



**Independent Auditors' Report issued on the
2022
Annual Financial Statements
and Business Report
of M6 Duna Autópálya Koncessziós Zrt.**

This is an English translation of the Independent Auditors' Report on the 2022 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

M6 Duna Autópálya Koncessziós Zrt. - K12 - 2022.12.31.





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M6 Duna Autópálya Koncessziós Zrt. - K12 - 2022.12.31.





KPMG Hungária Kft.
Váci út 31.
H-1134 Budapest
Hungary

Tel.: +36 (1) 887 71 00
Fax: +36 (1) 887 71 01
Email: info@kpmg.hu
Internet: kpmg.hu

Independent Auditors' Report

To the shareholders of M6 Duna Autópálya Koncessziós Zrt.

Opinion

We have audited the 2022 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. ("the Company"), which comprise the balance sheet as at 31 December 2022, with total assets of EUR 166,917,348 and profit after tax for the year of EUR 17,359,519, and the income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary (Act on Accounting).

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company for the purposes of our audit of the annual financial statements, as provided in applicable laws in force in Hungary, the policy on rules of conduct (ethics) of the audit profession and on disciplinary procedures of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) translated into Hungarian and published on the website of the Chamber of Hungarian Auditors and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The other information comprises the 2022 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any.

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Our opinion on the annual financial statements expressed in the Opinion section of our report does not cover the business report.

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

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements and expressing an opinion on this and whether the business report is consistent with the annual financial statements.

In our opinion the 2022 business report of the Company is consistent, in all material respects, with its 2022 annual financial statements and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report, therefore, we do not express an opinion in this respects.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

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

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and, management is responsible for preparing the annual financial statements on a going concern basis. Valuation made by management shall be based on the principle of going concern, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

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

Auditors' Responsibilities for the Audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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M6 Duna Autópálya Koncessziós Zrt. - K12 - 2022.12.31.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis for the preparation of the annual financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is the signatory of this report.

Budapest, 6 February 2023

KPMG Hungária Kft.

Registration number: 000202

Zoltán Varga

Partner, Professional Accountant

Registration number: 007320

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M6 Duna Autópálya Koncessziós Zrt. - K12 - 2022.12.31.



13368254-4211-114-01

Statistical number

Cg.01-10-045198

Registration number

Company name:

M6 Duna Autópálya Koncessziós Zrt.

Company address:

1117 Budapest, Alíz u.1.

ANNUAL REPORT

for the period from 01.01.2022-31.12.2022

This is an English translation of the Annual Report
In case of any differences or controversies, the Hungarian language original prevails

Date: 6 February 2023

13368254-4211-114-01
Statistical number

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Registration number

M6 Duna Autópálya Koncessziós Zrt.
BALANCE SHEET Assets

amounts in EUR

No.	Description	31.12.2021	Modification(s) of previous year	31.12.2022
a	b	c	d	e
1.	A. Fixed assets (lines 2+10+18)	113 478 055		90 516 830
2.	I. INTANGIBLES (lines 03-09)	-		-
3.	Capitalized value of formation/restructuring	-		-
4.	Capitalized value of research and development	-		-
5.	Concessions, licenses and similar rights	-		-
6.	Intellectual property	-		-
7.	Goodwill	-		-
8.	Advances and prepayments on intangible assets	-		-
9.	Adjusted value of intangible assets	-		-
10.	II. TANGIBLES (lines 11-17)	113 478 055		90 516 830
11.	Land and buildings and rights to immovables	112 359 077		89 500 402
12.	Plant and machinery, vehicles	1 026 328		1 005 986
13.	Other equipment, tools, fixtures and fittings, vehicles	13 762		8 227
14.	Breeding stock	-		-
15.	Assets in course of construction	-		-
16.	Payments on account	78 888		2 215
17.	Adjusted value of tangible assets	-		-
18.	III. FINANCIAL INVESTMENTS (lines 19-28)	-		-
19.	Long-term participations in affiliated companies	-		-
20.	Long-term loans to affiliated companies	-		-
21.	Long-term participations in a significant owned companies	-		-
22.	Long-term loan to significant owned companies	-		-
23.	Other long-term participations	-		-
24.	Long-term loan to other companies linked by virtue of participating interests	-		-
25.	Other long-term loans	-		-
26.	Long-term debt securities	-		-
27.	Adjusted value of financial investments	-		-
28.	Valuation difference of financial investments	-		-

Date: 6 February 2023

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M6 Duna Autópálya Koncessziós Zrt.
BALANCE SHEET Assets

amounts in EUR

No.	Description	31.12.2021	Modification(s) of previous year	31.12.2022
a	b	c	d	e
29.	B. Current assets (lines 30+37+46+53)	43 488 560		63 352 293
30.	I. STOCKS (lines 31-36)	-		-
31.	Raw materials and consumables	-		-
32.	Unfinished production, semi-finished products	-		-
33.	Young, fattened and other livestock	-		-
34.	Finished products	-		-
35.	Goods	-		-
36.	Advances and prepayments for stocks	-		-
37.	II. RECEIVABLES (lines 38-45)	4 014 947		55 168
38.	Accounts receivables	49 082		55 168
39.	Receivables from affiliated companies	-		-
40.	Receivables from significant owned companies	3 428 913		-
41.	Receivables from other companies linked by virtue of participating interest	498 372		-
42.	Bill receivable	-		-
43.	Other receivables	38 580		-
44.	Valuation difference of receivables	-		-
45.	Valuation difference of derivative instruments	-		-
46.	III. SECURITIES (lines 47-52)	-		-
47.	Participating interests in affiliated companies	-		-
48.	Other significant participating interests	-		-
49.	Other participating interests	-		-
50.	Own shares and own partnership shares	-		-
51.	Debt securities held for trading	-		-
52.	Valuation difference of securities	-		-
53.	IV. CASH AND BANK (lines 54-55)	39 473 613		63 297 125
54.	Cash and cheques	-		-
55.	Bank accounts	39 473 613		63 297 125
56.	C. Prepayments (lines 57-59)	12 988 589		13 048 225
57.	Prepayments of the incomes/revenues	8 522 348		9 521 755
58.	Prepayments of the costs and expenses	4 466 241		3 526 470
59.	Deferred costs and expenses	-		-
60.	TOTAL ASSETS (lines 1+29+56)	169 955 204		166 917 348

Date: 6 February 2023

M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Liabilities and equity

amounts in EUR

No.	Description	31.12.2021	Modification(s) of previous year	31.12.2022
a	b	c	d	e
61.	D. Owners equity (lines 62+64+65+66+67+68+71)	67 434 761		73 294 279
62.	Issued capital	28 932 310		28 932 310
63.	from line 54: par value of own shares bought back by the Company	-		-
64.	Registered capital, but not paid yet	-		-
65.	Capital reserve	-		-
66.	Retained earnings	22 361 854		27 002 450
67.	Tied-up capital	-		-
68.	Revaluation reserve	-		-
69.	1. Valuation reserve for adjustments	-		-
70.	2. Fair value valuation reserve	-		-
71.	Profit/loss for the year	16 140 597		17 359 519
72.	E. Provisions (lines 73-75)	-		-
73.	Provisions for expected losses	-		-
74.	Provision for expected liabilities	-		-
75.	Other provisions	-		-
76.	F. Liabilities (lines 77+82+92)	96 790 691		88 317 355
77.	I. DEFERRED LIABILITIES (lines 78-81)	18 420 792		18 420 792
78.	Deferred liabilities to associated company	-		-
79.	Deferred liabilities to other companies linked by significant of participating interests	16 083 193		16 083 193
80.	Deferred liabilities to other companies linked by virtue of participating interests	2 337 599		2 337 599
81.	Deferred liabilities to other parties	-		-

Date: 6 February 2023

M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Liabilities and equity

amounts in EUR

No.	Description	31.12.2021	Modification(s) of previous year	31.12.2022
a	b	c	d	e
82.	II. LONG-TERM LIABILITIES (lines 83-91)	64 180 069		44 035 846
83.	Long-term loans received	-		-
84.	Convertible bonds	-		-
85.	Liabilities from issue of bonds	23 579 009		15 493 935
86.	Investment and development credits	35 168 876		23 109 727
87.	Other long-term credits	-		-
88.	Long-term liabilities to associated company	-		-
89.	Long-term liabilities to significantly interest company	-		-
90.	Long-term liabilities to other companies linked by virtue of participating interests	-		-
91.	Other long-term liabilities	5 432 184		5 432 184
92.	III. SHORT-TERM LIABILITIES (lines 93-104)	14 189 830		25 860 717
93.	Short-term loans	-		-
94.	from line 81: convertible bonds	-		-
95.	Short-term credits	12 836 105		20 144 234
96.	Advances from customers	-		-
97.	Accounts payable	152 781		177 627
98.	Liabilities on drafts	-		-
99.	Short-term liabilities to associated company	-		4 086 163
100.	Short-term liabilities to significantly interest company	-		-
101.	Short-term liabilities to minority-interest company	-		-
102.	Other short-term liabilities	1 200 944		1 452 693
103.	Valuation difference of liabilities	-		-
104.	Valuation difference of derivative instruments	-		-
105.	G. Accruals (lines 106-108)	5 729 752		5 305 714
106.	Accruals of incomes	1 831 455		1 562 195
107.	Accruals of costs and expenses	1 710 891		2 025 056
108.	Deferred incomes	2 187 406		1 718 463
109.	TOTAL LIABILITIES AND EQUITY (lines 62+72+76+105)	169 955 204		166 917 348

Date: 6 February 2023

Cg.01-10-045198
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M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT

Type A (full cost method)

amounts in EUR

No	Description	2021.01.01.- 2021.12.31.	Modification(s) of previous year	2022.01.01.- 2022.12.31.
a	b	c	d	e
1.	Net domestic sales	52 200 810		51 976 919
2.	Net export sales	-		-
I.	Total sales (01+02)	52 200 810		51 976 919
3.	Change in self-manufactured stocks.	-		-
4.	Own work capitalised	-		-
II.	Own performance capitalised (03±04)	-		-
III.	Other revenues	416 921		65 851
	from line III. rewrite of impairment loss	-		-
5.	Cost of materials	21 275		22 925
6.	Value of rendered services	1 726 733		1 663 974
7.	Value of other services	231 402		252 990
8.	Cost of goods sold	-		-
9.	Value of sold (intermediated) services	2 634 588		2 480 544
IV.	Material-type costs (05+06+07+08+09)	4 613 998		4 420 433
10.	Wages and salaries	214 877		259 902
11.	Other staff costs	11 566		27 225
12.	Social security contributions	41 535		39 938
V.	Staff costs (10+11+12)	267 978		327 065
VI.	Depreciation	23 597 107		23 695 063
VII.	Other expenses	1 057 428		1 054 486
	from line VII. impairment loss	-		-
A.	OPERATING PROFIT/LOSS (I±II+III-IV-V-VI-VII)	23 081 220		22 545 723

Date: 6 February 2023

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Registration number

M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT

Type A (full cost method)

amounts in EUR

No	Description	2021.01.01.- 2021.12.31.	Modification(s) of previous year	2022.01.01.- 2022.12.31.
a	b	c	d	e
13.	Dividends and profit-sharing (received or due)	-		-
	from line 13. from associated company	-		-
14.	Capital gains on investments	-		-
	from line 14. from associated company	-		-
15.	Interest and capital gains on financial investments	10 651		1 013 185
	from line 15. from associated company	-		-
16.	Other interest and similar income (received or due)	-		-
	from line 16. from associated company	-		-
17.	Other income from financial transactions	359 692		1 773 312
	from line 17. valuation difference	-		-
VIII.	Income from financial transactions (13+14+15+16+17)	370 343		2 786 497
18.	Losses on financial participations, shares	-		-
	from line 18. to associated company	-		-
19.	Losses on financial investment - expenses and FX losses	-		-
	from line 19. to associated company	-		-
20.	Interest payable and similar charges	5 016 804		3 937 287
	from line 20. to associated company	-		-
21.	Losses on shares, securities and bank deposits	-		-
22.	Other expenses from financial transactions	620 273		2 276 759
	from line 22. valuation difference	-		-
IX.	Expenses on financial transactions (18+19+20+21+22)	5 637 077		6 214 046
B.	RESULT OF FINANCIAL TRANSACTIONS (VIII-IX)	- 5 266 734		- 3 427 549
C.	PROFIT/LOSS BEFORE TAXATION (±A±B)	17 814 486		19 118 174
X.	Corporation tax	1 673 889		1 758 655
D.	PROFIT/LOSS AFTER TAXATION (±C-X)	16 140 597		17 359 519

Date: 6 February 2023

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Cash flow - statement			amounts in EUR	
No	Description		2021.01.01- 2021.12.31	2022.01.01- 2022.12.31.
I.	Operating cash flow	rows 1-13	24 417 580	36 804 593
1a	Profit before tax	(+)	17 814 486	19 118 174
	showing separately: financially settled aid received for operation fund		-	-
1b	Adjustments in profit before tax	(+)	49 028	583 822
1	Adjusted profit before tax (1a+1b)	(+)	17 863 514	18 534 352
2	Depreciation write-off	(+)	23 597 107	23 695 063
3	Impairment loss and reversal	(+)	-	-
4	Difference between formation and utilization of provision	(+)	-	-
5	Fixed assets sold	(+)	209	5 030
6	Changes in accounts payable	(+)	- 13 353	24 846
7	Changes in other short-term liabilities	(+)	- 1 545 295	4 337 912
8	Changes in accrued and deferred liabilities	(+)	- 1 426 871	424 038
9	Changes in trade receivables	(+)	- 1 504	6 086
10	Changes in current assets (without receivables and liquid assets)	(+)	- 2 202 726	3 965 865
11	Changes in accrued and deferred assets	(+)	1 320 388	59 636
12	Tax paid (on profit)	(-)	- 1 673 889	- 1 758 655
13	Dividends and profit-sharing paid	(-)	- 11 500 000	- 11 500 000
II.	Investment cash flow	rows 14-18	- 867 239	- 728 809
14	Purchase of fixed assets	(-)	- 867 239	- 734 211
15	Sale of fixed assets	(+)	-	5 402
16	Repayment, termination or redemption of long-term loans and bank deposits	(+)	-	-
17	Long-term loans and bank deposits	(-)	-	-
18	Dividends and profit-sharing received	(+)	-	-
III.	Financial cash flow	rows 19-26	- 21 092 688	- 12 836 094
19	Receipts from shares issue, capital raising (capital increase)	(+)	-	-
20	Receipts from the issue of bonds and debt securities	(+)	-	-
21	Borrowings	(+)	-	-
22	Non-repayable assets received	(+)	-	-
23	Cancellation of shares, disinvestment (capital reduction)	(-)	-	-
24	Redeemed bonds and debt securities	(-)	- 8 465 745	- 5 151 885
25	Loan installment payments, repayment of loans	(-)	- 12 626 943	- 7 684 209
26	Non-repayable liquid assets transferred	(-)	-	-
IV.	Changes in liquid assets	rows I.+II.+III.	2 457 653	23 239 689
27	Revaluation of funds held in foreign currencies	(+)	- 49 028	583 822
V.	Changes in funds as shown in the balance sheet	rows IV.+27	2 408 625	23 823 512

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

SUPPLEMENTARY NOTES TO THE ANNUAL REPORT FOR 2022

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

1. GENERAL BACKGROUND INFORMATION

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) has its legal at 1117 Budapest, Alíz utca 1, since April 2019.

The Company was founded on 7 October 2004.

The owners of the Company as of 31 December 2022 were as follows (“Shareholders”):

- M6 Duna B.V. (Strawinskylaan 303, WTC A-Tower, PO Box 79074, Amsterdam 1070 NC, the Netherlands)
- Aberdeen Infrastructure (HoldCo) B.V. (Strawinskylaan 303, WTC A-Tower, PO Box 79074, Amsterdam 1070 NC, the Netherlands)
- Intertoll Capital Partners B.V. (Schiphol Boulevard 127, 1118BG Schiphol, the Netherlands).

The owners of M6 Duna BV are the Aberdeen investment group and EBRD (European Bank for Reconstruction and Development).

The Company is a private company limited by shares established for a fixed term, which is the concession period set out in the Concession Agreement concluded with the Hungarian State. The concession period is 22 years, lasting until 8 October 2026. The rights and obligations set by the Concession Agreement were transferred to the Company via the Transfer Agreement dated 13 October 2004 by the consortium originally obtaining the concession.

Accordingly, the Company is solely engaged in the design, construction, renovation, operation and maintenance under concession of the section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities. The interim completion of the motorway occurred on 11 June 2006. The relevant Traffic Authority issued the final licence to operate for this section of the M6 Motorway on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006.

The Company’s obligations under the Concession Agreement include the renewal of the motorway before the end of the operation period. According to the project’s financial model, the Company will have sufficient funds to fulfil this obligation, without endangering the future profitable operations.

2. ACCOUNTING POLICY

The books and records of the Company are maintained in accordance with Law C of 2000 on Accounting, as amended (the “Law”) and generally accepted accounting principles in Hungary.

In accordance with the requirements of the Law, from 1 January 2008 the books and records of the Company are maintained in EUR.

The accounting policy, the valuation method and process of the Company with the modifications introduced during this period are as follows:

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

Financial statement preparation date

The preparation date of the financial statements for the year ended 31 December 2021, the preparation date was 8 January 2022, while for the year ended 31 December 2022, the preparation date was 8 January 2023.

Intangible fixed assets

Purchased software, included in Rights of property value, are amortised over 3 years. Intangible fixed assets below purchase price of 200 000 HUF are fully depreciated when put into use.

Tangible fixed assets

According the paragraph 23 (3) of the Law, the Company records the acquisition cost of the assets purchased or created under the Concession Agreement as tangible fixed assets in its books.

The acquisition cost includes:

- upfront fees, commitment fees, handling fees etc. stipulated in the financing contracts directly linked to the design and construction of the motorway
- interest due until the interim completion of the motorway minus interest received on funds dedicated to the project
- banking fees and bank advisors' (technical, financial, legal, etc.) fees directly linked to the project as stipulated by the financing contracts
- insurance costs directly linked to the project, until interim completion
- direct salaries and related taxes of company officers and employees exclusively working on the project, until interim completion
- design, construction, monitoring, environmental, safety, documentation etc. advisory fees, until final completion of the construction contract
- realised and unrealised FX differences on foreign currency liabilities in direct connection with the construction, until project completion

The heavy maintenance costs incurred on the motorway are capitalised to the asset and depreciated over the remaining part of the concession period.

Tangible fixed assets are stated at acquisition costs less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the related asset.

The useful life of the motorway and the ancillary facilities is calculated from the interim completion date (11 June 2006) until the end of the concession period, which is 20.3 years, with zero residual value.

The depreciation rates applied for the different asset types are as follows:

Motorway and ancillary facilities	4.9%
Vehicles	20.0%
Office and IT equipment	33.3%
Furniture	14.5%

Tangible assets below purchase price of 200,000 HUF are fully depreciated when put into use.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

Swap contracts

In accordance with the law, swap contracts are accounted for using the hedging method (not using real valuation).

Profit and loss statement

The accompanying statement of operations is prepared according to the full cost method.

Assets and liabilities denominated in HUF are valued at the daily FX rates set by the National Bank of Hungary. The consequent valuation gains/losses are recorded net as Result on financial transactions.

Net sales

a) Availability fee income:

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state ownership (e.g. main road) and to receive the benefits derived from those assets. Accordingly, starting from interim completion, the Company receives monthly availability fees from the Hungarian State for the use of the motorway. The availability fee amounts are determined by the calculation formulae contained in the Concession Agreement. Such availability fees are recorded as income in the month where they belong. As the actual invoicing of such availability fees is always done in the following month, the uninvoiced monthly fees are recorded as deferred income (see Point 8)

b) Released income of "deemed operation":

The interim completion of the motorway occurred on 11 June 2006 that is with 71 days of delay compared to the target interim completion date of 31 March 2006. Since the Company was not responsible for that delay, therefore the budgeted availability fees for such „deemed operation” period have been fully reimbursed by the Ministry of Economy and Transport („GKM”), in accordance with the agreement dated 17 May 2007.

These fees from the “deemed operation” were fully accrued and are subsequently released to profit and loss on a straight-line basis over the concession period (see Point 13 and 14).

c) Leaseholding income:

The one-off entry fees paid by operators of the petrol stations in 2006 were fully accrued and are subsequently released to profit and loss on a straight-line basis over the concession period (see Point 13 and 14).

Other revenues

The construction contractor has settled certain guarantee obligations in a lump sum payment. Such guarantee payment was fully accrued and are released to profit and loss in line with the yearly actual defect rectification costs (see Point 13 and 15).

Value of rendered services

The deferred part of the additional concession fee payable to the legal successors of GKM (see Point 8) is recorded among Prepayments. This concession fee is deferred over the concession period and charged to profit and loss (as rendered service) on a straight-line basis. The remaining scheduled payments of such concession fee are classified to liabilities (the amounts due within one-year to short-term liabilities) (see Point 11).

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

Value of sold (intermediated) services

The monthly operation fees payable to the operation subcontractor are classified to sold (intermediated) services. The recharged costs are also recorded here.

Material errors

In accordance with the Law, amounts exceeding 2% of total assets are considered as material errors resulting of tax audits, self-revisions and errors effecting prior years (the corresponding figure in 2021 was 3.4 mEUR and in 2022 it was 3.3 mEUR).

The Company considers as exceptional those revenue, cost or expense items, which are outside the normal scope of operations, do not occur regularly and individually exceed 50 000 EUR. There were no such exceptional items in the year ended 31 December 2022.

3. FINANCIAL POSITION, PROFITABILITY AND LIQUIDITY

In March 2006 the project was successfully refinanced: the previous syndicated long-term bank loan was replaced by cheaper funds from a new loan from the European Investment Bank („EIB”) and the proceeds of the issuance of floating rate Notes (see Point 11). Due to the refinancing, the project’s feasibility and profitability is even more secure and robust, per the underlying Financial Model. The Company has fulfilled its debt service obligations in 2021 and 2022 as well, in full compliance with the credit agreements.

In 2022 the Company settled 7.4 mEUR of the dividends of 11.5 mEUR approved on 9 March 2022 towards its Shareholders.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

4. INTANGIBLE FIXED ASSETS

The changes in intangibles during 2021 and 2022 are detailed as follows (in EUR):

	<u>Concessions, licenses & similar rights</u>
<u>Gross value</u>	
Opening balance at 1 January 2021	13 034
Additions	0
Disposals	-5 083
Closing balance at 31 December 2021	<u>7 951</u>
Additions	202
Disposals	-287
Closing balance at 31 December 2022	<u><u>7 866</u></u>
<u>Accumulated depreciation</u>	
Opening balance at 1 January 2021	13 034
Depreciation-straight line method	0
Disposals	-5 083
Closing balance at 31 December 2021	<u>7 951</u>
Depreciation-straight line method	203
Disposals	-288
Closing balance at 31 December 2022	<u><u>7 866</u></u>
Net Book Value at 31 December 2021	<u><u>0</u></u>
Net Book Value at 31 December 2022	<u><u>0</u></u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

5. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during 2021 and 2022 are detailed as follows (in EUR):

	Land & Buildings	Machinery & vehicles	Other equipment	Advance for construction	Total
<u>Gross value</u>					
Opening balance at 1 January 2021	473 804 942	1 977 358	68 650	0	475 850 950
Additions	537 509	238 460	12 382	78 888	867 239
Disposals	0	0	-3 616	0	-3 616
Closing balance at 31 December 2021	474 342 451	2 215 818	77 416	78 888	476 714 573
Additions	572 612	237 002	1 068	2 215	812 897
Disposals	0	-30 643	-4 618	-78 888	-114 149
Closing balance at 31 December 2022	474 915 063	2 422 177	73 866	2 215	477 413 321
<u>Accumulated depreciation</u>					
Opening balance at 1 January 2021	338 578 144	1 003 853	60 821	0	339 642 818
Depreciation- straight line method	23 405 230	185 637	6 240	0	23 597 107
Disposals	0	0	-3 407	0	-3 407
Closing balance at 31 December 2021	361 983 374	1 189 490	63 654	0	363 236 518
Depreciation- straight line method	23 431 287	257 342	6 231	0	23 694 860
Disposals	0	-30 641	-4 246	0	-34 887
Closing balance at 31 December 2022	385 414 661	1 416 191	65 639	0	386 896 491
Net Book Value at 31 December 2021	112 359 077	1 026 328	13 762	78 888	113 478 055
Net Book Value at 31 December 2022	89 500 402	1 005 986	8 227	2 215	90 516 830

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

6. RECEIVABLES

In line with its Financial Model, the Company is providing a loan facility to its Shareholders from its surplus cash, in proportion to their shareholdings.

Any amount (interest plus principal) payable under this upstream loan facility may, at the election of either party, be offset against any dividend which is declared to the borrower in its capacity as Shareholder of the Company.

Accordingly, the changes in long-term loans during 2021 and 2022 were as follows (in EUR):

Opening balance at 1 January 2021	1 762 505
Offset against dividend payable on 23 Febr 2021	-1 762 505
New loans advanced in October 2021	<u>3 927 285</u>
Closing balance at 31 December 2021	3 927 285
Offset against dividend payable on 9 March 2022	<u>-3 927 285</u>
Closing balance at 31 December 2022	<u>0</u>

7. OTHER RECEIVABLES

As of 31 December 2021, Other receivables mainly included overpayment of certain taxes.

8. PREPAYMENTS

As of 31 December 2021 and 31 December 2022 the not invoiced income items were as follows (in EUR):

	2021.12.31	2022.12.31
Availability fee from the State of Hungary	8 404 812	8 703 483
Interest on upstream loans and bank deposits	5 079	587 347
Leaseholding fee and overweight fee	<u>112 457</u>	<u>230 925</u>
Total	<u>8 522 348</u>	<u>9 521 755</u>

In accordance with the VAT law, receivables from the current legal successor of GKM as of 31 December 2021 and 31 December 2022 are not recorded as Accounts Receivable, but included as deferred income.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

As of 31 December 2021 and 31 December 2022 prepayments of costs were as follows (in EUR):

	2021.12.31	2022.12.31
Deferred concession fee	4 415 946	3 490 151
Insurance premium	47 472	33 361
Other	2 823	2 958
Total	<u>4 466 241</u>	<u>3 526 470</u>

The deferred part of the additional concession fee paid to the legal successors of GKM (see Point 11) in accordance with the second amendment of Concession Agreement is recorded among Prepayments. This concession fee is deferred over the concession period (until 2026) and charged as an expense on a straight-line basis.

9. ISSUED CAPITAL

The respective shareholdings (which are the same as the voting rights) as of 31 December 2022 were as follows (in EUR):

"Shareholder"	Ownership type	Amount	Portion
M6 Duna B.V.	majority	19 474 321	67,31%
Aberdeen Infrastructure (HoldCo) B.V.	significant	5 786 462	20,00%
Intertoll Capital Partners B.V.	minority	3 671 527	12,69%
Total		<u>28 932 310</u>	100%

10. SUBORDINATED LIABILITIES

The Shareholders provided subordinated loans totalling to 18 420 792 EUR to the Company, in proportion to their shareholdings. The loans expire in October 2026. The interest on these loans is linked to the Company's EBIT (6% until 1 October 2021, and 3.8% afterwards) and payable semi-annually.

11. LONG-TERM LIABILITIES

As of 31 December 2021, the outstanding debts with maturity over one year were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount LT portion
EIB	Loan	2025.03.31	200 000 000 €	35 168 876 €
Noteholders	Notes	2025.03.31	212 000 000 €	23 579 009 €
Total				<u>58 747 885 €</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

As of 31 December 2022, the outstanding debts with maturity over one year were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount LT portion
EIB	Loan	2025.03.31	200 000 000 €	23 109 727 €
Noteholders	Notes	2025.03.31	212 000 000 €	15 493 935 €
Total				38 603 662 €

Interest and principal repayments on the EIB loan and the Notes are due semi-annually on each 31 March and 30 September. Accordingly, the repayments due on the EIB loan and the Notes in 2023 have been reclassified to Short-term credits (see Point 12).

The floating interest rates of the EIB loan and the Notes are linked to the applicable interbank rate (6M Euribor). The entire debt service under the EIB loan and the Notes is guaranteed by the monoline insurer Assured Guaranty (Europe) Ltd. (formerly called: Financial Security Assurance UK Ltd.).

In order to eliminate the interest risk on the EIB loan and the Notes, the Company concluded swap contracts with BNP Paribas SA (Paris). As a result, the effective interest rates on the EIB loan and the Notes are fixed for the whole term. The notional amounts of the swaps follow the repayment profile of the loan and the Notes.

In 2022 the Company paid a net amount of 3 055 258 EUR on the interest swaps and incurred a net loss of 2 548 571 EUR as difference between the fixed and floating rates of these swaps.

The EIB loan and the Notes are guaranteed by the Company's shares held in custody. All the assets and future receivables of the Company are pledged as security for these borrowings as well.

Upon refinancing, the Company made an obligation to pay in total 19 013 067 EUR of additional concession fee to the legal successor of GKM at predetermined dates, ending on 30 September 2024. Up to 31 December 2022, 13 580 883 EUR of that was paid to the legal successors of GKM in total. Of the remaining 5 432 184 EUR liability, the scheduled payments in 2023 (in total NIL EUR) are reclassified to Other short-term liabilities as of 31 December 2022.

12. SHORT-TERM CREDITS

The short-term credits as of 31 December 2021 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	7 684 220 €
Noteholders	Notes	2025.03.31	212 000 000 €	5 151 885 €
Total				12 836 105 €

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Supplementary Notes for 2022

The short-term credits as of 31 December 2022 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	12 059 160 €
Noteholders	Notes	2025.03.31	212 000 000 €	8 085 074 €
Total				20 144 234 €

13. ACCRUALS

As of 31 December 2021 and 31 December 2022 accruals included the following items (in EUR):

	2021.12.31	2022.12.31
Accrued income from "deemed operation"	2 187 406	1 718 463
Accrued income from petrol station leaseholding contracts	1 209 259	967 882
Accrued interest on loans and Notes	223 020	954 830
Guarantee payment to cover defect rectification	622 196	594 313
Motorway operation & maintenance cost	573 048	549 050
Accrued swap costs	829 060	322 373
Technical and financial advisory fees	19 979	83 950
Seconded director's fee	11 516	37 991
Accrued monoline guarantee fee	37 760	31 446
Audit fee	16 508	16 320
Legal advisory fees	0	15 000
Other	0	14 096
Total	5 729 752	5 305 714

14. NET SALES

Net sales in 2021 and 2022 consisted of the following items (in EUR):

	2021	2022
Availability fee income	50 996 613	50 667 707
Leaseholding income	363 782	489 205
Released income of "deemed operation"	458 583	458 214
Other operational income from the motorway	228 143	207 531
Secondment fee income	124 200	124 200
Reinvoiced items	79 489	30 062
Total	52 200 810	51 976 919

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Supplementary Notes for 2022

15. OTHER REVENUES

Other revenues in 2021 and 2022 consisted of the following items (in EUR):

	2021	2022
Previous year's corporate tax credit	68 677	31 159
Released guarantee payment	348 178	27 883
Proceeds from sales of fixed assets	0	5 402
Other	66	1 407
	<hr/>	<hr/>
Total	416 921	65 851

16. VALUE OF RENDERED SERVICES

The value of rendered in 2021 and 2022 consisted of the following items (in EUR):

	2021	2022
Concession fee	949 897	948 774
Legal, technical & financial advisory cost	165 307	420 422
Seconded officers' fees	137 785	136 411
Office rent	30 282	30 030
Defect rectification cost	348 178	27 883
Audit fee	25 562	26 669
Vehicle rental	23 661	26 026
Bookkeeping, payroll calculation etc.	16 705	19 685
Other	29 356	28 074
	<hr/>	<hr/>
Total	1 726 733	1 663 974

17. VALUE OF OTHER SERVICES

Other services in 2021 and 2022 consisted of the following items (in EUR):

	2021	2022
Insurance premiums	225 071	247 245
Bank charges	6 331	5 745
Other	0	0
	<hr/>	<hr/>
Total	231 402	252 990

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

18. VALUE OF SOLD (INTERMEDIATED) SERVICES

Value of sold (intermediated) services in 2021 and 2022 included the following items (in EUR):

	2021	2022
Operation subcontractor's fee	2 605 102	2 450 487
Reinvoiced costs	29 486	30 057
Total	2 634 588	2 480 544

19. OTHER EXPENSES

Other expenses in 2021 and 2022 consisted of the following items (in EUR):

	2021	2022
Local business tax	905 126	903 582
Innovation contribution	148 634	148 421
Donations	1 706	1 625
Book of value of sold / disposed fixed assets	209	372
Other	1 753	486
Total	1 057 428	1 054 486

20. STAFF

The average statistical staff number for 2021 and 2022 was 4.0 and 3.8 persons, respectively. At the end of 2021 there were 4, while at the end of 2022 there were 5 employees, working in intellectual jobs.

21. BOARD OF DIRECTORS, SUPERVISORY BOARD

No remuneration, advances or loan were provided by the company to the members of the Board of Directors or the Supervisory Board in 2021 and 2022.

The original Hungarian version of this annual report has been signed by:

Marc Hörnig – Chairman of the Board of Directors

Fáskerti Zsolt – Member of the Board of Directors

Their business address is 1117 Budapest, Alíz utca 1.

The person in charge of bookkeeping is Bagó-Hrankai Petra (mother's name: Böhönyei Tímea), who is a registered accountant at the Ministry of Finance under the registration number 206066.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2022

22. CORPORATE TAX

The following is the calculation of the corporate tax charge for 2021 and 2022 (in EUR):

	2021	2022
Profit before tax	17 814 486	19 118 174
<u>Adjusting items:</u>		
Proportional part of previous years' unrealised foreign exchange gain	852 385	456 633
Difference in net book value of disposed assets under statutory and tax accounts	-2 679	-736
Non-deductible expenses	278	0
Allowance for electric charging point installation	0	-2 251
Allowable donation	-212	-325
Previous year's tax credit	-65 494	-30 886
	<u>18 598 764</u>	<u>19 540 609</u>
Corporate tax base for 9% rate		
	<u>1 673 889</u>	<u>1 758 655</u>

23. DIVIDEND DECLARATION

The Board of Directors proposes to the Shareholders to declare no dividend from the profit after tax of the year 2022 on their Annual General Meeting.

Budapest, 6 February 2023

BUSINESS REPORT FOR 2022

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) was founded on 7 October 2004.

The Company is a private company limited by shares, established for a fixed term of 22 years, which is the concession period as set out in the Concession Agreement concluded with the Hungarian State.

In accordance with the Concession Agreement, the Company is engaged in the design, construction, renovation, operation and maintenance of the 58.6 km long section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities.

The construction works started in October 2004. The interim completion – so the opening of the motorway – took place on 11 June 2006. The relevant Traffic Authority issued the final licence to operate on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006.

On 31 March 2010 further sections of the M6 Motorway were opened for traffic. Consequently, the M6 Motorway gives direct access to the city of Pécs.

In the 16.5 years that elapsed since the opening, the motorway has been operated in an orderly manner, without significant performance point events or unavailability incidents. The motorway is properly operated, maintained etc., in accordance with the routine maintenance plans and Hungarian road standards, by our operation subcontractor, Duna-Intertoll Zrt. The contract with Duna-Intertoll Zrt. is valid until the end of the concession.

The operation of the motorway is regularly checked by the relevant Hungarian authorities.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits deriving from those assets.

Accordingly, the Company receives revenues starting from 11 June 2006, in the form of monthly availability fees paid by the Hungarian State, calculated with the formulas set out in the Concession Agreement. These fees were fully received in 2022 as well.

In addition, the ancillary facilities of the motorway also generate revenues for the Company. Accordingly, 2*2 petrol stations are operated by MOL and OMV, respectively, in the Complex Rest Areas at km 30 and 70 of the motorway.

The Company has fulfilled its debt service obligations in 2022 as well, in full compliance with the credit agreements.

The Aberdeen investment group and EBRD are committed to the successful and efficient operation of the Company.

There were no significant events after the balance sheet date.

Budapest, 6 February 2023