



FINANCIAL STATEMENTS

for the year ended December 31, 2025

in accordance with International Financial Reporting Standards (IFRS)

Budapest, 3 June 2026



HUNGAROCONTROL
FINANCIAL STATEMENTS
DECEMBER 31, 2025

CONTENTS

	Page
Liability Declaration	3
Independent Auditors' Report	4 – 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Shareholders' Equity	9
Statement of Cash flows	10
Notes to the Financial Statements	11 - 91
1. General information	11
1.1. Company background	11
1.2. Governance	11
2. Accounting policies	11
2.1. Basis of preparation	12
2.2. The relationship between domestic legislation and IFRS regulation.....	12
2.3. Foreign currency translations	13
3. Significant accounting estimates and assumptions	13
4. Regulatory environment	14
4.1. Application of IFRS (IAS) standards and interpretations	14
4.2. ESG – Environmental, Social and Governance	15
5. Income.....	16
6. Operating expenses	23
6.1. Breakdown of personnel expenses	23
6.2. Components of Operating expenses	24
7. Other income (expense).....	25
8. Financial result	26
9. Investments in joint ventures	28
10. Income taxes	31
11. Intangible assets	35
12. Property, plant and equipment.....	38
13. Inventories	42
14. Financial instruments, capital and financial risk management	43
14.1. Long term trade receivables and other long term assets	49
14.2. Trade receivables and other current assets	50
14.3. Cash and cash equivalents, other financial assets	54
14.4. Long term liabilities	56
14.5. Trade payables and other short term liabilities	58
14.6. Hedge accounting	61
14.7. Financial risk management	61
15. Provisions	77
16. Employee benefits	78
17. Related party disclosure	83
18. Commitments, contingencies	88
19. Capital risk management	90
20. Events after the reporting period	90

Liability Declaration

The Company records and prepares its financial statements primarily in accordance with Hungarian Accounting Standards.

In addition, pursuant to Article 36 (1) of Regulation (EU) No 2024/2803 of the European Parliament and of the Council (23 October 2024) on the implementation of the Single European Sky, independently of the system of ownership or legal structure, the air navigation service providers are also required to prepare, submit for audit and publish their financial accounts annually in accordance with International Financial Reporting Standards (IFRS) adopted by the Union, as required by Regulation (EU) No 1803/2023 of the European Parliament (13 August 2023) on the application of international accounting standards in line with No 1606/2002 of the European Parliament and of the Council (19 July 2002).

The IFRS Financial Statements of HungaroControl Plc. for the year 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), thereby complying with the above-mentioned regulations of the European Parliament and of the Council.

On behalf of HungaroControl Plc., I declare that the Financial Statements for the year 2025 prepared in accordance with IFRS as adopted by the EU, presents true and fair view and does not omit any material facts relevant to the assessment of the Company's position.

The Financial Statements for the year 2025, prepared to our best knowledge in accordance with the applicable accounting standards, give a true and fair view of the Company's assets, liabilities, financial position and profit or loss. In addition, information published gives a true and fair view of the Company's position, developments and performance, together with a description of the main risks and uncertainties.

Budapest, 3 June 2026

Chief Executive Officer

This is a translation of the Hungarian Report

Independent Auditor's Report

To the Shareholder of HungaroControl Magyar Légiforgalmi Szolgálat Zártkörűen Működő Részvénytársaság

Opinion

We have audited the accompanying 2025 financial statements of HungaroControl Magyar Légiforgalmi Szolgálat Zártkörűen Működő Részvénytársaság ("the Company"), included in the accompanying HungaroControl_2025_évi_IFRS_szerinti_pénzügyi_kimutatásai.pdf¹ digital file, which comprise the statement of financial position as at 31 December 2025 - showing a balance sheet total of HUF 100,643 million and a total comprehensive income for the year of HUF 14,007 million -, the related statement of comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the financial year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all materials respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

¹ Digital identification of the above referred digital file, using SHA 256 HASH algorithm is 54FA26A6EBE198802C4F66E16F219089A7F3404FDC2975DAF6CDE099CC0F880E

Other matters and restriction on use

The Company's financial statements as at 31 December 2024 were audited by another auditor who express an unmodified opinion on those financial statements on 29 May 2025.

The Company has prepared another set of financial statements as at 31 December 2025 in accordance with the Hungarian Accounting Law and we have issued a separate report on those financial statements on 29 April 2026.

The Company has prepared the financial statements for the purpose to comply with the Regulation (EC) No 2024/2803 of the European Parliament and of the Council of 23 October 2024. Our auditor's report should not be used for any other purposes.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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



**Shape the future
with confidence**

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Budapest, 3 June 2026

(The original Hungarian version has been signed.)

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

Dr. Hruby Attila
Registered auditor
Chamber membership No.: 007118

HUNGAROCNTROL
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

amounts in million HUF

Description	Notes	December 31, 2025	December 31, 2024
Intangible assets	11	20,019	20,545
Property, plant and equipment	12	29,845	28,924
Investments in associates and joint ventures	9	33	47
Long-term securities	14.3	6,041	4,190
Long-term trade receivables	14.1	401	383
Other long-term assets	14.1	173	109
Deferred tax asset	10	1,675	1,497
Non-current assets		58,187	55,695
Inventories	13	17	18
Trade receivables	14.2	12,873	9,057
Other current assets	14.2	5,692	3,712
Current tax receivable	10	0	1,022
Short-term securities	14.3	15,057	15,047
Other financial assets	14.3	3,733	17
Cash and cash equivalents	14.3	5,084	10,135
Current assets		42,456	39,008
TOTAL ASSETS		100,643	94,703
Share capital	1.1	20,202	20,202
Reserves		36,957	28,950
Shareholder's equity		57,159	49,152
Long-term employee benefits	16	8,303	6,982
Long-term leases	14.4	12,853	10,229
Other long-term liabilities	14.4	3,149	893
Non-current liabilities		24,305	18,104
Short-term credits	14.5	0	10,500
Short-term leases	14.5	1,046	1,121
Trade payables	14.5	4,735	2,832
Short-term provisions	15	129	219
Short-term employee benefits	16	7,878	6,676
Current tax liability	10	1,633	22
Other short-term liabilities	14.5	3,758	6,077
Current liabilities		19,179	27,447
TOTAL LIABILITIES		43,484	45,551
TOTAL EQUITY & LIABILITIES		100,643	94,703

The accompanying notes form an integral part of the financial statements.

HUNGAROCNTROL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Description	Notes	2025	2024
Revenue from air navigation services	5	76,689	51,768
Other revenue	5	275	301
Revenue		76,964	52,069
Personnel expense	6.1	36,069	32,230
Operating expense	6.2	14,890	13,975
Depreciation, amortisation and impairment	11, 12	8,575	7,085
Other income	7, 14.2	1,104	834
<i>out of this: Release of impairment loss on receivables</i>		104	116
Other expense	7, 14.2	1,682	1,516
<i>out of this: Impairment loss on receivables</i>		99	157
Loss from other activities		(578)	(682)
Total operating expense		60,112	53,972
OPERATING PROFIT / LOSS (-)		16,852	(1,903)
Financial income	8	2,678	3,299
<i>out of this: Interest revenue calculated using the effective interest method</i>		1,345	2,029
Financial expense	8	1,565	1,669
Profit from financial activities		1,113	1,630
Share from profit / loss of associates and joint ventures	9	25	19
PROFIT / LOSS (-) BEFORE TAX		17,990	(254)
Income tax expense	10	3,207	940
PROFIT / LOSS (-) FOR THE YEAR		14,783	(1,194)
Attributable to equity holder of the parent		14,783	(1,194)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to Comprehensive income			
Gain / loss (-) on cash flow hedges	14.7	(776)	299
Other comprehensive income, net of tax		(776)	299
TOTAL COMPREHENSIVE INCOME		14,007	(895)
Attributable to equity holder of the parent		14,007	(895)

The accompanying notes form an integral part of the financial statements.

**HUNGAROCNTROL
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**

amounts in million HUF

Description	Notes	Share capital	Retained earnings*	Valuation reserve**	Total reserves	Total shareholders' equity
Opening balance at 1 January, 2024		20,202	39,071	(226)	38,845	59,047
Transactions recognised in other comprehensive income	10, 16, 14.7	0	0	299	299	299
Profit for 2024		0	(1,194)	0	(1,194)	(1,194)
Total comprehensive income		0	(1,194)	299	(895)	(895)
Dividends		0	(9,000)	0	(9,000)	(9,000)
Closing balance, 31 December, 2024		20,202	28,877	73	28,950	49,152
Transactions recognised in other comprehensive income	10, 16, 14.7	0	0	(776)	(776)	(776)
Profit for 2025		0	14,783	0	14,783	14,783
Total comprehensive income		0	14,783	(776)	14,007	14,007
Dividends		0	(6,000)	0	(6,000)	(6,000)
Closing balance, 31 December, 2025		20,202	37,660	(703)	36,957	57,159

* Retained earnings include accumulated net profit or loss less dividends paid.

** The change in the fair value attributable to the effective portion of cash flow hedges is recognised in other comprehensive income as hedge reserve. At the closing of the transaction, the change in fair value recognised in other comprehensive income has been transferred to the appropriate line in the comprehensive income statement.

*** The amount of dividend per share is HUF 29,701 in 2025 (HUF 44,551 in 2024).

The accompanying notes form an integral part of the financial statements.

HUNGAROCNTROL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Description	Notes	2025	2024
OPERATING ACTIVITIES			
Profit / loss (-) before tax		17,990	(254)
Depreciation and amortisation	11, 12	8,575	7,076
(Gain)/Loss on sale of property, plant & equipment	11, 12	(14)	(9)
Impairment/Scrapping/Transfer free of charge/Subsidisation of Fixed Assets	11, 12	6	10
Short-term lease payments, payments for leases of low-value assets	6.2	40	27
Impairment/Scrapping of Inventory	13	0	2
Increase/ (decrease) in provisions	15	(90)	131
Interest income	14.3, 14.6	(2,193)	(2,524)
Increase in impairment loss on receivables	14.2	(304)	53
Share of (income) from associates and joint ventures	9	(25)	(19)
Unrealized foreign exchange (gains)/losses	14.7	(99)	248
(Gains)/losses from other non-cash transactions	14.3, 14.6	(1,615)	366
Total pre-tax profit-modifying items		4,281	5,361
Changes in working capital			
(Increase)/ decrease in Accounts receivable and other current assets	14.2	(4,732)	1,248
(Increase)/ decrease in Inventory	13	1	2
Increase/ (decrease) in Accounts payable, long-term liabilities and accruals	14.5	6,192	3,587
Income taxes paid	10	(1,490)	(2,818)
Total changes in working capital		(29)	2,019
Net cash from operating activities		22,242	7,126
INVESTING ACTIVITIES			
Purchase tangible assets and intangibles	11, 12	(4,046)	(10,768)
Proceeds on disposal of property, plant & equipment	7	15	11
Purchase of financial assets	14.3	(5,582)	8,060
Dividend received	9	39	0
Interest received	14.3, 14.6	2,223	2,711
Net cash used in investing activities		(7,351)	14
FINANCING ACTIVITIES			
Cash payments for the principal portion of the lease liability	14.4	(979)	(427)
Drawdown of borrowings	14.5	6,245	2,428
Repayment of borrowings	14.5	(16,745)	(5,928)
Interest paid	8, 14.4	(1,256)	(1,098)
Dividend paid	14.5	(7,200)	(9,000)
Net cash used in financing activities		(19,935)	(14,025)
Increase/(decrease) in cash and cash equivalents		(5,044)	(6,885)
Cash and cash equivalents at beginning of year		10,135	17,020
Exchange rate loss on cash and cash equivalents		(7)	0
Cash and cash equivalents at end of year	14.3	5,084	10,135

The accompanying notes form an integral part of the financial statements.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. General information

1.1. Company background

HungaroControl is the organization appointed by law to provide air navigation services in the Hungarian airspace and training for air traffic controllers and flight information officers. Based on the request of the North Atlantic Council HungaroControl, on behalf of the Hungarian State, also acts as a technical enabler for the provision of certain air navigation services in the upper airspace of Kosovo. As an integrated civil air navigation service provider, its mission is to deliver safe and reliable air navigation services in an efficient, environmentally aware, customer-focused and unbiased manner in the designated airspaces: in en route traffic in the Hungarian airspace and in the upper airspace over Kosovo, as well as at the Budapest Liszt Ferenc International Airport. Mandatory activities of the Company are laid down in Act XCVII of 1995 on Air Traffic.

HungaroControl Hungarian Air Navigation Services Private Limited Company (the ‘Company’ or ‘HungaroControl’) was established on November 22, 2006. The share capital (authorized and fully paid) of the Company is HUF 20,202 million, comprising 20,200 Series ‘A’ shares of HUF 1,000,000 face value each and 16 Series ‘B’ shares of HUF 100,000 face value each as of 31 December 2025, all of which are ordinary shares. There were no changes in the number of ordinary shares and the amount of share capital during the year. Shares belonging to the same share series embody shareholder rights of the same content and extent. The registration number of the Company is Cg. 01-10-045570. Registered seat of the Company is H-1185 Budapest, Igló u. 33-35., Hungary. Webpage: <https://www.hungarocontrol.hu>.

1.2. Governance

HungaroControl is 100% owned by the N7 Holding National Defence Industrial Innovation Plc. on 31 December 2025. The Hungarian State has direct ownership over the N7 Holding National Defence Industrial Innovation Plc. and thereby has indirect ownership over HungaroControl Plc. The ownership structure of the Company changed after the reporting date, which change is described in Note 20 ‘Events after the reporting period’.

N7 Holding National Defence Industrial Innovation Plc. prepares consolidated financial statements in accordance with IFRS from 2023 onwards in which the financial data of HungaroControl Plc. are fully included. The consolidated financial statements are available at the following location of the parent company: 1113 Budapest, Dávid Ferenc Street 4-6.

The operations of the Company are supervised by the Supervisory Board composed of six members: four representatives of the Owner and two representatives of the Employees.

2. Accounting policies

This part describes the basis of the financial statements preparation and the applied accounting policies. The specific accounting policies, critical estimates and assumptions are presented in the relevant notes.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2.1. Basis of preparation

The financial statements of the Company is a separate financial statement prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union based on IAS 27 ‘Separate Financial Statements’ Standard.

The financial statements are prepared under the historical cost convention on going concern basis. The financial statements are presented in million Hungarian Forints (HUF) as this is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest million except when otherwise indicated.

The Financial Statements contain:

- Statement of Financial Position,
- Statement of Comprehensive Income,
- Statement of Changes in Shareholder’s Equity,
- Statement of Cash flows,
- and an integral part in addition The Accompanying Notes to the Financial Statements.

2.2. The relationship between domestic legislation and IFRS regulation

The Company records and prepares its financial statements primarily in accordance with Hungarian Accounting Standards. Some of the principles prescribed by Hungarian legislation differ from the principles adopted by the European Union under IFRS. In order to present the Company’s financial position and results of operation in accordance with the standards and interpretations approved by the International Accounting Standards Board (IASB), the following adjustments have been made to the financial statements prepared in accordance with Hungarian standards.

amounts in million HUF

Differences between Hungarian and international financial statements	Reserve January 1, 2025	Profit for the year 2025	Dividend	Movements in Reserves directly	Reserve December 31, 2025
Financial statements according to Hungarian Accounting Standards	34,957	3,434	(6,000)	(568)	31,823
Impact of deferred tax	1,562	178	0	0	1,740
Differences arising from recognition of short-term employee benefits and provisions	3,005	191	0	0	3,196
Differences arising from the discounting of long-term employee benefits	654	4	0	0	658
Other differences arising from discounting and recognition requirements	(64)	(98)	0	0	(162)
Differences arising from hedge accounting	0	208	0	(208)	0
Differences arising from intangible and tangible items	(710)	(26)	0	0	(736)
Contingent receivables and liabilities – Differences arising from Under- and overrecovery balances	(8,146)	11,036	0	0	2,890
Differences arising from requirements under Lease standard	(2,308)	(144)	0	0	(2,452)
Financial statements according to International Accounting Standards	28,950	14,783	(6,000)	(776)	36,957

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2.3. Foreign currency translations

Functional and presentation currency

Items presented in the financial statements of the Company is measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), which is the Hungarian Forint (HUF). The financial statements are presented in million HUF.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of these transactions or the date of measurement. Foreign exchange gains and losses resulting from the settlement of such transactions and on the year-end revaluation of financial assets and liabilities held in foreign exchange are recognised in the statement of comprehensive income.

3. Significant accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the disclosed amounts of assets, liabilities, income and expenses. The estimates and assumptions are outlined in detail in the notes below. Actual results may differ from these estimates.

Significant accounting judgements, estimates and assumptions:

- Business model assessment: Financial assets are classified and measured on the basis of business model and contractual cash flow characteristics (Note 14 Accounting policy). The Company monitors whether there has been a change in the business model and whether a change in the classification of a financial asset is necessary. In the periods presented, no change in the classification was required.
- Significant increase in credit risk: In respect of the financial instruments presented under Note 14.3, the Company has determined the recognition of 12-month expected credit loss according to low credit risk. The Company monitors on an ongoing basis whether credit risk has increased significantly, as explained under Note 14 Accounting policy section. In the periods presented, no adjustment was required.
- Judgement in identifying whether a contract is a lease: The Company examines each lease contract to determine whether the contract is a lease, as described under Note 14.4. Lease contracts are accounted for in accordance with IFRS 16 standard.
- Determination of discount rates: Regarding lease contracts, the value of the implicit interest rate cannot be easily determined, therefore the Company applies incremental interest rates based on IFRS 16 standard, taking into account the factors described under Note 14.4. Receivables from flights exempted are discounted by risk-free interest rates as described under Note 5 and 14.1.

For the determination of the discounted value of employee benefits (Note 16), the Company uses external actuarial services, and uses forward rates calculated from the following resources: reference yields published by the National Bank of Hungary (MNB), risk-free interest rates and

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

government bond reference yields published by the Government Debt Management Agency Plc. (ÁKK).

- Impairment test: When assessing intangible assets for impairment, the Company determines whether an impairment loss should be recognised based on technological and business considerations of past and future factors. No impairment loss has been recognised in the periods presented.

The right-of-use assets are fully utilised, therefore no impairment loss has been recognised.

In case of trade receivables, the Company calculates the amount of loss allowance as described under Note 14.2.

- Significant influence over Associate: As described under Note 9., the Company has a 49% ownership in EPC Ltd. and has a priority right to elect the managing director, so EPC Ltd. is qualified as an associated company.
- Capitalisation of borrowing costs: The Company did not capitalize any borrowing cost for the years presented because the amounts borrowed were not related to acquisition of qualifying assets. If future borrowings relate to acquisition of a qualifying asset, borrowing costs will be capitalised.

The effect of a change in an accounting estimate, shall be recognised in the period of the change or in future periods, depending on whether the change affects only the current financial year or also affects profit/loss in future periods.

4. Regulatory environment

4.1. Application of IFRS (IAS) standards and interpretations

New and amended IFRS Accounting Standards that are effective for the current year:

- Modification to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’: Lack of Exchangeability - effective from 1 January 2025. The modification has no material impact on the Financial Statements of the Company.

The following new and revised IFRS Accounting Standards are issued and adopted by the European Union that are not yet effective:

- Amendments to IFRS 1 ‘First Adoption of International Financial Reporting Standards’: Clarification of requirements of hedge accounting for first-time adopters – effective from 1 January 2026. The amendment has no material impact on the Financial Statements of the Company.
- Amendments to IFRS 10 ‘Consolidated Financial Statements’: The definition of the parties acting as “de facto agent” in the evaluation process of investments (i.e. who is considered a de facto agent) – effective from 1 January 2026. The amendment has no material impact on the Financial Statements of the Company.
- Amendments to IFRS 9 ‘Financial Instruments’: Accounting of nature-dependent electricity contracts, derecognition of lease liabilities and clarification of transaction price reconciliations. Settlements of financial liabilities using electronic payment systems, assessment of contractual cash flow characteristics of financial instruments, including also those that have environmental, social and governance (ESG) characteristics– effective from 1 January 2026. The amendment has no material impact on the Financial Statements of the Company.
- Amendments to IFRS 7 ‘Financial Instruments: Disclosures’: Accounting of nature-dependent electricity contracts, clarifications concerning the presentation of the profit or loss on derecognition of a financial asset. Settlements of financial liabilities using electronic payment systems,

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

assessment of contractual cash flow characteristics of financial instruments, including also those with environmental, social and governance (ESG) characteristics– effective from 1 January 2026. The amendment will not have material impact on the Financial Statements of the Company.

- Amendments to IAS 7 ‘Statement of Cash Flows’: Disclosure in the cash flow statements regarding investments that are accounted for using the equity method or at cost. – effective from 1 January 2026. The amendment will not have material impact on the Financial Statements of the Company.

Standards and interpretations are in issue but not adopted by the European Union up to the date of approval of the Financial Statements are listed below. The Company intends to adopt these standards and interpretations when they become effective.

- IFRS 18 ‘Presentation and Disclosure in Financial Statements’: New Standard replacing IAS 1 ‘Presentation of Financial Statements’ – effective from 1 January 2027. The new standard is expected to have material impact on the presentation of the Financial Statements of the Company.
- IFRS 19 ‘Subsidiaries Without Public Accountability – Disclosures’: New Standard and the other amended Standards related to the implication of IFRS 19: Voluntary application of reduced IFRS disclosure requirements to small companies without public accountability – effective from 1 January 2027. The new standard will not have material impact on the Financial Statements of the Company.
- Modification to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’: Translation to a Hyperinflationary Presentation Currency - effective from 1 January 2027. The modification will not have material impact on the Financial Statements of the Company.

4.2. ESG – Environmental, Social and Governance

HungaroControl is committed to protecting the environment, preserving current environmental values, and promoting the sustainable development of aviation. By continuously improving and pioneering the development of its air navigation services, and through safe, accurate, and efficient operations, HungaroControl supports the long-term sustainability of aviation and ensures enhanced environmental protection. HungaroControl is further dedicated to maintaining high-quality services that guarantee the safety of civil aviation, and to incorporating energy- and environmentally conscious thinking and action into everyday practice. At the same time, the company strives to increase the use of energy derived from more sustainable sources. Through its corporate social responsibility (CSR) activities, HungaroControl also contributes to value creation and to the preservation of social and natural assets. Its CSR strategy is defined by a strong focus on sustainability and innovation.

It should be noted that HungaroControl defines its sustainability objectives and the necessary tasks in alignment with its corporate strategy. The so-called Stop-the-Clock (STC) Directive, which forms part of the EU Omnibus legislative package, provides HungaroControl with a temporary exemption from the immediate fulfilment of certain sustainability obligations.

HUNGAROCNTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5. Income

Accounting policies:

Revenue from Contracts with Customers:

The Company applies IFRS 15 Standard for recognising revenues.

In accordance with IFRS 15 revenue is recognised as income arising in the course of the Company's ordinary activities. Revenue from contracts with customers is identified in accordance with the five-step model of the standard:

1. Identification of contract
2. Identification of performance obligations
3. Determination of transaction price
4. Allocation of price to performance obligations
5. Recognition of revenue

The Company recognises revenue when it has satisfied the performance obligation by delivering the promised service (or goods) to the customer. The service (or goods) is considered to be delivered when the buyer obtains control over that. The Company specifies for each performance obligation whether it is to be satisfied continuously (over a period of time) or at a specific time.

The Company's revenue derives mainly from its air navigation activities. Air navigation services are billed and the revenues are earned by the Company based on a HUF unit rate determined on the basis of pre-budgeted costs and planned annual traffic taking into account the actual chargeable service units.

Air navigation charges are determined by the number of service units calculated by using a formula with the maximum take-off weight of the airplane, and in the case of en route services - the distance factor.

Revenue from air navigation services

The Company has three main revenue segments: navigation services provided to the overflight traffic ('En Route') over Hungary, terminal air navigation services in the approach area of Liszt Ferenc International Airport ('terminal'), and navigation in the upper airspace of Kosovo. From 2015 both the Hungarian En Route and terminal services were provided within the framework of the performance scheme. From 2015, only the costs of air navigation in Kosovo upper airspace had been settled under the full cost recovery scheme.

In the Hungarian En Route and in the terminal segment, within the framework of performance plan scheme, so-called 'reference periods'(furthermore RP) are set for determining unit prices (for 5 years horizon); for which periods performance plans at national level shall be prepared including the costs and traffic expected in the reference period. This will be used as a basis to calculate the annual unit rates, based on which the revenues will be realized. The performance scheme transfers part of the cost- and traffic risks on air navigation service providers. Adjustments due to traffic risk sharing, inflation adjustments, uncontrollable costs do not have an immediate impact on the Company's revenues as the differences will be reflected in the new unit rates charged to airspace users in later years.

Based on the EU Regulation No. 317/2019, the Company and the airspace users bear together any traffic

HUNGAROCNTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

risk in the En Route and terminal segments. The Hungarian RP4 performance plan for 2025-2029 period, that fundamentally defines the framework of the Company's operations, was adopted in May 2025.¹

In the Kosovo segment operating in a full cost recovery scheme the unit rates are determined by using forecasted service units and relating costs estimated previously. The actual number of service units and actual costs might differ from the planned ones which differences are then compensated via an adjustment mechanism; as a main rule the under- or overrecoveries of the particular year 'n' is adjusted in the calculation of the charging rate of 'n+2'. The Kosovo airspace is covered in the common Serbia-Montenegro-KFOR En Route charging zone. All the costs and income relating to the provision of the service are included in the cost base of Serbia-Montenegro-KFOR in alignment with the principles of the EUROCONTROL En Route charges system.

Accounting for flights exempted

The cost of exempted flights is presented in line 'Revenue from air navigation services' since the customers of air navigation services are airspace users, irrespective of the financial settlement of these services (the payments are performed by defined Ministries). In 2025 the amount of HUF 391 million (of which HUF 402 million is presented as trade receivables and HUF 11 million as a payable amount to HungaroMet Non-profit Plc. – established by the transformation of the former Hungarian Meteorological Services 'OMSZ') is presented as 'Cost of exempted flights' in line 'Revenue from air navigation services'. The amount of trade receivables is presented in 'Long-term trade receivables' and 'Trade receivables' as shown in Note 14.1 and 14.2. The cost of exempted flights is settled approximately in two years, so the related financing component is adjusted by applying a discount rate.

Sale of constructions performed on state owned property

Based on related regulations, the constructions performed by the Company on the state-owned property are sold to Hungarian National Asset Management Inc., in this way they become part of state property. The sale of the developments is not part of the Company's ordinary activities under IFRS 15, that is why the amounts are not recognised as sales revenue.

¹ COMMISSION DECISION (EU) 2025/1050 of 19 May 2025 on the performance targets set out in the performance plan submitted by Hungary pursuant to Regulation (EC) No 549/2004 of the European Parliament and of the Council and the Union-wide performance targets for the fourth reference period of the Single European Sky performance and charging scheme, published in the Official Journal of the European Union on May 28, 2025.

HUNGAROCNTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Other revenues not meeting presentation requirements

In accordance with the contract if it is not probable that the Company will collect the consideration to which it is entitled in exchange for goods or services that is transferred to the customers, the revenue cannot be recorded. The Company has some service contracts on the basis of which revenue amounts cannot be presented, therefore related allowances are neither recorded.

The Company as an agent

EUROCONTROL (hereinafter: EC) issues invoices to the airspace users on behalf of the Company for en route charge, which include in one amount both the charge due to the Company and the administration fee payable to EC by the airspace users. Considering the invoice issued by EC identifies the Company as the service provider, therefore, the whole net amount of the invoice would be recognised as revenue. However, according to IFRS 15 Standard ‘Revenue from Contracts with Customers’, the Company acts as an agent in the above case, so the revenue attributable to the administration fee is not presented.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The amount of sale of goods includes the negligible amount of sale of textbooks and resale of utility charges.

Revenues from service provision

	amounts in million HUF	
Revenue	2025	2024
Revenue from air navigation services - en route segment	58,774	40,590
Revenue from air navigation services - terminal segment	14,681	10,171
Revenue from air navigation services - Kosovo segment	2,702	1,531
Cash-flow hedge accounting reserve booked to revenues	532	(524)
Total revenue from air navigation services	76,689	51,768
Other revenue - domestic	237	277
Other revenue - foreign	38	24
Total other revenue	275	301
Total revenue	76,964	52,069

Analysis of revenue changes

The costs of air navigation services are recovered under the performance scheme.

Within the framework of performance scheme, ‘reference periods’ are set for determining the expected unit prices and relevant costs for 5 years.

This will be used by the Company as a basis to calculate the annual unit prices, based on which the revenues will be realized.

However, the actual turnover and costs differ from the planned ones each year, which turn – according to the performance scheme rules – to under- or overrecoveries. These deviations are settled via an adjustment mechanism. As a main rule the under- or overrecoveries of the particular year ‘n’ is adjusted in the calculation of the charging rate for the period of ‘n+2’.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Analysis of revenue change between 2025-2024

The amount of revenue for 2025 is HUF 76,964 million while it was HUF 52,069 million for 2024. The revenue variance between 2025 and 2024 comes from the following main items:

amounts in million HUF

Deviation of the Revenue	
Revenue for 2025	76,964
Change in the applicable amount of carry overs stemming from previous years for 2025 unit rate calculation resulting in revenue increase in 2025	8,137
Higher determined cost of the applicable unit rate resulting in revenue increase in 2025	17,905
Narrowing of the positive deviation of traffic from the plan resulting in revenue decrease in 2025	(1,076)
Other	(71)
Revenue for 2024	52,069

In the analysis of revenue, the main components are separated that cause the variance (size of determined cost, size of balances, deviation of turnover from planned).

The increase in revenue in 2025 compared to 2024 are due to the following main reasons:

- HUF 8.137 million increase in revenue was due to the fact, that in case of Terminal and KFOR an underrecovery from previous years had to be settled in 2025 instead of the settlement of a previous overrecovery in 2024 (i.e. the part of the unit rates in the current year's rates that is linked to the balances of the previous years); and in case of ENR, the settled amount of the previous years' overrecovery significantly decreased, thus leading to unit rate increase in 2025. The above resulted in a revenue decrease of HUF 7,060 million in 2024, while in 2025 they led to an increase of HUF 1,077 million.
- HUF 17,905 million increase in revenue resulted from the increase in determined cost according to the approved performance plan. It led to an increase in revenue from HUF 51,579 million in 2024 to HUF 69,484 million in 2025.
- HUF 1,076 million decrease in revenue has resulted from the fact, that deviation of traffic from planned is relatively less. The revenue earned on top of the planned was HUF 8,181 million in 2024, while in 2025 it was only HUF 7,105 million.
- In the Other category, the effect of the decrease in income related to search and rescue, and the increase in revenue effect of the exchange rate difference are included.

Revenues from air navigation services:

The main activity of the Company is to provide air navigation services, 99.6% of the revenue derives from air navigation charges in 2025 (99.4% in 2024).

In 2025 77% of revenues from air navigation services derives from navigation of overflight traffic (En Route) over Hungary (78% in 2024), 19% derives from terminal air navigation services at Liszt Ferenc International Airport (19% in 2024), and 4% derives from the navigation of air traffic in the upper airspace over Kosovo (3% in 2024).

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The performance obligations of providing air navigation services are fulfilled continuously and therefore revenues are recognised over a period of time. The value of revenues from air navigation services is modified by the foreign exchange result of cash flow hedge transactions concluded for hedging of foreign exchange risk on revenues.

On average, more than 90% of the revenue from air navigation services – for a given flight month- is settled in the last half of second month following the flight month, managed by EUROCONTROL's Central Route Charges Office (hereinafter CRCO).

Development of air traffic

In 2025 HungaroControl's air traffic services managed the safe flight of 1,406,029 aircraft in the Hungarian controlled, uncontrolled and Kosovo airspace combined, 9% more than the previous record year 2024. The share of overflight traffic in the total traffic handled by HungaroControl in the Hungarian airspace remains very significant, it represents 88% of the total traffic in 2025. The traffic in uncontrolled airspace remains below the record year of 2019, but is 2% above 2024 level.

According to CRCO data, the number of movements in controlled Hungarian airspace was 1,232 thousand, of which 1,087 thousand were overflights and 138 thousand were terminal movements, and 7 thousand were international movements arrivals/departures from other domestic airports. As the revenue of the Company is recorded based on CRCO data, CRCO data will be presented in the further analysis.

While the volume of European air traffic (NM area) increased by only 0.2% in 2025, the traffic in Hungarian airspace exceeded the performance of the last year before the COVID-19 pandemic by 36%. In 2025 the total traffic in the Hungarian airspace reached a record high, and the significant increase in traffic is due to several factors. On one hand all airlines that used to fly through the currently closed Ukrainian airspace move to a westerly direction and fly through Hungarian airspace. On the other hand, as a consequence of sanctions imposed regarding the Russian-Ukrainian war, the vast majority of airlines, which destination is in China, the Far East and India avoid Russian airspace, and a significant number of these flights have also entered Hungarian airspace. Thirdly, traffic on the South-East axis grew faster than the European average, mainly due to Turkish airlines.

The post-COVID recovery at the most significant domestic international airport was fully completed in 2025. This resulted 138 thousand arrivals/departures at Budapest Liszt Ferenc International Airport, that shows a significant increase compared to 2024, it represents 10% increase in terms of movements and 15% increase in terms of SU, and it is at 113% of the traffic in 2019. A 19-year traffic record is broken due to this traffic level, which is particularly welcome, because air traffic is still suspended between Hungary and Ukraine, as well as between Hungary and Russian cities, due to the closure of Ukrainian airspace and sanctions. Though, some regions (e.g. North America) are not yet represented in the list of destinations directly accessible from Budapest, but last year the number of destinations within Europe was higher than ever.

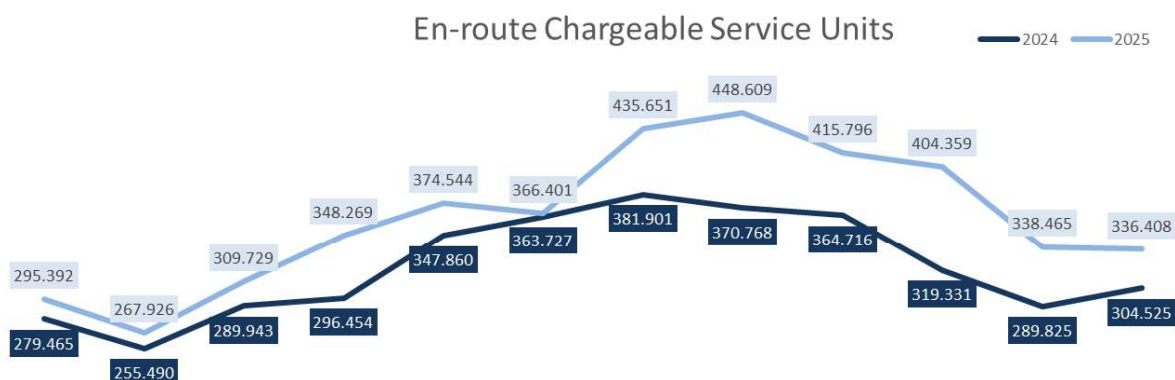
Development of Chargeable Service Units

The revenues of HungaroControl Plc. (en route, terminal fees) are only indirectly determined by the number of movements. The indicator directly generating revenue is the so-called Service Unit (SU). Its value depends on the maximum take-off weight of the aircraft in the terminal segment; and depends on the maximum take-off weight of the aircraft and the distance flown between the entry and exit point of the aircraft in the en route segment.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

En Route Chargeable Service Units

In 2025, the total number of en route service units was 38% higher than in 2019 and 12% higher than in the previous year. In 2025, the total number of en route service units were 4,370,886, of which 29,337 (0.7%) were in the exempted category. The total number of chargeable en route service units forming the basis of revenue was 4,341,549 SU.



Terminal Chargeable Service Units

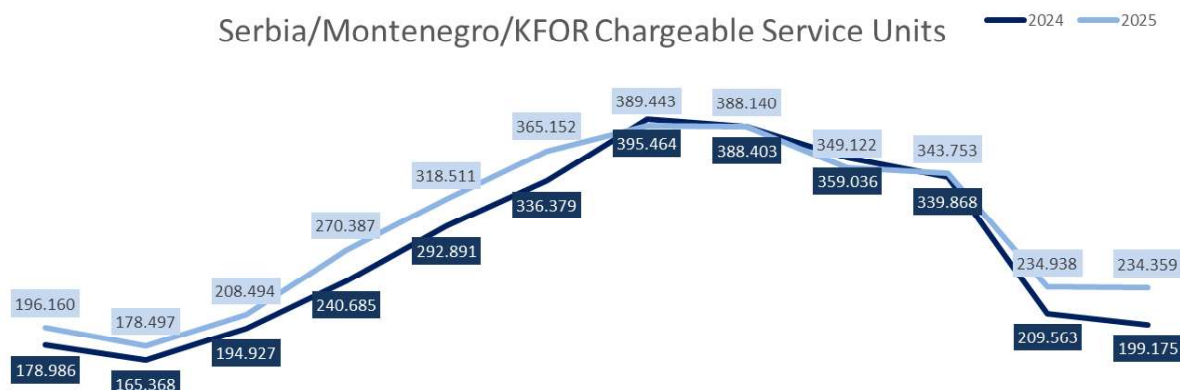
In 2025, the number of terminal service units was 15% higher than in the previous year and 25% higher than in 2019. In 2025, the number of service units in the terminal business was 100,240, of which 501 units (0.5%) were in the exempted category. The number of chargeable terminal service units that formed the basis of revenue was 99,739 SU.



HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Kosovo Chargeable Service Units

The financial accounting for the service provided in the upper airspace over Kosovo is based on the common charging zone with Serbia and Montenegro. Therefore, for the Kosovo business, the analysis of the service unit figures should be based on the traffic of the entire charging zone. The number of chargeable service units was 3,476,957 SU, 130% of the traffic in 2019, which represents an increase of 5% compared to 2024.



Effect of hedge transaction on sales revenue:

A certain portion of the Company’s revenues from the provision of air navigation services denominated in foreign currencies are involved as hedged item into cash flow hedge relationship. In this hedge relationship, Company uses FX forward and FX swap deals as hedging instruments. As long as a cash flow hedge meets the qualifying criteria the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (i.e. the portion that is offset by the change in the cash flow hedge reserve calculated in accordance with separate component of equity associated with the hedged item (in accordance with IFRS 9.6.5.11) is recognised in other comprehensive income. The amount formerly recognised in other comprehensive income is reclassified from the cash flow hedge reserve to revenue (as hedged category) as a reclassification adjustment in the same period during which the hedged expected future cash flows affect revenue.

The amount included in revenue as reclassification adjustment from equity is a gain of HUF 532 million in 2025. The total loss for 2024 was HUF 524 million.

Further information on cash flow hedges is included in the Notes 14.6 and 14.7. b).

No operations were discontinued; all revenue is derived from continuing operations.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

6. Operating expenses

Accounting policies:

If specific standards do not regulate, operating expenses are charged when they are incurred, or in the period with which they are associated. When a given transaction is under the scope of specific IFRS, the transaction is accounted for in line with those regulations.

In the following sections the operating expenses are presented by category.

6.1. Breakdown of personnel expenses

amounts in million HUF

Personnel expenses	2025	2024
Wages and salaries	24,113	24,159
Social security	3,532	3,526
Other personnel expenses	6,602	3,458
Pension expenses and expenses from other long-term benefits*	1,822	1,087
Personnel expenses	36,069	32,230

* Further information is disclosed under Note 16.

Staff numbers for HungaroControl – closing figures:

Number of staff employed (head)	2025	2024
Division of air traffic services	408	421
Division of communications, navigation and surveillance	51	50
Division of technical development services	64	63
Support division*	320	288
Closing number of staff employed	843	822

* Support division: IT, legal, finance and HR, security and safety, compliance and internal audit.

Average statistical number of employees of the Company was 828.1 in 2025 (2024: 783.5).

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

6.2. Components of Operating expenses

amounts in million HUF

Operating expenses	2025	2024
Energy costs	615	865
Other materials used	211	227
Cost of materials consumed	826	1,092
EUROCONTROL member fees	2,382	1,815
Software maintenance fees	2,299	2,193
Trainings expenditure	1,406	1,452
Fees of liability insurance	1,361	1,765
Fees paid for authorities	1,201	1,259
Various other expenditures	989	878
Expenditure on consultancy and fees of expert	857	555
Online service charges, charges for data transmission	729	716
Maintenance fees	680	561
Safeguarding services	620	550
Cost of advertisement and marketing campaigns	529	416
Travel and other costs incurred on missions abroad	352	257
Charges paid for waste disposal and similar services	232	224
Bank fees, administrative fees, commissions	143	82
Other rental fees	87	45
Cost of meteorological services consumed	81	25
Rental fees of fixed assets	69	43
Real estate rental fees	32	46
Lease payment on state owned assets*	15	1
Other expenditures	14,064	12,883
Included: Short-term lease related expenditures	28	15
Included: Low-value asset lease related expenditures (excluding short-term leases)	12	12
Total Operating expenses	14,890	13,975

* In September 2007, the Company signed an asset management agreement with the authority responsible for national property (Treasury Property Directorate legal predecessor of Hungarian National Property Management Inc.). According to the agreement, the Company acquired asset management rights over state owned land, buildings, structures and related property rights. The Company represents this contract based on IFRS 16 Standard as right-of-use assets and lease liabilities. The expenses above are not in relation to any right-of-use assets. The leasing fee is derived from the market value of the asset.

The following significant changes occurred in the amount of other expenditures during the year:

- The amount of EUROCONTROL member fees changed in accordance with the changes in the organisation's budget and the proportion of Hungary, as well as the amendments of member fees, causing an increase of HUF 567 million.
- Fees of liability insurance, that are required by law to carry out the activities of the Company, were lower – due to successful tendering – than in the previous year, resulting in a decrease of HUF 404 million.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

7. Other income (expense)

Accounting policies

The Company presents the effects of other income and other expenses on a gross basis. Other income and expenses include the effects of impairment and the reversal of impairment of tangible fixed assets, receivables charged to profit or loss, the effects of lack of inventory, the result of the sale of tangible assets, the effect of claims (the amount of damages and the amount of compensation received), the amount of penalties and fines, taxes, welfare and social costs, grants and donations to external organisations, and interest on late payments.

amounts in million HUF

Other income and expense	2025	2024
Deferred development grants released	729	312
Interest and other charges received on late payment	145	82
Release of impairment loss on receivables*	104	116
Other various income items	58	55
Discount received from EPC at year end	46	195
Operative grants related to expenses	22	74
Total Other income	1,104	834
Extra contribution of state-owned companies to the budget	936	379
Reimbursement of expenses payable to Ministries	294	257
Expenses from charity activities and sponsorship	237	175
Impairment loss on receivables*	99	157
Building tax	76	66
Reimbursement of management costs to parent company	22	124
Other various expense items	18	43
Written off value of bad debts	0	315
Total Other expense	1,682	1,516
Total	(578)	(682)

* Balances of impairment loss on receivables are disclosed under Note 14.2.

Government and EU grants

Government and EU grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When an **operative grant** relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When a **development grant** relates to an asset, the Company applies the deferred income method, where the fair value of grant is credited to a deferred income account and is released to the comprehensive income statement over the expected useful life of the relevant asset.

The Company received both development grants relating to assets and operative grants relating to expenses. Grants relating to expenses are typically received for activities carried out within the SESAR (Single European Sky ATM Research) programme. Further information in connection with grants are available at <https://www.hungarocontrol.hu/eu-tamogatasok>.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

In case of Unmanned Traffic Management (UTM) the Company received both government and EU grants. The amount of the government grant is HUF 120 million (for the development of website and mobile application to support the use of unmanned aerial vehicles). Details of the EU funding are available at the link above. The purpose of the grants is to demonstrate and validate air traffic control services (e.g. registration, identification, virtual geo-fencing, dynamic airspace management, flight approval, etc.) in relation to unmanned aerial vehicles. It also aims to develop new procedures and tools that will allow ATC to fully integrate IFR RPAS with aviation and to demonstrate and validate the exchange of UTM data through a single SWIM platform. It is important to note, that the costs associated with UTM tasks are not considered eligible costs, whereas the costs associated with ATM tasks involving drones are eligible and therefore form part of the cost base.

The following table includes the Statement of Financial Position items from grants not closed at the date of Statement of Financial Position. The balance includes the income to the extent expenses have been occurred. Regarding these expenses the Company can prove that relevant requirements are going to be satisfied, and the amounts are expected to be granted. These amounts are accounted for as income to the extent of the prefinancing received, above that against short-term receivables in the Statement of Financial Position.

	amounts in million HUF	
Balances of ongoing grants	December 31, 2025	December 31, 2024
Advance payment received (liability)	35	2,441
Accrued income	944	68

The following table shows the balances of deferred government grants related to assets and the movements thereon. The amounts released to income in the relevant business years are summarized in the table below:

	amounts in million HUF	
Movements of grants	2025	2024
Balances at January 1st	1,157	1,469
EU grants newly introduced during the year	3,211	0
Release of deferred grants	(728)	(312)
Balances at December 31st	3,640	1,157
Due in one year	632	311
Due over one year	3,008	846

In 2025, the Company presents as a newly introduced grant the amount of the EU grant related to the Modular Integrated Remote Tower (mirTWR) system investment.

8. Financial result

Accounting policies

The effects of financial income and financial expenses are presented on a gross basis. The financial result includes gains and losses on the valuation of financial instruments and the effects of the valuation of monetary assets.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. Interest income is included in financial results in the statement of comprehensive income.

Interest expense

The Company has overdrafts and revolving credit facilities, which are intended to ensure resilient financing. Due to the specific nature of the loans – where no predetermined repayment schedule can be established, which forms the basis for accounting using the effective interest method – the Company has accounted for the interest paid on the amounts drawn down during the year in line with the bank statements as an interest expense.

Other financial income and expenses

Accounting policies relevant to financial instruments and leases are presented in Note 14. Details of long-term employee liabilities are provided in Note 16.

	amounts in million HUF	
Financial results	2025	2024
Realized interest income on term deposits and government securities valued at amortised cost	1,345	2,029
Interest recognised in comprehensive income and included in financial results (swap points received)*	846	495
Exchange rate gains realized on term deposits and government securities valued at amortised cost*****	348	614
Foreign exchange gains on year-end revaluation	99	0
Interest income due to discount breakdown of other items	35	49
Ineffective gains of fair value hedges included in financial results*	3	28
Reversal of impairment loss on securities accounted for at amortised cost	2	3
Foreign exchange gains realised	0	81
Profit from financial activities	2,678	3,299
Interest on lease liabilities***	1,023	789
Interest paid on borrowings according to effective interest method****	232	309
Ineffective loss of cash flow hedges included in financial results*	185	240
Interest expense due to discount breakdown of other items**	71	77
Foreign exchange loss realised	47	0
Exchange rate loss realized on term deposits and government securities valued at amortised cost*****	5	4
Impairment loss on securities accounted for at amortised cost	2	2
Foreign exchange loss on year-end revaluation	0	248
Loss from financial activities	1,565	1,669
Total results of financial activities	1,113	1,630

* Hedges are disclosed under Note 14.6 and Note 14.7 b)

** Long-term benefits are disclosed under Note 16.

*** Lease liabilities are disclosed under Note 14.4.

**** The amount of the overdraft taken during the year was repaid by the Company by the end of the year.

***** The amount of realised foreign exchange gain/loss arises from the derecognition of financial assets upon maturity.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

9. Investments in associates and joint ventures

Accounting policies

The Company presents its associates and joint ventures using the equity method. Under the equity method, the investment in the associates and joint ventures is carried at cost plus post acquisition changes in the Company’s share of net assets. Investments in associates and joint ventures are assessed to determine whether there is any objective evidence of impairment. If there is evidence of impairment the recoverable amount of the investment is determined to identify any impairment loss to be recognised. Where losses were made in previous years, an assessment of the factors is made to determine if any loss may be reversed. The impairment tests are performed by the Company annually based on the approved business plans of the associates and joint ventures during the preparation of the financial statements.

The financial statements include the data of HungaroControl and its associates and joint ventures - Entry Point Central Ltd. (EPC Ltd.) and FABCE Aviation Services Ltd. (FABCE Ltd.) – calculated using the equity method.

EPC Ltd. was founded to provide training for air navigation personnel. EPC Ltd. is incorporated in Hungary and keeps its books in Hungarian Forints. The EPC Ltd. is jointly controlled with the Swedish Entry Point North AB and owns 51% of the registered capital whereas HungaroControl owns 49%. The major governing policies are formed based on unanimous decisions of the quota holders. The managing director is nominated by HungaroControl and elected by the quota holder’s meeting, in respect to election HungaroControl’s quota provide priority rights. Based on this arrangement EPC Ltd. is considered to be an associate and presented in the financial statement using equity method. The table below shows the details of EPC Ltd.:

Associate	Date of foundation	Registered capital (in million HUF)	Ownership
Entry Point Central Ltd.	May 26, 2011	3	HungaroControl 49%

FABCE Ltd. was founded by the members of the Functional Airspace Block of Central Europe (FABCE) with the participation of the ANSPs of Austria, the Czech Republic, Croatia, Hungary, Slovakia and Slovenia. FABCE Ltd. is responsible for the support of the implementation of the FABCE programme and for the professional management of various regional air navigation projects. FABCE Ltd. is jointly controlled by its members. FABCE Ltd. is incorporated in Slovenia and keeps its books in EUR and according to the IFRS. The following table presents the data of FABCE Ltd.:

Joint venture	Date of foundation	Registered capital (in EUR)	Ownership
FABCE Aviation Services Ltd.	October 17, 2014	36,000	HungaroControl 16.67%

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Balances at the year-ends in case of investments in associates and joint ventures:

amounts in million HUF

Investments	EPC Ltd.	FABCE, Ltd.	Total
Value January 1, 2024	26	2	28
Share from profit/loss for 2024	19	0	19
Value December 31, 2024	45	2	47
Share from profit/loss for 2025	25	0	25
Dividend received	(39)	0	(39)
Value December 31, 2025	31	2	33

Investment in EPC Ltd.

The assets and liabilities, income and expenses of EPC Ltd. and the Company's share thereof as at December 31, 2025 and 2024, are as follows:

amounts in million HUF

EPC Ltd.'s Statement of Financial Position	December 31, 2025	December 31, 2024
Non-current assets	5	5
Current assets*	165	212
Current liabilities**	106	125
Net assets	64	92

* The amount of cash and cash equivalents presented under current assets is HUF 92 million in 2025 (HUF 146 million in 2024).

** The amount of current liabilities includes non-financial liabilities, except for trade payables.

amounts in million HUF

EPC Ltd.'s Statement of Comprehensive Income	2025	2024
Revenue	1,185	1,278
Operating expenses*	1,131	1,235
Financial result**	2	(1)
Profit before taxes	56	42
Income tax expense	5	4
Profit for the year	51	38

* The amount of depreciation presented among operating expenses is HUF 0.6 million in 2025 (HUF 0.06 million in 2024).

** The amount of received interest presented in the financial result is HUF 3 million in 2025 (HUF 1 million in 2024), while there was no interest paid in neither year.

The initial cost of the investment was HUF 6 million when acquired - which together with the accumulated profit above resulted in an investment value of HUF 31 million at the end of 2025 (2024: HUF 45 million). The gain included in the 'Share from profit / loss of associate and joint venture' line of the comprehensive income for the financial year 2025 is HUF 25 million (2024: HUF 19 million) regarding EPC Ltd. In 2025 EPC Ltd. paid HUF 39 million dividend (in 2024 EPC Ltd. did not pay dividend).

EPC Ltd. had no contingent liabilities or capital commitments at the year-ends presented.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

EPC Ltd. being an associate of HungaroControl Plc. does not have any risks or exposures that would be disclosed according to IFRS 12.20 requirements.

Investment in FABCE Ltd.

FABCE Ltd. is the joint venture of the Company. The total share capital of the joint venture is EUR 36,000.

amounts in million HUF

FABCE Aviation Services, Ltd.'s Statement of Financial Position	December 31, 2025	December 31, 2024
Non-current assets	0	1
Current assets*	117	102
Current liabilities**	82	66
Net assets	35	37

* The amount of cash and cash equivalents presented under current assets is HUF 21 million in 2025 (HUF 19 million in 2024).

** The amount of current liabilities, excluding trade payables, in case of financial liabilities, includes HUF 0.4 million short-term financial liabilities in 2025 (HUF 0.6 million in 2024).

amounts in million HUF

FABCE Aviation Services, Ltd.'s Statement of Comprehensive Income	2025	2024
Revenue	284	260
Other operating income	15	0
Operating expenses*	299	260
Profit for the year	0	0

* A significant portion of the operating expenses is made up of the cost of services (HUF 233 million in 2025, HUF 198 million in 2024) and employee costs (HUF 65 million in 2025, HUF 61 million in 2024). The amount of depreciation presented here is HUF 0.3 million in 2025 (HUF 0.3 million in 2024).

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

10. Income taxes

Compared to the income tax rate set by the Tax Act (9%), the effective tax rate was 18% in 2025 (minus 370% in 2024 caused by the positive tax charge on the negative profit). The difference between the income tax rate under Tax Act and the effective tax rate is mainly influenced by the additional tax expenditures to be taken into account (local business tax and innovation tax).

Accounting policies:

The Company classified the following taxes as income taxes: corporate income tax, local business tax and innovation contribution.

Corporate income tax and innovation contribution are payable to the National Tax and Customs Administration, and local business tax is payable to the responsible local governments. The basis of the corporate income tax is the taxable entities' accounting profit adjusted for non-deductible and non-taxable items. The basis of the local business tax and innovation contribution is the taxable entities' revenue reduced by cost of materials, cost of goods sold and cost of services transmitted.

Deferred tax is recognised applying the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax is determined using income tax rates that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax is charged or credited in the statement of comprehensive income on the line of Income tax expense, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets are recognised to the extent of the probability that future taxable profit (or reversing deferred tax liabilities) is available against which the temporary differences can be utilized. The value of deferred tax assets is reviewed at each Statement of Financial Position date and modified to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is also provided on taxable temporary differences arising on the associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Critical accounting estimates and judgements

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Differences may arise between the actual results and assumptions made, or future changes to such assumptions could necessitate future adjustments to tax income and expense already recorded.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Receivables and liabilities from income taxes

Income tax receivables and liabilities by categories

amounts in million HUF

Income taxes	December 31, 2025	December 31, 2024
Corporate tax	0	906
Local business tax	0	116
Current tax receivable	0	1,022
Corporate tax	1,058	0
Local business tax	471	0
Innovation contribution	104	22
Current tax liability	1,633	22

Income tax expense

Current income tax and deferred tax expenses:

amounts in million HUF

Income tax expense	2025	2024
Current tax	3,385	1,345
Deferred tax	(178)	(405)
Total income tax expense	3,207	940

The effective income tax rate varied from the statutory income tax rate due to the following items:

amounts in million HUF

Effective income tax rate	2025	2024
Profit / loss (-) on ordinary activities before tax	17,990	(254)
Tax on profit / loss (-) on ordinary activities at standard rate (9%)	1,619	(23)
Other income taxes corrected with the effect of corporate income tax rate	1,595	1,089
Total tax charge	3,214	1,066
Permanent differences	(7)	(126)
Tax charge for year at an effective tax rate	3,207	940
Effective tax rate	18%	-370%

The effective tax rate is largely influenced by the local business and innovation contribution expense.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Deferred tax asset and liabilities

The following items are the major deferred tax assets and liabilities recognised by the Company, and movements thereon during the current and prior reporting periods:

amounts in million HUF

Reason for differences between tax rules and accounting treatment under IFRS	Balance at December 31, 2025	Credit/ (charge) to equity	Credit/ (charge) to income	Balance at December 31, 2024
Provisions not included in tax base	1,240	0	178	1,062
Differences regarding state owned assets	430	0	28	402
Debt allowances not included in tax base	73	0	(3)	76
Right-of-use assets related to other lease contracts	8	0	(2)	10
Valuation reserve of securities	8	0	4	4
Differences between tax base and carrying amount of assets discounted	4	0	0	4
Government grants revenues which are included in tax base in the next financial year	3	0	8	(5)
Investments in joint ventures	(2)	0	1	(3)
Accelerated tax depreciation	(89)	0	(36)	(53)
Total deferred tax asset (+) /liability (-)	1,675	0	178	1,497

amounts in million HUF

Reason for differences between tax rules and accounting treatment under IFRS	Balance at December 31, 2024	Credit/ (charge) to equity	Credit/ (charge) to income	Balance at December 31, 2023
Provisions not included in tax base	1,062	0	306	756
Differences regarding state owned assets	402	0	51	351
Debt allowances not included in tax base	76	0	(30)	106
Right-of-use assets related to other lease contracts	10	0	4	6
Differences between tax base and carrying amount of assets discounted	4	0	(2)	6
Valuation reserve of securities	4	0	1	3
Investments in joint ventures	(3)	0	(1)	(2)
Government grants revenues which are included in tax base in the next financial year	(5)	0	(2)	(3)
Accelerated tax depreciation	(53)	0	78	(131)
Total deferred tax asset (+) /liability (-)	1,497	0	405	1,092

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Deferred tax assets and liabilities have been offset as the Company has legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same tax authority ('NAV') on the same entity.

The corporate income tax rate applicable in Hungary is 9%. Corporate income tax rate applied for deferred tax calculation is based on the estimated assessable tax base and tax payable for the relevant years.

Local business tax and innovation contribution are recognised as deductible expenses in the corporate income tax base. No temporary differences arose in respect of these taxes hence they do not have any effect on deferred taxes and rates determined. Local business tax rate on its tax base is 2%, whereas the rate of the innovation contribution 0.3% on the same tax base.

Deferred taxes were calculated with income tax rate of 9% in 2025 and in 2024 as well.

From the balance above HUF 652 million deferred tax asset is expected to be reversed in one year, HUF 1,023 million deferred tax asset is expected to be reversed in 5 years.

Global minimum tax

The purpose of global minimum tax regulation is to raise the effective tax rate to a minimum of 15 % level of the groups of companies regulated by the act, by requiring the member or members of the group to pay additional tax when the effective tax burden of the group is low. For the groups that are subject to global minimum tax, the effective tax rate determines whether the group is considered to have a low tax burden and whether it is required to pay additional tax.

The effective tax rate is determined by the adjusted covered tax expenses divided by recognised net profit of the members of a group resident in the jurisdiction. The content and modifying items of covered tax expenses and recognised net profit are regulated by law.

If the company becomes liable to pay additional tax, the tax expense must be recognised in the same way as for as corporate tax and must be paid in HUF, USD or EUR. The Company applies the exception rule under IAS 12, pursuant to which it does not recognise or disclose deferred tax assets or liabilities related to income taxes under the Pillar Two.

As a member of the N7 Holding Group the Company reviews the requirements for the application of the global minimum tax in accordance with the parent company's guidelines. The application of the global minimum tax depends on whether the annual turnover of the parent company is above EUR 750 million in at least two of the four financial years under review, as reported in the consolidated financial statements, this criterion determines the group's liability to pay global minimum tax. Based on information received from the National Defence Industrial Innovation Plc., the sales of revenue of the N7 group does not reach the threshold of 750 million euros, so the global minimum tax is not applicable.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. Intangible assets

Accounting policies

Intangible assets are measured initially at cost. Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over the best estimate of their useful lives.

The Company has elected not to apply IFRS 16 ‘Leases’ Standard for the leases of intangible assets.

Critical accounting estimates and judgements

The amortisation period and the amortisation method are reviewed annually at each financial year-end.

Typical amortisation rules are stated as follows:

Type of asset	Useful life
Licenses purchased for core activity	5-6 years
Licenses purchased for other activities	3 years
Software purchased for core activity	5 years
Software purchased for other activities	3 years

Carrying amounts of intangible assets that are already capitalised or not yet available for use are reviewed by the Company on a yearly basis. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

During the impairment review, the Company did not identify any technical or business considerations that led to recognising any impairment loss on intangible assets among capitalised or not yet available for use items.

The Company does not have any intangible assets with indefinite useful lives to be managed in accordance with IFRS.

**HUNGAROCNTRONL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

The table shows movements of intangible assets:

amounts in million HUF

Intangible assets	Internally generated			Other			Intangible assets total
	Software	Work in progress	Internally generated total	Property right	Software	Work in progress	
Net value at January 01, 2024	333	327	660	11,475	5	6,012	17,492
Gross value:							18,152
January 01, 2024	469	327	796	33,624	34	6,012	39,670
Previous year's correction	0	0	0	1	0	0	1
Additions	0	188	188	0	0	5,158	5,158
Capitalization	192	(192)	0	1,573	19	(1,592)	0
Disposals	0	0	0	(1,699)	0	(4)	(1,703)
December 31, 2024	661	323	984	33,499	53	9,574	43,126
Amortisation:							44,110
January 01, 2024	136	0	136	22,149	29	0	22,178
Additional amortisation	59	0	59	2,887	4	0	2,891
Additional impairment loss	0	0	0	0	0	4	4
Disposal of accumulated amortisation	0	0	0	(1,699)	0	0	(1,699)
Disposal of accumulated impairment loss	0	0	0	0	0	(4)	(4)
December 31, 2024	195	0	195	23,337	33	0	23,370
Net value at December 31, 2024	466	323	789	10,162	20	9,574	19,756
Gross value:							20,545
January 01, 2025	661	323	984	33,499	53	9,574	43,126
Additions	0	47	47	0	0	3,253	3,253
Capitalization	0	0	0	5,968	0	(5,968)	0
Disposals	0	0	0	(1,282)	0	0	(1,282)
December 31, 2025	661	370	1,031	38,185	53	6,859	45,097
Amortisation:							46,128
January 01, 2025	195	0	195	23,337	33	0	23,370
Additional amortisation	93	0	93	3,729	4	0	3,733
Disposal of accumulated amortisation	0	0	0	(1,282)	0	0	(1,282)
December 31, 2025	288	0	288	25,784	37	0	25,821
Net value at December 31, 2025	373	370	743	12,401	16	6,859	19,276

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The intangible assets are free of all liens, claims and encumbrances.

The Company capitalizes the costs of experimental development in accordance with IAS 38, in the value of the direct costs of the experimental development started but not completed by the date of the Statement of Financial Position of the business year – that is expected to be recovered in the future.

No expenses were recognised in profit or loss during the year in relation to research and experimental development.

The most significant increase in the year:

- Modular Integrated Remote Tower system in the amount of HUF 4,604 million,
- VMware licenses in the amount of HUF 245 million,
- AFTN/AMHS in the amount of 237 million.

HungaroControl considers the MATIAS air traffic control system and mirTWR remote tower control system to be the most significant and material items among its intangible assets. Both systems are sets of several individual elements that, through continuous development, meet the requirements of European legislation.

The assets of the MATIAS system with carrying value at 31 December 2025 are distributed as follows.

Intangible assets	Net value amounts in million HUF	Remaining amortisation period year
Property right	82	1
Property right	1,799	2
Property right	2,876	5
Property right total	4,757	
Internally generated software	368	4
Internally generated software total	368	
Property right in progress	4,284	0
Property right in progress total	4,284	
Intangible assets total	9,409	

The assets of the mirTWR system with carrying value at 31 December 2025 are distributed as follows:

Intangible assets	Net value amounts in million HUF	Remaining amortisation period year
Property right	580	8
Property right	4,106	6
Property right total	4,686	

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

12. Property, plant and equipment

Accounting policies

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, such as borrowing costs. Changes in estimates thereof adjust the carrying amount of assets. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhead costs, are normally charged to the Statement of Comprehensive Income in the period in which the costs are incurred.

Depreciation is charged using the straight-line method over the estimated useful lives of the assets.

The Company recognises right-of-use assets and lease liabilities in its Financial Statements under IFRS 16 ‘Leases’ Standard regarding lease contracts, applying the exemption of short-term leases and exemption of leases for which the underlying asset is of low value (recognition exemptions).

Right-of-use assets are measured at cost at the lease commencement date, the value comprises the following items:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee, and
- an estimate of costs to dismantle and remove the underlying asset, to restore the site or restore the asset required by the terms and conditions of the lease, unless the costs are incurred to produce inventories.

After the commencement date right-of-use assets are measured applying the cost model:

- less any accumulated depreciation and any accumulated impairment losses; and
- adjusted for any remeasurement of the lease liability.

The depreciation requirements in IAS 16 ‘Property, Plant and Equipment’ Standard is applied in depreciating right-of-use assets. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term.

IAS 36 ‘Impairment of Assets’ Standard is applied to account for any impairment loss identified regarding to the right-of-use assets.

Critical accounting estimates and judgements

The determination of the useful life of property, plant and equipment is based on experience with similar assets and expected technological developments.

The residual value, useful life and the depreciation method are reviewed annually at each financial year-end.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Typical depreciation rules are stated as follows:

Type of asset	Useful life
Buildings	40 years
Other structures	40 years
Production machinery and equipment	7 years
Computer hardware	3 years
Vehicles	5 years
Furniture	10 years

Depreciation is not accounted for land and assets under construction.

The Company applies the component measurement, i.e. it examines whether an asset contains a significant component that has a useful life that differs from the useful life of the other parts of the asset. In such a case, the Company recognises depreciation separately for the significant component in accordance with IAS 16.43.

The method of impairment review and impairment recognition is consistent with the method described in Note 11.

No borrowing costs were recognised as part of the initial cost in 2025 and in 2024.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The table shows movements of property, plant and equipment, which includes the movements of right-of-use assets regarding leased items separately:

amounts in million HUF

Property, plant and equipment	Land and buildings	Technical equipment	Other equipment	Work in progress	Property, plant and equipment
Net value at January 1, 2024	13,399	7,690	3,701	3,293	28,083
Property, plant and equipment owned by Company	3,869	5,993	3,624	3,293	16,779
Property, plant and equipment leased by Company	9,530	1,697	77	0	11,304
Gross value:					
Property, plant and equipment owned by Company	6,503	18,353	14,010	3,520	42,386
January 1, 2024	6,325	18,356	11,151	3,293	39,125
Previous year's correction	0	0	0	(25)	(25)
Additions	0	0	0	4,678	4,678
Capitalization	180	1,239	3,007	(4,426)	0
Disposals	(2)	(1,242)	(148)	0	(1,392)
Property, plant and equipment leased by Company	13,381	1,924	275	0	15,580
January 1, 2024	13,431	1,919	150	0	15,500
Additions	258	5	267	0	530
Disposals	(308)	0	(142)	0	(450)
Gross value at December 31, 2024	19,884	20,277	14,285	3,520	57,966
Depreciation:					
Property, plant and equipment owned by Company	2,732	12,453	8,858	0	24,043
January 1, 2024	2,456	12,363	7,527	0	22,346
Additional depreciation	277	1,332	1,477	0	3,086
Additional impairment loss	1	0	0	4	5
Disposal of accumulated depreciation	(1)	(1,242)	(146)	0	(1,389)
Disposal of accumulated impairment loss	(1)	0	0	(4)	(5)
Property, plant and equipment leased by Company	4,623	350	26	0	4,999
January 1, 2024	3,901	222	73	0	4,196
Additional depreciation	857	128	55	0	1,040
Disposal of accumulated depreciation	(135)	0	(102)	0	(237)
Depreciation at December 31, 2024	7,355	12,803	8,884	0	29,042
Net value at December 31, 2024	12,529	7,474	5,401	3,520	28,924
Property, plant and equipment owned by Company	3,771	5,900	5,152	3,520	18,343
Property, plant and equipment leased by Company	8,758	1,574	249	0	10,581

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Property, plant and equipment	Land and buildings	Technical equipment	Other equipment	Work in progress	Property, plant and equipment
Net value at January 1, 2025	12,529	7,474	5,401	3,520	28,924
Property, plant and equipment owned by Company	3,771	5,900	5,152	3,520	18,343
Property, plant and equipment leased by Company	8,758	1,574	249	0	10,581
Gross value:					
Property, plant and equipment owned by Company	6,799	21,451	13,991	874	43,115
January 1, 2025	6,503	18,353	14,010	3,520	42,386
Previous year's correction	0	0	0	(17)	(17)
Additions	0	0	0	2,135	2,135
Capitalization	296	3,680	788	(4,764)	0
Disposals	0	(582)	(807)	0	(1,389)
Property, plant and equipment leased by Company	16,570	1,924	489	0	18,983
January 1, 2025	13,381	1,924	275	0	15,580
Additions	3,715	0	214	0	3,929
Disposals	(526)	0	0	0	(526)
Gross value at December 31, 2025	23,369	23,375	14,480	874	62,098
Depreciation:					
Property, plant and equipment owned by Company	3,020	13,587	9,515	0	26,122
January 1, 2025	2,732	12,453	8,858	0	24,043
Previous year's correction	0	0	8	0	8
Additional depreciation	288	1,715	1,455	0	3,458
Disposal of accumulated depreciation	0	(581)	(806)	0	(1,387)
Property, plant and equipment leased by Company	5,525	479	127	0	6,131
January 1, 2025	4,623	350	26	0	4,999
Additional depreciation	1,053	129	101	0	1,283
Disposal of accumulated depreciation	(151)	0	0	0	(151)
Depreciation at December 31, 2025	8,545	14,066	9,642	0	32,253
Net value at December 31, 2025	14,824	9,309	4,838	874	29,845
Property, plant and equipment owned by Company	3,779	7,864	4,476	874	16,993
Property, plant and equipment leased by Company	11,045	1,445	362	0	12,852

Leased assets are required for the uninterrupted operation of the Company.

Regarding lease assets that fall within the recognition exemption under IFRS 16 (short-term leases and leases for which the underlying asset is low of value) the Company presents the relevant information under Note 6.2, in 'Cost of materials' section.

HungaroControl has no expenses related to variable lease payments that are not included in the measurement of lease obligations.

The total cash outflows for lease liabilities are shown in the table under Note 14.7 'Changes in liabilities due to financing activities'.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The most significant amount (appr. 81%) in the value of right-of-use assets recognised by the Company consists of asset management rights over state owned properties. The assets are intended to be used until the end of the properties' useful lives with lease terms between 10 and 35 years. The asset management rights over state owned properties were revalued at the beginning of the reference period on the basis of the revised residual cash flows and cost of capital, which resulted in an increase in the value of the right-of-use assets.

The rest of the value of right-of-use assets consists of leased cars (typically with lease terms of remaining 4 years), leased equipments and premises at the area of Budapest Liszt Ferenc International Airport (with lease terms of 5 to 15 years), leases of other equipments and premises.

The above assets are free of all liens, claims and encumbrances. The Company conducts annual reviews of the carrying values of its property, plant and equipment.

13. Inventories

Accounting policies

Inventories are valued at the lower of cost and net realizable value, after provision for slow-moving and obsolete items. Net realizable value is the selling price in the ordinary course of business, less the costs of making the sale. Cost of purchased goods is determined primarily on the basis of weighted average cost. Unrealizable inventory is fully written off. Items such as spare parts, stand-by equipment and servicing equipment are recognised by the Company in inventories and are carried through the statement of comprehensive income upon use. However, certain significant spare parts, stand-by equipment and servicing equipment meet the definition of property, plant and equipment if they are expected to be used during more than one period.

The Company exercises judgment, with the involvement of technical departments, to determine if a spare part qualifies as inventory or an item of property, plant and equipment. Specifically, critical spare parts of radar equipment qualify as long-term assets and therefore are capitalized in the Statement of Financial Position.

Balances of inventories at the year-ends were as follows:

amounts in million HUF

Inventories	December 31, 2025	December 31, 2024
Spare parts	7	7
Other materials	10	11
Inventories	17	18

No impairment of inventories was required neither in 2025 nor in 2024. No previously recognised impairment loss was released for the years presented.

Spare parts line item contains those slow-moving inventories that serve the operation for more than one year, but the type of these inventories does not justify their treatment as fixed assets (such as office supplies, work clothes, protective clothes and other materials such as light bulbs, button batteries, insulating tapes). The net value of these inventories in 2025 is HUF 2 million (in 2024 HUF 3 million).

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

14. Financial instruments, capital and financial risk management

Accounting policies

IFRS 9 standard is applied for recognition and measurement of hedging transactions and for all other financial instruments. The Company presents financial assets on a settlement date basis for each category.

Financial assets

The Company recognises among financial instruments the following items, for which measurement category and value are presented in the table of Financial assets under Note 14.7 a) 'Fair value of financial instruments':

- long-term deposits and short-term deposits with a maturity of more than 90 days (AC),
- long-term securities and short-term securities with a maturity of more than 90 days (government bonds, discount treasury bills) (AC)
- trade receivables, (including short-term trade receivables regarding flights exempted) (AC)
- derivative financial instruments designated as hedging instruments (FVTOCI),
- other non-current and current assets (Long-term receivables regarding flights exempted, Extended guarantees and Constructions performed on state owned assets, and receivables from EUROCONTROL arising from TNC settlements) (AC)
- cash and cash equivalents (including bank deposits and securities with a maturity of less than 90 days) (AC).

At initial recognition financial assets are classified on the basis of the objective of the business model and the contractual cash flow characteristics. The business models are the following:

Debt instruments 'Held To Collect' (HTC)

The objective is to hold financial assets to collect contractual cash flows.

Debt instruments 'Held To Collect and Sell' (HTCS)

The objective is both collecting contractual cash flows and sale of the financial asset.

Financial instruments – trade receivables excluded - are recognised initially at fair value, which is the fair value of the consideration given for the item. If there is a difference between amount paid/received and fair value, the day-one profit/loss shall be recognised (depending on fair value level).

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis of business model and contractual cash flows the classification of financial instruments is the following:

Financial assets measured at amortised cost (AC)

Financial assets measured at amortised cost are held in order to collect contractual cash flows (HTC) and the cash flows contain solely payments of principal and interest on the principal amount outstanding. The financial assets are recognised initially at fair value. Subsequently they are carried at amortised cost, which is initial amount less principal payments and any allowance for impairment. Amortised costs are calculated by effective interest method.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets measured at fair value through other comprehensive income are held in order to both collect contractual cash flows and sale (HTCS) and the cash flows contain solely payments of principal and interest and any cash flows from possible sales. The financial assets are recognised initially at fair value adjusted by transaction costs that are directly attributable to the acquisition. Any subsequent changes in fair value are recognised in other comprehensive income, any allowance for impairment is recognised in profit or loss.

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

Financial asset shall be measured at fair value through profit or loss unless it is measured at AC or FVTOCI. However, at initial recognition the Company can make an irrevocable election for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI. Any change in fair value at subsequent measurement related to derivatives is by default recognised in Statement of Comprehensive Income, however, in case of hedge accounting – for example, in cash flow hedge- the effective portion of changes in fair value are recognised in Other Comprehensive Income.

Financial liabilities

The Company recognises as financial liabilities the following items:

- trade payables,
- derivative financial instruments designated as hedges,
- bank loans and lease liabilities,
- other long-term and short-term liabilities (including liabilities related to leases and grants received).

Financial liabilities can be categorised as follows:

Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities are held for sale or at initial recognition are irrevocably designated at fair value at profit or loss, because they eliminate or significantly reduce a measurement or recognition inconsistency. Any change in fair value is recognised in comprehensive income at subsequent measurement.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Financial liabilities measured at amortised cost (AC)

All financial liabilities shall be measured at amortised cost using the effective interest method except for financial liabilities measured at FVTPL.

Subsequent measurement of financial instruments:

Fair value measurement

For investments that are actively traded in organized financial markets, fair value is determined by reference to quoted market prices at the close of business on the date of Statement of Financial Position without any deduction for transaction costs. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment discounted at the expected rate of return.

Derecognition of financial assets

Derecognition of a financial asset takes place when the Company no longer controls the contractual rights that comprise the financial asset, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party. When the Company neither transfers nor retains all the risks and rewards of the financial asset and continues to control the transferred asset, it recognises its retained interest in the asset and a liability for the amounts it may have to pay.

Impairment of financial assets

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Impairment losses on financial assets are presented in line 'Impairment' in profit or loss. If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that those terms and conditions are no longer met, the Company measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised. Any subsequent reversal of an impairment loss is recognised in the comprehensive income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The Company applies the following credit qualification method for expected credit loss assessment based on the ‘expected credit loss’ (ECL) model described in IFRS 9 Standard:

Stage	Credit quality	Amount of expected credit loss
Stage 1	Financial instruments at initial recognition	12-month expected credit losses
Stage 2	Financial instruments that have significant increase in credit risk	Lifetime expected credit loss
Stage 3	Non-performing financial assets	Lifetime expected credit loss
-	Purchased or originated credit-impaired financial assets	Lifetime expected credit loss

All financial instruments are qualified as Stage 1 at initial recognition. The financial instrument will be qualified as Stage 2, if a significant increase in credit risk is determined since initial recognition. The Company determines the significant increase in credit risk after considering the reasonable and supportable information that is relevant and available without undue costs. If the instrument is considered to be in default, it falls under Stage 3.

Significant increase in credit risk

The Company prepares a full review of the investment partners as necessary, but at least once a year as required by the Investment Rules and Regulations of the Company (BFSZ). In the course of the review, the Company solicits proposals from those credit institutions, that are deemed suitable for investment based on qualitative information. The qualitative information covers a broad range of management approaches, including market behaviour, capital market valuation, profitability, asset quality, liquidity and capital adequacy, non-performance and bankruptcy risk, furthermore, examines and values data based on the ratings of internationally recognised by credit rating agencies. In addition, the qualitative analysis also includes an examination of the MNB's (National Bank of Hungary) Financial Stability Report, which examines the state of the banking system as a whole. The assessment of the cooperation with each counterparty includes all relevant circumstances that have a significant influence on the cooperation. On the basis of the assessment, the Company decides, if necessary, on the modification of the investment partner structure and the application of any restrictions.

Between the period of the annual reviews the Company monitors the quality criteria of the investment partners on an ongoing basis. The Company prepares a weekly liquidity report, which assesses published news on investment partners, flash reports, credit ratings and changes in capital market valuations. If the Company observes a change in the risk assessment based on the mentioned sources of information, the Company may decide to carry out a full qualitative review of the investment partner, that can lead to an exclusion from the partnership, or the Company can reduce the investment limit on a partner-specific basis, or can introduce any other restrictions.

Default occurs when the financial asset is more than 90 days past due.

A financial asset qualifies as credit-impaired when information is observed by the Company that estimated future cash flows of the financial asset are not expected to be received.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The ECL model applies to financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets under IFRS 15, financial guarantee contracts and financial lease receivables.

The Company applies lifetime expected credit loss measurement for trade receivables by using a provision matrix which is described in Note 14.2.

As an exception to the general model, the Company measures 12-month expected credit loss for securities and fixed deposits based on low credit risk (detailed in Note 14.3).

Low credit risk

Based on the Investment Rules and Regulations of the Company, a very narrow range of financial instruments can be invested in, which are all characterised by a very low level of market risk. The expected return on financial instruments should be well predictable, and the price of the investments should show only limited volatility by their nature. Based on internal rules, the Company invests its free cash exclusively in debt securities issued by the Hungarian State (that are primary and preferred investment instruments). In addition, if the Company's liquidity profile requires so, it invests in bank deposits that are provided by the investment partners (that are secondary investment instruments). The investment partners are considered safe up to the investment limit/sub-limit set for them at the time of review, i.e. any form of investment - described by the Investment Rules and Regulations - can be made up to the maximum limit/sub-limit.

The debt securities issued by the Hungarian State have an investment grade rating (according to Moody's at least Baa3, S&P at least BBB-, Fitch at least BBB-) and the Company bears the risk of default to the Hungarian State. The above-mentioned debt securities belong to the lowest risk category according to the Markets in Financial Instruments Directive (MiFID).

Investments in bank deposits are unavoidable for the Company's operations, and their usage is linked to the liquidity profile. In the case of bank deposits, the Company bears the risk of default to its partner banks. The purpose of the annual investment partner review and the mid-year continuous review is to ensure that the Company has the most up-to-date available information to review and, if necessary, adjust the risk assessment of the investment partners. Thereby the Company regulates its maximum exposure to the investment partners. Short-term bank deposits at partner banks are also included in the lowest risk category under the MiFID Directive.

Cash flow hedges

When accounting for hedging transactions, the Company acts in accordance with the IFRS 9 standard. The Company concludes cash flow hedge contracts in order to hedge foreign currency risk from foreign currency cash flows. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows: cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

recognised asset or liability or a highly probable forecast transaction that could affect the comprehensive income statement. The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income, while the ineffective portion is recognised in the statement of comprehensive income as financial income or expense.

Amounts taken to other comprehensive income are transferred to the statement of comprehensive income when the hedged transaction affects the comprehensive income, such as when hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a nonfinancial asset or liability, the amounts previously taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the statement of comprehensive income.

Fair value Hedges

The Company designates the hedge as a fair value hedge in the following cases:

- the hedged item - that was related to a cash flow hedge transaction - is terminated,
- in the event of termination of that hedged item that was related to a cash flow hedge, the offsetting (closing) transaction (foreign exchange sale or purchase) of the original transaction,
- when the hedged item related to the cash flow hedge is recognised in the statement of financial position, the difference in fair value at the settlement date is recognised as an adjustment (increase or decrease) to the cost of the asset (investment) or inventory. Subsequently, the transaction is measured as a fair value hedge until maturity of the transaction.

For fair value hedges, the revaluation difference is recognised as income or expense from financial activities. When there is a change in fair value, the revaluation difference is increased or decreased against income or expense from financial activities depending on the nature of the change. Valuation differences on the statement of financial position are eliminated against profit or loss on the date of maturity.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

14.1. Long-term trade receivables and other long-term assets

Long-term trade receivables

Receivables for cost of flights exempted from charges (further on: flights exempted) from the Hungarian State are recognised as short-term and long-term assets and are credited to revenue from air navigation services (Note 5.). The term of payment is two years, as defined in a government decree. These balances are discounted by yields of government bonds with two years maturity. The interest income on discounting recognised for 2025 was HUF 35 million (2024: HUF 49 million).

Outstanding balances of long-term trade receivables from flights exempted are presented among non-current assets. The balances due are broken down:

	amounts in million HUF	
Long-term trade receivables	December 31, 2025	December 31, 2024
Ministry of Defence	681	644
Ministry of Construction and Transport	63	66
Ministry of Foreign Affairs	28	33
Total exempted flights	772	743
Due in one year	372	361
<i>out of this: provision</i>	<i>(1)</i>	<i>(1)</i>
Due over one year	402	384
<i>out of this: provision</i>	<i>(1)</i>	<i>(1)</i>

HUF 408 million of the total outstanding balance of Receivables from exempted flights was settled in 2025 (2024: HUF 454 million). Additional balance established for 2025 was HUF 402 million (2024: HUF 384 million).

Other long-term assets

The balances of other long-term assets due are broken down

	amounts in million HUF	
Other long-term assets	December 31, 2025	December 31, 2024
Extended warranty	23	21
Due in one year	9	10
Due over one year	14	11
Constructions performed on state owned assets	484	179
Due in one year	325	81
Due over one year	159	98
Total due in one year	334	91
Total due over one year	173	109

The long-term part of the warranty extension purchased regarding intangible assets and fixed assets is presented in this financial statement line with the amount of HUF 14 million in 2025 (2024: HUF 11 million). This warranty extension cannot be accounted in the cost of assets.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The constructions performed on state owned assets are transferred to MNV Plc after the completion, that is why in 2025 HUF 325 million is presented in line 'Other current assets' (in 2024: HUF 81 million and HUF 159 million is presented in line 'Other long-term assets' (in 2024: HUF 98 million). The change in the short-term part is due to the increase in investments capitalized in 2024-2025, while the settlement with MNV Plc is only due in the following year. The increase in the long-term part is due to the amount of new investments constructed in 2025.

14.2. Trade receivables and other current assets

Accounting policies

Trade and other receivables are recognised initially at their transaction price based on IFRS 15 if the trade and other receivables do not contain a significant financing component and subsequently measured at amortised cost using the effective interest method, less loss allowances. A loss allowance of trade and other receivables is established in the amount of lifetime expected credit loss calculated by a provision matrix based on IFRS 9.

Trade receivables can be sorted into the following four groups for which the loss rates are reviewed by the Company on a yearly basis:

En Route segment: Trade receivables from airspace users are managed, collected and enforced by Central Route Charges Office ('CRCO') of EUROCONTROL. Based on the qualification of EUROCONTROL users are classified in categories of active and default. The Company makes a loss allowance of 100% for default users and determines the loss rates for each ageing group regarding active users. Loss rates of the provision matrix are based on historical information. The loss rates are calculated as the average of last three years' historical rates in case of each default category. The Company calculates the expected loss allowance by applying the relevant loss rates to receivable balances in each ageing category.

TNC segment: Loss allowance is determined by the same methodology as applied in En Route segment.

Kosovo segment: Loss allowance is determined by the same methodology as applied in En Route segment.

Exempted flights: The amount of trade receivables from the Hungarian State is settled approximately in two years. The Company recognises the discounted amount of receivables in case of exempted flights taking into account the time value of the money.

The loss allowance for provision is also recognised when there is objective evidence about the significant increase in credit risk of the partner and the Company will not be able to collect all amounts due according to the underlying arrangement.

Due to invoicing policy, average outstanding balance of receivables equals to two months sales turnover.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Classification of assets as non-current and current in the financial statements

The Company classifies an asset as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

The following table shows the breakdown of trade receivables by Stage:

amounts in million HUF

Receivables	Stage 2	Stage 3	Total
Trade receivables	12,745	1,126	13,871
Intercompany receivable	49	0	49
Impairment loss	(29)	(1,018)	(1,047)
Total December 31, 2025	12,765	108	12,873
Trade receivables	8,868	1,293	10,161
Intercompany receivable	18	0	18
Impairment loss	(31)	(1,091)	(1,122)
Total December 31, 2024	8,855	202	9,057

The increase in trade receivables is due to the increase in the annual unit rates used for invoicing as well as to the significant increase in the number of service units (SU) of the payable traffic compared to the previous year. The increase was slightly offset by the change in euro exchange rate used for the year-end valuation, which was lower in the vast majority of cases compared to the exchange rate used for invoicing.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Loss allowance for doubtful debts was the following items by Stage:

amounts in million HUF

Impairment loss on doubtful debts	Stage 2	Stage 3	Total
Balance at the beginning of the year	31	1,091	1,122
Increase in impairment loss	22	70	92
Decrease in impairment loss	(59)	(45)	(104)
Reclassification of exempted flights between long-short receivables	1	0	1
Realised exchange rate difference	5	0	5
Foreign exchange movement in the year	0	(69)	(69)
Impairment loss at December 31, 2025	0	1,047	1,047
Balance at the beginning of the year	52	1,414	1,466
Increase in impairment loss	78	77	155
Decrease in impairment loss	(30)	(86)	(116)
Write-off of irrecoverable debts	0	(475)	(475)
Reclassification of exempted flights between long-short receivables	2	0	2
Realised exchange rate difference	0	26	26
Foreign exchange movement in the year	(1)	65	64
Impairment loss at December 31, 2024	101	1,021	1,122

Ageing of the trade receivable balances by Stages:

amounts in million HUF

December 31, 2025	Total	En route business	Terminal business	Kosovo business	Other domestic	Other foreign
Not overdue	12,491	9,293	2,402	354	433	9
Within 1 month	303	285	3	15	0	0
Total Stage 2	12,794	9,578	2,405	369	433	9
Overdue, between 1 -3 months	103	95	3	5	0	0
Overdue, between 3-6 months	14	10	2	2	0	0
Overdue, between 6-12 months	16	8	7	1	0	0
Overdue, over 12 months	481	428	34	18	1	0
Insolvent	512	469	18	25	0	0
Total Stage 3	1,126	1,010	64	51	1	0
Total	13,920	10,588	2,469	420	434	9

amounts in million HUF

December 31, 2024	Total	En route business	Terminal business	Kosovo business	Other domestic	Other foreign
Not overdue	8,746	6,351	1,701	195	478	21
Within 1 month	140	126	7	7	0	0
Total Stage 2	8,886	6,477	1,708	202	478	21
Overdue, between 1 -3 months	192	183	1	8	0	0
Overdue, between 3-6 months	59	55	1	3	0	0
Overdue, between 6-12 months	9	8	1	0	0	0
Overdue, over 12 months	330	279	37	13	1	0
Insolvent	703	653	19	31	0	0
Total Stage 3	1,293	1,178	59	55	1	0
Total	10,179	7,655	1,767	257	479	21

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Aged balances of loss allowances by Stage:

amounts in million HUF

December 31, 2025	Total	En route business	Terminal business	Kosovo business	Other domestic	Other foreign
Not overdue	20	18	1	0	1	0
Within 1 month	9	9	0	0	0	0
Total Stage 2	29	27	1	0	1	0
Overdue, between 1 -3 months	9	9	0	0	0	0
Overdue, between 3-6 months	5	4	1	0	0	0
Overdue, between 6-12 months	13	7	6	0	0	0
Overdue, over 12 months	479	426	34	18	1	0
Insolvent	512	469	18	25	0	0
Total Stage 3	1,018	915	59	43	1	0
Total	1,047	942	60	43	2	0

amounts in million HUF

December 31, 2024	Total	En route business	Terminal business	Kosovo business	Other domestic	Other foreign
Not overdue	27	26	0	0	1	0
Within 1 month	4	4	0	0	0	0
Total Stage 2	31	30	0	0	1	0
Overdue, between 1 -3 months	24	23	0	1	0	0
Overdue, between 3-6 months	30	29	0	1	0	0
Overdue, between 6-12 months	7	6	1	0	0	0
Overdue, over 12 months	327	277	36	13	1	0
Insolvent	703	653	19	31	0	0
Total Stage 3	1,091	988	56	46	1	0
Total	1,122	1,018	56	46	2	0

Applied loss allowance rates:

Loss Allowance rate	Segment	December 31, 2025	December 31, 2024
Not overdue	En route	0.19%	0.40%
Within 1 month	En route	3.62%	3.01%
Overdue, between 1 -3 months	En route	12.46%	12.75%
Overdue, between 3-6 months	En route	37.17%	53.36%
Overdue, between 6-12 months	En route	81.02%	83.64%
Overdue, over 12 months	En route	97.77%	98.01%
Insolvent	En route	100.00%	100.00%
Not overdue	Terminal	0.03%	0.02%
Within 1 month	Terminal	0.96%	0.54%
Overdue, between 1 -3 months	Terminal	14.78%	8.84%
Overdue, between 3-6 months	Terminal	47.48%	38.08%
Overdue, between 6-12 months	Terminal	78.91%	76.84%
Overdue, over 12 months	Terminal	95.41%	96.38%
Insolvent	Terminal	100.00%	100.00%
Not overdue	Kosovo	0.09%	0.09%
Within 1 month	Kosovo	1.86%	1.86%
Overdue, between 1 -3 months	Kosovo	6.10%	6.75%
Overdue, between 3-6 months	Kosovo	23.53%	34.48%
Overdue, between 6-12 months	Kosovo	71.26%	77.71%
Overdue, over 12 months	Kosovo	99.00%	98.69%
Insolvent	Kosovo	100.00%	100.00%

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Balances of other current assets at the end of the reporting periods occurred as follows:

amounts in million HUF

Other current assets	December 31, 2025	December 31, 2024
Value added tax	1,155	1,181
Receivable from accrued income for ongoing government grants	944	68
Receivable from investments on state owned assets	325	81
Changes in fair value of cash-flow hedges (gain)	187	156
Advances given	96	98
Other receivables	94	103
Receivable from EUROCONTROL - TNC sales	76	26
Bad debt allowances	(1)	(1)
Total other receivables	2,876	1,712
Accrued interest income on deposits fixed	102	85
Other income accrued	3	13
Total accrued income	105	98
Services prepaid	2,711	1,902
Total prepaid expenses	2,711	1,902
Other current assets	5,692	3,712

The line ‘Services prepaid’ includes expenses, which are billed in the reporting period, however effect future reporting periods. Such expenses are, among others, on-line services, software-support, insurance fees and membership fees.

14.3. Cash and cash equivalents, other financial assets

Cash is carried at cost in the financial statements. Cash denominated in foreign currency is revalued at the end of the reporting period. The exchange rate used by the Company is the closing rate of the National Bank of Hungary (MNB) at the Statement of Financial Position date, unrealised gains and losses are recognised in the financial result.

The following items are classified as cash and cash equivalents:

- Bank deposits: The Company’s bank accounts held in local and foreign currency, and short-term deposits. Bank overdrafts are not part of cash, they are recognised as short-term loans among liabilities.
- Cash equivalents: In practice, these are securities with a maturity not longer than 3 months from the date of purchase and have a minimal risk of value fluctuations (e.g. discount treasury bills). The credit risk of bank balances is measured by the Company through a risk review of the investment partner banks.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Balances of cash and cash equivalents at year-ends are as follows in the order of liquidity:

	amounts in million HUF	
Cash and cash equivalents	December 31, 2025	December 31, 2024
Current accounts HUF	394	135
Current accounts in foreign currency	1,387	83
Fixed deposits HUF - within 3 months	3,303	9,917
Cash at banks	5,084	10,135
Cash and cash equivalents	5,084	10,135

Balances of invested financial assets, securities and other financial assets at year-ends are as follows in the order of Statement of Financial Position lines:

	amounts in million HUF	
Other financial items	December 31, 2025	December 31, 2024
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity over 1 year	6,041	4,190
Long-term securities	6,041	4,190
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity within 1 year	15,057	15,047
Short-term securities	15,057	15,047
Fixed deposits HUF - within 1 year over 3 months	3,733	0
Fixed deposits foreign currency - within 1 year over 3 months	0	17
Other financial assets	3,733	17

Long-term bank deposits are considered to have low credit risk, the loss allowance regarding instruments are measured at an amount equal to 12-month expected credit loss based on Expected Credit Loss model. The investment banks of the Company are determined with regard to specific conditions detailed in Note 14.7 b). Based on the information the amount of loss allowance is not significant and therefore it is not recognised. The rate of expected credit loss is reviewed regularly by the Company and will be adjusted if information becomes available about any expected credit loss increase.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The Company made separate investments in connection with the obligations included in the Air Traffic Controller Career Agreement (ATCCA) and performs annual reviews and adjustments on the necessary accounts. The maturity structure of the investments is adjusted to the expected settlement date of the undertaken obligations. The table below shows the investments regarding Air Traffic Controller Career Agreement:

	amounts in million HUF	
Investment of Air Traffic Controller Career Agreement (ATCCA)*	December 31, 2025	December 31, 2024
ATCCA - Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity over 1 year	6,040	4,190
ATCCA - Cash and cash equivalents	503	968
ATCCA - Fixed deposits HUF - within 1 year over 3 months	53	0
Total	6,596	5,158

*Detailed information about Air Traffic Controller Career Agreement is disclosed under Note 16.

14.4. Long-term liabilities

Accounting policy

Lease liabilities

Based on the requirements of IFRS 16 'Leases' Standard applied by the Company, the lease contracts are recognised as right-of-use assets and lease liabilities in the Financial Statements, applying the exemption of short-term leases and exemption of leases for which the underlying asset is of low value (recognition exemptions). Lease payments associated with recognition exemptions (leases with a lease term of 12 months or less and leases with low-value underlying assets) are recognised as expenses on a straight-line basis or on another systematic basis over the lease term.

Right-of-use assets are presented separately in tangible assets, it is detailed in Chapter 12.

Based on the guidance of IFRS 16.9 a contract contains a lease, if:

- the contract identifies the asset(s)
- the contract conveys the right to control the use of an identified asset for a period of time
- in exchange for consideration.

If a contract contains more than one lease component, the consideration in the contract has to be allocated to each lease component on the basis of their relative stand-alone price. The Company allocated the consideration of the lease contracts to components according to the requirements.

For a contract that contains lease components and one or more non-lease components (e.g. maintenance, recharged utility expenses), the consideration has to be allocated on the basis of stand-alone price of lease components and the aggregate stand-alone price of non-lease components. The aggregated price of non-lease components is expensed to the Statement of Comprehensive Income accordingly.

The Company elected the practical expedient allowed under IFRS 16.5 only regarding lease of vehicles. Under this practical expedient the Company does not separate non-lease components from lease components, instead accounts for the non-lease components as part of the lease component.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The Company determines the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

At the commencement date the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate.

In determining the interest rate, the Company takes into account the reference yield of the Zero-coupon rate of GDMA (Government Debt Management Agency) according to the term of the liability, and adjusts it by market information of MNB's (National Bank of Hungary) statistics, that align with the currency of the lease; and in addition to the Company adjusts the rate with the company specific lending spread according to the latest available bank offer, that is the nearest to the date of recognition of the lease.

At commencement date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments, less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects exercising an option to terminate the lease.

After the commencement date, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The amounts of lease liabilities at the Statement of Financial Position dates presented were as follows regarding Intercompany and third-party breakdown:

	amounts in million HUF	
Lease liabilities	December 31, 2025	December 31, 2024
Intercompany - Asset management	11,982	9,282
Intercompany - Other	452	596
Third party	419	351
Total long-term lease	12,853	10,229
Intercompany - Asset management	775	894
Intercompany - Other	133	151
Third party	138	76
Total short-term lease	1,046	1,121
Total lease liabilities	13,899	11,350

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The most significant part of lease liabilities (approximately 92% of liabilities) recognised by the Company under IFRS 16 Standard is represented by the asset management rights of state-owned properties.

Lease liabilities of state-owned properties are determined based on the asset management fee. The asset management fee is determined in the Hungarian Performance Plan validated by the EU and calculated according to the relevant EU Regulation (No. 317/2019). The cost of capital used to determine asset management fee is calculated by a method determined in CAPM (Capital Asset Pricing Model). The cost of capital is set for the actual performance period covering 5 years. For the succeeding periods it is recalculated.

The lease fees of the state-owned assets qualify as variable lease payments, because they are determined by a particular method specified in the asset management contract. Due to the yearly modification of lease fees, the lease liabilities are also recalculated on a yearly basis.

The Company is not committed to any lease agreement not yet commenced at the preparation date of the Financial Statements. The Company is not exposed to additional extension or termination options that are not included in the measurement of lease liabilities and does not own agreements that contain residual value guarantee exposure.

Other long-term liabilities

The balances of other long-term liabilities at the reporting date are as follows:

	amounts in million HUF	
Other long-term liabilities	December 31, 2025	December 31, 2024
EU grants received – long-term part*	3,008	846
Liabilities recognised on other long-term items	81	8
Long-term trade liabilities	55	34
Long-term liabilities payable to associates and joint ventures	5	5
Total	3,149	893

* Short-term liabilities relating to EU grants are disclosed under Note 14.5.

Detailed information on the grants received is presented under Note 7.

14.5. Trade payables and other short-term liabilities

Accounting policy

Other short-term liabilities include, inter alia, the following items:

- Liabilities to central and local government,
- Grant advances received,
- Liabilities to employees (non-financial instrument),
- Liabilities to pensions, mutual- and health funds (non-financial instrument),
- Other liabilities to banks,
- Other liabilities not specified,
- Liabilities arising from income taxes are recognised in a separate Statement of Financial Position line (non-financial instrument).

Items that qualify as non-financial instruments are not subject to disclosure requirements of IFRS 7.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Classification of liabilities as non-current and current in the financial statements

The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Loans

The balances of loan liabilities at the reporting dates were as follows:

	amounts in million HUF	
Loan liabilities	December 31, 2025	December 31, 2024
Bank loans	0	10,500
Short-term loans at amortised cost	0	10,500

The Company had no outstanding loan balance at the reporting date. The overdraft facility at year-end was zero, it has been repaid in full by the Company.

Further details on the loans are presented under Note 14.7 ‘Credit risk management’.

Trade payables

Presentation of ageing of payables is as follows at the year-ends:

	amounts in million HUF	
Ageing of trade payables	December 31, 2025	December 31, 2024
Not due	4,641	2,795
Overdue, within 1 year	92	36
Overdue, between 1 - 5 years*	2	1
Total trade payables	4,735	2,832

* The balance presented in both years covers a withheld guarantee amount.

The Company settles trade payables within the payment term, and had no material overdue payables as of December 31, 2025 and 2024. The vast majority of trade payables outstanding, within 1 year category is settled in January 2026 according to the payment deadline.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Trade payables	December 31, 2025	December 31, 2024
Trade payables - domestic	2,447	1,880
Trade payables - foreign	2,051	822
Intercompany payables	237	130
Total	4,735	2,832

The Company decided to fully separate all the balances of intercompany payables and to disclose them as intercompany payables.

The intercompany transactions are presented in Note 17.

Balances of other short-term liabilities at the dates presented were as follows:

amounts in million HUF

Other short-term liabilities	December 31, 2025	December 31, 2024
Liabilities from social security	1,194	961
Changes in fair value of hedges (loss)**	831	133
Personal income tax payable on behalf of the employees	632	389
Short-term other liabilities towards various authorities	303	289
Other short-term liabilities	80	147
EU grants - advance payment received*	35	2,441
Liabilities to parent company	0	1,200
Liability from enterprise licensing agreement	0	96
Total other payables	3,075	5,656
EU grants received – short-term part*	632	311
Other deferred income	2	1
Total deferred income	634	312
Services, goods delivered but not invoiced till the year-end	49	109
Total accrued expenses	49	109
Total	3,758	6,077

* Long-term liabilities relating to EU grants are disclosed under Note 14.4.

** Changes in fair value of cash-flow hedges are disclosed under Notes 14.6 and 14.7.

In 2025 the ‘Liabilities to parent company’ was settled. On the one hand, the dividend approved on the basis of the 2019 and 2020 financial statements (HUF 1,200 million) and, on the other hand, the dividend approved on the basis of the 2024 financial statements (HUF 6,000 million) were paid to the owner.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

14.6. Hedge accounting

The fair value of open transactions designated as hedge were as follows:

amounts in million HUF

Fair value of derivative financial instruments	December 31, 2025	December 31, 2024
Other current assets		
Derivative financial instruments in designated hedge accounting relationships Hedges - positive fair value	187	156
Other current liabilities		
Derivative financial instruments in designated hedge accounting relationships Hedges - negative fair value	831	133

The expected foreign currency cash flows carrying significant exchange rate risks are hedged with forward currency exchange contracts. Fair value of open forward contracts is recognised in the Statement of Financial Position among other short-term receivables or liabilities.

14.7. Financial risk management

Financial risk management aims to mitigate risks arising from ongoing operational and financing activities. The Statement of Financial Position included comprises the following categories of financial assets and liabilities for the dates presented:

a. Fair value of financial instruments according to Statement of Financial Position lines:

amounts in million HUF

Financial assets	Financial assets at amortised costs	Derivative financial instruments	Total carrying amount	Total fair value	Difference
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity over 1 year	6,041	0	6,041	4,663	1,378
Long-term trade receivables	401	0	401	401	0
Other long-term assets	173	0	173	173	0
Trade receivables	12,873	0	12,873	12,873	0
Other current assets excluding taxes, prepayments and accrued income, receivables from employees	401	0	401	401	0
Derivative financial instruments in designated hedge accounting relationships	0	187	187	187	0
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity within 1 year	15,057	0	15,057	15,002	55
Fixed deposits - within 1 year over 3 months	3,733	0	3,733	3,733	0
Cash and cash equivalents	5,084	0	5,084	5,084	0
Total as per December 31, 2025	43,763	187	43,950	42,517	1,433

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Financial assets	Financial assets at amortised costs	Derivative financial instruments	Total carrying amount	Total fair value	Difference
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity over 1 year	4,190	0	4,190	3,026	1,164
Long-term trade receivables	383	0	383	383	0
Other long-term assets	109	0	109	109	0
Trade receivables	9,057	0	9,057	9,057	0
Other current assets excluding taxes, prepayments and accrued income, receivables from employees	107	0	107	107	0
Derivative financial instruments in designated hedge accounting relationships	0	156	156	156	0
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity within 1 year	15,047	0	15,047	15,024	23
Fixed deposits - within 1 year over 3 months	17	0	17	17	0
Cash and cash equivalents	10,135	0	10,135	10,135	0
Total as per December 31, 2024	39,045	156	39,201	38,014	1,187

The difference between the fair value and the book value of securities has resulted from a decrease in the actual price of the securities due to increased yields, which is also reflected in the amount of the fair value of the bank.

The financial assets are free of all liens, claims and encumbrances.

The Company's best estimate of the carrying amount of Other long-term assets and Trade receivables is the same as their fair value.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Financial liabilities	Financial liabilities at amortised cost	Derivative financial instruments	Total carrying amount	Total fair value	Difference
Other long-term liabilities excluding liability of government grants	86	0	86	86	0
Long-term trade liabilities	55	0	55	55	0
Trade payables	4,735	0	4,735	4,735	0
Derivative financial instruments in designated hedge accounting relationships	0	831	831	831	0
Other short-term liabilities excluding taxes, payables to employees, accruals and deferred income	74	0	74	74	0
Total as per December 31, 2025	4,950	831	5,781	5,781	0
Other long-term liabilities excluding liability of government grants	13	0	13	13	0
Long-term trade liabilities	34	0	34	34	0
Loans	10,500	0	10,500	10,500	0
Trade payables	2,832	0	2,832	2,832	0
Derivative financial instruments in designated hedge accounting relationships	0	133	133	133	0
Other short-term liabilities excluding taxes, payables to employees, accruals and deferred income	35	0	35	35	0
Total as per December 31, 2024	13,414	133	13,547	13,547	0

Government grants, taxes, accruals and prepayments are presented under Note 14.5.

The book values of trade receivables decreased by loss allowances and trade payables approximate to their fair values.

Cash and cash equivalents, fixed deposits, discount treasury bills with a maturity less than 3-month, other current assets and other short-term liabilities have short-term maturities, therefore their carrying amount approximate to their fair values at the Statement of Financial Position dates presented.

Other long-term financial assets

Other long-term assets owed by government authorities were described under Note 14.1 in detail. For discounted cash flow method, the Company used risk free interest rate (zero coupon rates derived from the yield curve of government bonds as published by the Government Debt Management Agency, webpage: www.akk.hu).

Other long-term liabilities

The book value of intercompany payable as disclosed under Note 17 approximates its fair value. The balance of Other long-term liabilities as of December 31, 2025 mainly contains the obligations from retention warranty of trade payable balances, the fair value of which approximates their carrying value.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The fair value of forward exchange contracts

The fair value of forward exchange contracts represents the unrealized gain or loss on revaluation of the contracts to year-end exchange rates and is expected to be realized within one year. The fair values used are the mark-to market values calculated by the partner banks.

Changes in liabilities due to financing activities

amounts in million HUF

Analysis of Liabilities	January 1, 2025	Cash flow from Financing activities	Lease increase	Foreign exchange movement	Interest	Other	December 31, 2025
Short-term loans	10,500	(10,733)	0	0	233	0	0
Lease liabilities*	11,350	(2,002)	3,929	(33)	1,023	(368)	13,899
Dividend payable	1,200	(7,200)	0	0	0	6,000	0
Other liabilities from non-financing activities**	5,770	0	0	0	0	1,137	6,907
Total	28,820	(19,935)	3,929	(33)	1,256	6,769	20,806

* The Other category includes lease derecognition, and reclassification items that do not involve cash flow.

**This category includes transactions related to employees, grants and hedging that do not involve cash flows.

amounts in million HUF

Analysis of Liabilities	January 1, 2024	Cash flow from Financing activities	Lease increase	Foreign exchange movement	Interest	Other	December 31, 2024
Short-term loans	14,000	(3,809)	0	0	309	0	10,500
Lease liabilities*	11,435	(1,216)	530	33	789	(221)	11,350
Dividend payable	1,200	(9,000)	0	0	0	9,000	1,200
Other liabilities from non-financing activities**	5,478	0	0	0	0	292	5,770
Total	32,113	(14,025)	530	33	1,098	9,071	28,820

* The Other category includes lease derecognition, and reclassification items that do not involve cash flow.

**This category includes transactions related to employees, grants and hedging that do not involve cash flows.

Fair value hierarchy

The fair values are categorised into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets measured at amortised cost and most of the financial liabilities has been identified by using Level 2 information and discounted cash flow valuation techniques if applicable. The estimated cash flow streams are based on the contractual terms, whereas the discount rates are the risk-free, before tax rates (zero coupon rates derived from the yield curve of government bonds). The financial

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

instruments denominated in foreign currencies are revalued by using the foreign exchange rate issued by the National Bank of Hungary.

The Company does not possess any financial assets or liabilities measured at fair value where fair values were identified based on Level 3 information.

HungaroControl holds instruments classified as Level 2, with valuations derived from observable market inputs. The fair values used for valuation of derivative financial instruments and government securities are identical to the mark-to-market valuations received from the banks at each month end.

There were not any transfers between Level 1 and Level 2 in case of financial instruments that are measured at fair value.

b. Financial risk management

The Company monitors and manages financial risks relating to its operations. The Company has clear policies and operating parameters. The Supervisory Board provides oversight of the Company. The Treasury function does not operate as a profit centre, and the undertaking of speculative transactions is not permitted. The principal financial risks arising from the Company's activities include market risk (including currency risk, interest rate risk and inflation risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and inflation rates. There is a special risk arising from the provision of air navigation services. These risks and the methods they are managed by are explained below.

Foreign currency risk management

The Company's principal exposure to foreign currency transaction risk is in relation to its foreign currency revenues and expenditures.

Revenue from air navigation services account for 99.6% of the Company's turnover. In the Hungarian En Route and terminal navigation segments – operated in the framework of the performance scheme – foreign exchange risk is borne by the service providers, thus, borne by the Company. Fees for air navigation services are set in Hungarian Forint, but are billed and collected in Euro. The conversion rate used is the average of the 9:00 AM LSEG Workplace (formerly known as Reuters) bid fixing rates on each weekday for the month prior to the billing period ('n-1'). To mitigate the risk of movements in exchange rates between the date of determining the unit charges (average rate of 'n-1') and the date on which the funds are remitted ('n+2') to HungaroControl, foreign currency forward contracts are concluded. The Company hedges its expected cash flow from sales revenue of the Hungarian en route and terminal segments based on hedging limits set in its foreign currency risk hedging policy.

In respect of air navigation services provided in Kosovo airspace the charges are set in Serbian dinar. These revenue streams are not hedged since in the Kosovo segment, due to the full cost recovery mechanism, the risk arising on changes of foreign exchange rates can be included in the respective cost base.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The Company also hedges the foreign exchange risks arising from foreign currency cash expenditures related to significant firm commitments, and also foreign currency cash flows posing other significant risks. For these foreign currency cash flows, the hedging period is a maximum of 18 months that is adjusted to the Company's planning cycle.

The amount of trade receivables denominated in foreign currency exceeds the amount of trade payables denominated in foreign currency. The carrying amount of the Company's monetary assets and monetary liabilities denominated in foreign currency were as follows:

Currency	FX rates at year-end		Assets (in foreign currency)		Assets (in million HUF)	
	2025, December	2024, December	2025, December	2024, December	2025, December	2024, December
EUR	385.40	410.09	36,029,552	20,497,276	13,886	8,406
USD	328.42	393.60	73,920	46,447	24	18

Currency	FX rates at year-end		Liabilities (in foreign currency)		Liabilities (in million HUF)	
	2025, December	2024, December	2025, December	2024, December	2025, December	2024, December
EUR	385.40	410.09	13,488,717	9,915,137	5,198	4,066
USD	328.42	393.60	737,066	917,466	242	361
CAD	239.67	273.90	107,815	0	26	0

Foreign currency assets include cash- and cash equivalents, trade receivables and other short-term receivables. Liabilities presented comprise trade payables and other short-term liabilities.

Forward foreign exchange contracts

The Company concludes forward contracts to hedge its significant foreign currency risk from expected cash flows. The Company designated these forward contracts as cash flow hedges. With the hedging transactions the Company aims to secure the HUF value of its firm commitments.

EUR forward sale contracts to hedge revenues expire within 4 months, while EUR and USD forward purchase contracts to hedge trade payables expire within a maximum 18 months.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The following contracts were outstanding at year-end:

amounts in million HUF

December 31, 2025	Revenue hedge (EUR sold)	Expenditure hedge (EUR bought)	Expenditure hedge (USD bought)	Total
Currency	EUR	EUR	USD	-
Currency amount	(80,651,000)	37,290,503	2,744,000	-
HUF amount	(31,357)	15,545	995	(14,817)
Fair value of open forward contracts at year-end				
Valuation reserve (fair value Gain/ (Loss))	(555)	(600)	(73)	(1,228)
Ineffective part included in Comprehensive Income	62	(2)	0	60
Effective part included in Other Comprehensive Income	532	0	0	532
Effective part included in cost of assets	0	(114)	0	(114)
Interest income from swap points included in line item financial income	106	0	0	106
Total	145	(716)	(73)	(644)

amounts in million HUF

December 31, 2024	Revenue hedge (EUR sold)	Expenditure hedge (EUR bought)	Expenditure hedge (USD bought)	Total
Currency	EUR	EUR	USD	-
Currency amount	(29,828,000)	19,287,546	3,436,945	-
HUF amount	(12,274)	8,211	1,293	(2,770)
Fair value of open forward contracts at year-end				
Valuation reserve (fair value Gain /(Loss))	124	(14)	69	179
Ineffective part included in Comprehensive Income	(77)	7	0	(70)
Effective part included in Other Comprehensive Income	(113)	0	0	(113)
Effective part included in cost of assets	0	4	0	4
Interest income from swap points included in line item financial income	23	0	0	23
Total	(43)	(3)	69	23

All the above forecast transactions hedged are expected to occur. In connection with these forward contracts the amount deferred in equity will be realized in the statement of comprehensive income when the hedged transaction has an impact on the result.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The following amounts were recognised in the statement of comprehensive income for the financial years 2025 and 2024:

amounts in million HUF

Amounts recognised in statement of comprehensive income in relation to derivative financial instruments	December 31, 2025	December 31, 2024
Interest recognised in Comprehensive Income and included in financial results (swap points received)	846	495
Amount that was removed from equity and recognised in sales balance gain/ (loss)	532	(524)
Ineffective part of fair value hedges included in financial results gain/(loss)	3	28
Ineffective part of cash flow hedges included in financial results gain/ (loss)	(185)	(240)
Total gain/(loss) on cash flow hedge transactions	1,196	(241)
Fair value change of open hedge forward contracts at year-end included in other comprehensive income (fair value reserve at year-end)	(703)	73
Total result of cash flow hedges included in equity balance	493	(168)

At year-end the loss charged to other comprehensive income was HUF 776 million in 2025, while it was HUF 299 million gain in 2024. The Company ensures the predictability of the HUF value of EUR-denominated sales revenue through revenue hedging transactions, while supplier hedging enables the predictable HUF value of costs and investments. In the case of investments, the exchange rate difference of the hedging transaction is recovered through the subsequent depreciation of the capitalized assets.

Foreign currency sensitivity analysis

The Company has the most significant exposure to EUR in relation to revenue and trade receivables balances as this is the billing currency. Thus, the sensitivity analysis is focused on this currency.

The following table details the Company's sensitivity to a 5% increase or decrease in the value of HUF against EUR. The Company considered movements in EUR over the last five years and concluded that 5% is the sensitivity rate that represents a reasonably possible change and benchmark in EUR-rates against HUF. A positive number below indicates an increase in profit and equity and a negative number a reduction in profit and equity. There would be an equal and opposite impact on profit and equity if EUR devalues by 5% against HUF.

The sensitivity analysis for Statement of Financial Position items includes foreign currency cash balances, trade receivables, trade payables, other short-term liabilities, receivables denominated in EUR and foreign exchange forward contracts, and adjusts their translation at the period end for a 5% change in EUR rate. We disclose the effect on the statement of comprehensive income and equity at the end of the reporting period assuming that a reasonably possible change in the relevant risk variable had occurred at that date.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

amounts in million HUF

Percentage	HUF/EUR	Assets	Liabilities	Impact on profit and equity	Impact on equity
		(+) Increase in profit (-) Reduction in profit	(+) Increase in profit (-) Reduction in profit	(+) Increase in profit (-) Reduction in profit	(%)
2025					
105%	404.67	694	(260)	434	1.2%
100%	385.40	0	0	0	0.0%
95%	366.13	(694)	260	(434)	(1.2%)
2024					
105%	430.59	420	(203)	217	0.7%
100%	410.09	0	0	0	0.0%
95%	389.59	(420)	203	(217)	(0.7%)

Without derivative contracts a 5% devaluation in HUF against EUR would cause a 1.2% increase in the fair value of the net position of items denominated in EUR i.e. in retained earnings and the financial results in 2025 (the same figure is 0.7% as well regarding 2024) – supposing that all other factors remain unchanged. This means that the exposure of the Company against EUR is not significant and financial results are moderately sensitive for the change in HUF/EUR rates.

A similar examination using 3% change in rates would result in a 0.7% change in retained earnings for 2025, and 0.4% for 2024.

Same assumptions as introduced above would result in the following fair value changes in the value of derivative contracts open at the year-end.

amounts in million HUF

Percentage	HUF/EUR	Effect on profit for the year	Effect on equity balance
		(+) Increase in profit (-) Reduction in profit	(+) Increase in profit (-) Reduction in profit
2025			
105%	404.67	(544)	163
100%	385.40	0	0
95%	366.13	544	(163)
2024			
105%	430.59	(371)	155
100%	410.09	0	0
95%	389.59	371	(155)

Exchange rate movements, both of balance sheet items and hedging transactions taken together, do not have a material effect on pre-tax profit and equity.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The following table represents the results of an assumed devaluation and appreciation of trade receivables balance off-set by the hedge reserve balance at year-end using the same assumptions for both of the balances.

amounts in million HUF

Percentage	HUF/EUR	Trade receivables (+) Increase in profit (-) Reduction in profit	Impact on profit and equity (+) Increase in profit (-) Reduction in profit	Impact on equity with hedging reserve (+) Increase in profit (-) Reduction in profit
2025				
105%	404.67	13,064	622	324
100%	385.40	12,442	0	0
95%	366.13	11,820	(622)	(324)
2024				
105%	430.59	9,073	432	193
100%	410.09	8,641	0	0
95%	389.59	8,209	(432)	(193)

Year-end revaluation

The results of year-end revaluation of items in the Statement of Financial Position were as follows: HUF 99 million gain at the end of 2025 (2024: HUF 248 million loss).

Interest rate risk management

Interest rate risk from interest bearing assets and liabilities

The Company invested a significant part of the funds not required for short-term financing in fixed interest rate bank deposits, discount treasury bills and government bonds.

The main aim of the Company is to assure its liquidity; investment of free cash to obtain yields is a secondary objective only. Therefore, the possible investment options are limited to fixed bank deposits in HUF or EUR, discount treasury bills and government bonds issued by the Hungarian State, or financial instruments issued by the National Bank of Hungary. Hence the exposure of the Company towards changes in interest rates via financial assets owned is practically very limited.

The Company determines its risk exposure as follows: a 100% risk weight is applied to the volume of deposits held with the investment partner, including demand deposits. Government bonds held in securities accounts with the investment partner are subject to a 20% risk weight. The risk weights for forward transactions are reviewed annually by the Treasury Department to reflect current market foreign exchange risks. The applicable weights are approved by the Head of the Finance and Accounting Department. The risk weight applied to forward transactions in 2025 was 10%.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The balances of deposits were as follows:

Annual Interest rate	2025 Amounts	2024 Amounts
HUF-deposits held	million HUF	million HUF
6% - 7%	7,035	9,917
Total	7,035	9,917
EUR-deposits held	EUR	EUR
1% - 3%	0	38,930
Total	0	38,930

The Company has overdraft facility agreements with four commercial banks, of which an agreement can also be utilised in EUR. The overdraft facility agreements are priced at 1-month BUBOR + interest margin, 1-month EURIBOR + interest margin, and ON BUBOR + interest margin. The maturity of the contracts varies. One committed loan matures in June 2026, and one uncommitted loan matures in January 2027. The third and fourth uncommitted loan agreements are for an indefinite period. During 2025, the overdraft facilities were drawn down on an ad hoc basis to fund operational payments, with short outstanding balances of 1-8 days. These loan amounts did not result in significant additional interest expense for the Company.

In July 2025, the Company entered into a syndicated credit facility agreement in the form of a club loan with three banks. The facility consists of a general corporate loan and a revolving credit instrument and is covering the full RP4, maturing in 2030. No drawdowns were made from these facilities during the 2025 financial year.

The following assumptions are used in interest rate sensitivity analysis:

- for the investments (deposits and securities): if the average amount of investments in 2025 have been invested for one year at the yield realised in 2025, and the realised yield percentage would have been in line with the basis point deviations indicated,
- the fixed-rate loan portfolio actually utilised in 2025, would have been drawn down daily in the amount of the average annual drawn balance, at the average annual interest rate, with the interest rate payable adjusted according to the specified basis point deviations,
- for the variable-rate overdrafts: if the overdrafts – that were drawn down on a case-by-case basis in 2025 - have been drawn down daily in the average annual amount of the portfolio, at the average annual interest rate, and the interest percentage payable would have been the same as the basis point deviations indicated.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The effects on the Statement of Comprehensive Income are as follows when all other assumptions remain unchanged:

amounts in million HUF

Increase/decrease in basis points	Effect on profit for the year	
	(+) Increase in profit (-) Reduction in profit 2025	(+) Increase in profit (-) Reduction in profit 2024
Bank deposits, securities		
+100	277	352
-100	(277)	(352)
+150	416	528
-150	(416)	(528)
Revolving loans		
+100	(96)	(132)
-100	96	132
+150	(144)	(197)
-150	144	197

In the case of variable-rate overdrafts occasionally drawn down, the utilization was so low that the impact on the results determined during the interest rate sensitivity analysis does not reach 1 million forints in neither year.

The Company has no other significant interest-bearing liabilities.

Other sources of interest rate risks

The Company is mainly exposed to changes in interest rates through its Kosovo segment and the revenue thereof where full cost recovery mechanism is applied. The profit of this segment is mostly dependent on the cost of equity (return on capital tied up), the calculation of which is based on the yield of risk-free 10-year government bonds and is included in the cost base reimbursed by the airlines.

In respect of the En Route and terminal businesses the performance scheme allows to include a risk premium above the risk-free rate when calculating cost of equity included in the cost base. The expected return was determined partly in advance for the period of 2025-2029. Therefore, although changes in interest rates within this period might differ from the real cost of equity, they cannot affect the profit of the segment. However, because it is not allowed to include interest bearing assets in the net asset balance, which is used to calculate cost of equity, the investment activity of the Company affects the profitability of the segment. In this manner, after the adoption of submitted performance plan, the Company would be exposed to a significant interest rate risk, if it holds large amount of interest-bearing assets. According to the financing potential, this kind of risk is not considered significant.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Inflation rate risk management

The risk of changes in inflation rate is borne partly by airlines according to the performance scheme (En Route and terminal segments). Inflationary differences cannot be transferred to airlines if they relate to depreciation, and cost of capital as part of the cost base. The Kosovo segment operates in full cost recovery scheme where all the cost risk (including inflation risk as well) is transferred on to the airlines, however, only in the mid-term can be collected after two years (in the year 'n+2') through the charges.

The Company intends to manage inflation risk by adjusting the highest possible level of costs to inflation. For this reason, the Company introduced a system where payroll costs, being the most significant cost item, are adjusted with inflation. Inflation evolved close to the planned figures in 2025. The resulting inflation adjustment will be applied in the 2027 unit rates.

The Company does not hold any financial assets or liabilities in its books where a possible change in inflation rate would alter their value and could have significant effect on equity and on the statement of comprehensive income.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises from the risk of default by customers on settlement of trade receivables and from the risk of a failure of a financial institution in which funds are invested for return or held for trading purposes or with whom derivative contracts are entered into.

In the Kosovo segment the Company does not bear credit risk since it is covered by the full cost recovery system.

Within the performance scheme in the En Route and the terminal segments the Company bears the credit risk of default of the customers. Losses incurred in relation to customer impairments are chargeable costs under the relevant EU regulations, and accordingly the Company has included a flat-rate cost in RP4 performance plan based on the impairments of previous years, that may be used as a solid basis for incurred impairment losses. The actual risk is that the amount of impairment losses would increase constantly and would therefore differ materially from the planned amount. For the year 2025, the amount planned in the performance plan has provided sufficient coverage for the impairment losses incurred.

The Company intends to invest into bank deposits with institutions holding a high long-term minimum credit rating. The credit rating of discount treasury bills and government bonds issued or guaranteed by the Hungarian State are the same as the credit rating of the country which was placed by Standard & Poor's at BBB- (investment grade category) in December 2025. The level of fixed deposits hold in one financial institution is limited to a maximum of 30% of total cash and cash equivalents at the time, when an investment decision is made. The 30% limit alters to 50% when the total volume of cash and cash equivalents does not reach a HUF 6 billion threshold.

Based on the general corporate financing and revolving credit facility agreements concluded in 2025, the Company believes that it enjoys a favourable credit standing. In addition, the terms of the overdraft facilities

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

with no fixed maturity – especially their indefinite duration – further attest to the Company’s positive perception by the banks.

The Company’s investment policy, details of the investment partner review and guidelines on the investigation of growth in credit risk are described Under Note 14 ‘Accounting policies’.

Maturity of receivables and bad debt allowances charged are disclosed under Note 14.2. The tables presented there give a summary about the credit risk profile of the Company arising on default by customers on settlement of trade receivables.

The management believes that the Company is not highly dependent on any of its customers in en-route segment. However, in the terminal segment, the Company assumes a moderate concentration of risk due to the receivables from low-cost airlines.

Liquidity risk management

The Company manages liquidity by maintaining adequate cash reserves and by monitoring actual and forecast cash flows and ensuring funding is diversified by source and maturity and available at competitive cost.

Liquidity risk is mainly influenced by the traffic: if traffic is lower than the expected level, it might cause underfunding in the relevant business year. This, however, can be collected fully in Kosovo segment after two years (period ‘n+2’) through the charges, therefore in this line of business the Company does not bear any substantive traffic risk - it may have liquidity risk though.

In the En Route and terminal segments the performance scheme allows a maximum of 4.4% traffic risk in terms of the revenue, this however in a gradual manner: up to $\pm 0 - 2\%$ change in traffic compared to the planned value, the full effect of traffic change has to be borne by the Company, whereas between $2\% - 10\%$ change in traffic compared to the planned value only 30% of the difference above 2% points has to be borne by the Company. Above 10%, all of the additional effect will be taken by airlines. When actual traffic exceeds the planned level, it has an impact on cash flow and profitability, but the maximum impact on profitability is limited at 4.4%. The same applies in the event of traffic falling short of the plan.

Notwithstanding this, the immediate liquidity effect of the traffic change has to be managed by the Company, since the part borne by the airlines can be probated after two years first.

Under the performance scheme cost that exceed the planned amounts generally cannot be passed on to airspace users. The possibility of passing on costs to airlines exists only in the case of uncontrollable costs, but the application of this rule varies by cost type, such costs may be recovered from users in the year ‘n+2’ or only after the end of the actual reference period.

The operation of HungaroControl Plc. is marked by a stable liquidity position in 2025.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Maturity profile of financial receivables according to Statement of Financial Position lines

As part of the liquidity risk analysis, the table below shows the maturity structure of non-derivative financial instruments at 31 December 2025 and 2024, based on the undiscounted values of contractual cash flows. The table has been prepared taking into account the earliest date on which the inflow of the receivable could occur.

amounts in million HUF

Ageing of financial receivables	Not overdue	Overdue within one year	Overdue between 1-5 years	Overdue over 5 years	Total
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity over 1 year	6,041	0	0	0	6,041
Long-term trade receivables	401	0	0	0	401
Other long-term assets	173	0	0	0	173
Trade receivables	12,470	400	1	2	12,873
Fixed deposits - within 1 year over 3 months	3,733	0	0	0	3,733
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity within 1 year	15,057	0	0	0	15,057
Other current assets excluding taxes, prepayments and accrued income, receivables from employees	401	0	0	0	401
Cash and cash equivalents	5,084	0	0	0	5,084
Total December 31, 2025	43,360	400	1	2	43,763
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity over 1 year	4,190	0	0	0	4,190
Long-term trade receivables	383	0	0	0	383
Other long-term assets	109	0	0	0	109
Trade receivables	8,718	335	2	2	9,057
Fixed deposits - within 1 year over 3 months	17	0	0	0	17
Based on business model, Financial assets held to collect contractual cash flows (government securities) with maturity within 1 year	15,047	0	0	0	15,047
Other current assets excluding taxes, prepayments and accrued income, receivables from employees	107	0	0	0	107
Cash and cash equivalents	10,135	0	0	0	10,135
Total December 31, 2024	38,706	335	2	2	39,045

HUNGAROCNTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Maturity profile of financial liabilities according to Statement of Financial Position lines

As part of the liquidity risk analysis, the table below illustrates the maturity profile of non-derivative financial liabilities based on contractual undiscounted payments as of December 31, 2025 and 2024. The table has been drawn up based on the earliest date on which the Company can be required to repay.

amounts in million HUF

Ageing of financial liabilities	Overdue	Due within one year	Due between 1-5 years	Due over 5 years	Total
Other long-term liabilities excluding liability of government grants	0	0	81	5	86
Long-term trade liabilities	0	0	55	0	55
Loans	0	0	0	0	0
Lease liabilities	11	1,996	7,456	14,381	23,844
Trade payables	94	4,641	0	0	4,735
Other short-term liabilities excluding taxes, payables to employees, accruals and deferred income	0	74	0	0	74
Total December 31, 2025	105	6,711	7,592	14,386	28,794
Other long-term liabilities excluding liability of government grants	0	0	8	5	13
Long-term trade liabilities	0	0	34	0	34
Loans	0	10,500	0	0	10,500
Lease liabilities	2	1,637	6,417	10,865	18,921
Trade payables	37	2,795	0	0	2,832
Other short-term liabilities excluding taxes, payables to employees, accruals and deferred income	0	35	0	0	35
Total December 31, 2024	39	14,967	6,459	10,870	32,335

The Company is in a net inflow position for both years presented. Cash flows from receivables cover cash outflows due on payables.

Risks in providing air navigation services

According to the first section of paragraph No.69 of Act XCVII of 1995 (regarding services provided in Hungary) and according to the Act CCXLVIII of 2013, furthermore according to the paragraph No. 3 of the Government Decree No. 510/2013 (regarding services provided in Kosovo) HungaroControl is required to establish a liability insurance in order to be entitled to provide air traffic control services. The Company met these criteria in each year presented.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

15. Provisions

Accounting policies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will occur in order to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured and recorded as the best estimate of the expenditure required to settle the present obligation at the date of Statement of Financial Position.

Critical accounting estimates and judgements

Provisions in general are highly judgmental, especially in case of legal disputes. The Company assesses the probability of an adverse event as a result of a past event and if the probability of an outflow of economic benefits is evaluated to be more probable than not, i.e. its probability is greater than 50%, the Company provides for the amount of the estimated liability. The Company has not made any provision for legal matters.

Total balances at year-end are as follows:

amounts in million HUF	
Provisions	Other provision
Short-term provisions	219
Total as per December 31, 2024	219
Short-term provisions	129
Total as per December 31, 2025	129

Movements in short-term provisions are shown in the following table:

amounts in million HUF	
Short-term	Other provision
Balance as of January 1, 2024	81
Additional provisions created	212
Reclassification between long-term and short-term categories	7
Utilized during the year	(81)
Balance as of December 31, 2024	219
Additional provisions created	122
Utilized during the year	(212)
Balance as of December 31, 2025	129

The other provisions include liabilities where present obligations have arisen as a result of past events, the payments are probable and the amounts can be estimated reliably. The ‘Other provisions’ recognised in 2025 are short-term, that is why discounting is not applied. They are settled in cash within one year, at the same time the provision is released.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The other short-term provisions include the following items.

amounts in million HUF

Short-term other provision	Closing balance	Amounts utilized during the year	Reclassification	Additional amount generated	Opening balance
2025					
Management costs incurred by the owner in support of air navigation services	22	(123)	0	22	123
Public administration fees and supervisory license fees	100	(89)	0	100	89
Items for previous years (TNC)	7	0	0	0	7
Total 2025	129	(212)	0	122	219
2024					
Management costs incurred by the owner in support of air navigation services	123	0	0	123	0
Public administration fees and supervisory license fees	89	(54)	0	89	54
Items for previous years (TNC)	7	0	7	0	0
FAB CE subsidy reimbursement	0	(27)	0	0	27
Total 2024	219	(81)	7	212	81

- Provision for management costs incurred by N7 Holding Plc to support air navigation services.
- Provision for public administration fees and supervisory license fees, for which the amount of 2024 provision is released and new provision is created in 2025.
- There was no change in the provision related to TNC settlement items.

16. Employee benefits

Accounting policies

Career plans

As long-term employee benefits the Company operated a ‘Defined Benefit Plan’ by the end of 2013. From December 31, 2013, the Company decided to replace it by a ‘Career plan’.

The Company operates a Career plan as a long-term pension scheme regulated by the agreements ‘HungaroControl Career Plan’ and the ‘Air Traffic Controller Career Agreement’. A defined part of the Career plan is invested in retirement related financial instruments. Amounts regulated by the Air Traffic Controller Career Agreement are invested in a separate financial instrument, that will only be available for the air-navigation personnel after concluding the end of their air traffic controller position. The contributions regarding the air traffic controllers are invested into a separate fund in 2020 according to the agreement which defines the instrument, and the closing balance was paid into that. The conversion between the schemes has been closed regarding the non-air navigation personnel as well, the payments from the closing balance of the previous scheme are fulfilled as planned. Actuarial gains and losses in other comprehensive income at transition was transferred to profit reserves.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

In the Career plans within the framework of ‘HungaroControl Career Plan’ laid down by the Collective Agreement signed on 31 December 2013 and the ‘Air Traffic Controller Career Agreement’ signed on the same date, liabilities and expenses are recognised in the period in which the employee completed the services that give entitlement to the benefits from private and voluntary pension plans. With respect to these plans, the employer has assumed an obligation to make systematic contributions towards the employee’s future retirement benefit but is not responsible for the future yields on the contributions made. The liabilities from Career plans are presented among other long-term employee benefit plans.

Other long-term employee benefit plans

Except for the recognition of actuarial gains and losses, the initial and subsequent measurement of other long-term employee benefit plans is the same as the initial and subsequent measurement of post-employment benefit plans. Actuarial gains and losses are recognised in the statement of comprehensive income when they occur.

No specific contributions are made by the Company into a separate fund. The related future obligations should be determined in line with assumptions for inflation and wage increases, in addition to other demographical effects (such as mortality). The cash flows estimated on the basis of the previous assumptions are then discounted to the present value of the benefits and are presented in the Company’s annual financial statements as a liability. Employees accumulate their entitlement from the beginning of the entitlement period until the date of payment. As a result, the liabilities need to be assessed only with respect to the period already served.

As provided in the 2013 amendment of paragraph No. 132 of the Act CCV of 2012 on the legal status of defence forces, the jubilee benefits of military service personnel commanded to do service at the Company, are to be borne by the Company, therefore a long-term liability has been established and classified as past service cost.

The employee benefits according to IAS 19 Employee benefits presented under this note has been accounted for by using the evaluation of an independent, qualified actuary.

amounts in million HUF

Employee benefits	December 31, 2025	December 31, 2024
Long-term employee benefits	8,303	6,982
Short-term employee benefits	7,878	6,676
Total employee benefits	16,181	13,658

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Short-term employee benefits

Short-term employee benefits include wages, salaries, social security contributions, and non-monetary benefits, that are expected to be settled wholly before 12 months after the end of the annual reporting period. The following table include in addition the short-term part of termination benefits and other long-term employee benefits.

amounts in million HUF

Short-term employee benefits	December 31, 2025	December 31, 2024
Benefits payable for commitment and effectiveness	1,749	1,549
Payables regarding performance and financial target achievements	1,313	1,445
Short-term part of other long-term employee benefits	1,308	804
Salaries payable for December	1,303	1,134
Payables regarding security and traffic related targets	971	927
Short-term part of termination benefits	580	513
Payables regarding inflation adjustments	440	0
Short-term compensated absences	188	304
Other	26	0
Total	7,878	6,676

Termination benefits and Other long-term employee benefits

The Company provides, in addition to termination benefits, those benefit items that are described in accounting policy section. The short-term part of these benefits is presented among ‘Short-term employee benefits’.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The amounts of the employee benefits are the following:

amounts in million HUF

Employee benefits	Other employee benefits	Termination benefits	Other short-term employee benefits	Total
Present value at January 1, 2025	7,104	1,195	5,359	13,658
Current service cost	2,697	557	5,990	9,244
Change in discount rates	5	11	0	16
Interest costs	47	24	0	71
Net actuarial (gains)/losses	(254)	(4)	0	(258)
Used during the year	(819)	(372)	(5,359)	(6,550)
Present value at December 31, 2025	8,780	1,411	5,990	16,181
Short-term part	1,308	580	5,990	7,878
Long-term part	7,472	831	0	8,303

amounts in million HUF

Employee benefits	Other employee benefits	Termination benefits	Other short-term employee benefits	Total
Present value at January 1, 2024	6,280	857	3,026	10,163
Current service cost	2,326	648	5,359	8,333
Change in discount rates	(36)	(15)	0	(51)
Interest costs	61	14	0	75
Net actuarial (gains)/losses	(314)	(253)	0	(567)
Used during the year	(1,213)	(56)	(3,026)	(4,295)
Present value at December 31, 2024	7,104	1,195	5,359	13,658
Short-term part	804	513	5,359	6,676
Long-term part	6,300	682	0	6,982

The following table summarizes the main financial and actuarial variables and assumptions based on which the amount of the above liability balances was determined:

amounts in million HUF

Financial and actuarial variables and assumptions	December 31, 2025	December 31, 2024
Effect of changes in assumed exits	(295)	(400)
Effect of changes in exit probability	(4)	(133)
Other	0	(3)
Effect of changes in discount rate	16	(51)
Effect of changes in expected salary increase	41	(31)
Total	(242)	(618)
Included in other comprehensive income	0	0
Included in comprehensive income statement	(242)	(618)

The actuarial gain included in the balance arose on those parts of the obligation, however to a lesser extent only, where the period of service is not yet fulfilled by the employees. According to the Collective Agreement signed, new non-air navigation employees in the scheme have to work 5 years till they are fully

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

authorized members. In their case the actuarial gain/loss includes impacts like increase of salaries expected differently or the difference between the estimated and actual impact of exit and death. In 2024 the amount of Actuarial gains/losses line shows a gain result.

Actuarial gains and losses are charged to comprehensive income, since the Company takes the obligation to pay defined contribution to employees' future pension, but does not take any commitment to ensure future benefits.

Actuarial gains and losses arising from changes in financial assumptions

Discount rates: The Company used the zero-coupon discount rates published by Government Debt Management Agency as per 31 December 2025. Longer term discount rates have only been used in relation to the occupational accidents balance and the jubilee benefits for the military service personnel commanded to the Company (Other long-term employee benefits).

Short-term discount rate used for scheme liabilities in 2025 was 6% regarding balances due within 1 year, in 2024 balances within 1 year the discount rate was near 5.6%.

Among all the actuarial assumptions the change in discount rates has significant impact on the net present value of the liability balance. From 2023 to 2024 the year-end value of the obligations decreased by HUF 51 million, since between 2024 and 2025 the year-end balance increased by HUF 16 million.

Actuarial gains and losses arising from changes in demographic assumptions

Actual versus estimated exit probability: exit assumptions for 2025 have been determined based on historical data for the last 10 years, taking into account the fact that there is a detectable relationship between the length of time worked at the Company and the probability of leaving. These are presented below broken down by categories of personnel (averages):

- 2025: Non-air navigational employees: 5.4%, air navigational employees: 1.5%.
- 2024: Non-air navigational employees: 5.7%, air navigational employees: 1.5%.

Mortality index: mortality indices used are derived from the statistics published by the Central Statistical Office assuming the mortality rate equal to 50% of the population mortality rate, with one in ten deaths being considered as workplace accidents taking into account actual historical data of the Company from the last years.

Increase in salaries: wage increase assumption was used in one hand for occupational accidents, the amount of expected payments of this benefit element is affected only to a small extent by the assumptions. In addition, we used wage increase assumptions for the anniversary bonuses of military personnel based on data available until 2030. After 2030 we assumed a wage increase of 5% in line with the long-term growth prospects of the Hungarian economy.

Sensitivity analysis of actuarial assumptions is based on a change in one significant assumption, with all other assumptions held constant. Sensitivity analyses do not necessarily represent the actual change in the benefit obligation because it is unlikely that changes in assumptions will occur separately.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The sensitivity analysis carried out on the main actuarial assumptions used in the valuation shows the following results:

amounts in million HUF

Assumptions	Impact on Employee Benefit Obligation December 31, 2025	Impact on Employee Benefit Obligation December 31, 2024
Effect of changes in assumed exits		
+10 %	(30)	(20)
-10 %	30	20
Effect of changes in discount rate		
+0.25 %	(18)	(18)
-0.25 %	18	18
Effect of changes in expected salary increase		
+1 %	62	64
-1 %	(59)	(61)

17. Related party disclosure

Transactions with related parties

Transactions with the Hungarian State and with other state-controlled entities

As the Company applies the exemption provided in IAS 24.25, balances with the Hungarian State and with other state-controlled entities do not have to be disclosed fully.

However, owing to the exemption, the Company is required to make the following disclosures regarding partners which can be considered to be influential from the Company's perspective.

Governmental bodies appointed by law to settle the costs of flights exempted from air navigation charges are the Ministry of Construction and Transport, Ministry of Defence and Ministry of Foreign Affairs. Cost of flights exempted from charges and settled with the Hungarian State are recognised as short-term and long-term assets and are credited into revenues from air navigation services – refer to Notes 5., 14.1 and 14.2.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The total amount of reimbursement claims for flights exempted from charges were as follows:

amounts in million HUF

Flights exempted	Balance as per, December 31, 2025	Balance paid off	Impairment	Credited to Financial income	Credited to Revenue	Balance as per, January 1, 2025
Ministry of Defence	681	333	(1)	29	340	644
Ministry of Construction and Transport	63	40	0	3	34	66
Ministry of Foreign Affairs	28	36	0	3	28	33
Total	772	409	(1)	35	402	743
Exempted flights	Balance as per, December 31, 2024	Balance paid off	Impairment	Credited to Financial income	Credited to Revenue	Balance as per, January 1, 2024
Ministry of Defence	644	381	(1)	42	323	659
Ministry of Construction and Transport	66	37	0	4	28	71
Ministry of Foreign Affairs	33	36	0	3	33	33
Total	743	454	(1)	49	384	763

Governmental organizations from whom the Company purchases services, leases assets from, has other obligations to pay to, or sale products and provide services are presented below.

The following government bodies have no direct control over the Company or reversed; however, the management of the Company considers these transactions to be **significant** in terms of size and are disclosed to regulatory authorities and also reported to senior management hence are disclosed hereinafter.

In September 2007, the Company signed an asset management agreement with the authority responsible for national property (Treasury Property Directorate legal predecessor of **Hungarian National Asset Management Inc.**). According to the agreement, the Company acquired asset management rights over state owned land, buildings, structures and related property rights. The Company classifies the contract as leases under IFRS 16 ‘Leases’ Standard. Right-of-use assets and lease liabilities in the Financial Statements are presented according to the requirements. According to the agreement the Company is obliged to keep the assets at their original nominal value by restoring, replacing and improving them counterbalancing the loss in usage values. The liability to keep the state-owned assets at their original nominal value (‘replacement obligation’) was disclosed at the beginning among long-term liabilities. The related regulation was amended with an effective date of 28 June 2013 resulting that the repayment obligation incurred from 29 June 2013 has been waived. The accumulated replacement obligation was settled by agreements signed, thus the value of current year construction and renovation on state owned assets is accounted for among receivables.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Significant related party transactions:

amounts in million HUF

Related parties	Services used	2025	2024
Hungarian National Asset Management Inc.	Asset management fee payable according to an asset management agreement over state owned land and buildings	1,685	960
	- Of which Lease fee	1,670	960
Ministry of Construction and Transport	Supervisory fee payable of air navigation services over Hungary	1,086	1,052
	Air navigation service related administration costs payable	255	227
	Supervisory fee payable of air navigation services over Kosovo	131	105
	Other payable license fees	(17)	101

Further related party transactions:

amounts in million HUF

Related parties	Services used	2025	2024
MVM Next Energiakereskedő Plc.*	Electricity expenses	377	0
	Gas expenses	66	72
HungaroMet Nonprofit Plc.**	Purchase of meteorological data	37	29
Digital Government Agency	Public procurement procedure fee	39	45
Budapest Airport Plc.***	Electricity expenses	228	294
	Lease of properties	157	137
	Repair, maintenance, other services	62	61
	Utility services	12	15
Directorate General of Public Procurement	Lease of properties	8	8
Ministry of Defence	Lease of properties	2	2
VIBIF Defense Industry Supply and Industrial Development Ltd.	Sale of IT and mobile services	(7)	(4)
VIEK Defense Industry Asset Management Ltd.	Sale of IT services	(4)	(2)

* The part of electricity service corresponding to this presentation was provided by a non-affiliated company in 2024.

**HungaroMet Nonprofit Plc. was established by the transformation of the former Hungarian Meteorological Service (OMSZ).

***Budapest Airport Plc. became a related party in 2024 due to a change in ownership structure.

The items presented in the table are indicated with the Revenue (-)/Expenses (+) sign.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been received. The balance of impairment loss recognised for receivables from flights exempted in 2025 is HUF 1 million (HUF 3 million in 2024).

There were not any events or transactions occurred in the years presented which ones the management considers to be outside the normal day-to-day business operation, or which were carried out on non-market terms.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Transactions with the partner having direct control over the Company

amounts in million HUF

Transactions with N7 Holding Plc.	December 31, 2025	December 31, 2024
Amounts presented in Statement of Comprehensive Income*		
Sales of IT services	(57)	(46)
Sales of intermediated services	(79)	(47)
Reimbursement of management costs	22	124
Amounts presented in Statement of Financial Position**		
Amounts owed by parent company	49	18

* Revenues (-)/Expenses (+)

** Receivables (+)/Liabilities (-)

Transactions with associates and joint ventures

EPC Ltd. provides the training of air navigation personnel for the Company and provides language courses. Sales revenues from EPC Ltd. include office rentals, training room rentals and revenues for management services. Short-term liabilities are fully settled at the year-end.

The transactions with EPC Ltd. are disclosed fully:

amounts in million HUF

Transactions with EPC	December 31, 2025	December 31, 2024
Amounts presented in Statement of Comprehensive Income*		
Sales of management services	(15)	(14)
Purchases of training services	1,132	1,082
Rental income	(28)	(28)
Amounts presented in Statement of Financial Position**		
Amounts owed to related parties – long-term	(5)	(5)

* Revenues (-)/Expenses (+)

** Receivables (+)/Liabilities (-)

Transactions with FABCE Aviation Services, Ltd. include purchase of professional support and management services (2025: HUF 76 million, 2024: HUF 66 million).

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been received. In 2025 and in 2024 no provisions have been made for doubtful debts in respect of amounts owed by associates and joint ventures.

No events or transactions occurred in the years presented which the management considers to be outside the normal course of the business operation, or which were carried out on non-market terms.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Remuneration of the Supervisory Board, compensation of key management personnel

The remuneration of key management personnel of the Company is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

Financial year 2025

amounts in million HUF

Remuneration of executives	Short-term employee benefits**	Other long-term benefits***
Remuneration of Board of Directors	57	0
Remuneration of the Supervisory Board	37	0
Remuneration of key management personnel*	608	26
Total	702	26

* The amount includes in total HUF 34 million bonus accrual.

**Short-term employee benefits include among others: Salary, Benefits based on performance evaluation, Premium, Cafeteria, etc.

***Other long-term benefits include the amounts granted under Air Traffic Controller Career Agreement and Collective Agreement.

Financial year 2024

amounts in million HUF

Remuneration of executives	Short-term employee benefits**	Other long-term benefits***
Remuneration of Board of Directors	38	0
Remuneration of the Supervisory Board****	35	0
Remuneration of key management personnel*	646	57
Total	719	57

* The amount includes in total HUF 126 million bonus accrual.

**Short-term employee benefits include among others: Salary, Benefits based on performance evaluation, Premium, Cafeteria, etc.

***Other long-term benefits include the amounts granted under Air Traffic Controller Career Agreement and Collective Agreement.

Key management personnel include the Chief Executive Officer, Deputy Chief Executive Officers, three employees with Director status, the Aviation Security Officer and the Data Protection Officer.

No loans or advance payments were granted to the key management personnel the members of the Supervisory Board or Board of Directors, and the Company did not undertake guarantees in their names.

HUNGAROCENTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

18. Commitments, contingencies

Under- and overrecovery balances from air navigation services

Under- and overrecovery balances in Kosovo segment

According to the special mechanism of the system, for charging zones applying full cost recovery method, like the Serbia-Montenegro-KFOR charging zone, the difference between income and chargeable costs for year 'n' resulted in underrecovery or over-recovery balances. Over- and underrecoveries arises as a difference between charges billed to users, other income and actual chargeable costs. Underrecovery or overrecovery balances are settled through the 'adjustment mechanism', when balances of year 'n' are carried over to year 'n+2' (earliest) and taken into account in the calculation of the chargeable unit rates.

Under- and overrecovery balances in en route and terminal segments of the Hungarian charging zone

In the performance scheme under- and overrecoveries arise due to various occurrences: the risk of deviation from the traffic and inflation forecasted is shared with the airspace users. The Company does not bear the risk of the so called 'uncontrollable costs', thus, the Company has to settle under- and overrecovery balances from these facts in the future. Under-and overrecovery balances may arise simultaneously in the same period and for the same segment due to different risk sharing rules.

The Company does not recognise these revenue settlement balances in the Statement of Financial Position, as these balances fulfil the criteria of contingent assets and liabilities and have a significant impact on future cash flows and operations, therefore are disclosed hereinafter with amounts measured in accordance with the requirements for measuring provisions.

Estimates of financial effects - Contingent assets arising from underrecovery balances due to EUROCONTROL's adjustment mechanism:

amounts in million HUF

Underfunding from cost base mechanism*	Closing balance, December 31, 2025	Amounts reimbursed (reversals)	Amounts generated during the financial year	Opening balance, January 1, 2025
underrecoveries, En route segment	19,081	(12,350)	561	30,870
underrecoveries, TNC segment	4,076	(2,582)	106	6,552
underrecoveries, Kosovo segment	91	(45)	0	136
Total underrecovery carried over	23,248	(14,977)	667	37,558

*For the interests of transparency, balances are presented by business segments.

HUNGAROCNTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Estimates of financial effects - Contingent liabilities arising from overrecovery balances due to EUROCONTROL's adjustment mechanism:

amounts in million HUF

Overfunding from cost base mechanism*	Closing balance, December 31, 2025	Amounts reimbursed (reversals)	Amounts generated during the financial year	Opening balance, January 1, 2025
overrecoveries, En route segment	18,860	(12,877)	6,315	25,422
overrecoveries, TNC segment	6,963	(675)	5,237	2,401
overrecoveries, Kosovo segment	166	0	166	0
Total overrecovery carried over	25,989	(13,552)	11,718	27,823
Contingent liability from non-controllable costs	0	(4,794)	0	4,794
Contingent liability from other unit rate related differences	87	(44)	0	131
Contingent liability from differences of Actual vs. Planned	3,542	(143)	3,541	144
Other contingent liabilities	3,629	(4,981)	3,541	5,069
Total contingent liability from cost base mechanism	29,618	(18,533)	15,259	32,892

* For the interests of transparency, balances are presented by business segments.

The possible assets and obligations are expected to be realized, however the exact amounts of these depend on uncertain future events not wholly within the control of the entity (future traffic, approval of stakeholders).

Other commitments, contingencies

Among Other commitments and contingencies, the Company had the following bank guarantees given or received at the year-ends presented:

amounts in million HUF

Maturity date	Amount	
Guarantees given	0	
04.07.2025-28.02.2026	5	guarantee received in relation to ATN Router upgrade investment
31.03.2022-08.04.2026	1	guarantee received in relation to TWR Cabin shading change investment
27.03.2025-27.04.2026	338	guarantee received in relation to Modular Integrated Remote Tower (MIR TWR) system investment
17.11.2025-30.06.2026	47	guarantee received in relation to Püspökladány En route radar replacement investment
18.01.2022-30.01.2027	2	guarantee received in relation to ANS II building liquid cooling equipment investment
28.05.2025-31.01.2027	52	guarantee received in relation to WAM Budapest TMA investment
13.12.2022-30.11.2027	12	guarantee received in relation to ANS I building Control room constructions investment
10.06.2025-30.06.2028	47	guarantee received in relation to Kőrishegy En route radar replacement investment
08.01.2025-08.02.2029	1	guarantee received in relation to UPS module renewal investment
03.10.2025-30.08.2030	2	guarantee received in relation to Electrical technical equipment investment
Guarantees received	507	

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

As part of the tendering process regarding new projects and contracts, the Company may require performance or advance payment guarantees. These guarantees are mostly connected to building reconstruction projects, construction or restructuring projects of the safety and communication infrastructures and systems.

These guarantees vary in length depending on the life of the contract and may run until the expiry of the contract. The total guarantees received in these respects at 31 December 2025 were HUF 507 million of which HUF 338 million guarantee belongs to the purchase of the Modular Integrated Remote Tower (mirTWR) system.

19. Capital risk management

HungaroControl manages its capital to be able to continue as a going concern, to ensure that it meets its obligations towards its partners and to fund business development. The Company's capital is in majority represented in tangible assets and intangible assets, that largely serve the core business. Liabilities financed by foreign funds contain loans and lease liabilities to be presented in accordance with IFRS 16.

The Company monitors its equity structure continually to be able to comply with the Hungarian legislation which prescribes a certain level of issued capital/equity attributable to the owners' ratio. The Company fulfilled the defined requirements as enacted by the regulation.

The equity is presented in the following table:

amounts in million HUF

Equity items	December 31, 2025	December 31, 2024
Non-current assets	58,187	55,695
Current assets without cash	37,372	28,873
Cash and cash equivalents	5,084	10,135
Total assets	100,643	94,703
Liabilities financed by own funds	29,585	23,701
Liabilities financed by foreign funds	13,899	21,850
Total liabilities	43,484	45,551
Shareholder's equity *	57,159	49,152

** HungaroControl considers as equity the assets which were made available by the owner and which were left with the Company from the profit after tax. Equity includes the part of the reserves which were realised through the results of cash flow hedges as well.*

20. Events after the reporting period

The Company has assessed the impact on the financial statements of the information that becomes available after the date of Statement of Financial Position but before the financial statements are authorised for issue in accordance with IFRS Accounting Policies. On this basis, the following significant events may have an impact on the financial statements.

The ownership structure of the Company is changed after the reporting date. As a result, the Hungarian State became the direct owner of the Company.

HUNGAROCONTROL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

We provide the following information about the effects of the war in the Middle East, that was broken out after the reporting date and has been ongoing since then, which affect traffic both in Hungarian and in Kosovo airspace:

Due to the escalation of the Iranian-Israeli-American military conflict, that broke out on February 28, 2026, several states in the Middle East have closed or restricted their airspace, including Iran, Israel, Iraq, Jordan, Qatar, Bahrain, Kuwait and the United Arab Emirates. Airports in Dubai, Doha and Abu Dhabi, which are key hubs between Europe and Asia, are temporarily closed or are operating with limited capacity due to the closure of the airspace. The traffic of this region represents about 25% of the total en route traffic in Hungarian airspace (in service units). A slow restart of the air traffic began after a few days following the outbreak of the war, but European airlines have cancelled their flights, however Gulf airlines are only flying again with a limited network; operations depend on the safety. In addition, since Europe can currently only be reached over the southern part of Saudi Arabia from Dubai, Abu Dhabi and Doha, some of the restarted flights are directed in a southwest way from the Hungarian airspace, so Hungarian en route traffic is currently recovering at a slower rate than the full reopening.

The conflict is also having a major impact on the infrastructure and energy markets of the region. The blockade in the Strait of Hormuz has disrupted oil and gas shipments causing rise in fuel prices. This has further increased costs of the airlines, raised the ticket prices, and created uncertainty on the demand side.

Due to the performance scheme regulation, especially the traffic risk sharing provisions, and the adopted RP4 plan of Hungary, events after the reporting date do not threaten the operation of the Company, its financial position is stable providing adequate operational flexibility.

The financial statements of the Company for the year ended at December 31, 2025 prepared in conformity with International Financial Reporting Standards (IFRS) are approved in accordance with the resolution of the CEO on 3 June 2026.

Budapest, 3 June 2026

Chief Executive Officer