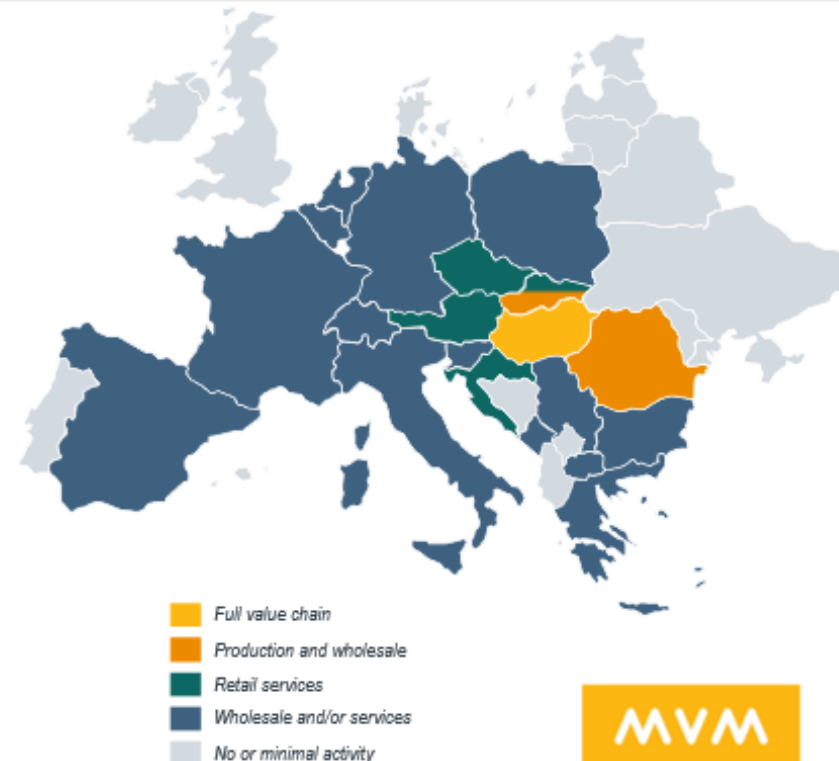
- Power generation (electricity and heat generation),
- Wholesale (wholesale trade of electricity and gas)
- Infrastructure (electricity transmission, electricity and gas distribution, natural gas storage)
- Retail and customer relations (retail trade of electricity and gas, street lighting, e-mobility)
- International (operations in the Czech Republic and Romania, Shah Deniz stake)
- Other companies (holding, technical service providers, other providers)

A breakdown of the MVM Group companies by business segment and changes during the reporting period can be found in the section "Management and Business Report: results of the MVM Group's business segments".

WE ARE A LEADING ENERGY GROUP IN CENTRAL EUROPE

More than 100 subsidiaries in 23 countries

Production		- Nuclear power plant - Conventional power plants - Renewable energy sources - District heating
Infrastructure		- Electricity transmission and distribution - Natural gas distribution - Telecommunications - Energy exchanges
Wholesale and storage		- Electricity and natural gas wholesale - Natural gas storage
Retail and customer services		- Electricity and gas supply in regulated and liberalized markets in Hungary - Customer services in digitalization, energy efficiency, household energy production and storage - Sustainable mobility (e-mobility & CNG) - Beyond-the-meter products and services
International business		- Leading position in Czech gas market through Innogy CR. The company is engaged in production, electricity, and gas retail and wholesale distribution in the Czech Republic. - Romania - hydropower production, gas, and electricity supply
Other services		- Technical design, manufacturing, and other services - Holding and group services



Number of employees by geographical area:

Country	Headcount (persons, 31 Dec 2024)
Hungary	17,954
Czech Republic	1,542
Other (total for countries with fewer than 50 employees)	111

Sales revenue and breakdown:

Sales revenue from coal-related activities (HUF mn)	74,823
Sales revenue from oil-related activities (HUF mn)	12,904
Sales revenue from gas-related activities (HUF mn)	2,379,374
Total sales revenue (HUF mn)	4,533,736

The MVM Group strategy

The MVM Group wants to become the leading energy and infrastructure player in Central and Eastern Europe (CEE) by 2035 relying on carbon-neutral solutions.

The realisation of this vision is mapped out in the MVM Group's new four-pillar system of strategic objectives published at the beginning of 2024, as presented in the "MVM Group's objectives and strategic outlook" chapter. The Group has integrated its ESG strategic objectives – published in 2022 – into its new corporate strategy.

The strategy responds to the following expectations and challenges:

- ESG expectations, in particular decarbonisation (achieving net zero emissions by 2050), and related consumer awareness, will strongly shape the scope for energy and utility companies in the next decade.
- The share of carbon-neutral (renewable and nuclear) and – in the transition period – technologies (natural gas) that are more favourable to coal from the perspective of greenhouse gas (GHG) emissions, along with hydrogen, will continue to increase.
- Demand for electricity will also continue to grow in the coming decades, driven by electrification among other things, while at the same time requiring the expansion of regulated infrastructure (in particular the electricity grid).
- Natural gas serves as a transitional fuel to support coal phase-out initiatives and provides resilience to balance intermittent renewable generation.

Looking at the 4 pillars of the strategy, Green Transition focuses specifically on sustainability, but the three other pillars also have ESG/sustainability aspects.

1. Green transition

The MVM Group's priority is to develop an efficient and diversified portfolio based on carbon-neutral energy sources and resilient solutions. The Company's GHG intensity target for produced electricity is to achieve a reduction from 241 gCO₂e/kWh in 2020 to 120 gCO₂e/kWh in 2030, and to achieve net carbon neutrality by 2050.

Expanding the renewable portfolio

The current vision is that renewable energy sources will play a prominent role in Hungary's energy mix. Hungary's conditions are favourable for implementing these investments, so solar and wind energy already play an important role in the power plant portfolio, but small-scale solar power systems are also gaining ground in the retail sector.

The MVM Group's planned national and regional installed renewable capacity upgrades will amount to 3,000 MW by 2035 (compared to 2022 year-end), distributed among the following energy sources: ~2,450 MW PV; ~500 MW wind; ~100 MW geothermal; ~15 MW biomass.

Maintaining nuclear capacities

Nuclear energy plays an important role in the energy supply of Hungary, as well as in the maintenance and development of a zero-emission generation portfolio. Completely carbon-neutral energy production is not feasible without nuclear energy, which is why it is a good thing that nuclear energy accounts for almost half of Hungary's electricity production, in which the MVM Group has, and will continue to have, a key role.

Preparations have started for the investment to extend the lifetime of Paks units 1-4 until 2057. Part of the plant's pursuit of excellence is to perform well in the international environment and to comply with WANO (World Association of Nuclear Operators) requirements and guidelines (to be in the top quartile of WANO peers in terms of nuclear safety), including feeding the results of independent international assessments back into operations.

Investing in resilient tools

Reliance on renewable energy sources and energy storage technologies is the ultimate goal, but resilient power plants are currently an essential part of the grid. They provide the necessary stability, reliability and flexibility to integrate renewables, manage peak demand and ensure a flexible electricity supply. To this end, compared to 2023 the Group is planning +2,700 MW of energy storage, generation and customer flexibility projects by the end of the strategic timeframe. Modern capacity replacement and resilience will be supported by the installation of the Mátra and Tisza combined cycle gas power plants (CCGT), providing a total of ~1,500 MW. In addition, energy storage facilities (~500 MW) installed next to substations or at power plants also make an effective contribution to balancing tasks.

Fuel switchover – coal phase-out

One of the key decarbonisation objectives is converting the lignite-fired Mátra power plant to technologies emitting less carbon dioxide. Coal-based power generation needs to be maintained for security of supply reasons until the commercial launch of the combined cycle gas turbine (CCGT) unit. As part of the green transformation, the MVM Group will pay particular attention to supporting a sustainable and equitable transition in the region.

A programme (LIFE-IP North-HU Trans), led by the Ministry of Energy and co-funded by the European Union, was launched in 2020 and will run until 2029 to plan and support the implementation of a safe, efficient and low-carbon transformation of Hungary's last coal region. The total budget for the programme is almost EUR 15 million (~HUF 5.8 billion).

The programme will involve local stakeholders such as local governments, civil society organisations, academics, the business community and representatives of the power plant's employees, but – due to the energy transformation – also several subsidiaries of the MVM Group and the Hungarian Energy and Public Utility Regulatory Authority.

2. Portfolio diversification

Diversifying the portfolio to meet the requirements of the 21st century and the needs of customers is a prerequisite for growth within the Group.

Developing future-oriented infrastructure

As supply security and consumer needs change, the grid faces new challenges.

The emergence of a large number of renewable power plants, high-capacity charging stations and heat pumps is leading to a shift towards decentralisation. Some reaction is also required to the needs of large industrial consumers, as national consumption could exceed 55 TWh by 2030.

In response, the MVM Group is planning to develop transmission lines and substations and build interconnectors in the transmission and distribution network.

Another major challenge is to support the integration of renewable power plants, which could require up to 12-15 GW of capacity by 2030. This requires not only an expansion of grid capacity, but also an improvement in planning and investment processes to speed up construction, reduce costs and achieve more efficient planning, not to mention the integration of flexible generators and storage into the system-level regulation market.

In addition to conventional network development, it is essential to implement digital developments and augment smart solutions. It is planned to install more than 650,000 smart meters on the MVM Group's distribution network by 2030, and work is underway with the transmission system operator to develop forecasting and control capabilities to build a resilient and future-oriented grid.

One priority regarding the natural gas network is to increase the operational efficiency of existing infrastructure and minimise technical gas losses. Preparations have also begun to transform the gas infrastructure by increasing the resilience of the distribution network, reducing dependence on gas imports and exploring the conditions for accommodating renewable gas.

The MVM Group is also a European leader in terms of gas storage capacities. In addition to ensuring effective compliance with the current regulatory environment, one important challenge for our gas storage facilities is for the Group to prepare for climate-friendly energy-storage technologies. In the long term, the storage facilities are expected to play an important role in storing green, alternative gases. A number of innovative projects are exploring opportunities and modernising and preparing the storage facilities.

Developing wholesale and retail activities, maintaining market leadership

With regard to wholesale electricity trading, the MVM Group wants to expand its product portfolio in line with the changed energy market conditions and megatrends, and to support the achievement of the planned electricity generation capacity within the current EU legal framework. It also aims to exploit market opportunities related to the supply of large consumers in Hungary, and to integrate opportunities related to consumer flexibility. At the regional level, the expansion of the Group's commercial presence is taking place organically through the competitive servicing of needs.

In natural gas wholesale, the primary objective is to improve the Group's position by increasing the diversification of sources and routes, and by acquiring new customers at regional level.

The aim is to maintain the current status in the competitive electricity and gas market in Hungary, and to provide a high standard of customer service, including through the broader introduction of digital solutions. At regional level, the Group aims to increase its market share in the Czech Republic, Romania, Slovakia and Serbia.

Increasing international diversification

The key objective of the expansion is to generate 25% of the MVM Group's EBITDA from regional activities by 2035. Further development of the Czech, Slovak, Romanian and Serbian portfolios and strengthening the market position will play a significant role in this.

Profitability requires linking the elements of the value chain by exploiting existing shareholdings and regional presence.

To support source diversification, a renewable portfolio of 600-800 MW is to be developed for the international markets, and the Group will also focus on maintaining and developing its leading position in retail and e-mobility markets in both Hungary and the Czech Republic.

3. *Customer-oriented and adaptive organisation*

Growth requires an organisation that works efficiently and is responsive to customer needs.

Building an adaptive organisation

The MVM Group wants to strengthen internal practices that support organisational agility and innovation, especially in the area of human capital, in order to create a crisis-resilient, proactive organisation. Emphasis will be placed on rationalising the portfolio of companies at group level, effectively classifying then optimising resources and processes. Investing in human resources and digitalisation results in a modern management approach and an adaptive organisation.

Data-driven operations and digitalisation

A digital culture shift and operating model change will be implemented along the entire value chain, permeating initiatives to both improve efficiency and strengthen the customer focus.

Strengthening customer focus

The customer database is segmented based on customer value, which provides the foundation for reorganising service processes in each segment. The focus of the renewal is on introducing further innovative digital solutions and the end-to-end digitalisation of processes. The MVM Group treats service levels important to customers, along with customer satisfaction, as priorities.

4. *Financial excellence*

A credible growth strategy is based on sound financial fundamentals creating additional financing capacity, which provide an attractive vision for investors.

Maintaining credit ratings

The Group aims to maintain the investment-grade rating(s) it obtained in 2021, even given the challenges on the energy markets. Having an investment-grade rating is an important prerequisite for broad access to the international capital markets and for keeping financing costs at competitive levels. Diversification of the funding/investment portfolio is ongoing, and includes a further increase in the volume of capital market funding (up to 50%).

Sustainable financial path

The CAPEX trajectory is driven in particular by carbon-neutral power generation projects, grid upgrades, regional acquisitions and security of supply considerations. Achieving the strategic goals will require very significant capex projects and investments. The MVM Group wants to become a regional energy leader, and is thus targeting an international EBITDA share of >25% by 2035.

Competitive ESG certification

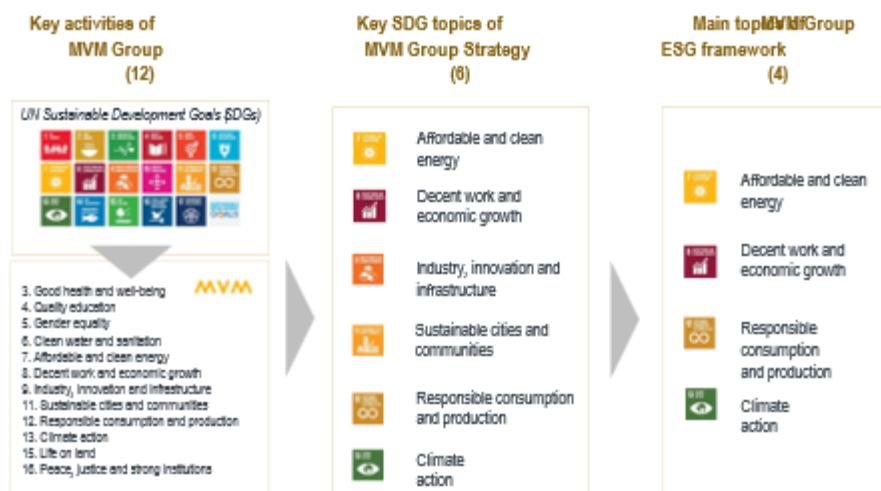
One key objective of the MVM Group is to build and operate a balanced and transparent ESG framework that takes industry-specific factors into account. The ESG framework is built on four pillars.

It is important for the Group to drive continuous improvements in the existing ESG rating(s) through targeted programmes and ongoing improvements in the reporting system, as alongside transparency this offers a chance to better the funding situation.

In relation to the strategy, the MVM Group set key ESG indicators and targets, and continuously monitors their achievement. The key indicators are described in chapter 12.7.

The MVM Group's corporate goals are also inextricably linked to the UN's SDG topics.

KEY SDG TOPICS OF MVM GROUP



The MVM Group is a key player in the electricity and gas value chains. It is tightly integrated with centralised risk management, which provides the necessary operational control for the whole group. The Group's entire upstream and downstream value chain is integrated, so most risks are managed internally. The MVM Group is a particularly important player in the Hungarian energy sector, and as a state-owned company with universal service obligations, its political and economic background provides significant stability.

The Company places strong emphasis on fair and transparent business conduct in managing supplier and customer relationships, and operates in accordance with both ethical and sustainability principles. In both value chains, industrial and consumer, the MVM Group applies strict regulations and policies aimed at sustainability, ethical procurement practices and responsible partner management.

The MVM Group's advocacy and business position in the value chain is significant not only at the economic but also at the political level. The Group takes national and political aspects into account as well, especially when it works with important partners in external markets such as energy. Public ownership and public service obligations provide a safeguard to ensure that the MVM Group's relations with external partners always take account of social and political expectations.

Managing supplier and customer relationships is particularly important for MVM. The reputational risk that could result from an inappropriate partnership could have significant consequences. To avoid this, MVM operates under strict ethical guidelines that all its partners must respect. The MVM Group expects its business partners to take measures proportionate to the size, complexity and risk exposure of their organisation in order to ensure ethical operations and compliance.

ESRS SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability impacts, risks and opportunities (IRO) for the MVM Group

ESRS topic	Subtopic/sub-sub-topic	Impact/risk/opportunity area	Impact/risk/opportunity
E1 Climate change	<i>Climate change mitigation</i>	MVM Group	Impact, risk, opportunity
	<i>Climate change adaptation</i>	MVM Group	Impact
	<i>Climate change adaptation</i>	energy traders (MVM CEEnergy Group, MVM Partner Zrt., innogy Energie s.r.o.), hydroelectric power plants, MVM Paksi Atomerőmű Zrt., MVM Tisza Erőmű Kft., retail companies	Risk
	<i>Energy</i>	power plants, energy traders	Impact
	<i>Energy</i>	MVM Group	Risk
	<i>Energy</i>	power plants	Opportunity
E2 Pollution	<i>Air pollution</i>	MVM Mátra Energia Zrt.	Impact
	<i>Water pollution</i>	MVM Paksi Atomerőmű Zrt., gas power plants	Impact, risk
	<i>Soil pollution</i>	MVM Next Zrt. (former gasworks area)	Impact
E3 Water and marine resources	<i>Water</i>	MVM Paksi Atomerőmű Zrt., hydropower plants, gas power plants	Impact, risk
E4 Biodiversity and ecosystems	<i>Impacts on biodiversity</i>	MVM Mátra Energia Zrt., MVM Mátra Mélyépítő Kft., Vértesi Erőmű Zrt., MVM Émász Áramhálózati Kft., MVM Démász Áramhálózati Kft., MAVIR Zrt.	Impact
E5 Circular economy	<i>Waste</i>	MVM Mátra Energia Zrt., MVM Émász Áramhálózati Kft., MVM Démász Áramhálózati Kft., MAVIR Zrt., MVM Paksi Atomerőmű Zrt.	Impact
	<i>Waste</i>	MVM Group	Risk
S1 Own workforce	<i>Working conditions: collective rights, health protection</i>	MVM Group	Impact
	<i>Working conditions: Secure employment</i>	MVM Mátra Energia Zrt.	Impact, risk
	<i>Equal treatment and equal opportunities: gender equality, training, employment of people with disabilities, diversity</i>	MVM Group	Impact
S2 Workers in the value chain	<i>Working conditions: Decent living wages, social dialogue, freedom of association and collective bargaining, health protection</i>	suppliers	Impact
	<i>Equal treatment and equal opportunities: gender equality, workplace violence and harassment</i>	suppliers	Impact
	<i>Other work-related rights: forced labour</i>	suppliers	Impact
S3 Affected communities	<i>Communities' economic, social and cultural rights: disaster management, critical incidents</i>	MVM Group	Impact
	<i>Communities' civil and political rights: donations, freedom of expression</i>	MVM Group	Impact
S4 Consumers and end-users	<i>Information-related impacts on consumers and/or end-users: quality information</i>	retail companies	Impact
	<i>Information-related impacts on consumers and/or end-users: data protection</i>	universal service companies (MVM Next Zrt., innogy Energie s.r.o.)	Impact, risk
	<i>Social inclusion of consumers and/or end users: access; demand side management</i>	retail companies	Impact, risk, opportunity
	<i>Social inclusion of consumers and/or end users: Access – availability, system efficiency</i>	MVM Émász Áramhálózati Kft., MVM Démász Áramhálózati Kft., MAVIR Zrt., natural gas companies	Impact
	<i>Social inclusion of consumers and/or end users: fair market practices</i>	MVM Group	Risk
	<i>Social inclusion of consumers and/or end users: fair market practices</i>	universal service companies	Impact

ESRS topic	Subtopic/sub-sub-topic	Impact/risk/opportunity area	Impact/risk/opportunity
G1 Business conduct	<i>Corporate culture</i>	MVM Group	Impact, risk
	<i>Political engagement</i>	MVM Zrt.	Impact, risk
	<i>Management of relationships with suppliers, including payment practices</i>	MVM Group	Risk
	<i>Corruption and bribery</i>	MVM Group	Impact, risk

The material sustainability impacts, risks and opportunities of the MVM Group are presented in detail in the chapters on material topics.

During the double materiality assessment, the impact of risks and opportunities on the financial metrics of the business were not quantified at Group level. The Group will start developing the methodology for this modelling in 2025.

The MVM Group assessed its material impacts, risks and opportunities in 2024 in accordance with ESRS requirements, while in the previous year the materiality assessment was performed in accordance with the GRI Standard 2021. The variances between the two sets of expectations also affect the scope of material issues, but the difference is mainly seen in wording. Only Corporate culture was not previously included among the material topics, but several ESRS topics were previously relevant as part of other topics. Three previous topics were not found to be material under the current materiality assessment due to the different approach of the GRI and the ESRS: (indirect) economic impacts are not included in the ESRS.

Changes in material topics compared to 2023 ¹	
Material topics from previous report	Material topics for current reporting period
GHG emissions (including energy indicators)	Climate change mitigation Energy
Climate adaptation, resilience, transition	Climate change adaptation
Airborne emissions	Air pollution
Water and liquid emissions	Water
	Water pollution
Biodiversity	Impacts on biodiversity
Waste	Waste
Decommissioning nuclear power plant	Soil pollution
Workplace health and safety	Own workforce: working conditions
Employment practices	
Freedom of association and collective bargaining	
Non-discrimination and equal opportunities	Own workforce: equal treatment and equal opportunities
Employment practices (supplier indicator)	Workers in the value chain: working conditions
	Workers in the value chain: equal treatment and equal opportunities
Forced labour, modern-day slavery	Workers in the value chain: other work-related rights
Asset integrity and critical incident management	Communities' economic, social and cultural rights
Disaster management, emergency planning and response	
Local communities	Communities' civil and political rights
Provision of information	Information-related impacts on consumers and/or end-users:
Protection of personal data	
Availability and reliability	Social inclusion of consumers and/or end users:
System efficiency	
Access	
Anti-competitive behaviour	
Demand side management	
Payments to the State	Corporate culture
Public policy	Political engagement
Economic impacts (supplier indicator)	Management of relationships with suppliers, including payment practices
Anti-corruption	Corruption and bribery
Research and development	These topics are not included among the material topics in 2024.
Economic impacts	
Child labour	

¹ New material topics are highlighted.

12.4. Materiality assessment, impacts, risks and opportunities

ESRS SBM-2: Stakeholders

The MVM Group conducts its relations with all relevant groups in accordance with the principles and expectations of ethical business conduct and the Code of Ethics.

Most important stakeholders	Purpose and method of cooperation	How results are used
Owner: holder of ownership rights as of 31 Dec 2024: Ministry of Energy	MVM Zrt. aims to serve the needs of its owners. This is achieved by regular data reporting and coordination.	MVM Zrt. implements the decisions of the owner.
Customers/clients: customers of all member firms: end consumers, customers of trading companies, electricity distribution companies, gas transmission and distribution companies	The MVM Group aims to provide a quality service and energy to its customers in compliance with the law. The MVM Group ensures a high level of customer satisfaction and customer experience by operating a quality assurance system, continuously monitoring and reporting the traffic of customer service channels and by complying with the quality indicators required by law. The quality of customer service is measured through customer satisfaction surveys and market research.	Customer satisfaction surveys and market research are used as a basis for the MVM Group's developments.
Employees	The MVM Group aims to promote the well-being of its employees and provide the best possible working conditions in order to ensure quality and responsible work. The Company cooperates with trade unions, works councils and health and safety representatives.	The MVM Group improves working conditions and systems to support equal and fair employment. The results of consultations with trade unions and works councils are always respected.
Suppliers	The Group aims to ensure competitive neutrality and transparency, favouring local suppliers. The Group strives to employ modern solutions (e-procurement, e-catalogue ordering, e-auction).	The Company develops ethical, fair and stable partnerships.
Regulatory and public bodies, authorities: Ministry of Energy, Ministry of Finance, Ministry of Foreign Affairs and Trade, Hungarian Energy and Public Utility Regulatory Authority, government offices, Atomic Energy Authority, mining boards, National Park Directorates, National Climate Protection Authority, National Office of Communications, Digital Government Agency, etc.	The MVM Group aims to comply fully with the law. MVM Group staff take part in commenting on laws and regulations affecting the industry during the legislative process. The Company cooperates with inspection authorities.	The Company modifies and improves its operational processes in line with changes in legislation and based on feedback and decisions from the authorities.
Natural environment	The natural environment is represented through civil society organisations and public bodies. The Group aims to protect the natural environment and wildlife, and in the case of mining activities, to restore natural habitats through recultivation.	Based on feedback from civil society organisations and public authorities, the Group continuously develops and implements its bird protection, recultivation and other nature conservation activities, and launches new projects when needed.

Most important stakeholders	Purpose and method of cooperation	How results are used
Professional organisations: energy and sustainability organisations that MVM Group companies are members of	The MVM Group aims to utilise the latest scientific results and to augment knowledge in the field of energy. The Company's employees take part in scientific work, advocacy, associations and scientific events. MVM Zrt. represents the Hungarian energy industry and participates in the work of international organisations.	The Group incorporates the latest scientific findings into its operations, launching new activities where appropriate.
Residents and local population near company facilities	The MVM Group aims to establish the best possible relationship with local populations. Local populations are mainly represented through local governments and local civil society organisations. In addition, the Group involves locals through public forums, regular disaster management drills and information, as well as public hearings for new installations. It works with local governments and supports local organisations.	Based on feedback from the public, member firms make changes to their operational processes.
Supported organisations	In line with its economic weight, the MVM Group is committed to playing a role in supporting and promoting the country, Hungarians, and European values. Grant contracts are signed with selected organisations that fit the funding profile.	The Company renews its support for successful programmes and partnerships year after year.

The 2024 materiality assessment included a stakeholder survey, in which stakeholders were also asked for their views on the MVM Group's strategy. 77.5% of the respondents agreed with the strategy and business model, and 69.6% thought the strategy took into account the views of the group they represent.

ESRS 2, E1, E2, E3, E4, E5, G1 IRO-1**Materiality assessment**

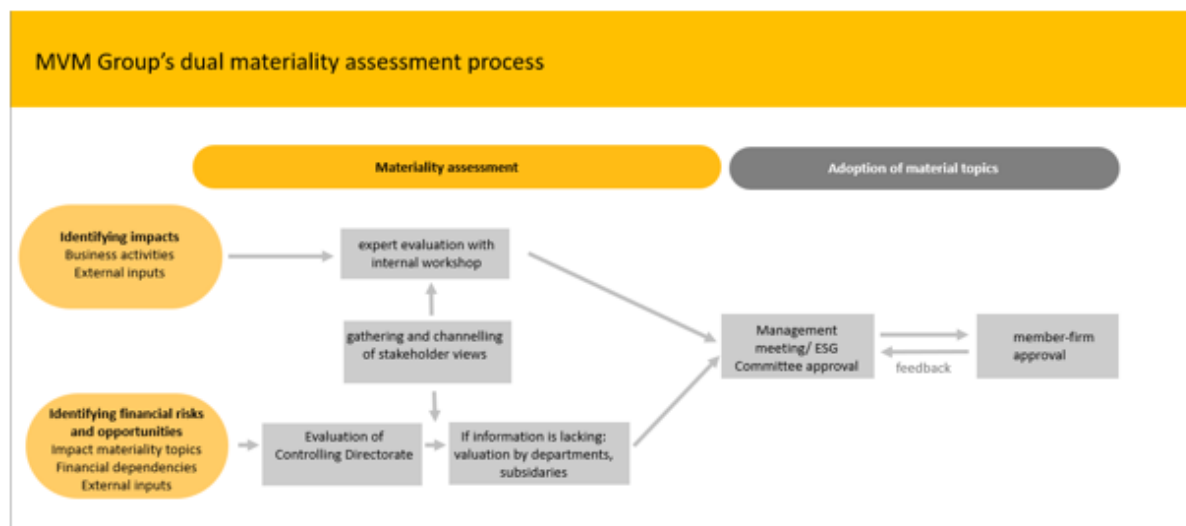
The purpose of the materiality assessment was to identify the most important impacts, risks and opportunities to be presented in the report. The preceding materiality analysis, conducted in 2022, looked at the dimension of impact materiality. The results were used for this analysis, but the starting point was the ESRS expectations.

The methodology for the materiality assessment is designed in line with the ESRS expectations, adding the dimension of financial materiality to impact materiality and using the sustainability topics defined by the ESRS as the starting point. The study was carried out by building on the Group's existing processes where available. The materiality assessment is reviewed annually, with the next review scheduled for 2025.

The double materiality assessment is based on the following principles:

- the ESRS text is the objective criterion on which the assessment is based;
- other material information available is processed for the sake of completeness;
- internal stakeholders with material information are involved in the work process, and
- the views of relevant external stakeholders are sought.

The following figure illustrates the materiality assessment process, its methods and the decision-making process.



MVM identified the impacts, risks and opportunities that could arise in the group and in the value chain. A sustainability issue was considered material if it meets the criteria for impact materiality or financial materiality, or both.

Consultation with stakeholders

The assessment drew on a range of sources to gather stakeholders' views and expectations and to identify and assess material impacts.

- ESG assessments, questionnaires from banks, lenders and investors: Morningstar Sustainalytics, Amundi Asset Management, UniCredit, BNP Paribas, EXIM Hungary, ICBC Standard Bank,
- results of customer satisfaction surveys,
- results of employee satisfaction surveys,

- results of supplier questionnaires,
- commenting on the sustainability materiality analysis of the MVM Group by means of an online questionnaire.

For the online questionnaire, stakeholders were selected according to the following criteria:

- likely to be familiar with the activities and sustainability aspects of the MVM Group,
- represent a relevant stakeholder group,
- the interests of vulnerable stakeholders should also be represented (nature and vulnerable customers can be represented by civil society organisations, universities, authorities, and representatives of the owner and local populations),
- expected to give unbiased opinions.

Thirty-three people received the online questionnaire, representing the following stakeholder groups:

- Owner's representative / policymaker
- Authority, supervisory authority
- Analyst, stock exchange
- Professional, civil organisation
- University, scientific organisation
- Representative of local population
- Media, journalist (also an analyst)
- Employee representation
- Other (supplier with sustainability knowledge)

All stakeholders were given the opportunity to express their views on the sustainability impacts of the MVM Group, but only the views of a narrow group of stakeholders with expertise in this area were considered for financial materiality.

Eighteen people took the opportunity to respond, with responses from all stakeholder groups. A topic is deemed material if it is considered material by more than a quarter of the respondents, and not just from one stakeholder group. Based on the responses received, climate change adaptation, corporate culture, donations and community programmes (the latter as part of the topic on communities' civil and political rights) became material topics in terms of impact.

In the context of financial materiality, the stakeholder responses did not change the list of material topics as the issues that the respondents considered to be material were already on the list.

Identifying and assessing impacts

When identifying impacts, MVM Zrt. focused on specific affected activities, business relationships, geographic characteristics and other factors that pose an increased risk of adverse impacts. Impacts were identified and assessed along the entire value chain.

To identify potential impacts, the Group's activities and business relationships, products and services along with the geographic characteristics of all these were assessed, and the value chain was mapped too. This was done using the 2023 Integrated Report and the information collected from member firms to compile it, supplemented by the Group's strategy, a benchmarking analysis of five energy companies relevant to the MVM Group, and information from stakeholders. To identify impacts, both the 2022 materiality assessment topics and the sustainability topics mandatory under the ESRS were examined. The impacts were listed by place of occurrence (mainly companies, groups of companies). It was deliberated whether they are positive and/or negative, actual or potential impacts, and what changes can be expected in the short, medium and long term. When assessing the impacts, the time horizon with the greatest impact was taken into account where a change in impact could be expected.

The following timeframes, commonly used in the MVM Group's planning, were applied:

- short-term: 12 months from the end of the current reporting period;
- medium-term: the business planning period (until the end of 2029);
- long-term: period from the end of the medium term, currently until the end of 2035, which is the end of the time horizon for the corporate strategy.

As required by the ESRS, the assessment and ranking of impacts was based on the severity of the impact (scale², scope³ and irremediable character⁴) for actual impacts, while for potential impacts it was based on severity and likelihood along with objective criteria. Any one of the three characteristics (scale, scope and irremediable character) could make the negative impact severe.

When selecting the material impacts, the list first filtered out those where, under reasonable assumptions, no impact would arise in relation to the MVM Group's own operations, products and services and value chain.

For the other impacts, a scored assessment was made. This employed a scale of 0 to 5 for impact scale and scope, and irremediable character for negative impacts as well. Thus, the maximum score that could be given for an impact was 15. An impact became material when it reached a value of 9. If the scale, scope or irremediable character was rated 5, the impact was definitely material, regardless of the other aspects.

Using the above method, the impact assessment was carried out in a workshop by experts from the relevant fields of the MVM Group. The participants of the workshop had deep prior knowledge of both CSRD requirements and the MVM Group's current practices and impacts. The multi-round assessment produced a consensus result. The resulting impact materiality assessment was the basis for the stakeholder consultation.

Sustainability risks in 2024 were identified by means of a double materiality analysis. The results of the MVM Group's integrated enterprise risk management survey were used in the assessment.

For climate-related issues, the information available on GHG emissions from risk management procedures was explicitly used, and this is presented in more detail in the Environmental Information chapter.

The biodiversity impacts were also assessed as above, for all of the own activities and value chain, and no further examination was carried out.

Identification and assessment of financial risks and opportunities

To identify financial risks and opportunities, the Company employed the resources presented for impact materiality, and analysed the potential risks from the impacts, the creditor and investor questionnaires received by the MVM Group, the ESG rating questionnaire topics, as well as all relevant sector-specific SASB standards. The risks in the ERM system were reviewed, and risks that could be attributed to sustainability reasons were added to the list.

The assessment of the materiality of financial risks and opportunities was based on a combination of likelihood of occurrence and the potential scale of the financial impacts. The first step in the assessment was to identify which risks and opportunities could be quantified. In most cases, these were not quantifiable. The relevance of the risks was then decided by considering the short, medium and long-term occurrence of the risks and opportunities, and in addition to the likelihood, the impact of the risk was assessed (both on scales of 3) and categorised as material or immaterial. A risk or opportunity scoring 5 or more out of a maximum of 6 points was identified as material. MVM Zrt.'s divisions and

² Measure: how grave the negative impact is or how beneficial the positive impact is for people or the environment

³ Scope: how widespread the negative or positive impacts are. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope may be understood as the number of people adversely affected.

⁴ Irremediable character: whether and to what extent the negative impacts could be remediated, i.e. restoring the environment or affected people to their prior state.

subsidiaries were involved in the decision-making process, in two stages. In all cases, the participants involved were provided with information on the framework for the materiality analysis and the criteria to be considered in the evaluation.

Stakeholders were surveyed in parallel with the consultations. Given that the owner's representative, certain specialist stakeholders and analysts have insight into what sustainability factors could pose a financial risk or opportunity for the MVM Group, the views of these stakeholders were also assessed with regard to financial materiality. Six out of the seven respondents answered.

The Group does not rank/prioritise sustainability risks differently from other types of risks.

The list of material topics was validated and approved by the MVM Group at two levels. The methodology revised based on feedback from stakeholders and the results were discussed and approved by the Management Meeting and the ESG Committee. The approval by the Management Meeting was followed by approval from the member firms. The methodology and results of the materiality assessment were shared with the key member firms (those required to draft their own reports and those identified in the list of impacts, risks and opportunities) and no changes were proposed.

12.5. List of ESRS requirements covered

ESRS IRO-2

The list of disclosure requirements fulfilled in the Sustainability Report and the list of datapoints from EU legislation are explained in Chapter 16.

The disclosure requirements in the ESRS standards that relate to a topic of material importance to the MVM Group have been reported. The material topics were linked to ESRS disclosure requirements based on EFRAG's guidance document ID177 – Links between AR16 and Disclosure requirements. After this linkage, a datapoint was only omitted if the MVM Group does not perform the activity required by the datapoint (e.g. chemical production), or if it was a datapoint subject to being phased-in or its reporting was voluntary. Datapoints that are subject to phasing-in and can be reported voluntarily are reported if the required information can be produced without significant effort or has already been reported. The material topics of E2, E3, E4 and E5 are only material for one company, and therefore the disclosure requirements only apply to these companies (see ESRS 2 SBM-3).

The sustainability reporting metrics were not validated by external bodies other than the assurance provider. The exception to this is the nuclear safety metric, "Number of significant or higher (level 1 or higher) events on the INES scale", which was validated by the Atomic Energy Authority (OAH).

The list of disclosure requirements fulfilled in the preparation of the sustainability statement as a result of the materiality assessment is presented in Chapter 16.

12.6. General presentation of policies (ESRS 2 MDR-P 65)

The MVM Group is committed to ethical and sustainable operations, which are ensured by its comprehensive policies and guidelines. Below are the policies that provide a general framework and set out the principles on which they operate:

Code of Ethics of the MVM Group

The principles and guidelines for ethical business conduct are summarised in the MVM Group's Code of Ethics. As a key energy player and the main guarantor of electricity and gas supply security in Hungary, the MVM Group aims to meet high ethical standards and represent the highest level of ethical standards. The MVM Group considers it fundamental to conduct business in a fair manner, to comply strictly with professional and legal requirements, to meet the expectations of the owners and to pay attention to the principles of respect for the individual. The Code of Ethics sets out clear and unambiguous guidelines and expectations for ethical business conduct, defines standards of behaviour

for employees and sets out the Group's business ethics commitments: the MVM Group is committed to protecting and respecting human rights, including, in particular, the right to human dignity, the right to life, the right to personal liberty and security, the right to the highest attainable standard of health, the right to just and favourable working conditions, with particular regard to gender equality, the right to equitable wages and to decent living conditions, the right to an adequate standard of living, the right to form and to join trade unions, the right to collective bargaining, the right to freedom from all forms of forced or compulsory labour, the right to freedom from child labour, the right to freedom from discrimination and the right to freedom of expression. The Code also sets forth that the MVM Group is committed to health, safety and environmental protection, equal treatment, privacy and the protection of personal data. Familiarity with the Code of Ethics and full compliance with its ethical and professional standards is a fundamental expectation for all staff.

Compliance with the Code of Ethics applies to all companies and activities of the MVM Group and is expected of all employees, temporary and other workers, office-bearers and persons acting on behalf of the MVM Group. The Code does not apply to participants in the upstream and downstream value chain outside of the MVM Group. They are covered by the Business Partner Code of Ethics, which is presented below.

The CEO of the MVM Group and MVM Zrt. bears the responsibility for ensuring compliance with the Code of Ethics.

The principles of responsible business conduct contained in authoritative intergovernmental documents have been incorporated into the MVM Group's internal processes and policies. The Code of Ethics sets out the MVM Group's commitment to the protection and respect of human rights, based on United Nations (UN) and OECD guidelines.

In drafting of the Code of Ethics, the departments affected by the subject matter were involved, in accordance with the procedure for creating internal documents governing the operations of the Company.

The same practice applies for accessibility of MVM Group policies: the policies are available in Hungarian and English on the Group's website. Familiarity with the Code is also helped by means of internal training, which is presented in Chapter 15 on Governance Information.

MVM Group Business Partner Code of Ethics

The MVM Group sets the same high ethical standards for its business partners as it does for its employees. The purpose of this Code is to set clear and unambiguous guidelines and expectations for the MVM Group's business partners on ethical business conduct, with particular regard to corruption, the prohibition of restrictive agreements (especially cartels), respect for human rights and human dignity, including the right to personal liberty and security, the right to equitable wages and decent living conditions, the right to freedom from all forms of forced or compulsory labour, in particular the right to freedom from child labour, equal treatment, health and safety, data protection, data security and environmental protection, and it details how to report violations of the Code. The MVM Group does not consider as sustainable any business partnerships which, in the course of their operation, violate the environmental values and standards set out in this Code.

The MVM Group Business Partner Code of Ethics applies to the Group's business partners along the entire value chain and supply chain.

The Chief Operating Officer (Group) of MVM Zrt. is responsible for compliance with the Business Partner Code of Ethics.

In addition to the intergovernmental documents and international standards listed in the introduction to the Code of Ethics, the Code also commits to respecting applicable competition law. The Code incorporates United Nations (UN) and OECD human rights guidelines as well.

The Code was drafted as described in the Code of Ethics.

The Code is available on the Group's website.

MVM Group Environmental Policy

The MVM Group's Environmental Policy declares the Group's commitments with regard to impacts on all key environmental elements. The policy states that the MVM Group, by virtue of its activities, has an impact on the natural and built environment. In line with the basic principles of sustainability and with due consideration of the circular economy, the MVM Group aims to minimise the impact on the environment and biodiversity, reduce emissions of pollutants and waste, and eliminate past environmental damage, following the principles of precaution and responsibility. Building on the long-term innovation and decarbonisation set out in its business and ESG strategy, the MVM Group will increase its carbon neutral energy production, apply efficient, energy-saving and sustainable processes and technologies, thereby strengthening its competitiveness, market position, reputation, customer focus and positive impact on society. In its developments, investments and acquisitions, the MVM Group focuses on ensuring continuous compliance with environmental requirements (IPPC), the application of Best Available Techniques (BAT), responsible resource management, material/component durability, reuse and low waste, and bears the UN Sustainable Development Goals in mind. It does this by simultaneously responding to the battle against climate change, striving for resilience, managing market turbulence and security of supply.

The policy was drafted taking into account the EU Taxonomy Regulation, the legislation, standards, official and internal regulations in force in the European Union and in the countries where the Group operates.

The MVM Group's Environmental Policy applies to all member firms and activities of the Company, regardless of geographical boundaries.

The CEO of MVM Zrt. is responsible for the environmental policy.

The MVM Group maintains continuous dialogue with stakeholders and cooperates with public authorities to prevent and deal with pollution and emergencies. Their views were taken into account when formulating and revising the MVM Group's Environmental Policy.

The environmental policy is available on the Group's website.

Other topic-specific policies are described in the relevant chapters.

12.7. General presentation of targets (ESRS 2 MDR-T 80 and AR24-26)

ESG targets of the MVM Group

Along the lines of the MVM Group Strategy 2024-2035 and the principles set out in the MVM Group's policies, the MVM Group defined key performance indicators (KPIs) to monitor its performance and achieve its targets. A system of ESG KPIs was already in place within the Group before the strategy was adopted, and the KPIs are regularly reviewed. This was also carried out after the strategy was adopted, and the ESG working group conducted the review.

The targets were developed in response to the current assumptions on the strategic environment (see more in chapter 12.3 MVM Group strategy), taking into account the challenges of the energy industry, ESG as a framework of requirements, the increasing availability of carbon-neutral technologies, the growth in electricity demand and the role of natural gas as a transitional fuel.

Some of the KPIs have also been incorporated into the performance requirements for managers who fall under Section 208 of the Labour Code.

The list of KPIs changed in 2024: nine KPIs were removed and four new targets were set. The aim was to ensure that the key indicators were well measurable and progress could be easily monitored within the strategic timeframe, and therefore several non-quantifiable targets were removed.

Key indicators removed in 2024: Sales revenue from coal-based activities / Total revenue; Quantity of solid radioactive waste: low and intermediate level; Percentage of employees covered by Code of Ethics; Programmes and initiatives supporting local communities; Availability of Supplier Code of Conduct (CoC); Level of cybersecurity hygiene based on awareness and IT security development; Percentage of managers trained in cybersecurity; Compensation of senior managers linked to ESG targets; and, Annual percentage of procurement from local businesses in Hungary.

New KPIs were defined in 2024 in the area of decarbonisation to further track the green transition pillar of the MVM Strategy: Total capacity of installed renewable electricity generators; Coal-based generation / Total generation; Renewable generation / Total generation; Total capacity of electric chargers.

No changes were made to the metrics related to the targets set in 2023 and still in force in 2024, the definition and calculation methodology of the KPIs remain unchanged. The targets for each indicator determined in the base year have not changed, except for customer satisfaction - retail (electricity and gas).

The ESG objectives cover the entire Group and its activities. The MVM Group has not set targets for workers in the value chain. Geographical borders do not affect the targets set for the Group.

The set environmental targets are not based on conclusive scientific evidence and have not been validated by SBTi, but the GHG emissions target is in line with Hungary's National Energy and Climate Plan.

The Company's ESG objectives for society are closely intertwined with its key strategic indicators. These targets are not set by legal compliance, but by management, ensuring that the Company's activities are in line with sustainability and requirements of social responsibility.

Stakeholders were involved in carrying out the dual materiality assessment, and their views were taken into account in the revision of the ESG KPIs.

The targets are voluntary, and in addition to them, the MVM Group considers compliance with legal obligations as a fundamental principle.

The KPIs are monitored on an annual basis, and conclusions are then drawn on the adequacy of progress made. These are shown for each KPI in the next chapter, in the KPI presentation.

General presentation of targets

KPI description	base year	Unit	Base year figure	2023	2024	Targets		
						2025	2030	2035
Own coal-fired installed electric power capacity	2020	MW	884	884	784	684	0	0
Own carbon-neutral installed electric power capacity as percentage of total installed electric power capacity	2020	%	57.8	60.8	65.8	63	67	73
Total capacity of installed renewable electricity generators	2021	MW	311	457	880	800+	2,350+	3,200+
Coal-based production as percentage of total production	2021	%	14.4	12.5	11.9	10.0	0.0	0.0
Renewable production as percentage of total production	2021	%	2.3	3.0	6.6	7.0	12.0	20.0
Total Scope 1+2 emissions	2020	kt	4,888	3,786	3,688	3,900	3,200	3,000
GHG intensity, CO ₂ equivalent	2020	gCO ₂ /kWh	241	196	185	200	120	110
EU Taxonomy aligned CAPEX	2021	%	31.0	56.4	35.0	45.0	55.0	65.0
Share of alternative vehicles in company's (light) vehicle fleet	2020	%	4.1	19.1	18.8	30.0	50.0	80.0
Total capacity of electric chargers	2021	MW	21.00	21.0	22.9	40.0	126.0	-
Water use intensity (Water used / Electricity and heat generated) (excluding hydroelectric plants)	2020	l/kWh	128	136	135	125	123	-
Total amount of conventional (non-radioactive) waste generated during the year	2020	t	1,527,106	1,028,414	966,913	<1,550,000	<50,000	<45,000
Nuclear safety: Number of significant or higher (level 1 or higher) events on INES scale	2020	pcs	0	0	0	0	0	0
Number of registered users of online customer channels	2021	pcs	1,387,638	1,448,166	1,800,000	1,400,000	1,500,000	1,750,000
Percentage of customers served on digital channels	2020	%	47.9	56.6	56.0	55.0	60.0	63.0
Relative ranking based on Net Promoter Score (electricity, HU, competitive market)	n/a	#	n/a	n/a	#2	#1	#1	#1
Relative ranking based on Net Promoter Score (gas, HU, competitive market)	n/a	#	n/a	n/a	#1	#1	#1	#1
Percentage of female managers (number of female managers / total managers)	2022	%	24.3	25.3	25.4	25.0	30.0	30.0
Lost time injury frequency (LTIF)	2021	accidents / million hours worked	2.0	1.8	2.0	≤3.0	≤3.0	≤3.0
Percentage of managers trained in anti-corruption programme	2022	%	Percentage of governance body members: 0 Percentage of managers: 24	Percentage of governance body members: 19 Percentage of managers: 34	42	100.0	100.0	100.0

13. ENVIRONMENTAL INFORMATION

13.1. Disclosures under the Taxonomy Regulation

13.1.1. EU Taxonomy Regulation

By signing the Paris Agreement on Climate Change, the European Union (EU) committed itself to the climate goals undertaken therein and to a more sustainable development of the economy and society. Accordingly, as part of its action plan to finance sustainable growth, the European Commission decided to establish an EU classification system for ecologically sustainable economic activities (hereinafter referred to as: "EU Taxonomy"), and adopted a regulation⁵ on it (hereinafter referred to as: "Taxonomy Regulation").

The disclosure requirement under the Taxonomy Regulation aims to identify and classify green economic activities, and this is primarily intended to support the financing of sustainable activities by providing the financial sector with information on the sustainability performance and commitment of given companies, which lenders take into account in their decisions.

Screening of objectives defined by Taxonomy Regulation and contributions towards achieving them

The Taxonomy Regulation sets out six objectives. From an environmental perspective, an economic activity is deemed sustainable if it makes a significant contribution towards at least one of these objectives and does not markedly compromise any other objective.

Objectives defined by the Taxonomy Regulation:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

Relevant EU Taxonomy activities and related criteria (technical screening criteria (TSC) in the case of a significant contribution, and other requirements in the case of doing no significant harm (DNSH)) were defined in relation to the given objectives.

The taxonomy-based screening of activities can be divided into two main parts:

I. Eligibility assessment

- To determine whether individual economic activities carried out by the company correspond to the description of the activities in Commission Delegated Regulation (EU) 2021/2139⁶ and/or Commission Delegated Regulation (EU) 2023/2486⁷.

II. Alignment screening

- To examine whether the individual eligible activities of the group meet the **technical screening criteria for a significant contribution** towards the relevant EU Taxonomy activities;

⁵<https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=CELEX:32020R0852>

⁶<https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=CELEX:02021R2139-20240101>

⁷https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=OJ:L_202302486

- To examine whether the individual eligible activities of the group meet the **technical screening criteria for do no significant harm** (DNSH) to the relevant EU Taxonomy activities;
- To demonstrate that member firms comply with the **minimum safeguards** (MSS).

13.1.2. Eligibility screening

The first step in the EU Taxonomy assessment is the eligibility screening, which uses a top-down approach to identify – based on the descriptions in the Taxonomy and NACE codes – which economic activities carried out by the MVM Group can be considered Taxonomy activities. The EU Taxonomy eligibility screening for the 2024 financial year was conducted taking into account both climate and environmental objectives, and new activities were added to the activity assessment. Due to the energy activities of the MVM Group, it was primarily activities related to climate objectives that were identified in the eligibility screening. The activities identified as a result of the screening form the basis for the alignment screening.

13.1.3. Alignment screening

The eligibility screening is followed by alignment screening, during which the identified activities are analysed according to the criteria that apply to them.

Assessment of significant contribution (technical screening criteria):

Compliance with the technical screening criteria was typically assessed and documented individually for each economic activity at member firm level (decentralised). The criteria were essentially screened at activity level, but the content of certain technical criteria (e.g. biodiversity) warrants location or project level screening.

Assessment of do no significant harm (DNSH) activity criterion:

The DNSH criteria primarily include environmental considerations. These are implemented by means of complying with the EU directives specified by the Taxonomy. Hungarian decrees and legislation often require compliance too. As the main rule, the criteria were examined at activity level here as well, but for certain pillars, the screening took place at location or project level.

Assessment of minimum safeguards (MSS)

The MVM Group is a committed supporter of sustainable and inclusive growth. It is important for the Group to comply with the minimum social safeguards set out to this end, and therefore, in accordance with Article 18 of the Taxonomy Regulation⁸, it employs procedures to ensure that its activities are carried out in accordance with the content of the following documents:

1. **OECD Guidelines for Multinational Enterprises**
2. **UN Guiding Principles on Business and Human Rights**
3. **International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work**
4. **Eight core conventions of the International Labour Organisation (ILO)**
5. **Principles and rights enshrined in the International Bill of Human Rights**

The human rights due diligence (HRDD) process used to prove compliance with the minimum safeguards can be divided into three phases in the MVM Group 2024 alignment screening:

- I. Identification and analysis of group-level documents related to expectations specified in the directives and legislation set out in the Taxonomy Regulation and the four mentioned areas defined in the Final Report on Minimum Safeguards⁹ published in October 2022.
- II. Examination of the validity and enforceability among member firms of documents valid at group level.

⁸ <https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=CELEX:32020R0852>

⁹ https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

- III. Collection of best practices identified among member firms and determination of further development opportunities and actions.

The examination of compliance with the minimum safeguards carried out in the context of the MVM Group's 2024 alignment assessment concluded that none of the four main areas (human rights, including workers' rights, corruption and bribery, taxation, fair competition) **can be identified as a key risk for the MVM Group's operations.** During the 2024 assessment, member firms were involved again in order to provide more robust evidence of compliance at group level. **Based on the results of the assessments and the measures implemented with the involvement of the member firms, it is clear that the member firms operate in accordance with the group-wide regulations and policies issued by the MVM Group.** The MVM Group continuously monitors the implementation of the expectations, principles and procedures set out in these documents at member firm level.

The MVM Group also addresses the principles and rights set out in the above-mentioned international regulations in its main corporate documents: the Group Code of Ethics, the Equal Opportunities Plan, the Procurement Policy, the Code of Ethics for Business Partners, the Freedom of Association Policy, and the relevant chapters of the Integrated ESG Report, and is committed to operating in accordance with these principles. The requirements of Act CVIII of 2023 (ESG Act) will continuously be incorporated into the above-mentioned regulations, which will further strengthen the MVM Group's sustainable and inclusive growth ambitions.

The MVM Group is committed to upholding the human rights standards set by the European Union, and during its activities it complies with the regulations – including sanctions and other restrictive measures – adopted by the European Union bodies to enforce them.

List of taxonomy-aligned activities

The assessment included an examination of all relevant activities conducted by the MVM Group to determine whether they make a significant contribution to a climate or environmental goal and comply with the EU Taxonomy criteria. In determining the group of activities to be examined, the transitional activities (natural gas and nuclear-based energy activities) under Commission Delegated Regulation (EU) 2022/1214 were also examined.

From this set, the following economic activities can be considered aligned:

- 3.5 Manufacture of energy efficiency equipment for buildings
- 4.1 Electricity generation using solar photovoltaic technology
- 4.3 Electricity generation from wind power
- 4.5 Electricity generation from hydropower
- 4.9 Transmission and distribution of electricity
- 4.10 Storage of electricity
- 4.12 Storage of hydrogen
- 4.28 Electricity generation from nuclear energy in existing installations
- 6.15 Infrastructure enabling low-carbon road transport and public transport
- 7.6 Installation, maintenance and repair of renewable energy technologies

13.1.4. Content of Taxonomy KPIs

In accordance with point 1.2 of Annex I to Delegated Regulation (EU) 2021/2178, companies are required to present the following financial indicators covered by the EU Taxonomy:

- KPI related to turnover (turnover KPI) according to the given international accounting standards:
 - IFRS 15 - Revenue from contracts with customers
 - IFRS 16 - Leases
 - Other income
- KPI related to capital expenditure (CapEx KPI) according to given international accounting standards:
 - IAS 16 - Property, plant and equipment
 - IAS 38 - Intangible assets
 - IFRS 16 - Leases
 - IAS 40 - Investment property
 - IAS 41 - Agriculture
- KPI related to operating expenditure (OpEx KPI):
 - R&D expenditure
 - Building renovation measures
 - Direct non-capitalised costs related to maintenance and repair
 - Any other direct cost relating to the day-to-day servicing of assets under property, plant and equipment – by the undertaking or, in the case of outsourcing, by a third party – which is necessary to ensure the continuous and effective operation of such assets.
 - Short-term leases

Companies show what percentage of their financial indicators is derived from activities contributing to sustainability under the EU Taxonomy.

13.1.5. MVM Group's methodological approach to KPIs

Turnover KPI:

The consolidated figure in the denominator of the Turnover KPI is the same as the *Sales revenue* row of the Consolidated Statement of Comprehensive Income. The MVM Group loses a significant part of its sales revenue if the intra-group sales are eliminated in their entirety, since the majority of the energy generated in the vertically integrated group is sold through its own trading companies, and the same applies for network access fees. Therefore, the following custom approach is applied:

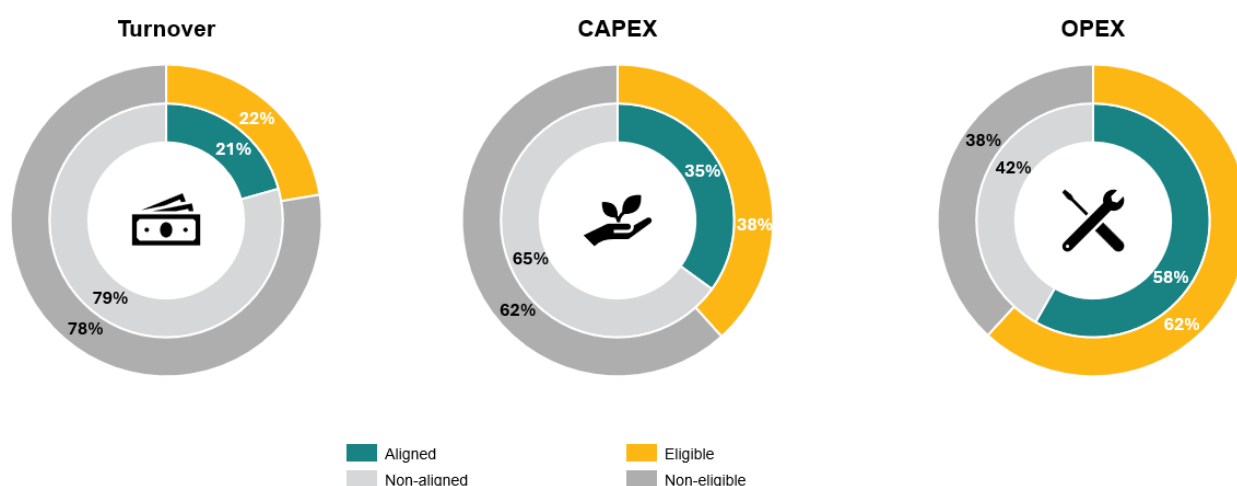
- For companies engaged in generating electricity from natural gas, intra-group sales were recognised with a pro-rata reallocation of sales revenues at the trading companies to the generation companies. Revenues from capacities sold on the balancing market were not allocated.
- For energy generation companies using renewable technologies and not subject to the mandatory offtake scheme, intra-group sales were recognised with a pro-rata reallocation to the generation companies of the sales revenues from the trading companies.
- The revenue from the sale of electricity generated by the MVM Paks Nuclear Power Plant was allocated based on the fair value measurement model (weighted average of VEASZ and HUPX prices) used in the consolidated financial statements prepared in accordance with IFRS.
- For electricity transmission and distribution subsidiaries, network access fees resold within the group were also recognised through the sales revenue of the trading companies, less the network access fees for electricity consumed within the group.

CAPEX KPI:

The consolidated figure in the denominator of the CAPEX KPI equals the sum of the “Purchases” and “Assets acquired in business combinations / in transactions with parent company” rows in the table entitled “Changes in Property, plant and equipment, Investment property and Goodwill and other intangible assets” in the consolidated financial statements. Based on the regulation, the increase in goodwill is not part of the CAPEX KPI denominator and numerator. The CO₂ quota and acquisitions are part of the Taxonomy screening under the regulation. The entire investment portfolio of the MVM Group was analysed during the screening.

OPEX KPI:

In several cases, the data reported was based on the subsidiary reports because the consolidation system does not allow data to be extracted according to the definition given by the EU Taxonomy. The data reported by the subsidiaries is in line with the data expected by and reported to the Hungarian Energy and Public Utility Regulatory Authority. For OPEX KPI, the denominator was the costs corresponding to the above definition for companies with a significant asset portfolio engaged in sustainable or other unsustainable activities, with the proviso that in the case of grid-operating companies, the costs related to troubleshooting and network diagnostics are also considered to be OPEX.

13.1.6. EU Taxonomy KPI figures of MVM Group for 2024 financial year**13.1.7. Assessment of defined KPIs****13.1.7.1. Sales revenue**

The MVM Group's EU Taxonomy aligned turnover KPI for 2024 is 21%. In 2024, the Group realised turnover of relevance for the EU Taxonomy of HUF 4,534 billion. Nearly HUF 914 billion of this is deemed aligned revenue. The eligible but non-aligned turnover amounted to HUF 83 billion, which is just 1% of the total turnover. In the context of this KPI, non-eligible activities represent the largest amount, at 78% of total turnover.

EU Taxonomy Turnover	HUF million
Total	4,533,736
Aligned	913,912
Eligible, but non-aligned	82,739
Non-eligible	3,537,085

The majority of the MVM Group's aligned turnover (HUF 539,008 million) was generated by electricity transmission and distribution. In addition, there is significant turnover (HUF 335,847 million) from electricity generation using nuclear energy in existing installations. The turnover for aligned activities is summarised in the following table.

Turnover – EU Taxonomy-aligned activities		Distribution of aligned turnover	
Code	Activity	[HUF million]	[%]
4.1	Electricity generation using solar photovoltaic technology	28,437	3.1%
4.3	Electricity generation from wind power	3,692	0.4%
4.5	Electricity generation from hydropower	3,916	0.4%
4.9	Transmission and distribution of electricity	539,008	59.0%
4.28	Electricity generation from nuclear energy in existing installations	335,847	36.8%
-	Other low-value activities	3,012	0.3%
Total aligned turnover		913,912	100%

13.1.7.2. CAPEX

The MVM Group's EU Taxonomy aligned CAPEX KPI for 2024 is 35%. In the 2024 financial year, the group implemented capex relevant from an EU Taxonomy perspective of approximately HUF 944 billion, which under the regulation equates to the total consolidated CAPEX less goodwill. Nearly HUF 330.3 billion of this can be considered aligned. Eligible but non-aligned capex amounts to HUF 32.5 billion, which is 3.4% of the total capex. The weight of non-eligible activities is estimated at 61.6%.

EU Taxonomy CAPEX	HUF million
Total	943,920
Aligned	330,299
Eligible, but non-aligned	32,537
Non-eligible	581,084

More than 42% of the MVM Group's aligned capex (HUF 139,762 million) was accounted for by the development and renovation of electricity transmission and distribution activities. In addition, acquisitions and capex in electricity generation harnessing nuclear power (HUF 48,282 million) and using solar photovoltaic power (HUF 139,824 million) were significant.

CAPEX – EU Taxonomy-aligned activities		Distribution of aligned CAPEX	
Code	Activity	[HUF million]	[%]
4.1	Electricity generation using solar photovoltaic technology	139,824	42.3%
4.5	Electricity generation from hydropower	434	0.1%
4.9	Transmission and distribution of electricity	139,762	42.3%
4.10	Storage of electricity	1,662	0.5%
4.28	Electricity generation from nuclear energy in existing installations	48,282	14.7%
-	Other low-value activities	335	0.1%
Total aligned CAPEX		330,299	100%

The MVM Group has also identified the activities with alignment potential in its CAPEX plan for the next five years, as required by point 1.1.2.2 of Regulation (EU) 2021/2178. The total value of planned capex with alignment potential classified based on EU Taxonomy activities for the period 2025-2029 is HUF 1,903.3 billion.

13.1.7.3. OPEX

The MVM Group's EU Taxonomy aligned OPEX KPI for 2024 is 58%. The Group had over HUF 97.1 billion of operating costs relevant from an EU Taxonomy perspective in the 2024 financial year. More than HUF 56.4 billion of this is aligned OPEX cost. The eligible but non-aligned OPEX amounted to HUF 3.5 billion, which is just 4% of total operating expenditure. For this KPI, the weight of non-eligible activities is the smallest, at only 38%.

EU Taxonomy OPEX	HUF million
Total	97,058
Aligned	56,433
Eligible, but non-aligned	3,513
Non-eligible	37,112

More than 58.9% (HUF 33,220 million) of the MVM Group's aligned operating costs comes from electricity generated by nuclear power. Electricity transmission and distribution activities also incurred significant operating costs (HUF 20,841 million). The third most costly activity falls significantly short of these items, accounting for only 2.9% (HUF 1,621 million), and is related to the production of electricity using solar photovoltaic technology.

OPEX – EU Taxonomy-aligned activities		Distribution of aligned OPEX	
Code	Activity	[HUF million]	[%]
3.5	Manufacture of energy efficiency equipment for buildings	56	0.1%
4.1	Electricity generation using solar photovoltaic technology	1,621	2.9%
4.3	Electricity generation from wind power	289	0.5%
4.5	Electricity generation from hydropower	334	0.6%
4.9	Transmission and distribution of electricity	20,841	36.9%
4.28	Electricity generation from nuclear energy in existing installations	33,220	58.9%
6.15	Infrastructure enabling low-carbon road transport and public transport	72	0.1%
Total aligned OPEX		56,433	100%

13.1.8. Appendix

13.1.8.1. CAPEX rates for products or services related to taxonomy-aligned economic activities – disclosure for 2024

				Significant contribution criteria						DNSH criteria (Compliance with principle of do no significant harm)										
Economic activities (1)	Code(s) (2)	Absolute CAPEX amount (3) HUF million	CAPEX rate (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned CAPEX rate 2024 %	Taxonomy-aligned CAPEX rate 2023 %	Category (enabling activity) E	Category (transitional activity) T
A. TAXONOMY-ALIGNED ACTIVITIES																				
A1. Environmentally sustainable (taxonomy-aligned) activities		330,299	35.00%																	
Manufacture of energy efficiency equipment for buildings	3.5	27	0.0%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.0%	0%	E	
Electricity generation using solar photovoltaic technology	4.1	139,824	14.8%	100%	0%	0%	0%	0%	0%	Y	n/a	Y	n/a	Y	Y	Y	14.8%	16%		
Electricity generation from hydropower	4.5	434	0.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	n/a	n/a	Y	Y	0.0%	0%		
Transmission and distribution of electricity	4.9	139,762	14.8%	100%	0%	0%	0%	0%	0%	Y	n/a	Y	Y	Y	Y	Y	14.8%	24%	E	
Storage of electricity	4.10	1,662	0.2%	100%	0%	0%	0%	0%	0%	Y	Y	n/a	Y	Y	Y	Y	0.2%	n/a	E	
Electricity generation from nuclear energy in existing installations	4.28	48,282	5.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5.1%	16%		
Infrastructure enabling low-carbon road transport and public transport	6.15	227	0.0%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.0%	0%	E	
Installation, maintenance and repair of renewable energy technologies	7.6	81	0.0%	100%	0%	0%	0%	0%	0%	Y	Y	n/a	n/a	n/a	n/a	Y	0.0%	n/a	E	

				Significant contribution criteria						DNSH criteria (Compliance with principle of do no significant harm)										
Economic activities (1)	Code(s) (2)	Absolute CAPEX amount (3) HUF million	CAPEX rate (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned CAPEX rate 2024 %	Taxonomy-aligned CAPEX rate 2023 %	Category (enabling activity) E	Category (transitional activity) T
A2. Taxonomy-eligible, but environmentally unsustainable activities (taxonomy-non-aligned activities)		32,537	3.4%																	
Manufacture of hydrogen	3.10	160	0.0%																	
Electricity generation using solar photovoltaic technology	4.1	432	0.1%																	
Transmission and distribution of electricity	4.9	16,320	1.8%																	
Storage of electricity	4.10	421	0.1%																	
District heating/cooling distribution	4.15	1,127	0.1%																	
Electricity generation from nuclear energy in existing installations	4.28	346	0.0%																	
Electricity generation from fossil gaseous fuels	4.29	10,996	1.3%																	
High efficiency cogeneration of heat/cool energy and electricity from fossil gaseous fuels	4.30	2,106	0.2%																	
Composting of bio-waste	5.8	127	0.0%																	
Infrastructure enabling low-carbon road transport and public transport	6.15	175	0.0%																	
Modernisation of existing buildings	7.2	318	0.0%																	

				Significant contribution criteria						DNSH criteria (Compliance with principle of do no significant harm)										
Economic activities (1)	Code(s) (2)	Absolute CAPEX amount (3) HUF million	CAPEX rate (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned CAPEX rate 2024 %	Taxonomy-aligned CAPEX rate 2023 %	Category (enabling activity) E	Category (transitional activity) T
Installation, maintenance and repair of renewable energy technologies	7.6	9	0.0%																	
Total (A1 + A2)		362,836	38.4%																	
B. Taxonomy-non-eligible activities		581,084	61.6%																	
CAPEX related to taxonomy-non-eligible activities (B)		581,084	61.6%																	
TOTAL (A + B)		943,920	100%																	

13.1.8.2. OPEX rates for products or services related to taxonomy-aligned economic activities – disclosure for 2024

				Significant contribution criteria						DNSH criteria (Compliance with principle of do no significant harm)										
Economic activities (1)	Code(s) (2)	Absolute OPEX amount (3)	OPEX rate (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned OPEX rate 2024	Taxonomy-aligned OPEX rate 2023	Category (enabling activity)	Category (transitional activity)
		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ALIGNED ACTIVITIES																				
A1. Environmentally sustainable (taxonomy-aligned) activities		56,433	58.2%																	
Manufacture of energy efficiency equipment for buildings	3.5	56	0.0%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.1%	0%	E	
Electricity generation using solar photovoltaic technology	4.1	1,621	1.7%	100%	0%	0%	0%	0%	0%	Y	Y	n/a	Y	n/a	Y	Y	2.8%	1%		
Electricity generation from wind power	4.3	289	0.3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	n/a	Y	Y	0.5%	0%		
Electricity generation from hydropower	4.5	334	0.3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	n/a	n/a	Y	Y	0.6%	0%		
Transmission and distribution of electricity	4.9	20,841	21.5%	100%	0%	0%	0%	0%	0%	Y	Y	n/a	Y	Y	Y	Y	36.9%	24%	E	
Electricity generation from nuclear energy in existing installations	4.28	33,220	34.3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	58.9%	33%		
Infrastructure enabling low-carbon road transport and public transport	6.15	72	0.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.1%	0%	E	
A2. Taxonomy-eligible, but environmentally unsustainable activities (taxonomy-non-aligned activities)		3,513	3.6%																	
Electricity generation using solar photovoltaic technology	4.1	262	0.3%																	
Transmission and distribution of electricity	4.9	332	0.3%																	
District heating/cooling distribution	4.15	135	0.1%																	

				Significant contribution criteria							DNSH criteria (Compliance with principle of do no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute OPEX amount (3)	OPEX rate (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned OPEX rate 2024	Taxonomy-aligned OPEX rate 2023	Category (enabling activity)	Category (transitional activity)
		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Production of heat/cool energy from bioenergy	4.24	1	0.0%																	
Production of heat/cool using waste heat	4.25	76	0.1%																	
Electricity generation from fossil gaseous fuels	4.29	508	0.5%																	
High efficiency cogeneration of heat/cool energy and electricity from fossil gaseous fuels	4.30	2,177	2.3%																	
Transportation by motorcycles, passenger cars and light commercial vehicles	6.5	16	0.0%																	
Infrastructure enabling low-carbon road transport and public transport	6.15	6	0.0%																	
Total (A1 + A2)		59,946	61.8%																	
B. Taxonomy-non-eligible activities		37,112	38.2%																	
OPEX related to taxonomy-non-eligible activities		37,112	38.2%																	
TOTAL (A + B)		97,058	100%																	

13.1.8.3. Turnover rate from products or services related to taxonomy-aligned economic activities – disclosure for 2024

				Significant contribution criteria						DNSH criteria (Compliance with principle of do no significant harm)											
Economic activities (1)	Code(s) (2)	Absolute turnover amount (3) HUF million	Turnover rate (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned turnover rate 2024 %	Taxonomy-aligned turnover rate 2023 %	Category (enabling activity) E	Category (transitional activity) T	
A. TAXONOMY-ALIGNED ACTIVITIES																					
A1. Environmentally sustainable (taxonomy-aligned) activities		913,912	20.2%																		
Manufacture of energy efficiency equipment for buildings	3.5	1,910	0.0%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.2%	0%	E		
Electricity generation using solar photovoltaic technology	4.1	28,437	0.6%	100%	0%	0%	0%	0%	0%	Y	Y	n/a	Y	n/a	Y	Y	3.1%	0%			
Electricity generation from wind power	4.3	3,692	0.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	n/a	Y	Y	0.4%	0%			
Electricity generation from hydropower	4.5	3,916	0.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	n/a	n/a	Y	Y	0.4%	0%			
Transmission and distribution of electricity	4.9	539,008	12.0%	100%	0%	0%	0%	0%	0%	Y	Y	n/a	Y	Y	Y	Y	59.0%	15%	E		
Electricity generation from nuclear energy in existing installations	4.28	335,847	7.4%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	36.8%	7%			
Infrastructure enabling low-carbon road transport and public transport	6.15	1,102	0.0%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.1%	0%	E		
A2. Taxonomy-eligible, but environmentally unsustainable activities (taxonomy-non-aligned activities)		82,739	1.8%																		
Manufacture of renewable energy technologies	3.1	338	0.0%																		
Electricity generation using solar photovoltaic technology	4.1	4,940	0.1%																		
Electricity generation from hydropower	4.5	597	0.0%																		
Transmission and distribution of electricity	4.9	29,000	0.6%																		
Storage of electricity	4.10	5	0.0%																		
District heating/cooling distribution	4.15	3,297	0.1%																		

Economic activities (1)	Code(s) (2)	Absolute turnover amount (3) HUF million	Turnover rate (4) %	Significant contribution criteria					DNSH criteria (Compliance with principle of do no significant harm)								Taxonomy-aligned turnover rate 2024 %	Taxonomy-aligned turnover rate 2023 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N				
Production of heat/cool using waste heat	4.25	200	0.0%																	
Construction and safe operation of new nuclear power installations to produce electricity or heat, including hydrogen production, using best available technologies	4.27	525	0.0%																	
Electricity generation from fossil gaseous fuels	4.29	92	0.0%																	
High efficiency cogeneration of heat/cool energy and electricity from fossil gaseous fuels	4.30	41,540	1.0%																	
Transportation by motorcycles, passenger cars and light commercial vehicles	6.5	70	0.0%																	
Rail transport infrastructure	6.14	769	0.0%																	
Infrastructure enabling low-carbon road transport and public transport	6.15	16	0.0%																	
Installation, maintenance and repair of renewable energy technologies	7.6	1,350	0.0%																	
Total (A1 + A2)		996,651	22.0%																	
B. Taxonomy-non-eligible activities		3,537,085	78.0%																	
Turnover related to taxonomy-non-eligible activities (B)		3,537,085	78.0%																	
TOTAL (A + B)		4,533,736	100%																	

13.1.9. Standard templates for the disclosure referred to in Article 8 (6) and (7)**13.1.9.1. Template 1: Nuclear and fossil gas related activities**

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

13.1.9.2. Template 2: Taxonomy-aligned economic activities (CAPEX - denominator)

CAPEX							
Row	Economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	48,282	5.1%	48,282	5.1%	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	282,017	29.9%	282,017	29.9%	n/a	n/a
8.	Total applicable KPI	943,920	100%	943,920	100%	n/a	n/a

13.1.9.3. Template 3: Taxonomy-aligned economic activities (CAPEX - numerator)

CAPEX							
Row	Economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	48,282	14.6%	48,282	14.6%	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	282,017	85.4%	282,017	85.4%	n/a	n/a
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	330,299	100%	330,299	100%	n/a	n/a

13.1.9.4. Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities (CAPEX)

Row	Economic activity	CAPEX					
		Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	346	1.0%	346	1.0%	n/a	n/a
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	10,996	33.8%	10,996	33.8%	n/a	n/a
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2,106	6.5%	2,106	6.5%	n/a	n/a
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	19089	58.7%	19089	58.7%	n/a	n/a
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32,537	100%	32,537	100%	n/a	n/a

13.1.9.5. Template 5: Taxonomy-non-eligible economic activities (CAPEX)

CAPEX			
Row	Economic activity	Amount [HUF million]	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	581,084	100%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	581,084	100%

13.1.9.6. Template 2: Taxonomy-aligned economic activities (OPEX - denominator)

OPEX							
Row	Economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	33,220	34.3%	33,220	34.3%	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	23,213	23.9%	23,213	23.9%	n/a	n/a
8.	Total applicable KPI	97,058	100%	97,058	100%	n/a	n/a

13.1.9.7. Template 3: Taxonomy-aligned economic activities (OPEX - numerator)

OPEX							
Row	Economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	33,220	58.9%	33,220	58.9%	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	23,213	41.1%	23,213	41.1%	n/a	n/a
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	56,433	100%	56,433	100%	n/a	n/a

13.1.9.8. Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities (OPEX)

OPEX							
Row	Economic activity	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	508	14.5%	508	14.5%	n/a	n/a
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2,177	62.0%	2,177	62.0%	n/a	n/a
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	828	23.5%	828	23.5%	n/a	n/a
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	3,513	100%	3,513	100%	n/a	n/a

13.1.9.9. Template 5: Taxonomy-non-eligible economic activities (OPEX)

OPEX			
Row	Economic activity	Amount [HUF million]	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	37,112	100%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	37,112	100%

13.1.9.10. Template 2: Taxonomy-aligned economic activities (turnover – denominator)

Sales revenue							
Row	Economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	335,847	7.4%	335,847	7.4%	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	578,065	12.8%	578,065	12.8%	n/a	n/a
8.	Total applicable KPI	4,533,736	100%	4,533,736	100%	n/a	n/a

13.1.9.11. Template 3: Taxonomy-aligned economic activities (turnover – numerator)

Sales revenue							
Row	Economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	335,847	36.8%	335,847	36.8%	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	578,065	63.2%	578,065	63.2%	n/a	n/a
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	913,912	100%	913,912	100%	n/a	n/a

13.1.9.12. Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities (turnover)

Sales revenue							
Row		Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [HUF million]	%	Amount [HUF million]	%	Amount [HUF million]	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	525	0.6%	525	0.6%	n/a	n/a
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	92	0.1%	92	0.1%	n/a	n/a
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	41,540	50.3%	41,540	50.3%	n/a	n/a
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	40,582	49.0%	40,582	49.0%	n/a	n/a
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	82,739	100%	82,739	100%	n/a	n/a

13.1.9.13.Template 5: Taxonomy-non-eligible economic activities (turnover)

Sales revenue			
Row	Economic activity	Amount [HUF million]	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	n/a	n/a
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,537,085	100%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	3,537,085	100%

13.2. Climate change

As an energy group, the MVM Group as a whole has a significant impact on climate change, and its activities are linked to climate mitigation and adaptation in a number of ways. For the Group, climate change represents both a financial risk and an opportunity. Managing all these is addressed in this chapter.

ESRS E1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability impacts, risks and opportunities for the MVM Group in relation to climate change

ESRS topic/subtopic/sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ¹⁰			Value chain ¹¹		
				S	M	L	V	MVM	C, H
E1 Climate change									
Climate change mitigation	Climate change mitigation and GHG emissions are material for the whole Group. The Mátra Power Plant is Hungary's largest emitter of CO₂, with its current mainly lignite-based combustion. In view of the planned developments in line with the Paris Agreement, the impact is decreasing. The positive aspects of gas-fired power plants are their independence from the weather, flexibility and significantly lower specific CO₂ emissions than coal, but they are also a transitional fuel. Direct methane emissions from the operation of natural gas storage facilities are significant. The grid characteristics of the system operator (MAVIR Zrt.) determine the capacity and composition of electricity that can be delivered to consumers nationwide. As DSOs, the regional impact of the two grid companies is significant, and they also play an important role in expanding the connection capacity of weather-dependent power generators. The positive effects are amplified in the medium and long term. Emissions from the sale of natural gas and lignite are indirectly emissions of the MVM Group (Scope 3). The decline in demand for fossil fuels is only likely to materialise in the longer term. The impact of Scope 3 emissions related to the production and transport of purchased goods (including energy carriers and fuels) and services is also significant.	The complex decarbonisation plan is a key element of the MVM Group's strategy and ESG framework, and a transition plan for the electricity and gas value chains is under preparation to achieve net zero emissions by 2050. As part of the ESG strategy: • Gradual reduction of CO₂ emissions. • Expanding renewable portfolio. Phasing out coal production in line with implementation of Matra CCGT project. Other priorities for climate change mitigation: The existence of balancing capacities (natural gas-fired power plants) is essential as renewable capacities to mitigate climate change increase, and the MVM Group plans to increase capacity markedly in this area. Magyar Földgáztároló Zrt. also implements projects that facilitate climate change mitigation (Aquamarine, carbon sequestration). MVM Partner Zrt. aims to ensure an optimal share of environmentally friendly energy producers in its portfolio as well as maintain and further develop the MVM Group's flexibility. MAVIR Zrt. will carry out a number of improvements until 2026 to connect more solar power plants to the Hungarian electricity grid. Part of the grid development activities of MVM Émász Áramhálózati Kft. and MVM Démász Áramhálózati Kft. are also	Impact: actual, positive and negative	x	x	x		x	

¹⁰ S = short, M = medium, L = long

¹¹ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS topic/subtopic/sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ¹²			Value chain ¹³		
				S	M	L	V	MVM	C, H
		aimed at connecting units generating renewable energy to the electricity system.							
	SBM-3 E1 18. The financial risk relates to the need to lower carbon emissions and the reduction in sales of lignite and natural gas. The risk is also reflected in the price of CO ₂ quotas. There is a risk that the planned decarbonisation cannot be achieved due to the significant increase in industrial electricity demand, the dependence of the population on gas, as well as ownership decisions. Regulatory changes can bring both risks and opportunities in terms of availability of resources, and the transition to a low-carbon economy entails risks and significant investment requirements; that said, sustainable investments can benefit from more favourable financing, and the growth of electrification is expected to bring increased revenues. (Climate-related transition risks.)	The MVM Group's strategy places particular emphasis on managing risks and opportunities. Until the transition at the Mátra power plant, the carbon costs incurred will be covered to a significant extent, so a marked part of the quota price risk is covered.	Actual opportunity and risk	x	x	x		x	
Climate change adaptation	The MVM Group's impact on the adaptation of physical infrastructure to climate change is smaller than its contribution to climate change mitigation. Physical infrastructure is less vulnerable in the Group. However, the withdrawal of cooling water for power plants can be difficult at higher water temperatures (see below <i>Water pollution, Water withdrawal</i>). Resilience plans are required for the whole Group, as stipulated by the EU's taxonomy for sustainable activities.	The risks are managed by the companies through maintenance and investments, which makes the technical infrastructure less vulnerable, e.g. MAVIR Zrt. reinforces its pylons in critical locations on a scheduled basis. The drafting of the resilience plans has started. The Group's strategy seeks to manage the financial risks.	Impact: actual, positive		x	x		x	
	SBM-3 E1 18. Unexpected production disruptions at power plants due to climate change is a financial risk. Heat can pose a risk (lower production) due to the rise in Danube temperatures. More disruptions are also expected at the Tisza CCGT power plant because of the higher temperature of the Tisza river. The risk is lower at the Mátra Power Plant. Hydropower production could also be reduced by more frequent droughts. (Climate-related physical risks.) For the Group, the reduction in energy demand also poses a risk: mild winters lower heating demand, which leads to a loss of revenue. Energy-efficiency programmes on the side of consumers reduce energy demand, a risk that will be felt in the long term (beyond 5 years). (Climate-related transition risks.)		Actual risk	x	x	x		x	

¹² S = short, M = medium, L = long¹³ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ¹⁴			Value chain ¹⁵		
				S	M	L	V	MVM	C, H
Energy	The share of carbon-neutral energy production is around 80%, with a lower but growing share of renewables (~5%). There is self-consumption with energy production, and due to the size of the Group, energy consumption for non-production purposes is also significant.	The MVM Group applies an Energy Management and Control System (EgIR) in accordance with MSZ EN ISO 50001:2019. MVM Zrt. regularly conducts energy planning in line with its Energy Policy. All member firms that operate an Energy Management and Control System have an energy efficiency policy. The MVM Group is committed to using renewable energy sources. The MVM Group continuously monitors trends affecting the energy market to adjust its strategy if necessary. EEO commitments have so far been fully met.	Impact: actual, positive and negative	x	x	x		x	
	The financial cost/profitability of different types of energy carriers/power plants is a financial risk. This is also influenced by the greening of neighbouring countries: if this greening is faster than in Hungary, it could negatively affect the return on CCGTs. Dependence on Russian energy sources is an additional risk.		Actual risk and opportunity	x	x	x		x	
	Rising energy prices reduce demand. At the same time, there is the issue of rising consumption by industrial consumers and the general increase in electricity consumption/loads, as well as the changing flow pattern (overall consumer and producer patterns). The risk inherent in meeting the obligations of the Energy Efficiency Obligation Scheme (EEO) is an increase in the level of obligations.		Actual risk	x	x	x		x	

¹⁴ S = short, M = medium, L = long¹⁵ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS E1-1: Transition plan

The MVM Group's transition plan is expected to be completed by 2027.

ESRS E1-2: Policies related to climate change

The MVM Group's environmental policy, described in general terms in chapter 12.6, addresses climate change mitigation, climate change adaptation, use of renewable energy and energy efficiency.

ESRS E1-3: Actions and resources in relation to climate change policies

Actions related to climate change are investments and/or projects related to the activities considered for the Taxonomy report. Group-level data is presented in chapter 13.1. The most significant projects are described below, broken down by the member firms that implemented them.

MVM Zöld Generáció Zrt.**Battery energy storage**

With the emergence of renewable power plants, the task of ensuring the smooth operation of the electricity system is becoming increasingly challenging, forcing new considerations, directions and ultimately technical solutions to the fore, the justification for which was previously questionable on both strategic and business grounds. MVM Zöld Generáció Zrt. believes the situation creates an opportunity to both mitigate the increased balancing costs of our power plant portfolio and to participate in the increasingly attractive market for system-level services. One possible way to harness these opportunities is battery energy storage systems, which the company would integrate into its existing renewable power plant portfolio.

MVM Zöld Generáció Zrt. started its project preparation tasks based on the above. All existing and recently built renewable power plants with a connection capacity above 5 MWe were assessed for the feasibility of adding energy storage, and the results of this assessment were included in relevant feasibility studies. From all the technical solutions examined in the studies, lithium-based energy storage with a capacity of 10 MWe / 20 MWh was clearly the most appropriate and commercially viable option. Eight sites were identified as potential project locations based on the analyses, and the permit planning and authorisation process was launched in 2024 to achieve investment-ready status and prepare for possible tendering opportunities in the future.

MVM Zöld Generáció Zrt. submitted three applications under call for proposals RRF-6.5.1-23, "Installation of grid energy storage facilities at energy market players", which was announced at the beginning of 2024. The company was awarded HUF 1,350,000,000 to implement a planned energy storage facility behind the grid connection point of the Sopronkövesd wind power plant. A public procurement procedure to select the main contractor for this project is underway, and the project could be completed by 30 April 2026, as specified in the call for proposals.

METEO project

To forecast the production of MVM Zöld Generáció Zrt.'s solar power plants, the company began developing its own software in 2023. Building on the METEO software previously developed within the MVM Group, in cooperation with MVMI Zrt. and MVM Balance Zrt. the company successfully implemented the necessary improvements to keep the forecast of solar power plant production as up-to-date as possible, refreshing automatically every 15 minutes, with an operating launch of 1 January 2024.

Thanks to more accurate forecasting and thus more accurate scheduling, the company expects significant balancing energy savings, which will reduce the amount of balancing capacity required and thus the use of fossil-fuel power plants typically involved in balancing, resulting in reduced energy and fuel savings as well as emission reductions.

The software communicates directly, continuously and automatically with the MAVIR MEK system and the ETR system used by MVM Zöld Generáció Zrt., so it always has the most up-to-date information for forecasting power plant production. In addition, the software provides information for the system services of the company's power plants.

Based on the 2024 results of the METEO software, the company's balancing energy costs were lower than before, saving almost HUF 1 billion compared to its business plan, or a saving of 55% relative to the prices bid by market providers at the end of 2023.

MVM Partner Zrt. will run the software from 2025.

Komm Hull Villamosenergia Kereskedő Kft. (MVM Zöld Generáció Zrt. subsidiary)

Dracarys geothermal programme

There is still significant untapped potential for geothermal heat energy in Hungary. The use of geothermal energy can further increase renewable (weather-independent) electricity generation (baseload energy production), provide district heating for many municipalities and meet the heat energy needs of agricultural and industrial investments, thereby helping to reduce Hungarian dependence on natural gas imports.

Geothermal electricity and heat energy are a fully sustainable source of green energy, given the circulation of the energy source, i.e. the complete recirculation of the extracted medium, which ensures geothermal energy resources are inexhaustible.

MVM Zöld Generáció Zrt.'s geothermal project developments are primarily aimed at the development and implementation of investments for electricity generation. However, the technology also offers good opportunities for direct use of heat energy.

Komm Hull Villamosenergia Kereskedő Kft., a subsidiary of MVM Zöld Generáció Zrt., has submitted an application to the Supervisory Authority for Regulatory Affairs (SZTFH) for a geothermal exploration licence for 8 exploration areas.

MVM is further increasing its share in Hungary's renewable electricity generation market with renewable investments that have been launched and partially implemented, and by establishing a geothermal electricity generation portfolio.

When considering the implementation of the Dracarys Geothermal programme, it is particularly important to take into account that it can contribute to achieving the decarbonisation targets set out in the strategy through the expansion of MVM Zrt.'s low CO₂ emission portfolio, and that it aligns with the MVM Group's 2024-2035 strategy, in which the MVM Group has set the target of reaching a geothermal power plant capacity of 100 MW.

The ultimate objective of the programme/project(s) is to establish a geothermal electric power plant and to sell the residual heat to heat consumers in the form of cascade energy utilisation.

The Dracarys Geothermal Programme projects are divided into three phases. The scope of the SZTFH geothermal exploration permits covers Phases 1 and 2, from project preparation, through drilling the first well, to the drilling of the reinjection well included as an option in the permit. Phase III includes the additional works required for the overall power plant investment (design and construction of surface facilities and the power plant).

The geothermal exploration work has been divided into three phases, in line with the necessary business decisions:

- Phase 1 of the projects will draw on existing geological and seismic data to assess and characterise the reservoir, based on which a geological model will be developed. New geophysical measurements will be carried out and an existing disused hydrocarbon mining well will be tested by the company to select the location for a planned exploratory well, before preparing the plans and permit documentation for the exploratory well.

- In Phase 2, the first well will be deepened, thereby delineating the geothermal protection zone. Following the successful drilling, a Geothermal Energy Extraction and Utilisation Contract will be signed.
- At the beginning of Phase 3, it is planned to deepen the second well, the reinjection well, followed by the construction and commissioning of the geothermal power plant.

From the eight geothermal exploration licence applications initiated by Komm Hull Kft., the SZTFH issued geothermal exploration licences for five exploration areas in September 2023, namely, the exploration areas Debrecen-D, Kiskunhalas-DK, Mórahalom, Újudvar and Nagykanizsa-D. Since September 2023, the SZTFH has issued one additional exploration licence to the company (Emőd region).

The geothermal exploration licences give it geothermal exploration rights over designated areas, which include multiple investment opportunities for geothermal electricity and cogeneration power plants (4-5 ORC plants per area can be constructed, with a net capacity of approximately 4-5 MWe per plant).

According to the decision of the company's management, from the geothermal exploration licences acquired, Phase 1 of the exploration started on the Kiskunhalas-DK, Nagykanizsa-D and Újudvar areas first, the aim of which is to determine the most optimal geothermal well location.

If the geothermal projects are realised, MVM Zöld Generáció Zrt. can become an indispensable player in the Hungarian geothermal sector, diversifying its portfolio in this way, integrating it with the existing weather-dependent power plant portfolio, and further enhancing schedulability, giving it a very significant advantage over other market players.

In the long term, the company will be able to manage the energy potential of each geothermal base unit, which is inexhaustible on a human scale and can be multiplied on each area, thus safeguarding its long-term advantage with weather-independent technology generating baseload energy that significantly exceeds 8,400 operating hours per year.

Komm Hull Villamosenergia Kereskedő Kft., a subsidiary of MVM Zöld Generáció Zrt., has concluded three framework agreements with MVM ERBE ENERGETIKA Mérnökiroda Zrt. for engineering and geological works in the Kiskunhalas-DK exploration area, for investigation and testing of the abandoned deep well in the Kiskunhalas-DK area, and for the engineering-geological investigation work at the combined Nagykanizsa-D and Újudvar exploration areas.

These framework contracts are designed to identify the most optimal geothermal well locations in the Kiskunhalas-DK and Nagykanizsa-D – Újudvar exploration areas from geological, technical feasibility, economic and legal points of view, i.e. to find the most suitable locations for drilling the wells.

Work has therefore started on Phase 1, and this is expected to be completed in the third quarter of 2025 with drilling location proposals. It will be followed by a public procurement procedure for the geothermal well drilling.

MVM Balance Zrt.

For MVM Balance Zrt., in relation to the topic of climate change, the following investment projects for electricity storage units and related equipment were launched in 2024 at the site of the Litér Gas Turbine Power Plant (lot no. 1462, Litér zk.), which are scheduled for commissioning in 2025.

“HÓRUSZ” project

The project includes the complete installation of an electricity storage unit with a deliverable power of 5 MVA and an extractable capacity of 10 MWh at the Litér GT Power Plant site, as a new unit. It will be connected to the transmission network via a dedicated 132 kV connection to the neighbouring MAVIR substation through an underground cable. Additionally, it will be connected at 6.6 kV to the GT power plant's existing medium-voltage distribution system for black start capability.

Electricity storage technology: Lithium-ion.

“TESSERACT” project

The project involves the complete installation of an electricity storage unit with a minimum deliverable power of 0.6 MVA and an extractable capacity of 3.6 MWh, featuring an 11 kV connection to the switchgear container to be built as part of the “HÓRUSZ” project.

Electricity storage technology: NaS (sodium sulphur).

MVM Mátra Energia Zrt.

As a contribution to the greenhouse gas emission reduction efforts of the Mátra Power Plant, a project was launched in August 2024 to increase the heating share of biomass fuel to 15%.

Bearing in mind the technical feasibility of the fuel mix modification and maximum compliance with the dust-emission thresholds, it was possible to use 14 kt more biomass than originally planned for the year until November, which replaced 2500 TJ of coal heat and reduced the fossil-fuel-based CO₂ emissions of the Mátra Power Plant by 18,400 t.

Mátra Life C4.3 – 200kWp solar power plant

The role of coal-based generation of electricity in the electricity mix is falling year by year. The declining share is mainly being replaced by power plants using renewable energy. The European Union's environmental and climate objectives include the safe, efficient and low-carbon transition of Hungary's last coal region. This will take place under the LIFE programme, in which several renewable energy projects will be planned, approved and developed.

To measure the different solar power technologies and compare the results objectively, a relatively small solar power plant installation of 200 kWp will be developed within the project. In the power plant, production data and operational experience can be compared across three different types of support structure, while keeping the inverter and solar panel capacities identical. Based on this experience, the technical content of further power plant investments will be easier to define.

The PV Power Plant will be implemented under the “LIFE-IP North-HU-Trans” (“Secure and start implement an effective roadmap for the low-carbon transition of the single largest coal-region in Hungary”) funding programme under implementation action C4.3, together with other related implementation actions. The links between the implementation actions are shown in the diagram below.

The “green island” will be established on a designated mine slope at the northern edge of the South Mine of MVM Mátra Energia Zrt. As part of the C4.2 implementation action, it will be connected to the mine's consumption network via a transformer and operate in coordination with the C4.2 and C4.5 implementation actions managed by MVM Balance Zrt.

The three Mátra LIFE projects will be connected to the internal electricity grid of the Visonta South Mine, helping to reduce the self-consumption of the mine, including the recultivation duration, while the energy storage facilities will improve the accuracy of scheduling, gaining additional operational experience in different operating conditions in cooperation with the PV plant.

Since the projects are closely interlinked technically, the systems are built on each other, so the construction and commissioning must be carried out simultaneously.

Feasibility studies were carried out at the outset for the projects, the concept and technical connection points were developed and common technical details agreed. This was followed by the drafting of the technical specifications, based on which the public procurement documents were prepared. The public procurement procedures were launched in the fourth quarter of 2023, the bids were received and evaluated. After contracting with the winning general contractors, the contracts entered into force at the end of August 2024. Detailed design is underway, taking into account the interdependence of the implementation actions. Construction is expected to start in March 2025 at the earliest, with commissioning anticipated in 2025 Q3.

MVM network – ÉGÁZ and DÉGÁZ Földgázhálózati Zrt. and MVM Főgáz Földgázhálózati Kft.

The major greenhouse gas emissions in the gas distribution network come from methane. Replacing the steel network without low-pressure cathodic protection will allow natural gas emissions to be reduced in this way. Every year, the environmental objectives of the Integrated Management System include reducing the number of corrosion leaks.

In their gas distribution activities, the companies operate and maintain the gas network in such a way that the technological processes (commissioning, distribution pipeline repair, maintenance, etc.) are carried out using appropriate tools to minimise methane emissions into the environment.

To reduce air pollution related to gas distribution, and to prevent leaks, the following measures are taken: the integrity of pipe joints is checked; flanges are sealed properly and inspected; regular network checks using meters; reconstruction of the gas distribution network as planned.

In the HET-MIR technical information system, which is part of the quality management system, the company collects data on gas distribution grid faults, malfunctions, gas leaks, service outages and the amount of natural gas released into the air during malfunctions. This data and the computerised risk assessment are used to prepare an investment proposal for the following year/years regarding the renewal of gas distribution pipelines and pressure-regulating stations.

The Regulation of the European Parliament and the Council on **reducing methane emissions** in the energy sector and amending Regulation (EU) 2019/942 imposes strict requirements on natural gas distribution companies. These include strict methane monitoring regulations, the establishment and enforcement of periodic leak detection and repair programmes, and the minimisation of methane emissions into the environment through the most accurate instrument-based measurements. The scope of the Regulation applies to all structural components of the distribution company, but only up to the boundaries of consumer properties.

The company started to comply with the requirements of the Regulation in 2024 Q3.

MAVIR Zrt.

At MAVIR Zrt., the introduction of an energy management system turned the focus even more onto ensuing a rational reduction in energy used. The amount of energy used is directly related to the amount of greenhouse gases emitted, which is why the following actions were taken to lower emissions:

- purchase of lower consumption and pure electric vehicles,
- a preparatory study for a decision to replace the 400 kV encased equipment filled with SF₆ gas, which has high global warming potential and is responsible for the highest annual GHG emissions,
- rationalising the heating and cooling of buildings,
- significant electricity savings at stations by means of the weather-dependent conversion of the cabinet dehumidification heaters, one of the main users of auxiliary energy, and by installing twilight switches for ambient lighting,
- heat pump heating for new stations.

Actions taken to reduce SF₆ gas consumption, future plans

Sulphur hexafluoride (SF₆) is an inorganic gas compound. It is gaseous at room temperature, heavier than air, colourless, odourless, non-toxic and non-flammable. However, its global warming potential (GWP) once in the atmosphere is 23,500 times that of CO₂ over a 100-year period. It is extremely persistent in the atmosphere, with an estimated lifetime of 800-3,200 years. It is commonly used as an insulating gas in switchgear in the electricity industry because of its favourable properties.

Due to its high GWP, the company aims to minimise gas losses from electrical equipment containing SF₆ gas, and in the event of a leak, it strives to repair the leak as soon as possible after the fault has been identified. For new appliances, one important consideration is the annual gas leakage rate

specified by the manufacturer, where the aim is to require the strictest figures prescribed by the standards. MAVIR's medium-term strategy includes replacing its SF6 gas-insulated metal-encased plants in Albertirsa and Martonvásár – which produce the highest gas losses – with outdoor or more modern plants that have lower gas losses. Some 443.36 kg of SF6 gas had to be replenished in 2024 due to gas leaks from equipment.

The most significant source of greenhouse gases (GHG) emitted by the company is the sulphur hexafluoride (SF6) gas (very high global warming potential) leaking from the electrical switchgear. A number of measures have been taken to reduce emissions; regular maintenance, efforts to minimise SF6 gas in new equipment, and planning to replace the encased SF6 equipment that is the highest emitter. The second major source of emissions comes from car use, which has been reduced by the purchase of more fuel-efficient and electric vehicles. We reduce our own consumption of electricity and natural gas by insulating buildings, replacing windows, installing modern air conditioning and heat pumps, and in the future we plan to install solar panels and solar collectors.

As an environmentally conscious operator, MAVIR Zrt. is committed to implementing the best available technology. In its operations and investments, the company takes into account not only economic but also environmental and landscape management aspects in order to ensure the sustainability of environmental resources. To this end, the structure of high-voltage transmission line pylons was innovated in previous years to reduce the space occupied in the natural landscape, as well as to minimise the clearing and safety zone width.

“KATICA” is the new type of transmission line pylon. This type has been specifically developed to comply with new international design standards, minimise environmental impacts and reduce forest clearings, and the transmission line planned in this document will be built using these pylons.

Benefits:

- Small area of land occupied,
- The transmission line pylon is self-supporting, so no anchoring is required compared to older pylons (portal).
- Aesthetic finish with duplex landscape fusion colour (factory galvanised and painted) with surface protection.
- It meets European requirements.

As the largest greenhouse gas emitting sector in the global emissions balance, the energy sector faces very serious challenges through feedback mechanisms. The negative impacts of climate change are reflected uniformly on the production and consumption side of the sector. On the one hand, it is under considerable pressure from governments, the economy and society, driven by, among other things, the emergence of growing demands to protect the climate. On the other hand, the direct (factors affecting the energy production process) and indirect (e.g. increased demand for cooling in summer) energy requirements of a changing climate and weather, and the higher energy demands of an increasingly energy-intensive society, are also reflected in this.

To adapt to climate change and increase resilience, among other things MAVIR Zrt. is developing 20 substations and 7 transmission lines in a consortium with the support of the Government and the EU of more than HUF 15.4 billion by 2026, to be able to connect more environmentally friendly solar power plants to the Hungarian electricity grid. At the same time, another much larger project – also funded by the EU – is being launched to improve the electricity network.

The investment is being implemented with a grant from the EU's Recovery and Resilience Facility (RRF) under the framework entitled “Ensuring a resilient and secure electricity grid for the integration of weather-dependent renewable energy sources in the territory of MAVIR Zrt.” Pending the adoption of Hungary's Recovery and Resilience Plan, the Government is pre-financing the project from the National Recovery Fund.

The investment will upgrade 11 substations in the Transdanubia region (Szombathely, Győr, Gönyű, Hévíz, Toponár, Bicske, Litér, Paks, Pécs, Perkáta, Szigetcsép) and 9 substations in the Central Hungary and Northern Great Plain regions (Békéscsaba, Szolnok, Sándorfalva, Debrecen-Józsa, Szabolcsbáka, Sajószöged, Felsőzsolca, Kerepes, Göd). In addition, the capacity of seven 220 kV transmission lines is to be increased: Detk-Sajószöged I, Detk-Sajószöged II, Detk-Zuglói I, Detk-Zuglói II, Kisvárda-Sajószöged, Tiszalök-Sajószöged and Sajószöged-Szolnok.

MAVIR Zrt. is reinforcing pylons at critical locations at motorway intersections in a scheduled manner to protect them against extreme weather events due to the effects of climate change.

MVM Next Zrt.

As the most important player in Hungarian energy trading, in the course of its universal service tasks MVM Next Zrt. strives to communicate the importance of climate protection to its customers, thereby contributing to the fulfilment of Hungarian climate protection efforts, also by means of energy-saving and environmental protection actions and campaigns.

The company continues to encourage its customers to choose online methods instead of traditional billing and administration formats, thus reducing paper usage and the amount of emissions caused by travelling for face-to-face meetings.

MVM Partner Zrt.

For the sale of electricity from renewable energy sources related to the electrification of our customers, the figures for 2024 are as follows. In 2024, MVM Partner traded a total of 976,974 MWh GO (Guarantees of Origin), with certificate dates of 1 January 2024 to 10 December 2024. In addition, in 2024, MVMP concluded uPPAs (utility power purchase agreements) with a total of 68 renewable energy plants (solar, biogas, wind and hydro), of which three have an installed capacity of more than 10 MW.

For measures where the estimated GHG emission reduction results are known, these are shown in the presentation of each project. The expected GHG emission reduction figures for the planned measures have not been determined at MVM Group level. The significant CapEx and OpEx figures for the actions taken by the company are presented in chapter 13.1. Group-level data for GHG emissions in 2024 is summarised below.

ESRS E1-4: Targets related to climate change

GHG emission targets

The GHG emission-reduction targets are presented under the general ESG targets in chapter 12.7. The MVM Group does not yet have specific targets for Scope 3 emission reductions. The objective supports the commitment to mitigate climate change as set out in the MVM Group's Environmental Policy.

Tables: multiple dimensions (base year and targets, GHG emissions, Scope 3 categories, decarbonisation instruments, company-specific denominators in intensity values)

KPI description	Unit	2020 (base year)	2023	2024	2020 -> 2024 [%]	2023 -> 2024 [%]	Targets		
							2025	2030	2035
Total Scope 1+2 emissions (location-based)	kt CO ₂ e	4,888	3,786	3,688	24.55%	- 2.59%	3,900	3,200	3,000
GHG intensity in CO ₂ equivalents (Scope 1+2 emissions [location-based] divided by electricity + heat energy)	gCO ₂ e / kWh	241	196	185	23.24%	-5.61%	200	120	110

Absolute GHG emission reduction compared to the base year in 2020: 1,192 ktCO₂e, while in the same period the MVM Group achieved a GHG intensity of 56 gCO₂e/kWh with regard to electricity and heat energy supplied. Scope 1: CO₂, CH₄, N₂O, HFC, PFC, SF₆, NF₃ emissions directly related to the

company's operations in CO₂ equivalents. Scope 2 (location-based): the amount of CO₂ released into the atmosphere from the production of purchased electricity and heat.

The base year, in the same way as all KPIs, takes into account the emissions of a given year, which the MVM Group considered to be sufficiently representative.

The GHG emission targets, together with the Group's other KPIs, were set when the strategy was developed. As part of this, current assumptions on the strategic environment were taken into account, including the challenges of the energy industry, ESG as a framework of requirements, the increasing availability of carbon-neutral technologies, growth in electricity demand and the role of natural gas as a transitional fuel.

The target is in line with Hungary's National Energy and Climate Plan (NECP), and among the scenarios calculated on the basis of the MVM Group's future transition plan, it is the target in the scenario carrying a probability of more than 50%.

The targets are not scientifically founded, are not compatible with limiting global warming to 1.5°C, were not set using a decarbonisation pathway, and have not been externally audited. Climate change scenarios were not employed because of the need to meet the NECT target. The Pathways to Net-zero – SBTi Technical Summary (Version 1.0, October 2021) cross-sector reduction pathway model uses 2020 as the base year emissions-reduction factor, and expects a 42% reduction by 2030. Based on this, the reference target for the MVM Group is 2,835,165 kt CO₂e.

The quantitative contribution to its GHG emission reduction targets of the MVM Group's expected decarbonisation tools is not quantified in this reporting year due to the lack of relevant information. The MVM Group is committed to R&D and innovation activities, all of which are directly or indirectly linked to the supply of energy by the group from carbon neutral sources and the application of new technologies to achieve GHG targets. For mitigation measures see disclosure E1-3.

ESRS E1-5: Energy consumption, energy intensity, energy production

Energy consumption and energy mix	2024
1. Fuel consumption from coal and coal products (MWh)	7,274,452
2. Fuel consumption from crude oil and petroleum products (MWh)	147,774
3. Fuel consumption from natural gas (MWh)	1,251,200
4. Fuel consumption from other fossil sources (MWh)	-
5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	258,013 ^a
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1-5)	8,931,438
Share of fossil sources in total energy consumption (%)	15.4
7. Consumption from nuclear sources (MWh)	48,073,854^b
Share of consumption from nuclear sources in total energy consumption (%)	82.7
8. Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	1,140,234
9. Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	-
10. Consumption of self-generated non-fuel renewable energy (MWh)	-
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8-10)	1,140,234
Share of renewable sources in total energy consumption (%)	2.0
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	58,145,526

^a Using a conservative estimate, the figure equals the total amount of heat and electricity purchased.

^b The figure includes the nuclear energy consumption of MVM Paksi Atomerőmű Zrt. for production purposes.

Energy produced and supplied per energy source	2022	2023	2024
Electricity produced by MVM Group (GWh)	20,074	19,499	20,071
Natural gas	384	165	215
Fuel oil/heating oil	44	31	51
Coal	2,893	2,431	2,390
RDF/SRF	160.4	123	81
Biomass	320	251	294
Wind	44	46	49
Water	151	155	163
Solar	265	381	811
Nuclear	15,812	15,918	16,017
<i>Carbon-neutral electricity generation</i>	<i>16,593</i>	<i>16,750</i>	<i>17,333</i>
<i>Share of carbon-neutral electricity generation, %</i>	<i>82.7</i>	<i>85.9</i>	<i>86.4</i>
Heat produced by MVM Group (TJ)	5,053	4,607	4,612
Natural gas	3,500	3,041	2,946
Fuel oil/heating oil	4	6	6
Coal	882	924	1,003
RDF/SRF	49	45	34
Biomass	100	98	120
Nuclear	518	493	504
Carbon-neutral electricity and heat supplied (GWh)	15,749	15,860	16,496
Total electricity and heat supplied (GWh)	20,042	19,340	19,973
Share of carbon-neutral electricity and heat supplied (%)	78.6	82.01	82.59
Total renewable electricity and heat production (GWh)	880	860	1,123
Total non-renewable electricity and heat production (GWh)	24,246.4	19,921.5	18,693.0

All the data on energy produced and supplied is derived from measurements. The RDF/SRF waste-based fuels used at the Mátra Power Plant are classified as non-renewable energy sources. The MVM Group considered water, wind, solar and biomass to be renewable energy sources for the purposes of the data disclosure. The electricity production of PV power plants more than doubled compared to the previous year, contributing significantly to a further increase in the share of carbon-neutral electricity generation.

The MVM Group's use of coal is due solely to the operation of the Mátra Power Plant, but the volumes of electricity and heat generated show that the generation of energy using alternative fuels such as biomass and RDF/SRF has increased.

The Mátra Power Plant also uses fuel oil/heating oil for producing energy. The power plant boilers are fired with oil, and in the case of unit II, if coal alone is not sufficient to achieve the required efficiency, the coal fires are supported and stabilised by oil burners to ensure that electricity is generated on schedule. The rate depends on the quality of the coal and the prevailing caloric characteristics of the unit, so the rate of oil use may vary.

In addition to gas, the three fast-start gas turbine power plants operated by MVM Balance Zrt. and the Bakony gas turbine power plant also use fuel oil in their operations.

Energy intensity of the MVM Group based on net revenue: 12.83 MWh/HUF million. The Company considers its total consolidated sales revenue to be revenue from sectors with a high climate impact, given that any revenues not derived from these activity categories may also be linked to its involvement in the energy sector. Sales revenue by activity can be found in chapter III.20 of the Financial Report. Consolidated sales revenue (turnover) figures were used for the ratios presented in the Sustainability

Report chapters to ensure consistency in that the indicators refer to the group of consolidated companies.

ESRS E1-6: GHG emissions, GHG intensity

The MVM Group calculates its greenhouse gas emissions in accordance with the ESRS requirements and the methodology developed under the WBCSD GHG Protocol.

Direct GHG emissions (Scope 1)	Unit	2022	2023	2024
CO₂ emissions from power plant sites	t	3,804,229^a	3,211,039	3,567,274
of which from use of non-biogenic RDF/SRF	t	22,531	11,172	7,135
CO₂ emissions from fuel use^b	t	26,743	30,017	29,948
from use of petrol	t	6,081	6,856	7,298
from use of diesel	t	20,662 ^a	22,614	22,097
from use of CNG	t	-	549	553
CO₂ emissions from non-productive use of natural gas	t	26,628^a	28,399	16,651
Methane emissions CO₂ equivalent^b	t	6,944	7,125	3,718
methane emissions from mining	t CH ₄	0	0	0
methane emissions from gas transport/distribution	t CH ₄	209	193	90
methane emissions from natural gas venting	t CH ₄	39	63	35
CO₂ emissions from flaring natural gas	t	484	526	456
SF₆ gas CO₂ equivalent^b	t	8,820	10,352	11,033
replacement in metal-encased equipment	kg SF ₆	332	388	419
replacement in circuit breakers and instrument transformers	kg SF ₆	44	23	35
CO₂ equivalent of refrigerant replacement^c	t	6,789	8,270	4,582
Total – excluding biogenic emissions	t	3,880,637	3,295,730	3,209,862
Biogenic emissions	t	534,583	425,243	423,801
from use of biomass	t	364,712	289,765	348,724
from use of RDF/SRF	t	169,871	135,478	75,077
Total	t	4,392,689	3,709,801	3,633,662
Emissions covered by EU ETS	t	3,740,000	3,157,000	3,355,743
Share of emissions covered by EU ETS	%	85.14	85.10	92.35

For 2024, the MVM Group determined the GHG potential of the different refrigerants and the main greenhouse gases (CH₄, N₂O, NF₃, SF₆) based on the IPCC AR 6 100-year time horizon figures. For each fuel (petrol, diesel, CNG) and for emissions from non-production natural gas use, global IPCC figures (IPCC 2006 Vol. 2 (Energy), Chapter 2 (Stationary Combustion)) were used. For methane emissions from mining, gas transportation and natural gas venting, the natural gas methane content was deemed to be 97%. The figures for 2022 and 2023 are presented based on the MVM Group's Integrated Sustainability Report published in 2024, according to the methodology presented therein.

In calculating GHG emissions, the MVM Group presents the emissions of the companies included in the financial consolidation. There is no operational control over jointly controlled entities, associates and other interests. The companies included in determining the MVM Group's GHG emissions are included on the list of companies presented in chapter III.38 of the Financial Report.

Indirect GHG emissions from purchased energy (Scope 2)	Unit	2022	2023	2024
Carbon dioxide emissions from purchased electricity (location-based)	tCO ₂ e	46,320	49,946	26,115
Carbon dioxide emissions from purchased electricity (market-based)	tCO ₂ e	47,434	54,515	39,963
Carbon dioxide emissions from purchased heat energy (location and market-based)	tCO ₂ e	25,394	26,302	28,448
Total location-based	tCO₂e	71,714	76,249	54,563
Total market-based	tCO₂e	72,828	80,818	68,410

To determine the location-based and market-based scope 2 emissions in 2024, the MVM Group used the 2023 European Residual Mix data for the respective countries to calculate the emissions from electricity procurement. For Hungary, the emission factor provided by the Association of Hungarian District Heating Enterprises was used to determine the purchased heat energy, while for the Czech Republic, the source was the 2023 National Inventory Report (NIR) 2023.

The MVM Group did not purchase or acquire any steam or cooling to be reported under scope 2 in 2024. (E1-6 AR 45 d) The MVM Group does not have any contractual instruments (contracts based on guarantees of origin or energy purchases based on renewable energy certificates) to present in its scope 2 GHG emissions. (E1-6 AR 45 e) Biogenic carbon dioxide emissions under scope 2 cannot be quantified based on the information available. The emission factors used by the MVM Group, in aggregate, represent the GHG emissions (CO₂e).

GHG emissions attributable to value chain of the Group (Scope 3)	Unit	2024
Scope 3.3 – Fuel and energy related activities (outside Scope 1 and 2)	tCO ₂ e	3,776,589
Scope 3.11 – Use of sold products	tCO ₂ e	26,733,713
Scope 3.15 - Investments	tCO ₂ e	1,214,383
Total	tCO₂e	31,724,685

The MVM Group's Scope 3 calculation methodology is based on the WBCSD GHG Protocol Scope 3 Guidelines. In 2024, the Group launched a project to develop a detailed methodology for calculating its Scope 3 GHG emissions, which resulted in the identification of the three mentioned sub-categories as material for Scope 3 emissions and as a priority for the MVM Group. The estimates were mainly based on the controlling and accounting data available within the Group, to which the relevant IEA (International Energy Agency) and EXIOBASE emission factors were assigned. In addition, the Group conducted a benchmark analysis to identify significant categories. Estimated emissions for the MVM Group related to this year's acquisition of a stake in the Shah Deniz gas and condensate field are presented in category 3.15. No data directly from a value chain partner was used in the estimates. No methodology for quantifying biogenic emissions upstream or downstream in the value chain has yet been developed. The reporting boundaries are the same as for Scope 1-2 emissions.

Due to the magnitude of the estimated emissions, the following categories of Scope 3 emissions are not significant: 1. Purchased goods and services; 2. Capital goods; 4. Upstream transportation and distribution; 5. Waste generated in operations; 6. Business travelling; 7. Employee commuting; 8. Upstream leased assets; 9. Downstream transportation; 10. Processing of sold products; 12. End-of-life treatment of sold products; 13. Downstream leased assets; 14. Franchises.

AR 48. GHG emissions of MVM Group							
Category	Retrospective				Milestones and target years		
	Base year 2020*	Comparative: 2023	2024	2024/2023, %	2025	2030	Annual % target / Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO ₂ e)	4,858,252	3,709,801	3,633,662	97.9%	n.a.	n.a.	n.a.

AR 48. GHG emissions of MVM Group							
Category	Retrospective				Milestones and target years		
	Base year 2020*	Comparative: 2023	2024	2024/2023, %	2025	2030	Annual % target / Base year
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	92%*	85%	92%	108.2%	n.a.	n.a.	n.a.
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	29,963	76,249	54,563	71.5%	n.a.	n.a.	n.a.
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	33,776	80,818	68,410	84.6%	n.a.	n.a.	n.a.
Scope 1+2 GHG emissions, location-based (tCO₂e)	4,888,215	3,786,050	3,688,225	97.4%	3,900,000	3,200,000	3.5%
Significant Scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	n.a.	n.a.	31,724,685	n.a.	n.a.	n.a.	n.a.
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	n.a.	n.a.	3,776,589	n.a.	n.a.	n.a.	n.a.
11. Use of sold products	n.a.	n.a.	26,733,713	n.a.	n.a.	n.a.	n.a.
15. Investments	n.a.	n.a.	1,214,383	n.a.	n.a.	n.a.	n.a.
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ e)	n.a.	n.a.	35,412,910	n.a.	n.a.	n.a.	n.a.
Total GHG emissions (market-based) (tCO ₂ e)	n.a.	n.a.	35,426,757	n.a.	n.a.	n.a.	n.a.

* From MVM Group Integrated ESG Report 2022, and GHG emissions from regulated emission trading schemes derived from MVM Group Integrated Report 2020.

GHG intensity based on electricity and heat supplied	2022	2023	2024
GHG intensity (market-based) [gCO ₂ equivalent/kWh]	223	196	185
GHG intensity (market-based) [gCO ₂ equivalent/TJ]	61.9	54.4	51.4

The GHG data used for the intensity calculation is based on the sum of the Scope 1 and Scope 2 figures presented above.

GHG intensity per net revenue	Comparative (2023)	2024	%, 2024/2023
Total GHG emissions (Scope 1+2, location-based) per net revenue (tCO ₂ e/HUF million)	0.75	0.81	108%
Total GHG emissions (Scope 1+2, market-based) per net revenue (tCO ₂ e/HUF million)	0.75	0.82	109%

The net sales revenue used to calculate GHG intensity is the same as the MVM Group's consolidated sales revenue for 2024 (see Note I.2 in the Consolidated Statement of Comprehensive Income section of the Financial Report), no activity-based split was applied.

ESRS E1-7: GHG removals and GHG mitigation projects financed through carbon credits

The MVM Group does not have GHG removal and storage projects for its own operations, upstream or downstream value chains, and has not financed GHG emission reduction or removal projects through the purchase of carbon credits.

ESRS E1-8: Internal carbon pricing

The MVM Group does not apply internal carbon pricing schemes.

13.3. Pollution

Within the MVM Group, MVM Mátra Energia Zrt., MVM Paksi Atomerőmű Zrt., MVM Balance Zrt., MAVIR Zrt. and MVM Next Energiakereskedelmi Zrt. all exert a material polluting effect. For natural gas power plants, the loss of production due to water pollution is a significant financial risk. Managing all these is addressed in this chapter.

Material sustainability impacts, risks and opportunities for the MVM Group in relation to pollution

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ¹⁶			Value chain ¹⁷		
				S	M	L	V	MVM	C, H
E2 Pollution <i>In terms of pollution, material issues are only material for a given company or group of companies within the Group.</i>									
<i>Air pollution</i>	The combustion of lignite at the Mátra power plant produces large quantities of flue gas. For mercury, the plant took advantage of a legal option to request a change to the threshold, to ensure it can be met.	The power plant tracks relevant air pollutants and flue gas characteristics with continuous and periodic measurements. Shutting down the most polluting units of the plant or operating them at a low number of hours, along with management measures, reduces emissions. In the long term, the end of lignite combustion will eliminate the impact.	Impact: actual, negative	x	x			x	
<i>Water pollution</i>	In the case of water pollution, the impact of natural gas power plants and nuclear power is material.	The Paks nuclear power plant has detailed operating rules to ensure that the temperature threshold for the Danube is adhered to. If the water temperature in the section of the Danube designated for monitoring approaches the threshold, the output of the power plant's units is reduced to ensure compliance with the threshold. At the gas power plants, surface water is withdrawn under the terms of a water use permit and operating rules.	Impact: actual, negative	x	x	x		x	
	The cooling water system of the Paks nuclear power plant flows back in an unchanged state, causing heat stress (not heat pollution). This could become more important in the future as the summer heatwaves increase. In addition, the production of demineralised water discharges salt into the Danube from the slurry basin.								
	Natural gas power plants use water for cooling, which is partly discharged into surface water (Lőrinci PP – Zagyva river, innogy – Radechovka river). The cooling water from the planned Tisza CCGT power plant will also be discharged back into the Tisza river.			Actual risk	x	x	x		x
	For power plants, the loss of revenue from lost production due to overheating water is a significant financial risk.								

¹⁶ S = short, M = medium, L = long

¹⁷ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ¹⁸			Value chain ¹⁹		
				S	M	L	V	MVM	C, H
<i>Soil pollution</i>	The contamination in the area of the old gasworks is the result of past activities, and MVM Next is responsible for the remediation and monitoring.	Extended monitoring is ongoing in the South Pest sites and in Szeged, while in Óbuda, the complex remediation process has been prolonged for a lengthy period.	Impact: actual, negative	x				x	

¹⁸ S = short, M = medium, L = long

¹⁹ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS E2-1: Policies related to pollution

The MVM Group's Environmental Policy as presented in chapter 12.6 addresses the prevention of air, water and soil pollution by continuously monitoring the environmental impacts of its activities, averting the occurrence of adverse impacts and reducing emissions of pollutants. The company commits to identifying, regulating and continuously monitoring the critical activities that have/may have a significant impact on the environment.

To avoid incidents and emergencies, the MVM Group's Environmental Policy includes the following commitment: prepare for emergencies, react to any incidents that may occur, investigate the causes and modify practices accordingly. Contingency planning and critical incident management are described in 14.3 Affected communities.

ESRS E2-2: Actions and resources related to pollution

The MVM Group's pollution-related actions in 2024 are presented below, for each member firm deemed material in this context.

MVM Balance Zrt.

MVM Balance Zrt. uses the largest amount of cooling water and process water during operations at its sites. The water used for this purpose is obtained from surface water (Zagyva river) and from the mains in the case of the Lőrinci GT Power Plant, while the other sites are only able to use mains water. Withdrawing surface water may not compromise the character of the Zagyva as a flowing body of water, and the required flow rate has always been ensured.

The largest discharge of cooling water at the Lőrinci GT power plant is into surface water (Zagyva river). Following the withdrawal of water for cooling purposes, most of the used water is discharged into the cooling reservoir, and then into surface water through flood control structures. The maintenance and operation of the cooling pond and related structures is carried out in accordance with the water use permit and the operating policy.

Water from energy production activities is discharged based on an integrated environmental permit and a water use permit, with due consideration of the measurement, control and analysis tasks included therein. An accredited third party samples and analyses the discharged water for the parameters and at the frequency specified in the permits.

The facilities producing energy have an Emergency Response Plan approved by the authority and regularly reviewed. The document contains details of the actions, procedures and tools to be deployed in the event of emergencies and incidents.

General water quality parameters and total petroleum hydrocarbons (TPH) are typically analysed. In 2024 there were no recorded discharges above the thresholds.

MVM Mátra Energia Zrt.

In terms of air pollutant emissions, the flue gas from the combustion of raw materials is the largest pollutant. The use of large quantities of fuel generates significant amounts of flue gas, which pollutes due to its solid matter, sulphur dioxide, carbon monoxide, nitrogen oxide, chloride, fluoride and carbon dioxide content.

Flue gas: MVM Mátra Energia Zrt. continuously measures and records the following parameters related to air emissions:

- temperature inside the combustion chamber at the wall,
- oxygen concentration of the flue gas emitted,
- pressure of the flue gas emitted,
- temperature of the flue gas emitted,

- water vapour content of the flue gas emitted,
- flow rate of the flue gas

Measurement of air pollutants relevant for power plant:

- measured continuously: NO_x, CO, SO₂, dust, TVOC, NH₃
- measured periodically: gaseous chlorides expressed as HCl, HF, Hg, metals and semi-metals except mercury (As, Cd, Co, Cr, Cu, Mn, Ni, Pb, Sb, Se, Ti, V, Zn), dioxins, furans and PCDD/F

In addition to the above, there are diffuse sources at both the mines and the power plant, which are included in the annual environmental return. To reduce diffuse loading, these surfaces are watered if weather conditions so require. The crushers have built-in dust suppression systems.

Annual immission measurements are conducted in the surrounding municipalities to assess the impact of the mines on air pollution, during which measuring instruments are set up to analyse the concentration of particulate matter. Average concentrations were below the threshold outside the heating season.

Compliance with legislation and permits in force is the most important commitment. In Implementing Decision (EU) 2017/1442, the Commission issued new BATC requirements for large combustion plants, which apply from 17 August 2021. The power plant activities of MVM Mátra Energia Zrt. fall within the scope of this Decision. The company currently operates with due consideration of the thresholds set forth in the Integrated Environmental Permit (IEP).

To reduce the amount of nitrogen oxides (NO_x) emitted, MVM Mátra Energia Zrt. modified its combustion circuits as the first phase of the flue gas cleaning process, and installed an SNCR system in units I-V. The process uses a selective non-catalytic reduction method to reduce the amount of nitrogen oxide in the flue gas by means of a urea-reducing agent.

The flue gas dust from the boilers is separated by electrostatic precipitators, which separate 99.5-99.7% of the fly ash. Further cleaning of the dust-free flue gas is carried out by flue gas desulphurisation equipment, as the plant generates significant amounts of sulphur dioxide due to the quality of the fuel and the volume of production. The company operates a flue gas desulphurisation system based on wet limestone scrubbing. The scrubbing system is installed in the cooling tower, a worldwide first. The cleaned flue gas exits the desulphuriser at the top of the scrubber tower. Ground limestone is used as the desulphurisation additive, which is fed into the scrubber tower in the form of a suspension.

Since the plant's operation is subject to legislation and has concrete and quantified specifications for air emissions, the measurements provide sufficient data to assess whether the company has achieved its objectives, i.e. is legally compliant.

Our company was unable to comply with the BAT-AEL threshold for mercury, which came into force in August 2021, and as a result, it made use of the exemption option provided by law and applied to the competent environmental authority for a higher threshold, supported by expert documentation.

The authority approved the higher threshold, but imposed a fine on the company for the period that had elapsed until that point. The Environmental Authority set the air quality fine at HUF 800,000. Compliance with the thresholds in the new IEP is verified with records.

Due to the nature of the emissions, there is no direct risk to human life.

The process control system monitors the emission levels expected at the end of the day. If this level would exceed the threshold specified in the permit, the department takes action in accordance with the emission-reduction protocol.

The company has an Emergency Response Plan, approved by the authority, for the slurry disposal areas, mine and power plant, which describes how to handle individual pollution incidents. In addition, the internal policies set out the provisions to be followed to protect the environment.

To control potential sources of pollution, the areas around the waste collection site, the industrial slurry disposal area, underground oil tanks and the municipal wastewater system are monitored. The quality

of the water discharged by MVM Mátra Energia Zrt. is tested by a laboratory accredited for the parameters specified in the self-monitoring plans approved by the water authority in accordance with official and legal requirements, at the frequency specified in the plans.

Information on how mine dewatering impacts the dug groundwater wells in the surrounding municipalities is provided by monthly water level measurements in 1-4 dug wells per municipality. Yet groundwater conditions are mainly influenced by rainfall. The water quality in aquifers used for mining and the quality of the water released into surface reservoirs is tested quarterly, as required by the water permits. All the laboratory test reports were attached to the six-monthly mine water protection reports. The public drinking water supply for MVM Mátra Energia Zrt. is ensured by its own potable water plant, and the quality data of the water is recorded in the HUMVI system operated by the public health authority in accordance with legal requirements.

MVM Next Energiakereskedelmi Zrt.

MVM Next Energiakereskedelmi Zrt. (MVM Next) carries out environmental remediation to ensure legal compliance at its sites in South Pest (Koppány utca and Gubacsi utca), at the former Óbuda Gas Works and at the former Szeged Power Plant.

I. Óbuda Gas Works remediation project

The pollution in the area of the former Óbuda Gas Works is due to the production of coal gas from 1913 to 1987. The surveys identified pollution from coal gas production, coal coking and coal tar processing. As a partial remediation activity, the foundations left behind after the dismantling of the gas tanks and the hazardous materials therein (purifier waste, soil and groundwater contaminated with purifier waste) along with the hazardous waste found in the basement of the dry processing facility have already been extracted, removed and disposed of. MVM Next Energiakereskedelmi Zrt. and its predecessors have been treating the decontamination of the area as a priority since 2011, and are doing their utmost to carry out the complex technical measures as soon as possible that are the most important final elements of the remediation process.

On 20 December 2024, we received a decision from the Pest County Government Office, as the competent authority, ordering the revision of the intervention plan adopted for the remediation of soil and groundwater contamination in the area of the former Óbuda Gas Works.

By ordering the revision of the intervention plan, the obligations in the previous legally binding decision of the environmental authority are no longer enforceable, so the deadlines set therein are no longer binding. The deadline for reviewing the intervention plan and submitting it to the first-instance environmental protection authority is 31 December 2026.

II. South Pest site – Koppány u. 8

The remediation (surfacing and monitoring) at the South Pest sites is related to surface dust contamination left over from the operation of the former Ferencváros II gas works built in the early 1900s.

The technical intervention (paving of the area) was carried out at the site in Koppány utca, and the final technical intervention documentation along with the remediation monitoring plan were approved by the environmental authority in 2018. Groundwater monitoring was conducted at the site for a period of four years in accordance with the regulatory requirements, and the final monitoring report was submitted in September 2022. During the assessment of the final documentation, the authority decided that the monitoring activity should continue with unchanged monitoring parameters and an unchanged schedule until 2026. The monitoring is being continued by the previous contractor, and the six-month delay in work will require a six-month extension of the sampling period.

III. South Pest site – Gubacsi út 4

At the site on Gubacsi út, soil and groundwater contamination was examined voluntarily in 2016, the final documentation of which was accepted by the authority in 2017. Based on an official decision, the site was subject to regular soil and groundwater monitoring for a period of four years until December

2020, as part of a remediation follow-up monitoring programme. The environmental authority ordered another four years of monitoring at the site on Gubacsi út, until 2025, assuming there is no change in the land use (grassland/covered parking).

IV. Szeged Gas Works

There is significant soil contamination at the former gas works and power station site due to its previous function as a gas works. Following an investigation, soil excavation was carried out for the purposes of remediation, and the environmental authority prescribed post-remediation monitoring. NKM Áramszolgáltató Zrt. carried out the intervention in the area of the former Szeged gas works and power plant, and submitted the final documentation for the remediation monitoring in 2018. The authority accepted the documentation and prescribed that the remediation follow-up monitoring should continue in two-year cycles. The engaged contractor is currently conducting the monitoring in the area for the 2024-2026 cycle.

Paksi Atomerőmű Zrt.

Environmental emissions are always kept as low as possible, below the mandatory thresholds, and are constantly monitored. Regulatory requirements are met, and external professional standards are complied with. We cooperate fairly with nuclear and regulatory bodies.

The water use permit only requires checks of the water entering the plant, and of the water leaving the plant at the discharge point. MVM Paksi Atomerőmű Zrt. carries out voluntary environmental monitoring of its discharges into surface water in accordance with the requirements of the Environmental Management System, and in addition to the legal and regulatory requirements, to prevent possible environmental pollution and to monitor the efficiency of wastewater treatment. The power plant operates an extensive groundwater well system, with controls carried out according to the sampling plan to ensure groundwater monitoring.

The impact of the used water on the bank-filtered water sources is controlled by a monitoring system set up by the nuclear power plant. The test results of a detection system in six sections along the Danube – consisting of specially constructed underwater probes and monitoring wells between the power plant and the Sió estuary – show that the plant's discharges have no impact on existing and potential bank-filtered water sources.

The sampling site in the energy dissipator at the outlet of the warm water channel is used for both regulatory and self-monitoring sampling. The sampling point represents the quality of the (resulting) combination of all used water and treated wastewater discharged into the Danube. All parameters defined with a threshold in the water permit are checked under the current monitoring programme. If the Danube water temperature reaches 25°C, additional measurements are taken. In addition to the continuous measurement of temperature, a series of temperature measurements are taken in the designated Danube section (more than a thousand measurements per day in the cross-section around midday). The maximum temperature of the Danube is determined from a statistical evaluation of the measurement results and compared with the temperature threshold. The impact of the plant's heated cooling water and wastewater on the water quality and biota of the Danube is monitored every three years using a system that meets the requirements of the Water Framework Directive (2000/60/EC). The water quality and biota of the Danube is examined as part of this monitoring. The impact on bank-filtered water sources of the cooling water discharged into the Danube is checked by a monitoring system set up by the nuclear power plant. The impact on groundwater and soil is monitored by the plant through an extensive well system. Forty-two groundwater monitoring wells are tested for different parameters depending on the technology being monitored. To monitor groundwater and the movement of any contaminants, the water levels of 118 wells are recorded, 18 of which have automatic water-level recorders.

MAVIR Zrt.

At MAVIR Zrt, the transformers used to be operated on foundations with no bunding. To monitor the resulting soil and groundwater contamination on a continuous basis, the company operates monitoring systems at eight transmission substations.

- Regular six-monthly monitoring will be carried out at the Albertirsa substation to monitor pollution on the basis of a decision issued in 2022.
- Zugló substation, 3 major areas of pollution, regular six-monthly monitoring and fortnightly oil skimming. The new contractor was selected following a public procurement procedure until 2027. Test results during 2024 indicated a shift in the pollution, and so we are consulting with the authority on the necessary action to take.
- Debrecen substation, two distinct areas of pollution, monitoring conducted on a six-monthly basis.
- Felsőzsolca substation, investigations during the installation of oil separators revealed groundwater contamination near the transformer station, which is regularly monitored.
- Hévíz substation, pollution in one area, monitoring conducted on a six-monthly basis.
- Kisvárda substation, annual monitoring conducted at the aquifer well.
- Litér substation, we are investigating the pollution in the percolation trench of the treated precipitation discharged by the oil separator, with regular annual monitoring.
- Ócsa substation, investigations during the installation of oil separators revealed groundwater contamination near the transformer station, and the authority ordered regular monitoring inspections due to the contamination detected by the monitoring system.

ESRS E2-3: Targets related to pollution

The MVM Group is committed to reducing harmful air emissions from its operations. The members of the group have valid permits for air emissions, and emissions always comply with official requirements and the prescribed technological thresholds.

The members of the MVM Group only operate water facilities with a valid water permit, and only operate wells for which water quality standards are periodically reviewed in accordance with legal conditions or permit requirements. In the case of MVM Paksi Atomerőmű Zrt., the water quality standards and their measurements also cover temperature. MVM Paksi Atomerőmű Zrt., MVM Mátra Energia Zrt., MVM OVIT Zrt. and MVM Balance Zrt. discharged process and municipal wastewater into flowing water. For these member firms, the aim in relation to wastewater discharge is to comply with the official requirements, and adhere to the thresholds set therein.

The MVM Group aims to prevent soil contamination and to remediate and eliminate past contamination, thereby ensuring legal compliance.

The MVM Group's pollution targets align with the thresholds set by legislation and permits, which it undertakes to comply with as a result of its legal obligations. This objective is linked to the MVM Group's Environmental Policy.

ESRS E2-4: Pollution of air, water and soil

The quantities of pollutants emitted into the air by the MVM Group and the specific emissions are presented in the table below. The figures are derived from measurements by an accredited laboratory, or from the results of installed and accredited continuous measurement systems.

The air pollutant emissions in 2024 were predominantly linked to MVM Mátra Energia Zrt. The power plant measures relevant air pollutants and flue gas characteristics continuously and periodically, and these are explained in detail in ESRS E2-2 Actions. The chloride and fluoride content in flue gas is

monitored with regular measurements. VOC quantities were calculated in 2024 based on continuous measurements.

For companies that have accredited air quality testing specified in their environmental permits for pollutants, at the frequency required by the permit, the air pollutant emissions are reported as the product of operating time, volume of gas emitted and pollutant concentration.

The quantities of pollutants emitted into the air by the MVM Group and the specific emissions are presented in the table below.

Pollution of air	Unit	2022	2023	2024
Sulphur oxides (SO ₂ and SO ₃), such as SO ₂ ^a	kg	4,345,242	3,300,570	3,106,939
Nitrogen oxides (NO and NO ₂), such as NO ₂	kg	2,757,192	2,323,614	2,083,338
Particulate matter (PM10)	kg	258,613	245,899	158,628
Volatile organic compounds (VOC)	kg	2,091	60,314	26,751
Dioxins (PCDD/PCDF)	kg	0.0	0.0	0.0
Carbon monoxide (CO)	kg	-	-	1,139,303
Mercury and its compounds, such as mercury	kg	-	-	194
Hydrochloric acid and other inorganic Cl compounds as HCl	kg	-	-	8,198
Fluorine vapour or gaseous inorganic compounds as HF	kg	-	-	1,033
Non-methane volatile organic compounds / NMVOC	kg	-	-	2,447

Emissions of air pollutants show a decreasing trend due to the declining use of lignite by MVM Mátra Energia Zrt. MVM Mátra Energia Zrt. is responsible for at least 88% of the total emissions of the individual pollutants examined, so in line with the MVM Group Strategy, air pollutant emissions are expected to decrease.

The hot water quality of MVM Paksi Atomerőmű Zrt. is measured by sampling. Water conservation characterises water management at the MVM Mátra Energia Zrt. power plant. The environmental impact assessment, evaluation and reporting on water use are carried out every six months, as required by the competent water authority. The company monitors the impact of mine dewatering and achieving the necessary and sufficient water levels by means of water-level monitoring wells drilled in the vicinity of the Visonta mines. For water extracted during the dewatering of the opencast mines and subsequently discharged into the surrounding watercourses, water quality monitoring is carried out quarterly by sampling, typically before and after discharging the mine water into the watercourses. The hydroelectric power plants in Tiszalök and Kisköre, owned by MVM Vízerőmű Kft., supply consumers with electricity generated from renewable energy sources. The hydrocarbon parameters of these waters are tested twice a year by an accredited laboratory.

The MVM Group's emissions of pollutants into water are given as a figure calculated based on the periodic measurement results of each member firm and the volume of water discharged. The relevant figures take emissions into flowing water into account. The member firms concerned have the laboratory tests conducted for the components prescribed in the water permits, at the required frequency, by laboratories with the appropriate accreditation. In the case of MVM Vízerőmű Kft., the pollutant components analysed in 2024 were all at concentrations below the thresholds, often not even reaching the measurement threshold, and are therefore shown at zero in the summary table.

Given that the MVM Group is reporting its emissions into water as presented below for the first time, no comparative data from previous years is available.

Pollution of water	Unit	2024
Chemical oxygen demand (COD)	t	11,449
Nitrates	kg	296,684
Phosphate	kg	222
Organic solvent extract (OSE)	kg	0
Mineral oils (TPH)	kg	7.5
As and its compounds	kg	223
Cd and its compounds	kg	0
Cr and its compounds	kg	0
Cu and its compounds	kg	0
Hg and its compounds	kg	0
Ni and its compounds	kg	0
Pb and its compounds	kg	0
Zn and its compounds	kg	0
Total nitrogen	kg	768
Total phosphorus	kg	116
1,2-dichloroethane	kg	0
Dichloromethane	kg	0
Cyanides	kg	0
Pesticides	kg	0
BTEX	kg	0
Polycyclic aromatic hydrocarbons (PAHs)	kg	0

Soil contamination at the MVM Group is related to incidents and emergencies, typically at companies operating the electricity grid. Eighteen transformer oil spills occurred in the reporting year, resulting in the removal and replacement of 103.15 tonnes of contaminated soil.

At Magyar Földgáztároló Zrt. there was one emergency, which resulted in the replacement of approximately 20m³ of oil-contaminated soil.

At Paksi Atomerőmű Zrt., 6.47 tonnes of soil contaminated with nitric acid and 8.28 tonnes of soil contaminated with oil had to be removed and replaced as hazardous waste.

The MVM Group collected data on air, water and soil pollution for all consolidated companies.

ESRS E2-6: Financial effects from pollution-related risks and opportunities

The provision for environmental and recultivation costs is included in the financial statements under Note III.18, Provision for the recultivation of the Óbuda Gas Plant.

13.4. Water

MVM Paksi Atomerőmű Zrt., MVM Mátra Energia Zrt., MVM Vízerőmű Kft., MVM Future Energy Technology S.R.L., MVM Balance Zrt. and innogy Energie, s.r.o. have material impacts on water withdrawal and discharge. The reduction in the water flow rate of the Tisza river is a financial risk for the power plants.

Material sustainability impacts, risks and opportunities for the MVM Group in relation to water.

ESRS topic/subtopic/sub- sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/risk/ opportunity type	Time horizon ²⁰			Value chain ²¹		
				S	M	L	V	MVM	C, H
E3 Water and marine resources <i>Water is only material for the following companies within the group.</i>									
Water	Water flows through the hydroelectric power stations and is used to generate energy through the turbines. The Paks nuclear power plant withdraws water for cooling purposes.	See above, under Water pollution.	Impact: actual, neutral	x	x	x		x	
	The water discharged from the Paks nuclear power plant is currently a heat load for the Danube, and in the future, in the case of the Tisza power plant, for the Tisza river. The operation of gas-fired power plants also requires a significant withdrawal of water. For the Lőrinci power plant, there is no solution in place for water withdrawal during periods of drought. Looking ahead, the lower water flow rate and higher temperature of the Tisza river may make it difficult to ensure the water needed for the plant's operation is available.		Impact: actual, neutral and negative	x	x	x		x	

²⁰ S = short, M = medium, L = long

²¹ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS E3-1: Policies related to water

The MVM Group's environmental policy, described in general terms in chapter 12.6, deals with the rationalisation of water use and the prevention of water pollution, as well as the treatment and reduction of the volume of wastewater generated. The MVM Group is committed to managing the risks caused by water shortages and integrating them into its risk assessment system.

ESRS E3-2: Actions and resources related to water

Climate change has made water management a key area. In terms of water, the most significant impact is exerted by power plants that – due to their technology – withdraw significant amounts of water for cooling purposes. Other types of water withdrawal (for process and municipal purposes) is negligible by comparison (and thus their impact too). In the hydroelectric power plants, the water passes through the turbines and is then returned to the river without any significant change.

For all sites and office buildings, the group aims to improve water use intensity and reduce wastewater discharge proportionally, while maintaining security of supply.

The members of the MVM Group only operate water facilities with a valid water permit, and only operate wells for which water quality standards are periodically reviewed in accordance with legal conditions or permit requirements.

Less than 0.1% of the MVM Group's total water withdrawal is related to sites in areas with severe water shortages, located in Kecskemét, Szabadszállás, Baja and Kiskunhalas. This water is used entirely for municipal purposes and comes from mains drinking water, with no specific water conservation measures. Given that the water used in areas with severe water shortages is for municipal purposes and comes from the mains drinking water supply, the MVM Group takes no additional specific measures.

MVM Paksi Atomerőmű Zrt.

MVM Paksi Atomerőmű Zrt. is the largest user of raw water in the country, and the management and professional staff of the plant take special care to protect water quality. The main purpose of surface water withdrawal, i.e. from the Danube, is to feed the cooling water systems. Cooling water heated in the cooling water systems of the power units is discharged. This discharge into the Danube via the warm water sewer also includes treated municipal and industrial wastewater, in addition to heated cooling water. Compliance with temperature and water quality limits for the discharge of cooling water heated in the cooling water system and other wastewater is monitored in accordance with the detailed provisions of the environmental permit and the self-monitoring plan. The measurement results are documented and sent to the environmental authority regularly.

The declared aim of the power plant's policies is to comply with environmental regulations as well as prevent pollution and environmental damage, while monitoring and operation rules have been developed accordingly.

Due to climate change, the average and maximum water temperature of the Danube has risen by about 3°C over the past 35 years. So in the summer heat, especially at low water levels, the figure of 30°C set for a cross-section 500 m from the point of discharge as a limit to the Danube-warming effect of the cooling water discharged from the plant can only be ensured by limiting the output of the nuclear power plant units for a few days. To avoid this, we have started to review the requirements of the environmental permit, to develop a technical solution to effectively reduce the temperature of the discharged cooling water, and to develop the application process as per Ministry of Energy Decree 12/2024 (VIII.15) EM.

Sampling and measuring systems were installed for water sampling and water temperature measurements. During the summer, when the Danube water temperature reaches or exceeds 25°C, additional measurements are taken. In addition to the continuous temperature measurements of the water temperature measurement systems installed, a series of temperature measurements are taken in the designated Danube section (more than a thousand measurements per day in the cross-section

around midday). The maximum temperature of the Danube is determined from a statistical evaluation of the measurement results and compared with the temperature threshold.

The plant has detailed operating rules to ensure that the temperature threshold for the Danube is adhered to. If the water temperature in the section of the Danube designated for monitoring approaches the threshold, the output of the power plant's units is reduced to ensure compliance with the temperature threshold. The plant met the temperature and other water quality limits for emissions in 2024.

The application process in Ministry of Energy Decree 12/2024 (VIII.15) EM granting ad hoc exemption from Ministry of Environment Decree 15/2001 (VI.6) KöM on security of supply is being developed with the involvement of the relevant professional organisations and is expected to be completed by the end of June 2025. With regard to the water protection measures identified in the amendment to the abovementioned KöM decree, the delegated experts involved in developing the task did not identify any new options beyond the measures already in place.

A proposal is being drafted to amend Decree 15/2001 (VI.6) KöM, taking international experience and normative standards into account. The aim is to develop an ecologically and technically sound framework that is environmentally acceptable, can be properly monitored and allows for the continued operation of the Paks nuclear power plant even during critical periods in terms of the Danube temperature, without any other technical interventions in the cooling system.

A proposal and supporting documents for the amendment of the decree will be ready by the end of 2025.

MVM Mátra Energia Zrt.

Water conservation characterises water management at the power plant operated by MVM Mátra Energia Zrt., since there are no watercourses nearby with a high water rate. The plant's process water demand is mainly met by recirculation (e.g. steam production, steam condensation in units, etc.), which represents about 99% of the total water use of the plant, so the use of fresh water is less than 1% of the total water use of the plant.

The power plant uses raw water from an 8.5 million m³ reservoir located on the outskirts of the village of Markáz. The reservoir (lake) covers a catchment area of 50 km², and alongside natural surface water it is replenished through the aquifer dewatering system of the Visonta Mine's lignite open-cast excavations. The required quality of water for the plant's industrial water systems is produced by the plant's own waterworks.

To ensure the safe open-cast extraction of lignite by MVM Mátra Energia Zrt., the aquifers above and between the lignite deposits in the open-cast mines must be dewatered. This dewatering is achieved with filtering wells.

The dewatering at the Visonta and Bükkábrány open-cast lignite mines affect the quantitative status of the porous and shallow porous water bodies of the North Hungarian mountains periphery, as defined in the Water Management Plan drafted under the Water Framework Directive. The status of the two water bodies concerned is currently good, but the shallow porous water body affected by the water use is at risk of obtaining a poor status, irrespective of the open-cast mining operations of MVM Mátra Energia Zrt.

The aquifer dewatering is essentially limited to the operating period of a mining panel, and although it has a major impact on groundwater, once the mines are closed and recultivated, the water levels in the affected strata are expected to return to natural conditions.

The groundwater extracted from wells by pumping, and not used for other purposes (e.g. to supply water to the power plant), is discharged into the surrounding surface watercourses, improving their ecological status. In the area of the open-cast mines, water from rainfall is collected, pumped to the surface and discharged into the surrounding streams. The receiving watercourses are: the Bene and Tarnóca streams near the Visontai mines, and the Sályi and Csincse streams near the Bükkábrány mine. The quality of the discharged water is tested by a laboratory accredited for the parameters specified in the

self-monitoring plans approved by the water authority in accordance with official and legal requirements, at the frequency specified in the plans.

The amount of water extracted then discharged by the mine dewatering wells is measured by ultrasonic water meters mounted on the wells at both mine sites.

The impact of mine dewatering and achieving the necessary and sufficient water levels can be monitored by means of water-level monitoring wells drilled in the vicinity of the Visonta mines. The network of wells is denser in the area around the operating mines and in the foreground of the mines, and sparser in the region. Water levels in the monitoring wells are measured monthly in the foreground of the mines, and quarterly in the region. The purpose of the measured water levels is twofold:

- firstly, planning the volume of dewatering necessary for safe cultivation based on the detection of aquifer water levels in the foreground,
- secondly, they provide insight into regional long-term effects, enabling the timely compensation and planned mitigation of damages caused by dewatering.

Information on how mine dewatering potentially impacts the dug groundwater wells in the surrounding municipalities is provided by monthly water level measurements in 1-4 dug wells per municipality. Groundwater conditions are mainly influenced by precipitation trends.

MVM Mátra Energia Zrt.'s municipal drinking water supply is provided by its own drinking waterworks at the Visonta and Bükkábrány sites, which are supplied by groundwater extracted from drilled wells. The on-site drinking waterworks have a potable water safety plan. The sampling and quality testing of drinking water is carried out according to an annual water testing plan approved by the competent public health authority. Both waterworks sell drinking water to businesses established in the industrial parks. The quality data of the water is recorded in the HUMVI system operated by the public health authority in accordance with legal requirements.

The treated wastewater from the municipal wastewater treatment plants of MVM Mátra Energia Zrt. is received by the Nyiget stream at the Visonta site and by the Sályi stream at the Bükkábrány site.

MVM Vízerőmű Kft.

MVM Vízerőmű Kft. operates Hungary's two hydroelectric power plants on the Tisza river, the Tiszaelők Hydroelectric Power Plant and the Kisköre Hydroelectric Power Plant.

The hydroelectric power plants harness the renewable hydropower of the Tisza river to generate electricity. For this, the river's water resources are used in close cooperation with the regional water management authorities, subject to water use permits. Thanks to damming, the water passes through the turbines causing them to rotate, and then returns to the river without changing its chemical parameters. The amount of water discharged in this way is more than 10 billion cubic metres per year.

The Kisköre hydroelectric power plant also has a flood protection function thanks to Lake Tisza. In addition, the lake is a reservoir for irrigation and drinking water, which is of great importance for agriculture. The lake's water is primarily used for irrigation and replenishing fish lakes. When the water flow rate is low, the minimum downstream water level can be maintained by releasing the necessary amount of water, safeguarding water withdrawal in the river section below the hydroelectric power plant.

Lake Tisza has a significant recreational function and has become ecologically indispensable over the years, as its northern bank is home to the Tisza Lake Bird Reserve, an integral part of the Hortobágy National Park. The lake has been a UNESCO World Heritage Site since 1999.

Thanks to the fish ladder near the Kisköre hydroelectric power plant, the impact on the aquatic fauna of the Tisza has been significantly reduced. The fish ladder bypasses the dam by means of a nearly 1,400-metre-long channel. This is designed to provide an ecological corridor for aquatic life between Lake Tisza and the lower Tisza river. Wildlife monitoring is the responsibility of the Central Tisza Basin Directorate. The fish ladder is the setting for scientifically sophisticated monitoring studies and fish biology research.

MVM Future Energy Technology S.R.L.

MVM Future Energy Technology S.R.L. operates mini hydropower plants in the Úz valley in Romania, on the Vargyas and Madaras streams. The company strives to minimise the impact on the ecosystems of the natural watercourses it uses and avoid negative hydromorphological changes, therefore it monitors fish fauna on the Úz river and Madaras stream with an environmental permit. The hydropower plants have fish ladders that reduce unwanted impacts on fish fauna. Use of produced water at the company's hydropower plants decreased significantly, by 36% for the Madaras power plant and by 30% for the Úz Valley power plant, thanks to significantly lower rainfall compared to 2023.

MVM Balance Zrt.

MVM Balance Zrt. uses the most cooling water and process water. This water is obtained from surface water (Zagyva river) and from the mains in the case of the Lőrinci GT Power Plant, while the other sites are only able to use mains water. Withdrawing surface water may not compromise the character of the Zagyva as a flowing body of water, and the required flow rate has always been ensured. Surface water is withdrawn under the terms of a water use permit and operating rules.

Site operations tend to discharge cooling water, process wastewater, rainwater and municipal wastewater. Water from energy production activities is discharged based on an integrated environmental permit and a water use permit, with due consideration of the measurement, control and analysis tasks included therein. The largest volume of cooling water is discharged into a cooling pond, and then into surface water (Zagyva river) through flood control structures. The cooling pond also serves as a fishing lake, providing recreational opportunities for residents of the surrounding villages and visitors.

innogy Energo, s.r.o

The Náchod heating plant of innogy Energo, s.r.o. operates two waterworks. The water is discharged into the Radechovka river. The dam on the Metuje river ensures the power plant's process water needs. The Dolní Radechová slurry pond was used to dump coal combustion waste (coal-based operation ended in 2017). Settling ponds are used to monitor leakage and overflow. The company runs its operations in accordance with environmental permits. Monitoring is carried out by a third party on a monthly basis.

ESRS E3-3: Targets related to water

The water-related targets of the MVM Group are presented in the general ESG targets in chapter 12.7. The changes in water use intensity linked to the rationalisation of the group's water withdrawals are presented below:

KPI description	Unit	2020 (base year)	2023	2024	2020 -> 2024 [%]	2023 -> 2024 [%]	Targets		
							2025	2030	2035
Water use intensity (Water used / Electricity and heat generated) (excluding hydroelectric plants)	l/kWh	128	136	135	+5.5%	- 0.7%	125	123	-

The MVM Group's water use intensity shows a slight decrease compared to 2023, but is still below the 2025 target. The target presented applies to the whole group and does not distinguish between types of area, since there is only municipal water use in areas with severe water shortages.

Water quality targets – legal compliance – are presented in chapter 13.3 Pollution.

ESRS E3-4: Water withdrawal and discharge

Water withdrawal

	2022	2023	2024
Total water withdrawal (thousand m ³)	13,992,310	15,019,711	14,488,811
Cooling water use	2,799,975	2,801,117	2,870,943
surface water	2,798,363	2,800,460	2,870,312

groundwater	1,612	657	631
mains drinking water	0	0	0
other (e.g. industrial water)	0	0	<1
Process water use	11,191,798	12,218,084	11,617,298
surface water	11,169,708	12,198,914	11,599,428
groundwater	18,497	15,797	13,634
mains drinking water	51	44	51
other (e.g. industrial water)	3,542	3,330	4,186
Municipal water use	538	510	640
mains drinking water	319	301	351
well water	218	209	289
Total surface water withdrawal	13,968,070	14,999,374	14,469,739
Total groundwater withdrawal	20,109	16,454	14,265
Total withdrawal of produced water^a	218	209	6
Total recycled and reused water	11,198,006	12,220,623	11,606,068
Total recycled and reused water (%)	80.03	81.38	80.10

^a The methodology changed compared to 2022 and 2023; from 2024 onwards, produced water is defined as water produced as a by-product of oil and gas extraction or used as a medium for heat recovery in the oil or geothermal industry.

The MVM Group's water withdrawal in areas with severe water shortages: 1,013,000 m³, 100% of which comes from mains drinking water.

The figures presented are based on metered hours; where the amount of municipal water withdrawal cannot be measured, the amount is estimated.

Water discharge

	2022	2023	2024
Total water discharge ('000 m³)	13,977,171	15,008,705	14,477,046
Cooling water discharge	2,796,456	2,797,909	2,867,562
into surface water	2,796,456	2,797,909	2,867,561
into groundwater	0	0	0
percolation	<1	0	<1
drain	0	0	0
Process wastewater/used water	11,180,223	12,210,424	11,609,171
into surface water (after cleaning)	11,180,132	12,210,328	11,609,097
into groundwater	0	0	0
percolation	40	39	42
drain	52	57	32
Municipal wastewater	492	372	313
into surface water (after cleaning)	170	194	181
into groundwater	5	0	1
percolation	2	3	1
drain	315	175	130
Total surface water discharge	13,976,758	15,008,431	14,476,840

A significant proportion of the water discharge data is measured; estimates may be used for small sites and dischargers, but these are negligible compared to the total discharge.

Water consumption and total water stored

Water consumption is presented as the difference between total water withdrawn and total water discharged. The MVM Group stores water in reservoirs at the locations described in section E3-2 Actions and resources related to water. The water stored does not include the amount of water stored in tanks.

In areas with severe water shortages, the water consumption of the MVM Group using the methodology presented is 0 m³.

	2022	2023	2024
Total water consumption ('000 m³) difference between total water withdrawn and total water discharged	15,139	11,006	11,835
Total water stored at beginning of reporting year (1 January)	5,370	7,100	7,300
Total water stored at end of reporting year (31 December)	7,100	7,300	5,440
Change in total water stored	1,730	200	- 1,860

The reason for the decrease in the amount of stored water is the low precipitation in the second half of 2024 in the operating area of MVM Mátra Energia Zrt.

Water intensity

The water consumption intensity is calculated based on the MVM Group's consolidated sales revenue in 2024. The electricity and heat produced by the MVM Group in 2024 are presented under ESRS E1-5.

	2022	2023	2024
Water consumption intensity (total water consumption / net sales revenue in HUF) [m ³ /HUF 1 million]	1.98	2.17	2.61
Water consumption intensity (total water consumption / net sales revenue in EUR) [m ³ /EUR 1 million]	792.3 ^a	829.5 ^b	1,070.5 ^c
Water use intensity (water used / electricity and heat generated) (excluding hydroelectric plants) ['000 m ³ /GWh]	132	136	135
Water use intensity for electricity produced ['000 m ³ /GWh] ^d	697	770	722
Water use intensity for electricity and heat produced ['000 m ³ /GWh] ^d	651	723	709

^a Net sales revenue is based on the MNB's EUR/HUF exchange rate of 30 December 2022.

^b Net sales revenue is based on the MNB's EUR/HUF exchange rate of 29 December 2023.

^c Net sales revenue is based on the MNB's EUR/HUF exchange rate of 31 December 2024.

^d The figure also includes hydroelectric plant data.

13.5. Biodiversity and ecosystems

Some member firms of the MVM Group have a significant impact on biodiversity. Factors directly causing biodiversity loss are material for MVM Mátrai Energia Zrt., Vértesi Erőmű Zrt., DÉMÁSZ Áramhálózat Kft., ÉMÁSZ Áramhálózati Kft. and MAVIR Zrt. This chapter presents how these issues are addressed.

ESRS E4 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability impacts, risks and opportunities for the MVM Group in relation to biodiversity

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ²²			Value chain ²³		
				S	M	L	V	MVM	C, H
SBM-3 E4 16 (a), (b) E4 Biodiversity and ecosystems <i>In terms of biodiversity and ecosystems, material issues are only material for a given company or group of companies within the group.</i>									
Impacts on biodiversity ²⁴	Mátra and Vértes power plants: the mine is a scar on the landscape and comprises land degradation that has to be recultivated, and the original ecosystem will be lost. Landfilling the generated waste also occupies an ever-increasing area of land, but these areas were not previously very biodiverse.	In this respect, the companies conduct their activities in compliance with the law and official requirements. The mines of the Vértes power plant are continuously being recultivated in accordance with regulations. MVM Mátra Energia Zrt. also has an Integrated Environmental Permit for the Visonta and Bükkábrány mines. The document underlying the environmental permit contains a detailed survey of the fauna and flora in the areas not yet used by the mines. In recent years, there have been no comments from the Supervisory Authority for Regulatory Affairs and the Forestry Authorities on the negative impact of the activity. MVM Mátra Mélyépítő Kft. is primarily engaged in activities within the mine area using auxiliary machinery and connected to landfilling. During its activities, it strives to minimise the impact of its work processes on the environment.	Impact: actual, negative	x	x	x		x	
	The impact of the member firms operating overhead lines primarily affects birds. Due to the vulnerability of the great bustard population, it is of paramount importance that member firms take caution – without this, the population could be irreversibly damaged.	The bird conservation activities of Émász, Démász and MAVIR are well established and effective.	Impact: actual, positive	x	x	x		x	

²² S = short, M = medium, L = long

²³ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

²⁴ SBM-3 E4 16 (b) MVM Zrt has not identified any material negative impacts in terms of desertification and soil sealing.

ESRS E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

While no explicit resilience assessment was conducted in relation to biodiversity and ecosystem issues, the MVM Group's risk management system and processes, its compliance with legislation and its activities to protect biodiversity, often spanning several decades, ensure its resilience in managing risks. There are currently no material financial risks related to biodiversity and ecosystems.

ESRS E4 SBM-3, E4-5: Material sites of biodiversity importance, material negative impacts, and impact metrics related to biodiversity and ecosystems change

To protect habitats in areas where Natura 2000 or other protection is in place, the given company of the MVM Group and the relevant national park directorate always consult each other, and the work is carried out in accordance with the requirements of the competent local environmental authority. The given members of the group implement a number of measures to avoid negative impacts, and to enhance the positive effects on the bird population.

Material sites of biodiversity importance and material negative impacts are summarised in the SBM-3 table.

The activities of MVM Group member firms that impact on biodiversity and ecosystems affect endangered and protected species. Information on this can be found in the actions sub-chapter.

The negative impacts associated with land-use change were identified for the power plants – Vértési Erőmű Zrt. and MVM Mátra Energia Zrt. – as changes in land use and direct exploitation (landscape scarring caused by mines and land degradation). Related metrics identified:

- number and area of sites located in or near sensitive areas,
- size of land recultivated in the reporting year,
- restoration of land cover, and
- changes in the structural continuity of ecosystems.

The metrics can be accurately measured, they are verifiable, and available for both companies. The size of the recultivated areas gives an overview of the results of the recultivation activities.

Part of the mining area of MVM Mátra Energia Zrt.'s mining site in Mátyás is located in a Natura 2000 area, on the Sarmatian ridge of the Nyakas Tető (HUD120037), which has the following status within the Natura 2000 network: Special Area of Conservation. Topographical numbers of site: 0185/26, 0185/27, 0185/28, size 19.85 hectares.

The total area of recultivated land in 2024 was 190.79 hectares, including technical and biological landscape management areas in the case of MVM Mátra Energia Zrt., and counting each layer separately for Vértési Erőmű Zrt.

For MVM Mátra Energia Zrt., the restoration of land cover was implemented in 2024 on an area of 95.45 hectares, including technical landscape management.

Ecosystem continuity also stems from the activities of MVM Mátra Energia Zrt.

The content of the metrics is described below, in the section on recultivation activities.

To provide long-term data, MVM Mátra Energia Zrt. carries out elevation measurements at designated measuring points in the vicinity of the mines on a 1-2 yearly basis to monitor surface movements.

A comparison of the results of the measurement technology introduced since 2003 can be used as a basis for drawing conclusions on mine damage. Fourteen measurement campaigns were completed by September 2024. Two new points were added to the measurement network in the Visonta mine area

from 2023. The network currently comprises 37 measuring points. Each measurement campaign is carried out by an external company using a state-of-the-art GPS method.

ESRS E4-2: Policies related to biodiversity and ecosystems

The group's commitments to biodiversity conservation are declared in the MVM Group's Environmental Policy (see General presentation of policies).

Specific objectives of the MVM Group's Environmental Policy related to biodiversity conservation:

The group is committed to:

- reducing negative impacts on biodiversity and minimising threats;
- considering, and where possible, avoiding negative impacts on biodiversity when planning investments and acquisitions and during operations;
- making every effort to avoid negative impacts on threatened and protected species.

The policy is group-wide, while the topic of biodiversity and ecosystem is material for individual member firms, and therefore the policy addresses these issues in a comprehensive manner, including all of the issues related to this topic.

Based on the above, the policy explicitly covers sites owned, leased or managed in or near a biodiversity sensitive area; it includes sustainable land use practices and a policy to address deforestation.

ESRS E4-3: Actions and resources related to biodiversity and ecosystems

Recultivation activity

Mines and industrial sites significantly alter the natural environment of the affected areas. Rehabilitation and landscape management are employed to restore the structure of the landscape. The aim of recultivation is to preserve the potential of the landscape as much as possible, and for landscape rehabilitation to create conditions that promote the continued and repeated growth of the ecopotential of the area affected by mining.

The mines of both the Vértes and Mátra power plants are continuously being recultivated in accordance with the regulations. The regulatory deadlines for the recultivation activities of the Vértes power plant are detailed below.

The companies carry out the recultivation in accordance with the requirements of the permits issued by the environmental and water authorities.

Vértesi Erőmű Zrt.

Vértesi Erőmű Zrt. has caused significant damage to the landscape through decades of electricity production and mining activities, and as a result has multiple recultivation obligations.

Slurry disposal area of Oroszlány Power Plant

The implementation of recultivation phase III/2 of the six-field slurry disposal area continued in 2024 (final 1-m cover of fields 2 and 4, grassing) on an area of approximately 62 hectares.

By the end of 2026, the area will be covered with a 1-m upper layer and with revegetation, and the rainwater drainage system will be installed, thus the slurry disposal area will be integrated into the landscape. The materials for this have been produced, delivered and deposited continuously since spring 2023. The whole area was divided into units of about 1 hectare (so-called test units), where the surface structure is being developed, the covering layers of different compositions are being laid, and the associated quality control testing (analytics, density measurement, surveying, etc.) is conducted as planned. When a given test unit is covered with one layer, it undergoes a geodetic and laboratory rating, and if the results are satisfactory, the next layer can be placed on top according to the layer sequence as specified in the recultivation permit, once the necessary cover permit is obtained. While laboratory

testing is being carried out on one unit, work can be carried out on another unit, so the activity is continuous.

As of spring 2024, the embankment surface was almost completely finished, and the covering layers were laid on most parts. In addition, in the second half of 2024, the plateau surface of the fields was also subject to significant transformation and placing of covering layers. The construction work progressed according to the planned schedule. A total of 22.5 hectares were partially recultivated in 2024, but this work (land cover) has not yet been fully completed in any test unit, so there is no ecological continuity between areas that were previously ecologically separate (physical connectivity). This will only happen after the final layer of humus cover has been laid and the area has been grassed.

Fields 1 and 3 already recultivated were subject to after-care as required by the authorities (regular subsidence and embankment stability measurements, mowing and ditch cleaning several times a year, etc.). Based on regular analytical testing of the quality of the rainwater collected in the area, its discharge into flowing water caused no negative ecological impact on the bed of the surface watercourse, and the conservation expert concluded that there is no further need for ecological monitoring.

Slurry disposal area of Bánhida Power Plant

The slurry disposal area to be recultivated is approximately 20 hectares, but this work did not start in 2024. The environmental authority issued the company with an amendment to the recultivation permit on 5 February 2019, when the technical documentation for the public procurement procedure was also finalised. The documentation was submitted to the owner for commenting and approval in June 2019. The company has not yet received the ownership decision needed to launch the public procurement procedure, and as a result, the implementation deadline already amended several times had to be amended again. In December 2021, the competent environmental authority approved the application for an amendment to the Bánhida slurry disposal area recultivation permit, and extended the final deadline for completing the recultivation to 31 December 2024, which will need to be extended again, as the minimum time required for implementation is 2 years. The company initiated a revision of the recultivation plan in consultation with experts and authorities, with the aim of minimising the price increase in 2019 by developing a possibly modified order of layers and surfacing, implementing the ongoing recultivation experience.

Mány I/A mine roof

The rehabilitation of the degraded areas has been ongoing for several years, given that the deep-mining extraction of coal around the former mine roof area and subsequent movements stemming from mining operations are still underway. The area is still subject to underground collapses, which become visible at the surface after a while. The area under continuous monitoring exceeds 80 hectares. Inspections are carried out on a monthly basis, and cracks that require immediate intervention and pose a risk to life and limb are repaired with machinery. No such cracks requiring immediate intervention were detected in 2024, and the company continues to monitor any minor cracks that do appear. The condition of the roads on one section was improved in the summer of 2024.

There is no official deadline for completing the landscaping of the degraded areas. The landscape management of these areas must continue over the years depending on the appearance and threat of openings, fissures and cracks, until movements in the area stop and it becomes safe.

Tatabánya Heating Power Plant slurry disposal area (V/C open-cast mining)

There are currently after-care (groundwater and surface water testing) obligations in place for the area, which the company fulfils through regular testing of water from the 2 monitoring wells authorised at the end of 2017, in addition to monitoring the Palahányó stream.

The 15-year follow-up monitoring period required by the environmental authority expired in 2024; the data is currently being evaluated and the final follow-up monitoring report compiled.

MVM Mátra Energia Zrt.

MVM Mátra Energia Zrt. also has an Integrated Environmental Permit for the Visonta and Bükkábrány mines. The company's open-pit mines are typically located on land previously used for agricultural purposes. In parallel with the opencast mining, the company carries out landscape management activities in areas no longer affected by mining. The landscape management plan is approved by the Supervisory Authority for Regulatory Affairs.

Core measures taken by MVM Mátra Energia Zrt. to eliminate, mitigate and prevent landscape scarring caused by the Visonta and Bükkábrány mines:

- Annual ongoing landscape management following the extraction processes.
- Technical landscape management, safe and stable design of embankment and flat surfaces. Pre-planting embankment grading, taking into account long-term stability criteria, sometimes with the involvement of designers and experts.
- Planting (mainly deciduous trees), thereafter maintenance and replacement work.
- Where necessary, the installation of protective strips of forest.

By the end of 2024, a total of 1,397 hectares of the Visonta mine area were recultivated, of which 641 hectares were managed under a sustainability impact assessment. A total of 526 hectares of the Bükkábrány mine were subject to landscape management, of which 256 hectares were managed based on a sustainability impact assessment. From this, 65.15 hectares were subject to technical landscape management and 62.18 hectares to biological landscape management in the Visonta mine area in 2024. For the Bükkábrány mine, 30.3 hectares of technical landscape management and 10.66 hectares of biological landscape management were carried out²⁵. In the areas affected by biological landscape management, ecological continuity has been established between areas previously separated. In the recultivated areas, the habitat typical of the lower Mátra and Bükk areas is restored quickly, while in the longer term, habitat fragmentation is not common.

In line with the needs of the affected municipalities around the Visonta and Bükkábrány mines, and with municipal planning, the reasonable forms of land use are favourably aligned based on the current landscape management plan. The landscape management plan is approved by the decision adopting the Technical Operating Plan for mines.

MVM Mátra Energia Zrt. carries out its landscape management activities on a continuous basis.

Secondary consolidation stemming from the depressurisation or dewatering of the aquifers in operating slurry disposal areas may result in surface subsidence. To ensure long-term data is available on this, MVM Mátra Energia Zrt. carries out elevation measurements at 37 measuring points in the vicinity of the mines every 1-2 years. Comparing the measured data can provide a basis for findings and conclusions on mine damage.

Damage to buildings and green spaces in municipalities or individual water damage claims are examined by MVM Mátra Energia Zrt. In the event of any substantiated claims, settlements are based on individual consultations and negotiations. A total of 76 reports of damage to buildings were received in 2024, with the investigation of one other carrying over from 2023. From the 76 reports received for the two mines during the year (and 1 carried over from 2023), 75 were investigated, and one was carried over to 2025. The company reached agreements to compensate the owners of 57 buildings, 15 claims were rejected, 2 agreements were not signed by the owners, one case only concerned a building survey and no payment was made, while in another case the company still is waiting for the owner to provide the occupancy certificate.

²⁵ Technical landscape management is always followed by biological landscape management, or other uses (e.g. solar farms). The biological landscape management results in orderly green spaces. We consider both technical and biological landscape management to be recultivation.

Bird conservation

Member firms operating overhead lines exert negative impacts mainly on birds due to the fragmentation of their traditional habitats (e.g. overhead power lines, increase of built-up areas) and direct threats of overhead power lines (collision with power lines, electrocution). Due to the vulnerability of the great bustard population, it is of paramount importance that member firms take caution – without this, the population could be irreversibly damaged.

MAVIR Zrt., MVM Émász Áramhálózati Kft. and MVM Démász Áramhálózati Kft. have been involved in bird conservation for several decades, and their bird conservation activities are well established and effective. The aim of the bird conservation programmes is to gradually convert sections of the electricity grid along the transmission lines into bird-safe areas, and to create conditions that will sustain the vulnerable populations in the future.

The bird conservation programmes of MAVIR Zrt., MVM Émász Áramhálózati Kft. and MVM Démász Áramhálózati Kft. are ongoing.

MAVIR Zrt.

The operation of the existing grid and the construction of new transmission lines and substations is always carried out in the natural environment, which is a major responsibility for MAVIR Zrt. This is all done with maximum respect for the needs of the natural and social environment, and with meticulous preparatory work. The company has general nature conservation permits issued by the county nature conservation authorities to maintain the transmission line sections in protected areas of national importance. To maintain biodiversity, MAVIR Zrt. is a member of the 'Accessible Skies' agreement, in which it undertook to take bird protection aspects into account when expanding the transmission network. These commitments and activities of MAVIR Zrt. are in place and ongoing.

For decades, MAVIR Zrt. has sought cooperation and good professional relations with environmental and nature conservation authorities. It has cooperation agreements with all National Park Directorates as the entities managing areas of conservation importance. In all cases, these lay down the nature conservation conditions for clearance maintenance and ongoing maintenance, which, taking nature conservation interests into account, provide an opportunity to manage areas requiring maintenance under MAVIR Zrt.'s high-voltage transmission lines.

With the involvement of professional and non-governmental organisations, the company has a decades-long history of successful national and European Union bird-conservation programmes, which can be divided into three parts:

1. Collision protection (great bustard and migratory bird protection programmes)
2. Provision of nesting sites (artificial nesting and monitoring programme)
3. Research on bird conservation and professional developments

Collision protection

Birds are not at risk of electrocution along high-voltage power lines, but collisions are a threat. The great bustard populations are most at risk in this respect²⁶, along with migratory birds due to the rapid changes in weather patterns over the last decade. Apart from replacing overhead lines, research shows that the solution to this problem is to make transmission lines more visible. To this end, MAVIR Zrt. is conducting research into the possibilities of adapting the devices used in Europe in order to prevent collisions in the most effective way.

²⁶ Thanks to the coordinated conservation measures, the Hungarian population of the highly protected great bustards has stabilised in the Carpathian Basin in recent decades. Hungary has the largest contiguous European lekking and nesting area in the Central European region. Despite the positive trends in Hungary, the global population of the species has declined by about 34% in the last 20 years, so the protection of our great bustard population is also key to its survival. Continued conservation efforts will be needed in the coming decades to maintain the Hungarian great bustard population, which is also important for the global population.

New elements of the transmission network will be designed with bird diverters from the outset in frequented areas of nature conservation. However, installing such diverters on dangerous sections of existing transmission lines represents a major professional and financial challenge. To solve this, drones are used to install the diverters where possible. This means they can be installed with less manpower, no trampling damage, and without having to de-energise the section. A multi-year installation programme will make the most dangerous sections more visible and safer from a collision perspective.

MAVIR Zrt. continued the great bustard protection programme in 2024. The bird diverters purchased for the Sándorfalva-Arad 400kV transmission line crossing the great bustard habitat in the area of Csanádpalota will be installed in 2025 due to the need to de-energise. The company plans to submit a new LIFE programme application for great bustard conservation in 2025.

Climate change has altered the routes of migratory birds, and in many cases they now cross the tracks of high-voltage power lines. In recent years, crane collisions have posed a new challenge in the Bükk and Hortobágy National Parks. In the Bükk National Park in Szentistván, it is planned to install 170 illuminated and 894 reflective bird diverters. In the Hortobágy National Park, the installation of 200 illuminated bird diverters is planned in the Nádudvar area. This work started in 2024 and will continue in 2025.

The company had installed a total of 20,442 diverters on the vulnerable sections of the transmission lines by the end of 2024, of which 1,876 were installed during the year. These have reduced, but not eliminated, the risk of collisions. Therefore, in addition to deploying RIBE diverters, which offer the highest safety known to date, new experimental devices have been tried that reflect ultraviolet rays (Klamp10), and glow and pulsate at night (Delta Light).

The DANUBE FREE SKY LIFE European Union programme was created to protect migratory birds. MAVIR Zrt. is also a partner in the 7-year programme, with 15 organisations from 7 countries. Under the 75% grant opportunity, MAVIR Zrt. receives funding of more than EUR 300,000. Under this programme, the visibility of the power lines crossing the Danube-Ipoly and Fertő-Hanság National Parks was increased in 2024 by installing 150 RIBEs and 432 experimental bird diverters. The diverters were installed with drones, where possible.

Provision of nesting sites for strictly protected birds of prey

Birds breeding on high-voltage transmission line pylons can cause phase loss due to the movement of nesting material. This threatens both the security of the energy supply and the lives of the birds that nest there. Since the nests of the birds on the pylons started to be occupied by the strictly protected saker falcons almost 20 years ago (which had lost their hatching sites due to the spread of urbanisation), MAVIR Zrt. began creating safe habitats with the involvement of conservation experts.

In 2024, eleven nesting boxes were installed, resulting in 534 artificial nests available for birds of prey at the end of the year. Saker falcons successfully bred in nearly 120 of these nests, and a record 318 chicks fledged.

The camera programme continued under the LIFE SakerRoads European Union project, which will run until 2028. The cameras are used to record and analyse the nesting habits of the saker falcon, the peregrine falcon and the Eurasian hobby, along with the prey in their nests. The 15 photo traps purchased under the LIFE programme were also installed in 2024 on the artificial nests inhabited by the birds. Of the 20 satellite trackers previously deployed on saker falcons and eastern imperial eagles, three were operational in 2024. The information gathered with these showed that the ground squirrel population, the main food source for falcons, is dying out. So to prevent the decline of the falcon population, we need to grow the ground squirrel population, which has already been started as a pilot programme in the national parks. The project has a cost of nearly EUR 250,000 and is 75% subsidised.

Research on bird conservation and professional developments

There are three main ways for companies to improve bird conservation: improving bird diverters, their installation, and monitoring bird collisions.

In terms of improving bird diverters, in cooperation with the Swedish company HAMMARPRODUKTER we succeeded in developing drone-installable bird diverters that were made larger and more visible without compromising deployability. The new devices have been tested.

In cooperation with the DEÁK DELTA engineering office, a bird diverter is currently being developed that emits an active UV light, thus signalling the danger of collision in the dark as well, and supplying energy to the power source via conductor capacitive charging. The device will also be suitable for use on ACCC power lines at high temperatures. In 2024 some 450 illuminated bird diverters were mounted by drones on 220kV and 400kV transmission lines, and the testing continued.

Installing on live transmission lines brought progress in drone-powered mounting. During a pilot project in 2024, 130 worn-out stumps were removed from the transmission lines crossing the Moson plain.

Bird collisions were monitored along transmission lines crossing two national parks as part of the Danube Free Sky LIFE EU project for bird conservation. The research was carried out by experts from the Hungarian Ornithological and Nature Conservation Society. During the 2024 study periods, the number of birds killed in collisions was less than ten, and did not include any strictly protected species.

MVM Démász Áramhálózati Kft.

MVM Démász Áramhálózati Kft. is active in the Körös-Maros National Park, the Kiskunság National Park, part of the Danube-Dráva National Park and in NATURA 2000 areas, operating the electricity grid.

Since 2017, the company has achieved outstanding results in protecting birds that regularly use parts of the electricity grid (including great bustards, white storks, small birds [kestrels, owls, common buzzards], migratory birds, eastern imperial eagles and saker falcons) by converting grid infrastructure for bird conservation, expanding and developing technological equipment, as well as adopting programmes and habitat protection measures.

2024 saw a reduction in the adverse impacts. Converting each section to make them bird-safe follows a priority list, mainly based on the threat category of the bird species concerned. The following improvements were made in 2024 to protect birds with a view to preserving biodiversity.

Underground cabling

As part of the most significant bird-conservation development by MVM Démász, the sections of the medium-voltage overhead power lines that were a threat to birds were replaced with underground cables in the Fehértó (Szeged) and Új-halastavak (Sándorfalva) areas in 2024²⁷. In three phases, a total of 2,759 metres of medium-voltage underground cable were installed, which replaced and dismantled 5,249 metres of overhead lines. At the same time, the medium-voltage network was upgraded, made safer and more environmentally friendly, and two concrete transformer stations were built. After the underground cabling was put in place, the original soil was restored, thereby minimising the disturbance to the soil layers. After a few months, the site of the intervention regenerates naturally. The new habitat poses no obstacles to movement, feeding and breeding, and as such benefits the reproduction of the great bustard with its secretive lifestyle.

²⁷ The area has a rich bird life (about 280 species) and ancient flora, so it is a strictly protected area, an important stopover for migrating European birds and a protected wetland under the Ramsar Convention, visited by masses of cranes, geese and ducks. Part of the Lower Tisza Valley Special Protection Area for Birds (Natura 2000 site) is located here. It is a resting, breeding and feeding area for 67 bird species of Community interest, and a number of other species that are not of Community interest but are legally protected in Hungary. The impact of the activity on biodiversity is particularly significant here, as it is estimated to be the most significant mortality factor for bird species. The number of species on the IUCN Red List is 8.

Great bustard conservation

One of the key sites for great bustard conservation in Hungary in 2024 was the high-voltage section of the Makó-Rákos-Csanádalberti high-voltage line operated by MVM Démász Áramhálózati Kft., where power line marker bird diverters were installed on the 6.5 km section of the 132 kV line. There are 32 protected bird species in this area.

Stork conservation

Around 95% of the nests of white storks are built on electricity pylons, which is why electricity companies play a key role in protecting this strictly protected species. According to the Hungarian stork population survey for 2024, a total of 1,223 pairs bred in the Danube-Drava, Danube-Ipoly, Kiskunság and Körös-Maros National Parks, which largely constitute the operating area of MVM Démász Áramhálózati Kft., and the trend is in the ascendancy compared to recent years. The total number of birds in 2024 was estimated to be around 6,054.

In 2024, the underground cabling of the Vaskút Landfill and its surroundings was continued to protect the storks that gather in the vicinity of the landfill sites after the summer period to feed. The bird conservation reconstruction work on the Vaskút-Csátalja-Gara section continued and is expected to be completed in 2025: the former crossarms of the medium voltage network with post insulation were replaced with suspended insulator heads on a 450m section, and a new medium voltage network with mixed heads (suspended and post insulation) is to be built on a 1700m section. In addition, the company has laid 750 metres of new underground cables, the old medium-voltage network will be dismantled over a 3,000-metre stretch, and 1 new concrete transformer station built.

To ensure more effective stork protection, MVM Démász Áramhálózati Kft. installed pylon switches, insulators, silicone rubber covers and anti-nesting devices in 8 nesting areas (Mindszent, Orosháza, Kiskunhalas and Fülöpszállás) in the white stork habitats designated by the national park directorates, as part of the pilot programme for protecting stork nests and the 500m medium-voltage range around them.

To prevent electrocution, 35 old-style heads were replaced on a 6-km section of the 22 kV Hódmezővásárhely-Székkutas grid during the reconstruction of the network for bird safety reasons.

Conservation of birds of prey

In 2024 the company started to cover the outlying pylon transformers along farmland with silicone rubber for bird safety and grid protection purposes, in order to protect the eastern imperial eagles and white-tailed eagles.

In early 2024, with the involvement of experts from the Körös-Maros National Park, the company placed two saker nesting boxes on the transmission line between Békéscsaba and Gyula in the Kígyós-Ugrai region.

MVM Démász Áramhálózati Kft. provided financial support to the Hungarian Ornithological and Nature Conservation Society's kestrel conservation programme, which enabled the establishment of a mobile kestrel ringing station and a mobile blood sampling laboratory.

MVM Émász Áramhálózati Kft.

The operating area of MVM ÉMÁSZ Áramhálózati Kft. encroaches upon the Hortobágy and Bükk National Parks. MVM Émász Áramhálózati Kft. has also been engaged in bird conservation for several decades, developing their activities in a coordinated manner, similar to the principles and practices described for MAVIR Zrt. and MVM Démász Áramhálózati Kft.

In 2024, the company carried out maintenance and reconstruction work for bird conservation (e.g. assembly of stork nest platforms, nest platform adjustments, bird protection cover installations, bird ringing) worth HUF 63.7 million, typically on a targeted basis, in coordination with the national parks.

Collision protection

To reduce the risk of birds being electrocuted and colliding with power lines, MVM Émász Áramhálózati Kft. carried out cabling works on medium-voltage (MV) overhead lines in the Bükk and Mátra regions in 2023-24. A 2.4-km section around the Hejőpapi regional landfill was cabled in 2024 at a cost of around HUF 80 million.

The company is planning two major cable-laying projects for overhead lines in 2025-26 for a total of HUF 2,200 million: one project will cover a 20-km section in Somoskőújfalu, the other will be in Hollóháza, over a section of almost 12 km.

Use of innovative bird protection tools

In the area where MVM Émász Áramhálózati Kft. is active, several innovative bird protection solutions have been tested and implemented in recent years. Examples include the transformer tap cover and the mounted pylon switch. The significant increase in the number of photovoltaic power plants can only be addressed by introducing new transmission line wires mounted on existing pylons, and the company has therefore started to use so-called HTLS or high temperature wires. Experience shows that birds avoid high-temperature wires.

New MV head structures with suspended insulation and insulating crossarm solutions have been introduced. By implementing new grid solutions, the company improved grid resilience to the more frequent extreme weather events caused by climate change, complying with the new MSZ EN 50341 and MSZE 50341 standards, and at the same time meeting environmental standards for bird protection.

ESRS E4-4: Targets related to biodiversity and ecosystems

The MVM Group has no group-level targets related to biodiversity and ecosystems. A survey of biodiversity-sensitive areas at the member firms concerned – according to the ESRS standard – is currently underway. Appropriate metrics will be developed after analysing the results of the survey.

At group level, the aim is to meet legal requirements on time, comply with legislation, cooperate with environmental/nature conservation organisations and support bird conservation projects. At the level of the member firms concerned, some biodiversity projects may also have specific targets that are not covered by the group report.

ESRS E4-6: Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

A separate provision for biodiversity and ecosystems is included in the financial statements under Note III.18, Provisions for mine closure and environmental liabilities for the Mátra power plant, Provisions for gas field abandonment and recultivation, Provisions for the recultivation of natural gas storage facilities, and Provisions for the closure and recultivation of the Oroszlány power plant.

13.6. Waste management

Within the MVM Group, the waste generated by MVM Mátra Energia Zrt., MAVIR Zrt., MVM DÉMÁSZ Áramhálózat Kft., MVM ÉMÁSZ Áramhálózati Kft. and MVM Paksi Atomerőmű Zrt. has a significant environmental impact. In addition, the cost of treating waste poses a financial risk for companies.

Material sustainability impacts, risks and opportunities for the MVM Group in relation to waste management

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ²⁸			Value chain ²⁹		
				S	M	L	V	MVM	C, H
E5 Circular economy With regard to the circular economy, the material topic is only relevant for the listed companies within the group.									
Waste	The Mátra power plant has generated around one million tonnes or more of production waste every year over the past three years, of which a small proportion (2%) is recycled. Hazardous waste is generated at Émász, Démász and MAVIR, most of which is oil and oily soil. Most transformers use oil to cool active parts and protect the insulation. This oil ages over time and loses its required properties. Radioactive waste is continuously generated by the operation of the Paks nuclear power plant. Decommissioning a nuclear power plant also entails managing radioactive waste.	Non-recycled waste is landfilled as slurry, and the expansion of the slurry disposal area is ongoing. The group companies regenerate the transformer insulating-oil in line with the principles of the circular economy and prevention. The MVM Group always transfers hazardous waste to an appropriately licensed waste management company, which takes care of using it or disposing it.	Impact: actual, negative	x	x	x	x	x	
	The significant and potentially variable cost of waste management poses a financial risk, and the possibility of stricter standards for nuclear waste augments the risks.	Long-term plans (and resources) are available for the storage and management of radioactive waste.	Actual risk	x	x	x		x	

²⁸ S = short, M = medium, L = long

²⁹ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS E5-1: Policies related to waste management

The group's environmental policy, which is described in general terms in chapter 12.6, includes commitments to circular management.

ESRS E5-2: Actions and resources related to waste management

Continuous monitoring of the quality and quantity of waste generated is important for safe and resource-efficient operations. Waste is managed in accordance with environmental legislation in force by all member firms concerned. By continuously monitoring changes in legislation, the firms' obligations arising from legal changes are transferred to their internal environmental management systems (EMS). Life-cycle thinking is one of the main pillars of EMS systems: companies aim to meet the systemic guidelines of the waste hierarchy primarily by preventing waste production and reducing the amount and danger level of waste generated. Where waste cannot be avoided, they seek to recycle as much of the generated waste as possible, and arrange for its permanent disposal.

The firms hand over the generated waste to duly licensed operators. Waste data is reported to the authorities by the members of the MVM Group in accordance with regulations.

Waste management activities take place on an ongoing basis at the firms concerned, and are described below.

MVM Mátra Energia Zrt.

Electricity generation and mining technology activities generate significant quantities and various types of hazardous and non-hazardous waste. Most of the non-hazardous production waste within the MVM Group is generated at MVM Mátra Energia Zrt.

Part of the slag/fly ash from the combustion of fuel during the generation of electricity is sold as a cement additive, and part is sold by the company for mine stemming. A significant part of the REA gypsum from flue gas cleaning is sold as a secondary raw material, contributing to the economic development of the region.

Besides these sales, large quantities of slag/fly ash and gypsum are still landfilled, so there is a constant need to expand the large slurry disposal area for this purpose. In this process, the surrounding private land is reclassified as company-owned land, paying financial compensation. The thick slurry is transported by a pressurised pipeline to the slurry disposal area, so there is no transport of waste by road. For the reasons listed above, there are no significant environmental impacts associated with the transport of waste. Slurry with a high sulphate content is deposited in the slurry disposal area, and elevated sulphate ion concentrations have been detected in monitoring wells in the vicinity of the area. Surface water and groundwater are tested quarterly, and the spread of sulphate contaminants detected in water is monitored annually. From the test results and the pollutant dispersion model, it can be concluded that the elevated sulphate ion concentrations do not affect the residential area, and the monitoring wells further away from the slurry disposal area reveal normal values.

After finishing with the slurry disposal area, the company is obliged to recultivate the area and restore the baseline condition, but due to the specificities of building the area, the recultivation work – humus covering, grassing, afforestation – takes place during the operation phase as well.

The generated waste is continuously handed over since it does not contain hazardous substances that are difficult to treat and make recycling impossible. The company stores the generated waste in a manner that does not pollute or endanger the environment, in accordance with the law and the regulations of the authorities. When transporting environmentally hazardous waste, the waste is dispatched and recorded in accordance with the ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road).

The adequacy of waste collection and storage is regularly monitored by the company's environmental specialists, and immediate action is taken to remedy any shortcomings found. The waste management

and relevant records at the plant sites have been audited in recent years by an external certification body and by the authorities. No shortcomings requiring action were found during these checks.

Recycling all of the large quantities of metal, electronic and oil waste has significant environmental benefits.

The rules on waste management must be complied with by all employees of the company.

Distribution grid companies

A significant amount of hazardous waste is generated at MAVIR Zrt., MVM Émász Áramhálózati Kft. and MVM Démász Áramhálózati Kft., most of which is oil and oily soil³⁰. Most transformers use oil to cool active parts and protect the insulation. This oil ages over time and loses its required properties. The need for replacement results in a significant amount of hazardous waste.

The companies regenerate the transformer insulating-oil in line with the principles of the circular economy and prevention, and strive to increase the ratio of waste handed over for recycling.

MVM Paksi Atomerőmű Zrt.

Every year, MVM Paksi Atomerőmű Zrt. strives to reduce the amount and level of danger of the waste it generates. In addition to planned maintenance and renovation work in a given year, the change in the amount of hazardous waste is mainly determined by the volume of project work that is essential for safe operations. Due to the technology of the nuclear power plant, not all of the generated waste can be recycled.

The operation of MVM Paksi Atomerőmű Zrt. is strictly regulated. The relevant requirements are based on the Atomic Energy Act (Act CXVI of 1996), OAH Decree 1/2022 (IV.29) on the implementation of the Atomic Energy Act, and the Nuclear Safety Standards (NSS) issued as an annex to this decree. In particular, Volume 2 of the NSS "Management Systems for Nuclear Installations" and the accompanying Guidebook AFN 2.16 "Management Systems for Nuclear Power Plants and Spent Fuel Storage Facilities" issued by the Director General of the Hungarian Atomic Energy Authority (OAH) lay down the basic mandatory requirements for designing and operating the management system of a nuclear power plant. In the Final Safety Report (FSR), the nuclear power plant demonstrates to the OAH on an annual basis that it complies fully with the requirements.

Radioactive waste is an unavoidable by-product of nuclear power, and the company ensures it is managed, as well as stored (temporarily and permanently). The purpose of the temporary storage of low and intermediate level radioactive solid waste is to ensure the controlled, temporary storage of waste prior to its final disposal. These waste drums are placed in room VK302/I-1 of the nuclear power plant. Dedicated storage pipes in the controlled zone are used for the temporary on-site storage of high-level solid radioactive waste. Waste of a size that cannot be placed here may be stored temporarily in designated premises.

ESRS E5-3: Targets related to waste management

The MVM Group's target for waste management is to reduce the overall amount of conventional (non-radioactive) waste generated by the entire group in the reporting year, which is included as a target in the MVM Group's Key Performance Indicators (KPIs), presented in chapter 12.7. The target is for the period 2024-2035 and is linked to the environmental policy commitment to reduce emissions of pollutants and waste. The target is associated with each step of the waste hierarchy. The firms strive to comply with the systemic guidelines of the waste hierarchy (see ESRS E5-2).

The set target is voluntary, but there are legal requirements that must be met in order to achieve it.

³⁰ This is an important waste topic for the companies as a result, and it is therefore covered in this presentation.

KPI description	Unit	2020 (base year)	2023	2024	2020 -> 2024 [%]	2023 -> 2024 [%]	Targets		
							2025	2030	2035
Total amount of conventional (non-radioactive) waste generated during the year	t	1,527,106	1,028,414	966,913	- 36.7%	- 6.0%	<1,550,000	<50,000	<45,000

The total waste generated by the MVM Group in 2024 meets the target set for 2025, and is down by a further 7% compared to 2023, thereby continuing the downwards trend seen since 2020. There is no need to revise the metric and the set target because of the rate of progress. For more features on the target definition, see chapter 12.7.

For radioactive waste and hazardous waste, the MVM Group's objective is to achieve continuous legal compliance, which is also a goal of the MVM Group's Environmental Policy. The group monitors compliance with this target based on the fines imposed in this area. No fines were imposed in 2024.

ESRS E5-5: Waste

The total amount of waste generated by the MVM Group decreased by 6 % compared to the previous year. Total hazardous waste increased by 26% compared to 2023 owing to an increase in the quantity of hazardous production waste.

The following tables contain data on the waste generated by the MVM Group.

MVM Group Quantity of waste generated (t)*	2023	2024
Non-hazardous production waste	1,022,244	958,771
Hazardous production waste	2,462	3,198
Municipal waste not collected separately for recycling	4,259 ^a	4,290
Municipal non-hazardous waste, collected separately for recycling (e.g. plastic, metal, paper, etc.)	664	631
Municipal hazardous waste, collected separately for recycling (e.g. light sources, batteries, etc.)	9	23
Total non-hazardous waste	1,027,167	963,692
Total hazardous waste	2,471	3,221
TOTAL	1,029,638	966,913

* The figures in the table also include the amount of drilling mud produced.

^a The 2023 figure was restated due to a company's reporting error. The restated volume is 1,223.5 tonnes higher than the figure in the MVM Group's 2023 Integrated ESG Report.

At the group level, the amount of hazardous waste is strongly influenced by investments, renovations, maintenance and emergencies in a given year. In 2024, MAVIR Zrt., MVM Émász Áramhálózati Kft. and MVM Démász Áramhálózati Kft. generated 44% of the MVM Group's hazardous waste in the form of oil and oily soil. In the case of Magyar Földgáztároló Zrt. in 2024, large amounts of contaminated soil were removed during remediation work, and large amounts of liquid waste containing hazardous substances were also generated as a result of tank cleaning, which was the main cause of the increase in hazardous waste.

The amount of recovered waste at group level decreased by more than 50% compared to 2023, mainly due to the significantly lower recovery of non-hazardous production waste at MVM Mátra Energia Zrt.

The amount of recycled waste diverted from disposal by the MVM Group, broken down by recovery category, is shown in the table below. Almost all recycling takes place off-site.

MVM Group Amount of recovered waste, by type of recovery (t)*	Preparation for re-use	Recycling	Other recovery	Total
Non-hazardous production waste	39,640	6,067	8,975	54,682
Hazardous production waste	266	380	1,037	1,683
Municipal waste not collected separately for recycling	4	0	3	7
Municipal non-hazardous waste, collected separately for recycling (e.g. plastic, metal, paper, etc.)	116	414	56	586
Municipal hazardous waste, collected separately for recycling (e.g. light sources, batteries, etc.)	5	39	3	47

Total non-hazardous waste	39,760	6,481	9,034	55,275
Total hazardous waste	271	419	1,040	1,729
TOTAL	40,031	6,900	10,074	57,005

*According to the operation codes listed in Ministry of Agriculture Decree 43/2016 (VI.28) FM on the list of disposal and recovery operations related to waste management. The decree considers incineration to be recovery.

The amount of waste disposed of by the MVM Group is shown in the table below by type of waste treatment. Almost all of the disposal takes place off-site.

MVM Group Quantity of waste disposed of (t)*	Waste incineratio n	Landfill	Other disposal	Total
Non-hazardous production waste	12	902,811	1,413	904,236
Hazardous production waste	238	363	905	1,506
Municipal waste not collected separately for recycling	250	3,366	662	4,279
Municipal non-hazardous waste, collected separately for recycling (e.g. plastic, metal, paper, etc.)	2	6	42	49
Municipal hazardous waste, collected separately for recycling (e.g. light sources, batteries, etc.)	0	<1	2	2
Total non-hazardous waste	264	906,184	2,116	908,564
Total hazardous waste	238	363	907	1,509
TOTAL	502	906,546	3,024	910,073

*According to the operation codes listed in Ministry of Agriculture Decree 43/2016 (VI.28) FM on the list of disposal and recovery operations related to waste management. The decree considers incineration to be recovery.

The total amount of waste not recycled by the MVM Group is 909,908 tonnes, which represents almost 95% of the total amount of waste generated.

The amount of radioactive waste generated at the Paks nuclear power plant is shown in the table below.

Radioactive waste	Unit	2023	2024
Solid radioactive waste			
Post-processing (compacted) waste	m ³	72.4	71.8
Radioactivity	MBq	41,951.6	41,857.9
Liquid radioactive waste			
Liquid waste generated	m ³	158.1	174.8

Below we present the typical waste streams and characteristics of companies for which waste is a material issue.

MVM Mátia Energia Zrt.

The company generates both hazardous and non-hazardous waste in its operations. Almost all of the hazardous waste stems from maintenance work, and oil waste is a significant part of this.

Due to the power plant technology, non-hazardous waste is mainly produced during power generation, such as combustion residues (fly ash) and gypsum, which account for the largest part of the total non-hazardous waste. In addition, there is a considerable amount of metal waste – aluminium, iron and steel, cables, discarded electronic equipment, adhesives, paper and cardboard packaging waste, glass, absorbents, protective clothing, plastic and rubber, waste plastic, catering waste, cooking oil and grease.

Distribution grid companies

A significant amount of hazardous waste is generated at group level by MAVIR Zrt., MVM Émász Áramhálózati Kft. and MVM Démász Áramhálózati Kft., largely oil and oily soil, and almost all of which comes from transformer oil used for cooling and insulating transformers.

MVM Paksi Atomerőmű Zrt.

The nuclear power plant generates radioactive and inert waste mainly from nuclear power generation and maintenance technologies. Radioactive waste is radioactive material that will no longer be used, and it cannot be treated as ordinary waste because of its radiation characteristics. Apart from this, inert waste is generated from quality control, warehousing and office activities.

The nuclear power plant strives to maximise the recovery of inactive waste. On average, this means that around 73-75% of both hazardous production waste and non-hazardous production waste is handed over for recovery on an annual basis.

Radioactive waste

- a) Low and intermediate level solid radioactive waste: The vast majority of the waste collected in bags is used auxiliary protective equipment. Waste collected in barrels contains various used parts, structural components, insulation materials, contaminated equipment, etc., which cannot be placed in plastic bags because of their weight or size. The purpose of the temporary storage of low and intermediate level solid radioactive waste is to ensure the controlled and temporary storage of the waste prior to its final disposal.
 - i. fittings, equipment, piping and thermal insulation that are worn out and activated, or surface contaminated,
 - ii. construction materials from alterations (e.g. concrete debris, wood, glass), and various contaminated waste metals, cables,
 - iii. scrap metals, worn tools and chips from maintenance workshops,
 - iv. "soft" waste (clothing, personal protective equipment, filter pads, wiping cloths, foils) produced during maintenance and operation.
- b) High-level solid radioactive waste: dedicated storage pipes in the controlled zone are used for the temporary on-site storage of this waste. Waste of a size that cannot be placed here is stored temporarily in designated premises.
- c) Liquid radioactive waste:

Chemical wastewater containing radioactive isotopes from various sources is generated in the controlled zone of the nuclear power plant. These solutions with a small amount of dry solids (3-5 g/dm³) contain dissolved chemicals used for primary circuit water, decontamination, the regeneration of water purifiers and fine adjustments to the reactor power. After chemical treatment, the collected wastewater is evaporated into a concentrate with a boric acid concentration of about 200 g/dm³.

With a defined process purpose, the primary circuit systems contain thousands of cubic metres of boric acid solutions of different concentrations, which accumulate micron and sub-micron active impurities during operation. These cannot be removed effectively by conventional filtration with built-in ion exchangers. They are removed with ultrafilters installed at each site, which allow the purified solutions to be recycled back into the technology, thereby avoiding the generation of radioactive waste.

The contaminated oils and organic solvents are filtered with diatomaceous earth.

 - i. evaporation residues (concentrates),
 - ii. decontamination solutions,
 - iii. evaporator acidifying solution,
 - iv. spent primary-circuit ion-exchange resins,
 - v. activated sludge,
 - vi. activated solvent mixtures,
 - vii. contaminated boric acid solutions.

Inert waste

In terms of non-hazardous production waste, iron and steel waste account for the largest volumes of metal waste, with aluminium waste also being generated in considerable quantities. The amount of biodegradable waste is significant, and it is all fully recovered. Representing a much smaller amount, but still considerable in relation to the total amount of waste, is grit (waste from floating waste traps), junk waste, and waste mineral wool from the demolition and renovation of insulation.

In terms of hazardous production waste, aqueous spent oil constitutes the largest item, but its level of danger is not significant due to the high water content, and it is not economical to recover oil from it. An order of magnitude smaller but still significant is the amount of aqueous liquid waste containing hazardous substances and chemicals of varying composition. It is also not economical to extract the many components from the dilute solution. On a similar scale, slightly smaller quantities of spent oil and oily textiles are produced, but these are recovered. The amount of asbestos slate waste and municipal wastewater sludge released is also similar in magnitude. There is currently no technology available in Hungary to recover this, so it is landfilled. The latter is disposed of because of regulatory requirements (water from the primary circuit must be subject to a release procedure because it leaches into the sludge bed; after release, the authority stipulates its disposal in an incinerator).

The waste quantities are typically determined based on invoices and delivery notes issued by the contracted waste transportation companies. For municipal waste, however, it can be estimated based on the volume of waste transported, which can be calculated at an estimated 50% saturation based on the capacity of the containers and the number of deliveries contracted. For municipal waste not collected separately, the invoiced emptying frequency is the basis for the calculation, converting from m³ to tonnes at a density of 0.2 t/m³. For municipal waste collected separately under the concession system, the figures are weight estimates drawing on empirical values, based on the waste container, the average weight of waste stored in it, and the frequency of emptying.

At the Paks nuclear power plant, the amount of waste generated is determined by weighing, with the exception of municipal waste. The measurement involves weighing, usually on a weighbridge or a scale, issuing a weighing ticket at the nuclear power plant site, then recording the measured data in the IT system. Weighing is also carried out at the destination site. If there is any discrepancy in the data, this is reconciled, based on which a consensus is reached on the actual weight of waste. The agreed quantity is declared electronically to the environmental authority and is also declared in the return.

ESRS E5-6: Anticipated financial effects from resource use and circular economy-related (waste management-related) risks and opportunities

The provision for use of resources, the circular economy and waste management is included in the financial statements under Note III.18, Provision for the long-term management of liquid radioactive waste.

14. SOCIAL INFORMATION

14.1. Own workforce

The MVM Group employs almost 20,000 people and has a direct impact on the working conditions, health and safety of its employees and the achievement of equal opportunities. In the case of MVM Mátra Energia Zrt., the phasing out of coal will result in the loss of some jobs, which will have a significant impact on the secure employment of the affected workers. This organisational change also entails a financial risk.

Only the assurance services provider validated the measurement of the own workforce metrics.

ESRS S1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Material sustainability impacts, risks and opportunities for the MVM Group in relation to its own workforce

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ³¹			Value chain ³²		
				S	M	L	V	MVM	C, H
S1 Own workforce									
Working conditions	Secure employment: MVM Mátra Energia Zrt. employs 2,000 people and the related service processes are also important employers, with ~200 people working in the mines. The phasing out of lignite-based operations means some of these jobs will disappear, and there will be fewer job opportunities in the vicinity of the Bükkábrány mine. Collective rights: Almost all of the own workforce are active in OECD countries within the EU. Ensuring opportunities for employee representation is important because of the large size of the group and the vulnerability of employee interests in some of the workforce (e.g. manual workers, lower-ranking employees). In terms of health and safety, the group has a high incidence of hazardous work in power plant production activities, as well as in other areas. Stress in managerial jobs is prevalent in some companies, and also at lower levels due to the almost constant organisational change and restructuring.	As part of the ESG Strategy, the MVM Group aims to ensure a sustainable and fair transition for employees affected by the phase-out of coal. The target is to increase the proportion of workers taking part in skills development to 75% by 2035. EU funding is also helping to achieve a fair transition. The interests of the more than 19,000 employees of the MVM Group are represented by several trade unions, works councils and numerous health and safety representatives. The group has a multi-level stakeholder system, both at local and at group level. MVM's Group Collective Agreement (GCA) covers MVM Zrt. and 18 other companies in the MVM Group. The MVM Group's Health and Safety Policy and the MVM Group's central HSE directive provide for protecting the health and safety of employees and improving work safety culture, as well as related objectives and activities. Complex safety policies ensure that health and safety objectives are met. Many member firms have an occupational health and safety management system. As part of the ESG Strategy, the MVM Group aims to achieve a lost time injury frequency of less than 3 in total, and operational excellence in nuclear safety.	Impact: actual, positive and negative	x	x	x		x	

³¹ S = short, M = medium, L = long

³² V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ³³			Value chain ³⁴		
				S	M	L	V	MVM	C, H
	In the area of secure employment , there is a risk depending on the magnitude of the organisational restructuring at MVM Mátra Energia Zrt.	EU funding is also helping to achieve a fair transition.	Actual risk	x	x	x		x	
<i>Equal treatment and equal opportunities</i>	Gender equality: On average, women are paid 90% of men's salaries for non-manual employees, and 75% for manual employees. The proportion of women is lower as you move up the management ladder. The average training time per person in 2024 was 24 hours, down from the previous year (although not all the data has been reported). Men take part in significantly more training given that there are significantly more men working in manual jobs, and here the number of training hours per person was the highest. Employment of people with disabilities is low, although there are objective constraints to this. One barrier to the full realisation of diversity is the high proportion of manual jobs in the group that can mainly be performed by men, and the lower proportion of older workers in these positions.	The MVM Group and its member firms also have an Equal Opportunities Plan, in compliance with legal requirements as well as social and ethical standards. The "Women in MVM" programme raises awareness of gender equality among employees through lectures and workshops, research and a women's career-mentoring programme. Training and education activities at group level are regulated by the central guidelines for Group Training Programmes and the MVM Group's central procedures for quality assurance of the development and implementation of training programmes. Individual development plans are prepared to make training and development more conscious decisions. The training offered includes skills development, leadership, IT and language programmes. MVM Zrt. complies with regulatory requirements as regards employing persons with disabilities. The programme to employ Roma graduates exerts a positive impact on diversity. A number of schemes support employees with families and the over-55s.	Impact: actual, positive and negative	x	x	x		x	

³³ S = short, M = medium, L = long

³⁴ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS S1-1: Policies related to own workforce

The Code of Ethics of the MVM Group, which was presented in general terms in chapter 12.6, deals with the main issues relating to its own workforce. The Code of Ethics of the MVM Group and other policies dealing with its own workforce are regularly reviewed and amended as necessary.

Work began on a specific policy for own workforce in 2024.

The group has additional policies affecting employees, which are available on the group's website.

MVM Group's Freedom of Association Policy

The MVM Group recognises and respects the freedom of association, the right to form and join a trade union as well as the right to collective bargaining and to reach collective agreements. The policy allows employee representatives to negotiate with management members who have the appropriate decision-making powers. It prohibits retaliation, intimidation, harassment or violence against trade union members, trade union representatives, and workers who want to exercise these rights.

The Chief Operating Officer (Group) of MVM Zrt. is responsible for implementing its policy on freedom of association.

The group applies the policy in accordance with the Labour Code, other legislation and relevant international conventions, including the Convention for the Protection of Human Rights and Fundamental Freedoms, the revised European Social Charter, the Charter of Fundamental Rights of the European Union and the International Labour Organisation conventions.

MVM Group's Equal Opportunities Plan and Non-Discrimination Policy

The Equal Opportunities Plan aims to prevent all forms of discrimination and to ensure equal treatment and equal opportunities for all employees of the MVM Group. This document contains a prohibition of discrimination, whether direct or indirect, with particular reference to the following categories:

- gender,
- race,
- skin colour,
- nationality,
- ethnic origin,
- mother tongue,
- disability,
- health,
- religious or philosophical beliefs,
- political or other opinions,
- marital status,
- motherhood (pregnancy) or fatherhood,
- sexual orientation,
- gender identity,
- age,
- social origin,
- financial position,
- part-time or fixed-term nature of employment or other working relationship,
- belonging to a representative body,
- other situation, trait or characteristic

The policy pays special attention to women, pregnant mothers, large families, disabled workers, workers caring for the long-term sick or seriously disabled relatives, and workers over 55.

The Chief Operating Officer (Group) of MVM Zrt. is responsible for implementing the policy.

The MVM Group applies and complies with the provisions of Act CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities (hereinafter referred to as: "Equal Treatment Act").

Compliance with the Equal Opportunities and Association Policy applies to all companies and activities of the MVM Group and is expected of all employees, temporary and other workers, office-bearers and persons acting on behalf of the MVM Group.

MVM Group's Health and Safety Policy

The MVM Group's Health and Safety Policy and the MVM Group's central HSE directive provide for protecting the health and safety of employees and improving work safety culture, as well as related objectives and activities. The policy applies to all member firms and activities of the company, regardless of geographical boundaries. In their own policies the companies lay down the personal and material conditions for safe work, in accordance with the Health and Safety at Work Act and the management system deployed. The policies cover work processes in a way that better safety whilst improving the efficiency of work activities, or at least influencing them to the least extent possible.

The CEO of MVM Zrt. is responsible for implementing the Health and Safety Policy.

The policy complies with the requirements of Hungarian and European legislation as well as with internal company regulations.

The policies mentioned above are implemented in cooperation with – and providing regular information to – stakeholders or their representatives.

In the second half of 2024, the MVM Group started to develop a policy for its own workforce, which is expected to be adopted in the first quarter of 2025. The policy will be drawn up in line with the results of the double materiality assessment carried out in 2024, ensuring that the impacts, risks and opportunities of relevance to the group are effectively managed.

The group handles any corrections of human rights impacts as part of the whistleblowing system.

ESRS S1-2: Processes for engaging with own workers

The employees of the MVM Group are represented by several trade unions and works councils (hereinafter collectively referred to as: representative organisations). To facilitate cooperation with employers, trade unions at individual companies have formed group-level trade union federations, while works councils have formed group-level works councils, facilitating social dialogue and the representation of workers' interests. The group works with representative organisations at both group and individual company level.

In addition, the MVM Group has a European Works Council (EWC) from 2023, in connection with the MVM Group's international operations. The EWC is responsible for information and consultation on transnational issues concerning the MVM Group as a whole.

Forms of cooperation include plenary meetings, consultation forums, consultations, expert consultations and employee briefings.

Legislation, collective agreements and works agreements stipulate the subjects and topics of, and before which measures must there be, consultations with representative organisations. In certain cases, decisions must be taken jointly with the representative organisations, while in other cases they have the right to express an opinion, or request information on the subject.

Some types of cooperation are regular (quarterly, monthly, or even more frequently), but there are also ad hoc meetings if required by a topical issue.

Legislation details the subjects and measures on which consultation with representative organisations is mandatory. Such measures include, for example, reorganisation or restructuring at the employer, transforming an organisational unit into an autonomous organisation, introducing new technology, modernising existing technology, defining work scheduling or remuneration principles, a new work organisation method, introducing or modifying performance requirements and using technical means to monitor employees.

In addition, collective agreements at group or company level also contain subjects that parties can negotiate on, or which representative organisations have the right to express an opinion on, and on which the employer has an obligation to inform the representative organisations.

There are two levels of cooperation: group-level and company-level. The resulting group and company-level agreements are governed by law and by the representative agreements (collective agreements).

The effectiveness of cooperation is shown when it is possible to reach a group-level agreement with the representative organisations on several issues to prevent a conflict or avoid a strike. One important milestone is the annual conclusion of agreements on group-level pay, social and welfare, and performance-based incentive schemes, the regular review of group-level and company-level collective agreements, or other company-level agreements related to organisational and structural reorganisation.

Memoranda and minutes are kept of negotiations with representative organisations, which track the negotiation and consultation process. Relations between the parties are transparent, and all agreements are jointly communicated internally. The signed agreements are available to employees. When representative organisations exercise their right to express an opinion, the employer often presents the measure or policy to be introduced within the framework of a consultation. Representative organisations have a statutory right to be consulted on any employer measure.

The annual salary increase for 2024 was agreed in accordance with the salary agreement with the group-level representative organisations. Fringe benefits are also determined by an agreement with the group-level representative organisations.

The changes introduced as a result of the alterations to the performance appraisal system were equally set out in the stakeholder agreement.

Legislation, collective agreements or works agreements determine the conditions that employers must provide for the operation of representative organisations. These include the permanent or temporary use of premises, the costs associated with use of premises, equipment (e.g. computers, telephones, office equipment, internet connection), working-time allowances, and specific financial support where appropriate. As public employers, companies belonging to the MVM Group may not provide support to representative organisations beyond the conditions laid down by law, and accordingly, no financial support may be paid.

The Director of Human Resources at the MVM Group defines and steers the cooperation with the representative organisations on the employer's side.

There is no specific training, but the (leadership) skills and abilities needed to be a director are essential for effective cooperation.

No global framework agreement was concluded with representative organisations on human rights. At the same time, we comply with and apply the relevant international conventions (Convention for the Protection of Human Rights and Fundamental Freedoms, the revised European Social Charter, the Charter of Fundamental Rights of the European Union, the International Labour Organisation conventions), as well as a group-wide Code of Ethics and multiple human rights policies (MVM Group's Equal Opportunities Plan and Non-Discrimination Policy, MVM Group's Freedom of Association Policy). In addition, the MVM Group's policy on its own workforce is currently being prepared.

ESRS S1-3: Channels for own workforce to raise concerns

MVM Zrt. operates a whistleblowing system through which essentially anyone can report concerns about integrity breaches, by name or anonymously. MVM Zrt.'s internal policy for handling integrity incidents within the organisation defines an integrity breach as "Any human omission or act that deviates from applicable laws, group and internal or other regulations, the requirements of the Code of Ethics, and from operating in line with MVM Zrt's or the MVM Group's objectives, values and principles, including, in particular, illegal acts and omissions, other misconduct, incidents of corruption and violations of anti-corruption controls (...)"

Most of the subsidiaries of the MVM Group also employ independent whistleblowing mechanisms. Reports can be filed in person, by email or by letter. Anyone can file a report, i.e. misconduct can be reported by MVM Group employees, all value chain workers, and parties outside the MVM Group (affected communities, consumers and end-users).

The MVM Group provides its employees with regular training on the whistleblowing mechanism and the functioning of the Compliance Department, thereby ensuring that everyone is familiar with it and has up-to-date knowledge.

Parties outside the MVM Group can obtain information about whistleblowing reports, the procedure and related deadlines on the websites of MVM Zrt. and the individual member firms. Employees can learn about related information in the form of training and on the intranet of the compliance function of MVM Zrt. entitled Group Compliance Portal, while the procedural rules can be found on the MVM Zrt. intranet.

The MVM Group investigates all reports, except for those that are manifestly unfounded or repetitive. Investigations are carried out based on the presumption of innocence and with professionalism and confidentiality. Reports are investigated under a documented procedure, which concludes with an investigation report after the fact-finding phase. If necessary, the investigation report also contains a proposal on consequences, but MVM Zrt. and the member-firm compliance functions can only make proposals on the application of measures or the implementation of corrective actions. The CEO of MVM Zrt. decides on the proposals in the case of reports received by MVM Zrt.

MVM Zrt.'s compliance function keeps confidential internal records on reports, from which the course of the reporting procedure and the implementation of the proposed measures can be tracked. MVM Zrt. also keeps a summary statistical register.

At all times, the MVM Group shall respect and act in accordance with internationally recognised human rights during all its actions. The MVM Group pays particular attention to ensuring objective and full-scale investigations of integrity breaches, dialogue with whistleblowers is always part of the procedure, and based on the circumstances of the case, the whistleblower, any person(s) with relevant information on the report and the person affected by it may be heard.

In addition to reporting misconduct, employees may seek advice and guidance from experts at the group-level or company-level compliance functions. Requests for advice in 2024 related to a wide range of topics, such as conflicts of interest, restrictive measures and capital market issues (mainly for insider information qualifications). The confidentiality of these requests is, of course, also guaranteed. MVM Zrt.'s compliance function prepares a quarterly report on its operations for the compliance function head, which is presented for information purposes to the CEO, the Board of Directors, the Supervisory Board and the Audit Committee, during which it has the opportunity to communicate critical concerns. The possibility for communicating critical concerns is built into decision-making processes at the highest level in such a way that information and proposals for decision-making fora must go through specific preliminary fora first, and must obtain the prior opinion of the relevant departments. No critical concerns were communicated by the compliance function in 2024.

Actions protecting against retaliation are detailed in 15. Governance information, ESRS G1-1.

ESRS S1-4: Taking action on material impacts and risks for own workforce

Taking action at group level does not require significant operating costs (OpEX) and/or capital expenditure (CapEX).

Actions on social dialogue:

Review of the Group Collective Agreement (GCA)

During the 2024 negotiations, the social partners revised the core text of the GCA, which had remained unchanged since the GCA entered into force in 2015. As a result of the negotiations a comprehensive amendment to the GCA was agreed, which entered into force on 1 January 2025. The significance of the GCA revision (in addition to the revised content of the agreement concluded ten years ago) is that the social partners will carry out a comprehensive review of the corporate collective agreements in force at the companies covered by the GCA in 2025, as set out in the principles.

Social and welfare agreement

The agreement created based on the 2025 review of the open-ended agreement is the first step towards uniting the forms and rates of social and welfare benefits across the group, based on uniform principles, to strengthen the ONE MVM Community feeling. This signals the start of the convergence of the different benefit rates of the companies.

Supplementary wage agreement

The supplementary wage agreement stemming from the revision of the 2024 wage agreement was designed to retain workers, continue to strengthen the income position of workers, and further stabilise real earnings. It guarantees that real earnings will be further stabilised through equal additional one-off wage-type payments for positions at lower and higher grades and salaries, to reinforce the feeling of the "ONE MVM Community". Under the agreement, the employer will recognise outstanding performances in 2024 with a single, one-off payment in 2025, aligned to the MVM Group's KPIs.

Performance appraisal system agreement

A consultation was launched in 2024 with representative organisations to review the incentive system based on performance appraisals. Transforming the system was key to the implementation of MVM's strategy defined for 2024-2035. As a result of the negotiations, a new agreement on the fundamentals of the system was signed with effect from 1 January 2025, which will bring a number of benefits (both team and individual performances will receive more recognition in our corporate culture, performance-based culture and individual empowerment have been strengthened) and the transformation will give the MVM Group management greater control and influence to implement the MVM strategy defined in line with the mission, by means of a strategic, differentiated and transparent instrument to drive high performance.

Gender equality and equal pay for equal work

In 2024 we started preparing for compliance with the EU Directive on Pay Transparency, including pay analyses and identifying current pay gaps, as well as cost analyses and planning timings for closing the gender pay gap. We will be addressing the impact of the changes stemming from the Pay Transparency legal requirements and reviewing the HR processes and policies (recruitment, selection, annual pay increases, succession planning, talent management) affected by the directive. We will review our internal communication related to processes against the expectations of the directive.

Training and skills development

In addition to launching comprehensive programmes at the level of the MVM Group, we also launched projects that respond to the business needs of individual member firms. The most significant projects were the following.

- Reflector programme: preparation for introducing new performance management approach and system – related training and coaching for managers and HRBPs. Planned duration of programme: January 2024 – 31 December 2025
- We launched an HRBP development programme linked to the renewed roles in line with strategic HR objectives. Implementation period: October 2024 – 31 December 2025
- The mentoring system has been developed at several levels:
 - Launch of a group-level Career Mentoring Programme for 42 mentees (April 2024: mentor – mentee preparations; November 2024: launch of mentoring pairs)
 - Developing set of common guidelines for ÜK Mentoring Programme: April-November 2024; planned start of programme: 2025 Q1
- PM Academy: PM-UP! Programme – Developing Project Management Capabilities in MVM Group – October 2024 – preparations for the programme have started. The project is scheduled to last until 31 December 2025.
- IFER – new CRM implementation; B2B sales process renewal in NEXT: 1 January 2024 – 31 December 2025.
- We renewed the range of training courses available to support the achievement of our strategic business objectives. We offer nearly 100 training courses, with a particular focus on business efficiency and digital skills. In addition to renewing content, we digitalised the Training Catalogue: August 2024 – 31 January 2025.
- Creating new digital training:
 - Mentoring coaching, e-learning
 - Strategic workforce planning, e-learning
 - Change management, e-learning

Diversity

The following programmes were implemented under the topic of diversity:

- “Hidden prejudices” workshops and survey,
- Women at MVM programmes,
- MVM is a member of the HBLF Women Leaders Forum

Furthermore, the basic concept of the MVM Group’s DEI programme (Diversity, Equity & Inclusion) was completed in 2024. MVM’s DEI programme encompasses the programmes, policies, strategies and practices that implement the company’s vision to maintain and develop a culture that is diverse, equitable and inclusive. The programme is slated for launch in 2025 with a number of new initiatives.

55+ PROGRAMME

A second work-life balance workshop for employees over 50 was held in 2024. In the context of generational diversity, the basic concept of the Life Career 55+ programme was developed, a career pathway programme with a number of new initiatives to support the retention and knowledge transfer of the increasing proportion of the workforce over 55 years of age. In 2025, the programme will be implemented partly at group level, and partly at companies with a wide-ranging age pyramid. It also takes into account the approximately 250 staff employed as pensioners.

Action taken to reduce negative impact of green transition on own workforce: via issue of secure employment in the case of the Mátra power plant

MVM Mátra Energia Zrt. is one of the largest employers in the region with approximately 2,000 employees, and together with its subsidiaries and industrial park partners it provides a livelihood for around 3,000 families. For this reason, it is important that the greening of operations preserves jobs and makes them sustainable in the longer term. Realising the green vision of the plant and the phasing out of coal technology are also in line with EU energy and climate policy objectives, so EU funding makes a significant contribution to financing the transformation:

- The European Union Programme for the Environment and Climate Action (LIFE Programme), 2020-2029. Training and retraining 500 employees of MVM Mátra Energia Zrt. and its subsidiaries to serve CCGT, the Mátra Industrial Park, MVM member firms and the external market.
- Just Transition Fund. The continued employment of workers remains a top priority after the phase-out of coal-fired electricity generation. The current mining activity will switch partially to recultivation, so some of the miners can continue to be employed in the mining operations. In addition, the Mátra workers will also play a major role in preparations for the planned state-of-the-art power plants. Throughout the transformation process and future operations, the group will pay particular attention to the skilled workforce available at the power plant and the mines, to their training and employing them in the new activities.

When a new system is introduced, the level of effectiveness monitoring or feedback is determined on a case-by-case basis. As a general approach, group companies are required to provide project status information on a quarterly or ad hoc basis.

According to the MVM Group policy, any proposal that may involve more than one area of expertise must be preceded by active cooperation between the relevant areas. Such consultations may focus on, but are not limited to, legal, jurisdictional, formal, finance-economic-ESG and strategy-business aspects. Only pre-agreed, verified and ESG-assessed proposals/briefings may be submitted to the Board of Directors. This is designed to ensure that the group's own practices do not cause further material negative impacts and that the procedures to correct the impacts are effective.

The company did not allocate such resources to manage its material impacts.

ESRS S1-5: Targets related to own workforce

The own workforce targets are presented in chapter 12.7 in the section on targets. The targets related to its own workforce, which are included in the MVM Group's Key Performance Indicators (KPIs), are based on the group as a whole.

On diversity, the MVM Group aims to increase the proportion of female managers, thereby creating a more adaptive and diverse group. Increasing the proportion of female managers brings a range of different perspectives and approaches to decision-making, which can lead to more innovative and effective solutions. This also sets a positive example at all levels of the organisation, encouraging women's career development and contributing to equality and satisfaction in the workplace.

ESG indicator	Unit	2022	2023	2024	Change	2025 target	2030 target	2035 target
Proportion of female managers	%	24.3	25.3	25.4	0.1%	25	30	30

The proportion of female managers in the group has increased slightly over the past year, and after 2023, the target for 2025 was also met in 2024. To maintain this positive trend, the MVM Group continuously reviews and, where necessary, modifies its measures and policies.

On the topic of safety, the MVM Group measures and strives to ensure the safety and well-being of its employees with the **lost time injury frequency**. By reducing the number of accidents at work, the group not only improves its efficiency and productivity, but a safe working environment also improves employee satisfaction and engagement, which in the long run exerts a positive impact on workplace morale and company reputation.

ESG indicator	Unit	2022	2023	2024	2025 target	2030 target	2035 target
Lost time injury frequency (LTIF)	accidents / million hours worked	1.96	1.8	2.0	≤3.0	≤3.0	≤3.0

The target set for safety at work is to keep the annual rate below 3, which the group has successfully achieved in recent years. As the group evolves and integrates new processes and activities, occupational safety is an area for continuous improvement. To this end, the MVM Group regularly reviews its measures and policies relating to the health and safety of its employees.

ESRS S1-6: Employee statistics

Based on the records of consolidated companies, the total number of active employees with employment contracts as of 31 December 2024, aggregated at group level, was 19,607 (headcount), an increase of 2.5% compared to 19,128 in 2023. The number of full-time equivalents (FTE) is 19,480. Employees subject to an availability requirement include, for example, employees with working hours of less than 60 hours per month – or less than 80 hours per month in the case of innogy companies – as defined by the Hungarian National Statistical Office.

Year	Headcount (persons, 31 Dec)
2024	19,607
2023	19,128
2022	18,399

Information on number of employees by gender:

Gender	Headcount (persons, 31 Dec 2024)
Male	12,605
Female	7,002
Other	0
No information	0
Total employed	19,607

Number of employees by country:

Country	Headcount (persons, 31 Dec 2024)
Hungary	17,954
Czech Republic	1,542
Other (total for countries with fewer than 50 employees)	111

Information on employees by contract type:

2024		
Female	Male	Total
Number of employees (persons)		
7,002	12,605	19,607
Number of permanent employees (persons)		
6,638	12,370	19,008
Number of temporary employees (persons)		
364	235	599
Non-guaranteed hours employees (persons)		
703	553	1,256
Number of full-time employees (persons)		
6,632	12,530	19,162
Number of part-time employees (persons)		
370	75	445

The proportion of exited staff is 9% of the total headcount.

Proportion of exited employee	2022	2023	2024
Number of exited employees, persons	1,595	1,723	1,667
Total number of employees, persons	18,399	19,128	19,607
Percentage of exited employees, %	9%	9%	9%

The proportion of staff joining the MVM Group is 11% of the total headcount.

Proportion of new staff	2022	2023	2024
Number of new employees, persons	1,830	2,479	2,173
Total number of employees, persons	18,399	19,128	19,607
Proportion of new employees, %	10%	13%	11%

ESRS S1-9: Diversity metrics

The MVM Group is committed to creating a diverse and inclusive (Diversity, Equity & Inclusion) environment that contributes to innovation, creativity and a non-discriminatory culture. Creating diversity is a long-term commitment. For information on top management, please refer to chapter 12.2 Management.

Breakdown of employees by age group, 2024	Female	Male
under 30 years old	843	1,575
30-50 years old	4,345	6,340
over 50 years old	1,814	4,690
Total	7,002	12,605

Breakdown of management by gender	Female	Male
Top management (persons)	2	73
Total top management (persons)	75	
Management (persons)	641	1,887
Total management (persons)	2,528	
Breakdown of total management by gender, percentage	24.7%	75.3%

Top management: According to Section 208 of Act I of 2012, the MVM Group defines a top manager as follows: “An employee in a managerial position is the manager of the employer, as well as another employee under his direct control and authorised to replace him – in whole or in part”.

Management: A manager is an employee who is responsible for managing an organisation or group of employees (at least 1 employee) – e.g. team leader, head of department, director, CEO, managing director, etc. Active headcount as defined by CSO (excludes those on maternity leave, long-term sick leave, etc.).

ESRS S1-7: Non-employees in own workforce

In addition to its employees, the MVM Group also employs temporary workers and contractors. In customer service, the significant increase in the number of temporary staff employed in face-to-face customer service offices, telephone call centres and sales jobs is due to the 2.5 million former E.ON customers taken on during the year. The headcount figures are defined based on the year-end headcount.

Non-employees	2022	2023	2024
Number of temporary workers, persons	653	355	739
Number of contracted workers, persons	382	387	367
Total non-employees	1,035	742	1,106

ESRS S1-8: Collective bargaining coverage and social dialogue

The total number of employees covered by collective bargaining agreements is 18,744, representing 96% of the total number of employees. There is no collective agreement in countries outside the EEA.

The global percentage of employees covered by workers' representatives is 87%. In the following countries, employees have an agreement with a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a European Cooperative Society (SCE) Works Council:

- Hungary
- Austria
- Czech Republic
- Croatia
- Romania
- Slovakia

	Collective bargaining coverage	Social dialogue
	Employees – EEA	Workplace representation (EEA only)
	(for countries with more than 50 employees who represent more than 10% of total employees)	(for countries with more than 50 employees who represent more than 10% of total employees)
Hungary	96%	95%
Czech Republic	100%	100%

ESRS S1-11: Social protection

The types of social protection (sick leave or sick pay, unemployment benefit, industrial accidents, parental leave, retirement) are all state benefits to which all workers are entitled under the conditions laid down by law.

ESRS S1-12: Persons with disabilities

Within the MVM Group, employees with a reduced working capacity are not obliged to declare this fact, so we are unable to provide exact figures.

ESRS S1-13: Training and skills development metrics

The MVM Group attaches particular importance to the training and further training of its employees, since this has an impact on their well-being, their chances of finding a job within the company, and in the long term, on their financial situation and their commitment to the organisation. All employees are prepared for their job, even if they come to the organisation with the right qualifications and experience. The group pays particular attention to developing key staff, future leaders and managing talent. We also provide regular training for our employees to keep their knowledge up to date.

Training figures:

Number of training hours and training data	Unit	2022	2023	2024
Management				
Headcount	person	2,477	2,575	2,603
Total training hours	hours	46,993	44,023	70,320
Average training hours per year	hours/ person	19.0	17.1	27.0
Non-manual				
Headcount	person	9,824	10,349	10,838
Total training hours	hours	163,669	177,976	165,748
Average training hours per year	hours/ person	16.7	17.2	15.3
Manual				
Headcount	person	6,098	6,204	6,166
Total training hours	hours	205,235	289,979	227,784
Average training hours per year	hours/ person	33.7	46.7	36.9
Employees by gender				
number of female employees	person	6,200	6,684	7,003
number of male employees	person	12,199	12,444	12,604
number of training hours for female employees	hours/ year	85,216	94,988	86,717
number of training hours for male employees	hours/ year	324,548	417,105	377,134
Average no. of training hours for female employees	hours/ person	13.7	14.2	12.4
Average no. of training hours for male employees	hours/ person	26.6	33.5	29.9
Total number of training and development hours	hours	409,764	512,093	463,851
Average training and development hours per employee	hours/ person	22.3	26.8	23.7

The MVM Group engages colleagues in training development topics through questionnaires, and liaises with them personally via training partners and training managers. Incoming comments and feedback are addressed in workshops and thematic working groups.

Performance appraisals

The MVM Group operates a number of systems and programmes that managers can use to measure, evaluate and reward the work of employees. The group has a performance appraisal system in place, with performance bonuses linked to specialist and managerial posts. Employees have the opportunity to carry out self-assessments, which they discuss with their manager. This gives them a range of feedback, which is what the continuous feedback feature is for.

Some 41.6% of MVM Group employees receive regular performance appraisals and career-path reviews.

Participants in performance appraisals and career-path reviews	Unit	2022	2023	2024
Management				
Participants in performance appraisals	person	1,819	2,371	2,134
Proportion of participants	%	73.4	92.1	82.0
Non-manual				
Participants in performance appraisals	person	5,961	6,370	5,675
Proportion of participants	%	60.7	62.0	52.4
Manual				
Participants in performance appraisals	person	681	426	342
Proportion of participants	%	11.2	6.9	5.5
Employees by gender				
Women in performance appraisals	person	3,199	3,852	3,029
Men in performance appraisals	person	5,260	5,315	5,122
Performance appraisals among female workers	%	51.6	57.6	43.3
Performance appraisals among male workers	%	43.1	42.7	40.6
Participants in performance appraisals	person	8,459	9,167	8,151
Proportion of participants in performance appraisals	%	46.0	47.9	41.6

ESRS S1-14: Health and safety metrics

Due to the characteristics of electricity, natural gas and mining, the occupational safety risks of the activities – especially at the companies engaged in mining and electricity generation, operating electricity and natural gas grids and related customer relations – are high, and the occupational safety risks are higher than average, so the MVM Group pays special attention to protecting the health of employees and improving occupational safety.

Percentage of people in its own workforce who are covered by the company's health and safety management system

Employees covered by workplace health and safety management system	Employees	Non-employees in own workforce
Employees covered by workplace health and safety management system, year-end headcount (persons)	11,545	169
Employees covered by workplace health and safety management system, percentage	59%	15%
Total employees	19,607	1,106

In 2024 at the MVM Group there were no fatalities as a result of work-related ill health, however, there was one fatal accident at work involving an own worker and one fatal accident at work involving another employee working on MVM infrastructure.

Number and rate of recordable work-related accidents

Number and rate of accidents				
Employees	Unit	2022	2023	2024
Fatal accident at work	no.	0	1	1
Serious accidents at work (without fatalities)	no.	0	0	2
Lost-time accidents (injuries) (not serious)	no.	61	55	58
Total number of lost time injuries (LTI)	no.	61	56	61
Injuries (not resulting in lost time)	no.	106	79	111
Hours worked	hours	31,191,190	30,872,663	31,054,345
Fatality rate at work	no./million hours	0.000	0.032	0.032
Serious workplace accident rate (without fatalities)	no./million hours	0.000	0.000	0.064
Rate of lost-time accidents (not serious)	no./million hours	1.956	1.782	1.868
Total lost-time injury frequency (LTIF)	no./million hours	1.956	1.814	1.964
Rate of injuries	no./million hours	3.398	2.559	3.574
Non-employees (work and/or workplace not directly controlled by the MVM Group, but they work for the MVM Group and in its area of interest)				
Fatal accident at work	no.	0	0	0
Serious accidents at work (without fatalities)	no.	0	0	0
Lost-time accidents (injuries) (not serious)	no.	22	17	3
Total number of lost-time injuries (LTI)	no.	22	17	3
Injuries (not resulting in lost time)	no.	16	0	0
Hours worked	hours	10,213,663	11,686,079	1,315,017 ^a
Fatality rate at work	no./million hours	0.000	0.000	0.000
Serious workplace accident rate (without fatalities)	no./million hours	0.000	0.000	0.000
Rate of lost-time accidents (not serious)	no./million hours	2.154	1.455	2.281
Total lost-time injury frequency (LTIF)	no./million hours	2.154	1.455	2.281
Rate of injuries	no./million hours	1.567	0.000	0.000
Other employees working on company premises				
Fatal accident at work	no.	n/a	n/a	1

^a Estimate: average annual number of temp FTEs x estimated days worked (i.e. 262 days - 30 days holiday - 11 days paid holiday) x 8 hours

ESRS S1-16: Remuneration metrics (pay gap and total remuneration)

Gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees

Gender pay gap	2024
Percentage pay gap between female and male employees	7%

A change in methodology was implemented in 2024 compared to the previous year's indicators, so comparing changes over time is no longer relevant.

Employment contracts typically record the basic monthly wage, with the share of contracted hourly workers less than 1%. For this metric, the hourly wage is obtained by dividing the basic monthly wage by 174. The gender pay gap is calculated by averaging this across genders. Given the diverse activities of the MVM Group and the many jobs requiring very different skills, the 7% pay gap does not reflect the

remuneration ratio for the same positions, as women tend to occupy lower-grade positions with correspondingly lower pay.

Remuneration ratio:

The highest paid individual in the MVM Group in 2024 was the CEO of the holding company, whose annual remuneration was 7.8 times the median of the annual remuneration of all employees in the MVM Group. When calculating the ratio, in addition to wage-related benefits (basic salary, bonus, shift premium, standby, overtime pay, etc.), fringe benefits (in particular: SZÉP card allowance, employer voluntary contributions, health insurance) were also taken into account in the annual remuneration.

ESRS S1-17: Incidents, complaints and severe human rights impacts

The table below lists discrimination reports and complaints from own workers for 2024. No serious human rights issues or incidents of non-compliance with the UN Guiding Principles and OECD Guidelines for Multinational Enterprises occurred during the reporting period.

Number of discrimination reports (including harassment)	2
Total amount of fines, penalties and compensation for damages as a result of discrimination incidents and complaints (HUF)	0
Total number of complaints filed through channels for people in own workforce to raise concerns	20
Total amount of fines, penalties and compensation for damages as a result of non-discrimination incidents and complaints (HUF)	0

14.2. Value chain workers

The MVM Group has a complex value chain of workers, and through its purchases, it indirectly influences the working conditions of the value chain workers. These impacts and how the issues are addressed are described in this chapter.

ESRS S2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability impacts, risks and opportunities for value chain workers in the MVM Group

ESRS topic/ subtopic/sub- sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ³⁵			Value chain ³⁶		
				S	M	L	V	MVM	C, H
S2: Workers in the value chain									
Working conditions	A large proportion of the MVM Group's fuel comes from outside the OECD (mainly Russia). The lack of a decent living wage is a major risk for some suppliers, and a crucial issue for the lives of workers. Ensuring social dialogue, freedom of association and collective bargaining rights are also fundamental to ensuring labour rights, and are linked to the fulfilment of many other labour rights – these areas signify a large risk at suppliers potentially facing the greatest problems. Suppliers representing a high purchasing value are engaged in activities that are particularly dangerous from a health and safety point of view.	The MVM Group mitigates potential negative impacts by selecting its suppliers, whilst bearing security of supply in mind. From 2027, the MVM Group will buy part of the fuel for the nuclear power plant from a French supplier. The MVM Group's safe working standards are laid down in group and company-level regulatory documents, which also cover contractors working in the Group. Given the significant activity of the value worker chain, the supervision of partners by the HSE is a priority.	Impact: potential, positive and negative	x			x		
Equal treatment and equal opportunities	There is a higher risk to gender equality and equal opportunities at suppliers from non-OECD countries, and equal opportunities are not a given in developed countries. Also, suppliers from non-OECD countries may have lower labour rights with regard to violence and harassment at the workplace.	Using suppliers from other than OECD countries is necessary for security of supply. Further investigation is needed to understand actual supplier practices. From 2027, the MVM Group will buy part of the fuel for the nuclear power plant from a French supplier. MVM Zrt. operates a whistleblowing system through which it is possible to report concerns about integrity breaches by name or anonymously. The 63 subsidiaries of the MVM Group also operate independent whistleblowing mechanisms. Parties outside the MVM Group can also file reports on misconduct. Parties outside the MVM Group can obtain information about whistleblowing reports on the websites of MVM Zrt. and the individual member firms.	Impact: potential, positive and negative	x			x		

³⁵ S = short, M = medium, L = long

³⁶ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS topic/ subtopic/sub- sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ³⁷			Value chain ³⁸		
				S	M	L	V	MVM	C, H
<i>Other work-related rights</i>	Forced labour – lack of freedom of choice regarding work – can be a real risk for some suppliers due to the generally lower level of labour rights secured at non-OECD suppliers.	The Group does not tolerate any form of forced labour. At present, reliable information in this respect is not available for all suppliers within the Group, and therefore, the operation of suppliers needs to be investigated.	Impact: potential, positive and negative	x			x		

³⁷ S = short, M = medium, L = long

³⁸ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS S2-1: Policies related to value chain workers

Chapter 12.6 presents the group's Business Partner Code of Ethics. The company also has a procurement policy, the prevailing version of which can be found on the MVM Group's website.

The MVM Group's procurement policy focuses on conducting procurement procedures in accordance with the legal environment, professional standards and group-wide policies. The policy highlights the importance of transparency, cost optimisation, customer focus, environmental awareness and corruption-free operations, among other things.

The Chief Operating Officer (Group) of MVM Zrt. is responsible for compliance with the procurement policy.

ESRS S2-2: Processes for engaging with value chain workers about impacts

There was no function within the MVM Group with operational responsibility in 2024 and no generally accepted procedure focused on engaging with value chain workers. The department dealing with this topic was set up in July 2024. Progress on this topic is expected in 2025, thanks to the expected results of the supply chain due diligence and efforts to comply with Act CVIII of 2023.

ESRS S2-3: Channels for value chain workers to raise concerns

The complaint channels are presented in chapter S1-3.

ESRS S2-4: Taking action on material impacts on and risks for value chain workers

Although there are no centrally agreed measures within the group to mitigate material impacts on value chain workers, the group does take steps to improve its understanding of how value chain workers operate and enforce its policies on value chain workers.

Value chain worker contracts and the GTC include a reference to the Business Partner Code of Ethics and its acceptance by value chain workers. Contracts can be terminated depending on the severity of the case.

The qualification processes will be standardised with the planned introduction of the new procurement support system Ariba, incorporating supply chain due diligences and integrating procurement, which will create opportunities for ensuring more direct value chain worker relations (declarations, data reporting). This will make it easier for the group to counter negative impacts on value chain workers.

Procurement integration

Procurement has traditionally ensued at company level within the MVM Group. Several companies currently still have their own procurement department, but to operate more efficiently and transparently, centralisation of the procurement function has started in some areas.

At present there are two major integrated procurement departments that carry out procurement activities for several companies. One is MVM Paksi Atomerőmű Zrt., whose Procurement Department took over the procurement activities of MVM Nukleáris Karbantartó Zrt. and ATOMIX Kft. in 2021, in addition to the nuclear power plant.

The second member entity handling integrated procurement activities under the largest service contract – currently involving 56 member firms – is MVM Services Zrt. and its Procurement Directorate. The number of firms served by MVM Services Zrt. increased by 30 compared to the data provided in the group's 2023 Integrated ESG Report, and this is expected to continue rising in 2025.

The largest volume of growth in 2024 came with the integration of the distribution grid companies (MVM Démász Áramhálózati Kft., MVM ÉMÁSZ Áramhálózati Kft., MVM Főgáz Földgázhálózati Kft., MVM Égáz-Dégáz Földgázhálózati Zrt.) and the integration of MVM Mátra Energia Zrt.

Introduction of integrated procurement support system

Use of the SAP SRM system is worthy of note among the procurement support systems: this system is used by many MVM Group member firms in a standardised format, which greatly facilitates the control and analysis of processes. The system covers and documents the procurement process from the request to the payment of the supplier invoice, ensuring process controls at several points and appropriate approval levels of each step. For the companies that do not have an SAP SRM system or that use other procurement support systems, the regulations provide a consistent framework for the operation of procurement processes. The group strives to adopt modern solutions in its procurements (e-procurement, e-catalogue ordering, e-auction).

The conceptual design of a new procurement support system (SAP ARIBA) was launched in 2023, with the aim of having a standard procurement support system used by the MVM Group companies within a few years. The system will be implemented in several phases due to the large number of companies in the MVM Group.

Procurement Stakeholder Management Group

To manage the changes associated with the 2024 integrations effectively, and to ensure optimal group-wide operations, the operational and organisational model of MVM Services Zrt.'s central procurement was renewed. The main change from the previous year's operating model is the renewal of the Strategy and Competence Centre with strategic functions and placing it on a new operational basis. The renewed organisation aims to ensure consistent and efficient operations, a fast and high level of customer service and professional supplier and customer management. In this area, a group has also been set up to handle supplier qualification management (supplier qualification, supplier development, strategic partnerships, supplier audits, supplier meetings, supplier and customer satisfaction measurement processes) and ESG-relevant tasks in procurement: the Procurement Stakeholder Management Group. 2024 can be seen as a preparation period for managing relations with value chain workers. Further action is expected in 2025, after the results of the supply chain due diligence have been analysed.

ESRS S2-5: Targets related to value chain workers

The MVM Group has not yet set any targets for value chain workers. Targets and further associated actions will be defined following the aforementioned procurement integration and the results of the supply chain due diligence planned for 2025.

14.3. Affected communities

The MVM Group's activities also have an impact on the general public who are not customers of the group: avoiding and properly managing critical incidents and disasters is key. The group has an influence on ensuring freedom of expression in the communities too. The group can achieve meaningful positive impacts through its major donation activities.

ESRS S3 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability impacts, risks and opportunities for the MVM Group in relation to affected communities

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ³⁹			Value chain ⁴⁰		
				S	M	L	V	MVM	C, H
S3 Affected communities									
Communities' economic, social and cultural rights	Disaster management, critical incidents: The operation of nuclear and fossil-fuel-fired power plants can result in extraordinary events that may lead to disasters. A disaster can also occur during the running of natural gas storage facilities. In the case of the group companies, emergencies are primarily a threat to business continuity in the electricity grid (see below <i>Social inclusion of consumers and/or end-users</i>). Events are also becoming more frequent due to climate change.	MVM Zrt. has developed a central policy and procedures for information security and emergency management, which is implemented by the member firms. To manage extraordinary events effectively, MVM Zrt. operates a Management Information System for Extraordinary Events (REVIR). The company's management aims to prevent faults, extraordinary events and major industrial accidents by reducing the risk to the lowest possible level.	Impact: actual and potential, negative	x	x	x			x
Communities' civil and political rights	The MVM Group covers the whole country due to its size and infrastructure, and also has extensive connections with local communities in the Czech Republic. The group's resources create opportunities for making donations, and with its major donor activity – alongside effective spending – it can achieve meaningful positive impacts. The importance of consulting citizens, freedom of expression, arise in relation to security of supply, environmental issues and new investments.	For decades, the MVM Group has supported initiatives and programmes aimed at creating universal and national cultural values and promoting social issues. As part of the ESG Strategy, the MVM Group aims to support local communities and initiatives with donations, other non-financial support and investments. The MVM Group ensures freedom of expression by complying with the relevant legal requirements and by providing opportunities for public consultations and complaints.	Impact: actual, positive and negative	x	x	x			x

³⁹ S = short, M = medium, L = long

⁴⁰ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

The operation of nuclear and fossil-fuel-fired power plants as well as gas storage facilities can result in extraordinary events that may lead to disasters. In the case of the group companies, emergencies are primarily a threat to business continuity in the electricity grid.

The MVM Group can achieve meaningful positive impacts in Hungary and the Czech Republic through its major donation activities.

Freedom of expression arises in relation to security of supply, environmental issues and new investments, which the MVM Group ensures by providing opportunities for public consultations and complaints.

ESRS S3-1: Policies related to affected communities

Chapter 12.6 presents the **Code of Ethics of the MVM Group**, which sets out the principles relating to the protection of human rights, in particular freedom of expression.

The MVM Group **Health and Safety Policy** mentioned in chapter 14.1 of the report on the company's own workforce policies covers not only the health of workers, but also the health of the population and the environment. The continuous improvement of the group's performance helps reduce the environmental impacts of its activities, protect natural assets and the population, as well as to act responsibly and sustainably.

The chapter and appendix on Corporate Social Responsibility (CSR) activities (central rules of procedure for Corporate Social Responsibility (CSR) activities) of the MVM Group's central communications policy provide guidance on grants, donations and sponsorships. The CSR Committee evaluates and approves applications for support received by the group.

MVM Zrt. Central Information Security and Emergency Management Directive and Procedures

In 2024 MVM Zrt. updated its central directive and procedures for information security and emergency management, which was issued in 2022 and is implemented by the member firms. The directive aims to define the processes that need to be implemented for designating companies within the MVM Group as critical infrastructure, and to ensure a unified information security and emergency management concept within the group.

The directive requires the companies to have the following:

- Emergency management policy,
- Process list, critical process list,
- Business impact analysis,
- Business continuity risk analysis,
- Emergency management plan,
- Crisis Team or Crisis Coordinator,
- Business Continuity Officer (BCO).

To manage extraordinary events effectively, MVM Zrt. operates a **Management Information System for Extraordinary Events** (REVIR), the rules of which are laid out in the directive. All companies assigned a high or elevated information security classification, or which have been instructed to do so by the MVM Zrt. security director, must join REVIR, which operates with a 24-hour standby. The company's management aims to prevent faults, extraordinary events and major industrial accidents by reducing the risk to the lowest possible level. To this end, it observes and ensures compliance with all legal, regulatory, internal and external requirements aimed at increasing security and mitigating risks.

If an emergency arises nonetheless, the group has a document entitled “**Crisis Communication Scenarios**” annexed to its central communication directive, which defines the specialists and managers responsible for communication and other tasks, as well as the scenario to follow in an emergency. Where appropriate, the company strives to use all means at its disposal to help the affected population and mitigate the damage.

The company does not currently have a policy in place on engagement with affected communities. The group handles any corrections of human rights impacts as part of the whistleblowing system.

ESRS S3-2: Processes for engaging with affected communities about impacts

The MVM Group has not adopted a general, group-wide procedure for engaging with affected communities. The MVM Group considers local communities to be all individuals who live or work regularly within a 5-kilometre radius of the area directly affected by the MVM Group’s activities (except for the Paks Nuclear Power Plant, where the distance is 30 kilometres).

Engagement with local communities involves comprehensive development programmes that contribute to strengthening the local economy and society, reducing territorial inequalities. And partnerships specifically with educational institutions ensure up-to-date training of tomorrow’s professionals who will play a key role in the development of sustainable energy management. There was no function within the MVM Group with operational responsibility in 2024 that would have focused on engaging with affected communities.

The most significant engagement in 2024 took place in the following municipalities:

Budapest

The North Buda Thermal Power Plant is located within the boundaries of Budapest, and the (air, noise, water) thresholds in the permits were defined following close coordination and are continuously complied with.

Göd

The OVIT-Titán steel factory in Göd is located on an area of 13.5 hectares. Management places strong emphasis on understanding the needs of stakeholders, and to this end it engages in continuous two-way communication to ensure, as far as possible, that no or minimal negative impacts are caused in the course of operations. To achieve this, for example, it pays special attention to ensuring its equipment operates with as little noise pollution as possible. The plant is fenced with specially dimensioned noise insulation elements based on noise pollution measurements. The outdoor floodlights were designed and installed – based on stakeholder input and feedback – so as not to interfere in any way with off-site infrastructure and residential areas.

Visonta and Bükkábrány

Visonta has a power plant and a mine, and Bükkábrány has a mine, which can have positive or negative impacts on local communities in a number of ways. The company investigates any complaints from the public about its operations, and deals with them promptly and effectively. In recent years, there have been no complaints from residents about noise or dust.

MVM Mátra Energia Zrt. based in Visonta directly sustains the livelihoods of about 2,000 employees, and indirectly of about 4,000 families. The company offers free group tours of its plants to give those interested some insight into its activities.

An important part of MVM Mátra Energia Zrt.’s social responsibility is to support the forward-looking initiatives of the local governments as well as the enterprises and institutions operating in its area. In keeping with the successful cooperation of past years, the company – together with its parent company MVM Zrt. – established a regional development foundation to operate a more focused and more efficient support system.

By providing apprentices with practical training, the company takes care of its own future workforce, providing employment opportunities for those who want to start working here.

Paks and its 30-km environs

MVM Paksi Atomerőmű Zrt. has an impact on the whole country. It has a direct impact on the local communities, mainly the population of the town of Paks and the people living within 30 kilometres of the nuclear power plant, as they are in daily and physical contact with it.

The opinion poll conducted in early 2024 also showed that people living in the area around the nuclear power plant have confidence in and support the plant, which, in addition to the role of the plant as an employer, has been greatly helped by the resources allocated to the region.

The nuclear power plant magazine is published monthly with varied topics, and helps to shape opinions on nuclear power plants and nuclear energy. A digital version of the magazine is available on the company's website, and is delivered to the mailboxes of more than 30,000 households in the region 11 times a year.

Within a 30-kilometre radius the Paks Nuclear Power Plant has 35 displays showing the current background radiation, and the Social Monitoring, Information and Urban Development Partnership (TEIT) has also installed LED panels or LED TVs in Kalocsa, Paks, Tengelice and Úszód. The mayors of the TEIT municipalities receive regular information about the nuclear power plant: in addition to the TEIT liaising, the Paks Nuclear Power Plant informs the mayors of the municipalities within 30 km of the plant about the environmental monitoring data on a monthly basis, in accordance with the provisions of Act CXVI of 1996 on Atomic Energy (the measurement data of the radiation protection monitoring system operated by the plant is sent monthly without request, and can be compared with the results of other official measurements and their own measurements). Representatives of the Paks Nuclear Power Plant regularly attend TEIT meetings, where they inform the leaders of the municipalities about the most important work at the plant and the tasks facing the company. The TEIT set up a Control Committee, which makes several personal visits to the site to inspect the work and investments and to view related documentation. This form of non-governmental control also constitutes an important element of trust between the nuclear power plant and the public. The TEIT local governments organise face-to-face meetings (public forums, plant visits), ensure a two-way flow of information and publish information materials for the public.

For students from TEIT municipalities, the Atomic Energy Museum regularly organises events, extra-curricular physics lessons and summer camps. In recent years, the Paks Nuclear Power Plant has held an annual Open Day, which gives people living in the municipalities around the plant an opportunity to get to know the nuclear facility during a full-day event.

MVM GROUP engagement with local governments and organisations representing local governments

The MVM Group considers it important to support local government programmes and projects in its activities.

MVM Zrt.'s central holding department responsible for customer relations developed the following municipal programmes to educate and raise awareness among local communities:

- Dedicated communication channels were established.
- A national series of Municipal Energy Forums was held, which ended in April 2024. The questions and topics raised in the forum series contributed to the content of the subsequent educational website.
- A municipal education website was developed and has been available online since July 2024.
- A municipal customer website was developed: its purpose, among other things, is to provide municipal customers with information in one place. The project was launched in October 2024

with a series of interviews with internal stakeholders and (future) external users, followed by a concept-design workshop in early December.

The following collaborations were also set up in 2024:

- with the Bogyiszló local government, and supporting the Public Foundation for the Municipal Development of Kisköre; the Mátra region received special attention, with HUF 75 million in grants through the Mátra Energy Regional Development Foundation to support the activity and development of the region, and
- with the Kalocsa local government, the Social Centre for Family and Child Welfare, the Bikács local government and the Fadd local government.

ESRS S3-3: Channels for affected communities to raise concerns

The complaint-handling channels are presented in chapter S1-3.

ESRS S3-4: Taking action on material impacts on and risks for affected communities

When a new programme is introduced, the level of effectiveness monitoring or feedback is determined on a case-by-case basis. As a general approach, group companies are required to provide project status information on a quarterly or ad hoc basis.

The Company did not allocate resources to manage its material impacts, and taking the actions mentioned below at group level does not require significant operating costs (OpEX) and/or capital expenditure (CapEX).

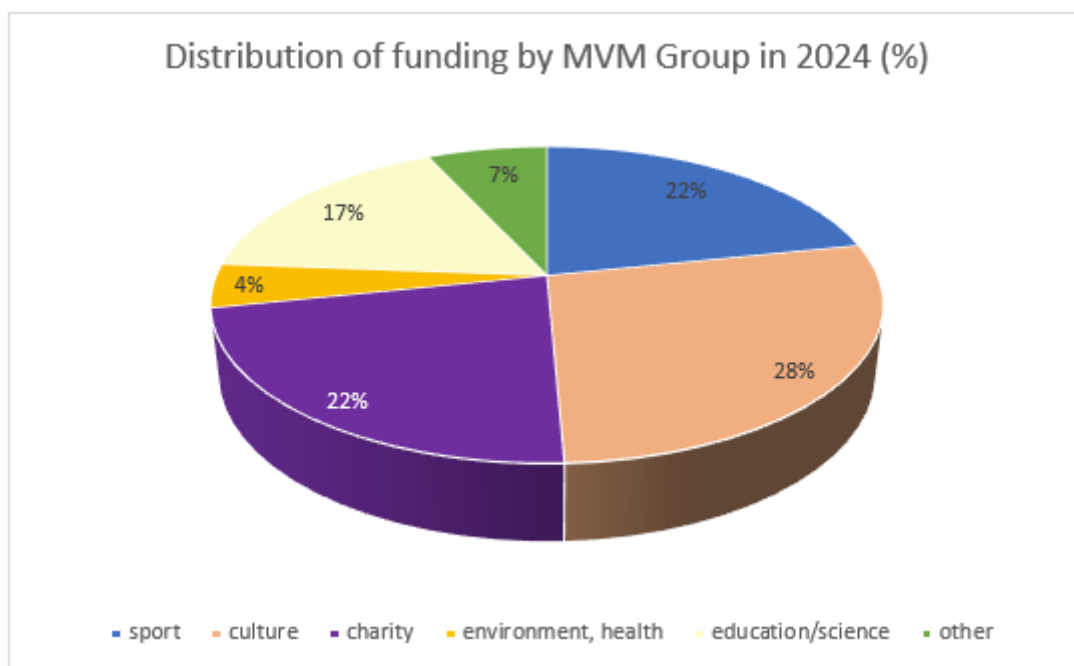
In formulating the actions, MVM Zrt. considered its approach to addressing material negative impacts; how its programmes contribute to further material positive impacts; its progress; and its commitment to continuous improvement.

Donations, community programmes

As Hungary's second and Central Europe's sixth largest energy company, and the largest energy knowledge centre in Hungary, the MVM Group considers it of utmost importance to become an integral part of society through its future- and people-oriented activities, in addition to its complex energy operations. Accordingly, **the MVM Group published its Corporate Social Responsibility (CSR) Strategy** in 2024, under which the group supports initiatives that create and preserve value. The 4 pillars are: a sustainable future, the education of future generations, the future of Hungarian and universal culture, and the well-being of future generations.

Projects and donations creating community value	Unit	2024
All financial contributions provided based on donation- or subsidy contracts	HUF million	781.92

In 2024, the MVM Group focused most of its attention on culture, sport and charitable support. In terms of geographic coverage, most support was achieved in the Budapest and Tolna county regions.



The MVM Group requires its partners cooperating in the field of CSR to ensure that their people and the events and publications they organise are free of any political statements, i.e. the sponsored entity shall not associate the name of MVM Zrt. or its group members with any programme or event declaring political affiliation, nor give space to such. Great importance is also attached to non-discrimination. No applicant, cause or initiative should be disadvantaged or advantaged on the basis of gender, age, skin colour, religion, political or moral beliefs.

MVM Group's activities for the future of Hungarian and universal culture

With its cultural and artistic programmes, the group continued to play an active role in 2024 in supporting cultural initiatives that create and preserve value, which not only puts everyday cultural life in a new perspective, but also contributes to the future of culture in Hungary and the world. The group takes the support of outstanding talent and performance seriously, and seeks to find collaborations within its sponsorship and support areas that align with these expectations.

The group made further significant contributions to the following projects:

- MVM Zenergia Concert
- Junior Prima Prize
- MVM Classic&Club Concert Series
- Cziffra György Festival
- Museum Programmes: Museum+, Biedermeier Everyday Life Exhibition
- Hungarian State Opera House
- Cultural cooperations
- Festivals (ART Picnic, Blue Bird Festival, Butcher Festival "Visítástól vígadásig", Rosalia Festival, 32nd International Gastroblues Festival, VIBE Festival, FEZEN Festival)
- Popular music programmes (Demjén concert, Tabán Festival, HAVASI Symphonic Concert Show)
- Theatre programmes (VéNégy Festival)

MVM group activities for the well-being of future generations

The MVM Group deems it important to help create conditions for equal prosperity in society for the younger generations, disadvantaged families, and people living with illness or injury, and to this end it organises a number of **catch-up and equal opportunities programmes**.

MVM Experience Day

In November 2024, the MVM Group presented HUF 100 million in grants to representatives of twenty civil-society organisations helping children at the 17th MVM Experience Day – My favourite day. This time, the group provided an unforgettable space-related experience, organising a full day of fun and joy for around 800 sick and disadvantaged children.

This annual event has become a tradition, and aims to provide more than 800 children with disabilities, children in need and disadvantaged children with their “favourite” day of fun, games and entertainment. This year, the event was again hosted at the Millenáris, enchanting children with space-themed decorations and games. Just like in previous years, more than 100 employees of the MVM Group attended the Experience Day and helped the children’s entertainers as volunteers.

Support for MVM Group sport activities

The MVM Group also places great emphasis on supporting the well-being of future generations by helping to ensure they have the opportunity to lead active lives. This is the purpose of the programmes to support community sports, as well as helping young people in professional competitive sport.

MVM Group activities for a sustainable future and education for future generations

The experiential education programmes are based on modern, interactive teaching methods. They aim to integrate energy awareness into daily lives as a natural and necessary practical skill that will benefit young people’s quality of life. They both support and develop the awareness of future generations through their forward-thinking and innovative programmes.

Key activities in 2024:

- *Energy awareness training in primary and secondary schools*
- *GREEN PLANET project*
- *MVM Edison Demo Day*
- *MVM Future talks*
- 33rd National Science and Innovation Olympiad organised by the Hungarian Innovation Foundation
- The Budapest Geothermal Energy Summit Conference organised by White Paper Consulting Kft. and the Budapest Climate Summit Conference
- Green Hospital Innovation Contest organised by the Hungarian Health Management Association

In addition, the regional roles of the Czech company innogy and the Paks nuclear power plant should be highlighted in particular.

Innogy, regional social engagement in the Czech Republic

In 2024, innogy demonstrated its social commitment as a responsible company with a number of activities: it accorded particular support to culture, sports and charitable causes, as well as education/science and charitable activities. Generally speaking, innogy supports local communities through cultural and sporting events, financial support for charities and employee volunteering initiatives.

Other major projects:

- innogy - The energy of Czech Skiing
- innogy - The energy of Czech Film
- Cinema without barriers
- Support for flood victims
- Clothes collecting (more than 1.5 tonnes in 2024)

In addition to the above, the innogy Group supports the elderly, children, people in need, as well as organisations helping people with disabilities, and is particularly proud of colleagues who get involved in fundraising, for single parents for example.

MVM Paksi Atomerőmű Zrt.'s regional social engagement

A large part of the population of Paks has links to the nuclear plant on the outskirts of the town. This commitment is also reflected in local opinion polls, which reveal a high level of support for the nuclear power plant in the region. The cooperation between the nuclear power plant and the town of Paks is important for MVM Paksi Atomerőmű Zrt.

- Support for local initiatives and programmes (Gastroblues Festival, Spájk fairs, Coffee, Wine and Palinka Festival)
- Organising community events (Open Day, Sports Day, May Day and Children's Day)
- Nuclear PP Sports Club
- Support for other associations (Nuclear PP Pensioners' Association of Balatonfüred, Paks Driving Sports Association, Paks Twirling and Baton Cultural and Sports Association, Atomic Power Plant Sports Association Paks, Paks Darts Sports Association, Tűzvirág Dance Association, and last but not least Paks Szarkaláb Folk Dance Association)
- Significant municipal developments (reconstruction of the municipal heating system, Paks Regional JUDO Centre, streetball pitch at the ASE Sports Centre, ASE kayak-canoe sports centre, Aquatic tours building)
- *Power Plant Night 2024*

Asset integrity, crisis management, disaster management

Disaster management, emergency planning

The management of emergencies, the safety of the population, proper information, security and continuity of supply are of paramount importance during the group's activities. As far as its remit goes, the group is prepared for all eventualities to ensure an uninterrupted supply of electricity and gas, for which it employs all available resources in cooperation with the Hungarian Energy and Utility Regulatory Authority (MEKH), which is primarily responsible for supply coordination.

The group's management aims to prevent breakdowns, extraordinary events and major industrial accidents by reducing their risk to the lowest possible level. To this end, it observes and ensures compliance with all legal, regulatory, internal and external requirements aimed at increasing security and mitigating risks.

The group's management is committed to safety and security, as well as using the best available technology and equipment. The group keeps its safety documentation up to date, adopts changes in legislation and company policy where necessary, and carries out the statutory reviews and authorisation procedures. In addition, it aims to ensure that security measures reflect the highest state of the art in science and technology.

Continuous training is provided on internal regulatory documents. Employees are trained in accordance with the requirements of legislation in force. Employees are aware of the safety guidelines and are obliged to comply with the safety measures and internal regulations. Defence administration bodies in Hungary (e.g. disaster management) regularly carry out exercises at the sites concerned to improve their local knowledge.

Process-safety events:

In 2024, there was one TIER 1 and zero TIER 2 process-safety events.

The fire, which caused more than HUF 7.5 million of material damage, occurred at MVM Mátra Energia Zrt. The fire broke out at 19:26 on 22 October 2024 on levels 6-7 of Unit V of the power plant. In accordance with the alarm and intervention chain, the fire was finally extinguished at 23:30 as a result

of the joint efforts of the MVM Mátra Energia Zrt. facility fire brigade, as well as the fire brigades of Gyöngyös, Hatvan, Heves and Füzesabony. The official fire investigation document was not yet available at the time of writing the Sustainability Report. No injuries occurred during the firefighting.

Special features at member firms:

MVM Paksi Atomerőmű Zrt.

MVM Paksi Atomerőmű Zrt. carries out technical safety inspections, material testing, quality inspections and measurements, supplier qualifications, lifting equipment inspections and environmental inspections to verify compliance with legal requirements.

Emergency management priorities at the Nuclear Power Plant

Comprehensive Emergency Management and Action Plan (hereinafter referred to as: "CEMAP")

Structure of CEMAP and content of each module:

Module I: General volume

Module II: Nuclear Incident Response and Action Plan (hereinafter referred to as: "NIRAP")

Module III: Disaster Management Plan

Module IV: Firefighting Plan

Module V: General Civil Protection Plan

The following principles should be taken into account when applying the CEMAP:

- The emergency must be classified according to the emergency classification given in each module, and then once classified, the provisions set forth in that module must be followed.
- In a complex emergency, the provisions of several modules should be applied where necessary.
- If a qualified period is ordered, the provisions of the CEMAP's General Civil Protection Plan module must be applied.
- The detailed tasks related to emergency management are set out in implementing instructions.

Accident Response Organisation (hereinafter referred to as: ARO)

The ARO is an organisation with a specific management and leadership approach in the event of an extraordinary event or emergency. It can be employed to manage emergency responses, rescue and recovery operations in peacetime. In the event any special legal regime is instituted, it can launch measures to protect the plant and carry out the most urgent rescue and recovery work.

Experiences of 2024 training:

The motivation and attitude of the ARO staff towards training is good, thanks in part to the fact that contact training is carried out at the staff's base location. Based on the feedback, the staff feel the need for on-site training as well as for sessions demonstrating and practising tasks. This methodology is continuing in 2025, with even more energy devoted to improving the effectiveness of training.

In the 2025 training year, we will continue to pay close attention to:

- new situations and challenges stemming from changes,
- increasing the proportion of practical sessions in alarm device training,
- familiarising staff with base location and assembly places and learning to use personal protective equipment at a proficient level.

Regulating the implementation of drills

At least half of the emergency response drills must be carried out outside working hours. Operational staff should be involved in all drills as far as possible. At least six emergency response drills must be held each year. The drills in 2024 were planned and carried out based on the annual drill plan approved by the Hungarian Atomic Energy Authority (OAH) in February 2024.

Throughout the planning and preparation, we were in constant consultations with representatives of the Hungarian Nuclear Emergency Response System (ONER) organisations and the relevant departments.

During the year, we checked the alertness of standby personnel and their compliance with the implementation timing standards during major accident management, staff command and full-scale exercises.

The annual flood protection tasks were carried out under the guidance and supervision of water management experts as part of theoretical (refresher and occupational safety training) and practical (installation of flood protection equipment and materials) exercises.

In all cases, the drills were evaluated and action was taken to remedy any shortcomings. The drills on staff command, full-scale and major accident management were supervised by the OAH, while the drills on working with hazardous materials were supervised by the Tolna County Disaster Management Directorate.

Nine drills were planned for 2024, and eleven were carried out. Out of the 11 drills, 1 full-scale, 1 staff command, 2 major accident management, 1 upper-threshold plant exercise and 6 partial exercises were conducted, and two alert drills were conducted under the guidance of the EIK.

The annual exercises approved by the OAH were completed, and the overall assessment was satisfactory.

Informing the public during an emergency

In the event of an emergency, informing the public is of paramount importance both to maintain discipline and public order and to ensure the successful and rapid implementation of precautionary measures. Preparing to inform the public is an integral part of emergency response preparations. In the event of an emergency, the following rapid and regular information shall be provided to the general public actually affected based on the facility's Public Information Plan (hereinafter referred to as: PIP)

ATOMIX Kft.

Based on the technical content of framework service contracts, ATOMIX Kft. provides the standby service under the Comprehensive Emergency Management and Action Plan (CEMAP) in several areas, in accordance with the roles assumed in the Paks Nuclear Power Plant Accident Response Organisation (ARO). The jobs assigned at the nuclear power plant for accident/emergency incidents are contained in MVM PA Zrt.'s CEMAP policy. The operational readiness of the personnel assigned to the ARO is continuously trained and drilled by MVM PA Zrt.'s BEH organisation, conducting test drills with the relevant group of employees several times a month by telephone. The alarm system siren is tested in the nuclear power plant once a week. Monthly tests are carried out within a 30-km radius of the nuclear power plant. For more details, see the section on MVM PA Zrt.

MVM NUKA Zrt.

MVM NUKA Zrt. was established on 1 July 2020 via a spin-off with succession from MVM OVIT Zrt. It operates almost entirely on the site of the Paks Nuclear Power Plant. The manual and direct technical staff work full-time at the nuclear power plant site, and are therefore fully subject to the nuclear plant rules and regulations, including in the event of a disaster or emergency, more specifically, all staff must adhere to the Comprehensive Emergency Management and Action Plan (CEMAP).

MVM Zöld Generáció Zrt.

The emergency response master plan of MVM Zöld Generáció Zrt. and its subsidiaries defines the rules and tasks that are necessary to protect the lives and health of the company's employees in the event of a risk or the occurrence of a disaster, to prevent or mitigate damage, and to ensure the conditions for continued operation in the event of a disaster. The company's emergency response master plan includes civil defence tasks to protect against hazards:

- management,
- disaster alerts, information, reporting,
- evacuation,
- vacating facilities,
- protection of key assets,
- provision of personal protective equipment, escape equipment,
- first aid,
- assistance in the event of extraordinary events.

Disaster alerts are issued during broadcasting hours on Hungarian public television and radio stations (operated by Duna Médiaszolgáltató Nonprofit Zrt. under the supervision of MTVA), as well as on national, regional and local radio and television stations, by receiving announcements from Hungarian public television and radio stations, or based on information received on the Marathon Terra infocommunication application.

The emergency response master plan of MVM Zöld Generáció Zrt. – specifically Appendix ZG-BSZ-033-M-04 “Conduct during emergency incidents” of the Internal Health and Safety Policy (ZG-BSZ-033) – defines the rules and tasks that are necessary to protect the lives and health of the company's employees in the event of a risk or the occurrence of a disaster, to prevent or mitigate damage, and to ensure the conditions for continued operation in the event of a disaster.

The company plans to implement disaster management measures in the event of the following natural disasters or industrial accidents that threaten the life and health of staff, the safety of property, the integrity or operability of facilities, or the environment, in particular:

An air pollution situation resulting from adverse meteorological conditions, where the concentration of any air pollutant exceeds the 30-minute air quality threshold value in excess of the number of cases allowed.

Direct and severe pollution of the environment with hazardous waste.

An accident occurring in an industrial facility or during the storage and transport of a hazardous substance, where the release of a toxic substance into the open air poses a mass and serious threat to human life or health or to the environment.

With flood defences, where the water is forecast to approach the hitherto highest level observed and further significant flooding is expected, or where an unavoidable ice jam has formed, or where there is a risk of a dike breach.

Extended, continuous, intensive or persistent snowfall or drifts over several days.

The imminent and unexpected threat or occurrence of a fire, explosion, earthquake or building collapse, which directly threatens the occupants thereof.

Vértesi Erőmű Zrt.

For all its sites, Vértesi Erőmű Zrt. is prepared for the risks of key events as well as for on-site and off-site emergency planning. Vértesi Erőmű Zrt.'s plan for handling, reporting and taking necessary measures in the event of a disaster or emergency is governed by internal policies and process instructions. The prevailing Emergency Response Plan was approved by the competent environmental authority in the IPPC permit for the Oroszlány slurry disposal area, based on legal requirements. Employees are trained regularly on the above policies and process instructions, such are available and downloadable via the internal intranet network, and a hard copy is also available in the secretariat for any employee. Annual/quarterly occupational safety, fire safety, and annual environmental and quality management training courses are documented.

Emergency situations are handled in accordance with company-wide policies (Fire Safety Policy, Environmental Policy), site policies (e.g. Fire Safety Policy for Abandoned Sites, Rescue Plan), the Emergency Response Plan and troubleshooting plans.

MVM Mátra Energia Zrt.

Contingency plans:

In an internal regulatory document overseen by the highest management level, MVM Mátra Energia Zrt. identified the emergency situations affecting its operations and defined instructions for managing them. Both on-site and off-site emergency management plans / emergency response plans are in place to deal with the identified cases. In each case, these plans specify the persons authorised to take action, the chain of notification with contact details of the persons concerned, the obligations to protect critical infrastructure, management, information and documentation tasks, together with the relevant legal background.

Plans drawn up under official industrial safety provisions:

In view of its classification as a low-threshold hazardous plant, and in accordance with official and legal requirements, our company has all the documents approved by the authorities on industrial safety – Safety Analysis, Internal Protection Plan – which contain the action plans for protecting the social and natural environment surrounding the plant. The tasks included in these plans to deal with emergency situations are also regularly practised by company staff, under the supervision of the authorities, during the various organised exercises.

Asset integrity and critical incident management

The power plant equipment was maintained in 2024 in accordance with the annual production, maintenance, capital investment and renewal plan. The scheduled preventive maintenance of units III and V and the turbine overhaul of unit V were also completed. In addition to the main units, individual unit and shared equipment is maintained as planned.

Visonta Mine Maintenance Department

Training must be given on the implementation of the control tasks set out in the Instructions for Use of high-performance mining equipment, and this implementation must be regularly monitored. A summary “Technical Guide” has been issued for the maintenance and operations departments to adjust the electrohydraulic brake releases and brake assemblies included in the maintenance and operations instructions for high-performance equipment. The repairs to machinery were carried out as planned in 2024.

Bükkábrány Maintenance Department

The maintenance of the Bükkábrányi Mine production equipment in 2024 was carried out based on the “2024 Maintenance Plan for Special-Purpose Machinery”, which was aligned with our Business Plan and the Power Plant Maintenance Plan. Maintenance was planned with due consideration of the production report, the fault codes in the visualisation software of the machinery chains, periodic status surveys and control measurements. Periodic inspections of the special-purpose machines were carried out in 2024 by an accredited testing contractor following a set schedule, covering steel structure, safety and rope inspections. The identified weaknesses were remedied.

MVM Balance Zrt.

Emergency response

MVM Balance Zrt. has an Internal Disaster Management Policy, Fire Safety Policy, Disaster Response Plans and Fire Alarm Plans for the headquarters and its sites, which apply to the company’s employees, contractors working at the sites, and visitors. Among the company’s sites, the Lőrinci, Sajószöged, Litéri and Bakony power plants fall under the Disaster Management Act, therefore they must have a Major Incident Response Plan (MIRP) and an Internal Emergency Plan (IEP) (hereinafter collectively referred to as “safety documentation”). These response plans take into account the actual and potential negative impacts on the economy, the environment and people.

The plans identify the location of hazards, how to eliminate them, and the actions to be taken to minimise the adverse effects on people, property and the environment. They describe in detail the environment of the hazardous substance sites, the activities of neighbouring operators, the factors taken into account in calculating the social risk, as well as the vulnerability of the natural environment to a major accident involving hazardous substances. The safety documentation includes individual mortality risk and social risk calculations based on population, the environment and natural assets. The safety documentation describes the main objectives developed in relation to preventing major accidents involving dangerous substances and preventing related effects, as well as the organisational and operational arrangements to ensure a high level of health and environmental protection.

The safety documentation was submitted to the local disaster management authority. The disaster management authority assesses the danger based on the safety documentation, which includes the data to be protected, but makes public a version or extract of the safety documentation that does not contain the protected data. The safety documentation must be reviewed every 5 years, or when required in cases specified in legislation, and submitted to the competent disaster management authority. The safety documentation was accepted by the competent local disaster management authority with the proviso that the company must operate in accordance with the safety documentation. The authority sent an extract of the safety documentation submitted by the company, which does not contain any (public) data to be protected, to the mayor of the municipality where the hazardous substances plant is located, and to the local body of the authority. The mayor published a notice immediately after receiving the safety documentation without the protected data, but no later than within 15 days. The safety documentation must be made available by publication of a notice for 21 days, during which time the general public affected may comment on it. Our company received no such comments.

The company’s management aims to prevent accidents, occupational illnesses, breakdowns, extraordinary events and serious industrial accidents by reducing their risk to the lowest possible level. To this end, it observes and ensures compliance with all legal, regulatory, internal and external requirements aimed at increasing security and mitigating risks. The company’s management is committed to safety and security, using the best available technology and tools and giving priority to safety in all circumstances. To this end, it incorporates different levels of legislation into its internal procedures, which it deploys to monitor and document compliance. Alongside legal compliance, it aims to ensure that security measures reflect the highest state of the art in science and technology. The

company's employees must comply with the safety measures and internal regulations. The company's employees are aware of the safety guidelines and carry out their work on this basis. The plans describe the systems and means for controlling and mitigating major-accident hazards involving hazardous substances, the tasks to be performed when managing damage, the external and internal forces that can be involved in such work, the persons responsible for damage protection, and their tasks. Those involved in protection activities receive training every year. As part of the training for protecting against the effects of major accidents, the management team, the implementing organisation and plant workers not involved in such implementation as well as external partners receive training. The company regularly checks the feasibility of the plans. To this end, every year it conducts an exercise in which some of the organisations identified in the plan are drilled, and every three years it conducts an exercise in which all the organisations identified in the plan are drilled. The concept and execution plan of such drills are in line with the safety documentation as well as the internal emergency plan and major incident response plan that are part of it. Participants in the drills practise the rescue and damage/response tasks specified therein. The planning and executing of drills should be economically efficient, make efficient use of resources and means, and avoid any associated material damage.

During the drills, no action may be planned that would cause any damage to the environment. The company ensures and carries out its activities in accordance with the Plans described above and approved by the disaster management authorities. In most cases, the Disaster Management Authority verifies the professionalism and legal compliance of the drills at the sites, as well as the preparedness of the staff participating in them, by personally attending the drills and evaluating their effectiveness. The drill is also assessed by the company; a report is drawn up and submitted to the regional bodies of the disaster management authority. The drills conducted in 2024 were deemed compliant for all sites. The company keeps its safety documentation up to date, adopts changes in legislation and company policy where necessary, and carries out the statutory reviews and authorisation procedures. In addition to mobile and conventional telephones, the company's top management, the staff involved in the Management Information System for Extraordinary Events and all sites have Unified Digital Radio (UDR) devices, which ensure reliable communication during emergency situations. During radio testing it is checked whether the UDRs work properly.

Critical incidents at company level are managed by the Crisis Team, which is the primary decision-making and management forum during a crisis situation, and is headed up by the company's CEO. If it is foreseeable that the extraordinary event cannot be handled within the normal course of business, the CEO or their deputy will declare a crisis situation and crisis level. In 2024 there were no extraordinary events whose nature or severity would have required the establishment of a Crisis Team, nor were there any threats to critical key processes in the company's operations in 2024.

Asset integrity

Investments to preserve and replace assets are carried out with individual service contracts or under a framework contract. In 2024, assets were replaced and components modernised at the Bakonyi Gas Turbine Power Plant and the North Buda Heating Plant sites. The necessary and planned maintenance was carried out in 2024.

Information for educational purposes

The MVM Group provides educational information to the public on the following topics, not related to material impacts, but in order to help affected communities:

Prevention of electrocution accidents

Detailed educational content has been compiled which is published regularly – twice a year, in the spring and at the end of summer, in the autumn. It draws attention to the risks and potential hazards of working near overhead power lines and the steps that can be taken to prevent electrocution accidents:

Pruning

It highlights for its customers the importance of keeping vegetation around electrical networks under control, with website content, a short film and a brochure. It is important to know that a significant proportion of power grid failures are caused by trees and branches reaching the safety zone of the power grid. Therefore, it is essential to keep the safety zone of the electrical network clear and to keep the vegetation thinned, which is the obligation of the property owner under current legislation. Communication on pruning is sent twice a year, in spring and autumn, via news and on Facebook.

Prevention of carbon monoxide poisoning

With the help of educational content they make their customers aware about the potential hazards and conditions that can prevent carbon monoxide poisoning accidents. It is also important to be aware that there is a risk of carbon monoxide poisoning not only during the heating season but at any time of year, so this can also arise during the summer months for those who change the safe operating conditions of their open-flame gas appliances, even without realising it.

Preparing for the heating season

Every year before the heating season starts, customers are reminded about all the things they need to know and do to ensure they can enjoy the comfort and safety of natural gas in their homes.

Energy efficiency improvements

The educational content aims to help customers understand the energy-efficiency-improvement potential of upgrading their heating systems.

The importance of maintenance

Customers are reminded it is extremely important to ensure that their gas appliances and the gas pipes in their property are regularly checked and maintained by a professional.

There were no serious human rights problems or incidents.

ESRS S3-5: Targets related to affected communities

During the reporting period, the group did not set specific group-level targets for affected communities. This is mainly due to the size of the group, the diversity of its portfolio, and the different needs and priorities of the various regions and communities, which makes it difficult to set uniform targets.

14.4. Consumers

With regard to consumers, the MVM Group exerts a significant impact in the areas of availability, fair market practices and demand side management, which may also expose the Group to financial risks and resulting opportunities. In the areas of privacy, quality information and access to services, universal service companies have a material impact on retail end-users, where there is also a financial risk in the event of data protection abuse.

ESRS S4 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material sustainability impacts, risks and opportunities for the MVM Group in relation to customers

ESRS topic/subtopic/sub- sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ⁴¹			Value chain ⁴²		
				S	M	L	V	MVM	C, H
S4 Consumers and end-users									
<i>Information-related impacts on for consumers and/or end-users:</i> These topics are relevant for universal service companies.	Privacy: Companies serving retail customers handle a large amount of personal data (3.3 million customers in Hungary and 1.8 million in the Czech Republic). There is no other sensitive data (e.g. financial data) besides this processed personal data.	The personal data processing and data protection activities of the MVM Group's member firms are governed by a uniform set of rules. The member firms are subject to the data protection requirements set out in a central group-wide policy in line with the GDPR ⁴³ , which each firm maps into its own internal personal data processing and privacy policy. The Group has a system in place to prevent data leaks. Employees of the MVM Group are required to complete regular data protection training. MVM Next Energiakereskedelmi Zrt. considers it important that all its customers, regardless of their health status or educational background, can obtain information about electricity and natural gas supply in an understandable way. To this end, it is constantly reviewing and simplifying its online interfaces, forms and response letters.	Impact: actual, positive and negative	x	x	x			x
	Quality information: Information about the service (e.g. different tariffs, tracking consumption) is essential for consumers and helps them to consume energy consciously.								
	In the event of privacy abuse, the universal service providers (MVM Next Energiakereskedelmi Zrt., innogy Energia s.r.o.) are exposed to the financial risk of fines and compensation.			Actual risk	x	x	x		x

⁴¹ S = short, M = medium, L = long

⁴² V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

⁴³ General data protection regulation

ESRS topic/subtopic/sub- sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ⁴⁴			Value chain ⁴⁵		
				S	M	L	V	MVM	C, H
<i>Social inclusion of consumers and/or end users:</i>	Access to electricity and heat is essential for everyday life. The universal service providers have a role to play in ensuring that this is the case for disadvantaged and protected groups of consumers (the obligations of these companies are regulated by law). Service disruptions affect all users. The task of the system operator is to maintain the power balance of the national electricity grid to ensure stability of the grid frequency. Minimising losses is crucial for all grid companies. Availability and business continuity ensure that traders and ultimately consumers have access to the energy they need with as few disruptions as possible. The availability obligation of electricity-generating units is required by law. The MVM Group's responsibility is enhanced by its prominent role in generating electricity in Hungary. The monopoly situation in several markets raises negative implications for fair market practices.	In this context, the MVM Group aims to comply fully with the law. The Group is committed to ensuring that disadvantaged consumer groups have equal access to services. In addition to the legal obligations, the MVM Group also provides additional services to vulnerable customers with disabilities and social needs, such as meter reading at the point of use, cash settlements at the point of use, help with understanding bills, special set-up of meter location, payment instalment discounts, payment deferrals and the installation of prepayment meters. The Group takes a proactive approach to continuously analysing business continuity risks arising from external crises affecting the group's activities, and coordinates with government authorities on measures required. The task of MAVIR Zrt. is to maintain the power balance of the national electricity grid to ensure the stability of the grid frequency. Proper maintenance and operation of the power plants is key to ensuring short-term availability. The technical indicators related to the technical condition of equipment and its operation (including availability, start-up safety, absence of malfunctions due to personal error) are laid out in KPIs, and their achievement is continuously monitored.	Impact: actual, positive and negative	x	x	x			x
	Price control risk: Given the universal service obligation, any further regulatory decisions on prices could negatively affect the Group's performance. No regulatory changes are expected at this point.	The MVM Group promotes fair and open competition in all markets, both domestic and international; it conducts its activities in accordance with fair competition standards and in compliance with applicable competition law. It takes all the necessary measures to ensure that competition law cannot be infringed within the Group. To this end, it employs experts in competition law and compliance, uses consultants with expertise in these areas, and operates an internal regulatory system to ensure compliance with competition law. In the event of employees supporting anti-competitive behaviour, they are held liable.	Actual risk	x	x	x		x	
	Fines imposed by the authority for anti-competitive agreements, concerted practices, abuse of dominant positions, unfair influence on business decisions, or abuse of the role of universal service provider, can cause risks, e.g. cartels, exclusion of customers.		Actual risk	x	x	x		x	
	The two electricity grid companies in the Group play a significant role in influencing user demand, mainly through tariff schemes and smart meters, and they also play an important role in achieving security of supply and national energy targets.	Currently, the main tool of demand-side regulation is providing "controlled electricity" (or "night-time electricity", "tariff B"), while the Group has also started smart meter developments, with the aim of installing 89,000 smart meters in the operational areas of the Group's two electricity grid companies by the beginning of 2026, with the support of the European Union.	Impact: actual, positive and negative	x	x	x			x
	The absence of demand side management means increased costs for these companies, but implementing it also offers an opportunity. 50% of the stakeholders surveyed considered the topic to be material.		Actual risk and opportunity	x	x	x		x	

⁴⁴ S = short, M = medium, L = long⁴⁵ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS S4-1: Policies related to consumers and end-users

The Code of Ethics of the MVM Group, which was presented in general terms in chapter 12.6, deals with the main topics relating to consumers and end-users.

In addition, the personal data processing and data protection activities of the MVM Group's member firms are governed by a uniform set of rules. The member firms are subject to the data protection requirements set out in a central group-wide policy in line with the GDPR, which each firm maps into its own internal personal data processing and privacy policy. For foreign member firms, an English translation of the central data protection policy is also available, which they apply in their own country's legal system. The MVM Group's Personal Data Processing and Data Protection Handbook is available to member firms, containing methodological know-how and optional templates for the practical application of the central policy. Detailed data processing information and data protection documents within the MVM Group are publicly available on the main MVM website and on those of individual member firms.

In the second half of 2024, the MVM Group started to develop a policy for consumers and end-users, which is expected to be adopted in the first half of 2025. The policy was drawn up in line with the results of the double materiality assessment carried out in 2024, ensuring that the impacts, risks and opportunities of relevance to the Group are managed effectively.

ESRS S4-2: Processes for engaging with consumers and end-users about impacts

Cooperation between MVM Next Energiakereskedelmi Zrt. (hereinafter referred to as: MVM Next) and retail consumers or their legal representatives may be conducted directly or through authorised agents. These may be, for example, legal representatives, authorised persons, or partners who can take action on behalf of the customer and ensure the necessary information is made available to MVM Next in the course of providing the service. MVM Next also works in close cooperation with other industry players, authorities, agencies and relevant ministries.

MVM Next operates a telephone, written and online customer service, as well as a nationwide customer service branch network to interact with retail customers. To serve and inform consumers as widely as possible, it provides information on its website regarding important consumer issues.

To allow all interested parties to express their views on its operations, MVM Next regularly reviews its business rules and makes them available for public consultation on its website.

During such consultations, consumers have the opportunity to share their suggestions and opinions with the service provider. MVM Next collects, collates and examines the proposals received, then adopts the amended business rules, which are sent to the Hungarian Energy and Public Utility Regulatory Authority for approval. Once approved, the final version is published on the website and at the customer service points, while consumers are informed about the revised rules on their bills, by email, and on the website.

MVM Next provides a public service within the framework of the law. Cooperation is essential to ensure that users are satisfied with the quality of the service, and so MVM Next provides this in the mandatory cases required by law, and at the request of stakeholders.

MVM Next provides natural gas and electricity services throughout the country. Proposals made in cooperation with end-users are always examined, and these are incorporated into its operations bearing in mind the interests of consumers and legal requirements.

The long process of MVM Next becoming the only universal service provider to supply natural gas and electricity to almost all Hungarian retail consumers was completed on 1 July 2024. This had a significant impact on the effectiveness of cooperation, as it was one of the biggest transformations of the Hungarian energy market. Integrating the merged customer base into the service provider's systems, harmonising

customer service channels and developing billing systems were all challenging. During the transition, MVM Next continuously strived to retain consumer confidence and ensure an uninterrupted service.

Within the MVM Group, the Universal Services Director and a dedicated regulatory management colleague in the company's Legal Directorate ensure that cooperation between customers and the Group takes place, and that the results are integrated into the approach adopted by the business.

Within the framework provided by legislation, MVM Next pays particular attention to the impacts on vulnerable and marginalised retail customers.

Legislation provides for special treatment for disabled users and users with social needs. To protect people with disabilities, the service provider offers on-the-spot payments and meter reading. Payment by instalments is an option available for socially disadvantaged users. In addition, in line with legal provisions, customers with large families (three or more children) are given an additional discount on the quantities of natural gas and electricity that can be supplied at a reduced price.

ESRS S4-3: Channels for consumers and end-users to raise concerns

The complaint-handling channels are presented in chapter ESRS S1-3.

ESRS S4-4: Taking action on material impacts and risks for consumers and end-users

Within the legal framework, MVM Next responds to negative impacts on consumers through social consultation, education and customer service. If any decision has a negative impact on consumers, it is reviewed and MVM Next makes proposals to the relevant organisations to mitigate the impact.

With a view to reducing the negative impacts on consumers and to facilitate consumer understanding and participation, MVM Next operates a nationwide customer service network, where consumers can contact MVM Next in person, in writing, by phone and online.

The (awareness-raising) EnergyDiet campaign to encourage conscious consumption of energy among retail customers was implemented successfully in 2024. The summer campaign was completed, generating 10,143 GJ of verified energy savings (23,437 people registered, 7,938 people also participated in backtesting). The final backtesting phase of this year's winter campaign is still ongoing at the time of writing. With the involvement of an external partner, the Digital awareness project was launched in 2024 Q4 as part of the MVM Next Digital Quality Assurance project, which aims to improve our customers' digital presence online and lay the foundations for future EnergyDiet-type education campaigns on new platforms. We pay particular attention to helping our retail customers under the universal service to navigate better in the digital space, by creating short educational films, introducing an interactive bill explainer, simplifying the menu structure, information content, navigator and video chat, and now customers can log in to the online customer service through the government portal/government portal+.

As a universal service provider, MVM Next provides natural gas and electricity services throughout the country. Serving all households in the country, it operates a telephone, written, face-to-face and online customer service in line with legal requirements, and constantly strives to improve the quality of its service and customer satisfaction.

Key actions and the backtesting of these targets take place on an ongoing basis, not only over the strategic timeframe up to 2035, but also in the day-to-day operations of the Company. These headline metrics include customer satisfaction, customer service and digitalisation indicators, in addition to economic indicators.

MVM Next is constantly working to provide a service that is tailored to the needs of its customers and to their satisfaction. In doing so, it continuously monitors the number and content of customer enquiries to identify areas for improvement and remedial actions.

While respecting the legal requirements, MVM Next is constantly working to increase customer satisfaction and facilitate consumer participation. To prepare for negative impacts on retail customers. to mitigate disadvantages and ease the transition, it provides continuous information on its website about its services as well as relevant events and changes affecting consumers. To facilitate participation, it produces web briefings, short films and bill explainers. and it provides extensive information through its customer service channels.

MVM Next works closely with the Ministry of Energy, the authorities and the Hungarian Energy and Public Utility Regulatory Authority, which oversee the industry, and supports consumer decisions by analysing consumer habits and feedback. In working with consumers, it aims to facilitate contact with the widest possible number. In designing its products and services, it strives to exploit the opportunities offered by digital advances within the boundaries of the legal framework, in order to ensure convenient and fast administration.

To mitigate the negative impacts on consumers, MVM Next provides an opportunity to give feedback and request corrections through its customer service channels, as defined by law. Accordingly, it makes itself available to consumers by telephone, in writing, online and in face-to-face customer service offices. All consumer complaints are fully investigated, and if necessary, any negative effects are mitigated by correcting the bill or rectifying data. If the complaint is not justified, MVM Next provides detailed explanations and information to help the consumer understand, and if necessary, offers an instalment plan to help alleviate the effects.

The following measures are designed to address significant impacts while minimising risks, given the close interlinkages between these sub-topics.

MVM Next provides its services in compliance with legal requirements. It ensures that consumers are informed, and thus have the possibility to mitigate potential negative impacts thanks to the widely available information. It publishes relevant news affecting consumers on its website, prepares detailed information in the event of significant changes and publishes this on its website, and it provides personalised information on bills, in letters or in emails, as appropriate.

There were no serious human rights problems or incidents.

No funds are set aside; if such an obligation arises for the Company, it will be settled regardless of funds.

Protection of personal data

To reduce or eliminate financial risks in the area of personal data protection, such as data protection fines and reputational risks, the member firms of the MVM Group have taken the following significant measures as controllers:

The joint data protection officers **conducted a review of the data processing requirements of framework contracts with 25 external contractors** in 2024, with the consultant selected through a centralised procurement procedure launched by the National Office of Communications. As a result, the joint data protection officers took the initiative to address the 4 medium and 8 high-risk findings identified at the controller companies.

The joint data protection officers consulted with MVM firms and industry stakeholders in 2024 on new rules regarding data protection tasks and legislative proposals related to **the data exchange models in the gas and electricity industries**.

The member firms of the MVM Group controlling data **provided appropriate and professionally thorough responses** to the requests of the Data Subjects and the National Authority for Data Protection and Freedom of Information, under the supervision of the data protection officers.

MVM Group employees are required to complete regular **data protection training** on an annual basis, also in 2024, to reduce the number of any incidents resulting from lack of awareness by applying lawful data processing procedures. Two-tier training material ensures data protection knowledge is conveyed in line with the intensity of data processing related to the business activities of the member firms.

The MVM Group pays particular attention to protecting customers' personal data. It gathers complaints about the protection of personal data, investigates them, and where necessary, takes action to ensure an objective assessment of the situation.

Number of justified complaints about misuse or loss of personal customer data				
	Unit	2022	2023	2024
Number of personal data complaints found to be justified	no.	11	14	8
complaints from external parties	no.	11	9	5
complaints from regulatory bodies	no.	0	5	3
Number of incidents resulting from leaks, theft or loss of customer data	no.	419	421	439

The table shows the number of complaints closed and attributable to the MVM Group.

Access to (quality) information

The Company pays increased attention to the principle of transparency, and to achieve this, in its communication to consumers, it strives for comprehensibility, transparency and predictability, as well as the continuous availability, completeness and clarity of the quality information required. To this end, among other things it makes its terms of business, information on the price of services, and bill explanations available at its customer service points and on its website. When communicating with consumers, MVM Next refrains from providing information that is difficult to understand or misleading, insufficiently detailed, and communicates in a clear and unambiguous manner with the intention of cooperating with consumers.

Access to products and services

MVM Next gives all its customers easy and fast access to its services.

The company places great emphasis on the maintenance and continuous development of digital customer service channels (online customer service, mobile application), which provide customers with flexible, easily accessible and fast services in all respects.

The two key issues for customer access to energy are the availability of electricity and natural gas, and disconnections due to non-payment. In this context, the MVM Group aims to comply fully with the law. MVM is committed to ensuring that disadvantaged consumer groups have equal access to services. In addition to the legal obligations, MVM also provides additional services to vulnerable customers with disabilities and social needs, such as meter reading at the point of use, cash settlements at the point of use, help with understanding bills, special set-up of meter locations, payment instalment discounts, payment deferrals and the installation of prepayment meters.

MVM also offers instalment payments to customers in payment difficulties under certain conditions, even if they do not qualify as socially disadvantaged customers.

Demand Side Management

Demand side management is mainly concerned with seeking solutions to balancing the electricity system. Essentially, consumption and generation must match at all times to maintain the frequency in the electricity system. Demand side management means adjusting consumer demand, through financial incentives or education, to encourage consumers to consume less or (where appropriate to improve grid conditions) more energy at certain times, or to shift their consumption to off-peak periods (such as nights or weekends). This is increasingly important with the growing share of weather-dependent renewable energy production. Fossil fuel-fired power plants are usually brought online to serve peak periods or downtimes in weather-dependent production, or to balance out variations in weather-dependent

production. Minimising their use reduces costs and emissions of carbon dioxide and other pollutants, so it has a positive impact on both the economy and the environment.

For the MVM Group, the main instrument for demand side management is the provision of “controlled electricity” (or “night-time electricity”, “tariff B”). Universal service consumers (retail customers) can choose between tariffs A1, A2 and A3, as well as tariffs B and H. The A1 single-zone tariff does not contain any incentive to time-shift consumption, but the A2 and A3 dual-zone tariffs try to influence consumption by varying prices across zones.

Applying the B tariff discount assumes that the equipment has an controlled connection point and is therefore connected to a separate meter. This is recommended for heat storage appliances, such as boilers. Tariff B electricity at a reduced price represents a significant discount compared to the reduced retail price of electricity at the standard tariff (A1, A2). Above the discounted annual amount, night-time electricity offers a proportionately smaller advantage compared to the normal tariff.

The supply of heat to residential buildings from renewable energy can provide more affordable unit price during the heating season by using tariff H. This requires a separate circuit and metering for the equipment providing the heat (e.g. heat pump system). This solution does not have a positive impact on the electricity supply, but is better for emissions and energy efficiency.

Quantity of B and H tariffs	Unit	2022	2023	2024
Controlled metering point, where recorded consumption occurred	million points	1.2	1.2*	1.2
Consumption	TWh	1.6	1.7	1.8

*The MVM Group's 2023 Integrated ESG Report stated 1.7 million metering points due to a data reporting error, which included the number of controlled metering points where no consumption was recorded.

In the longer term, another option for demand side management is to implement tariffs based on more detailed smart metering data. There are no such tariffs in the universal service as yet, but the increase in the number of smart meters installed and the move from profile-based billing to time-series billing for this type of metering from 1 January 2025 is an important milestone for future introduction.

Number of installed smart meters	Unit	2022	2023	2024
smart electricity meters	no.	104,689	133,281	153,029
smart gas meters	no.	7,582	6,599	6,774

Optimising user consumption for system efficiency can improve system efficiency. This represents an opportunity for the MVM Group. Demand side management can be achieved mainly through tariff systems and smart meters. They also play an important role in security of supply and in achieving national energy targets.

The MVM Group currently sets no targets for its demand side management practices.

Availability and reliability: system efficiency

The Group makes targeted investments to help renewable producers connect to the grid.

In all of its planned work, it always bears in mind the principle of minimum disturbance and minimising the area shut down, thus making it possible to continue generating electricity. To keep its network stable, it carries out targeted upgrades and maintenance to reduce disruption. It limits the disruption to customers by using new innovative equipment, thus helping to maintain continuous access to services. It employs resilience services to ensure the stability of the electricity system. Distribution companies are constantly working to reduce grid losses and ensure sustainable operations, including carrying out checks to detect illegal consumption.

Power disruptions

Outage frequency and duration	Unit	Average 2019-21	Average 2020-22	Average 2021-23	Average 2022-24
Average frequency of unplanned disruptions of electricity supply lasting more than 3 minutes (SAIFI)					
Power disruption frequency indicator, Démász	no./user	0.80	0.77	0.75	0.79
Power disruption frequency indicator, Émász	no./user	0.95	0.90	0.83	0.77
Average duration of unplanned disruptions of electricity supply lasting more than 3 minutes (SAIDI)					
Average power-disruption duration indicator, Démász	min./user	55.7	53.7	51.6	53.4
Average power-disruption duration indicator, Émász	min./user	61.1	59.9	57.9	57.8

SAIFI: This indicator shows the average frequency (no./consumer) of unscheduled disruptions per consumer, based on the reporting methodology of the MEKH report, and measures customer satisfaction along with the service level expected by the MEKH. The long-term objective is to have a 3-year average disruption frequency per consumer that is better than the minimum expected by the MEKH (deviating negatively from the target is favourable). We are currently more than 40% over the minimum requirement. The 2024 target is met in full, as the average frequency of disruptions per consumer does not exceed 0.809 disruptions per consumer. It is important to note that the figures are estimates, because an exemption request was submitted to the MEKH regarding the emergency situation during the year. Final data can be provided once this request is evaluated.

SAIDI: This indicator shows the duration of unscheduled disruptions per consumer (min./consumer), based on the reporting methodology of the MEKH report, and measures customer satisfaction along with the service level expected by the MEKH. The long-term objective is to have a 3-year average disruption duration per consumer that is better than the minimum expected by the MEKH (deviating negatively from the target is favourable). We are currently more than 20% over the minimum requirement. The 2024 target is met in full, as the average duration of disruptions per consumer does not exceed 57.3 minutes per consumer. It is important to note that the figures are still estimates, because an exemption request was submitted to the MEKH regarding the emergency situation during the year. Final data can be provided once this request is evaluated.

In addition to being backed by the MEKH's strict requirements, the two indicators are a direct parameter of service quality for customers. Customer satisfaction is of paramount importance to the MVM Group, hence keeping the SAIFI and SAIDI indicators below the thresholds set by the MEKH and operating at a level that is as low as possible is crucial.

System efficiency

The power plants owned and operated by the MVM Group serve the Hungarian electricity system in a complex way, with each generating unit having a defined role along with performance indicators of operational excellence and efficiency. The supply security expected by the transmission system operator is based on the reliable and efficient operation of the members of the system, which is a key focus of the Company at both strategic and operational level.

Operational efficiency in the context of business division management is supported by periodic audits (quality audits and internal audits of specific sub-processes) of MVM Zrt.'s functional areas, both in terms of member-firm and holding processes.

The production efficiency of the power plants owned and operated by the MVM Group, broken down by energy source, is summarised in the table below.

Average production efficiency of power plants by energy source	Unit	2022	2023	2024
Natural gas, Hungary	%	87.7	84.8	79.9
Primary energy use (production and self-consumption)	TJ	4,471	3,144	3,473
Energy supplied (total heat and electricity)	TJ	3,921	2,667	2,776
Natural gas, Czech Republic	%	93.0	88.1	90.8
Primary energy use (production and self-consumption)	TJ	1,109	1,024	1,015
Energy supplied (total heat and electricity)	TJ	1,031	902	922
Fuel oil/heating oil	%	28.8	30.6	34.0
Primary energy use (production and self-consumption)	TJ	522	347	532
Energy supplied (total heat and electricity)	TJ	150	106	181
Coal	%	31.3	31.3	31.9
Primary energy use (production and self-consumption)	TJ	31,356	26,900	26,188
Energy supplied (total heat and electricity)	TJ	9,810	8,428	8,356
Biomass	%	31.3	30.9	31.8
Primary energy use (production and self-consumption)	TJ	3,483	2,805	3,222
Energy supplied (total heat and electricity)	TJ	1,091	868	1,025
RDF/SRF	%	31.3	31.1	31.9
Primary energy use (production and self-consumption)	TJ	1,739	1,371	883
Energy supplied (total heat and electricity)	TJ	544	426	282
Nuclear	%	31.6	32.4	31.7
Primary energy use (production and self-consumption)	TJ	170,794	168,120	173,066
Energy supplied (total heat and electricity)	TJ	53,993	54,390	54,777

For wind, hydro and solar power plants, the production efficiency was calculated as the ratio of the supplied electricity of the plants to the amount of electricity generated.

Average production efficiency of wind, hydro and solar power plants	Unit	2022	2023	2024
Wind	%	98.1	97.6	97.8
Electricity generated	TJ	158	166	176
Electricity supplied	TJ	155	162	172
Water	%	96.7	95.9	96.5
Electricity generated	TJ	544	516	586
Electricity supplied	TJ	526	495	566
Solar	%	97.7	97.5	97.5
Electricity generated	TJ	954	1,372	2,918
Electricity supplied	TJ	932	1,337	2,845

As the owner and also operator of the transmission network, MAVIR Zrt. is responsible for the necessary grid improvements and maintenance, preserving and enhancing grid assets, as well as coordinating and executing tasks. Measures to reduce grid losses are applied in the course of these activities, but the impact of these measures is limited as losses are significantly affected by a number of other external factors (e.g. the weather).

Transmission grid losses in the MVM Group (MAVIR figures)	Unit	2022	2023	2024
Electricity fed into transmission grid	GWh	44,974	42,451	45,266
Transmission loss	GWh	451	461	556
Transmission loss rate	%	1.00	1.09	1.23

Covering distribution and transmission losses is one of the major costs for the licensed grid companies. Grid losses are strongly influenced by the energy fed into the grid – the more energy fed in, the greater the grid losses (all other things being equal, e.g. the weather). The aim is to keep grid losses low.

Losses are a cost element that can be recognised in tariffs (a certain cost risk is borne by licensees), and independent experts as well as the Hungarian Energy and Public Utility Regulatory Authority make proposals as to this cost. Distribution tariffs are uniform, so the recognised cost acts an incentive – varying from licensee to licensee – to reduce grid losses.

Electricity distribution grid losses in the MVM Group (combined figures of MVM ÉMÁSZ and MVM DÉMÁSZ Áramhálózati Kft.)	Unit	2022	2023	2024
Electricity fed into distribution grid	GWh	11,274	10,553	10,816
Distribution loss	GWh	640	549	585
Distribution loss rate	%	5.67	5.2	5.41

Losses in natural gas distribution grid of MVM Group (MVM ÉGÁZ-DÉGÁZ and MVM FŐGÁZ Földgázhálózati Kft. combined)	Unit	2022	2023	2024
Natural gas measured and aggregated at feed-in points of distribution grid	TJ	112,956	94,591	93,475
Natural gas measured and aggregated at exit points of distribution grid	TJ	111,595	93,547	92,475
Distribution loss rate	%	1.2	1.1	1.07

The energy produced by power plants, heating plants and works is accounted for by accredited meters at the delivery points specified in the contracts.

The electricity generated by the power plants and heating plants is sold by MVM Partner Zrt., the MVM Group's trading subsidiary, while the heat energy generated by the heating plants and works is always sold to the local district heating provider (for example, in the case of MVM MIFŰ Kft. and the Miskolc site of MVM Balance Zrt. this is MIHŐ Miskolci Hőszolgáltató Kft., while for MVM Balance Zrt.'s North Buda Heating Power Plant it is Budapesti Közművek Nonprofit Zrt.).

In the MVM Group, the energy specialists prepare annual reports in accordance with relevant legislation, which are available on the companies' websites.

Responsible market practices

The universal service provided by MVM Next Energiakereskedelmi Zrt. is strictly regulated by law. The universal service provider has a contractual obligation for the customer base defined in the legislation, so the universal service is provided to eligible customers on a non-discriminatory basis.

ESRS S4-5: Targets related to consumers, end-users

The targets related to consumers and end-users are explained in chapter 12.7 General presentation of targets.

The MVM Group's consumer-related targets are included in the long-term strategic key performance indicators (KPIs). In defining its targets, MVM Next focused on digital transformation trends, the attitudes of Hungarian customers and digitalisation trends, so its targets are meaningful for the Hungarian market. The main reason for this is the large size of the Hungarian market and the incompatibility of the inter-market differences. In setting its objectives, it sought the views of Hungarian consumers through several channels to find out whether they were satisfied with the online customer service and to get an idea of what features they felt were missing. In addition, it conducted ongoing market research among the general public to understand its customers' preferences.

Number of registered users of online customer channels:

The Company aims to increase the number of registered users of its online customer channels. In 2024, this target was not only met, but exceeded. Consolidated portfolios and harmonised platforms increased the number of users, and the improved user experience contributed to a rise in new organic registrations. As a result, the Company has made significant progress in strengthening its online presence and customer relations, which will have a positive impact on its competitiveness and market position in the long term.

ESG indicator	Unit	2023	2024	Change	2025 target	2030 target	2035 target
Number of registered users of online customer channels	pcs	1,448,166	1,800,000 ^a	350,000	1,400,000	1,500,000	1,750,000

^a estimated from February 2025 data.

Percentage of customers served on digital channels

Another priority for the Company is to increase the proportion of customers served through digital channels. (Percentage of customers served through digital channels as percentage of total customer base in reporting period.) To this end, the Company is continuously developing its digital platforms to provide more efficient and user-friendly services. The new functions and processes introduced to improve the customer experience will help promote digital administration.

ESG indicator	Unit	2023	2024	2025 target	2030 target	2035 target
Percentage of customers served on digital channels	%	56.6	56.0 ^a	55	60	63

^a In 2024, mainly due to portfolio migration, the actual KPI figure could not be provided for the total portfolio at the end of the year. From 2025, the KPI value for the whole customer base will be presented.

Customer satisfaction – retail (electricity and gas)

Customer satisfaction is a key priority for retail electricity and gas services. The Company regularly measures customer satisfaction, and continuously improves its services based on the feedback, with a particular focus on fast, transparent and customer-centric service. A change in methodology was implemented in 2024 compared to the previous year's indicators, so comparing the changes is no longer relevant.

Customer satisfaction indicator:

ESG indicator	Unit	2023	2024	2025 target	2030 target	2035 target
Relative ranking based on Net Promoter Score (electricity, HU, competitive market)	#	n/a	2	#1	#1	#1
Relative ranking based on Net Promoter Score (gas, HU, competitive market)	#	n/a	1	#1	#1	#1

15. GOVERNANCE INFORMATION

As a key player in the energy industry and the primary provider of security of electricity and gas supply in Hungary, the MVM Group plays an important role in realising the state's energy goals, influences the regulations affecting the energy sector, and also has an impact on Hungary's business culture. The group is exposed to financial risks related to the management of supplier relationships, potential fines for corruption and bribery, as well as payments to the state and special taxes. Managing all these is addressed in this chapter.

Actions at group level do not require significant operating costs (OpEX) and/or capital expenditure (CapEX).

Material sustainability impacts, risks and opportunities for the MVM Group in relation to business conduct.

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ⁴⁶			Value chain ⁴⁷		
				S	M	L	V	MVM	C, H
G1 Business conduct									
Corporate culture	Given its size, beyond the corporate group itself the MVM Group exerts an impact on the business culture of (primarily) Hungary. The eastern expansion of the MVM Group adds to the materiality of this topic. The strong compliance function in the organisation reduces the potential for negative impacts.	The central compliance directive was extended in 2023, under which the MVM Group's Code of Ethics applies to all member firms required to implement it. It is the responsibility of the top executive at each company to educate employees on the provisions of the Code of Ethics through use of central online training material or classroom training.	Impact: actual, positive and negative	x	x	x	x	x	
	There is a risk of additional costs and extra taxes due to legislative changes.	In its relations with the tax authorities, the MVM Group strives to support legislation proactively to understand the changing expectations in relation to taxation and be informed of future regulatory changes as soon as possible in order to manage the risks.	Actual risk	x	x	x		x	
Political influence	MVM Zrt. is a key group in the energy sector and energy supply, and thus an important implementer of the state's energy goals. It is involved in regulations affecting the energy sector.	The MVM Group liaises and cooperates with state, municipal and other administrative bodies and institutions on an ongoing basis, acting in good faith and in a fair manner, in compliance with laws and regulations and using only the means permitted by law. The MVM Group's Code of Ethics sets out the expectations for employees' public and political involvement and statements.	Impact: actual, positive and negative	x	x	x		x	
	The MVM Group plays a key role in implementing the National Energy and Climate Plan, which entails financial obligations.		Actual risk	x	x	x		x	

⁴⁶ S = short, M = medium, L = long

⁴⁷ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS topic/subtopic/ sub-sub-topic	Presentation of impact/risk/opportunity (IRO)	Impact/risk/opportunity management (For more information, see the relevant chapters under each disclosure requirement)	Impact/ risk/ opportunity type	Time horizon ⁴⁸			Value chain ⁴⁹		
				S	M	L	V	MVM	C, H
<i>Management of relationships with suppliers, including payment practices</i>	There is a potential financial impact in relation to suppliers due to reputational risk.	The MVM Group continuously strives to mitigate this risk, and in 2023 it prepared a public Procurement Policy and supplier Code of Conduct, the Business Partner Code of Ethics . In the Business Partner Code of Ethics, the MVM Group expects its suppliers to take measures proportionate to the size, complexity and risk exposure of their organisation in order to ensure ethical operations and compliance. Partners with a higher contract value are prequalified from a financial and economic point of view. The MVM Group strives to give preference to local suppliers.	Actual risk	x	x	x		x	
<i>Corruption and bribery</i>	As a state-owned company, the group's exposure to corruption is high given its presence as a dominant player in several markets and as a universal service provider.	The company's anti-corruption commitment is set forth at a high level with MVM Zrt.'s Anti-Corruption Policy (more information: Anti-Corruption Management System). The MVM Group's Code of Ethics and Business Partner Code of Ethics also contain important provisions on anti-corruption efforts. Several member firms have an ISO 37001 certified anti-corruption management system in place, certified by an independent auditor. The MVM Group aims to provide all employees with training related to the Code of Conduct and anti-corruption.	Impact: actual, positive and negative	x	x	x		x	
	Increased costs, competition fines, exclusion from public procurements, PR risks due to inefficient use of resources.		Actual risk	x	x	x		x	

⁴⁸ S = short, M = medium, L = long

⁴⁹ V = suppliers (vendors), MVM = MVM Group, C, H = customers, households

ESRS G1 GOV-1: The role of the administrative, supervisory and management bodies in connection with business conduct

Each employee of the MVM Group and the personal example set by management play a key role in developing an ethical culture within the MVM Group. The MVM Group defines in its group-wide Code of Ethics the values it considers most important, on which the company's strategy and operations are based. The group's operations focus primarily on responsibility, cooperation, customer focus and transparency. In addition to the above, the top executives and senior staff at the companies of the MVM Group are obliged to perform their duties in a manner that sets a good example in terms of the conduct expected of employees, supports staff in performing their duties, consistently holds employees accountable for the fulfilment of their legal and moral obligations, and applies professional and business ethics in their management decisions.

The rules of operation for MVM Zrt. in relation to business conduct are also governed by the company's Articles of Association, which were adopted on the basis of and in accordance with the provisions of Act V of 2013 on the Hungarian Civil Code (hereinafter: Civil Code). With regard to the provisions of the Civil Code, the current Articles of Association of MVM Zrt. contain the duties and powers of the CEO, the Board of Directors, the Supervisory Board and the Sole Shareholder.

At the MVM Group, the Board of Directors, the Supervisory Board and the Audit Committee play a key role in enforcing ethical business conduct and compliance. The Board of Directors and the Supervisory Board have management and organisational responsibility for compliance. The compliance function at MVM Zrt. reports on its operations to the MVM Zrt. CEO, the Board of Directors, the Supervisory Board and the Audit Committee on a quarterly basis and prepares a separate report for the MVM Zrt. Supervisory Board.

The **Supervisory Board** is responsible for supervising the management of the company for the Sole Shareholder in order to safeguard the interests of the company.

The **Audit Committee** performs the duties set out in the Civil Code and in other applicable legislation.

The **Board of Directors** decides on all matters which fall under its exclusive competence in accordance with the Civil Code and the Articles of Association of MVM Zrt. These latter powers are essentially intended to exert control over the business management of the company and the performance of the Board of Directors' group-wide governance functions.

ESRS G1 IRO-1: Identification and assessment of material impacts, risks and opportunities

This is presented in chapter 12 of the document, under 12.2 Governance.

ESRS G1-1: Corporate culture and business conduct policies

The MVM Group is committed to health, safety and environmental protection, equal treatment, privacy and the protection of personal data.

The MVM Group strives to build relationships with its suppliers and other business partners that are based on mutual trust and respect.

The MVM Group also promotes fair and open competition in all markets, both domestic and international; it conducts its activities in accordance with fair competition standards and in compliance with applicable competition law. Another important objective of the MVM Group is to assume responsibility for society, the environment and sustainable development in line with its weight in the economy.

The MVM Group is a committed supporter of sustainable and inclusive growth. It is important for the group to comply with the minimum social safeguards set out to this end, and therefore, in accordance with Article 18 of the Taxonomy Regulation, it employs procedures to ensure that its activities are carried out in accordance with the content of the following documents:

1. OECD Guidelines for Multinational Enterprises
2. UN Guiding Principles on Business and Human Rights
3. International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
4. Eight core conventions of the International Labour Organisation (ILO)
5. Principles and rights enshrined in the International Bill of Human Rights

Identifying concerns about unlawful behaviour or behaviour in contradiction of the code of conduct or similar internal rules

MVM Zrt. operates a whistleblowing system that allows for the reporting of concerns about integrity breaches by name or anonymously. The 63 subsidiaries of the MVM Group also operate independent whistleblowing mechanisms. Reports can be filed in person, by email or by letter. All employees of the MVM Group and parties outside the MVM Group can file reports on misconduct. Parties outside the MVM Group can obtain information about whistleblowing reports on the websites of MVM Zrt. and the individual member firms, while employees can learn about related information in training and on the intranet of the compliance function of MVM Zrt. entitled Group Compliance Portal.

The corporate compliance function is responsible for investigating whistleblowing reports, while at group level the compliance function of MVM Zrt. does likewise (including human rights and corruption cases). The MVM Group investigates all reports, except for those that are manifestly unfounded or repetitive. Investigations are carried out based on the presumption of innocence and with professionalism and confidentiality.

The organisation is subject to the whistleblower protection rules of Act XXV of 2023 on Complaints, Whistleblowing and Reporting of Abuse.

MVM's compliance function reports on its operations to the CEO, the Board of Directors, the Supervisory Board and the Audit Committee on a quarterly basis, during which it has the opportunity to communicate critical concerns. The possibility for communicating critical concerns is integrated into decision-making processes at the highest level in such a way that proposals for decision-making fora must go through specific preliminary fora first and must obtain the prior opinion of the relevant departments.

Protection of whistleblowers

Employees can learn about related information in the form of training and on the intranet of the compliance function of MVM Zrt. entitled Group Compliance Portal.

Investigations are carried out based on the presumption of innocence and with professionalism and confidentiality. The group pays particular attention to protecting the whistleblower's personal data and ensures that the whistleblower will not suffer any detriment, harassment or any other retaliation or discrimination as a result of providing information in relation to suspected incidents that may breach integrity.

Undertaking's policy for training within the organisation on business conduct

It is the responsibility of the top executive at each company to educate employees on the provisions of the Code of Ethics through use of central online training material or classroom training. The high-level principles are also transposed into practice through a number of mandatory and recommended training courses, which are recorded by the HR departments. This training is typically delivered by means of e-learning. Thematic training includes data protection, data security, environmental education, human and information security, as well as compliance and anti-corruption education.

Responsible company: provide all employees with Code of Conduct and anti-corruption training (ISO 37001 certification introduced, 2035: all managers trained in anti-corruption programme).

Functions within the undertaking that are most at risk in respect of corruption and bribery

Corruption risks are assessed as part of the compliance risk assessment. The risk assessment includes an assessment of the influence of each stakeholder on the company belonging to the MVM Group, and the impact of the company on each group of stakeholders. The risk assessment also assesses specific corruption risks in terms of impact and likelihood. The report based on the risk assessment includes a risk classification of the stakeholders and the individual risks as well. The results show that the most significant corruption risks are in the commercial, technical and control areas. MVM Zrt. reduces these inherent risks to an acceptable level by means of the implemented controls.

Payments to the State

MVM Zrt. identified a risk in the course of the double materiality assessment related to payments to the State. The risk has been presented in Chapter 12 General information and at the beginning of this chapter (15. Governance information). The identified risk: *“There is a risk of additional costs and extra taxes due to legislative changes.”* ESRG G1-5: Political influence and lobbying applies for managing this risk, i.e. the MVM Group has the possibility to comment on legislation and possibly initiate amendments, mostly directly at the request of the legislator, based on its ownership and its role and size in the industry.

The MVM Group’s Code of Ethics, which was presented in general terms in chapter 12.6, deals with the business conduct of the MVM Group, with a focus on operating in compliance with the law. Chapter 2.2.5 of the Code of Ethics reads: *“Liaising with state, municipal and other public administration bodies: The MVM Group liaises and cooperates continuously with state, municipal and other administrative bodies and institutions. **During these relationships it acts in good faith and in a fair manner, in compliance with laws and regulations, and using only the means permitted by law. The MVM Group is committed to taking a cooperative approach as a responsible organisation in its dealings with state, municipal and other administrative bodies. The MVM Group pays taxes and levies accurately and ensures the transparency of its financial operations.”***

In its relations with the tax authorities, the MVM Group strives to support legislation proactively to understand the changing expectations in relation to taxation and be informed of future regulatory changes as soon as possible in order to manage the risks. This minimises the risks arising from possible changes in legislation.

Related metrics

The income tax paid in accordance with the law is included in the financial statements under Chapter III Notes to the financial statements.

Due to the ownership structure of MVM Zrt., the dividend paid also represents a payment to the State. However, it is not linked to the risk described above. The paid dividend is included in the financial statements under Chapter III Notes to the financial statements, under section 14. Registered capital and reserves.

No related targets have been set for payments to the State, given that the tax is paid on a statutory basis.

ESRS G1-2: Management of relationships with suppliers

The double materiality analysis involved an online survey of 29 key suppliers, the results of which were incorporated into the MVM Group’s double materiality analysis. In the study, the business conduct of suppliers is identified as one of the key sustainability issues.

In addition, the identification of strategic suppliers at the companies supported by central procurement was launched, which is the basis for stakeholder engagement and communication, including physical exercises. In future, procurement activities will have to take the Scope 3 emissions into account

associated with the production of goods and services procured, and the impacts of measures to mitigate them, as well as the emissions from the transport of goods and services.

After standardising supplier qualification methodologies, 2025 could see progress in analyses of the supply chain. The results are expected to be included in the 2026 Sustainability Report.

Procurement at MVM Services Zrt. operates on a category management basis, with the category manager responsible for the individual categories. Their task and responsibility, together with the assigned purchasers, is to develop, manage and supervise the strategy of the given procurement, from collating requirements through coordinating the selection of the winning bidder to concluding contracts.

Category-management based operations can provide specialised procurement knowledge and market intelligence for the member firms concerned through operations based on product and service procurement themes and categories.

Procurement departments, based on procurement areas and categories, draw up a group-level procurement plan – containing group-level procedures – based on the corporate procurement plans for the year, so that more favourable prices and commercial terms can be obtained for the group-level scope due to the volume effect.

For member firms not involved in procurement integration, procurement tasks are performed by centralised procurement organisations at the member firm level, which apply uniform principles, rules and methods in their activities. The central functional procurement organisation of MVM Zrt. is responsible for developing the procurement framework through group-level guidelines.

The MVM Group applies competitive procedures on equal terms for its procurement, laying strong emphasis on procedural steps to ensure neutrality and transparency of competition (communication to potential suppliers at the same time and with the same content, separation of technical and financial evaluations, panel breakdown of bids, etc.).

During the implementation of the SAP ARIBA system, the registration and pre-qualification questionnaire were also revised, so suppliers will fill in the revised questionnaires after the new system goes live. The questionnaire will be supplemented, among other things, with anti-corruption and sanctions questions as well as additional sustainability questions, after which the answers to the questions can be used by Compliance to examine suppliers.

Training of the MVM Group's procurement/supply chain workforce on engagement and dialogue with suppliers as well as incentives of its procurement workforce including whether such incentives refer to price, quality or sustainability factors; *not relevant in 2024, but strong improvement likely in 2025-2026 in terms of dialogue with suppliers and their staff, information transfer, "education", etc. Training/education targets could be included in 2025-2026. From 2024, the MVM Group's Business Code of Ethics for internal suppliers/service providers and the Business Partner Code of Ethics for external partners are available.*

The MVM Group did not apply any practices in 2024 to deal with vulnerable suppliers. These aspects are planned to be integrated into the supply chain due diligence process in 2025.

For 2024, no targets and measures were set for communicating with suppliers and managing relationships with them. Steps will be taken in 2025 by developing a supplier methodology to tighten up supplier pre- and post-qualifications, to include ESG questions in pre- and post-qualification questionnaires, to include ESG aspects in procurement documents (calls for tender, draft contracts, etc.) and to include evaluation criteria in tenders. The aim is to replace the current Supplier Qualification System with the new Ariba system where possible, in which supplier performance can be tracked from supplier registration through pre-qualification to post-qualification.

(G1-2 AR 2 VII) *Not relevant in 2024.*

ESRS G1-6: Payment practices

The MVM Group makes its supplier and procurement documents available on its website. The General Purchasing Conditions apply to the acceptance of invoices issued by suppliers, their financial settlement, and the rights and obligations of both parties. It also details the conditions for paying invoices on time and the legal consequences of late payment. MVM does not discriminate between suppliers based on their size.

During 2024, the group fulfilled its obligations to pay incoming invoices in accordance with the contractual terms with suppliers. Invoices for the purchase of goods and/or services are settled on time based on continuous records in the accounting systems.

In the reporting year, the group paid approximately 92% of the value of incoming invoices within 30 days of receipt, which is in line with the group's general payment practice.

The value of invoices related to the group's core activity – electricity and gas trading – represents around 76% of the value of invoices received. 73.1% of invoices related to electricity trading and 92.5% of invoices related to gas trading were settled within 15 days of receipt.

There are no legal proceedings currently pending on late payments.

ESRS G1-3: Prevention and detection of corruption and bribery

The fight against corruption is important not only to comply with anti-corruption laws, but also to prevent, mitigate and repair the harmful effects of corruption. The fight against corruption is not only in the fundamental economic interest of the MVM Group but is also a moral obligation as a state-owned company. Given that corruption in the broader sense can take on many forms, exposure to corruption can also be manifested in the MVM Group's activities and business relationships. It is therefore important that, in addition to taking decisive steps to fight corruption, the MVM Group also expects its business partners to do the same. The MVM Group and its business partners also interact with each other in the fight against corruption, partly by transmitting ethical business values and, in extreme cases, through impacts on actual business relationships. The company's anti-corruption commitment is set forth at a high level with MVM Zrt.'s Anti-Corruption Policy (and to a greater extent with the Anti-Corruption Management System) in which the management of the MVM Group declares the group's commitment to fight corruption.

The MVM Group expressly prohibits and opposes all forms of corruption and takes firm action to prevent and deter it.

The Compliance Department, which is separate from the Board of Directors and the Supervisory Board, is responsible for investigating cases of corruption.

The MVM Group's Code of Ethics and Business Partner Code of Ethics also contain important provisions on anti-corruption efforts, prohibiting all forms of corruption and setting out specific requirements for all employees and business partners of the MVM Group. Among other things, they are expected to report any acts of corruption that come to their attention.

To translate the high-level principles and targets into practice, 25 member firms had an independently audited anti-corruption management system certified according to the ISO 37001:2019 Anti-bribery management system standard (hereinafter referred to as: ISO 37001) by the end of 2024.

Process controls, such as the "dual control principle" or the documentation principle, play an important role in the fight against corruption. At several companies, dedicated anti-corruption training is provided, both on the most important things to know and do in the fight against corruption and to encourage the reporting of corruption concerns. Anti-corruption training must be completed annually by employees. There is no specific training for managers; all employees are required to undergo the same anti-corruption training.

Both the group-level procurement rules and the group-level rules governing the contracting process include expectations regarding the prevention of corruption. These comprise an anti-corruption clause as part of the mandatory contractual content and general terms and conditions, which provides the legal basis for enforcing anti-corruption considerations in individual business relationships.

Subsidiaries certified under ISO 37001 have integrated anti-corruption considerations into their partner due diligence process, and communicate to their business partners the MVM Group's commitment to anti-corruption, the key expectations related to anti-corruption and the available options for reporting abuse, in a documented manner. The member firms that are part of the MVM Group's integrated procurement examine the ownership structure of partners when qualifying suppliers in procurement procedures. Little information is yet available on the effectiveness of the anti-corruption measures, as the compliance framework will take years to mature.

At the same time, the ISO 37001 certificates can be interpreted as proof of compliance and a target for anti-corruption management systems. The effectiveness of the actions is also measured by setting annual anti-corruption targets, as required by ISO 37001, regularly monitoring their achievement, and via internal audits and management reviews. The development cycle thus ensures that lessons learned from practical operations can steer the direction of improvements. The set targets are typically qualitative and development-oriented, but measurable. One example of a development target achieved in 2024 was the creation and implementation of a gift register for MVM Zrt. and the in-person anti-corruption training of board members. In addition, a common framework for regulating conflicts of interest at group level is being developed to strengthen the organisational culture of anti-corruption. The compliance function at MVM Zrt. reports annually to the Supervisory Board, as the governing body under ISO 37001, on the effectiveness of the Anti-Corruption Management System.

Corruption risks are assessed as part of the corruption and compliance risk assessment. The risk assessment includes an assessment of the influence of each stakeholder on MVM Zrt. and the impact of the company on each stakeholder group. The risk assessment also assesses specific corruption (and compliance) risks in terms of impact and likelihood. The report based on the risk assessment includes a risk classification of the stakeholders and the individual risks as well.

MVM Zrt. is aware of the importance of properly communicating its anti-corruption commitment and its main rules both within the MVM Group and outside the MVM Group. Information on the anti-corruption policy and the possibilities to report misconduct, as well as the MVM Group's Code of Ethics and the MVM Group's Business Partner Code of Ethics are communicated to employees and business partners (e.g. intranet news, direct mailing, posting on the website), while the policies setting out internal procedures (e.g. Anti-Corruption Management Manual, internal policies, process instructions) are only available to employees. The materials are available to MVM Group employees on the intranet page of the Group Compliance Portal.

Anti-corruption and anti-bribery training

Number of exposed functions	3,711
Number of active employees in exposed functions at end of year (person)	11,662
Number of exposed functions participating in anti-corruption and anti-bribery training	3,590
Year-end number of active employees in exposed functions who participated in anti-corruption and anti-bribery training	11,317
Percentage of exposed functions covered by training programmes (%)	97%
Percentage of exposed active workers covered by training programmes (%)	97%
Members of Supervisory Boards and Boards of Directors, including member firms (person)	390
Management (person)	2,603
Members of Supervisory Boards and Boards of Directors receiving anti-corruption and anti-bribery training (person)	167
Management receiving anti-corruption and anti-bribery training (person)	1,102
Percentage of Supervisory Board and Board of Director members receiving anti-corruption and anti-bribery training (%)	43%
Percentage of management receiving anti-corruption and anti-bribery training (%)	42%

ESRS G1-4: Incidents of corruption or bribery

In 2024, there were no convictions for breaching anti-corruption and anti-bribery legislation. Since there were no convictions, no methodology was developed.

ESRS G1-5: Political influence and lobbying activities**Information on financial or in-kind political contributions**

Based on Section 2.2.5 of its Code of Ethics entitled “Liaising with state, municipal and other administrative bodies”, the MVM Group acts in good faith and in a fair manner, in compliance with the law and regulations, and using only the means permitted by law. At the organisational level, we are not aware of any political contributions. According to Section 2.3.4 of the Code of Ethics of the MVM Group entitled “Giving, accepting and reciprocating business gifts and favours” there shall never be a goal to influence decision-making unfairly, and the maximum value that may be accepted per partner shall not exceed HUF 50,000 per year.

Lobbying

The administrative, management and supervisory bodies responsible for overseeing political influence and lobbying activities are the same as those described in chapter 12.2 (Board of Directors, Supervisory Board and Audit Committee). The members of the Supervisory Board include people who have held similar positions in public administration in the previous two years. This information is also explained in chapter 12.2.

The MVM Group’s Code of Ethics provides for a high level of lobbying and emphasises that the MVM Group will at all times act in accordance with local legal requirements in the countries where it operates. In trade and industry associations, multi-stakeholder organisations, local, regional and global partnerships, and in its dealings with the entity exercising ownership rights, the MVM Group communicates its values through commenting on draft legislation and other legislative documents affecting the industry.

The MVM Group does not engage in conventional lobbying activities but based on its ownership and its role and size in the industry, it has the opportunity to comment on legislation and potentially initiate amendments, mostly at the direct request of the legislator.

16. LIST OF INTEGRATED DISCLOSURE REQUIREMENTS

List of disclosure requirements fulfilled in the preparation of the sustainability statement as a result of the materiality assessment:

ESRS Standard code	ESRS Standard name	Disclosure requirement code	Disclosure requirement name	Reference to disclosure presentation (chapter/subchapter)
ESRS 2	General disclosures	BP-1	General basis for preparation of the sustainability statements	12. General information / 12.1. Basis for preparation
		BP-2	Disclosures in relation to specific circumstances	12. General information / 12.1. Basis for preparation
		GOV-1	The role of the administrative, management and supervisory bodies	12. General information / 12.2. Governance
		GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	12. General information / 12.2. Governance
		GOV-3	Integration of sustainability-related performance in incentive schemes	12. General information / 12.2. Governance
		GOV-4	Statement on due diligence	12. General information / 12.2. Governance
		GOV-5	Risk management and internal controls over sustainability reporting	12. General information / 12.2. Governance
		SBM-1	Strategy, business model and value chain	12. General information / 12.3. Strategy
		SBM-2	Interests and views of stakeholders	12. General information / 12.4. Materiality assessment, impacts, risks and opportunities
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	12. General information / 12.3. Strategy
		IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	12. General information / 12.4. Materiality assessment, impacts, risks and opportunities
		IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	12. General information / 12.5. List of ESRS requirements covered
ESRS E1	Climate change	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	12. General information / 12.2. Governance
		E1-1	Transition plan for climate change mitigation	13. Environmental information / 13.2. Climate change
		ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	13. Environmental information / 13.2. Climate change
		ESRS 2 IRO-1	Description of the process to identify and assess material climate-related impacts, risks and opportunities	13. Environmental information / 13.2. Climate change
		E1-2	Policies related to climate change mitigation and adaptation	13. Environmental information / 13.2. Climate change
		E1-3	Actions and resources in relation to climate change policies	13. Environmental information / 13.2. Climate change

		E1-4	Targets related to climate change mitigation and adaptation	13. Environmental information / 13.2. Climate change
		E1-5	Energy consumption and mix	13. Environmental information / 13.2. Climate change
		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	13. Environmental information / 13.2. Climate change
		E1-7	GHG removals and GHG mitigation projects financed through carbon credits	13. Environmental information / 13.2. Climate change
		E1-8	Internal carbon pricing	13. Environmental information / 13.2. Climate change
		E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not yet reported due to phased introduction.
ESRS E2	Pollution	ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	13. Environmental information / 13.3. Pollution
		E2-1	Policies related to pollution	13. Environmental information / 13.3. Pollution
		E2-2	Actions and resources related to pollution	13. Environmental information / 13.3. Pollution
		E2-3	Targets related to pollution	13. Environmental information / 13.3. Pollution
		E2-4	Pollution of air, water and soil	13. Environmental information / 13.3. Pollution
		E2-6	Anticipated financial impacts from pollution-related impacts, risks and opportunities	13. Environmental information / 13.3. Pollution
ESRS E3	Water and marine resources	ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	13. Environmental information / 13.4. Water
		E3-1	Policies related to water and marine resources	13. Environmental information / 13.4. Water
		E3-2	Actions and resources related to water and marine resources	13. Environmental information / 13.4. Water
		E3-3	Targets related to water and marine resources	13. Environmental information / 13.4. Water
		E3-4	Water consumption	13. Environmental information / 13.4. Water
ESRS E4	Biodiversity and ecosystems	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	13. Environmental information / 13.5. Biodiversity and ecosystems
		ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	13. Environmental information / 13.5. Biodiversity and ecosystems
		E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	13. Environmental information / 13.5. Biodiversity and ecosystems

		E4-2	Policies related to biodiversity and ecosystems	13. Environmental information / 13.5. Biodiversity and ecosystems
		E4-3	Actions and resources related to biodiversity and ecosystems	13. Environmental information / 13.5. Biodiversity and ecosystems
		E4-4	Targets related to biodiversity and ecosystems	13. Environmental information / 13.5. Biodiversity and ecosystems
		E4-5	Impact metrics related to biodiversity and ecosystems change	13. Environmental information / 13.5. Biodiversity and ecosystems
		E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	13. Environmental information / 13.5. Biodiversity and ecosystems
ESRS E5	Resource use and circular economy	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	13. Environmental information / 13.6. Waste management
		E5-1	Policies related to resource use and circular economy	13. Environmental information / 13.6. Waste management
		E5-2	Actions and resources related to resource use and circular economy	13. Environmental information / 13.6. Waste management
		E5-3	Targets related to resource use and circular economy	13. Environmental information / 13.6. Waste management
		E5-5	Resource outflows	13. Environmental information / 13.6. Waste management
		E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	13. Environmental information / 13.6. Waste management
ESRS S1	Own workforce	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	14. Social information / 14.1. Own workforce
		S1-1	Policies related to own workforce	14. Social information / 14.1. Own workforce
		S1-2	Processes for engaging with own workforce and workers' representatives about impacts	14. Social information / 14.1. Own workforce
		S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	14. Social information / 14.1. Own workforce
		S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	14. Social information / 14.1. Own workforce
		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	14. Social information / 14.1. Own workforce
		S1-6	Characteristics of the undertaking's employees	14. Social information / 14.1. Own workforce
		S1-7	Characteristics of non-employees in the undertaking's own workforce	14. Social information / 14.1. Own workforce
		S1-8	Collective bargaining coverage and social dialogue	14. Social information / 14.1. Own workforce
		S1-9	Diversity metrics	14. Social information / 14.1. Own workforce

		S1-11	Social protection	14. Social information / 14.1. Own workforce
		S1-12	Persons with disabilities	Not yet reported due to phased introduction.
		S1-13	Training and skills development metrics	14. Social information / 14.1. Own workforce
		S1-14	Health and safety metrics	14. Social information / 14.1. Own workforce
		S1-16	Remuneration metrics (pay gap and total remuneration)	14. Social information / 14.1. Own workforce
		S1-17	Incidents, complaints and severe human rights impacts	14. Social information / 14.1. Own workforce
ESRS S2	Workers in the value chain	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	14. Social information / 14.2. Workers in the value chain
		S2-1	Policies related to value chain workers	14. Social information / 14.2. Workers in the value chain
		S2-2	Processes for engaging with value chain workers about impacts	14. Social information / 14.2. Workers in the value chain
		S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	14. Social information / 14.2. Workers in the value chain
		S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	14. Social information / 14.2. Workers in the value chain
		S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	14. Social information / 14.2. Workers in the value chain
ESRS S3	Affected communities	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	14. Social information / 14.3. Affected communities
		S3-1	Policies related to affected communities	14. Social information / 14.3. Affected communities
		S3-2	Processes for engaging with affected communities about impacts	14. Social information / 14.3. Affected communities
		S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	14. Social information / 14.3. Affected communities
		S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	14. Social information / 14.3. Affected communities
		S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	14. Social information / 14.3. Affected communities
ESRS S4	Consumers and end-users	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	14. Social affairs / 14.4. Consumers
		S4-1	Policies related to consumers and end-users	14. Social affairs / 14.4. Consumers
		S4-2	Processes for engaging with consumers and end-users about impacts	14. Social affairs / 14.4. Consumers
		S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	14. Social affairs / 14.4. Consumers
		S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	14. Social affairs / 14.4. Consumers

		S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	14. Social affairs / 14.4. Consumers
ESRS G1	Business conduct	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	12. General information / 12.2. Governance
		G1-1	Business conduct policies and corporate culture	15. Governance information / G1-1
		G1-2	Management of relationships with suppliers	15. Governance information / G1-2
		G1-3	Prevention and detection of corruption and bribery	15. Governance information / G1-3
		G1-4	Incidents of corruption or bribery	15. Governance information / G1-4
		G1-5	Political influence and lobbying activities	15. Governance information / G1-5
		G1-6	Payment practices	15. Governance information / G1-6

List of datapoints from EU legislation

List of datapoints from EU legislation

Disclosure requirement and associated datapoint	Reference to disclosure presentation (page number)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	12. General information / 12.2. Governance
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	12. General information / 12.2. Governance
ESRS 2 GOV-4 Statement on due diligence paragraph 30	12. General information / 12.2. Governance
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	12. General information / 12.3. Strategy
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	13. Environmental information / 13.2. Climate change
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)	13. Environmental information / 13.2. Climate change
ESRS E1-4 GHG emission reduction targets paragraph 34	13. Environmental information / 13.2. Climate change
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	13. Environmental information / 13.2. Climate change
ESRS E1-5 Energy consumption and mix paragraph 37	13. Environmental information / 13.2. Climate change
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	13. Environmental information / 13.2. Climate change
ESRS E1-6: Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	13. Environmental information / 13.2. Climate change
ESRS E1-6: Gross GHG emissions intensity paragraphs 53 to 55	13. Environmental information / 13.2. Climate change
ESRS E1-7 GHG removals and carbon credits paragraph 56	13. Environmental information / 13.2. Climate change
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not yet reported due to phased introduction.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Not yet reported due to phased introduction.
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes paragraph 67 (c).	Not yet reported due to phased introduction.
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Not yet reported due to phased introduction.
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	28.b) Not material
ESRS E3-1 Water and marine resources paragraph 9	13. Environmental information / 13.4 Water
ESRS E3-1 Dedicated policy paragraph 13	13. Environmental information / 13.4 Water
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not material

ESRS E3-4 Total water consumption in m ³ per EUR million in net revenue on own operations paragraph 29	13. Environmental information / 13.4 Water
ESRS 2 - IRO 1 - E4 paragraph 16 (a) i)	13 Environmental information / 13.5 Biodiversity and ecosystems
ESRS 2 - IRO 1 - E4 paragraph 16 (b)	13 Environmental information / 13.5 Biodiversity and ecosystems
ESRS 2 - IRO 1 - E4 paragraph 16 (c)	13 Environmental information / 13.5 Biodiversity and ecosystems
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	13 Environmental information / 13.6 Waste management
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	13 Environmental information / 13.6 Waste management
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Not material
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Not material
ESRS S1-1 Human rights policy commitments paragraph 20	14. Social information / 14.1. Own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	14. Social information / 14.1. Own workforce
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	14. Social information / 14.1. Own workforce
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	14. Social information / 14.1. Own workforce
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	14. Social information / 14.1. Own workforce
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	14. Social information / 14.1. Own workforce
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Not yet reported due to phased introduction.
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	14. Social information / 14.1. Own workforce
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	14. Social information / 14.1. Own workforce
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	14. Social information / 14.1. Own workforce
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	14. Social information / 14.1. Own workforce
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	14. Social information / 14.2. Workers in the value chain
ESRS S2-1 Human rights policy commitments paragraph 17	14. Social information / 14.2. Workers in the value chain
ESRS S2-1 Policies related to value chain workers paragraph 18	14. Social information / 14.2. Workers in the value chain
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	14. Social information / 14.2. Workers in the value chain
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	14. Social information / 14.2. Workers in the value chain
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	14. Social information / 14.2. Workers in the value chain
ESRS S3-1 Human rights policy commitments paragraph 16	14. Social information / 14.3. Affected communities
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	14. Social information / 14.3. Affected communities

ESRS S4-1 Policies related to consumers and end-users paragraph 16	14. Social affairs / 14.4. Consumers
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	14. Social affairs / 14.4. Consumers
ESRS S4-4 Human rights issues and incidents paragraph 35	14. Social affairs / 14.4. Consumers
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	15. Governance information / ESRS G1-1
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	15. Governance information / ESRS G1-4
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	15. Governance information / ESRS G1-4

Liability statement

2024

LIABILITY STATEMENT

The undersigned, as persons authorised to sign on behalf of and represent MVM Energetika Zártkörűen Működő Részvénytársaság (MVM Zrt.), declare that MVM Zrt. assumes full responsibility for the fact that the 2024 consolidated financial statements published by MVM Zrt. have been prepared to the best of our knowledge and in compliance with Hungarian accounting standards (pursuant to Article 10 of Act C of 2000 on Accounting), in accordance with International Financial Reporting Standards (IFRS), and provide a true and fair view of the assets, liabilities, financial position and profit and loss of MVM Zrt. and the consolidated companies.

We declare that the Management Report provides a reliable picture of the situation, development and performance of MVM Zrt. and the companies included in the consolidation, outlining the main risks and uncertainties.

We declare that the Management Report has been prepared in accordance with sustainability reporting standards as per Section 95/D (1) 3 of the Act on Accounting as well as provisions accepted in compliance with Article 8 (4) of Regulation (EU) 2020/852 of the European Parliament and of the Council.

Budapest, 25 April 2025



Károly Tamás Mátrai
Chief Executive Officer
MVM Zrt.



László Fazekas
Deputy CEO, Chief Financial Officer
MVM Zrt.

STANDALONE FINANCIAL STATEMENTS



MVM

MVM Energetika Zártkörűen Működő Részvénytársaság

Financial Statements

**prepared in accordance with International Financial Reporting Standards as
adopted by the EU**

2024

Budapest, 25 April 2025



Károly Tamás Mátrai

Chief Executive Officer



László Fazekas

Deputy CEO, Chief Financial Officer

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I. Financial Statements

1. Statement of Financial Position

Statement of Financial Position (in HUF million)	Note III.	31.12.2024	31.12.2023
Property, plant and equipment	1.	11,247	8,653
Investment property	2.	5,496	5,389
Intangible assets	3.	49	45
Interests in subsidiaries, joint ventures and associates	4.	1,690,180	1,621,407
Interests in other entities	5.	2,752	2,233
Non-current loans and receivables	6.	839,299	400,651
Derivative financial assets	26.	19,200	53,805
Deferred tax assets	7.	-	-
Non-current assets		2,568,223	2,092,183
Inventories	8.	174	205
Derivative financial assets	26.	76,908	344,237
Trade receivables and other non-derivative financial assets	26.	685,208	1,861,378
Other non-financial assets	9.	6,292	4,874
Current tax assets	7.	248	-
Non-current assets held for sale	10.	34,910	168
Restricted cash	11.	155	154
Cash and cash equivalents	12.	509,306	546,668
Current assets		1,313,201	2,757,684
Total assets		3,881,424	4,849,867

MVM Energetika Zártkörűen Működő Részvénytársaság
Financial Statements
For the year ended 31 December 2024
(All figures are in HUF million except if otherwise indicated)

Statement of Financial Position (in HUF million)	Note III.	31.12.2024	31.12.2023
Share capital	13.	849,379	849,379
Capital reserve	13.	51,892	51,892
Retained earnings	13.	354,662	501,836
Other reserves	13.	1,572	1,088
Shareholder's equity		1,257,505	1,404,195
Non-current loans and borrowings	14.	1,091,212	1,308,320
Non-current derivative financial liabilities	26.	18,336	62,681
Deferred tax liabilities	7.	94	-
Liabilities related to long-term employee benefits	16.	80	83
Other non-current financial liabilities	15.	4,761	4,524
Non-current liabilities		1,114,483	1,375,608
Current loans and borrowings	14.	1,379,268	1,261,706
Current derivative financial liabilities	26.	74,099	342,178
Trade payables and other non-derivative financial liabilities	26.	43,235	455,733
Current provisions	17.	188	167
Liabilities related to short-term employee benefits	16.	1,182	877
Current tax liabilities	7.	247	696
Other current non-financial liabilities	18.	11,217	8,707
Current liabilities		1,509,436	2,070,064
Liabilities		2,623,919	3,445,672
Total equity and liabilities		3,881,424	4,849,867

MVM Energetika Zártkörűen Működő Részvénytársaság
Financial Statements
For the year ended 31 December 2024
(All figures are in HUF million except if otherwise indicated)

2. Statement of Comprehensive Income

Statement of Comprehensive Income (in HUF million)	Note III.	2024	2023
Sales revenue	19.	56,080	48,987
Other operating income	20.	406	1,424
<i>Operating expenses</i>		52,733	48,341
Material-type expenses	21.	172	163
Staff costs	22.	7,589	7,923
Depreciation/Amortisation	1., 2., 3.	870	996
Recognition and release of provisions	17.	21	-161
Recognition and reversal of impairment	23.	-1,208	34
<i>-of which recognition and reversal of impairment under IFRS 9</i>		-1,210	-11
Other operating expenses	24.	45,289	39,386
Own performance capitalised		-	-
Operating profit / loss (-)		3,753	2,070
Finance income	25.	542,000	757,794
Finance costs	25.	367,335	545,419
Net finance income (+) / cost (-)		174,665	212,375
Profit before tax		178,418	214,445
Income tax expense	7.	1,600	1,912
Profit after tax		176,818	212,533
Other comprehensive income			
<i>Other comprehensive income that cannot be accounted for in profit or loss in subsequent periods:</i>		492	-89
Revaluation of employee benefits (net of tax)	13.	19	10
Changes in fair value of interests measured at fair value through other comprehensive income (net of tax)	13.	473	-99
<i>Other comprehensive income that can be accounted for in profit or loss in subsequent periods:</i>		-	-
Other comprehensive income for the year, net of tax		492	-89
Total comprehensive income		177,310	212,444

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3. Statement of Cash Flows

Statement of Cash Flows (in HUF million)	Note III.	2024	2023
Profit for the year (profit after tax)		176,818	212,533
Depreciation/ Amortisation	1., 2., 3.	870	996
Impairment and scrapping of property, plant, equipment and intangible assets	23.	-	6
Grant income booked	20.	-25	-51
Impairment of inventories (+) and reversal thereof (-)	23.	2	39
Impairment of receivables (+) and reversal thereof (-), derecognition of bad debts	23.	-1,207	-11
Gain (-)/Loss (+) on the derecognition of property, plant and equipment and other intangible assets		-3	-1
Gain (-)/Loss (+) on the derecognition of non-current assets held for sale		-315	-
Share of profit (-)/loss (+) of subsidiaries, associates and joint ventures	20., 25.	24,010	11,618
Unrealised foreign exchange gains (-)/losses (+)		60,823	2,301
Dividends received	25.	-230,279	-204,007
Interest income	25.	-121,427	-204,919
Interest expense	25.	124,356	182,293
Income tax expense	7.	1,600	1,912
Cash flows from operating activities before changes in working capital		35,223	2,709
Changes in inventories	8.	-3	3
Changes in trade receivables and other non-derivative financial assets		400,856	-77,747
Changes in other non-financial assets	9.	-1,420	1,645
Changes in trade payables and other non-derivative financial liabilities		-416,606	41,801
Changes in provisions	17.	21	-161
Changes in other non-current financial liabilities	15.	-	-5
Changes in other non-financial liabilities	18.	2,535	438
Changes in liabilities related to employee benefits	16.	317	-341
Changes in derivative financial assets and liabilities	26.	-10,490	39,713
Changes in restricted cash	11.	-1	139

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Statement of Cash Flows (in HUF million)	Note III.	2024	2023
Cash flows from operating activities		10,432	8,194
Income tax paid		-2,250	-1,581
Net cash flows from operating activities		8,182	6,613
Dividends received		230,279	201,673
Interest received		120,977	203,041
Acquisition of property, plant and equipment, intangible assets		-3,071	-337
Sale of property, plant and equipment, intangible assets		5	180
Sale of non-current assets held for sale		483	-
Development grants received		-	-
Granting and repayment of loans		185,350	-14,269
Acquisition of interests in subsidiaries	4.	-127,962	-76,147
Sale of interests in subsidiaries		301	-
Acquisition of interests in associates and joint ventures	4.	-	-730
Sale of interests in associates and joint ventures		-	-
Cash flows from investing activities		406,362	313,411
Dividends, interim dividends paid	13.	-141,000	-417,048
Interest paid		-122,223	-184,229
Capital increase	13.	-	-
Transactions with the shareholder	13.	-	-
Loans and borrowings	14.	1,464,641	2,673,900
Repayment of loans and borrowings	14.	-1,857,670	-2,452,851
Payment of lease liability		-575	-604
Cash flows from financing activities		-656,827	-380,832
Net decrease in cash and cash equivalents		-242,283	-60,808
Cash and cash equivalents at the beginning of the year	12.	-384,940	-316,438
Effect of movements in exchange rates on cash held		-7,035	-7,694
Cash and cash equivalents at the end of the year	12.	-634,258	-384,940

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4. Statement of Changes in Equity

(in HUF million)	Note III.	Share capital	Capital reserve	Retained earnings	Other reserves			Total
					Fair value reserve	Reserve for employee benefits	Total other reserves	
Balance at 1 January 2023		849,379	51,892	397,351	992	185	1,177	1,299,799
<i>Profit for the reporting period</i>		-	-	212,533	-	-	-	212,533
<i>Other comprehensive income</i>		-	-	-	-99	10	-89	-89
Total comprehensive income		-	-	212,533	-99	10	-89	212,444
Dividend payment	13.	-	-	-108,048	-	-	-	-108,048
Balance at 31 December 2023		849,379	51,892	501,836	893	195	1,088	1,404,195
<i>Profit for the reporting period</i>		-	-	176,818	-	-	-	176,818
<i>Other comprehensive income</i>		-	-	-	473	19	492	492
Total comprehensive income		-	-	176,818	473	19	492	177,310
Reclassification from other comprehensive income to retained earnings		-	-	8	-	-8	-8	-
Dividend payment	13.	-	-	-324,000	-	-	-	-324,000
Balance at 31 December 2024		849,379	51,892	354,662	1,366	206	1,572	1,257,505

II. Notes to the financial statements – General

1. General information - Company background

MVM Energetika Zártkörűen Működő Részvénytársaság (formerly MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, hereinafter referred to as MVM Zrt. or the Company) was formed on 31 December 1991 through transformation of its legal predecessor Magyar Villamos Művek Tröszt (hereinafter referred to as MVM Tröszt). MVM Zrt. is a Hungarian-registered private company limited by shares. Its owner is the Hungarian State which holds 100% of its shares; ownership rights and obligations pertaining to the shares of the State have been exercised by the Ministry of Energy since 1 December 2022.

Registered office of the Company is Hungary, 1031 Budapest, Szentendrei út 207-209.

MVM Zrt. and the companies controlled by it (hereinafter referred to as MVM Group or Group) form together a vertically integrated national energy group, the operation of which covers the entire Hungarian energy sector.

Subsidiaries, joint ventures and associates are listed in Note III. 35.

2. Statement of compliance and approval of the financial statements

Statement of compliance

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (hereinafter referred to as EU) (hereinafter referred to as EU IFRS).

These financial statements were approved by the Board of Directors of MVM Zrt. on 16 April 2025.

3. Basis of preparation and significant accounting policies

Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following items, which are stated at fair value:

- derivative transactions measured at fair value through profit or loss (Note II.4. b));
- equity instruments measured at fair value through other comprehensive income (Note II.4. b)).

In accordance with IFRSs, the provisions of the Hungarian Act on Accounting (Act C of 2000 on Accounting) are applied by the Company to matters not regulated by IFRSs.

The financial year corresponds to the calendar year. The Company prepares the financial statements on a going concern basis.

Presentation and functional currency

Considering the substance and circumstances of the business events underlying the annual financial statements, the reporting currency of MVM Zrt. is the Hungarian forint. The balance sheet total in the annual financial statements of MVM Zrt. is more than one hundred billion forints, therefore the figures in the annual financial statements are presented in HUF million, rounded to the nearest million, in accordance with Section 20 (2) of the Act on Accounting.

The functional currency of MVM Zrt. is the Hungarian forint (HUF). Under IAS 21, the functional currency is the currency of the primary economic environment in which the entity operates. MVM Zrt. considered the following primary factors when determining its functional currency:

- the currency that mainly influences sales prices for goods and services;
- the currency that is the official currency of the country whose competitive forces and regulations mainly determine its operations;
- the currency that mainly influences labour, material and other costs.

Furthermore, MVM Zrt. considered the currency in which funds from financing activities are generated as well as the currency in which receipts from operating activities are retained.

a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of MVM Zrt. at exchange rates at the dates of the transactions, in accordance with IAS 21.

Of the options provided in Section 60 of the Act on Accounting, MVM Zrt. chose to determine the forint value of transactions in foreign currencies using the exchange rate of the National Bank of Hungary valid and available at the settlement date and included in the SAP system – or in another bookkeeping system – when booking, which ensures compliance with the requirement of the true and fair view. In the case of foreign currencies that are not included on the official list of exchange rates at the Magyar Nemzeti Bank, MVM Zrt. applies the cross rates calculated from the exchange rates in the quarterly publication of the Magyar Nemzeti Bank entitled “Magyar Nemzeti Bank announcement on the exchange rates to euros for currencies not included on the MNB’s official list of foreign currency exchange rates” and from the EUR rate for the given performance date in SAP as of the booking date.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the above reporting-date exchange rate.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Gains and losses arising on re-measurement are included in the profit or loss, except available-for-sale equity instruments, which are presented in other comprehensive income. Non-monetary items measured at cost are translated into the functional currency using the exchange rate valid on the date of the transaction.

b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Cash and cash equivalents are defined by IAS 7 as short-term, highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Non-derivative financial instruments are recognised initially at fair value plus or minus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

MVM Zrt. is required to recognise a financial asset or a financial liability in its balance sheet when and only when the contractual provisions of the instrument become relevant to it.

Financial assets are derecognised when the MVM Zrt.'s contractual rights to the cash flows from the asset expire, or when it transfers such rights in transaction in which substantially all risks and rewards of ownership of the financial asset are transferred.

MVM Zrt. derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are recognised on a net basis in the statement of financial position when and only when MVM Zrt. has a legal right to offset the amounts, and it intends either to settle them on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets

MVM Zrt. classifies its financial assets into the following categories, based on the business model applied to manage financial assets as well as contractual cash flow characteristics of the financial asset:

1. Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost, if:

- a. the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- b. the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (hereinafter referred to as: "SPPI").

Financial assets measured at amortised cost are recorded in the books at fair value and are measured subsequently at amortised cost using the effective interest method.

MVM Zrt. classifies the following assets into the amortised cost category:

- non-current loans and receivables (including investment, revolving and working capital loans disbursed to subsidiaries);
- trade receivables and other non-derivative financial assets;
- restricted cash;

- cash and cash equivalents.

2. Debt instruments measured at fair value through other comprehensive income (“FVOCI”)

A financial asset is classified into this category, if:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b. the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

No financial assets were classified into this category by MVM Zrt.

3. Equity instruments measured at fair value through other comprehensive income (“FVOCI”)

MVM Zrt. classifies financial assets into the FVOCI equity instruments category, if:

- a. those are not held for trading;
- b. MVM Zrt. makes an irrevocable election to measure the equity instrument at fair value through other comprehensive income (“FVOCI option”).

FVOCI equity instruments are measured at fair value both upon initial recognition and subsequently. Changes in the fair value of financial assets classified into this category are accounted for in the fair value reserve within other comprehensive income, whereby amounts resulting from the changes in the fair value may not be reclassified into profit or loss even upon the derecognition of the instrument.

At its discretion, MVM Zrt. measures all equity instruments within the scope of IFRS 9 at fair value through other comprehensive income.

4. Financial assets measured at fair value through profit or loss (“FVTPL”)

Financial assets of MVM Zrt. that cannot be classified into either of the above categories are classified into this category, namely:

- debt instruments that either fail to meet the SPPI criterion or are considered held for trading based on the business model of MVM Zrt.;
- debt instruments that were irrevocably designated as measured at fair value through profit or loss upon initial recognition;
- equity instruments that are held by MVM Zrt. for trading, that is, which have been acquired for the purpose of reselling them immediately or in the near term;
- equity instruments that are not considered held for trading but MVM Zrt. did not apply the FVOCI option to them;
- derivative financial assets.

Financial assets at fair value through profit or loss are recorded at fair value following initial recognition as well. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit or loss in the year when they are incurred. MVM Zrt. classifies only derivative financial instruments not subject to hedge accounting into this category.

Financial liabilities

MVM Zrt. classifies financial liabilities as follows:

- financial liabilities measured at amortised cost;
- financial liabilities measured at fair value through profit or loss.

For financial liabilities measured at fair value through profit or loss, attributable transaction costs are recognised in profit or loss when incurred, while financial liabilities carried at amortised cost are recorded at fair value less directly attributable transaction costs. Financial liabilities are derecognised when contractual obligations are discharged, cancelled or expire.

Financial liabilities measured at amortised cost

The financial liabilities at amortised cost category includes all financial liabilities which are not classified as financial liabilities at fair value through profit or loss.

(a) Loans and other borrowings

Loans and borrowings are recognised initially at fair value less transaction costs. If identified borrowing costs incur before the disbursement of the loan or, in the case of revolving loans, the costs related to the drawing of the whole facility and there is no open drawdown of the facility as of the given reporting date, borrowing costs are transferred to other non-financial assets when incurred/upon periodic repayment. In subsequent periods these are recognised at amortised cost using the effective interest method that takes planned drawdowns and repayments into account. Effective interest is accounted for in profit or loss (as finance costs) over the term of the loan. If the loan is not expected to be drawn, borrowing costs are accounted for in profit or loss (as finance costs) over the period when the loan can be drawn, using the straight-line method.

(b) Trade and other payables

Trade and other payables (including deferrals and accruals) are recognised initially at fair value. In subsequent periods these are recognised at amortised cost using the effective interest method.

Financial liabilities measured at fair value through profit or loss

As currently MVM Zrt. does not intend to measure non-derivative financial instruments at fair value, only derivative financial instruments not subject to hedge accounting are classified into this category.

ii. Parent company guarantees

As MVM Zrt. charges a one-off guarantee fee to the subsidiaries on each guarantee issued by the Company, it needs to recognise this during initial recognition as a liability from financial guarantee contracts against cash and cash equivalents.

The guarantee fee shall be recognised as revenue over the term of the guarantee in accordance with IFRS 15, as it is considered a performance obligation satisfied over time, i.e. it shall be accounted for over the term of the guarantee and the letter of credit, using the straight-line method.

If the guarantee contract meets the definition of financial guarantee contract in IFRS 9, the contract is within the scope of IFRS 9 and is accounted for by MVM Zrt. as follows:

- On initial recognition the Company measures it at fair value, which is considered to equal the amount of the guarantee fee received;
- During subsequent measurement it is recognised at the higher of:
 - The amount of expected loss calculated in accordance with the provisions of IFRS 9;
 - The amount of future revenue from guarantee fees, not yet accounted for in accordance with the provisions of IFRS 15.
- The expected loss of the individual guarantees issued is assessed at each measurement date, whereby the calculation of the expected loss also takes the value of collateral received into account, based on the expected loss calculation methodology of IFRS 9.

(iii) Derivative financial instruments

MVM Zrt. enters into forward non-hedging foreign exchange, natural gas, heating and diesel oil sale and purchase transactions, as well as swap and option transactions.

To manage interest rate risk connected to loans, MVM Zrt. enters into interest rate swap transactions that are not designated as hedge relationships.

Derivative transactions not subject to hedge accounting are initially recognised and subsequently measured at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Fair value upon initial recognition and fair value changes following initial recognition are recognised in profit or loss.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in a host contract that is considered a financial asset are not separated from the host contract; in such cases the SPPI test is applied to the entire hybrid contract (consisting of an embedded derivative and a host contract).

c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash include cash on hand and demand deposits, while cash equivalents comprise short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

d) Statement of cash flows

The Company prepares the statement of cash flows using the indirect method.

For the purposes of the statement of cash flows, overdraft facilities are recognised as part of cash and cash equivalents.

Items related to the payment of lease liabilities are classified into financing cash flows.

e) Restricted cash

Restricted cash comprises funds that are restricted in some way, generally managed separately from unrestricted cash in order to cover some specific objective. The category of restricted cash includes funds held without any effective right of access (e.g. security deposit), but funds that are technically unrestricted, whose use is limited by law or a valid contract, should be treated as restricted cash too.

f) Shareholder's equity

MVM Zrt. classifies ordinary shares as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Capital increase provided by the shareholders but not yet registered by the Court of Registration is recognised in shareholders' equity as Unregistered contributed capital.

The capital reserve originated on the one hand from the transformation of MVM Tröszt into a business association, on the other hand, as a result of a transformation under corporate law.

Under Section 114/B of the Hungarian Act on Accounting, MVM Zrt. is required to prepare an equity correlation table.

g) Dividend paid to shareholders

A dividend liability is recognised when it is approved for payment by the shareholder. The amount of the dividend is recognised directly as a reduction in retained earnings.

MVM Zrt. recognises amounts paid as interim dividend as receivables from shareholders until those are finally approved by the shareholder based on the annual financial statements prepared following the payment of the interim dividend.

h) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Initial recognition

Property, plant and equipment are initially recognised at cost. Cost includes expenses that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the assets and restoring the site on which they are located, as well as borrowing costs attributable to the acquisition, construction or production of a qualifying asset.

In case of self-construction, the gross value of the tangible asset (on capitalisation) is the direct costs of production, which is supported by calculations made in relation to the tangible asset.

Purchased software that is an integral part of the operation of equipment increase the cost of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Before being entered into the balance sheet, the assets shall be checked based on an inventory and valuation, and the figures shall be reconciled with the values in the sub-ledger and the general ledger. A detailed statement (inventory) must be prepared on the assets by activity group, type, and thereafter individually.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to MVM Zrt. and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing (maintenance costs) of property, plant and equipment are recognised in profit or loss as incurred.

Subsequent measurement

Tangible assets are measured at cost less accumulated depreciation and accumulated impairment.

Depreciation

Based on the provisions of IAS 16, depreciation is accounted for using component accounting. MVM Zrt. allocates the cost of tangible assets to major parts, i.e. components, based on their economic characteristics, and allocates to each its respective useful life.

Depreciation is calculated over the cost of an asset, less its residual value. Residual value is considered zero if it is less than 10% of cost. Residual value is assessed only for non-production vehicles. For other assets – due to their nature – no residual value is assessed.

For depreciation on a pro-rata temporis basis the useful life is the expected period of use, while when the units of production method is used, the expected lifetime production of the asset.

MVM Zrt. uses only the pro-rated, straight-line method, as this reflects best the expected timing of future economic benefits embodied in the assets. Land is not depreciated.

The estimated useful lives for the reporting and comparative periods in the case of straight-line depreciation are as follows:

• Property	10-100 years
• Plant machinery, equipment	12-32 years
• Other machinery, equipment	2-10 years

Depreciation is accounted for from the date when the assets are completed and are ready for use, until the intended use of the asset is discontinued or the residual value is reached. The exceptions to the above rules are the so-called service-life assets, where the depreciation is calculated on a straight-line basis until the end of the expected service life, in which case the depreciation starts from the first day of the month following capitalisation, and is based on months, not days.

The date of first use or commissioning of tangible assets is the day the successful trial run is completed, when the official permit is acquired, the day of order picking, or the date when the conditions enabling the start of proper operations are ensured. The first use or commissioning must always be credibly documented.

Depreciation is accounted for monthly as of the last day of the month.

Depreciation methods, useful lives and residual values are reassessed annually at each reporting date.

MVM Zrt. may change the depreciation rates for any tangible assets if a material change occurs in their expected useful life, the value of the asset or in the expected residual value. A change is considered material if the useful life changes by more than 10% or if the residual value changes by more than 20%. If the impact of the change on the reporting year profit or loss exceeds HUF 10 million, then this must be presented in the supplementary notes.

Construction in progress includes purchases in progress and items in production at cost, which comprises the acquisition costs and the direct prime costs. Items of constructions in progress are not depreciated, but they are tested for impairment each year.

Derecognition

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

i) Investment property

MVM Zrt. classifies property as investment property when it is held either to earn rental income or for capital appreciation or for both, but not for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

Investment property is measured based on the cost model; the Note on tangible assets applies to these assets as well in respect of the depreciation method and useful lives.

j) Intangible assets

Initial recognition

MVM Zrt. recognises an intangible asset if it meets the definition of an intangible asset (identifiable non-monetary asset without physical substance) and the recognition criteria set forth in the Conceptual Framework.

An intangible asset can be acquired or internally generated.

Cost includes expenses that are directly attributable to the acquisition of the asset, such as the purchase price and the costs of preparing the intangible asset for its intended use.

MVM Zrt. does not recognise internally generated brand names and customer lists, because these do not meet the definition of an intangible asset, i.e. are not separable.

Subsequent measurement

Intangible assets recognised by MVM Zrt. which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expense, including expense on internally generated goodwill and brands, is recognised in profit or loss when incurred.

Amortisation

Amortisation is accounted for based on cost less residual value of assets in profit or loss using the straight-line method over the estimated useful lives of intangible assets from the date that they are available for use.

The amortisation method, useful lives and residual values are reviewed on each reporting date and are adjusted if necessary.

Derecognition

Gains and losses on disposal of an intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible assets, and are recognised net within other operating income or other operating expenses in profit or loss.

k) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MVM Zrt. applies IFRS 16 to all leases, including leases of right-of-use assets in a sublease, except for:

- leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources;
- leases of biological assets within the scope of IAS 41 Agriculture held by the lessee;
- service concession arrangements within the scope of IFRIC 12 Service Concession Arrangements;
- licences of intellectual property granted by the lessor within the scope of IFRS 15 Revenue from Contracts with Customers; and
- rights held by the lessee under licensing agreements within the scope of IAS 38 Intangible Assets for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights.

MVM Zrt. acting as a lessor

Finance lease

Lease contracts are presented as finance leases if the lease transfers substantially all the risks and rewards incidental to ownership to the lessee. All other lease contracts are presented as operating leases.

A finance lease is a transaction in which MVM Zrt. transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

Amounts due from the lessee under a finance lease are presented as receivables at an amount equal to MVM Zrt.'s net investment in the lease.

During the term of a finance lease, all lease payments received are split between principal repayment of the liability and interest income, to produce a constant rate of return on the net investment in the finance lease. The interest income element of the finance lease is recognised as Interest income. Initial measurement of finance lease receivables includes direct costs, such as commissions.

Operating lease

An operating lease is a transaction that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. For operating leases, lease payments are accounted for in the income statement.

MVM Zrt. acting as a lessor reports an asset subject to an operating lease contract in the balance sheet as a tangible or intangible asset based on the nature of the asset. MVM Zrt. accounts for depreciation or amortisation on these over their entire useful life.

Lease payments received from operating leases are recognised as income on a straight-line basis over the term of the lease.

MVM Zrt. acting as a lessee

Initial recognition in the balance sheet

MVM Zrt. as a lessee recognises a right-of-use asset and a lease liability at the commencement date. Exceptions to the above rule are short-term leases (where the lease term is less than one year) and leases for which the value of the underlying asset when new is less than HUF 1.5 million. MVM Zrt. accounts for lease payments paid for these short-term and/or low-value leases as operating costs on a straight-line basis over the term of the lease.

MVM Zrt. separates non-lease components (e.g. maintenance costs of leased property) from lease components, and does not use the practical expedient in IFRS 16.15. An exception to this are the motor vehicles leased by MVM Zrt., for which non-lease components are taken into account in the determination of the total cash flows of the lease.

Lease payments are payments made by MVM Zrt. to the lessor relating to the right to use the underlying asset during the lease term, comprising the following:

- fixed payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;
- amounts expected to be payable by the lessee under residual value guarantees.

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease (i.e. the rate of interest that causes the present value of the lease payments and the unguaranteed residual value to equal the sum of the fair value of the underlying asset and any initial direct costs of the lessor), or if no such is stipulated in the contract, the MVM Zrt.'s

incremental borrowing rate (the rate of interest that MVM Zrt. would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment).

At the commencement date, the right-of-use-asset is measured at the amount of the initial measurement of the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received as well as any initial direct costs incurred by MVM Zrt. and an estimate of costs to be incurred by MVM Zrt. in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

On initial recognition the assets and liabilities from the lease are stated in the balance sheet at present value. The measurement takes non-cancellable lease payments (including payments linked to inflation) into account, and includes items payable in the periods covered by an option if MVM Zrt. is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease.

The commencement date of the lease is the date on which the lessor makes an underlying asset (e.g. property, plant or equipment subject to the lease) available for use by MVM Zrt. On the commencement date the lease term commences and a lease liability and a right-of-use asset are recorded in the balance sheet.

To determine whether MVM Zrt. is reasonably certain to exercise the option to extend the lease or not to exercise the option to terminate the lease, it considers all relevant facts and circumstances that may create an economic incentive for it to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Revision of lease contracts

Remeasurements

Under IFRS 16, a lease liability shall be remeasured, if the change in the conditions relating to the lease contract is based on existing contractual provisions, i.e. that have formed part of the contract since initial recognition.

MVM Zrt. as a lessee revises the lease term, that is, whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of MVM Zrt.; and affects whether MVM Zrt. is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

Lease modifications

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term). A modification may also arise only from a change in the consideration. The effective date of the modification is the date when both parties agree to the lease modification. MVM Zrt. shall account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If these criteria are met, the modification is deemed a new lease separate from the original lease.

An agreement on the right to use one or more additional assets is booked as a separate lease, for which the requirements of IFRS 16 apply, irrespective of the original lease.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification MVM Zrt. as a lessee accounts for the modification by remeasuring the lease liability by using a discount rate determined on that date.

For lease modifications that decrease the scope of the lease, MVM Zrt. decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognises a gain or loss that reflects proportionally the decrease in the scope.

For all other lease modifications MVM Zrt. as a lessee makes a corresponding adjustment to the right-of-use asset.

Upon the modification of a lease, the revised lease payments are always discounted using a revised discount rate.

Presentation of leases

Right-of-use assets from lease contracts are recognised in the balance sheet within Property, plant and equipment, while lease liabilities are included in Other non-current financial liabilities and Trade payables and other non-financial liabilities.

In the income statement, the depreciation charge for right-of-use assets shall be presented within Depreciation and amortisation, while the interest expense on the lease liabilities shall be recognised within Finance expenses.

In the statement of cash flows, interest calculated and paid on the lease liability is presented within Net cash from operating activities, while cash payments for the principal portion of the lease liability are included in Cash flows from financing activities.

I) Investments

In the separate IFRS financial statements of MVM Zrt. investments in subsidiaries, joint ventures and associates are recognised at cost based on IAS 27. The cost of long-term investments is the fair value of the amount paid in cash or cash equivalents, or other consideration given, for the acquisition of the investment, except for investments acquired in transactions between jointly controlled entities, see Note II. 4. m). The cost of an investment includes the items directly related to the acquisition of the investment.

If MVM Zrt. acquires the ownership interest in foreign exchange, the cost is the amount calculated using the official exchange rate of Magyar Nemzeti Bank as at the date of the transaction. Ownership interests acquired for foreign exchange are not revalued subsequently as a result of rate change.

Investments in subsidiaries, joint ventures and associates must be tested for impairment at least at the end of each financial year, or when indications of impairment arise. If an indication of impairment exists, the recoverable amount of the investment shall be determined and compared to the net value of the investment. If the recoverable amount of the investment is lower than its net value and the difference is significant, impairment shall be accounted for. If the recoverable amount of the investment is higher than its net value and the difference is significant, an impairment reversal shall be accounted for.

MVM Zrt. considers the difference between the recoverable amount and the carrying amount of an investment significant, if the recoverable amount deviates from the carrying amount at least by 5%, provided that the difference between the carrying amount and the recoverable amount is no less than HUF 1 million, or, irrespective of the % value, if the difference reaches HUF 100 million. If MVM Zrt. considers it justified, it can account for or reverse impairment in the case of a lower amount. The market value is determined based on individual assessment and taking market conditions into account. Individual assessment shall be based on item-by-item recording.

m) Transactions between jointly controlled entities

Transactions between jointly controlled entities or businesses are transactions in which all of the parties to the transaction (transferor, transferee) are ultimately controlled by the same party or parties both before and after the transaction, and that control is not transitory.

MVM Zrt. accounts for transactions between jointly controlled entities at the carrying amount of the transferor entity in its separate financial statements upon initial recognition and adjustment of assets and equity and liabilities, unless provided otherwise in IFRS relating to the subject of the transaction. When accounting for transactions between jointly controlled entities, it is taken into account whether the transaction is carried out by any of the parties to the transaction in its owner capacity, and the transaction is accounted for accordingly.

Consequently, in the case of:

- business combinations between jointly controlled entities, net assets transferred are accounted for at carrying amount, with the difference between the consideration and the carrying amount recognised as dividend or investment, as appropriate;
- distributions between owners involving non-cash assets, the dividend payable is recognised at the carrying amount of net assets transferred, unless the party acting in its owner capacity withdraws its previous capital investment from the other entity (in this case the amount of investment in the entity is reduced);
- a restructuring of the group including the Company as parent company (moving investments within the group) the given investment is accounted for at the carrying amount recognised at the transferor, while the difference between the consideration (if any) and the carrying amount is recognised as dividend or investment, as appropriate.

The carrying amount of the net assets transferred is determined on an individual basis or based on the pro-rated equity amount of the transferor, depending on the substance of the transaction.

n) Inventories

Inventories are assets held for sale in the ordinary course of business; are in the process of production for such sale; or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are recognised at the lower of cost and net realisable value as at the reporting date, provided that the difference is significant.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of potential completion and sale.

The difference between the net realisable value of a given item of inventories (group/item no.) known as at the reporting date and its carrying amount is considered significant if the net realisable value deviates from the carrying amount by at least 10%, provided that this difference is no less than HUF 1 million, or, irrespective of the % value, if the difference reaches HUF 100 million. In such case the difference is accounted for as impairment.

Purchased inventories

The cost of purchased inventories is determined based on average weighted purchase price and it includes expenses directly related to the acquisition of inventories, and other costs incurred in bringing them to their existing location and condition.

Self-manufactured inventories

The cost of self-manufactured inventories is determined based on their direct production prime cost on the reporting date and it includes production or conversion costs, and other costs incurred in bringing them to their existing location and condition. The cost of self-manufactured inventories and work in progress includes their share of production overheads based on normal operation capacity.

The production cost used as a basis for measurement of self-manufactured inventories is determined using the ex-post calculation method.

o) Impairment

Financial assets

Based on the impairment model of IFRS 9, MVM Zrt. classifies financial assets in the amortised cost and the FVOCI debt instruments categories, loan commitments and financial guarantee contracts as well as contract assets into one of the following three stages, depending on the change in the initial credit quality of the instrument:

1. Performing;
2. Underperforming;
3. Non-performing.

Based on the model, upon initial recognition of the instruments MVM Zrt. recognises impairment for losses estimated on the basis of default events expected to occur during the next 12 months. If the credit quality of the instrument deteriorates significantly, the instrument is reclassified into Stage 2 (underperforming), and impairment is assessed at the lifetime expected loss. The next step is classification into the non-performing stage in cases when objective evidence of impairment exists.

MVM Zrt. uses the Dun & Bradstreet Failure Score for credit risk ratings. A score between 71 and 100 is considered a low credit risk. A significant increase in credit risk is deemed to be a rise of more than 20 points in the D&B Failure Score.

The three-stage model detailed above is applied by MVM Zrt. for Non-current loans and receivables (including investment, revolving and working capital loans disbursed to subsidiaries), Guarantee contracts, Restricted cash as well as Cash and cash equivalents.

In the case of parent company guarantee contracts, MVM Zrt. also takes into account the value of received collateral when calculating the expected loss.

Taking advantage of the option provided by IFRS 9, MVM Zrt. applies a simplified model to financial assets classified as trade receivables and other non-derivative financial assets; that is, upon recognition it accounts for lifetime expected credit loss instead of 12-month expected credit loss for trade receivables and contract assets that do not contain a significant financing component. For trade receivables, contract assets and lease receivables containing a significant financing component MVM Zrt. also opted to account for lifetime expected credit losses upon recognition.

For its clients MVM Zrt. assesses the amount of lifetime expected credit loss individually. Contract assets relate to not invoiced performance and substantially have the same risk characteristics as trade receivables related to contracts of the same type. Consequently, MVM Zrt. concluded that the expected credit loss rate of trade receivables is a reasonable estimate of the loss rate for contract assets.

Expected loss rates are based on historical receipt and default data and on historical losses observable in the given period. Historical loss rates are adjusted to reflect both current and forward-looking information. Such information may include for example internal changes affecting risk management and collection processes, as well as external extreme changes affecting solvency of customers, e.g. in the unemployment rate or average wages. MVM Zrt. reviews the mentioned forward-looking information and its effect on expected losses annually. The effect of forward-looking information on impairment is not significant.

Non-financial assets

Except for inventories and deferred tax assets, the carrying amount of non-financial assets are reviewed on every reporting date to assess whether any indication of impairment exists. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Assets not involved directly in production do not generate separate cash flows. If there is an indication that such an asset may be impaired, then the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount and the difference is significant.

For the purposes of recognising and reversing impairment of intangible assets as well as of property, plant and equipment, MVM Zrt. considers the difference significant, if the recoverable amount deviates from the carrying amount at least by 10%, provided that the difference between the carrying amount and the estimated recoverable amount is no less than HUF 1 million, or, irrespective of the % value, if the difference reaches HUF 100 million. Extraordinary depreciation below this threshold and reversal thereof may also be accounted for on a case-by-case basis.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. All impairment losses are recognised in profit or loss.

In respect of assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the impaired carrying amount that would have been determined, if no impairment loss had been recognised. An impairment loss in respect of goodwill may not be reversed.

p) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale, if they are available for immediate sale, their sale is highly probable and their value exceeds HUF 100 million.

The sale is highly probable if the following criteria are met

- the appropriate level of management is committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan;
- the asset is actively marketed for sale /a market research is actively carried out to seek potential buyers;
- the value determined (by an independent appraiser) is considered a fair and reasonable price;
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, unless in the difficult market situation events or circumstances beyond MVM Zrt.'s control extend the period to complete the sale beyond one year;
- actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn, as MVM Zrt. is committed to the sale plan (it was approved by the Board of Directors of MVM Zrt.).

Immediately prior to the classification as held for sale the assets (or components of the disposal group) are re-measured in accordance with MVM Zrt.'s accounting policies to measure the assets (or disposal group) at the lower of the carrying amount and the fair value less costs to sell. No depreciation is booked on assets held for sale.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are recognised up to the extent of any cumulative impairment loss.

If MVM Zrt. has classified an asset or disposal group as held for sale, but the criteria of such classification are no longer met, it shall cease to classify the asset or disposal group as held for sale.

The classification as held for sale is discontinued by removing the asset from assets held for sale and reclassifying it into the category used previously in the statement of financial position. Following the reclassification, the asset shall be measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised by the MVM Zrt. had the asset not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision not to sell.

q) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which MVM Zrt. pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The amount of contributions payable to a defined contribution plan is recognised as a liability in the periods during which related services are rendered by the employees. The amount of the contribution is recognised in profit or loss in the staff costs line item. Prepaid contributions are recognised as assets to the extent that cash refund or a reduction in future payments is available. MVM Zrt. makes payments to pension and other welfare funds under defined contribution plans.

Defined benefit plans and other long-term employee benefits

MVM Zrt. provides other long-term benefits to its employees under the collective agreement (anniversary and long-service benefits as well as other benefits). In addition, they provide non-pension benefits due at the time of retirement (e.g. average earnings and bonus for retiring employees).

The amount of net benefit liability related to defined benefit plans and other long-term employee benefits agrees with the present value of expected future payments necessary to fulfil the obligations from the reporting year and prior-period services of the employees. The discount rate is calculated based on the risk-free HUF interest rate (ÁKK Government Debt Management Agency HUF yield curve) as of the reporting date. The calculation is performed annually by an actuary using the projected unit credit method.

MVM Zrt. determines the net interest on the net benefit liability as the product of the net benefit liability and the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the finance costs line item.

Actuarial gains and losses from defined benefit plans are recognised in other comprehensive income, while actuarial gains and losses from other long-term employment benefit plans are recognised as employee costs in profit or loss in the staff costs line item.

In case of a plan amendment or a curtailment, the change in the benefit related to past service and the gain or loss on the curtailment is recognised immediately in profit or loss, while gains and losses arising upon settlement of employment benefit plans are recognised upon settlement.

Upon reduction or settlement of the defined benefit plan, previously recognised accumulated other comprehensive income deriving from actuarial gains and losses is transferred to retained earnings within equity in proportion to the share of the settlement or reduction of the net liability recognised as at the first day of the given year plus net interest accounted for during the year.

Termination benefits

Termination benefits are recognised as a liability and an expense when MVM Zrt. is demonstrably committed to a detailed formal plan to terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy, and it can no longer withdraw the offer of those benefits, or it recognises costs for a restructuring that involves the payment of termination benefits.

Short-term employee benefits

Short-term employee benefit obligations (including electricity price discounts provided to employees) are measured on an undiscounted basis and are recognised as costs when the related service is provided. Short-term employee benefits are recognised in profit or loss as staff costs.

The amount payable is recognised as a liability if MVM Zrt. has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

r) Provisions

A provision is recognised if, as a result of a past event, MVM Zrt. has a present obligation (legal or constructive), and it is probable that an outflow of resources embodying economic benefits will be required to fulfil the obligation, furthermore, the amount of the obligation can be estimated reliably. Provisions are reviewed at the reporting date in light of the current best estimate.

Onerous contracts

MVM Zrt. recognises provisions for onerous contracts when benefits expected from the contracts are lower than unavoidable costs related to the fulfilment of contractual obligations. Unavoidable costs are the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

The amount of the provision reflects the best estimate.

Provision for litigations

Provisions are recognised at MVM Zrt's discretion for expected liabilities from litigation, if, according to a legal opinion prepared based on information at the balance sheet preparation date, the likelihood of losing the legal action is greater than 50%. In this case, the provision must be assessed based on the most likely outcome in the event the legal action is lost.

Provisioning always has to be supported with individual calculations, irrespective of the title.

The provision recognised is reviewed every year to ensure that it reflects appropriately the changes in expected expenses.

Recognition and release of provisions by title is in all cases presented in the supplementary notes and the reasons for material changes are also included.

s) Contingent assets and liabilities

A contingent asset is a possible asset that arises from a past event and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MVM Zrt.

MVM Zrt. does not recognise contingent assets but discloses them where an inflow of economic benefits is probable.

A contingent liability is a possible obligation that arises from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MVM Zrt., or a present obligation that arises from a past event but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

MVM Zrt. recognises contingent liabilities in the supplementary notes.

MVM Zrt. reviews the conditions of assessment of the contingent liability annually. In case of any changes in the conditions, the accounting treatment of the transaction shall be changed in the period in which the change occurs.

The above items are required to be presented in the supplementary notes only if their impact on the expected future profit or loss reaches HUF 100 million on an item-by-item basis.

t) Revenue

The main revenue stream of MVM Zrt. is the provision of management services, whereby it provides services extensively at MVM Group level that cover several areas of management activity.

MVM Zrt. also has revenue from the provision of parent company guarantees, bank guarantees and letters of credit as well as from opening letters of credits and from treasury transaction fees (jointly referred to as treasury services).

For the issue of a parent company guarantee MVM Zrt. charges a one-off fee to the subsidiary equalling a set percentage of the transaction value, which is determined on a market basis and

is adjusted with the cost of capital. The guarantee contract meets the definition of financial guarantee contract in IFRS 9.

Under engagement contracts, in case of bank guarantees, letters of credit and other documentary transactions the MVM Zrt. grants right to its subsidiaries to enter into the above transactions using its free credit facilities at the credit institutions. All fees payable to the credit institution in relation with the transactions entered into are recharged to the subsidiary in their entirety. In addition, MVM Zrt. charges a one-off fee equalling a set percentage of the transaction value to the subsidiary for mediation.

For performing activities related to the conclusion of treasury contracts (operation of front office system, employing sales agents) MVM Zrt. charges to the subsidiaries a one-off fee relative to the transaction value.

The consideration calculated for recognising revenue does not include amounts collected on behalf of others, such as VAT, or amounts obtained and paid by MVM Zrt. as an agent.

An agreement is considered a contract generating revenue if it has been approved by the parties to the contract and the rights and payment obligations of the parties can be identified. Furthermore, the following two criteria has to be met: (a) the contract has commercial substance and (b) it is probable that the Group will collect the consideration. Multiple contracts are considered a single contract, if the contracts have been negotiated as a package; or the amount to be paid in one contract depends on any element of another contract; or obligations in two or more contracts can be considered a single performance obligation.

Performance obligation is each promise in a contract with a customer to transfer to the customer either: i) a good or service (or a bundle of goods or services) that is distinct; or ii) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The transaction price is the amount of consideration to which MVM Zrt. expects to be entitled in exchange for transferring promised goods or services to a customer, (excluding amounts collected on behalf of third parties).

Those performance obligations promised in a contract are considered goods or services sold, from which the customer can benefit either on their own or together with other goods/services that are readily available on the market, and the good/service does not depend significantly from other contractual obligations.

In the case of contracts with multiple elements revenue is allocated primarily based on the stand-alone selling price. If MVM Zrt. typically does not sell certain goods or services separately, allocation is based on the typical market pricing of competitors that are active on the same market. If no such information is available either, the allocation is based on the production cost of the particular service of MVM Zrt. plus a margin customary on the given market.

In the case of contracts with more than one performance obligations, any discounts applied relate typically to the entire contract, thus each obligation shares the revenue reducing effect of the discounts. Contracts with variable consideration typically belong to a separately identifiable performance obligation of the contracts, thus the variable consideration generally affects only the amount of revenue accounted for in relation to a particular obligation.

As the revenue of MVM Zrt. derives from the provision of services detailed above, there is no significant risk of the customer returning the goods purchased, thus its estimation when determining the revenue accounted for in connection with the sale does not represent a risk.

In the following cases MVM Zrt. recognises revenue over time based on the provisions of IFRS 15:

- If the customer uses the service provided by MVM Zrt. over time, then revenue is recognised over time.
- If in a longer project the customer has the control during the whole project (that is, it has free disposition over the intangible or tangible asset being created during the construction/development of the asset), revenue is recognised over time in proportion to performance.
- If a longer project is carried out under the control of MVM Zrt., but in the case of a breach of contract by the customer MVM Zrt. would not have a real alternative to sell the output of the project (the product) to anyone else, revenue is also recognised over time, if MVM Zrt. has a contractual right to receive the consideration for pro-rated partial performance.

If either of the above cases apply, MVM Zrt. accounts for the revenue allocated to an obligation upon transferring the control of the contractual performance obligations, i.e. at a point in time. In the case of performance obligations satisfied at a point in time MVM Zrt. recognises the revenue allocated to the obligation when the product or service is physically transferred / performed to the customer.

The management services provided by MVM Zrt. are typically obligations performed over time or series of distinct services, thus MVM Zrt. recognises the related revenue over time.

When revenue is recognised over time, MVM Zrt. uses the cost plus method, i.e. revenue is recognised in proportion to costs already incurred relative to the total expected costs of the satisfaction of the obligation. If the outcome of the contract to be performed during the period cannot be estimated reliably, revenue is recognised only up to the extent of contractual costs expected to be recovered.

The provision of management services by MVM Zrt. is typically invoiced annually, therefore the length of time between when the contractual obligations are satisfied and when the consideration is received is not significant, thus the contracts with customers do not contain a significant financing component.

Bank guarantees and letters of credit typically are available for the subsidiary for a period of time, thus those are performance obligations satisfied over time, i.e. shall be accounted for over the term of the bank guarantee and letter of credit, using the straight-line method. Administration fees charged by MVM Zrt. for reporting bank guarantees and letters of credit to credit institutions and participating in their opening are an exception to this; in the case of such fees the performance obligation is satisfied when the bank guarantee is issued or the letter of credit is open for the subsidiary, therefore these need to be accounted for at this point in time.

MVM Zrt. is entitled for the fee for concluding treasury contracts on the conclusion of each transaction, for concluding it, therefore it is revenue to be recognised at a point in time according to IFRS 15, that is, it needs to be accounted for in profit or loss when the transaction is concluded.

When the amount of the expected revenue is uncertain, revenue is recognised to the extent that subsequent actual consideration does not result in a significant decrease in the revenue recognised so far.

Uncertainties deriving from estimating variable consideration do not threaten the reliability of the annual financial statements, as services contracts of MVM Zrt. are substantiated by periodical settlements based on measured performance; the value of contracts spanning annual reporting periods considerably and requiring estimates in the long run is not significant.

Non-cash consideration is not common for MVM Zrt.'s contracts with customers, therefore the measurement of its fair value does not represent a risk when revenue is recognised.

MVM Zrt. recognises incremental costs of obtaining contracts with customers (e.g. agent commissions) as an asset in its balance sheet (Other non-financial assets), if the term of the related contract exceeds 12 months. MVM Zrt. has no significant such costs, thus the value of assets from the capitalisation of those costs is also insignificant. After any capitalisations, these costs are expensed over the term of the contract, typically using straight-line amortisation (taking into account the dynamics of contractual revenues), or impairment may be recognised, if the expected profit content of the contract as at the date of preparation of the financial statements is not expected to cover the carrying amount of the capitalised cost.

Recognition of contract assets and liabilities

If the customer already paid (an advance) or MVM Zrt. recognises a receivable before it transfers the good or service to the customer, a contract liability is presented. A contract liability is MVM Zrt.'s obligation to transfer the goods or services to a customer for which it has received consideration (or an amount of consideration is due) from the customer).

If MVM Zrt. performs by transferring goods or services before invoicing those to the customer, it recognises a contract asset. A contract asset is MVM Zrt.'s right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the company's future performance).

Agent vs. principal

When a third party is also involved in the sale transaction, MVM Zrt. assesses whether it is a principal or an agent in the transaction. If the nature of MVM Zrt.'s promise is to provide the goods or services itself and it controls the promised good or service before it transfers the good or service to a customer, it is acting as a principal. In this case MVM Zrt. recognises revenue in the gross amount of consideration.

If the nature of MVM Zrt.'s promise is to arrange for another party to transfer goods or services, and one or more of the following indicators included in IFRS 15 apply, MVM Zrt. is acting as an agent:

- The other party is primarily responsible for fulfilling the contract;
- MVM Zrt. does not have inventory risk;
- MVM Zrt. does not have discretion in establishing prices for the other party's goods or services;
- MVM Zrt.'s consideration is in the form of a commission;
- MVM Zrt. is not exposed to credit risk for the consideration.

In this case MVM Zrt. recognises revenue on a net basis, i.e. up to the amount of commission. Typically MVM Zrt. is considered an agent in the case of mediated services.

u) Grants received

A government grant can be recognised only if there is reasonable assurance that MVM Zrt. will comply with the conditions attaching to it and will receive the grant. According to IAS 20, receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant will be fulfilled.

MVM Zrt. does not reduce the carrying amount of the asset by the grants received in relation to the asset, but recognises the amount of grant as deferred income and accounts for it in other operating income in proportion to the depreciation of the asset.

MVM Zrt. accounts for grants that become receivable as compensation for costs and expenses against operating income. If the grant affects more than one year, only the part attributable to the reporting year is recognised as other income when the conditions are fulfilled, and the part related to subsequent years is recognised as deferred income.

Amounts received from the Hungarian State provided to MVM Zrt. by the state as the owner are not considered government grants. These transactions are considered equity transactions.

v) Finance income and costs

Finance income comprises the following: interest income on funds invested (including FVOCI financial assets), dividend income, exchange gains on foreign exchange items, measurement gain on fair valuation of derivative financial instruments, gains on the disposal of FVOCI financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date that MVM Zrt.'s right to receive dividend is established, which in the case of quoted securities is the ex-dividend date, while for unlisted securities it is the date when the relevant authorised body makes decision relating to distribution.

Finance costs comprise the following: interest expense on borrowings, unwinding of the discount on provisions, exchange losses on foreign exchange items, measurement loss on fair valuation of derivative financial instruments, and impairment losses recognised on FVOCI financial assets. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

w) Income tax

MVM Zrt. accounts for corporation tax, local business tax and innovation contribution as income tax, since these taxes are based on taxable profit.

The corporation tax is defined based on Act LXXXI of 1996 on Corporate and Dividend Tax, its base is MVM Zrt.'s taxable profit. The current tax rate is 9%.

Local business tax is payable to the local government, the base of the tax is revenue less certain production costs and costs of sale. The current tax rate is 2%.

Innovation contribution is a tax assessed at 0.3% payable to the state budget; its base is substantially the same as that of the local business tax.

MVM Zrt. is not subject to the income tax of energy suppliers.

Income tax expense comprises current tax expense and deferred tax expense. Income tax expense is recognised in profit or loss, except that the amount of tax relating to items recognised in other comprehensive income or directly in equity is presented in other comprehensive income or in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

MVM Zrt. shall offset current tax assets and current tax liabilities if, and only if, it:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The tax base of an asset is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity when it recovers the carrying amount of the asset. If those economic benefits will not be taxable, the tax base of the asset is equal to its carrying amount.

The tax base of a liability is its carrying amount, less any amount that will be deductible for tax purposes in respect of that liability in future periods.

A deferred tax liability may not be recognised, if taxable temporary differences arise from:

- the initial recognition of an asset or liability in a transaction which is not considered a business combination, and at the time of the transaction, affects neither accounting profit or nor taxable profit (tax loss);
- for differences associated with investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will not reverse in the foreseeable future, and MVM Zrt. is able to control the timing of the utilisation of the temporary difference.

A deferred tax asset may not be recognised, if deductible taxable temporary differences arise from:

- the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or nor taxable profit (tax loss);
- for differences associated with investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will not reverse in the foreseeable future, or if taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax is measured at the tax rates enacted or substantively enacted at the reporting date that are expected to be applied to temporary differences when they reverse.

Deferred tax assets and deferred tax liabilities may be offset if, and only if:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- they relate to income taxes levied by the same taxation authority on either:
 - o the same taxable entity; or
 - o different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

x) Operating segments

The decision makers of MVM Zrt. treat MVM Zrt. as a single segment during day-to-day operation.

y) Fair value measurement

Accounting policies and disclosures of MVM Zrt. require the determination of fair value of financial and non-financial instruments.

According to IFRS 13 fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the individual notes.

Equity instruments measured at fair value through other comprehensive income

Fair value of these financial assets is determined with reference to their closing bid price quoted on an active market valid on the reporting date.

Financial assets measured at amortised cost

Fair value of financial assets measured at amortised cost is determined for disclosure purposes based on present value of future cash flows discounted at market rate as of the reporting date.

Fair value of non-financial assets

When measuring the fair value of non-financial assets MVM Zrt. takes into account the ability of market participants to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant, that would use the asset in its highest and best use which is physically possible, legally permissible and financially feasible.

For this reason MVM Zrt. applies individual models at asset level for measuring the fair value of non-financial assets.

Financial liabilities measured at amortised cost

Fair value of financial liabilities measured at amortised cost is determined for disclosure purposes based on present value of future principal and interest cash flows discounted at market rate as of the reporting date.

Derivative transactions

The fair value of electricity- and natural gas related forward transactions is measured based on quoted market prices if available. If quoted market price is not available, fair value is estimated based on the present value of the difference between the contract price and the forward prices on the reporting date discounted to the remaining period.

MVM Zrt. applies discounted cash flow value to calculate fair values related to arm's length interest, foreign exchange and natural gas-related commodity type transactions. Fair value is estimated based on the present value of the difference between the contract price and the forward prices on the reporting date discounted to the remaining period.

4. Early adopted standards

In relation to 2024 and 2023 the Company did not use the option to early adopt standards not yet effective.

5. Impact of new and revised standards effective from 1 January 2024 on the financial statements

5.1 Impact of other new and revised standards effective from 1 January 2024 on the financial statements

Initial application of new and amended IFRS standards and interpretations in the reporting period:

IASB AND IFRS IC DOCUMENTS	Adopted by the EU effective from
Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback (date of issue: 20 November 2023).	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: classification of non-current and current liabilities and classification of liabilities from loan agreements with covenants as current or non-current (date of issue: 19 December 2023).	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (date of issue: 15 May 2024).	1 January 2024

The amendments have no significant impact on the financial statements of the Group in the current or future reporting periods or on foreseeable future transactions.

6. New standards, amendments to standards and interpretations not yet effective

Standards adopted by the EU

Currently there are no new standards, amendments to standards or interpretations that are not yet effective for the financial year ended 31 December 2024 but have been adopted by the EU.

The standards, standard amendments and interpretations presented below were not applied in the financial statements since they are not yet in force for the financial year ended 31 December 2024, and the Group did not elect to early apply them either. (Application of the standards, amendments to standards and interpretations will be mandatory for annual periods beginning on or after the dates in brackets.)

The amendment is as follows:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates in relation to the exchangeability of currencies and additional requirements for lack of exchangeability (Effective for financial years beginning on or after 1 January 2025).

Standards not yet adopted by the EU

The standards, amendments to standards and interpretations below were not applied in these consolidated financial statements, as these have not yet been adopted by the EU. Their application and effective date depends on adoption by the EU.

New standards and amendments are as follows:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures in connection with contracts relating to renewable electric energy.
- Annual Improvements to IFRS Accounting Standards: Annual improvements issued by IASB that include minor amendments and clarifications to several IFRS (e.g. IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7).
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments

These standards, amendments and interpretations are not expected to have significant impact on the consolidated financial statements of the Group in the future.

7. Significant accounting judgements and estimates

Use of estimates

The preparation of annual financial statements in conformity with IFRS requires the use of estimates. These estimates affect the amounts reported in the annual financial statements and

the notes. The estimates shall be based on management's best knowledge of current events. Estimation uncertainties shall be explained in detail in the appropriate notes.

The estimate must be revised, if there is a change in the circumstances on which an estimate was based or as a result of new information or more experience. The effects of the revision of an estimate shall be recognised in the period of the change and in future periods.

Measurement of interests

The Company performed an impairment test in relation to its interests in subsidiaries, joint ventures and associates if indications of potential impairment arose. The net recoverable amount is the part attributable to the owner of the present value of future cash flows, except for investments which are dependent on the success of the expansion of new business areas. In these cases the net recoverable amount is the net asset value of the company. Future cash flows are based on the business plan of the individual companies that is prepared for a period for which the Group is able to prepare a reliable plan. In 2024 the WACC used to calculate impairment was between 7.1% and 25.0%.

8. Changes in accounting policies and disclosures

a) Changes in accounting policies

MVM Zrt. did not change its accounting policies in 2024.

b) Changes in disclosures, reclassifications

In 2024 MVM Zrt. did not make reclassifications or changes in disclosures as compared to the previous year.

c) Disclosures related to material errors

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. An error discovered during the audit of the data of a financial year closed with approved financial statements is deemed material if, in the year when discovered during the audit, the total of all errors (whether negative or positive) for a given financial year and the impacts thereof - increasing or decreasing profit or loss, equity - exceeds 2 per cent of total assets in the year audited.

If a material error is found, recognition, measurement and disclosure of amounts of elements of financial statements are corrected as if a prior period error had never occurred based on the provisions of IAS 8 (retrospective restatement).

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III. Notes to the financial statement items

1. Property, plant and equipment

(in HUF million)	Not leased out under operating lease				Leased out under operating lease		Construction in progress	Total
	Property	Plant machinery, equipment	Other machinery, equipment	Total	Plant machinery, equipment	Other machinery, equipment		
Gross value								
Balance at 1 January 2023	9,498	16	1,733	11,247	28,445	469	476	40,637
of which ROU at 1 January 2023	9,125	-	516	9,641	-	-	-	9,641
Purchases	-	-	-	-	-	-	526	526
Capitalisation	4	-	50	54	187	5	-246	-
ROU Initial recognition 2023 contracts	-	-	194	194	-	-	-194	-
Other increases*	-	-	-	-	-	-	-	-
Derecognitions	-	-	-53	-53	-137	-	-	-190
Other decreases*	-4	-	-4	-8	-	-	-	-8
ROU Revaluation	5	-	-	5	-	-	-	5
ROU Adjustment	-4,467	-	-65	-4,532	-	-	-	-4,532
Balance at 31 December 2023	5,036	16	1,855	6,907	28,495	474	562	36,438
of which ROU at 31 December 2023	4,663	-	632	5,295	-	-	-	5,295

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(in HUF million)	Not leased out under operating lease				Leased out under operating lease		Construction in progress	Total
	Property	Plant machinery, equipment	Other machinery, equipment	Total	Plant machinery, equipment	Other machinery, equipment		
Gross value								
Balance at 1 January 2024	5,036	16	1,855	6,907	28,495	474	562	36,438
of which ROU at 1 January 2024	4,663	-	632	5,295	-	-	-	5,295
Purchases	-	-	-	-	-	-	3,074	3,074
Capitalisation	-	-	271	271	572	7	-850	-
ROU Initial recognition 2024 contracts	-	-	194	194	-	-	-194	-
Other increases*	-	-	-	-	-	-	-	-
Derecognitions	-	-	-67	-67	-	-	-	-67
Other decreases*	-	-	-	-	-	-	-	-
ROU Revaluation	-	-	-	-	-	-	-	-
ROU Adjustment	270	-	-114	156	-	-	-	156
Balance at 31 December 2024	5,306	16	2,139	7,461	29,067	481	2,592	39,601
of which ROU at 31 December 2024	4,933	-	666	5,599	-	-	-	5,599

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(in HUF million)	Not leased out under operating lease				Leased out under operating lease		Construction in progress	Total
	Property	Plant machinery, equipment	Other machinery, equipment	Total	Plant machinery, equipment	Other machinery, equipment		
Depreciation								
Balance at 1 January 2023	737	16	1,188	1,941	25,439	176	-	27,556
of which ROU at 1 January 2023	586	-	317	903	-	-	-	903
Depreciation for the year	194	-	248	442	290	29	-	761
- of which ROU depreciation	185	-	153	338	-	-	-	338
Other increases*	-	-	-	-	-	-	-	-
Impairment recognised in profit or loss	-	-	2	2	-	-	-	2
Reversal of impairment recognised in profit or loss	-	-	-	-	-	-	-	-
Derecognitions	-	-	-46	-46	-133	-	-	-179
Other decreases*	-	-	-2	-2	-	-	-	-2
ROU Revaluation	-	-	-1	-1	-	-	-	-1
ROU Adjustment	-259	-	-93	-352	-	-	-	-352
Balance at 31 December 2023	672	16	1,296	1,984	25,596	205	-	27,785
of which ROU at 31 December 2023	512	-	363	875	-	-	-	875

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(in HUF million)	Not leased out under operating lease				Leased out under operating lease		Construction in progress	Total
	Property	Plant machinery, equipment	Other machinery, equipment	Total	Plant machinery, equipment	Other machinery, equipment		
Depreciation								
Balance at 1 January 2024	672	16	1,296	1,984	25,596	205	-	27,785
of which ROU at 1 January 2024	512	-	363	875	-	-	-	875
Depreciation for the year	202	-	233	435	306	29	-	770
- of which ROU depreciation	193	-	139	332	-	-	-	332
Other increases*	-	-	-	-	-	-	-	-
Impairment recognised in profit or loss	-	-	-	-	-	-	-	-
Reversal of impairment recognised in profit or loss	-	-	-	-	-	-	-	-
Derecognitions	-	-	-65	-65	-	-	-	-65
Other decreases*	-	-	-	-	-	-	-	-
ROU Revaluation	-	-	-	-	-	-	-	-
ROU Adjustment	-11	-	-125	-136	-	-	-	-136
Balance at 31 December 2024	863	16	1,339	2,218	25,902	234	-	28,354
of which ROU at 31 December 2024	695	-	330	1,025	-	-	-	1,025
Net								
Balance at 1 January 2023	8,761	-	545	9,306	3,006	293	476	13,081
of which ROU at 1 January 2023	8,539	-	199	8,738	-	-	-	8,738
Balance at 31 December 2023	4,364	-	559	4,923	2,899	269	562	8,653
of which ROU at 31 December 2023	4,151	-	269	4,420	-	-	-	4,420
Balance at 31 December 2024	4,443	-	800	5,243	3,165	247	2,592	11,247
of which ROU at 31 December 2024	4,238	-	336	4,574	-	-	-	4,574

*These line items include reclassifications between tangible assets, reclassifications into investment property, assets held for sale or inventories.

Property

The increase in property in the reporting year is primarily due to the reporting-year adjustment of right-of-use assets.

Plant machinery, equipment

The major items within the change in plant machinery, equipment result from the capitalisation of renovations related to gas turbine power plants.

Other machinery, equipment

The most significant items within the change in other machinery, equipment include initial recognition of right-of-use-assets – which comprise the motor vehicle fleet of the Company –, and capitalisation of office and administration equipment.

Construction in progress

The main item within construction in progress as at 31 December 2024 comprises purchases for the implementation of the power plant with a pumped hydroelectric energy storage (preparation of a feasibility study) (HUF 2.2 billion).

Capitalised borrowing costs

MVM Zrt. did not capitalise borrowing costs in 2024 or in 2023.

Commitments to acquire property, plant and equipment

The Company had the following commitments to acquire property, plant and equipment as at the end of the periods under review:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Commitments to acquire property, plant and equipment	1,663	3,680

2. Investment property

As at the end of the previous year, the Company's investment properties included assets of the land at Vásárosnamény, the site at Inota, the properties at Lőrinc, Sajószöged, Litér, the land in Attila street and the property in Rovinj.

The Company accounted for the following income and expenses in relation to its investment properties:

<i>(in HUF million)</i>	2024	2023
Income from rental	2,045	1,555
Direct operating expenses	1,303	621

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Changes in the gross value and depreciation of investment property are presented in the following table:

<i>Investment property (in HUF million)</i>	<i>Leased out under non- operating lease</i>	<i>Leased out under operating lease</i>	<i>Total</i>
Gross value			
Balance at 1 January 2023	3,838	7,122	10,960
Purchases	21	64	85
Other increases*	-	3,137	3,137
Derecognition	-	-1	-1
Other decreases*	-3,132	-187	-3,319
Balance at 31 December 2023	727	10,135	10,862
Balance at 1 January 2024	727	10,135	10,862
Purchases	166	11	177
Other increases*	-	-	-
Derecognition	-	-	-
Other decreases*	-	-	-
Balance at 31 December 2024	893	10,146	11,039

Depreciation			
Balance at 1 January 2023	-	5,423	5,423
Depreciation for the year	-	69	69
Other increases*	-	-	-
Derecognition	-	-1	-1
Other decreases*	-	-18	-18
Balance at 31 December 2023	-	5,473	5,473
Balance at 1 January 2024	-	5,473	5,473
Depreciation for the year	-	70	70
Other increases*	-	-	-
Derecognition	-	-	-
Other decreases*	-	-	-
Balance at 31 December 2024	-	5,543	5,543

Net value			
Balance at 1 January 2023	3,838	1,699	5,537
Balance at 31 December 2023	727	4,662	5,389
Balance at 31 December 2024	893	4,603	5,496

*These line items include the leasing out of investment property under operating lease, reclassifications into tangible assets, assets held for sale or inventories.

The market values of the properties do not differ significantly from their carrying amounts. The market value was determined using the comparable uncontrolled price method, based on property prices specific to given regional areas.

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3. Intangible assets

<i>(in HUF million)</i>	Rights and concessions	Intellectual property	Total
Gross value			
Balance at 1 January 2023	545	176	721
Additions	5	-	5
Other increases*	-	-	-
Derecognition	-193	-	-193
Other decreases*	-19	-	-19
Balance at 31 December 2023	338	176	514
Balance at 1 January 2024	338	176	514
Additions	34	-	34
Other increases*	-	-	-
Derecognition	-	-139	-139
Other decreases*	-	-	-
Balance at 31 December 2024	372	37	409

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<i>(in HUF million)</i>	Rights and concessions	Intellectual property	Total
Amortisation			
Balance at 1 January 2023	232	112	344
Amortisation for the year	108	58	166
Other increases*	-	-	-
Impairment recognised in profit or loss	-	-	-
Reversal of impairment recognised in profit or loss	-	-	-
Derecognition	-41	-	-41
Other decreases*	-	-	-
Balance at 31 December 2023	299	170	469
Balance at 1 January 2024	299	170	469
Amortisation for the year	24	6	30
Other increases*	-	-	-
Impairment recognised in profit or loss	-	-	-
Reversal of impairment recognised in profit or loss	-	-	-
Derecognition	-	-139	-139
Other decreases*	-	-	-
Balance at 31 December 2024	323	37	360
Net value			
Balance at 1 January 2023	313	64	377
Balance at 31 December 2023	39	6	45
Balance at 31 December 2024	49	-	49

* These line items include reclassifications between intangible assets or reclassifications into assets held for sale.

Rights and concessions

Rights and concessions include licences (e.g. MVM career portal), software and trade marks. In the reporting year the licence of the software supporting IFRS 16 calculations was purchased.

Intellectual property

Intellectual property primarily includes software owned by the Company. The METEO software was derecognised as intra-group sale.

4. Interests in subsidiaries, joint ventures and associates

The Company recognises companies controlled by it as subsidiaries, see Note III. 35. The Hungarian-registered subsidiaries of the Group perform their primary activities in Hungary, except for MVM Upstream Kft., which performs its core activity in a site in Azerbaijan. The foreign resident subsidiaries of the Group operate mainly in the Czech Republic, Croatia, Romania and Switzerland.

The Company does not hold directly interests in joint ventures.

Associates are also listed in Note III. 35. Aggregated amounts of the interests and changes thereto during the period were as follows:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Subsidiaries	1,507,388	1,427,315
Joint ventures	-	-
Associates	182,792	194,092
Total	1,690,180	1,621,407

<i>(in HUF million)</i>	Subsidiaries	Associates	Total
Balance at 1 January 2023	1,361,642	194,092	1,555,734
Capital increase	76,147	-	76,147
Purchase of interests	-	-	-
Foundation	-	-	-
Impairment	-12,901	-	-12,901
Restructuring	-	-	-
Capital decrease	-	-	-
Sale	-	-	-
Other	2,427	-	2,427
Balance at 31 December 2023	1,427,315	194,092	1,621,407

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<i>(in HUF million)</i>	Subsidiaries	Associates	Total
Balance at 1 January 2024	1,427,315	194,092	1,621,407
Capital increase	125,092	-	125,092
Purchase of interests	2,809	-	2,809
Foundation	61	-	61
Impairment	-12,949	-11,300	-24,249
Sale	-63	-	-63
Reclassification into non-current assets held for sale	-34,910	-	-34,910
Other	33	-	33
Balance at 31 December 2024	1,507,388	182,792	1,690,180

The following main business events took place in relation to subsidiaries:

During the year, the Company provided financing in the form of cash capital increases for key projects and to resolve equity situations at some of its subsidiaries. The main items of these transactions are the shareholder contributions paid to MVM Zöld Generáció Zrt. (for solar power plants purchased in the framework of the Iron project), MVM Balance Zrt., MVM Ingatlankezelő Zrt., NIKER d.o.o. and Vértesi Erőmű Zrt. (HUF 123 billion).

The Company purchased from MVM ESCO Zrt. “u.v.l.” its interest held in MVM Optimum Kft. (formerly MVM ESCO Urban Kft.) embodying 100% of the primary capital of the company. Furthermore, its international role in the energy sector was strengthened further through MVM Upstream Kft. and Sonnet Romania Holding S.A. established during the reporting year.

Based on the Company’s accounting policies, impairment of HUF 24,621 million was recognised and an impairment reversal of HUF 372 million was recorded for its interests in its subsidiaries and associates. The most significant amounts of impairment booked relate to the interests in E.ON Hungária Zrt., MVM EGI Zrt. and MVM Mátra Energia Zrt.

A major item within the reporting-year change is the reclassification of the interest in MVM NET Zrt. (HUF 34,910 million) into non-current assets held for sale for the purposes of selling the shares of the company next year based on founder resolution.

5. Interests in other entities

Changes in interests in other entities:

<i>(in HUF million)</i>	Interests in other entities
Balance at 1 January 2023	2,342
Purchase of interests	-
Sale	-
Effect of measurement through other comprehensive income	-109
Other	-
Balance at 31 December 2023	2,233
Balance at 1 January 2024	2,233
Purchase of interests	-
Sale	-
Effect of measurement through other comprehensive income	519
Other	-
Balance at 31 December 2024	2,752

In the Company's statement of financial position the amount of interests in other entities includes the interest in PannErgy Nyrt., which is 9.31% of share capital and was acquired by the Company in an OTC transaction.

Interests in other entities changed in 2024 and 2023 due to changes in the fair value of PannErgy Nyrt.

6. Non-current loans and receivables

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Loans granted to subsidiaries, joint ventures and associates	839,276	400,622
Loans granted to employees	23	29
Other non-current receivables	-	-
Total	839,299	400,651

Within non-current loans and receivables, the portfolio of loans granted to subsidiaries for key projects, debt refinancing in the framework of intra-group financing activity of the Company is significant.

Changes in 2024:

- Loan disbursed: HUF 1,058,713 million.
- Repayment: -HUF 60,032 million.
- Reclassification: -HUF 596,038 million.
- Remeasurement: HUF 36,005 million.
- Aggregated amount of impairment and reversal thereof: HUF 6 million.

Cost and impairment of non-current loans and receivables are presented in Note III. 26. a).

7. Income taxes

The Company considers corporate tax, local business tax and innovation contribution as income taxes, as described in Note II. 3. w). The tax bases for the individual tax types are assessed based on profit or loss calculated on a net basis but using different calculation methods, therefore the tax bases are different.

Income tax rates of the Company in Hungary in the financial years concerned were as follows:

<i>Current tax rate</i>	2024	2023
Corporation tax	9%	9%
Local business tax	2%	2%
Innovation contribution	0.3%	0.3%

The corporation tax rate is 9%; its base is the profit or loss before tax for the year, taking certain disallowed and deductible items into account.

The maximum rate of the local business tax is 2%, its base is the reporting year sales revenue less material costs, a certain portion of cost of goods sold and other reconciling items. The base of innovation contribution is substantially the same as that of the local business tax; its rate is 0.3%.

When assessing deferred tax liabilities and assets, the Company calculates the deferred tax of the Company for the individual tax types using expected current tax rate of the Company calculated based on the above tax rates enacted or substantively enacted at the reporting date.

Income tax recognised in profit or loss for the period

The income tax recognised in the financial statements in profit or loss for the period in the financial years ended 31 December 2024 and 2023 comprises the following components:

<i>Tax recognised in profit or loss for the period (in HUF million)</i>	31.12.2024	31.12.2023
Current tax		
Tax for the year	1,456	2,525
Effect of tax loss	-	- 772
Adjustments for prior years	99	150
Total current tax	1,555	1,903
Deferred tax expense / (income)		
Origination and reversal of temporary differences	269	1,417
Effect of tax rate changes	-	-
Deferred tax assets recognised in the reporting year for previously unrecognised tax losses	-	- 772
Write off of deferred tax assets recognised previously for tax losses	-	-
Tax effect of previously unrecognised temporary differences	- 137	- 684
Temporary differences, for which no deferred tax asset was recognised in the reporting year	-	66
Adjustments for prior years	- 87	- 18
Total deferred tax	45	9
Total	1,600	1,912

The current tax for the year includes the income taxes payable for the given year, calculated net of tax losses (tax loss carry-forwards) and prior-year tax effects. The effect of tax loss line item includes the tax effect of the tax loss carry-forward in the given year, which shows the amount by which the tax loss carry-forward used in the year reduced the current-year tax payment liability.

Income tax recognised in other comprehensive income

<i>Tax recognised in other comprehensive income (in HUF million)</i>	31.12.2024			31.12.2023		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Employee benefits	22	-3	19	11	- 1	10
Interests measured through other comprehensive income	519	- 46	473	- 109	10	- 99
Total	541	- 49	492	- 98	9	- 89

The value of employee benefits accounted for in other comprehensive income is the actuarial profit or loss on benefits related to retirement; it can be taken into account in the tax base in the period of actual payment.

The deferred tax liability and tax asset attributable to the remeasurement to fair value of interests measured at fair value through other comprehensive income, as temporary difference, is also included in other comprehensive income.

Reconciliation of effective tax rate

The table below presents quantitative reconciliation of income tax expense calculated based on accounting profit and the income tax expense recognised in profit or loss for the year, as well as the tax rate to be applied by the Company and the average effective tax rate.

Reconciliation of effective tax rate (in HUF million)	31.12.2024	31.12.2023
Profit for the period	176,818	212,533
Income tax expense	1,600	1,912
Profit before tax	178,418	214,445
Tax calculated using the Company's domestic tax rate	20,146	24,214
Effect of different tax bases	- 2,767	- 3,786
Effect of tax rate changes	-	-
Non-deductible expenses	1,052	1,507
Tax-exempt income	- 21,846	- 18,766
Tax allowances	-	-
Deferred tax assets recognised in the reporting year for previously unrecognised tax losses	-	- 772
Write off of deferred tax assets recognised previously for tax losses	-	-
Reporting-year tax losses for which no deferred tax asset was recognised	5,139	-
Tax effect of previously unrecognised temporary differences	- 137	- 684
Temporary differences, for which no deferred tax asset was recognised in the reporting year	-	66
Adjustments for prior years	12	132
Tax effect of corporate tax group	-	-
Other	1	1
Total income tax expense	1,600	1,912

The income tax calculated based on profit or loss before tax and using the applicable tax rate is included in line item 'Tax using the Company's domestic tax rate' in the reconciliation of effective tax rate. The applicable tax rate is the current tax rate of the Company; it includes corporation tax (in both years 9%), local business tax (in both years 2%) and innovation contribution (in both years 0.3%).

The effect of different tax bases included in the reconciliation of effective tax rate arises from the tax base of business tax and innovation contribution different from the base of the corporation tax.

The effect of tax rate changes arises due to the difference between the current tax rate and the tax rate expected when deferred tax assets/liabilities reverse; the two tax rates were the same in both in the reporting year and the previous year.

Non-deductible expenses and tax exempt revenue represent the effect of individual permanent differences in the given year. Non-deductible expenses include the effect of impairment that cannot be considered in the tax base in future periods either and of tax inspections related to previous periods. Tax exempt revenues include tax exempt dividends and effects of tax inspections related to previous periods. The income tax effect of tax inspections is included in the 'Adjustments for prior years' row.

The effect of tax allowances derives from grants recognised as income tax that can be considered as deductible items, which are items recognised as current income tax, but at the same time these are also expenses that can be considered in the tax base.

The tax effect of previously unrecognised temporary differences line item includes the tax effect of unrecognised temporary differences arisen in previous years which, however, are recognised in the reporting year due to changes in expected recovery.

The temporary differences for which no deferred tax asset was recognised line item includes the tax effect of unrecognised deductible temporary differences arising in the reporting year and temporary differences recognised in previous years that are unrecognised in the reporting year due to changes in expected recovery.

Unrecognised temporary differences

Deferred tax assets have not been recognised in respect of the following items:

Unrecognised deductible temporary differences (in HUF million)	31.12.2024	31.12.2023
Deductible temporary differences for which no corporation tax was recognised	-	1,517
Corporation tax loss carried forward*	125,771	68,669

* The prior-year unrecognised corporation tax loss carried forward was adjusted because of self-revision.

No deferred tax asset was recognised on the items presented in the table, as in the management's opinion – taking business plans into account – it is not probable that taxable profit will be available in future periods against which the temporary differences can be utilised to realise tax benefits.

Tax losses by expiry date:

Expiry of unrecognised tax loss (in HUF million)	31.12.2024	31.12.2023
2027*	8,414	8,414
2028	-	-

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Expiry of unrecognised tax loss (in HUF million)	31.12.2024	31.12.2023
2029	57,102	-
Unlimited*	60,255	60,255
Total	125,771	68,669

* The prior-year figure of the rows marked with an asterisk (*) was adjusted because of self-revision.

Effective from 1 January 2015, in Hungary corporation tax loss can be carried forward for 5 years; however, tax losses produced up to 31 December 2015 can be utilised without time limitation under the amendment to law passed in 2023 (the previous regulation allowed their use until 2030). Based on rules in effect on 31 December 2023 the loss carried forward can be utilised only up to 50% of the positive tax base for the given year.

Disputed tax balances

As at the reporting date the Company has no disputed tax balances.

Deferred tax assets and tax liabilities

Recognised deferred tax assets and liabilities

The balance as of 31 December 2024 and 2023 of deferred tax presented in the balance sheet and recognised in the comprehensive income includes the following items:

Recognised deferred tax assets and liabilities (In HUF million)	31.12.2024			31.12.2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	-	- 125	- 125	88	-	88
Investment property	112	-	112	-	- 134	- 134
Other intangible assets	-	-	-	9	-	9
Interests in subsidiaries, joint ventures and associates	-	-	-	231	-	231
Interests in other entities	-	- 126	- 126	1	- 79	- 78
Non-current loans and receivables	204	-	204	172	-	172
Trade receivables and other non-derivative financial assets	9	-	9	18	-	18
Other non-financial assets	324	-	324	3	-	3
Non-current loans and borrowings	-	- 516	- 516	-	- 323	- 323
Provisions	17	-	17	12	-	12
Liabilities related to employee benefits	27	- 20	7	21	- 19	2
Tax allowances	-	-	-	-	-	-
Tax loss carried forward	-	-	-	-	-	-
Tax assets/Tax liabilities before offsetting	693	- 787	- 94	555	- 555	-
Set off tax	- 693	693	-	-555	555	-
Net tax asset/tax liability	-	- 94	- 94	-	-	-

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In the reporting year temporary differences result from the effect of timing difference due to depreciation, impairment, provisions and FX exchange difference booked and recognised as per the tax law.

Analysis of changes in net deferred tax assets and tax liabilities:

<i>Recognised deferred tax assets and liabilities (in HUF million)</i>	Balance at 01.01.2023	Recognised in profit or loss for the period	Recognised in other comprehensive income	Recognised directly in equity	Balance at 31 December 2023
Property, plant and equipment	- 229	317	-	-	88
Investment property	66	- 200	-	-	- 134
Other intangible assets	-	9	-	-	9
Interests in subsidiaries, joint ventures and associates	184	47	-	-	231
Interests in other entities	- 89	1	10	-	- 78
Non-current loans and receivables	- 18	190	-	-	172
Trade receivables and other non-derivative financial assets	-	18	-	-	18
Other non-financial assets	-	3	-	-	3
Non-current loans and borrowings	86	- 409	-	-	- 323
Provisions	10	2	-	-	12
Liabilities related to employee benefits	- 10	13	- 1	-	2
Tax allowances	-	-	-	-	-
Tax loss carried forward	-	-	-	-	-
Total	-	- 9	9	-	-

<i>Recognised deferred tax assets and liabilities (In HUF million)</i>	Balance at 01.01.2024	Recognised in profit or loss for the period	Recognised in other comprehensive income	Recognised directly in equity	Balance at 12.31.2024
Property, plant and equipment	88	- 213	-	-	- 125
Investment property	- 134	246	-	-	112
Other intangible assets	9	- 9	-	-	-
Interests in subsidiaries, joint ventures and associates	231	- 231	-	-	-
Interests in other entities	- 78	- 2	- 46	-	- 126
Non-current loans and receivables	172	32	-	-	204
Trade receivables and other non-derivative financial assets	18	- 9	-	-	9
Other non-financial assets	3	321	-	-	324
Non-current loans and borrowings	- 323	- 193	-	-	- 516
Provisions	12	5	-	-	17
Liabilities related to employee benefits	2	8	- 3	-	7
Tax allowances	-	-	-	-	-
Tax loss carried forward	-	-	-	-	-
Total	-	- 45	- 49	-	- 94

8. Inventories

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Goods	162	194
Raw materials and consumable goods	12	11
Total	174	205

The prior-year closing balance of goods mainly included pandemic tools and electrical equipment purchased for resale. In the reporting year the Company transferred a part of equipment to MVM Balance Zrt. as in kind contribution and derecognised its carrying amount.

9. Other non-financial assets

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Advances given	3,494	2,883
Prepayments	1,679	1,490
Borrowing costs	600	-
Spare parts and accessories	490	482
Receivables from authorities	4	10
Miscellaneous receivables	25	9
Total	6,292	4,874

Major items within other non-financial assets in 2024 include advance payments for sponsorship and advertising services, as well as various economic-type services, guarantee fees within prepayments, accounted for in the reporting year but relating to the next period. Furthermore, in connection with intra-group relations, the main item is the 2024 credit of fees deferred based on the ex post calculation of business and holding support services to MVM Services Zrt. and other intra-group SLA services.

10. Non-current assets held for sale

The properties at Tuzsér recognised among non-current assets held for sale in the prior-year closing balance were sold; the derecognised carrying amount of the assets totalled HUF 168 million. The reporting-year closing balance (HUF 34,910 million) includes the reclassification of the interest in MVM NET Zrt. from non-current assets, for the purposes of selling the shares of the company next year based on founder resolution.

11. Restricted cash

Composition of restricted cash:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Employee housing loan account	48	41
Cash restricted for financial support purposes	2	2
Other restricted cash	105	111
Total	155	154

12. Cash and cash equivalents

<i>Cash and cash equivalents (in HUF million)</i>	31.12.2024	31.12.2023
Bank deposits	210,776	160,323
Cash pool receivables	298,530	386,345
Cash and cash equivalents	509,306	546,668
Overdraft facilities (see Note III.14.)	-1,143,564	-931,608
<i>Cash and cash equivalents (in HUF million)</i>	31.12.2024	31.12.2023
Cash and cash equivalents in the statement of cash flows	-634,258	-384,940

13. Share capital and reserves

Share capital

Share capital of MVM Zrt. consists of 106,172,431 ordinary shares, which were fully paid to the Company. The face value of shares is HUF 8,000 each.

All of the shares of the Company is owned by the Hungarian State, it exercises its ownership rights and obligations as a sole shareholder since 1 December 2022 by the Ministry of Energy.

<i>(number)</i>	Ordinary shares	of which Treasury shares
Number as at 31 December 2023	106,172,431	-
Number as at 31 December 2024	106,172,431	-

Capital reserve

The capital reserve comprises on the one hand the HUF 31,257 million originated upon the transformation of MVM Tröszt into a business association, on the other hand, the HUF 20,635 million transferred from retained earnings to the capital reserve in 2020. The value of the capital reserve rarely changes because the capital reserve is not directly distributable, the amount can change only in certain cases (withdrawal from capital reserve accompanied by asset withdrawal and transfer to other components of equity).

Retained earnings

Retained earnings of the Company comprises the accumulated earnings of previous years less dividends paid to owners.

The following dividends were paid:

<i>(in HUF million)</i>	2024	2023
Dividends paid	324,000	108,048
Dividend per share (HUF/share)	3,052	1,018

Based on its Resolution 25/2023 (IV.25.), in 2023 the sole shareholder of MVM Zrt. decided to distribute HUF 108,048 million dividend, which was fully paid in cash benefit.

On the basis of the interim balance sheet of MVM Zrt. for the period ended 30 June 2023, based on its Resolution 87/2023 (XI.24.) the sole shareholder of the Company decided to distribute HUF 309,000 million interim dividend, which was paid through cash transfer in 2023. Based on the accounting policies of the Company this was recognised at the end of 2023 as receivable from the owners.

Based on its Resolution 27/2024 (IV.24.), in 2024 the sole shareholder of MVM Zrt. decided to distribute HUF 324,000 million dividend in cash benefit, of which HUF 15,000 million remaining following the payment of the interim dividend was paid to the owner in 2024 H1.

On the basis of the interim balance sheet of MVM Zrt. for the period ended 30 June 2024, based on its Resolution 57/2024 (XI.12.) the sole shareholder of the Company decided to distribute HUF 126,000 million interim dividend, which was paid through cash transfer. Based on the accounting policies of the Company this was recognised as at the reporting date as receivable from the owners.

The Board of Directors of MVM Zrt. proposes to approve as dividend an amount of HUF 339,500 million from MVM Zrt.'s free retained earnings supplemented with the profit after tax for 2024 (of which HUF 126,000 million has already been paid as interim dividend paid through cash transfer), but the final amount of the dividend will be decided on by the Ministry of Energy.

Other reserves – Fair value reserve

The Company records its interest in PannErgy Nyrt. as FVOCI assets.

Other reserves – Reserve for employee benefits

Actuarial gains and losses arising from defined benefit plans (post-employment benefits) are accounted for in other comprehensive income.

Equity correlation table

Under Section 114/B of the Hungarian Act on Accounting, the financial statements include the calculation of the difference between equity as per the Hungarian Act on Accounting and equity under the reporting framework described above.

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<i>(in HUF million)</i>	31.12.2024	31.12.2023
Section 114/B (4) Equity under IFRS		
Share capital	849,379	849,379
Reserves	231,308	342,283
Profit for the reporting period	176,818	212,533
Total equity	1,257,505	1,404,195
Section 114/B (4) a) Equity		
Equity under IFRS	1,257,505	1,404,195
Additional capital contribution received and recognised as liabilities under IFRS (+)	-	-
Amount recognised as deferred income of the value of cash, assets received to be transferred to the capital reserve based on legal regulation (+)	-	-
Amount of receivables from owners due to capital increase considered an equity instrument (-)	-	-
Total equity	1,257,505	1,404,195
Section 114/B (4) b) Share capital under IFRS		
Share capital determined in the deed of foundation, if it is considered an equity instrument	849,379	849,379
Face value of repurchased own shares (-)	-	-
Share capital under IFRS	849,379	849,379
Section 114/B (4) c) Subscribed, but unpaid capital		
Amount of share capital under IFRS not yet made available to the entity	-	-
Section 114/B (4) d) Capital reserve		
The sum of all elements of equity which do not meet the definition of share capital under IFRS, subscribed but unpaid capital, retained earnings, valuation reserve, profit or loss for the year or allocated reserve	51,892	51,892
Total capital reserve:	51,892	51,892
Section 114/B (4) e) Retained earnings		
Profit accumulated in previous years and not distributed to owners, recognised in the IFRS annual financial statements; it may not contain other comprehensive income (±)	177,844	289,303
Unused development reserve (-)	-	-
Deferred tax calculated based on IAS 12, related to unused development reserve (+)	-	-
Total retained earnings:	177,844	289,303
Section 114/B (4) f) Valuation reserve		
Accumulated amount of other comprehensive income included in the statement of comprehensive income, net of reporting-year other comprehensive income (±)	1,080	1,177
Other comprehensive income for the year presented in the statement of comprehensive income (±)	492	-89
Valuation reserve	1,572	1,088
Section 114/B (4) g) Profit or loss for the year		
Profit or loss for the year presented in the profit or loss section of the statement of comprehensive income or in the separate statement of profit or loss (±)	176,818	212,533

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Profit/Loss for the year	176,818	212,533
Section 114/B (4) h) Allocated reserve		
Additional capital contribution received and recognised as liabilities under IFRS (+)	-	-
Unused development reserve (+)	-	-
Deferred tax of unused development reserve, calculated based on IAS 12 (-)	-	-
Total allocated reserve	0	0
Section 114/B (5) b) Free retained earnings available for dividend payment:		
Retained earnings (which contains the profit or loss for the year of the financial year closed with the last annual financial statements)	354,662	501,836
Accumulated, unrealised gain accounted for because of fair value increase in investment property as per IAS 40	-	-
Free retained earnings available for dividend payment	354,662	501,836

14. Loans and borrowings

Non-current loans and borrowings

<i>in HUF million</i>	Non-current bank loans	Non-current bond liabilities
01.01.2023	1,025,757	251,749
Increase	2,146,660	255,484
Repayment	-2,120,745	-
Reclassification into current loans	-244,105	-
FX revaluation	-339	-6,141
31.12.2023	807,228	501,092
Increase	1,019,675	271,325
Repayment	-919,475	-
Reclassification into current loans	-663,284	-
FX revaluation	3,965	70,686
31.12.2024	248,109	843,103

Non-current loans and bond liabilities of the Company outstanding at end of reporting period: HUF 1,091,212 million, influenced by the following main factors:

- On 13 March 2024, MVM Zrt. successfully completed an international foreign-currency bond issue, raising USD 750 million nominal amount in funds, with 6.5% fixed interest, maturing in 7 years. The funds raised as a result of the issue are for general corporate finance and

will contribute to implementing the MVM Group's strategy. In addition, the carrying amount of the bonds was affected by the unwinding of discount and the FX exchange rate differences.

- Foreign currency investment loans (current and non-current) with the European Investment Bank (EIB) amount to EUR 144.7 million, maturing in 2025, 2036 and 2037, and are designed to finance the reinforcement and expansion of the transmission network owned by MAVIR ZRt. No FX amounts were drawn in the reporting period.
- Most significant items from investment loans drawn in HUF (total amount of current and non-current liabilities, net of upfront loan costs, is HUF 139.3 billion):
 - = Loans (HUF 86.8 billion) concluded with EIB for a term of 15 years each (maturing in 2027-2039) were drawn under the investment credit facility agreements for the financing of the strengthening and expansion of the electricity transmission network owned by MAVIR ZRt., the renovation of the storage facilities owned by Magyar Földgáztároló Zrt. and network development constructions of MVM Démász Áramhálózati Kft. and MVM Émász Áramhálózati Kft.
 - = Furthermore, the 15-year loan agreement with the International Investment Bank (IIB), taken over by the Hungarian Development Bank (MFB) on 30 March 2022, and the 15-year loan agreement with the MFB both concluded to finance the gas network development investments of MVM Főgáz Kft. and MVM Égáz-Dégáz Zrt. (HUF 52.5 billion).
- A currently EUR 400 million multi-currency revolving credit facility agreement for general corporate finance was signed with Bank of China Limited Magyarországi Fióktelepe on 6 May 2022, then it was modified on 14 October 2024. Taking the drawdowns and repayments made during the reporting period into account, the outstanding amount of long-term loans (net of upfront loan costs) at the end of the reporting period is HUF 35 billion (EUR 85 million).
- After drawdowns and repayments in the reporting year there were no amounts drawn at the end of the period under the currently HUF 225 billion revolving credit line agreement originally concluded in 2017 (with UniCredit Bank as agent and 13 banks) for refinancing and general corporate financing purposes, which has since been amended several times, with unilateral extension option.
- On 25 March 2021 the Company signed a loan agreement with a consortium consisting of three Hungarian banks with OTP Bank Nyrt. as the agent, for a total amount of HUF 100 billion. The term of the loan is 10 years; this non-current funding will assist the MVM Group in implementing its business strategy. The loan outstanding at the end of the period totals HUF 64.1 billion (net of upfront loan costs), its current portion amounts to HUF 10.3 billion.
- A HUF 500 million revolving credit agreement was concluded in 2021 (with OTP Bank as agent and 11 banks) for refinancing and general corporate finance, expiring in 2026, of which the non-current debt outstanding at the end of the reporting period (net of upfront loan costs) after drawdowns and repayments in the reporting year is HUF 41 billion (EUR 100 million).

- On 14 October 2022, the Company entered into a EUR 250 million revolving credit agreement with ICBC Austria Bank GmbH for a 3-year term for general corporate finance purposes. After repayment of the total amount drawn down during the reporting period, no new amounts were drawn up to the end of the period, the Company has no outstanding liability.
- A HUF 150 billion revolving credit agreement was concluded in 2024 (with OTP Bank as agent and 9 banks) for general corporate financing purposes, expiring in 2029, of which no amounts have been drawn yet.

Current loans and borrowings

<i>in HUF million</i>	Overdraft facility (including cash-pool liability)	Portion of non-current loans reclassified into current loans	Other current borrowings and loans	Accrual of interest payable	Total
01.01.2023	1,431,316	20,992	118,510	12,705	1,583,523
Increase	-	-	271,756	10,405	282,161
Decrease	-520,846	-	-	-12,705	-533,551
Reclassification	-	244,105	-	-	244,105
Repayment	-	-69,379	-262,727	-	-332,106
FX revaluation	21,138	160	-3,724	-	17,574
31.12.2023	931,608	195,878	123,815	10,405	1,261,706
Increase	198,097	-	173,641	12,203	383,941
Decrease	-	-	-	-10,405	-10,405
Reclassification	-	663,284	-	-	663,284
Repayment	-	-764,142	-174,053	-	-938,195
FX revaluation	13,859	156	4,922	-	18,937
31.12.2024	1,143,564	95,176	128,325	12,203	1,379,268

Other current loans include the HUF 53,311 million current loan concluded by the Company with China Construction Bank in 2024, the HUF 52,009 million drawn from the revolving credit agreement signed with MFB, as well as the current loan from Vseobecná úverová banka in Slovakia (HUF 20,505 million) and from Erste Bank (HUF 2,500 million).

Non-current bank loans

Type of loan	Currency	Year of maturity (31.12.2024)	Balance			Balance		
			31.12.2024	Of which non-current	Of which current	31.12.2023	Of which non-current	Of which current
Loans with floating and fixed interest rates	HUF	2025 – 2039	208,216	191,847	16,369	580,858	426,916	153,942
Loans with floating and fixed interest rates	EUR	2025 – 2037	135,069	56,262	78,807	422,248	380,312	41,936
Total			343,285	248,109	95,176	1,003,106	807,228	195,878

Type of loan	Currency	Nominal average interest rate (31.12.2024)	Nominal average interest rate (31.12.2023)
Loans with floating and fixed interest rates	HUF	6.71%	13.66%
Loans with floating and fixed interest rates	EUR	4.21%	3.69%

Issued bonds

Type of loan	Currency	Coupon	Maturity (31.12.2024)	Balance			Balance		
				31.12.2024	Of which non- current	Of which current	31.12.2023	Of which non- current	Of which current
NKP bond	HUF	3.25%	03.09.2031	54,323	54,323	-	54,199	54,199	-
EUR bond	EUR	0.88%	18.11.2027	203,654	203,654	-	189,509	189,509	-
USD bond I.	USD	7.5%	09.06.2028	293,141	293,141	-	257,384	257,384	-
USD bond II.	USD	6.5%	13.03.2031	291,985	291,985	-	-	-	-
Total				843,103	843,103	-	501,092	501,092	-

Loan collateral

The loans of MVM Zrt. are unsecured loan contracts, in which MVM Zrt. does not provide any collateral right to the banks, and therefore it has to comply with standard market covenant clauses and financial covenants, the breaching of which may result in the termination of the loan contracts.

Loan covenants

In 2023 and 2024 the Company complied with all loan covenants. Based on the loan agreements, the ratio of adjusted EBITDA to interest expenses of the MVM Group must exceed 3, the ratio of adjusted net debt to net asset value must be less than 0.9, and the ratio of net debt to EBITDA must be less than 4.5.

15. Other non-current financial liabilities

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Non-current lease liabilities (See Note III. 30.)	4,761	4,524
Other non-current liabilities	-	-
Total	4,761	4,524

The more significant items in the balance of other non-current liabilities include, among others, the lease liability recognised due to use of the Szentendrei út headquarters.

16. Employee benefits

Liabilities related to long-term employee benefits

The Company provides other long-term benefits to its employees under the collective agreement.

For retiring employees the Company provides the following post-employment benefits:

- Average earnings for retiring employees;
- Voluntary pension fund.

The Company does not allocate a legally separate fund to cover liabilities related to the above future employee benefits, thus the present value of the whole commitment is recognised among liabilities.

The following table shows changes in the present value of defined benefit obligations:

Changes in the present value of defined benefit obligations (in HUF million)	2024	2023
Defined benefit obligation at the beginning of the period	83	72
<i>of which: current portion</i>	-	-
Interest costs	6	10
Current service costs	13	12
<i>of which: extension</i>	-	-
Payments in the current period	-	-
Curtailments	-	-
Actuarial (gains) losses	-22	-11
<i>of which: recognised in other comprehensive income</i>	-22	-11
Defined benefit obligation at the end of the period	80	83
<i>of which: current portion</i>	-	-

Of the items recognised in net profit in relation to the defined benefit plan, the current service costs and the effect of curtailment presented as correction of booked expenses are recognised as 'Staff costs', while interest expenses are recognised as 'Finance costs'.

Actuarial gains and losses on benefits connected to retirement are presented in other comprehensive income.

The reporting-year amount deriving from actuarial gains and losses arising upon reduction or settlement of the defined benefit plan and transferred into retained earnings within equity from accumulated other comprehensive income recognised previously totalled HUF 8 million (gain accounted for previously).

Expenses recognised in the statement of profit or loss in relation to defined benefit plan (in HUF million)	2024	2023
Staff costs	13	12
Finance costs	6	10
Total	19	22

Actuarial assumptions

The Company used the following basic actuarial assumptions when assessing liabilities related to the defined benefit plan.

Actuarial assumptions	2024	2023
Discount rate at 31 December	5.61%	6.63%
Rates of leaving	9.2%-16.3%	8.9%-16.2%
Wage increase over the rate of inflation after the year following the reporting year	0.20%	0.00%
Inflation	3.00%	3.00%

The discount rate is set in line with the yield on Hungarian government securities; it increased due to changes in market processes. The annual rate of leaving is determined by gender, employment category (manual/non-manual) and number of years of service. The current year's life expectancy assumptions are based on the 2023 life expectancy table of the Hungarian Central Statistical Office. The elements of the defined benefit plan are not annuities but mostly one-off payments, therefore life expectancy assumptions are not considered a significant factor and accordingly are not disclosed.

We performed a sensitivity analysis in relation to the changes in the main actuarial assumptions of the liability related to the defined benefit plan, separately for the individual conditions, assuming that all other parameters remain constant. The results are presented in the table below:

Subject of the sensitivity analysis	Assumed change	Change in liability, expressed in %, in case of a positive shift in the subject of the sensitivity analysis	Change in liability, expressed in %, in case of a negative shift in the subject of the sensitivity analysis
Discount rate	+/-30 basis points	-3%	+3%
Wage increase over the rate of inflation after the year following the reporting year	+/-100 basis points	+11%	-9%
Rate of leaving*	+/-10%	-10%	+11%

* Assuming uniform changes irrespective of gender, manual – non-manual position and years in service.

Liabilities related to short-term employee benefits

Liabilities related to short-term employee benefits (in HUF million)	31.12.2024	31.12.2023
Income settlement	236	313
Other settlements related to employees	18	22
<i>Current portion of obligations related to defined benefit plans</i>	-	-
Accrued staff costs	928	542
<i>Accrual of 13th month wages and contributions</i>	-	-
<i>Accrual of bonuses and related contributions</i>	77	74
<i>Accrual of other staff benefits</i>	851	468
Total	1,182	877

17. Provisions

<i>(in HUF million)</i>	Provisions for unused holidays	Other	Total
Balance at 1 January 2023	153	175	328
<i>Of which: current</i>	153	175	328
<i>Of which: non-current</i>	-	-	-
Reclassification	-	-	-
Provisions recognised during the period	165	2	167
Provisions used during the period	-153	-175	-328
Provisions released during the period	-	-	-
Unwind of discount	-	-	-
Balance at 31 December 2023	165	2	167
<i>Of which: current</i>	165	2	167
<i>Of which: non-current</i>	-	-	-
Reclassification	-	-	-
Provisions recognised during the period	186	2	188
Provisions used during the period	-165	-2	-167
Provisions released during the period	-	-	-
Unwind of discount	-	-	-
Balance at 31 December 2024	186	2	188
<i>Of which: current</i>	186	2	188
<i>Of which: non-current</i>	-	-	-

Within provisions, the amount used in the previous year of the items not listed separately derived from the repayment of a damage compensation previously paid to the Company (HUF 175 million), while the obligation as at the end of that period covers the support to be provided to MVM a Rászorulókért Alapítvány. This amount was used in 2024, then it was recognised again to cover the next-year support.

18. Other current non-financial liabilities

<i>(in HUF million)</i>	31.12.2024	31.12.2023
Related to central budget	10,892	8,324
<i>of which: VAT</i>	10,300	7,932
Liabilities related to contracts with customers	172	38
Other	153	345
Total	11,217	8,707

The balance of liabilities related to contracts with customers mainly includes deferral of income – guarantee fees, insurance premiums and other economic-type services – already invoiced to subsidiaries but relating to the next year.

Grants

As at the end of 2024, advances for grants amounted to HUF 43 million (2023: HUF 43 million), deferrals related to grants totalled HUF 34 million (2023: HUF 57 million), while deferrals related to other assets were HUF 3 million (2023: HUF 3 million).

In 2024 HUF 2 million government grant was disbursed (reimbursement of the payment for days off work and contributions paid by the employer of additional paternity holiday), while in 2023 HUF 68 million government grant was disbursed (grant received based on the final settlement related to Felsőoktatási és Ipari Együttműködés Központ, grant received under LIFE IP, reimbursement of the payment for days off work and contributions paid by the employer of additional paternity holiday).

19. Sales revenue

(in HUF million)	2024	2023
Management services	50,035	41,437
Treasury services	3,456	4,667
Utilisation of assets	2,076	1,599
Other activities	513	1,284
Total	56,080	48,987

Revenue by geographical region:

<i>(in HUF million)</i>	2024	2023
To EU countries	56,080	48,985
Hungary	55,412	48,006
Austria	6	13
Czech Republic	426	438
Croatia	175	501
Germany	-	1
Slovakia	58	25
Romania	3	1
To non-EU countries	-	2
United Kingdom	-	1
Switzerland	-	1
Total	56,080	48,987

The majority of the Company's revenue derives from sales within the Group. Revenue of the Holding entity from services provided extensively at Group level that cover several areas of management activity grew by HUF 8,598 million relative to the previous period.

Revenue from utilisation of assets derives from the utilisation, renting of industrial facilities (gas turbine power plants) and other non-current assets owned by the Company.

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Reporting-year changes in receivables from customer contracts as well as contract assets and liabilities:

<i>(in HUF million)</i>	Accrued trade receivables and revenue	Contract assets	Contract liabilities
Balance at 1 January 2023	54,222	-	704
Revenue accounted for in the reporting year of the balance at the beginning of the year of contract liabilities	-	-	-704
Adjustment of revenues accounted for in a previous period – due to revision of the estimated proportion of performance over time	-	-	-
Adjustment of revenues accounted for in a previous period – due to revision of the estimate for variable consideration	-	-	-
Adjustment of revenues accounted for in a previous period – due to contract modification	-	-	-
Change in impairment of contract assets	-	-	-
Reclassification of contract assets into receivables	-	-	-
Other changes	461	-	38
Balance at 31 December 2023	54,683	-	38

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<i>(in HUF million)</i>	Accrued trade receivables and revenue	Contract assets	Contract liabilities
Balance at 1 January 2024	54,683	-	38
Revenue accounted for in the reporting year of the balance at the beginning of the year of contract liabilities	-	-	-38
Adjustment of revenues accounted for in a previous period – due to revision of the estimated proportion of performance over time	-	-	-
Adjustment of revenues accounted for in a previous period – due to revision of the estimate for variable consideration	-	-	-
Adjustment of revenues accounted for in a previous period – due to contract modification	-	-	-
Change in impairment of contract assets	-	-	-
Reclassification of contract assets into receivables	-	-	-
Other changes	10,614	-	172
Balance at 31 December 2024	65,297	-	172

20. Other operating income

<i>(in HUF million)</i>	2024	2023
Intangible and tangible assets sold	358	21
Grants, benefits received	25	51
Gain on assets contributed to the company	1	1,283
Forgiven liabilities, assets received free of charge	-	15
Fines, penalties, default interest, compensation received	-	14
Impaired receivables settled financially	-	-
Other income	22	40
Total	406	1,424

Under other operating income for 2023, the gain on assets contributed to the company includes difference between the carrying amount of the assets contributed to MVM Ingatlankezelő Kft. in-kind (Kék-Duna Csónakház, Hotel Astra and Budaörs properties) and their value under the articles of association, while in 2024 this item includes gain on electrical equipment contributed to MVM Balance Zrt. in-kind.

The main items within the balance of the gain on intangible and tangible assets sold in 2024 relate on the one hand to the properties at Tuzsér sold, on the other hand, the METEO software sold to MVM Zöld Generáció Zrt.

21. Material-type expenses

<i>(in HUF million)</i>	2024	2023
Operating costs of motor vehicles	99	103
Maintenance cost of devices and equipment	47	35
Costs of spare parts	19	15
Costs of maintenance materials	1	1
Other material-type expenses	6	9
Total material-type expenses	172	163

A major item within material-type expenses comprises fuel and other materials necessary for the operation of motor vehicles (HUF 99 million).

22. Staff costs

<i>(in HUF million)</i>	2024	2023
Wage costs	5,231	5,450
Wage contributions	1,179	1,204
Other staff costs	1,179	1,269
Total	7,589	7,923

Staff costs decreased by HUF 334 million.

The reporting-year basic wage increase increased costs in 2024. Based on the Group-level wage agreement signed, basic wages were increased by 14.25% in average as of 1 May 2024 across the Group. The signed agreement also applies to MVM Zrt., therefore wages were increased at the Company as set forth in the agreement.

To strengthen income positions, another provision covered the lump sum payments; however, its rate was lower than in 2023.

Further decrease resulted from headcount changes, as average headcount in 2024 is 6 persons down on the prior-period figure. The resulting savings were enhanced by the effect of 2023 one-off items, primarily the one-off payments related to the termination of employment for staff leaving in 2023.

Amounts paid to pension and other welfare funds based on defined contribution plans are recognised as other staff costs. Expenses accounted for based on defined contribution plans amounted to HUF 259 million in 2024 (2023: HUF 278 million).

Average headcount

<i>Average headcount (persons)</i> <i>Staff category *</i>	2024	2023
Manual	-	-
Non-manual	154	160
<i>Total payroll staff</i>	<i>154</i>	<i>160</i>
Total	154	160

* The average headcount is the average over 12 months of the average monthly headcount.

23. Recognition and reversal of impairment

<i>(in HUF million)</i>	2024	2023
Impairment of non-current assets	-	6
<i>Impairment of intangible assets</i>	-	-
<i>Impairment of tangible assets</i>	-	2
<i>Scrapping of intangible assets</i>	-	-
<i>Scrapping of tangible assets</i>	-	4
Reversed impairment of non-current assets	-	-
<i>Reversed impairment of intangible assets</i>	-	-
<i>Reversed impairment of tangible assets</i>	-	-
Impairment of non-current assets held for sale	-	-
Impairment of inventories (see Note III.8.)	2	39
Impairment of receivables	137	91
Reversed impairment of receivables	-1,344	-102
Reversal of impairment booked on cash pool receivables	-3	-
Total	-1,208	34

In both years impairment of receivables and reversal thereof related to receivables from subsidiaries (receivables within non-current loans as well as trade receivables and other non-derivative financial assets).

24. Other operating expenses

<i>(in HUF million)</i>	2024	2023
Marketing costs	15,743	14,125
Costs of SLA (except for bookkeeping) services provided by MVM Services Zrt.	12,758	10,401
Costs of technical, IT and operating services	6,575	5,363
Advisory costs	5,203	3,235
Fees paid to authorities, insurance premiums, membership fees and taxes	1,004	1,705
Costs of bookkeeping services and audit	451	933
Rental and other fees	591	597
Financial support granted	998	423
Other operating expenses	1,966	2,604
Total	45,289	39,386

Based on the above, the HUF 5,903 million increase in other operating expenses was a joint result of several factors, of which the major items include changes in marketing costs, SLA services provided by MVM Services Zrt., costs of technical, IT and operating services and advisory costs.

25. Finance income and finance costs

Finance income

<i>(in HUF million)</i>	2024	2023
Dividends received	230,279	204,007
Gain on derivative transactions	128,076	215,598
Interest income	121,427	204,919
Foreign exchange gain	61,978	132,885
Income from, capital gains on interests	238	14
Other finance income	2	371
Total	542,000	757,794

Overall, finance income fell as compared to the previous period. The main contributing factors include the decrease in interest income relative to the previous year due to the lower volume of loans, and the lower realised exchange gain on FX assets and liabilities.

The main items within derivative transactions are realised and unrealised gain and loss on interest rate swap and FX derivative transactions not subject to hedge accounting. The year-on-year decrease is due to less favourable market prices compared to the dealing prices of transactions.

A factor contributing to the increase in dividends received in the case of subsidiaries and associates was the higher income resulting from the higher profit of the individual companies.

Finance costs

<i>(in HUF million)</i>	2024	2023
Interest expense on loans, borrowings	123,917	181,926
Foreign exchange loss	122,441	131,778
Loss on derivative transactions	94,409	216,698
Impairment of interests	24,249	12,901
Other interest expense	439	367
Expenses, capital losses on interests	-	8
Other finance costs	1,880	1,741
Total	367,335	545,419

In total, finance costs were down on the previous period, mainly owing to the decrease in loss on derivative transactions and in interest expenses due to the lower volume of non-current loans and cash pool borrowings.

In 2024 – based on the recoverable amount determined in accordance with the accounting policy – HUF 24,621 million impairment was booked and HUF 372 million impairment was reversed on interests, including as major items the impairment of the interests in E.ON Hungária Zrt., MVM EGI Zrt. and MVM Mátra Energia Zrt.

26. Financial instruments

Integrated Enterprise Risk Management (ERM)

To identify and assess risks that threaten the achievement of organisational objectives and to mitigate them as far as possible, the Company and the Group operates an integrated Enterprise Risk Management system.

Within this framework, the Group Risk Management Directorate of MVM Zrt.

- identifies, corrects and manages events and risks that could hinder the achievement of the objectives,
- helps management to manage risks, and
- regulates the processes needed to achieve the above.

The integrated risk management procedure sets out the actions to be taken in relation to each risk – and how to take them – to reduce or eliminate the risks, and how to monitor the completion of the actions on an ongoing basis.

The Company and the Group is exposed to the following risks derived from financial instruments:

- credit risk (counterparty risk);
- liquidity risk;
- market risk (including foreign exchange risk, interest rate risk, equity price risk and commodity price risk arising from trading commodities).

This Note presents information about the Company's exposure to the above risks, MVM Zrt.'s objectives, rules and processes for measuring and managing risk.

Carrying amount of financial instruments of the Company by category:

<i>(in HUF million)</i>	Carrying amount	
	31.12.2024	31.12.2023
Non-current loans and receivables	839,299	400,651
Trade receivables and other non-derivative financial assets	685,208	1,861,378
Restricted cash	155	154
Cash and cash equivalents	509,306	546,668
Total financial assets measured at amortised cost	2,033,968	2,808,851
Derivative financial assets measured at fair value through profit or loss	96,108	398,042
Interests measured at fair value through other comprehensive income	2,752	2,233
Non-current loans and borrowings	1,091,212	1,308,320
Other non-current financial liabilities	4,761	4,524
Current loans and borrowings	1,379,268	1,261,706
Trade payables and other non-derivative financial liabilities	43,235	455,733
Total financial liabilities measured at amortised cost	2,518,476	3,030,283
Derivative financial liabilities measured at fair value through profit or loss	92,435	404,859

In 2024 and 2023 the Company had no gain or loss arising from derecognition of financial assets measured at amortised cost.

a) Credit risk (counterparty risk)

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations in full and/or on time. The risk arises primarily from financial - economic factors, such as insolvency of the partner, or for technical - commercial or administrative reasons.

Providing financing for its subsidiaries and their solvency represent the main credit risk for the Company.

To mitigate the above risk the Company applies various procedures and measures:

- preliminary assessment and periodic review of creditworthiness of member companies;
- establishing individual credit limits and ongoing checking of adherence to such limits, monitoring of any breaches of limit, developing action plans;
- establishing partner limits for treasury partners based on an internal model, taking the data of external rating agencies into account, and continuous monitoring thereof;

- for treasury partners, in addition to the ISDA contracts that provide the legal background of hedge transactions, the use of a Credit Support Annex that requires in the case of all partners two-way margining on a weekly basis, based on the current market value (MtM) of the transactions concluded;
- regular review and modification if necessary of the recorded partner limits, taking into account past experience and available information relating to the partner;
- continuous reconciliation of cash flows required from the member companies and cash flows that can actually be realised;
- continuous check of the changes in outstanding receivables;
- application of collection measures;
- central management of the liquidity generated in member companies in the Group-level cash pool system.

The Group seeks to manage the ever-changing market/economic conditions by periodically reviewing and adjusting the counterparty rating model in a manner consistent with the Group's risk appetite.

Maximum value as at 31 December of assets exposed to credit risk is presented in the following table

Maximum credit risk exposure (in HUF million)	31.12.2024	31.12.2023
	Gross carrying amount	Gross carrying amount
Non-current loans and receivables	839,367	401,759
Derivative financial assets (non-current)	19,200	53,805
Derivative financial assets (current)	76,908	344,237
Trade receivables and other non-derivative financial assets	685,304	1,861,641
Restricted cash	155	154
Cash and cash equivalents	509,306	546,671
Maximum credit risk exposure	2,130,240	3,208,267
Exposures secured by collateral	126,298	849,169
Net credit risk exposure	2,003,942	2,359,098

Rating of receivables and impairment

The following tables present the amount of impairment allocated on trade receivables and non-current loans and receivables by maturity as well as changes to impairment in the reporting year.

The table below shows cost and impairment of non-current loans and receivables by maturity:

<i>(in HUF million)</i>	31.12.2024		
	Cost	Impairment	Carrying amount
Not past due	839,367	68	839,299
Past due	-	-	-
<i>Between 1 - 30 days</i>	-	-	-
<i>Between 31 - 90 days</i>	-	-	-
<i>Between 91 - 180 days</i>	-	-	-
<i>Between 181 - 365 days</i>	-	-	-
<i>Over 1 year</i>	-	-	-
Total	839,367	68	839,299

<i>(in HUF million)</i>	31.12.2023		
	Cost	Impairment	Carrying amount
Not past due	401,759	1,108	400,651
Past due	-	-	-
<i>Between 1 - 30 days</i>	-	-	-
<i>Between 31 - 90 days</i>	-	-	-
<i>Between 91 - 180 days</i>	-	-	-
<i>Between 181 - 365 days</i>	-	-	-
<i>Over 1 year</i>	-	-	-
Total	401,759	1,108	400,651

Changes of impairment charged on non-current loans and receivables:

Changes in charged impairment (in HUF million)	2024	2023
Opening balance at 1 January	1,108	1,158
Impairment recognised in the reporting year	14	19
Impairment derecognised in the reporting year, other changes	-1,034	-9
Reversal of impairment in the reporting-year	-20	-60
Balance of impairment account at 31 December	68	1,108

In 2023 and in 2024 MVM Zrt. measured non-current receivables and assessed impairment for them based on the incurred loss model and the expected credit loss model individually.

The following table shows cost and impairment of trade receivables and other non-derivative financial assets by maturity:

Trade receivables and other non-derivative financial assets (in HUF million)	31.12.2024		
	Cost	Impairment	Carrying amount
Not past due	685,271	89	685,182
Past due	33	7	26
<i>Between 1 - 30 days</i>	18	-	18
<i>Between 31 - 90 days</i>	8	-	8
<i>Between 91 - 180 days</i>	-	-	-
<i>Between 181 - 365 days</i>	-	-	-
<i>Over 1 year</i>	7	7	-
Total	685,304	96	685,208

Trade receivables and other non-derivative financial assets (in HUF million)	31.12.2023		
	Cost	Impairment	Carrying amount
Not past due	1,861,572	257	1,861,315
Past due	69	6	63
<i>Between 1 - 30 days</i>	24	-	24
<i>Between 31 - 90 days</i>	39	-	39
<i>Between 91 - 180 days</i>	-	-	-
<i>Between 181 - 365 days</i>	-	-	-
<i>Over 1 year</i>	6	6	-
Total	1,861,641	263	1,861,378

Changes in impairment recognised on trade receivables and other non-derivative financial assets:

<i>Changes in charged impairment (in HUF million)</i>	2024		2023	
	Individual	Collective	Individual	Collective
Opening balance at 1 January	263	-	668	-
Impairment recognised in the reporting year	123	-	72	-
Exchange difference of impairment	-	-	-	-
Derecognised impairment, other changes	1,034	-	-435	-
Reversal of impairment in the reporting-year	-1,324	-	-42	-
Balance of impairment account at 31 December	96	-	263	-
	96		263	

In 2023 and in 2024 MVM Zrt. measured receivables and assessed impairment for them based on the incurred loss model and the expected credit loss model individually.

A detailed description of the methods used to assess impairment is included in Note II.3. o).

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to settle its financial liabilities when they fall due.

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The objective and requirement of the Company is that it should maintain a strong liquidity position and shape the liquidity profiles of its assets, liabilities and contingent liabilities to ensure balanced cash flows and the settlement of all obligations when due.

The objective of the Company is that the aggregated value of its cash, cash equivalents and other easy-to-sell investments exceed at all times the amount of expected cash outflows related to its financial liabilities. Compliance with the above objective is continuously monitored with the help of regular cash flow forecasts, based on which amounts, maturities and dates of performance of expected cash inflows related to receivables and cash outflows related to liabilities are compared.

To ensure efficient and as cost-effective as possible management of liquidity risk the MVM Group uses cash pool accounts which ensure daily liquidity of the members involved in the cash pool; bank credit facilities are also available for the Group to cover potential unexpected illiquidity. The available financing portfolio provides appropriate conditions to ensure liquidity as well as financial flexibility for the Company and the other members of the MVM Group.

Unused credit facilities of the Company at the end of the periods under review:

Credit facility	Expired (31.12.2024)	31.12.2024		31.12.2023	
		Original currency, million*	In HUF million	Original currency, million*	In HUF million
EUR credit facility	2025-without expiry	1,082,926	444,097	443,793	169,875
HUF credit facility	2025-2029	964,000	964,000	644,768	644,768
USD credit facility	2025	33	13,000	3	1,150
CZK credit facility	2025-without expiry	1,360	22,175	870	13,468
RON credit facility	2025	9	717	9	669
Multi-currency credit facility	2025-2028	199,724	199,724	21,053	21,053

*In the case of the multi-currency credit facility the amount of the credit facility is shown in HUF million in the 'Original currency' column.

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Financial liabilities by maturity (principal and interest cash flows) as of 31 December 2024:

Financial liabilities (in HUF million)	Non-derivative financial liabilities			Derivative financial liabilities		Total financial liabilities
	Other non-current financial liabilities	Current and non-current loans and borrowings	Trade payables and other non-derivative financial liabilities	Transactions not subject to hedge accounting		
				Inflow	Outflow	
Carrying amount	4,761	2,470,480	43,235	92,435		2,610,911
Contractual cash flows	11,738	2,820,596	43,577	706,756	800,818	2,969,973
0-1 month	-	105,226	19,864	559,753	562,269	127,606
1-12 months	-	1,335,103	23,713	139,121	211,684	1,431,379
1-2 years	499	79,783	-	7,364	24,202	97,120
2-5 years	1,361	712,934	-	518	2,663	716,440
Over 5 years	9,878	587,550	-	-	-	597,428

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Financial liabilities by maturity (principal and interest cash flows) as of 31 December 2023:

Financial liabilities (in HUF million)	Non-derivative financial liabilities			Derivative financial liabilities		Total financial liabilities
	Other non-current financial liabilities	Current and non-current loans and borrowings	Trade payables and other non-derivative financial liabilities	Transactions not subject to hedge accounting		
				Inflow	Outflow	
Carrying amount	4,524	2,570,026	455,733	404,859		3,435,142
Contractual cash flows	12,444	2,920,896	456,289	496,725	911,054	3,803,958
0-1 month	-	57,835	9,812	197,996	206,106	75,757
1-12 months	-	1,295,346	446,477	282,046	622,445	2,082,222
1-2 years	449	189,145	-	14,659	65,198	240,133
2-5 years	1,190	1,107,697	-	2,024	17,305	1,124,168
Over 5 years	10,805	270,873	-	-	-	281,678

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Financial receivables by maturity (principal and interest cash flows) as of 31 December 2024:

Financial receivables (in HUF million)	Non-derivative financial assets		Derivative financial assets		Total financial receivables
	Non-current loans and receivables	Trade receivables and other non-derivative financial assets (except for current loans)	Transactions not subject to hedge accounting		
			Inflow	Outflow	
Carrying amount	839,299	685,208	96,108		1,620,615
Contractual cash flows	847,822	689,863	370,561	272,767	1,635,479
0-1 month	-	84,823	127,215	126,016	86,022
1-12 months	-	605,040	215,614	138,869	681,785
1-2 years	100,253	-	26,363	7,364	119,252
2-5 years	287,999	-	1,369	518	288,850
Over 5 years	459,570	-	-	-	459,570

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Financial receivables (in HUF million)	Non-derivative financial assets		Derivative financial assets		Total financial receivables
	Non-current loans and receivables	Trade receivables and other non- derivative financial assets	Transactions not subject to hedge accounting		
			Inflow	Outflow	
Carrying amount	400,651	1,861,378	398,042		2,660,071
Contractual cash flows	544,986	2,881,364	1,091,245	684,348	3,833,247
0-1 month	-	73,849	349,480	340,432	82,897
1-12 months	-	2,807,515	670,563	329,022	3,149,056
1-2 years	62,538	-	67,230	13,146	116,622
2-5 years	253,401	-	3,972	1,748	255,625
Over 5 years	229,047	-	-	-	229,047

c) Market risk

Market risk is the risk that changes in market prices – such as exchange rates, interest rates and commodity prices – will affect the Company's profit or loss and the fair values of financial instruments reported in the financial statements. The objective of market risk management is to ensure that the planned profit or recovery that can be achieved during the performance of the individual business activities should be influenced by relevant market factors, such as exchange rates, interbank interest rates or changes in commodity prices only up to a tolerable extent.

Market risk management policy and guidelines are specified at group level involving the companies concerned and are reviewed periodically.

It is the joint and coordinated responsibility of the Group Risk Management Directorate of MVM Zrt. and the companies to ensure management of market risks as well as full compliance with internal procedures and legal regulations.

The Group Risk Management Directorate of MVM Zrt. measures and reports sensitivity analyses relating to the commodity price risks present in the Group on a weekly basis, in individual cases it performs scenario analysis and stress tests. In terms of market risk the Group and thus the Company is primarily exposed to risks arising from changes to the price of electric energy, natural gas, primary energy resources and emission allowances, currency risks as well as risks derived from changes to interest rates.

Commodity price risk

Before August 2022, MVM Zrt. was allowed to hold a limited amount of bulk commodity derivative positions on its own account. These positions were typically taken on by member companies but were not marketable due to their small size; no positions were built for own purposes. These positions could only be held for a limited period, up to two weeks. Due to the extremely small position size and short holding period, the impact on profit/loss and the sensitivity of these positions was extremely low and practically negligible. MVM Zrt. has not engaged in bulk commodity derivatives trading on its own account since August 2022, so from this date onwards, changes in the prices of bulk commodity derivatives have no impact on the separate figures of the Zrt., while the margin (both received and paid) is passed on to the member companies concerned on a pro rata basis.

Foreign exchange risk

The functional and presentation currency of MVM Zrt. is the Hungarian forint. The Group's significant regional presence and the euro-based price quotations of its main markets constitute a significant foreign exchange exposure. In accordance with the guidelines of the risk management performed centrally by the Company, subsidiaries seek to establish natural hedge positions in foreign currency, i.e. applying the principle of FX purchase/liability versus FX sale/asset. If this is not possible for some reason, the net foreign exchange position is hedged with a derivative – generally a forward purchase/sale of foreign exchange. The amount of foreign exchange risk that subsidiaries can take on is capped by a limit system or hedge path.

During the long-term management of the Group's FX balance sheet items, the expected probabilities of FX appreciation and depreciation based on historical exchange rate movements and the current hedging cost of the given hedging direction are considered.

Similar to commodity risk, the effective time horizon for managing FX risk is typically 1-2 years at most, which means, just like all market participants, the Group will have to adapt to a changed exchange-rate environment in the medium to long term.

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Foreign exchange rate exposures

Exposure of the Company as of the reporting date by currency, without functional currency:

Exposure to foreign exchange risk (in HUF million)	31.12.2024					
	EUR	USD	CHF	CZK	RON	Other currency
Non-current loans and receivables	57,167	312,248	-	-	-	-
Derivative financial assets (non-current)	19,122	78	-	-	-	-
Derivative financial assets (current)	75,985	923	-	-	-	-
Trade receivables and other non-derivative financial assets	131,350	10,323	-	33	6	1
Restricted cash	-	-	-	-	-	-
Cash and cash equivalents	271,792	11,263	2	168,464	765	39
Total financial assets	555,416	334,835	2	168,497	771	40
Non-current loans and borrowings	259,916	585,126	-	-	-	-
Non-current derivative financial liabilities	18,258	78	-	-	-	-
Other non-current financial liabilities	-	-	-	-	-	-
Current loans and borrowings	488,311	22,372	-	274,973	4,887	32
Current derivative financial liabilities	73,176	923	-	-	-	-
Trade payables and other non-derivative financial liabilities	35,190	38	3	2	-	-
Total financial liabilities	874,851	608,537	3	274,975	4,887	32
Net exposure	-319,435	-273,702	-1	-106,478	-4,116	8

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Exposure to foreign exchange risk (in HUF million)	31.12.2023					
	EUR	USD	CHF	CZK	RON	Other currency
Non-current loans and receivables	56,092	-	-	-	-	-
Derivative financial assets (non-current)	53,534	271	-	-	-	-
Derivative financial assets (current)	344,091	146	-	-	-	-
Trade receivables and other non-derivative financial assets	715,891	11	-	-	-	3
Restricted cash	-	-	-	-	-	-
Cash and cash equivalents	386,534	512	2	140,540	1,674	209
Total financial assets	1,556,142	940	2	140,540	1,674	212
Non-current loans and borrowings	569,821	257,385	-	-	-	-
Non-current derivative financial liabilities	62,410	271	-	-	-	-
Other non-current financial liabilities	3	-	-	-	-	-
Current loans and borrowings	380,216	1,387	-	150,382	6,089	179
Current derivative financial liabilities	342,063	115	-	-	-	-
Trade payables and other non-derivative financial liabilities	444,141	147	54	-	-	4
Total financial liabilities	1,798,654	259,305	54	150,382	6,089	183
Net exposure	-242,512	-258,365	-52	-9,842	-4,415	29

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Analysis of exchange-rate sensitivity

The appreciation in the HUF at the reporting date vis-à-vis the following currencies would have increased (positive amounts) or decreased (negative amounts) equity and profit as shown in the following table in HUF million. The analysis was based on exchange rate changes deemed reasonably possible by the Company on the reporting date. The analysis assumes that all other variables remain constant, including interest rates and other currencies included in the table. The analysis is based on the same principles as for comparative data, with the exception of the exchange rate fluctuation deemed reasonably possible, which is different, as demonstrated in the table below.

Currency	31.12.2024		
	Rate of strengthening (%)	Shareholder's equity	Profit or loss
Against EUR	2	6,389	6,389
Against USD	3	8,211	8,211
Against CHF	3	-	-
Against CZK	2	2,130	2,130
Against RON	2	82	82

Currency	31.12.2023		
	Rate of strengthening (%)	Shareholder's equity	Profit or loss
Against EUR	2	4,850	4,850
Against USD	3	7,751	7,751
Against CHF	2	1	1
Against CZK	2	197	197
Against RON	2	88	88

If the HUF were to weaken as of the reporting date against the currencies above, this would have the same but opposing effect on equity and profit or loss, provided that all other variables remain constant.

In the table above, the change in profit or loss is also included in the amount of the change in equity.

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Interest rate risk

The MVM Group is exposed to changes in interest rates in the context of its business activities and financial transactions. MVM Zrt. provides the necessary financing for the members of the MVM Group – with the exception of certain project financing transactions – in the form of a parent company loan. Such parent company loans are usually linked to benchmarks bearing variable interest. Accordingly, the member companies of the MVM Group are exposed to risks related to changes in reference rates. MVM Zrt. also uses external financing in addition to the financing needs of individual members of the Group to finance acquisitions and group-wide capex.

The MVM Group manages the interest rate risks stemming from its financing activities by choosing the type of interest rate used for the financing source and by using interest rate derivatives, typically interest rate swaps.

The interest rate structure of the interest-bearing financial instruments of the Company as at the reporting date was as follows:

Fixed-rate instruments (In HUF million)	Carrying amount	
	31.12.2024	31.12.2023
Non-current loans and receivables	461,542	153,395
Trade receivables and other non-derivative financial assets	7,978	6,105
Restricted cash	155	154
Cash and cash equivalents	509,306	546,668
Total financial assets	978,981	706,322
Non-current loans and borrowings	992,286	654,428
Other non-current financial liabilities	-	-
Current loans and borrowings	7,973	6,096
Total financial liabilities	1,000,259	660,524

Floating-rate instruments (In HUF million)	Carrying amount	
	31.12.2024	31.12.2023
Non-current loans and receivables	377,757	247,256
Trade receivables and other non-derivative financial assets	443,290	1,030,279
Derivative financial assets	6,278	1,802
Total financial assets	827,325	1,279,337
Non-current loans and borrowings	98,926	653,892
Other non-current financial liabilities	4,761	4,524
Current loans and borrowings	1,371,295	1,255,610
Derivative financial liabilities	1,286	9,478
Trade payables and other non-derivative financial liabilities	210	208
Total financial liabilities	1,476,478	1,923,712

Fair value sensitivity analysis for fixed-rate financial instruments

The Company typically does not have fixed-rate financial assets and liabilities which are measured at fair value through profit or loss. Therefore a change in the interest rate as at the reporting date would not affect the Company's equity and profit or loss.

Cash flow sensitivity analysis for floating-rate financial instruments

The following increases/decreases in interest rates as of the reporting date would have decreased/increased equity and profit or loss as shown in the table below. This analysis assumed that all other variables, including foreign exchange rates, remain constant.

<i>(in HUF million)</i>	31.12.2024		
	Increase (basis points)	Shareholder's equity	Profit or loss
Floating-rate instruments (HUF)	100	8,705	8,705
Floating-rate instruments (EUR)	50	-492	-492
Floating-rate instruments (USD)	50	3	3

<i>(in HUF million)</i>	31.12.2023		
	Increase (basis points)	Shareholder's equity	Profit or loss
Floating-rate instruments (HUF)	200	9,944	9,944
Floating-rate instruments (EUR)	100	-1,480	-1,480

In the table above, the change in profit or loss is also included in the amount of the change in equity.

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Sensitivity analysis of price of financial assets measured at fair value through other comprehensive income:

The following increases in the closing stock exchange price of listed interests included in FVOCI financial assets would have increased equity and profit or loss as shown in the table below. The analysis is based on the assumption that all other variables remain constant.

<i>(in HUF million)</i>	31.12.2024		
	Rate of strengthening (%)	Shareholder's equity	Profit or loss
PannErgy Nyrt.	10	261	-
Interests in other entities	10	14	-

<i>(in HUF million)</i>	31.12.2023		
	Rate of strengthening (%)	Shareholder's equity	Profit or loss
PannErgy Nyrt.	10	209	-
Interests in other entities	10	14	-

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d) Fair value of financial instruments

The following table presents fair values and carrying amounts of financial instruments:

<i>(in HUF million)</i>	31.12.2024		31.12.2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current loans and receivables	839,299	807,719	400,651	389,441
Trade receivables and other non-derivative financial assets	685,208	684,252	1,861,378	1,860,267
Restricted cash	155	155	154	154
Cash and cash equivalents	509,306	509,306	546,668	546,668
Total financial assets measured at amortised cost	2,033,968	2,001,432	2,808,851	2,796,530
Interests in other entities	2,752	2,752	2,233	2,233
Total financial assets measured at fair value through other comprehensive income	2,752	2,752	2,233	2,233
Derivative financial assets (non-current)	19,200	19,200	53,805	53,805
Derivative financial assets (current)	76,908	76,908	344,237	344,237
Non-current derivative financial liabilities	18,336	18,336	62,681	62,681
Current derivative financial liabilities	74,099	74,099	342,178	342,178
Total derivative financial assets and liabilities	3,673	3,673	-6,817	-6,817
Non-current loans and borrowings	1,091,212	1,049,962	1,308,320	1,272,280
Other non-current financial liabilities	4,761	4,761	4,524	4,524
Current loans and borrowings	1,379,268	1,378,313	1,261,706	1,260,595
Trade payables and other non-derivative financial liabilities	43,235	43,235	455,733	455,733
Total other financial liabilities	2,518,476	2,476,271	3,030,283	2,993,132

Fair values of interests in PannErgy Nyrt. recorded among interests in other entities were measured based on closing prices of the Budapest Stock Exchange. The carrying amount of not listed interests in other entities well approximates their fair value.

Fair values of derivative financial assets measured at fair value were determined based on quoted stock exchange data at the location of the transaction, using the discounted cash flow method.

The carrying amount of cash, trade and other non-derivative financial receivables as well as trade payables and other non-derivative financial liabilities more or less approximates their market value due to their current nature.

A part of non-current and current loans granted and received bears floating interest, their fair value does not differ significantly from their amortised cost; their carrying amount more or less

approximates their fair value. For non-current and current loans granted and received bearing fixed rate, fair value assessed for disclosure purposes on the individual reporting dates was measured using the discounted cash flow method, using the floating interest rate of loans with similar risk.

Other non-current financial liabilities include primarily non-current lease liabilities, which are stated at discounted present value, therefore their fair value approximates their carrying amount.

Fair value hierarchy

The table below analyses financial instruments measured at fair value, by valuation method. The different levels of the fair value hierarchy have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability either directly (i.e. as prices) or indirectly (i.e. can be derived from prices);
- Level 3: inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

Description	31.12.2024		
	Level 1	Level 2	Level 3
Fixed-rate loans and borrowings granted	-	444,084	-
Interests in other entities	2,752	-	-
Derivative financial assets (non-current)	-	19,200	-
Derivative financial assets (current)	-	76,908	-
Total financial assets measured at fair value	2,752	540,192	-
Non-current derivative financial liabilities	-	18,336	-
Current derivative financial liabilities	-	74,099	-
Total financial liabilities measured at fair value	-	92,435	-
Fixed-rate loans and borrowings received	-	966,775	-
Total financial liabilities not measured at fair value where fair value is measured for disclosure purposes	-	966,775	-

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Description	31.12.2023		
	Level 1	Level 2	Level 3
Fixed-rate loans and borrowings granted	-	147,180	-
Interests in other entities	2,233	-	-
Derivative financial assets (non-current)	-	53,805	-
Derivative financial assets (current)	-	344,237	-
Total financial assets measured at fair value	2,233	545,222	-
Non-current derivative financial liabilities	-	62,681	-
Current derivative financial liabilities	-	342,178	-
Total financial liabilities measured at fair value	-	404,859	-
Fixed-rate loans and borrowings	-	623,373	-
Total financial liabilities not measured at fair value where fair value is measured for disclosure purposes	-	623,373	-

Except for the categories presented, the fair value of financial instruments equals the carrying amount.

In the above periods no reclassifications were made between levels.

e) Capital management

The Company and thus the Group aims to establish a strong equity position to retain the confidence of investors, creditors and the market and support the future development of its business activities. The management constantly monitors the yields achieved, which are supported by the operating profit and the profit before tax, as well as performing to the ratios relating to financial covenants. The management also monitors the share capital/equity ratios of the Company and the Hungarian subsidiaries to ensure they comply with the level required by Section 3:133. (2) of Act V of 2013 on the Hungarian Civil Code (hereinafter referred to as Civil Code), as well as for limited liability companies by Section 3:161. (4) and for companies limited by shares by Section 3:212. (2).

By managing its capital the Company strives towards achieving a balance between the highest possible profit, dividend and liabilities as well as a strong equity position.

The Company aims to keep the financial ratios at the levels permitted by the contracts.

In relation to the end of 2024 and 2023 decision makers and credit institutions monitor financial information according to IFRSs.

Of the indicators related to financial covenants the ratio of adjusted net debt to net asset value relates to capital management. Based on the loan agreements, this ratio shall be lower than 0.9 at MVM Group level. This criterion was met in both 2024 and 2023.

27. Fair value of non-financial instruments

There are no non-financial instruments subject to fair value measurement reported in the financial statements of the Company.

28. Transactions with related parties

Parent company and ultimate controlling party

As at 1 December 2022 the Ministry of Energy was appointed to exercise the ownership rights over MVM Zrt., as a state-owned company.

Apart from the dividend payment described in Note III. 13., the Company had no other transactions with the parent company.

Transactions with key management personnel

Key management personnel are the persons who have, either directly or indirectly, authority and responsibility with respect to planning, directing and controlling the activities of the entity, including the managing director and other directors.

The Company considers officers charged with management, members of the supervisory board, members of the board of directors and the chairperson of the works council key management personnel.

Key management personnel received the following benefits:

<i>(in HUF million)</i>	2024	2023
Short-term benefits	573	484

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Business transactions with subsidiaries

Subsidiaries are presented in Note III. 35.

(in HUF million)	31.12.2024	31.12.2023
Non-current loans and receivables	839,276	400,622
Non-current derivative financial assets	1,222	52,847
Derivative financial assets	10,338	332,586
Trade receivables and other non-derivative financial assets	551,893	1,178,708
Other non-financial assets	1,339	1,159
Cash pool receivables	298,530	386,345
Other non-current financial liabilities	4,538	4,330
Non-current derivative financial liabilities	16,927	442
Current loans and borrowings	1,129,801	934,975
Current derivative financial liabilities	68,186	25,093
Trade payables and other non-derivative financial liabilities	14,103	369,341
Other current non-financial liabilities	172	38

(in HUF million)	2024	2023
Net sales revenue	56,000	48,874
Other income	40	1,307
Operating expenses	22,586	18,084
Finance income	361,962	565,742
Finance costs	90,680	202,258

Business transactions with joint ventures and associates

Joint ventures and associates are presented in Note III. 35.

Transactions with joint ventures are not considered significant for the purposes of the Company's financial statements.

Of associates, transactions with E.ON Hungária ZRt. and the companies controlled by it are considered significant.

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Items with joint ventures and associates not considered individually significant are recognised on an aggregate basis.

<i>(in HUF million)</i>	31.12.2024	
	E.ON Hungária Group	Individually not significant entities
Income from joint ventures and associates	7	-
Costs to joint ventures and associates	-	-
Trade receivables and other non-derivative financial assets	-	-
Trade payables and other non-derivative financial liabilities	-	-

<i>(in HUF million)</i>	31.12.2023	
	E.ON Hungária Group	Individually not significant entities
Income from joint ventures and associates	153	1
Costs to joint ventures and associates	-	-
Trade receivables and other non-derivative financial assets	139	-
Trade payables and other non-derivative financial liabilities	-	-

29. Disclosures relating to the statement of cash flows

Cash and cash equivalents in the statement of cash flows also include overdraft facilities, see Note III.12.

30. Lease transactions

a) Assets leased under leases

The Company uses among others the offices serving as its registered office or sites under lease; furthermore, it also leases the vast majority of its vehicles based on lease agreements.

As at 31 December 2024 non-current lease liabilities of the Company amounted to HUF 4,761 million, while current lease liabilities of the Company totalled HUF 210 million.

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The following table presents contractual cash flows relating to lease liabilities, by maturity:

<i>(in HUF million)</i>	31.12.2024	31.12.2023
0-1 month	48	50
1-12 months	503	506
1-2 years	499	449
2-5 years	1,361	1,190
Over 5 years	9,879	10,805
Total	12,290	13,000
Carrying amount of lease liability	4,971	4,732
<i>of which: non-current</i>	4,761	4,524
<i>of which: current</i>	210	208

Amounts accounted for in profit or loss in connection with leases:

<i>(in HUF million)</i>	2024	2023
Interest expense on lease liabilities	330	355
Depreciation charge for right-of-use assets	332	338
Expense relating to short-term leases	60	40
Expense relating to leases of low-value assets that are not considered short-term leases	1	5
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-

The Company's total cash outflow for leases amounted to HUF 575 million in 2024, while it totalled HUF 604 million in 2023. The Company has no lease agreements not yet commenced as at 31 December 2024. The average term of the lease liabilities existing as at 31 December 2024 is 30.67 years (31 December 2023: 32.76 years).

b) Leases with the Company as lessor

MVM Zrt. has no finance lease contracts as lessor.

31. Off-balance sheet liabilities

Litigations

There is no pending litigation for MVM Zrt. in which MVM Zrt. is affected as defendant and a compensation claim would have been brought against it.

Sureties undertaken

MVM Zrt. provides parent company guarantees and undertakes unconditional payment guarantees to its subsidiaries on an ongoing basis in its ordinary course of business.

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Description	Valid until	Amount	Currency
Parent company guarantees given (EUR)	31.01.2025 – without expiry	1,459	EUR million
Parent company guarantees given (USD)	08.09.2025 – without expiry	199	USD million
Parent company guarantees given (HUF)	20.01.2025 – 30.06.2038	68,108	HUF million

32. Subsequent events and other supplementary information

Managing sanction risks

The MVM Group's central compliance guidelines include requirements to ensure sanctions compliance, but the volatility of the geopolitical situation since 2022 and primarily the volume and complexity of sanctions against Russia posed new challenges for the member firms of the MVM Group. For this reason, and also in view of the stricter financing requirements, MVM Zrt. launched a project to develop then fine-tune a group-wide sanctions compliance framework. The sanction risk exposure of the individual member companies was assessed, based on which the member firms were classified in terms of sanction risk, thus MVM Zrt. has an adequate picture of the sanction exposure of its member companies. MVM Zrt. purchased a complex automated screening tool that enables MVM Zrt. to continuously monitor and revise the position of the business partners of the MVM Group (its integrated subsidiaries) regarding exposure to sanction, corruption and reputation risks. A new project is in progress to fine-tune the group-wide sanctions compliance framework. However, it cannot be guaranteed that applicable regulations and screening mechanisms are always efficient in detecting every similar issue.

The MVM Group continuously monitors changes to the sanctions provisions, reviews the MVM Group's exposure, and seeks to take the necessary steps to ensure compliance. MVM Zrt. implemented a number of measures to ensure sanctions compliance, such as the incorporation of sanction screening in the supplier rating process and the inclusion of a sanction clause in the MVM Group's general terms and conditions. In the large corporate commercial segment sanctions compliance is ensured by standardised KYC questionnaires, which in the future will cover the entire MVM Group. The exposures related to sanctioned regions and business partners are reviewed from time to time, not only in relation to partners but also in relation to goods being exported and imported, and sanctions compliance has become an important aspect of planned transactions. Sanction compliance is a key factor when planning transactions.

Sale of stake in PannErgy Nyrt.

On 31 March 2025, MVM Zrt. signed an agreement with PannErgy Nyrt. and its 100% subsidiary, PannErgy Geotermikus Erőművek Zrt., on the sale of 1,675,745 ordinary shares of PannErgy Nyrt. owned by MVM Zrt. The purchase price is HUF 1,512 per share. The transaction will be implemented in two stages.

In the first round, PannErgy Geotermikus Erőművek Zrt. will purchase 975,745 shares, which was already completed on 1 April 2025 as part of a "large in scale" stock exchange transaction.

The remaining 700,000 shares can be taken over if the general meeting of PannErgy Nyrt. approves the reduction of the company's share capital and authorizes the company's board of directors to purchase additional treasury shares. The final deadline for the second transaction is 30 September.

33. Responsibility for bookkeeping-related tasks

Accounting services are provided to the Company by MVM Services Zrt. Public data of the person at MVM Services Zrt. responsible for directing bookkeeping-related tasks:

Viktória Kovács

Address: 1131 Budapest, Madarász Viktor utca 27.

Qualified accountant registration number: 179762

Individuals authorised to sign the annual financial statements

Name	Address

Authorised to sign jointly:

Károly Tamás Mátrai

1025 Budapest, Verecke út 88/A

CEO - primary signatory

László Fazekas

1138 Budapest, Turóc utca 7. 5. em. 3.

Deputy CEO, Chief Financial Officer

secondary signatory

The financial statements are also disclosed on the website of MVM Zrt.
(<https://mvm.hu/en/Befektetoknek/PenzugyiBeszamolok>)

34. Disclosures on auditor remuneration

Based on Section 155 (2) of the Act on Accounting the Company must be audited.

Auditor of the Company: Deloitte Könyvvizsgáló és Tanácsadó Kft.

Individual responsible for the audit:

Tamás Horváth auditor

Mother's maiden name: Veronika Grósz

Address: 1029 Budapest, Bölény u. 16.

Chamber of Hungarian Auditors registration number: 003449

Pursuant to the requirements of Section 88 of the Hungarian Act on Accounting, the Company discloses the amounts paid to the appointed auditor (Deloitte Könyvvizsgáló Kft.) as follows:

<i>(in HUF million)</i>	2024	2023
Mandatory audit (MVM Zrt. separate and consolidated annual financial statements, interim balance sheet)	81	77
Other audit and non-audit services	244	154

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35. Subsidiaries, joint ventures and associates

Subsidiaries of the Company, with their registered offices and activities, are as follows:

Company	Activity	Country	31.12.2024	31.12.2023	31.12.2024	31.12.2023
			Carrying amount	Carrying amount	Level of interest	Level of interest
MVM MIFŰ Kft.	Provision of district heating (Miskolc)	Hungary	587	587	100.00%	100.00%
Speciális Nehézszállító Zrt.	Installation and maintenance of power plant systems	Hungary	5,800	5,800	100.00%	100.00%
MVM ERBE Zrt.	Energy design - installation	Hungary	901	901	100.00%	100.00%
MVM Zöld Generáció Zrt.	Generation of electricity (wind and solar energy)	Hungary	157,940	43,225	100.00%	100.00%
MVM Partner Zrt.	Electric energy wholesale	Hungary	17,968	17,968	100.00%	100.00%
MVM Energy Romania SA	Holding	Romania	4,994	1	99.99%	0.01%
MVM Paksi Atomerőmű Zrt.	Generation of electricity from nuclear fuel	Hungary	129,271	126,601	100.00%	100.00%
Vértesi Erőmű Zrt.	Conservation, recultivation	Hungary	0	0	100.00%	100.00%
MVM Balance Zrt.	Generation of electricity and heat	Hungary	35,827	33,290	100.00%	100.00%
MAVIR ZRt.	System operation, transmission network operation	Hungary	147,807	147,807	100.00%	100.00%
MVMI Zrt.	IT services	Hungary	15,079	13,893	100.00%	100.00%
MVM Hotel Panoráma Kft.	Organised holidays	Hungary	200	200	100.00%	100.00%
Niker d.o.o.	Organised holidays	Croatia	627	49	100.00%	100.00%
MVM NET Zrt.	Operation of network and IT systems	Hungary	0	34,910	100.00%	100.00%
Magyar Földgáztároló Zrt.	Operation of underground natural gas storage facilities	Hungary	103,218	103,218	100.00%	100.00%
MVM CEEnergy Zrt.	Natural gas wholesale	Hungary	23,880	23,880	100.00%	100.00%

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Company	Activity	Country	31.12.2024	31.12.2023	31.12.2024	31.12.2023
			Carrying amount	Carrying amount	Level of interest	Level of interest
MVM ESCO Zrt. "u.v.l."	Energy and energy efficiency services	Hungary	3,448	3,639	100.00%	100.00%
MVM Smart Future Lab Zrt.	Energy R&D and incubation	Hungary	539	688	100.00%	100.00%
MVM Switzerland AG	International business development	Switzerland	1,113	5,182	100.00%	100.00%
MVM Titán Zrt.	Manufacture of steam boilers, lease of property and assets	Hungary	3,019	2,893	100.00%	100.00%
NRG Finance Kft.	Generation of electricity, lease of assets	Hungary	3,659	3,659	100.00%	100.00%
MVM Services Zrt.	Business supporting services	Hungary	4,605	4,605	100.00%	100.00%
MVM Optimum Kft.	Energy, energy efficiency and support services	Hungary	3,705	549	100.00%	100.00%
MVM Otthon Plusz Zrt.	Mediation of retail business services	Hungary	644	644	100.00%	100.00%
MVM Next Energiakereskedelmi Zrt.	Retail of electricity and natural gas	Hungary	264,499	231,984	100.00%	100.00%
MVM Mobiliti Kft.	Electromobility and gas mobility service provider	Hungary	4,472	4,472	100.00%	100.00%
KAPOS CNG Kft.	CNG fuel supply	Hungary	79	79	99.64%	99.64%
MVM Égáz-Dégáz Földgázhálózati Zrt.	Natural gas distribution	Hungary	69,967	69,968	100.00%	100.00%
GRAPE Solutions Zrt. ^(a)	Software development	Hungary	N/A	1,186	N/A	100.00%
MVM Oroszlányi Szolgáltató Zrt.	Supply of district heating and domestic hot water (Oroszlány)	Hungary	2,716	2,716	100.00%	100.00%
MVM WATT ETA Kft.	Implementation of electricity sector projects and street lighting operation	Hungary	195	236	100.00%	100.00%
MVM XPert Zrt.	Maintenance of power transmission lines and substation	Hungary	17,171	17,171	100.00%	100.00%
MVM Nukleáris Karbantartó Zrt.	Maintenance of nuclear power plant	Hungary	-	2,670	N/A	75.00%
MVM Mátra Energia Zrt.	Generation of electricity (lignite-fired coal power plant)	Hungary	76,280	78,674	100.00%	100.00%

^(a) was dissolved through merger

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Company	Activity	Country	31.12.2024	31.12.2023	31.12.2024	31.12.2023
			Carrying amount	Carrying amount	Level of interest	Level of interest
GEOSOL Kft.	Waste recycling	Hungary	8,195	8,195	100.00%	100.00%
European Power Services Zrt.	Maintenance of power plants, technical services	Hungary	200	200	50.00%	50.00%
MVM ZG Solar Kft.	Generation of electricity (solar power plant)	Hungary	800	678	4.30%	4.30%
innogy Česká republika a.s.	Financial, HR, IT services	Czech Republic	272,626	272,626	100.00%	100.00%
MVM EGI Zrt.	Provision of engineering services, installation of industrial cooling and air conditioning regulating systems	Hungary	5,314	10,806	100.00%	100.00%
MVM Ingatlankezelő Kft.	Management of real estate	Hungary	31,002	28,955	100.00%	100.00%
MVM Lumen Kft.	Operation of street lighting	Hungary	1,611	1,611	100.00%	100.00%
MVM ÉMÁSZ Áramhálózati Kft.	Electricity distribution	Hungary	84,473	84,973	100.00%	100.00%
E.ON Áramszolgáltató Kft. ^(a)	Retail of electricity	Hungary	N/A	32,515	N/A	100.00%
NGBS Hungary Kft.	Design, manufacture and construction of heating-cooling systems	Hungary	2,896	3,349	100.00%	100.00%
EKS Service Kft. ^(a)	Construction of residential and non-residential buildings	Hungary	N/A	62	N/A	50.00%
MVM Upstream Kft.	Oil and natural gas production services	Hungary	20	N/A	100%	N/A
Sonnet Romania Holding S.A	Holding	Romania	41	N/A	99%	N/A

^(a) was dissolved through merger

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Interests in joint ventures and associates:

Associates	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Carrying amount	Carrying amount	Level of interest	Level of interest
AGRI LNG Project Company SRL	-	-	25.00%	25.00%
Dunamenti Erőmű Zrt.	8,386	8,386	25.0015%	25.0015%
Energotehnika Južna Bačka d.o.o. Novi Sad	9,173	9,173	33.40%	33.40%
Elektromontaža d.o.o. Kraljevo	2,803	2,803	33.40%	33.40%
E.ON Hungária ZRt.	162,430	173,730	25.00%	25.00%

STANDALONE BUSINESS REPORT



MVM

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1. Executive summary on the performance in the 2024 financial year

This business report presents the financial data of MVM Zrt. for 2024 based on the provisions of Act C of 2000 on Accounting relating to business reports. MVM Zrt. has prepared its separate financial statements for the year 2024 in accordance with IFRS as adopted by the EU.

The IFRS summary for 2024 compared to 2023 is presented in the following table:

Summary data [IFRS – HUF million; persons]	2024 actual	2023 actual	Difference	
PROFIT AFTER TAX	176,818	212,533	-35,715	-17%
PROFIT BEFORE TAX	178,418	214,445	-36,027	-17%
EBITDA	4,623	3,066	1,557	51%
EXTERNAL NET DEBT*	1,120,393	1,468,812	-348,419	-24%
TOTAL NET DEBT	658,396	575 910	82,486	14%
DEVELOPMENTS	131,086	83,291	47,795	57%
STAFF COSTS	7,589	7,923	-334	-4%
CLOSING HEADCOUNT [persons]	156	154	2	1%

*Intra-group items were not considered in the calculation of external net debt. The Loans and Cash and cash equivalents balance sheet line items were adjusted for intra-group cash pool financing items.

The Company's **profit after tax** totalled HUF 176,818 million, which is HUF 35,715 million lower than in 2023, while the **EBITDA** of HUF 4,623 million is HUF 1,557 million higher than in the previous year. The amount of EBITDA was mainly affected by the increase in revenue from management service fees and by the opposite effect of the rise in other operating expenses (primarily resulting from higher communication costs arising in connection with the centralisation of CSR activities, advisory costs arising in connection with strategy and transaction project activity, costs of HT and SLA services provided by MVM Services Zrt. and costs of information technology SLA services provided by MVM I Zrt.) compared to the previous period. While the EBITDA impact was positive, the lower profit after tax was affected adversely by the lower net finance income relative to the previous period: the negative impact on profit or loss of the unfavourable changes in the balance of items related to financial/financing activities (interest, exchange rate, derivatives, bank charges) and the impairment booked on interests is only partly counterbalanced by the higher dividend income from subsidiaries.

The **external net debt** of HUF 1,120,393 million at the end of 2024 is HUF 348,457 million lower than in the previous period: due to the better financing position of member companies, the loans given, margin calls, cash pool balances and dividend income from member companies, as well as the positive impact on profit or loss of the closed FX/CIRS transactions had a positive effect on net debt, while it was adversely affected by the reporting-year dividend and interim dividend paid to the Sole Shareholder, the effect of Group-level investments on financing and the unrealised revaluation of external financing sources and cash. **The total net debt** (external net debt adjusted for cash pool balance and loans granted) of HUF 658,337 million is HUF 83,529 million higher than at the end of the previous year.

MVM Zrt.'s **development activities** in 2024 totalled HUF 131,086 million, of which capital expenditures amounted to HUF 3,091 million (without reporting-year lease acquisitions), and the value of investments within the Group (capital increases and in-kind contributions) amounted to HUF 127,995 million. In 2024 no interests were acquired in non-group entities.

The **closing headcount** at MVM Zrt. in 2024 was 156, 2 employees more than the closing number in 2023. **Staff costs** under IFRS for 2024 totalled HUF 7,589 million, which is HUF 334 million lower than the figure for 2023, mainly due to the fall in notice-period costs.

Budapest, 25 April 2025



Károly Tamás Mátrai
Chief Executive Officer
MVM Zrt.



László Fazekas
Deputy CEO, Chief Financial Officer
MVM Zrt.

2. Analysis of profit or loss

The main activity of MVM Zrt. comprises asset management, group management and optimising operations, as well as communicating owner interests. In addition, the company's activities include the provision of management services, rental activities and the utilisation of other real estate. The profitability of the entities in the portfolio affects the company's results via dividend income.

MVM Zrt. HUF million	2024	2023	Difference	
	actual	actual		
OPERATING INCOME	56,486	50,411	6,075	12%
Net sales revenue	56,080	48,987	7,093	14%
Other operating income	406	1,424	-1,018	-71%
OPERATING EXPENSES	52,733	48,341	4,392	9%
Material-type expenses	172	163	9	6%
Staff costs	7,589	7,923	-334	-4%
Depreciation/ Amortisation	870	996	-126	-13%
Recognition and release of provisions	21	-161	182	113%
Recognition and reversal of impairment	-1,208	34	-1,242	-3,653%
Other operating expenses	45,289	39,386	5,903	15%
Own performance capitalised	0	0	0	0%
EBITDA	4,623	3,066	1,557	51%
OPERATING PROFIT / LOSS	3,753	2,070	1,683	81%
Finance income	542,000	757,794	-215,794	-28%
Finance costs	367,335	545,419	-178,084	-33%
PROFIT / LOSS BEFORE TAX	178,418	214,445	-36,027	-17%
Income tax expense	1,600	1,912	-312	-16%
PROFIT AFTER TAX	176,818	212,533	-35,715	-17%
Other comprehensive income, gross of tax effects	492	-89	581	653%
TOTAL COMPREHENSIVE INCOME	177,310	212,444	-35,134	-17%

Net sales revenue in 2024 totalled HUF 56,080 million, which is HUF 7,093 million up on the previous year, primarily due to the increase in revenue from management service fees. In contrast, **other operating income** in 2024 was less by HUF 1,018 million than the 2023 figure (2024 actual figure: HUF 406 million), mainly due to a base effect: prior-year figures include the 2023 income effect of the properties contributed to MVM Ingatlankezelő Kft. in kind.

As regards operating expenses, the rise in **other operating expenses** as compared to the previous period (2024 actual: HUF 45,289 million, difference: HUF 5,903 million) is significant, primarily resulting from the increase in communication costs arising in connection with the centralisation of CSR activities, advisory costs arising in connection with strategy and transaction project activity, costs of HT and SLA services provided by MVM Services Zrt. and costs of information technology SLA services provided by MVMI Zrt. The above items are partly counterbalanced by the effect of the reversal in 2024 of **impairment of receivables** from NIKER and **staff costs** savings (mainly due to the fall in notice-period costs).

MVM Zrt.'s **net finance income** amounted to HUF 174,665 million, which is HUF 37,710 million lower than in the previous year: the positive effect on profit or loss of the higher dividend income from

subsidiaries is counterbalanced by the negative impact on profit or loss of the unfavourable changes in the balance of items related to financial/financing activities (interest, exchange rate, derivatives, bank charges) and the impairment booked on interests.

The Company's **profit before tax** came to HUF 178,418 million, which is HUF 36,027 million lower than the 2023 result.

3. Presentation of asset position

The Company's total assets at the end of 2024 were HUF 3,881,424 million, which is HUF 968,443 million lower than at the end of the previous year.

MVM Zrt. HUF million	31.12.2024 actual	31.12.2023 actual	Change 31.12.2024-31.12.2023	Change %
Property, plant and equipment	11,247	8,653	2,594	30
Investment property	5,496	5,389	107	2
Intangible assets	49	45	4	9
Interests in subsidiaries, joint ventures and associates	1,690,180	1,621,407	68,773	4
Interests in other entities	2,752	2,233	519	23
Non-current loans and receivables	839,299	400,651	438,648	109
Derivative financial assets	19,200	53,805	-34,605	-64
Deferred tax assets	-	-	-	-
NON-CURRENT ASSETS	2,568,223	2,092,183	476,040	23
Inventories	174	205	-31	-15
Derivative financial assets	76,908	344,237	-267,329	-78
Trade receivables and other non-derivative financial assets	685,208	1,861,378	-1,176,170	-63
Other non-financial assets	6,292	4,874	1,418	29
Current tax assets	248	-	248	-
Non-current assets held for sale	34,910	168	34,742	20,680
Restricted cash	155	154	1	1
Cash and cash equivalents	509,306	546,668	-37,362	-7
CURRENT ASSETS	1,313,201	2,757,684	- 1,444,483	-52
TOTAL ASSETS	3,881,424	4,849,867	-968,443	-20

Non-current assets totalled HUF 2,568,223 million, which is HUF 476,040 million higher than in the previous year, representing 66.2% of total assets.

Secondary gas turbines make up the bulk of **property, plant and equipment**. The primary reason for the increase relative to the previous year is the growth in construction in progress, where the main project comprises purchases for the implementation of a 600 MW power plant with a pumped hydroelectric energy storage (preparation of a feasibility study).

The change in non-current assets is mainly due to the increase in **non-current loans and receivables** (+ HUF 438,648 million). Within non-current loans and receivables, the portfolio of loans granted to subsidiaries for key projects, debt refinancing in the framework of intra-group financing activity of the Company is significant.

A further significant growth in the amount of non-current assets was caused by the increase in the **interests in subsidiaries, joint ventures and associates** (+ HUF 68,773 million). The largest part of the growth relates to cash capital increases (+ HUF 125,092 million), including significant financing provided to some subsidiaries during the year in the form of capital increases for key projects and to resolve equity situations. The main items of these transactions are the shareholder contributions paid to MVM Zöld Generáció Zrt. (for solar power plants purchased in the framework of the Iron project), MVM Balance Zrt., MVM Ingatlankezelő Zrt., NIKER d.o.o. and Vértesi Erőmű Zrt. (HUF 123 billion).

Current assets totalled HUF 1,313,201 million and were HUF 1,444,483 million down on the previous period. The change was mainly caused by a decrease in trade receivables and other non-derivative financial assets (- HUF 1,176,170 million). A further fall resulted from the change in derivative financial assets (- HUF 267,329 million).

MVM Zrt. HUF million	31.12.2024 actual	31.12.2023 actual	Change 31.12.2024-31.12.2023	Change %
Share capital	849,379	849,379	-	0
Capital reserve	51,892	51,892	-	0
Retained earnings	354,662	501,836	-147,174	-29
Other reserves	1,572	1,088	484	44
SHAREHOLDER'S EQUITY	1,257,505	1,404,195	-146,690	-10
Non-current loans and borrowings	1,091,212	1,308,320	-217,108	-17
Non-current derivative financial liabilities	18,336	62,681	-44,345	-71
Deferred tax liabilities	94	-	94	0
Liabilities related to long-term employee benefits	80	83	-3	-4
Other non-current financial liabilities	4,761	4,524	237	5
Non-current liabilities	1,114,483	1,375,608	-261,125	-19
Current loans and borrowings	1,379,268	1,261,706	117,562	9
Current derivative financial liabilities	74,099	342,178	-268,079	-78
Trade payables and other non-derivative financial liabilities	43,235	455,733	-412,498	-91
Current provisions	188	167	21	13
Liabilities related to short-term employee benefits	1,182	877	305	35
Current tax liabilities	247	696	-449	-65
Other current non-financial liabilities	11,217	8,707	2,510	29
Current liabilities	1,509,436	2,070,064	-560,628	-27
LIABILITIES	2,623,919	3,445,672	-821,753	-24
EQUITY AND LIABILITIES	3,881,424	4,849,867	-968,443	-20

Equity totalled HUF 1,257,505 million, which is HUF 146,690 million lower than in the previous year. Ratio of equity to total equity and liabilities: 32.4%.

Share capital amounted to HUF 849,379 million, which is the same as in the previous period.

Under equity, retained earnings decreased by HUF 147,174 million.

Provisions amounted to HUF 188 million, which is HUF 21 million higher than the closing figure in 2023. The obligation as at the end of the reporting period covers unused holiday allowances and the support to be provided to MVM a Rászorulóként Alapítvány. The change in the amount of provisions is mainly driven by the increase in the provision for unused holiday allowances.

Liabilities amounted to HUF 2,623,919 million, which was HUF 821,753 million less than in the previous period. The change was chiefly due to a decrease in trade payables and other non-derivative financial liabilities (- HUF 412,498 million) and the HUF 268,079 million fall in current derivative financial liabilities within current liabilities. The drop in non-current loans and borrowings (- HUF 217,108 million) reduced the amount of liabilities further. These were partly offset by an increase in current loans (+ HUF 117,562 million).

4. Cash flow and financial position

MVM Zrt. HUF million	2024 actual	2023 actual	Change	Change %
Profit for the period (profit after tax)	176,818	212,533	-35,715	-17
Changes necessary for operating cash flows	-166,386	-204,339	37,953	19
Cash flows from operating activities	10,432	8,194	2,238	27
Income tax paid	-2,250	-1,581	-669	-42
Net cash flows from operating activities	8,182	6,613	1,569	24
Cash flows from investing activities	406,362	313,411	92,951	30
Cash flows from financing activities	-656,827	-380,832	-275,995	-72
Net decrease in cash and cash equivalents	-242,283	-60,808	-181,475	-298
Cash and cash equivalents at the beginning of the year	-384,940	-316,438	-68,502	-22
Effect of movements in exchange rates on cash held	-7,035	-7,694	659	9
Cash and cash equivalents at the end of the year	-634,258	-384,940	-249,318	-65

Operating cash flow represents HUF 8,182 million cash inflow which is HUF 1,569 million up on the previous year.

Of this amount - HUF 35,715 million is attributable to the change in profit after tax and - HUF 669 million is attributable to the change in income tax paid.

Adjustments for non-cash items and items classified into further cash flow categories resulted in a + HUF 68,228 million change in the amount of operating cash flow, mainly due to adjustments for higher unrealised exchange loss and the lower portfolio of interest received and paid.

The change in working capital triggered a decrease of HUF -30,275 million compared to 2023.

Investment cash flow increased cash and cash equivalents by HUF 406,362 million. Compared to the previous year, this represents cash inflow higher by HUF 92,951 million, caused by the combined effect of significantly higher cash inflows from granted loans compared to the previous year and the reporting-year increase in dividends received.

The **financing cash flow** decreased the closing cash position by HUF 656,827 million, which is HUF 275,995 million lower than in the previous year. The main reasons for the change are the lower net borrowing than in the previous year, which was offset slightly by lower dividend/interim dividend paid.

5. Development activity

5.1 Capital expenditures and investments

Summary data [IFRS – HUF million]	2024	2023	Difference	
	actual	actual		
Development projects	2,523	270	2,253	834%
Maintenance projects	568	152	416	274%
Total capital expenditures	3,091	422	2,669	632%
Intra-group investments	127,995	82,869	45,126	54%
Non-group investments	0	0	0	0%
Total developments	131,086	83,291	47,795	57%

MVM Zrt.'s actual **development activity** in 2024 totalled **HUF 131,086 million**, which is HUF 47,795 million higher than the amount of its development activity in 2023.

Development and maintenance capex projects totalled HUF 3,091 million, which is HUF 2,669 million higher than in the previous year.

the following capex projects were carried out in 2024:

- Project for the preparations of the implementation of a pumped hydroelectric energy storage (HUF 2,057 million);
- Maintenance and development projects for gas turbine power plants, collectively (HUF 606 million);
- Projects expanding headquarters in Budapest / developing current headquarters, collectively (HUF 218 million);
- Projects improving security systems, collectively (HUF 107 million);
- Further minor capex projects, collectively (HUF 103 million).

The actual value of **investments** in 2024 is HUF 127,995 million (amount of intra-group capital increases in cash and through contribution in kind, foundations and acquisitions), which is HUF 45,126 million higher than in the previous year. In 2024, the following intra-group investments were made:

- Capital increase in MVM Zöld Generáció Zrt. (HUF 114,715 million);
- Purchase of interest in MVM Optimum Kft. (HUF 3,221 million);
- Capital increase in MVM Balance Zrt. (HUF 2,504 million);
- Capital increase in Niker d.o.o. (HUF 2,086 million);
- Capital increase in MVM Ingatlankezelő Kft. (HUF 2,047 million);
- Capital increase in NGBS Hungary Kft. (HUF 1,300 million);
- Capital increase in Vértesi Erőmű Zrt. (HUF 1,171 million);
- Other investments within the Group, collectively (HUF 951 million);

In 2024 no interests were acquired in non-group entities.

5.2 Research and development (R&D)

In 2024, MVM Zrt. carried out HUF 119 million worth of R&D, mainly related to the BME Zero Carbon Centre, as part of a 4-year research cooperation between MVM and the BME Zero Carbon Centre. This cooperation examines the priority issues of the transition to a climate-neutral economy in the electricity sector with the aim of accomplishing the transition in an innovative way with the highest possible added value for the MVM Group and the Hungarian economy. The research programme of the four-year contract is based around decarbonisation, decentralisation and digitalisation, which are key processes for the future of the Hungarian electricity system. Its aim is to provide interdisciplinary analysis of these processes and develop innovative technical, business and regulatory solutions to facilitate them. A key focus of the research programme is to ensure that the transition to a carbon-neutral economy is supported by the transformation of the electricity system without compromising the current high level of electricity supply security. Consequently, the research programme encompasses the closely interrelated topics of energy communities, flexibility market, energy storage, smart grid developments and cyber security.

6. Human resources management

6.1 Workforce management

Summary HR data [persons]	2024	2023	Difference	
	actual	actual		
Closing number of active employees	156	154	2	1%
Average headcount (aggregated)	154	160	-6	-4%

MVM Zrt. [persons]	2024			2023		
	Total	Male	Female	Total	Male	Female
Year-end statistical headcount	156	90	66	154	89	65
Full-time	152	90	62	152	89	63
Part-time	4	0	4	2	0	2
Year-end statistical headcount	156	90	66	154	89	65
Contracts of employment for an unlimited period	156	90	66	152	88	64
Contracts of employment for a defined period	0	0	0	2	1	1
Number of hired staff	0	0	0	0	0	0

The closing headcount at MVM Zrt. in 2024 is 156, 2 employees more than the closing number in 2023. The reason for the difference between the closing figure and the 2023 actual figure is that the posts which became vacant and the planned headcount were filled by the close of the year.

6.2 Wages

Staff costs [HUF million]	2024	2023	Difference	
	actual	actual		
Wage costs	5,231	5,450	-219	-4%
Other staff benefits	1,179	1,269	-90	-7%
Wage contributions	1,179	1,204	-25	-2%
Total personnel expenses	7,589	7,923	-334	-4%

6.3 Salary developments

The employer makes every effort and does everything possible to ensure job retention and focus on employment security. The employer proposals for 2024 identify three focal areas for competitive pay and employee well-being: basic pay improvements (uniform and differentiated), personalised benefits and a health focus. An important pillar of the competitive remuneration is the comprehensive benefit package, comprising self-provision (e.g. contributions to funds), elements responsive to various life situations (e.g. interest-free housing loan provided by the employer) and flexible customisable fringe benefits. In addition to the almost limitless health insurance provided to employees, many site prevention programmes were also implemented.

6.4 Differences from previous year

Staff costs under IFRS for 2024 totalled HUF 7,589 million, which is HUF 334 million lower than the figure for 2023.

Costs were increased in 2024 by the reporting-year basic wage increase. Based on the Group-level wage agreement signed, basic wages were increased by 14.25% in average as of 1 May 2024 across the Group. The signed agreement also applies to MVM Zrt., therefore wages were increased at the Company as set forth in the agreement.

To strengthen income positions, another provision covered the lump sum payments; however, its rate in 2024 was lower than in 2023.

Further decrease resulted from headcount changes, as average headcount in 2024 is 6 persons down on the prior-period figure. The resulting savings were enhanced by the effect of 2023 one-off items, primarily the one-off payments related to the termination of employment for staff leaving in 2023.

6.5 Educational, employment policy and employee commitment

The MVM Group headed by MVM Zrt. is committed to continuously developing professional and sectoral dialogue, to building relationships with schools and student unions, which are key to ensuring the next generation of workers, and to working closely with employee advocacy organisations. The Holding entity attaches great importance to ensuring a continuous supply of professionals for its activities, and to meeting the recruitment needs for professions where there are shortages.

MVM Zrt. places great emphasis on educating and developing young people. At Group level it runs talent and recruitment management as well as mentoring systems to ensure an in-house supply of specialists and to boost employee commitment.

By implementing the training strategy, the Company's aim is to contribute to boosting the competitiveness of the MVM Group and developing knowledge capital.

The Group-wide training directions were defined with the active involvement of the Human Resources Directorate at MVM Zrt. and the management, which are as follows:

1. In 2024 the Prizma programme was launched, which provides complex development for 135 professionals from 17 member firms.
2. The Group-wide career mentoring programme was implemented, involving 32 mentors and 40 mentees from 11 member firms.
3. The pilot project of the Catalyst programme was started; it is a complex leadership development programme which will be extended to managers from the level of heads of department.
4. The Individual Development Plan SuccessFactors module provides an opportunity for the HR function and employees to implement – in an integrated way – the development elements and the related training necessary to achieve the defined objectives and activities. This helps colleagues to develop, contributing to more effective operations in the short and long term and to achieving future career goals.
5. Digital learning is gaining ground within the Group. In 2024, the SAP SuccessFactors Training module offered 89 mandatory training courses for 32 member companies along with 72 optional skills development courses based on individual development plans.
6. A Group-wide online language-learning framework is available to enable the development of the language competences of staff and managers by combining different learning methodologies. In addition to the Group-wide online language platforms, Udemy became also available, where users

can choose from hundreds of English language training opportunities. The platform is used by 200 colleagues within the Group.

7. Specific training courses prescribed by external and internal regulations as well as competitiveness-enhancing courses were implemented and coordinated centrally.

The aim of the training programmes is to ensure long-term development of the organisation, to enable employees to make progress in their career and to adapt to business challenges.

In 2021, MVM Zrt. became involved in dual vocational training by establishing the MVM Energy Sector Training Centre (hereinafter referred to as Training Centre). Starting from the 2022/23 academic year, the Training Centre has launched training in new locations (Budapest, Szeged, Miskolc, Visonta). (In the case of Miskolc and Visonta, this happened partly by integrating existing member firm expertise.) In the 2024/25 academic year a new electrician workshop was opened in Salgótarján.

From 2022 onwards the Training Centre itself also provides part of the technical and adult training services previously procured only from the external market, which is expected to bring significant cost savings, flexibility and much greater autonomy in the training system for the MVM Group (talent programmes, mentoring programme). The mission of the Training Centre is to train the energy professionals of the present and the future within the stable environment of the MVM Group, and thereby contribute to the continuous development of vocational training in Hungary.

In the dual vocational training programme of the MVM Group headed by MVM Zrt., those interested in a technical career can learn the trades of electrician (electrical network), central heating and gas technician, welder, industrial mechanic or high voltage electrical technician and acquire marketable industry skills in a modern and safe environment.

Each period of a worker's time in the organisation can be broken down into well-defined stages. All employees must be prepared for the job, even if they come to the organisation with the right qualifications and experience.

6.6 MVM WATT.S UP practical programmes

By means of the MVM Watt.s Up programmes, MVM Zrt. provides vocational support to tertiary education students to gain qualifications and work experience, and also ensures part of its recruitment needs in this context for entry-level and junior positions.

In addition to an internship programme for students, the Company also offer compulsory work placements, support for thesis writing, a company bursary and the opportunity to participate in dual training in several areas.

Through the Watt.s Up Community, students can get involved in the Group's everyday life, by providing them the opportunity both professionally and socially to get to know the world of the MVM Group in more depth, increasing their chances of considering the Group when they enter the labour market.

On average, 180 trainees worked at the MVM Group in 2024.

6.7 Labour relations

The MVM Group has an industrial relations system based on constructive dialogue. As part of this, Group-level agreements were also reached in 2024, in particular on salary increases as well as welfare and social benefits.

Amendments to the Group-level Collective Agreement (GCA) became indispensable based on changes in legislation, practical experience and recommendations from interest groups. In 2024 we took a major step: the revised and amended GCA entered into force as of 1 January 2025 and it applies to 19 companies of the MVM Group.

6.8 Awards

In 2024, the work of the MVM Group was recognised externally, including:

- Most Attractive Workplace of the Year Award, 2nd place
- Caring Workplace of the Year, large corporations + category 1st place
- Three Princes, Three Princesses Foundation: Family Friendly Business and Mentoring Organisation Award 2024
- HRKOMM AWARD 2024 bronze prize and special award

7. Risk management activity and system of internal controls

7.1 Risk management policy

As a group of companies owned by the State, the MVM Group strives to operate prudently and essentially to assume a low risk profile, but at the same time, it is confronted with new situations in the context of its strategic objectives, where other, previously unknown risks may emerge. The MVM Group management therefore pays particular attention to identifying and systematically managing the risks that arise. For this purpose it also operates a Risk Management Committee that holds meetings at least twice a year. Its permanent members are the chief executive officer and the deputy-CEOs, as well as the risk management director.

The purpose of the risk management is to support the long-term success of the MVM Group by identifying and responding to the risks that affect it. The MVM Group is exposed to risks typical for the industry, which it seeks to manage to the extent that does not already jeopardise the achievement of the strategy and business objectives. The MVM Group's risk management focuses on striking the right balance between risks and opportunities, and on applying management methods that are proportionate to the nature and extent of the risks.

Managing risks effectively is of paramount importance to the Group's growth and success, and also contributes to maintaining the MVM Group's good reputation.

Main risks affecting the Company:

- Risks of regulated operations
- Risks of market and customer demand changes, and adapting to them
- Financial risks
- Commercial risks
- Corporate governance risks
- Information security risks
- Risks to human resources
- Technical risks
- Health, safety and environmental protection risks
- Risks related to climate change

The risk management report prepared for the top management at MVM Zrt. ensures the monitoring of the most significant risks, up-to-date risk mitigation measures and their regular follow-up.

7.2 Risk management

In accordance with Group-level risk management guidelines, the MVM Group's member companies monitor risk elements in regular risk reports, which are kept at the desired level through a system of volumetric, financial and VaR-based limits. The risks to be identified can be grouped into the following categories, according to their main characteristics:

- Interest rate risk: The interest rate risks of the MVM Group typically arise in connection with managing its floating-rate external debt and refinancing external debt.
- Foreign exchange risk: The MVM Group's FX risks typically arise in connection with the commercial/service provision divisions and with its financing/capital market transactions.

- Bulk commodity risk: The MVM Group's bulk commodity risks typically arise in connection with its trading activities in electricity, natural gas, oil products, CO₂ allowances and coal.
- Counterparty risk: The MVM Group's counterparty risks typically arise in connection with activities with its business partners (e.g. commercial, banking, insurance, investment and other).

7.3 Integrated risk management system

The MVM Group operates an integrated Enterprise Risk Management (ERM) system to identify and assess risks that threaten the achievement of organisational objectives and to mitigate them as far as possible.

This includes:

- identifying, correcting, and then – looking ahead – preventing future events and risks that could hinder the achievement of the objectives,
- helping management to manage risks, and
- regulating the processes needed to achieve this.

The integrated risk management procedure sets out the actions to be taken in relation to each risk – and how to take them – to reduce or eliminate the risks, and how to monitor the completion of the actions on an ongoing basis.

The risks and the responses thereto are continuously monitored via regular risk management reporting.

Each department is required to continuously monitor and track the risks it is associated with, and in each data reporting request made they must update the information related to existing risks, and record new risks, according to the current status.

7.4 System of internal controls and risk management

Compliance

The MVM Group is committed to the highest standards of ethics, integrity, compliance with the law and strict adherence to the expectations of its owners. In developing the MVM Group's compliance system, the objective and task was to operate in line with the regulatory environment, which is implemented commensurate with the identified risks and in a manner that supports the continuity and smoothness of business operations and other areas. For this purpose the MVM Group operates a compliance function at both central and company level. In the case of companies required by law to operate an internal control system, the compliance function also performs the statutory tasks of the compliance support unit. The MVM Group strives to continuously improve the compliance system in line with legal requirements as well as based on best Hungarian and international practices.

By creating the Code of Ethics of the MVM Group, the MVM Group has expressed its commitment to respect for the individual as a fundamental principle, and to the moral values and principles that contribute to the best professional work of its employees, to the achievement of common goals, to the preservation of the MVM Group's reputation, and to the protection and enhancement of its professional and personal integrity. In line with international best practices, the MVM Group has established internal policies for managing conflicts of interest, gift giving and hospitality, and for investigating reported abuses.

The MVM Group is firmly opposed to all forms of corruption that undermine confidence in the legitimate operation of the Group and distort competition. Employees may not solicit, accept, offer or give an

undue advantage in the course of and/or in connection with their work, whether for their own benefit, for the benefit of the company, or for the benefit of a third party. As part of its commitment to anti-corruption, by the end of 2024, in addition to MVM Zrt. (2022) further 25 subsidiaries (2023-2024) implemented an anti-corruption management system operating according to ISO 37001 and obtained certification, or renewed the certification obtained previously under a renewal audit. In line with the requirements of the standard, the continuous improvement of the anti-corruption management system ensures that the controls in place work properly at all times.

In 2023 the MVM Group Business Partner Code of Ethics was completed, which maps out the principles and values of the MVM Group Code of Ethics and the expectations of the MVM Group vis-a-vis its business partners. Based on the MVM Group's Business Partner Code of Ethics, the MVM Group expects its business partners to be familiar with and follow the ethical and compliance principles of the MVM Group and apply them in their own value chains, and to take measures commensurate with the size, complexity and risk exposure of their organisation to ensure ethical operation and compliance.

With respect to any event that deviates from the laws and internal policies relevant for the MVM Group, and from its operation in accordance with the objectives, values and principles of the Group, in particular in cases of suspected corruption, financial misconduct and suspected violations of the Code of Ethics, the MVM Group encourages the confidential communication of reasonable concerns in good faith without fear of reprisal, and ensures they are investigated in an independent manner. The following channels can be used for reporting to MVM Zrt., even anonymously: mvm.hu/Rolunk/KozerdekuInformaciok/IntegritastSertoEsemeny

In addition to general compliance knowledge, the training and communication system implemented by the compliance function includes training on the ethical principles of the MVM Group and on the prevention of capital market abuse, which is a key focus for all new joiners.

The MVM Group aims to further strengthen and develop its compliance function and enhance its commitment against corruption and sanctions compliance.

The Code of Ethics of the MVM Group is available at: mvm.hu/ESG/Governance/EtikaiKodex

The Anticorruption Policy of the MVM Group is available at: mvm.hu/ESG/Governance/AntikorrupciosIranyitasiRendszer

The Business Partner Code of Ethics of the MVM Group is available at: mvm.hu/ESG/Governance/MVMCsoportUzletiPartneriEtikaiKodex

Internal audit system

In the MVM Group internal audit activity is organised as a group-wide audit function reporting directly to the CEO of MVM Zrt. (hereinafter referred to as: BELL). The professional management and supervision of BELL is carried out by the supervisory boards of the MVM Group, primarily the Supervisory Board of MVM Zrt. The internal audit activity conducted by BELL is an independent and objective assurance and advisory activity that adds value to and improves the quality of the organisation's operations. It contributes as a third line of defence to the effective functioning of the internal control system, thus helping the MVM Group achieve its strategic objectives and further supporting the preservation and growth of the assets of the state-owned company.

BELL functions according to a centralised operating model, but deviates partially from this for nuclear licensees and licensees subject to the Separation Rules (distribution and storage) on the basis of specific provisions.

As a general rule, BELL audits the companies obliged to have internal control systems pursuant to Section 7/J (1) of the Act, as well as the companies of the Group not obliged to do so but which have voluntarily undertaken to comply with the provisions of the Act regarding the operation of internal control systems; it also provides internal audit services on a case-by-case basis to the Group's member companies not included as defined above. Given the data flow restrictions imposed by the Separation rules, BELL's audit powers are limited in certain cases.

BELL ensures that the supervisory boards of the MVM Group can carry out their statutory tasks of ownership control, including their management control activities conducted via the internal control system, in an efficient and systematic manner. The internal audit powers assigned by law to the supervisory boards are shared between the Supervisory Board of MVM Zrt. and the supervisory boards of the companies operating an internal control system under the Act.

The focus of the internal audit activity is on controlling the processes that are most relevant and risky for the effective, efficient, economical and legally compliant operation of the MVM Group and for preserving and growing the company's assets.

BELL analyses, examines and evaluates the establishment and operation of the internal control system and its compliance with legislation and regulations, resulting in findings, proposals and recommendations to improve processes, establish control points and increase operational efficiency. BELL is not responsible for the operational implementation of the proposals and recommendations it makes, but only for recording their implementation and informing the supervisory boards.

All BELL auditors are registered with the Ministry of Finance as persons authorised to carry out internal audit activities and are required to perform their work in accordance with the law and the professional standards and code of ethics of the Institute of Internal Auditors (IIA).

Internal audits on operation of ISO management systems

To promote proper and efficient internal operations, several companies of the MVM Group have been certified according to ISO management system standards.

In addition to the internal control and compliance function, MVM Zrt.'s internal control system also includes internal audits carried out in accordance with the individual standards. MVM Zrt. currently maintains and operates management systems in accordance with five standards (MSZ EN ISO 9001:2015, MSZ EN ISO 50001:2019, MSZ EN ISO 14001:2015, MSZ ISO/IEC 27001:2014 and MSZ ISO 37001:2019). The proper functioning of the systems is verified with a certificate obtained after an accredited third-party certification audit carried out annually. The standards also require the documented implementation of internal audits to ensure compliance with the standard requirements, in addition to the importance of verification by an external certifier. An internal audit carried out in accordance with the requirements of the ISO standards audits the operations of all units based on the requirements of the standards, internal policies and the legislation referred to in them. These internal audits may only be carried out by colleagues qualified in internal auditing according to the respective standards. Colleagues with internal auditor qualifications also take part in annual refresher training to keep their professional knowledge up to date.

Equal opportunity

MVM Zrt.'s Equal Opportunities Plan aims to prevent all forms of discrimination and to ensure equal treatment and equal opportunities for all employees of the Group.

Equal opportunity targets for priority groups:

- Support women's professional and managerial advancement and participation in decision-making.
- Increased job protection, flexible and atypical forms of employment for pregnant mothers.
- MVM Zrt. facilitates the reintegration of mothers returning from caring for their child at home, by keeping in touch with them during the childcare period, providing information on training, holidays and other opportunities.
- For parents with three or more minor children, help maintain a better work-life balance for parents with greater than average family responsibilities, and improve their job quality, use of flexible forms of employment, taking specific aspects into account when granting leave.
- For workers caring for a long-term sick or severely disabled relative, job preservation, maintain a work-life balance and apply atypical forms of employment.
- For workers aged 55 and over, harness the industry- and career-specific skills of workers with longer professional and practical work experience, and retain them in employment. The Group considers long professional and practical work experience and the reliability based on this experience to be just as important as other skills and abilities.

8. Environmental protection activities

Environmental protection activities of the MVM Group and also of MVM Zrt. are presented in Chapter 13 *Environmental Information* of the Sustainability Report.

9. Sites and branches of the Company

MVM Zrt. has no sites in addition to its registered office.

MVM Zrt. has the following branches in addition to its registered office:

- 4623 Tuzsér, külterület 0120/34.
- 7030 Paks, Gagarin utca 1.
- 7030 Paks, hrsz. 8803/17.

10. Material subsequent events

Subsequent events of MVM Zrt. are presented in detail in Note **III. 32.** of the separate financial statements.

11. Business environment

The performance of the MVM Group and within it MVM Zrt. was also influenced by changes in the global economy, energy market developments and external as well as internal conditions determining national economies. From the perspective of both political and economic events, 2024 was a volatile year that has a significant impact on coming years. In addition to the international and Hungarian macroeconomic and regulatory environment, the energy market, regulatory changes, climate policy, technology and social impacts are of the greatest importance here, as they interact closely with each other and with the environments above.

11.1 Macroeconomic environment

By the start of 2024, the dominant outlook was a climate of declining inflation and lower base rates, as seen in the previous year. Accordingly, the main question for the economy at the beginning of the year was the rate of consumption growth. Despite that, the GDP growth expectations of 2.5% had to be revised quickly: while the first quarter still produced growth of 0.6% quarter-on-quarter, the second quarter saw the indicator move into negative territory. The economy continued to contract in the third quarter, shrinking by 0.7%. By the end of 2024 the country had extricated itself from the recession, but the economic indicators were below expectations at the beginning of the year, thereby setting new challenges for 2025. The decline in manufacturing, construction and agriculture can be cited as reasons for the full-year performance, but positive elements such as stronger services, especially accommodation and hospitality, should be highlighted. The GDP index, revised during the year, eventually produced growth of 0.2% on an annual basis.

11.2 Regulatory environment

The state-of-emergency situation as regards legislation continued to have a significant impact on the operations of the MVM Group, MVM Zrt. and the regulatory environment in 2024.

Given the armed conflict in Ukraine, and in order to avert the consequences of these in Hungary, the Government declared a new state of emergency in Government Decree 424/2022 (X.28) with effect from 1 November 2022. On three occasions the Parliament authorised the Government to extend the state of emergency for a further 180 days. The Decree is still in force until 19 May 2025. In addition, with Government Resolution 1335/2022 (VII.15) the Government also declared an energy emergency due to the drastic increase in energy prices caused by the war and the energy shortages in Western Europe, which is still in force. The European Council abolished the 180 EUR/MWh natural gas price ceiling set in December 2022 as an emergency measure. Among other things, the restart and continuous production of all four units of the Mátra Power Plant were earmarked as tasks. In this context, the Government agreed in a new decision published on 16 November 2023 (Government Decision 1500/2023 (XI.16.)) that until the commissioning of the combined cycle gas turbine power plant planned on the site of the Mátra Power Plant, the operation of the lignite units of MVM Mátra Energia Zrt. shall be ensured, and requested the ministers concerned to develop alternatives (including the necessary risk assessment) for financing the continued operation of MVM Mátra Energia Zrt. after 1 January 2024.

During 2023 there were several significant changes in Hungarian legislation relevant to the MVM Group's operations. Act LXXXVI of 2007 on Electricity (Act on Electricity), Act XL of 2008 on Natural Gas Supply (Act on Natural Gas Supply) and their implementing decrees, which fundamentally determine the MVM Group's operations, were amended in 2023 in normal legislation, as well as Act CXVI of 1996 on Nuclear Energy (Act on Nuclear Energy) and the related nuclear energy-related decrees, or Act XVIII of 2005 on District Heating (Act on District Heating).

In 2023, in the context of the Act on Electricity, the implementation of the electricity industry data exchange can be highlighted, while both the Act on Natural Gas Supply and the Act on Electricity were supplemented with the introduction of accrual accounting provisions in financial statements prepared under Hungarian accounting rules, with the aim of providing grid licensees with accounting tools to manage fluctuations between profitable and loss-making years.

Act LVII of 2015 on Energy Efficiency was amended in June 2023. The amendment also introduced new definitions for the Energy Efficiency Obligation (EEO) scheme (individual action, material contribution), changed the requirements for the in-period accounting for savings achieved within the obligation period, and changed the liability rules for the audit activities of the Hungarian Energy and Public Utility Regulatory Authority (hereinafter referred to as MEKH). The Act introduced regulations on organised markets and organised market trading as a new element, and the authorisation necessary for establishing them. The (percentage) level of the EEO obligations has not changed.

A decree was also issued on the temporary emergency supply of natural gas to district heating producers, based on which MVM CEEnergy Zrt. and MVM Next Energiakereskedelmi Zrt. were appointed as natural gas traders for the supply of district heating producers in the 2023/24 natural gas year. The provisions on pricing in commercial contracts for natural gas and electricity of certain institutions (such as bodies under the central budgetary sub-system) were modified.

The provisions on utility easement, grid connections and the related additional financial collateral as well as the connection of small household power plants to the public grid were amended. The scheme to reduce utility payments which ensures provision of the universal service under unchanged conditions, designating electricity and natural gas suppliers entitled to compensation for their contribution to reducing utility payments, remained in force. The revenue compensation support scheme for electricity storage is now in place and will support projects that are successful in the tendering procedure launched in early 2024. To maintain the positive balance of the district heating fund, the Government ordered a further reallocation. The universal service provider continues to be exempted from the obligation to pay penalties if it fails to comply with the customer service quality indicators set by the Hungarian Energy and Public Utility Regulatory Authority.

With regard to price regulation, Government Decree 484/2022 (XI.29) is still in force, and the Hungarian Energy and Public Utility Regulatory Authority (MEKH) sets the electricity network access fees taking this into account, the rates of which for 2023 and 2024 could not increase the network access fees paid by residential consumers. On 15 December 2023, the MEKH published its decision on the network access fees applicable from 1 January 2024.

In June 2023, a decision was taken on the level of natural gas network access fees, and on 23 February 2023 on the level of natural gas storage fees for the period 1 April 2023 to 31 March 2024. During the state of emergency, provisions other than those in the Act on Electricity were applied in relation to the annual price setting dates within the price regulation cycle, the setting of transmission connection charges and distribution charges.

Pursuant to Government Decree 19/2009 (I.31) on the implementation of the provisions of Act XL of 2008 on Natural Gas Supply, universal service providers must have a certain amount of natural gas in storage, directly or indirectly, on 1 October of each year. For the 2022-2023 gas year, MEKH stipulated that MVM Next Energiakereskedelmi Zrt. must have 1.87 billion m³ of natural gas in storage. In January 2024, by Government Decree 60/2022. (VII. 21.) the Government decided to maintain the so-called special natural gas reserve established by a Government Decree on 21 July 2022, which will remain managed separately by the Hungarian Hydrocarbon Stockpiling Association as a reserve for supply security for the 2024/25 heating season. According to latest information, in January 2025 no new government decree was issued on the future of the special natural gas reserve. Based on Government Decree 260/2022. (VII. 21.), if no decision is made on extending the retention of the reserve, then the Minister shall decide by 28 February 2025 on the sale of the entire special natural gas reserve and the conditions of the sale.

11.3 Climate policy environment

The international environment surrounding climate policy is radically affected by the Russia-Ukraine war that broke out in February 2022, and the energy-driven responses of the European Union in reaction to the conflict. The REPowerEU plan, published on 18 May 2022, builds on the results of the Fit For 55 legislative package adopted in July 2021 to rapidly reduce dependence on Russian fossil fuels and to accelerate the green transition.

The main objectives of the short-term goals and the medium-term measures to be implemented by 2027 are to diversify the EU's alternative energy supply options, to promote energy savings and to accelerate the transition to renewable energy. The energy transition has become the number one focus of all EU Member States, including Hungary, therefore such planning and implementation are also being detailed along the three main pillars of increasing the share of renewable energy sources in the system, energy efficiency, and reducing harmful emissions.

Just like the Russian-Ukrainian war, the Israeli-Hamas war that broke out on 7 October 2023 has had a major impact on the world's energy situation and intensified the aspirations of nations for energy sovereignty, the diversification of energy routes, the importance of strategic cooperation and efforts contributing to the energy transition.

The key strategic objectives of the current National Energy Strategy (NES) include strengthening energy independence and energy security, maintaining the results of the reductions in utility bills, as well as decarbonising energy production through the combined use of nuclear and renewable energy sources.

Hungary fulfilled its obligation to review and update its draft National Energy and Climate Plan (NECP) in 2024, which strengthened further Hungary's climate policy ambitions.

The draft NECP sets out the 2030 targets, which are:

- reduction in gross GHG emissions, by at least 50% compared to 1990,
- renewable energy to account for at least 29% in gross final energy consumption,
- reduction of non-ETS emissions of at least 18.7% compared to 2005,
- maximum import exposure for natural gas should be 80%, and
- final energy consumption in 2030 should not exceed 740 PJ.

The Energy Efficiency Obligation Scheme (EEO) under the Energy Efficiency Directive has been in effect from 1 January 2021. In the Hungarian EEO, obligated parties can implement energy efficiency measures anywhere, including in the industrial, residential, public, transport, service and agricultural sectors. The obligation covers energy trading and universal service licensees, natural gas trading and universal service licensees, as well as entities selling transport fuel to final customers. Effective from 2024, under the European Commission proposal, the annual energy savings obligation of Member States, and thus the EEO obligation of the MVM Group, must rise significantly under the Fit for 55 package. Ultimately, the planned increase in the target was not implemented in 2024, but some of the accounting and supply rules for certified energy savings were altered, and further changes were proposed for the coming year, such as an increase in the number of measures to be taken in the household sector.

11.4 Energy market

The economic and social pressures of the global energy crisis in previous years have eased, but geopolitical factors are still capable of causing hectic changes on the global economy, with the risk of further disruptions persisting. Prices have been highly volatile in 2024 as well. The fighting in Ukraine, more than two years after the Russian invasion, is now accompanied by a shift in US economic policy.

The highest price quoted on the HUPX (Hungarian Power Exchange) in 2024 was 999.01 EUR/MWh, on 3 March 2024. The lowest price, -149.98 EUR/MWh, was registered on 4 February 2024. There were 262 hours with negative prices on the overnight market in 2024, which is a significant increase in volume compared to previous years, thus confirming the growing volatility in the markets. According to MAVIR data, Hungary's gross electricity consumption in 2024 was 44.7 terawatt hours (TWh), 1 TWh

(2.3 percent) higher than in 2023. At the same time, the aggregate production of the Hungarian power plants also increased, exceeding 34 TWh in 2024, compared to 32 TWh in 2023. Imports accounted for 23.98 percent (10.7 TWh) of the annual gross consumption. This is lower than in the previous year, when imported electricity was 11.1 TWh, making up 25.4% of the total consumption.

In August 2022, the benchmark European gas price, the Dutch TTF, rose to unprecedented levels, so in December 2022 the European Union introduced the Market Correction Mechanism (MCM), which set the maximum TTF price at EUR 180/MWh, and established a reference price for LNG (liquefied natural gas), further expanding the range of European benchmarks. This measure was originally planned for one year, then was extended in November 2023 until January 2025. It will not be extended any further, since following the normalisation of the very high prices caused by the outbreak of the war between Russia and Ukraine, the price of natural gas was well below the level of activation even in the last two years, thus this measure has never been activated.

The benchmark stock market prices generally rose in 2024: the TTF ended the year up 49%, the US Henry Hub up 40%, and the Asian JKM LNG was up 30%, gas prices are still above the levels seen before the energy crisis and the outbreak of the Russia-Ukraine war. The average price per barrel of North Sea Brent crude oil averaged around USD 80 in 2024, down 2.6% from USD 82 a year earlier. The average price of US West Texas Intermediate (WTI) was USD 77, it changes very slightly compared to the previous average of USD 78.

Following the outbreak of the war between Russia and Ukraine, several European countries expressed their intention to cut off Russian supplies completely, but little further progress was achieved on this in 2024: the volumes of Russian pipeline gas rose by 13% during the year from the very low figure in 2023. The volume of LNG imports also increased compared to last year, with European customers importing 14% more LNG from Russia in 2024 due to the higher prices for alternative sources of supply.

The growth of solar PV investments continued in Hungary in 2024, with an annual increase of more than 1.5 gigawatts. MAVIR data shows that the total installed capacity of solar PV systems exceeded 7,550 megawatts by the beginning of 2025. Looking at the figures of the Hungarian system operator, there are already 293,000 residential solar panels in operation, which will soon reach 300,000 thanks to the developments funded by the Solar Plus Programme. Within industry, the solar panel capacity exceeded 4,000 MW. With its new investments and developments, Hungary remains a major player in the field of solar energy. As solar panels have proliferated, negative hourly prices have also appeared on the power exchange, so the role of storage and consumer flexibility will become a focus area alongside solar panels in the coming years. Transactions completed in the second half of 2024 added a total of 249 MWp of installed renewable capacity to the MVM Group. This involved the acquisition of power plants with a capacity of between 3 and 63 MWp each, in four locations around Hungary. The MVM Group makes a major contribution to the green transition with its continuously expanding renewable generation capacity. Thanks to the continuation of its green investments, the Group's renewable portfolio is approaching 900 MWp of capacity.

11.5 Social and technological environment

Due to conflicts and other factors throughout the world, uncertainty will persist on the energy market and price volatility is not expected to wane. The US presidential election was one of the most defining geopolitical events of 2024. The Trump administration under President Donald Trump is expected to make a number of energy policy decisions in 2025 that will influence global energy market dynamics (prioritising fossil fuels, supporting the coal industry, reducing support for renewables, tariff policy, avoiding climate action, etc.). The Russian-Ukrainian war escalated further in 2024. The Russian-Ukrainian natural gas transit contract was not renewed, which could bring uncertainties for the evolution of natural gas prices in 2025. The war between Israel and Hamas means the conflict in the region still prevails, and the inability to access key transport routes (Red Sea, Strait of Hormuz) could fuel further insecurity in the world. Major advances were achieved in artificial intelligence in 2024, in particular generative AI tools such as ChatGPT, which have transformed the tech industry and impacted on energy consumption too.

11.6 Key non-financial performance indicators

Relevant non-financial performance indicators of the MVM Group and also of MVM Zrt. are included in Chapter 12.7 *The general presentation of the Goals* of the Sustainability report.

12. Compliance with Section 95/C of the Act on Accounting

MVM Zrt. does not have key intangible resources, so its impact on business models and value creation is not significant.

13. Liability statement

The undersigned, as persons authorised to sign on behalf of and represent MVM Energetika Zártkörűen Működő Részvénytársaság (MVM Zrt.), declare that MVM Zrt. assumes full responsibility for the fact that the 2024 stand-alone financial statements published by MVM Zrt. have been prepared to the best of our knowledge and in compliance with Hungarian accounting standards (pursuant to Article 10 of Act C of 2000 on Accounting), in accordance with International Financial Reporting Standards (IFRS), and provide a true and fair view of the assets, liabilities, financial position and profit and loss of MVM Zrt.

We declare that the Business Report of MVM Zrt. provides a reliable picture of the situation, development and performance of MVM Zrt., outlining the main risks and uncertainties.

We declare that the Business Report of MVM Zrt. has been prepared in accordance with sustainability reporting standards as per Section 95/D (1) 3 of the Act on Accounting as well as provisions accepted in compliance with Article 8 (4) of Regulation (EU) 2020/852 of the European Parliament and of the Council.

Budapest, 25 April 2025



Károly Tamás Mátrai
Chief Executive Officer
MVM Zrt.



László Fazekas
Deputy CEO, Chief Financial Officer
MVM Zrt.