

2023

ANNUAL REPORT



Győr-Sopron-Ebenfurti Railways Private Company Limited by Shares



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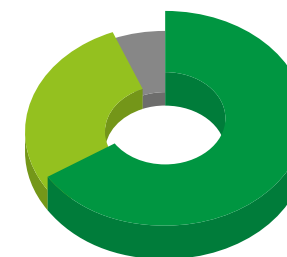
Dr. János PERÉNYI
Chairman



Szilárd István KÖVESDI
CEO
GYSEV Zrt.



János BODA
CEO
GYSEV CARGO Zrt.



OWNERSHIP STRUCTURE

Hungary	66%
Austria	28%
Strabag SE	6%

89,6%

89.6% of our Hungarian lines are electrified.

100%

100% of our Austrian lines are electrified.

87,5%

87.5% of our lines run in Hungary.



Trends in Passenger Transport

Compared to the year before, passenger transport performance increased in 2023. The introduction of low-cost national and county season tickets from 1 May significantly changed the trends of the previous period: in contrast to the continuous and significant increase in the number of passengers (23.42%) and revenues (44.5%) in 2022, the increase in revenues stopped in May 2023 despite the further increase in the number of passengers (54.13% on average in May-December 2023) and has even started to decrease from June 2023 (-11%).

In 2023, approx. 9 million people travelled with GYSEV, covering a total of over 419 million km by rail.

Train-based transport as of the entry into force of the 2023/24 timetable

As part of the new train-based transport system introduced from 10 December 2023, GYSEV passenger trains also run beyond the lines operated by the company: on line no. 23 between Zalaegerszeg and Récics, line no. 25 between

Zalaegerszeg and Óriszentpéter/Hodos and between Szombathely – Zalaegerszeg, but also the Szombathely – Celldömölk section is mainly served by GYSEV trains just like the section between Zalaegerszeg and Nagykanizsa after the expansion of its timetable offer. The InterCity trains running between Sopron and Budapest are operated by GYSEV, while those running between Budapest - Szombathely - Szentgotthárd together with other international trains are operated by MÁV-START Zrt. Since the entry into force of the 2023/2024 timetable, PANNONIA Interregion trains on the Hegyeshalom – Rajka and Szombathely-Pécs sections have also been operating on behalf of MÁV.

Request stop

Since 1 May 2023, request stop has been in effect on GYSEV trains: our passenger trains only stop either on demand of the passengers on-board or if there are passengers waiting to board the train.

Introduction of low-priced national and county season tickets

By order of the Hungarian Ministry of Construction and Transport, new regional low-cost tariff products valid for 30 days, the so-called national and county season tickets, have been introduced as of 1 May 2023. The new season tickets are valid on GYSEV, MÁV-START and MÁV-HÉV trains as well as on the buses of Volánbusz either within the borders of a given county or several counties or within the whole territory of Hungary. Sales of the inexpensive season tickets have quickly driven out the existing season tickets issued until then only for specific routes from the market: on average, 99% of students and 97% of employees already opted for the new tickets in 2023.

Vehicles in new look

GYSEV have introduced a new technology for the external renovation of their vehicles: instead of painting, films and special ceramic coatings are applied to the railway cars: a simpler, less expensive and more environmentally friendly process that also lasts longer. The first

green and yellow InterCity car set off on its first journey on 16 December 2023.

E-scooter rental in Sopron

On 21 April, a parking station for 250 pcs electric scooters was set up in Sopron. The electric scooters, available for renting at 90 locations in the city including the railway station, offer an environmentally friendly last mile service for those traveling by train. In the build-up of the e-scooter network in Sopron, Lime acted as operator and GYSEV as logistics service provider with its employees changing the batteries of the scooters at the parking spaces using an electric car.

Acquisition of safety certificates

GYSEV has acquired a uniform safety certificate valid up to the interchange station of three border crossings in Romania, one border crossing in Slovakia and one in Slovenia and is therefore now authorized to provide traction and passenger transport services beyond the Hungarian border of these countries since 15 December 2023.



PASSENGER TRANSPORT

Last year's results also reflect our commitment to continuous development and the provision of high-quality services to make every journey with GYSEV fast, comfortable and inspiring. We are particularly proud that our services not only ensure public mobility, but also contribute to protecting the environment and promoting a sustainable lifestyle.

Length of our network:
509.2 km

- In Hungary: **445,7 km** (89,6% electrified)
- In Austria: **63,5 km** (100% electrified)

Ridership:
10.39 M passengers

- In Hungary: **9,01 M passengers**
- In Austria: **1,38 M passengers**

Total mileage:
534.567 M km

- In Hungary: **419,765 M km**
- In Austria: **114,802 M km**

Punctuality:

- In Hungary: **90,17%**
- In Austria: **97,40%**

OUR SERVICES

Clock-face schedule, attractive travel times

Electrified lines, environmental-friendly transport

FLIRT and Ventus railcars, RaaberCity trains

Lime e-mobility ticket

P&R, B&R facilities and bike boxes

Free WLAN in the trains and at stations

Real-time passenger information on board

Expresszó café and postal services

Passenger Center – Personal Customer Service

Contact Centre – central customer care on the phone

Web store

Online travel requests

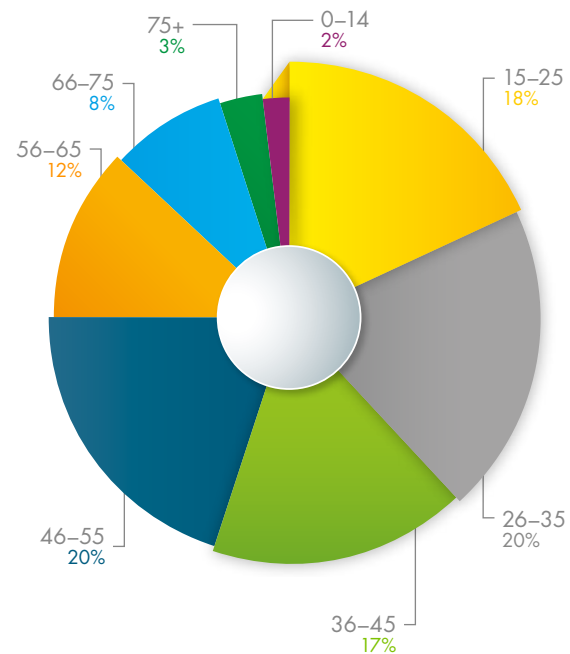
Széchenyi Museum Railway Nagycenk



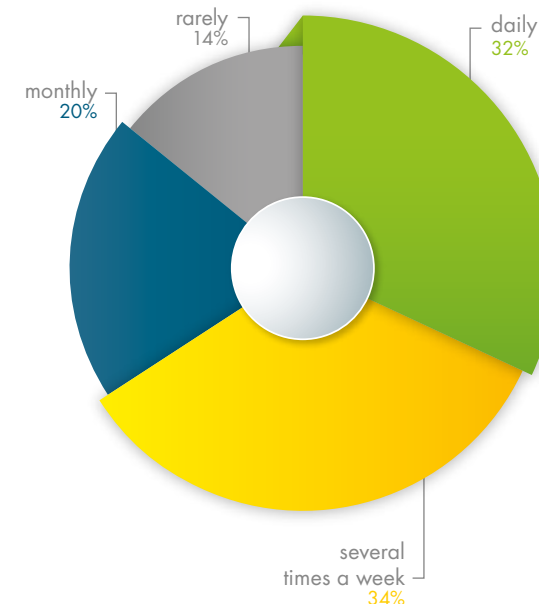
OUR PASSENGERS



AGE OF PASSENGERS

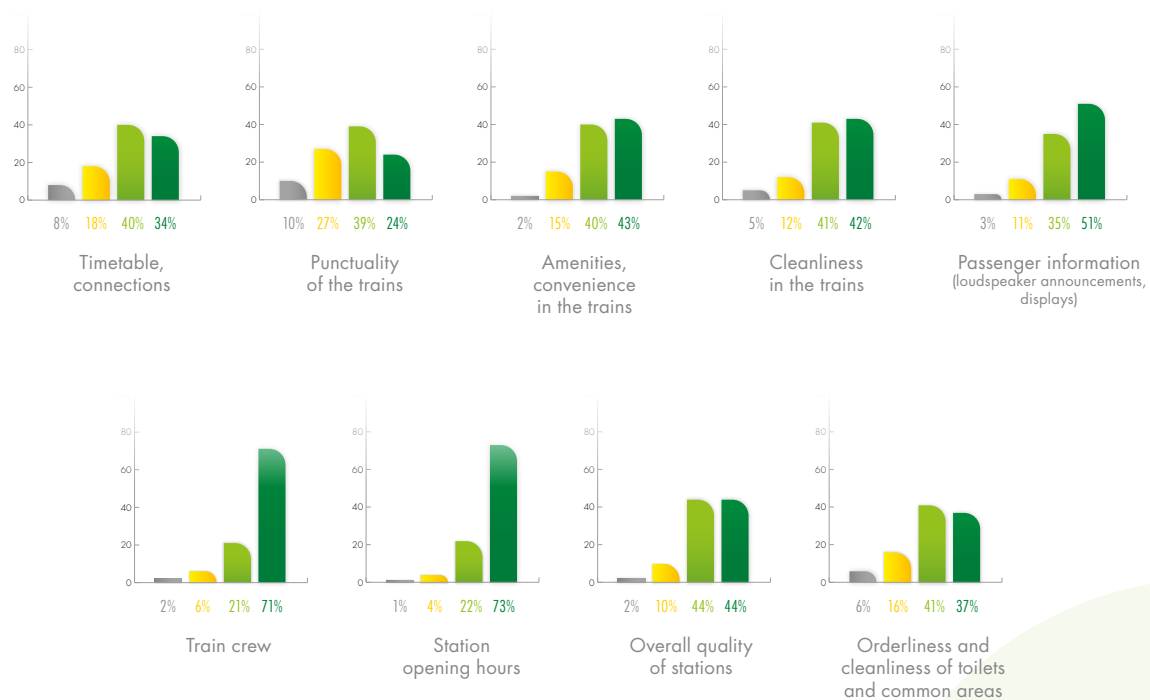


FREQUENCY OF TRAVEL

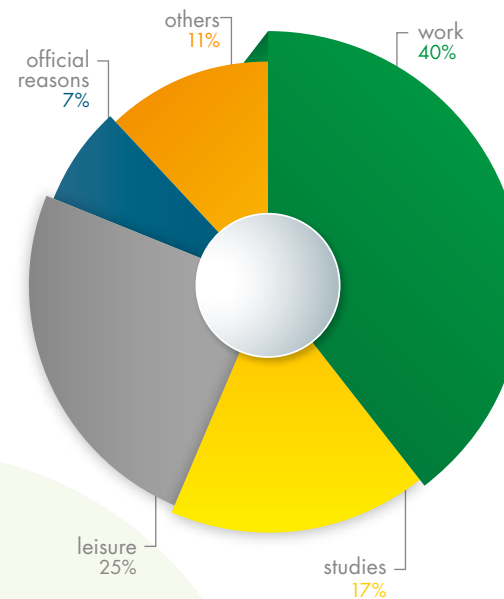


SATISFACTION WITH THE SERVICES OF GYSEV ZRT.

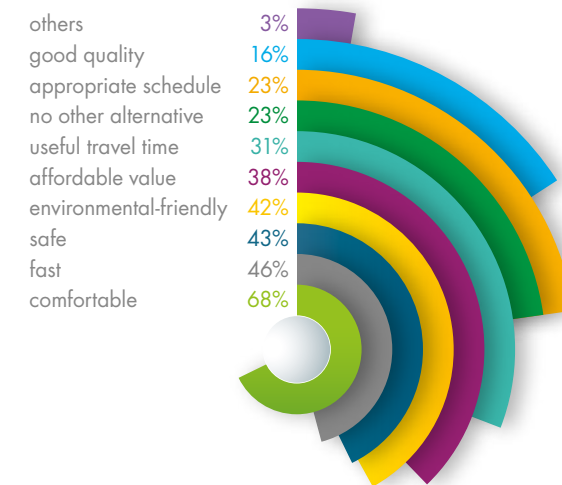
■ unsatisfactory ■ applicable ■ good ■ excellent



PURPOSE OF TRAVEL



BENEFITS OF RAIL TRAVEL - PREFERENCES





Infrastructure developments

A number of infrastructure developments were implemented last year. In the upper locomotive workshop in Szombathely, a voltage monitoring device was installed and put into operation to detect and signal possible lack of voltage in the overhead line, and the so-called "cultural track" next to the workshop was rebuilt. In the locomotive workshop in Sopron, in addition to the modernization of the workshop equipment, the lighting in the turning workshop and the small hall was also renewed. A new thermally insulated roller door and a sectional door were installed at the entrance to the workshop. A number of diagnostic devices were also purchased for a better inspection of the brake systems of freight wagons. The locomotive with the operating number 448 303 has been reconstructed so that its auxiliary equipment is now powered by hydraulic motors.

To ensure bicycle transport in the trains, our control cars have been put back into operation. As of 2023, ARS car transport wagons are serviced in the wagon workshop in Sopron.

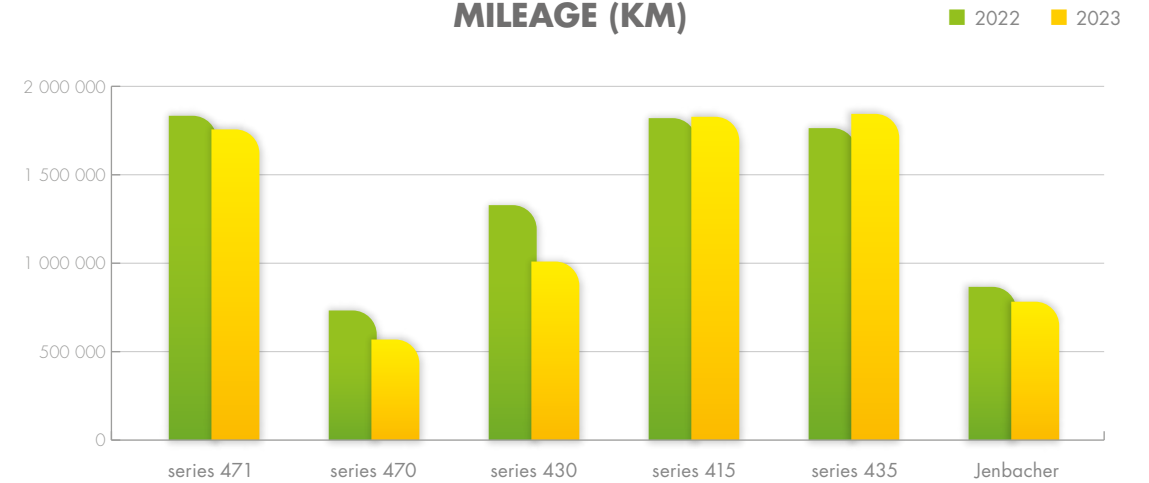
Besides, GYSEV Engineering division is also involved in the RMS project of the company.

At the end of the year 2022, the IMAKRE app was completed, which allows our train drivers to manage all the documents required for their service on their tablets (or mobile phones). With the help of the app, they can also receive emails and track their deployment. In 2023, the app underwent further development, making it more stable, faster and more modern.

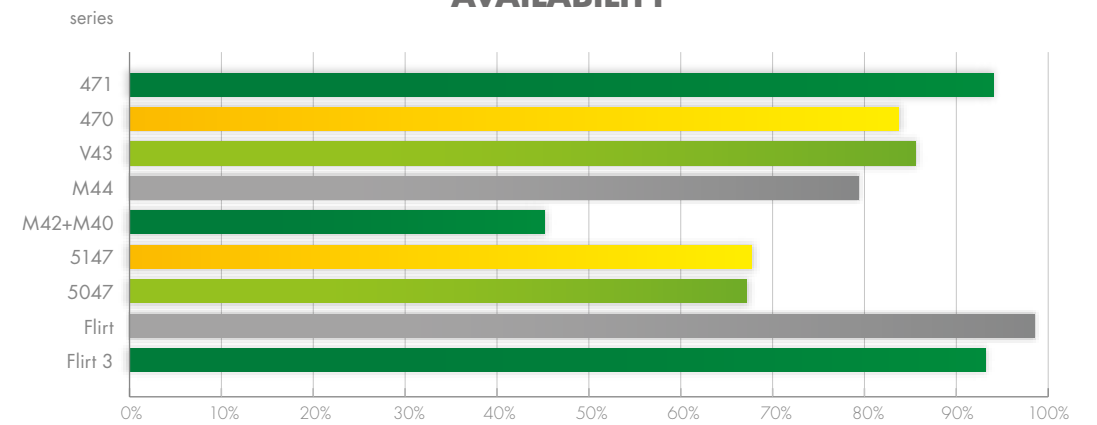
As a result of the introduction of train-based railway services, GYSEV's Engineering division established a site at Zalaegerszeg station in December 2023 and built rest rooms there to accommodate GYSEV train drivers.



MILEAGE (KM)

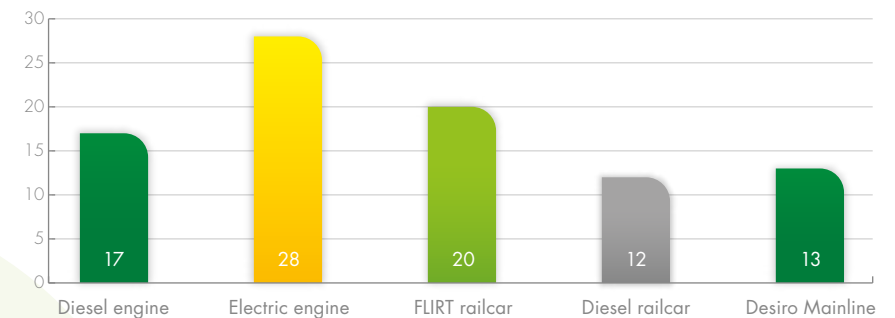


AVAILABILITY



VEHICLE FLEET 2023 (PCS)

(Hungarian and Austrian operations altogether)





In an active and successful year 2023, the company's net sales reached HUF 22.1 billion, an increase of 7% compared to the previous year.

We began the year with two important events: in February, the decision was finally made that GYSEV CARGO will be the operator of the open-access intermodal container terminal to be built at the site of Macs Industrial Park railway station.

In the same month, a significant expansion of the company structure took place, as our Romanian subsidiary, GYSEV CARGOROM s.r.l., started operations, opening up new opportunities for the parent company on the international freight market.

After a long break, the Transport Logistics trade fair was held again in May in Munich, where our company was successfully represented.

As a sign of recognition of our financial stability, we have received the AAA certificate from Dun & Bradstreet, which proves that the financial risk of doing business with GYSEV CARGO Zrt. is extremely low.

In December, a new office building was officially opened at our subsidiary Raaberbahn Cargo GmbH, which offers our employees a modern working environment, facilitates more effective work and eventually contributes to the growth of the company.



PERFORMANCE (2022-2023)	thousand tons		index	thousand freight ton km		index
	2022	2023		2022	2023	
GYSEV CARGO	3 313	2 799	84%	770 490	667 484	87%
Raaberbahn Cargo	2 763	2 620	95%	519 470	602 542	116%

LOGISTICS, TERMINAL	2022	2023	index
	Containers handled (pc)	16 759	





HUMAN RESOURCES

As the three pillars of our HR activities, we had identified the recruitment of high-quality workforce, retainment of such workforce and the preservation and expansion of corporate know-how to be our primary goals for 2023.

Compared to the previous year, GYSEV received 70% more applications from a total of 1,840 people and 41% of the people actually taken on were recommended by company employees.

Ensuring adequate manpower in the long term was a priority for us in 2023, too: we began setting up a dual training facility (training workshop) in Szombathely that will ensure practical knowledge transfer for future railway specialists under modern conditions. Our dual training profile has been expanded by 6 officially registered professions and we have concluded a new cooperation agreement on dual tertiary education. As of 2023, we are participating in the work of the Transport and Freight Forwarding Skills Council. The students of our first dual study program completed their studies in

2023 and the majority of them are now using the knowledge they acquired as dedicated employees of our company. We attach particular importance to the retention of our highly-skilled employees and are proud that we have been able to keep employee turnover below 10%.

Our quality label "Family-Friendly Workplace" has been extended and we have been awarded the employers' gold certification. In 2023, we distributed 36 baby boxes for the newborn babies of our employees.

We have established a foundation called GYSEV SZÍV (Heart) Foundation to provide material and social support primarily to the

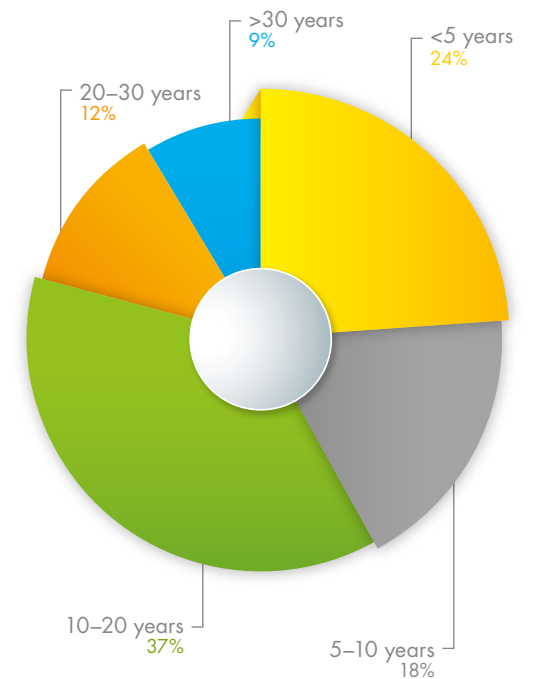


employees of the GYSEV Group and their dependents in times of need.

In addition, great attention was paid to preserve and expand the company's know-how and in order to support newly appointed young employees in management positions, or staff conducted several management trainings.

GYSEV employees have successfully passed more than 1200 official exams, twice as many as in 2022.

DISTRIBUTION OF EMPLOYEES BASED ON PERIOD OF SERVICE





INVESTMENTS, DEVELOPMENTS

In May 2023, "Sleep Mode Plus" was introduced on all of our Ventus trains, which has led to a drastic reduction of electricity costs during the time the vehicles are parked. Thanks to optimized control mechanisms and lowered pantographs, our vehicles now only need a fraction of the energy during their standby and at the same time, we are also significantly improving the quality of life of the people living in the proximity of the stations, because noise pollution at night caused by parked trains has become less. We are also investing in remote monitoring of our vehicles to increase their availability and to allow more efficient trouble-shooting. The introduction of "Sleep Mode Plus" and the implementation of remote monitoring are important steps on our way to sustainable and future-oriented mobility, of which we are very proud.

With support from the "Clean Mobility" project, we have tripled the number of bicycle boxes at Wulkaprodersdorf railway station - a multimodal transport hub - in cooperation with Mobility Center Burgenland, thus providing

more people the opportunity to park their bicycles safely and in a reliable place.

In the spirit of sustainable energy use, we installed photovoltaic systems at our stations in Austria in 2023, which supply sustainable electricity for the railway technology used at these stations, such as safety installations as well as station and telecommunications technology. The use of these photovoltaic systems has led to impressive results: we have reduced our CO2 emissions by 13.22 tonnes. These figures also illustrate our efforts to actively contribute to climate protection.



Elimination of capacity bottleneck between Harka – Sopron, preparation of the construction of a new island platform at Sopron railway station

The project aims to eliminate the capacity bottleneck between Harka – Sopron and to increase the passenger capacity of Sopron station by building a new island platform. In 2023, the related feasibility study was completed and the permits necessary to prepare the technical plans were issued.

Construction of a Y-track in Zalaszentiván

In September 2022, the Hungarian Ministry of Transport, together with GYSEV, submitted an application for funding under the 2nd round of the EU's CEF program "Transport and Military Mobility". The European Commission assessed the project – construction of a Y-track to connect the railway lines no. 17 and 25 - as eligible for funding and the financing agreement was signed in June 2023. The 1500 m long, electrified connecting track to be built on the western side of Zalaszentiván station – a



so-called Y-track – will significantly simplify rail traffic in the region, as trains will in future be able to travel without changing direction, which not only shortens travel times but also eases the traffic burden on Zalaszentiván station. The project includes also the construction of a new stop for trains north of the Y-track near the centre of Zalaszentiván, which will be called "Szentivánvölgy". As part of the preparatory work for the project implementation, all the necessary land acquisitions were completed in 2023 and demolition work, where necessary, was started.



INVESTMENTS, DEVELOPMENTS



Preparation of the electrification of the railway line Szombathely-Kőszeg

The first stage of the line upgrade – modernization of track, safety devices, engineering structures, level crossings, platforms and platform lighting – was completed in spring 2022. This will now be followed by the electrification of the line, the preparation of which began in May 2023.



International projects that received financial support in 2023

Thanks to its successful applications for funding under the Interreg programme on sustainable public transport for leisure and tourism purposes and the connection of public transport with cycling and hiking, GYSEV can implement two projects in the period 2023–2026: SUSTANCE (Sustainable public transport solutions and innovative governance schemes for improving connectivity in Central Europe) und Active-2-Public Transport (Better combining cycling, walking and public transport in the Danube region.)

Completion of the exterior refurbishment of the control tower of Sopron passenger station

The aim of the refurbishments carried out between March and November 2023 was to continue the reconstruction program of the station building ultimately achieving architectural coherence. The facade of the building was clad with fibre cement elements, as previously used at some other parts of the building. On two defining facade surfaces, the ceramic slats at the main entrance to the station, the doors and windows have been replaced with modern and attractive glass structures. The newly installed remote-controlled fire doors and win-

dows guarantee better ventilation of the station building and also increase its safety. A spectacular element of the renovation is the glass railing of the dispatcher's balcony. The flat roof surfaces were resealed with bitumen sheets and the entire lightning protection system of the building was rebuilt to be in line with current regulations.

Comprehensive renovation of the station building in Szentgotthárd

The aim of our company's station renovation program is to renovate not only the station

buildings, but also their immediate surroundings and any associated operational buildings, both externally and internally, in order to provide employees with a modern working environment. In Szentgotthárd, together with the station building, the weighing house and the second points switch tower have been completely renovated. The reconstruction of the two-storey border traffic building has also begun, and a park has been created at the place of some parts of the building that had no longer been in use and were therefore demolished.



FINANCIAL REPORT



HOTEL SOPRON

2023 was a year of celebration for Hotel Sopron. We are proud that the Hungarian Quality Certification Body of Tourism confirmed our four-star rating at the beginning of the year for further three years.

In May, our hotel celebrated its 40th birthday. To mark the occasion, we launched a Facebook competition: our guests could send us photos of their holidays from the past 40 years and the winners received a voucher for a 2 nights-accommodation. We also offered a 40% discount on the price of our special package deals for guests who celebrated their 40th



birthday during their stay at the hotel and two times 20% discount for those guests who turned 40 in 2023. A brochure about the events of the past 40 years was also put together to give our guests an insight into the history and development of the hotel. We concluded the celebrations with a party held with our partners.

In 2023, our goal was to maximize our revenue. In the second half of the year, we made preparations for the complete renovation of the hotel kitchen: we installed a mobile kitchen and tested it to be able to provide uninterrupted restaurant services despite the ongoing construction work.



GYSEV ZRT. (HUNGARIAN OPERATIONS)

million HUF

2023

Balance sheet total	203 711
Net sales revenue	17 211
Profit after tax	1 382
Number of employees	1 796

RAABERBAHN AG (AUSTRIAN OPERATIONS)

thousand EUR

2023

Balance sheet total	138 349
Net sales revenue	36 367
Profit after tax	220
Number of employees	195

GYSEV CARGO ZRT.

million HUF

2023

Balance sheet total	12 239
Net sales revenue	22 152
Profit after tax	257
Number of employees	240

FHÉV ZRT.

million HUF

2023

Balance sheet total	345
Net sales revenue	37
Profit after tax	14
Number of employees	0

RAABERBAHN CARGO GMBH

thousand EUR

2023

Balance sheet total	10 365
Net sales revenue	28 261
Profit after tax	749
Number of employees	45

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PICTURES: GYSEV Zrt., GYSEV CARGO Zrt. and Raaberbahn AG picture archive, Hotel Sopron



THE GYSEV GROUP



HOTEL SOPRON
★★★★

