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FOREWORD BY THE CHIEF EXECUTIVE OFFICER



DEAR READER,

It is a cliché to say that the world around us is changing rapidly, just as we have heard countless times that companies face major challenges in meeting customer expectations. Magyar Posta set about the modernisation of its services and organisation with renewed vigour and specific ideas in 2018, and carried on with this in 2019.

2019 was a milestone in the field of letter services. Magyar Posta established the Electronic Delivery System and extended it to the whole country. The greenfield development placed the procedures of the postal processing and delivery of letter-mail, which have been functioning for decades, indeed centuries, on entirely new digital foundations. As a result of the development, postmen now record the acceptance of registered mail on electronic devices and the progress of such items can be tracked online in the same way as parcels.

2019 was an important date for employees in parcel logistics as well because this was when the MPL+ project was launched. The development targets the total renewal of the logistics infrastructure. The project restructures the network of processing centres and the operation of postal routes, and automates and incorporates information technology solutions. Through this development, Magyar Posta future-proofs the parcel logistics business so we can boldly tackle the dynamic increase in the number of parcels.

2019 was also a year of solutions. Concurrently with the major projects, we simplified many areas, making rational changes that were indispensable for efficient and profitable operation, be they product structure, pricing or organisational solutions.

Meanwhile, Magyar Posta, as before, held up well in every respect, doing its job, no matter how demanding the period was. 2019 was also accompanied by new tasks which placed extra burdens on the Company, suffice to say, the delivery of overheads vouchers or the successful sale of the Hungarian Government Security Plus.

It can be said that in 2019, as planned, we managed to lay the foundations for the changes that will make profitable corporate operations accessible and sustainable. Magyar Posta, as a public service provider, will be able to become a modern company with a strong identity again.

Thanks are due to our customers, who have trusted Magyar Posta, and I am grateful to my colleagues whose activities have contributed to the success we have achieved and who have supported our commonly conceived objectives.

GYÖRGY SCHAMSCHULA
Chief Executive Officer

MAGYAR POSTA ZRT.'S MOST IMPORTANT INDICATORS (2019)

Sales revenue	HUF 204 billion
Number of fixed postal outlets	2,646
Number of parcel pick-up points	3,054
Domestic parcel traffic	~ 22.5 million items
Number of addressed letter-mail items accepted in Hungary	~ 564 million items
Bill payment turnover	~ HUF 2,235 billion
Amount paid at bill payment terminals (including retail)	~ HUF 7,079 million
Delivered advertising mail	~ 619.3 million items
Loyalty points collected by customers in 2019	~ 440 million points
Improvement in average age of vehicles	0.5 years
Size of vehicle fleet	4,459 vehicles
Annual mileage of vehicles	~ 84.5 million km
Annual mileage of vehicles involved in parcel delivery	~ 15.2 million km
Number of employees at the Company (annual average number of persons reduced by converting to full-time employees)	27 602 persons

INTERNATIONAL TRENDS AND DOMESTIC MARKET CHANGES IN THE POSTAL SECTOR



Magyar Posta's operating environment has altered significantly over recent years due to **the dynamic changes in consumption patterns**, and the paradigm is still shifting. The Company – not for the first time in its 150-year history – faced **major market challenges** in 2019, and this is likely to characterise the coming years as well. Magyar Posta's situation is far from unique as the European postal administrations are confronting similar challenges. **Postal operators can only counterbalance lower demand** for traditional services by **improving their operational efficiency** and exploiting new openings that appear in the market.

The postal industry is highly influenced by international global trends, such as an ageing and urbanising society, the development of Internet

technologies, dwindling resources, climate change and the economic rise of Asia. At a sectoral level, changing global power relations, the economic strength of emerging markets and developing countries coming to the forefront are clearly visible trends. Furthermore, challenges in the domestic sectoral and economic environment, such as rapidly rising labour costs and labour shortages, must also be met.

Magyar Posta's main business lines (letters, payment services, parcels) are also significantly affected by the drastic change in consumer needs and habits. **Of the traditional postal products, letters, payment services and newspapers are typically on a declining path and only parcel delivery is moving in the opposite direction.**



DIGITAL SOLUTIONS
ENABLE US TO OFFER
AN EVER BROADER
RANGE OF SERVICES



Four major trends continue to typify the changes:

1. With the spread of digitalisation, the gradual shrinkage of the turnover of traditional, purely paper-based services in both the field of letter mail and payment services.
2. Diversification, i.e. the entry of postal operators into new, related areas or the expansion of their existing markets through acquisitions, some even abroad.
3. The dynamic growth of online commerce, the main driving force of expansion in the parcel logistics market.
4. Increasing competition, particularly in the field of parcel service solutions.

1. Spread of digitalisation

Demand for digital services has grown continuously in recent years and is likely to grow further in the future. The accelerated transformation represents

both an opportunity and a threat for Magyar Posta. The technological explosion is significant both in general terms and for the logistics sector. **The miniaturisation, advancement and diminishing purchase costs of technology affect the logistics sector as regards both capabilities and opportunities.** At the same time, e-commerce generated by technology poses a challenge for logistics in terms of operation and response, requiring greater efforts from postal operators in order to meet expectations. **As a result of digitalisation, personal and corporate communications are constantly being redirected towards electronic communication channels, leading to a modest but steady drop in the volume of letters.**

2. Diversified postal operation

The experience of recent years shows that postal operators which opted for a strategy of diversification to serve growing markets have been **more successful and achieved better financial results** than those which still primarily focus on letter-mail operation.

3. Increase of e-commerce

The upturn in global e-commerce provides the power for the growth in parcel volumes. The rate of development of online commerce varies between countries and regions, but it is clear that growth in the segment will be strong and lasting in nature due to further unexploited potential. **In Hungary** the annual expansion in this market has for many years been in double digits, which the **increase in domestic e-commerce sales by an average of 27% over the last 3 years alone** clearly illustrates.

4. Increasing competition in parcel logistics

Magyar Posta's market share of parcel logistics has been stable at around 30 to 35% for years, and its transported volume has grown continuously together with the market. The volume of the currently most widely used domestic parcel (standard domestic parcel under 40 kg) is

expected to more than double over the next few years. The number of amorphous items (letters containing goods) resulting from an increase in e-commerce may likewise rise at least twofold in the next 10 years. This dynamic development is a huge opportunity for the active service providers present in the domestic CEP (Courier, Express, Parcel) market, including Magyar Posta.

Additionally, a trend **striving for economy of scale** and to exploit related **automation options** can be perceived. In the logistics sector, speed, accuracy and quality of service are basic requirements and the building blocks of competitiveness. As a result of this pressure, there is also a trend in the sector of very serious consolidation in order to achieve the right efficiency of scale. Reaching the right volume per se is not a sufficient target; the related **technology** and **cost optimisation** are equally important.

The simplest and most effective method of cost optimisation lies in technology. As labour shortages and wage inflation pose an ever greater challenge in the developed world, more and more **logistics jobs** are being **automated**, and **parcels and letters are processed automatically.** ■



DOMESTIC E-COMMERCE SALES
INCREASED BY
27%
ON AVERAGE OVER THE LAST 3 YEARS

POSTAL PRESENCE

IN THE DIGITAL WORLD



POSTAL AGORA SERVICE

In villages located in small regions where infrastructure is less developed, **40 Postal Agora Administrative Points operate** to make arranging administrative affairs easier for both residents and businesses. The number of official cases started in person together with the uses of the online e-administration service provided under the public service contract **approached 50,000 in 2019**.

HYBRID SERVICES

Digitalisation

In 2019 revenue from hybrid services continued to grow as a result of deepening cooperation with existing customers and price changes.

Based on needs expressed by customers, **the implementation of electronic document processing began**. This is expected to improve the competitiveness of the digitisation service offered by Magyar Posta in the long term through the introduction of services that create greater value for customers.

Services of the Postal Public Authorities Correspondence Centre (PPACC)

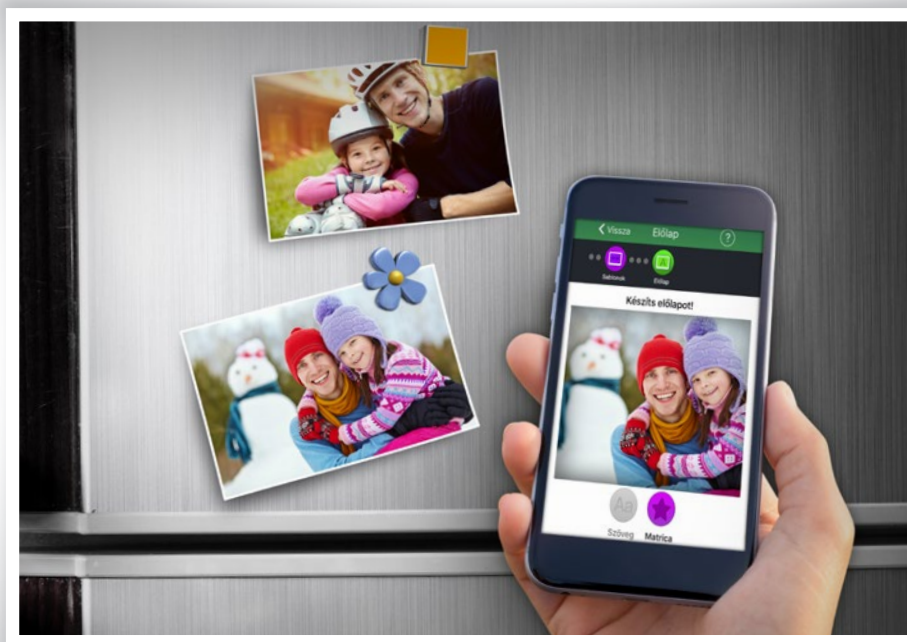
Since 1 January 2018, following legislative changes, Magyar Posta has provided its **hybrid delivery and conversion services as a public service free of charge to its customers**. The Company has contractual relations with a total of twenty-five organisations. In 2019, 5 authorities were included as the Government Offices also started to join. The complimentary nature of the service may bring further dynamic growth in its utilisation provided that organisations carry out the necessary developments to ensure that they are technically prepared to join.

Certified hybrid conversion means the production of **mail items consisting of certified paper-based copies made from electronic documents**. A bill payment form (cheque) may also be placed in the item. The secure delivery service provides a safe data transfer channel for the conversion service complying with legal regulations.

In the course of the year, the **PPACC completed preparations to carry out the tasks arising from the introduction of the Identified Postal Mail Item Tracking programme**, known as PAKK.

BASED ON NEEDS EXPRESSED BY CUSTOMERS, THE IMPLEMENTATION OF ELECTRONIC DOCUMENT PROCESSING BEGAN





THE SENDER! MOBILE APPLICATION ALLOWS OUR CUSTOMERS TO CREATE A PERSONAL POSTCARD FROM THEIR OWN PHOTOS

These included, as part of the discontinuation of the paper-based advice-of-delivery slip, ensuring an option to request electronic confirmation of delivery in the electronic posting list, the production of identified mail items in the PPACC and the preparation of a paper-based certified copy from the electronic confirmation of delivery. As a result of the developments, preparing the physical mail items produced in the PPACC for printing and the production of their acceptance and delivery confirmations are done by fully electronic means, which simplifies and accelerates letter-mail processing for users.

Sender mobile application

The **Sender! mobile application**, accessible on Android and iOS platforms, allows our customers to **create a personal postcard from their own photos** and send it to their friends by postal delivery. The app, which builds on both the Company's digital and physical channels, continues to be popular with users. Thanks to the easily **customisable** postcards, the **simple ordering process** and the transit time of just a few working days, the app received outstanding ratings in the mobile application stores.

VENDING MACHINE CONTROL SERVICE

With the aim of making economic activities more transparent, similarly to cash registers, a system affecting the operators of **unmanned food product vending machines** was set up in 2017, ensuring that the sales data of the products sold are sent to the National Tax and Customs Administration.

In 2019, Magyar Posta was contracted with about **950 operators** for roughly **26,000 vending machines**. Some vending machines were operated based on seasonal demand, thus the periodical, **annual inspection affected about 17,000 vending machines**.

In June 2019, **Magyar Posta's** previous status of **control service provider of last resort** was **changed to market service provider**, after which, in early 2020, the activity was successfully outsourced to a wholly owned subsidiary (MPF Felügyeleti Szolgáltató Kft.). ■

FOCUS ON PARCEL LOGISTICS



LOGISTICS SERVICES

The expansion of the online commerce sector driving the growth of parcel logistics in recent years continued in 2019. **The market leader in the domestic parcel, courier and express (CEP) market is Magyar Posta**, delivering 22.5 million domestic parcels in 2019. This was an increase of 4.7% in volume and 12.6% in sales revenue compared to 2018.

While **Magyar Posta's strategic goal continues to be maintaining its leading position** in the coming years as the **parcel logistics market strengthens, the Company is also striving to expand its market share**. To this end, it is in the process of introducing customer-friendly services and improving existing services. To support this, the business decisions made in 2019 sought to **establish a simpler and more transparent product and service portfolio**. Magyar Posta took a large step in this direction by changing

the product portfolio in July. **A time guarantee became available as an additional service for the Business Parcel service, and a discount system based on quantity was introduced for contracted customers for sending more than one mail item to the same address**. Under the service modernisation programme launched in the second half of the year, **time-slot delivery solutions were devised** in response to customer needs. These are becoming available to numerous customers in 2020 depending on their postcodes.

As a result of the expansion of the domestic clientele operating **web stores**, by the end of 2019, Magyar Posta had established business relationships with **3,651 partners**, serving as the **number one supplier for 79% of these web stores**. This is an unusually high rate in the multi-operator Hungarian market, and the Company aims to provide a broad range of digital solutions for such customers in 2020.

As regards the internal shares of domestic parcel products, the **Business Parcel** with a high service content is the most popular, **accounting for 90% of last year's revenue from domestic parcel products**, being the driving force of sectoral growth. Other products, such as services complementing the CEP market portfolio, grew less than the leading products.

BY THE END OF 2019, MAGYAR POSTA HAD ESTABLISHED BUSINESS RELATIONSHIPS WITH

3,651 PARTNERS

SERVING AS THE NUMBER ONE SUPPLIER FOR

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OF THESE WEB STORES



The **turnover of fixed collection points and awareness of them is steadily increasing**. More than 27% of collections no longer take place at a postal address, but occur at postal outlets, MOL, COOP, Media Markt and Trendmaker Postal Points or through Magyar Posta's Parcel Terminals. In 2019, Magyar Posta optimised its network of partner points performing parcel collection, taking account of customer needs and the trend in parcel volumes. As a result, at the end of 2019, the Company provided the option for parcel collection at a total of 200 MOL petrol stations and 195 COOP stores. Following successful negotiations

to expand the fixed collection point network, the number of collection points accessible in Media Markt stores grew to 13.

In order to cater for the end-of-year peak in demand (Black Friday, Christmas) and to relieve the deposit points and the delivery system, Magyar Posta expanded 31 existing postal outlets in the November-December period. The main aim of this was to provide convenient, queue-free service for customers and to facilitate the smooth delivery of parcels.

INTERNATIONAL ACTIVITIES

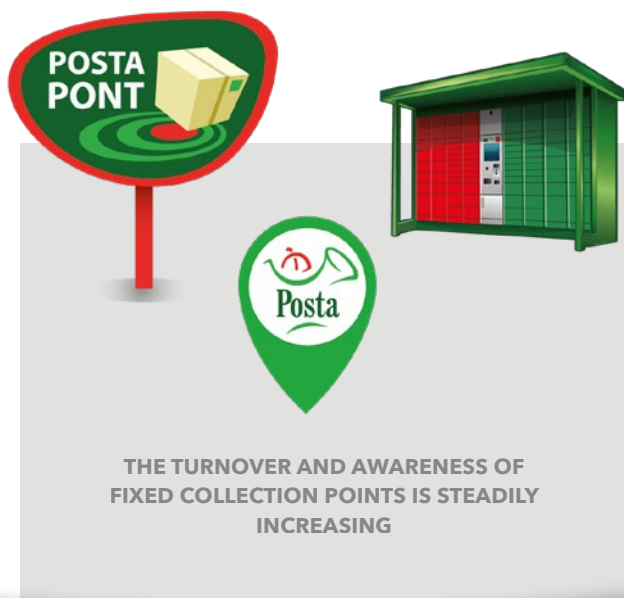
International export parcel services

In 2019, Magyar Posta's **revenue from export parcel services rose by 1.2%** in total compared to 2018. Germany, Russia and China remained the main destination countries.

In 2019, too, Magyar Posta actively participated in the development processes of international postal networks. In international parcel traffic, demand for **sending the data of mail electronically** to partners in the destination country **in advance** is increasing. In order to achieve this, the online completion of the address label was introduced for most export parcel products and thus the majority of mail items have electronic data.

Import international mail

Magyar Posta is entitled to remuneration for the delivery of import letters and parcels arriving in Hungary from foreign countries **under the international system of terminal dues**. Inbound letter and inbound parcel traffic have both been growing for years, and the latter expanded by 15% year on year thanks to the rise of e-commerce.



Based on the quality of delivery of import traffic in 2019, Magyar Posta won the DHL Silver Quality Award for the excellence of the delivery of import MPL Europe Standard parcels.

Within inbound letter mail, significant growth was perceived in items containing goods related to international e-commerce in 2019. Such mail comprised over half of the total inbound letter-mail traffic. Of this, the number of ordinary non-registered items increased by 51%, while registered mail showed a minimal decline.

Most of the letter-mail items containing goods arrived from China, while parcels mainly came from Germany.

Magyar Posta performs the import customs clearance of items arriving from outside the

European Union under its postal customs agent service, and it also provides an export customs clearance service. About 13% more import customs clearances were performed in 2019 than in 2018.

Currently, goods ordered on the internet from a company (web store) and goods arriving from outside the EU are exempt from duty and tax up to a value of EUR 22; exempt from duty but subject to VAT up to a value of EUR 150; and both VAT and duty are payable over EUR 150. From 2021, however, due to a change in legislation at EU level, VAT exemption up to EUR 22 will be discontinued, thus low-value mail items will also be subject to customs clearance and the payment of VAT. In order to be fully prepared for these changes, Magyar Posta has started cooperation with the National Tax and Customs Administration. ■



13%
MORE IMPORT
CUSTOMS CLEARANCES
WERE PERFORMED
THAN IN 2018

THE MODERN CLASSICS



LETTERS - TRADITIONAL AND MODERN

While a few decades ago the classical printed letter was the best known and most widespread means of communication between people living far apart, the generation growing up today barely use it due to the dominance of the smartphone and the internet. The **public** prefer to use **instant communication channels** such as **e-mail** and **chat** platforms to exchange information. **The business sector is also continuously directing business and private customers to internet-based communication channels.**

Magyar Posta responded to the spread of the digital world in its service portfolio as well. Digital features were attributed to traditional, paper-based letters, meaning that **from 2019 onwards the path of registered and advice-of-delivery letters can be tracked.** At the end of the year, the range of traditional ordinary letter-mail types was expanded by the introduction of a new service, the **identified letter**, which enables **the sender to be notified of unsuccessful delivery and its reason.** Simultaneously, Magyar Posta's **free application for preparing electronic posting lists (ePostakönyv) became available to all customers**, providing a means for them to use the new services. **An electronic delivery confirmation for domestic advice-of-delivery letters and official documents also became available on 1 December 2019.** The electronic

delivery confirmation is an authentic document bearing a digital signature and a time stamp which **is intended to be an alternative replacing the paper-based advice-of-delivery slip.**

In addition to the digital novelties, **the modernisation of the portfolio of basic services** also started in 2019. In both domestic and international mail, **weight categories were combined.** For **domestic letters, distinctions are no longer made according to quantity and acceptance point.** For international letters, the range of products available without a separate contract was narrowed.

The market for letter-mail items was dominated by business mailings as in recent years. In large companies, there is an ever-increasing willingness and endeavour for paper-free operations not only in the spirit of modernisation but also of sustainability and environmental protection. Adapting to this, information technology devices are used and popularised among their customers.

Such efforts can also be perceived in the decline in the number of addressed letters. Domestic and international outbound letter volumes decreased by over 6% from 2018 to 2019. In contrast, the income from convenience and additional services rose, clearly reflecting that the use of **products with higher quality parameters is important for customers.**



DESPITE THE SHRINKING LETTER MARKET, CUSTOMERS STILL PREFER CONVENIENCE AND ADDED-VALUE SERVICES



THANKS TO THE MODERN TECHNICAL DEVICES, IN 2019 SIGNATURE PADS BECAME AVAILABLE AT ALMOST ALL POST OFFICES

Adapting to changing market needs, in previous years Magyar Posta started developments within the **PAKK identified mail tracking programme** which **attribute digital features to traditional letter-mail items**. Customers can now enjoy several achievements of the project, which ended in late 2019.

Besides the **digital renewal of letter-mail services**, another customer benefit is that **paper-based administration can be reduced**. This is not only good for **environmental awareness** considerations but also provides new **cost-saving** openings for customers.

Since the spring of 2019 **customers** have been able to **arrange their authorisations** for the receipt of any type of mail item **online**.

Postmen now deliver registered mail items that require personal acceptance using PDA devices, which provide one of the bases of electronic mail tracking. In addition to our delivery personnel, **post offices were also given modern devices enabling customers to sign digitally on signature pads**. Based on staff feedback, customers welcomed the innovative solutions and are glad to use the new devices.



OUR DELIVERY PERSONNEL HAND OVER OFFICIAL DOCUMENTS AND REGISTERED MAIL AFTER OBTAINING SIGNATURES BY MODERN PDA DEVICES. THE INNOVATIONS HAVE ENABLED THESE LETTER-MAIL ITEMS TO BE TRACKED AND NOW ELECTRONIC DELIVERY CONFIRMATION REPLACING PAPER-BASED ADVICE OF DELIVERY IS ALSO AVAILABLE

POSTAGE STAMPS - THE WORLD IN MINIATURE

Postage stamps, calling cards for our country, spread the news of many Hungarian and international anniversaries, and European and world events in 2019 as well. Apart from the function of paying postage, stamps are miniature artworks and collectable objects.

The artistic quality of our stamps **was also recognised at prestigious international competitions**, such as the WIPA Grand Prix in Vienna, where the 6th part of Magyar Posta's Saints and Blessed's series using special film won second place. Another stamp showing the postbox in the House of Parliament from the self-adhesive definitive

stamp series Postal History II likewise came second, on this occasion at the Nexofil international stamp competition in Spain. In the online stamp contest for musical stamps organised by Motivgruppe, our stamp "Leonard Bernstein was born 100 years ago" was voted into second place.

During the year a joint Japanese-Hungarian stamp was released to mark the 150th anniversary of the establishment of diplomatic relations between the two countries.

Changes in the technological environment and consumption patterns present challenges for stamp issuance as well, thus we strive to hold the interest of collectors at home and abroad with exclusive product releases and special printing solutions. To encourage stamp collecting among youth, Magyar Posta launched a new series called Fairy Tale Characters.



THE SEVSO TREASURE IS A HIGHLY IMPORTANT FIND OF LATE ROMAN SILVER. THE SOUVENIR SHEET BRINGS TO LIFE THE SEVEN PIECES OF THE TREASURE REPATRIATED TO HUNGARY IN THE SECOND PHASE USING DIFFRACTION FILM AND EMBOSING



JAPAN POST AND MAGYAR POSTA MARKED THE 150TH ANNIVERSARY OF DIPLOMATIC RELATIONS BEING ESTABLISHED IN A JOINT ISSUE JUXTAPOSING NATURAL AND CULTURAL FEATURES CHARACTERISTIC OF EACH COUNTRY



BREAKDOWN OF NEWSPAPER REVENUES 2019 (%)



NEWSPAPERS - THE LATEST INFO BROUGHT TO YOUR DOOR BY POST

Despite the **digitalisation of the press market** continuing to intensify, there is still demand for traditional printed press products and newspapers. The downward trend of previous years in the volume of daily newspapers persisted in 2019. Nevertheless, thematic magazines are still sought after by the general public.

Along with the drop in subscribers, there is a steady growth in the target audience of print media readers where the use of online channels in **ordering and payment** is dominant. Magyar Posta introduced online subscription for customers in 2017, since when there has been a continuous expansion in the range of webshop users, which grew by almost 15% in 2019 compared to the previous year.

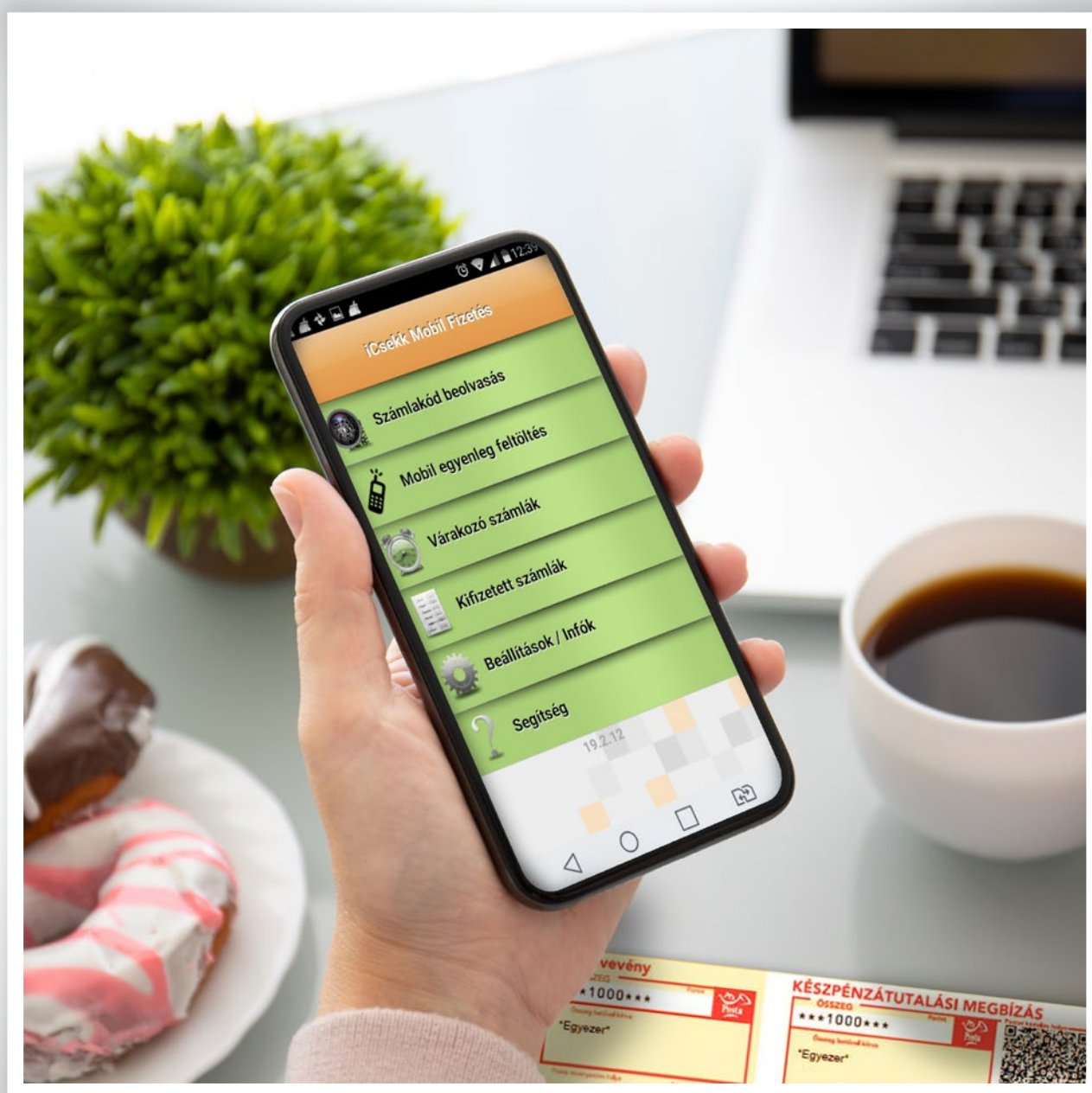
Publishing partners typically required a full distribution service, including the collection of subscription fees, in 2019 as well.

Magyar Posta maintained its role and market share in the wholesale newspaper sales segment in 2019, supplying the postal sales channel, i.e. the postal newspaper sales outlets as retail units, with publications.

The stabilisation of revenue from newspapers (periodical subscriptions and sales) was ensured by offering a broad, diverse range of titles to customers and various sales promotions.

Income from domestic unaddressed advertising materials distributed by Magyar Posta fell by 13% in 2019 compared to the previous year. The lower demand for the distribution of electoral materials in 2019 than in 2018 accounts for this. ■

PAYMENT AND MEDIATED FINANCIAL SERVICES



**BILL PAYMENT -
MULTIPLE LOCATIONS,
ANY TIME**

The development and promotion of payment methods and channels using new technology as an alternative to paying bills at post offices begun in previous years by credit institutions and account holders serving the public (utility providers, local authorities, etc.) continued in 2019. At the same time, the **solutions for the payment of bills developed thus far by competitors still did not cause significant restructuring in the market.** The use of postal services **decreased slightly due to the spread of** direct debit, other forms of electronic acceptance (such as bank transfer) and **new methods of payment.**

Magyar Posta has implemented several developments in recent years, which were primarily aimed at creating alternative bill payment options and reducing cash payments. New payment solutions allow customers to pay bills easily, quickly and conveniently, and bank card payment is now also available.

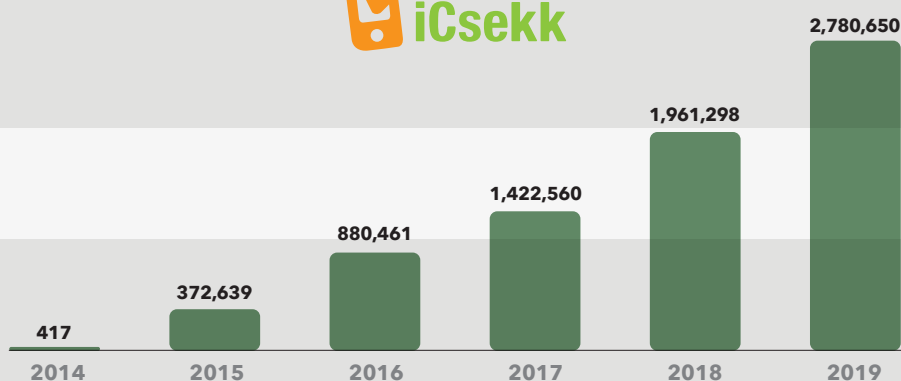
Bill payment terminals enable bills to be paid safely in **shopping centres, Government Offices** and retail units during full opening hours. The continued popularity of bill payment terminals is shown by the fact that a total of more than 518,000 bills worth over HUF 7 billion were paid at bill payment terminals in 2019.

In 2019, automated bill payment was available by bank card at 28 terminals, in cash and by bank card at 9 terminals, and at 23 Rossmann drugstores and 64 CBA Prima shops among retail outlets.

The iCsekk mobile phone application launched in 2014, which provides customers with a 24/7, flexible, convenient and cash-free service, continues to be highly popular. Apart from Magyar Posta's own application, since August 2019 QR-code bill payment has been available integrated into the service of two new partners.

In line with the spread of digital financial culture, more and more customers opted for QR-code postal bill payments in 2019. The number of transactions has been steadily increasing since the launch of the service. The number of bills paid in this way **exceeded 2.5 million in 2019.**

CHANGES IN THE NUMBER OF BILLS PAID WITH THE ICSEKK MOBILE APPLICATION



Besides the new alternative bill payment solutions, Magyar Posta also **offers bill payment by bank card at postal outlets** without any cash withdrawal transaction fee. The proportion of **bill payments by bank card at postal outlets** compared to the total number of bill payments **exceeded 30%** by the end of 2019, registering a constant increase.

The bill payment service continues to be popular with the public and, although the service is used less and less as the years pass, the rate of decline has slowed in recent years. In 2019, the use of the service decreased by 1.2% compared to the previous year.

The downward trend in the market of **cash disbursements from payment accounts** (outpayment order, pension order) continued in 2019 but, despite the ever-increasing non-cash banking options, demand for the services remains highly significant. The reason for this is probably that payment on the doorstep is important, convenient and predictable for payees, making their everyday life easier.

In international payments the growth experienced in 2018 continued, resulting in an almost 9% rise in 2019.

SAVINGS AND OTHER MEDIATED SERVICES

In 2019, the **savings plans available on a securities account** were changed significantly at Magyar Posta. Due to the sale of the business portfolio of the investment company Magyar Posta Befektetési Zrt. and the discontinuance of the company's service activities, the sales of investment funds, and short- and long-term dematerialised government bonds ceased. At the same time, Magyar Posta began the mediation of the **dematerialised Hungarian Government Security Plus** (HGS Plus) as the tied agent of the Hungarian State Treasury at 350 postal outlets on 3 June 2019,

and by the end of the year the dematerialised HGS Plus portfolio reached HUF 93 billion.

In addition to the 1- and 2-year Treasury Savings Bill marketed exclusively by Magyar Posta, since 4 November 2019 the 5-year printed **Hungarian Government Security Plus** has also been available for purchase in the postal network. The sale of the new government bond has been exceptionally successful since its launch and by the end of 2019 a portfolio of almost HUF 60 billion had been achieved.

The popularity of the 1- and 2-year **Treasury Savings Bill** did not diminish, and it achieved growth of almost HUF 50 billion in the portfolio by the end of 2019, which was bolstered by the abolition of the interest tax on 3 June 2019.

In addition to the guarantee of investment in government bonds and the high level of trust in Magyar Posta, the availability of this form of saving throughout the entire postal network also increases its popularity. Printed government bonds are particularly attractive for customers who are less inclined to open a bank or securities account and prefer tangible, printed securities.

ON 3 JUNE 2019 MAGYAR POSTA BEGAN THE MEDIATION OF THE DEMATERIALIZED HUNGARIAN GOVERNMENT SECURITY PLUS AT 350 POSTAL OUTLETS





In 2019, the successful cooperation between **Magyar Posta Zrt.**, and the insurance companies **Magyar Posta Biztosító Zrt.** and **Magyar Posta Életbiztosító Zrt.** continued.

In 2019, the insurance product portfolio was rationalised, which included the termination of the sales of PostaCasco insurance. In parallel with the launch of the new Posta Family Insurance, PostaTestŐr accident insurance was discontinued. After this, sales of PostaGyógyír insurance for cancer sufferers were also ended.

The aim of the new accident and health insurance called Posta Family Insurance introduced in May 2019 is to provide cover for the whole family. If anyone in the family has an accident or is hospitalised for a prolonged period due to illness or for an operation, there is no need to worry about financial security during convalescence. The policy is valid in all countries around the world 24 hours a day. Customers can choose from a selection of packages according to their needs and the size



ACCORDING TO THE 2019 PREMIUM REVENUE DATA OF THE ASSOCIATION OF HUNGARIAN INSURANCE COMPANIES, MAGYAR POSTA BIZTOSÍTÓ ZRT. IS HUNGARY'S LEADING LIFE INSURER

of their wallet. The new insurance has lived up to the hopes pinned on it and its sales have been considerably higher than those of the former accident insurance product.

Entrusted customer service activity

Following legal changes, the customer service activity dealing with complaints on behalf of the power and gas companies E.ON and NKM Földgázszolgáltató Zrt. and NKM Áramszolgáltató Zrt. was discontinued at the end of April 2019 at a total of 121 post offices where the service had been available.

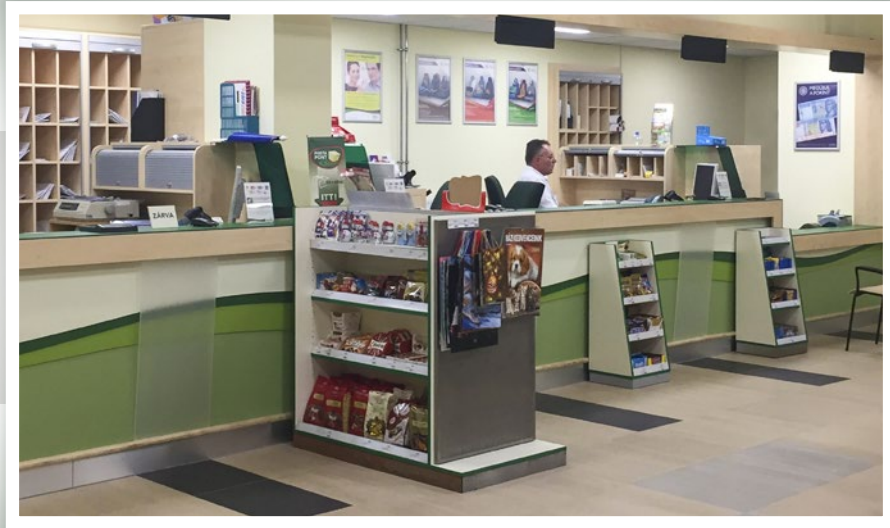
NKM Földgázszolgáltató Zrt. and NKM Áramszolgáltató Zrt. merged to form a new company, NKM Energia Zrt., in place of the two former firms. **After a successful public procurement procedure, Magyar Posta began providing personal customer service on behalf of NKM Energia Zrt. and UPC-DTH at a total of 151 postal outlets nationwide in 2019.** In 2019, customers arranged almost 100,000 transactions at postal outlets.



CUSTOMERS COULD SEEK HELP WITH NKM ENERGIA ZRT. AND UPC-DTH AFFAIRS AT A TOTAL OF 151 POSTAL OUTLETS NATIONWIDE



POST OFFICES WHICH
CHOSE TO SERVE
GROWING MARKETS ARE
MORE SUCCESSFUL AND
MORE PROFITABLE



Telekom bill payment service

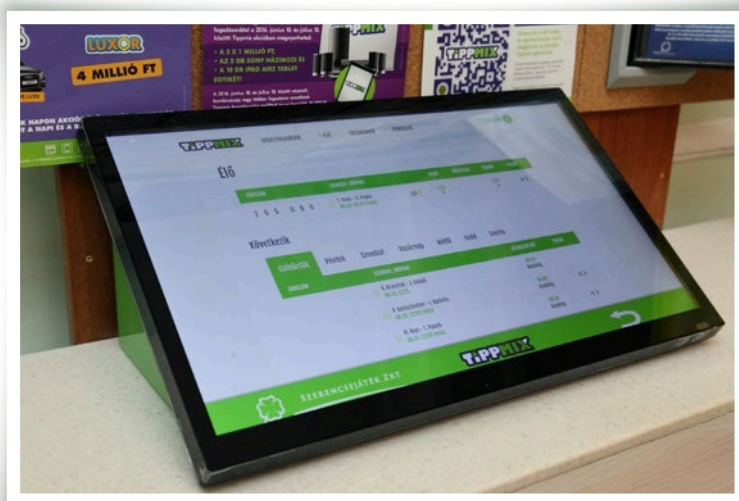
Our Magyar Telekom bill payment service has provided a convenient way for customers to settle their bills at 147 postal outlets since 2016. **In 2019 Magyar Posta conducted almost 3 million transactions, 300,000 more than in 2018.**

As in previous years, the trade in scratch cards increased again in the postal network in 2019. One reason for the successful marketing is Magyar Posta's extensive sales network as a wide range of scratch cards is available both at postal outlets and from delivery personnel. In 2019, nine new scratch cards appeared and Magyar Posta successfully joined in their sales.

Gambling game services

Under the sales contract between Magyar Posta Zrt. and the gaming company Szerencsejáték Zrt., scratch cards are available at about 2,500 postal outlets and automated gambling games are for sale at more than 1,600 post offices.

Among automated gambling game products, at 24 postal outlets televisions showing results and/or interactive touch screens are at the disposal of customers who play Tippmix. This further aids easier and more convenient access to information about participation in the game than before. ■



TIPPMIX TOUCH SCREENS
SERVE THE CONVENIENCE OF
CUSTOMERS

RETAIL TRADE ACTIVITY



Magyar Posta continued to have the largest retail network trading in SIM cards in 2019. The volume of sales of SIM cards on commission from mobile operators steadily grew.

The phasing out of the distribution of retail goods which are not compatible with core postal activities at almost 1,250 postal outlets began in 2019. Envelopes, postcards and MPL packaging materials which are suited to the core postal profile are still available in the whole network. ■

FOSTERING CUSTOMER RELATIONS



MYPOST LOYALTY PROGRAMME

In 2019, the number of members of the retail discount and point collection programme increased by nearly 130,000 and thus over 1 million customers held a loyalty card by the end of the year. The members of the programme carried out 1.2 million transactions a month on average and collected more than 440 million points annually. Most point-collecting transactions were again bill payments.

Since the autumn of 2019, there has been an option for all customers to apply for a card online. This means that new members of the programme can receive their loyalty card enabling them to use the electronic convenience services and discounts accessible on posta.hu within a few working days. Authentication can take place while making the application online, via the Central Identification

Agent (customer portal), or by later identification at any postal outlet.

QUALITY IN CUSTOMER SERVICE - RESULTS OF CONSCIOUS CUSTOMER SERVICE STRATEGY

In 2019, Magyar Posta's Customer Service Directorate dealt with **over 750,000** enquiries in writing or over the phone, which is 25% fewer than in 2018. In spite of the unremitting rise in parcel volumes and the constant expansion of e-commerce, managing customer service queries was made simpler, faster and more efficient, leading to fewer transactions. The number of domestic and international parcels grew steadily, which resulted in ever more general enquiries about mail traffic, accounting for close to 60% of customer service transactions.



FROM 2019 THE MYPOST LOYALTY PROGRAMME CAN ALSO BE APPLIED FOR ONLINE

FOSTERING CUSTOMER RELATIONS

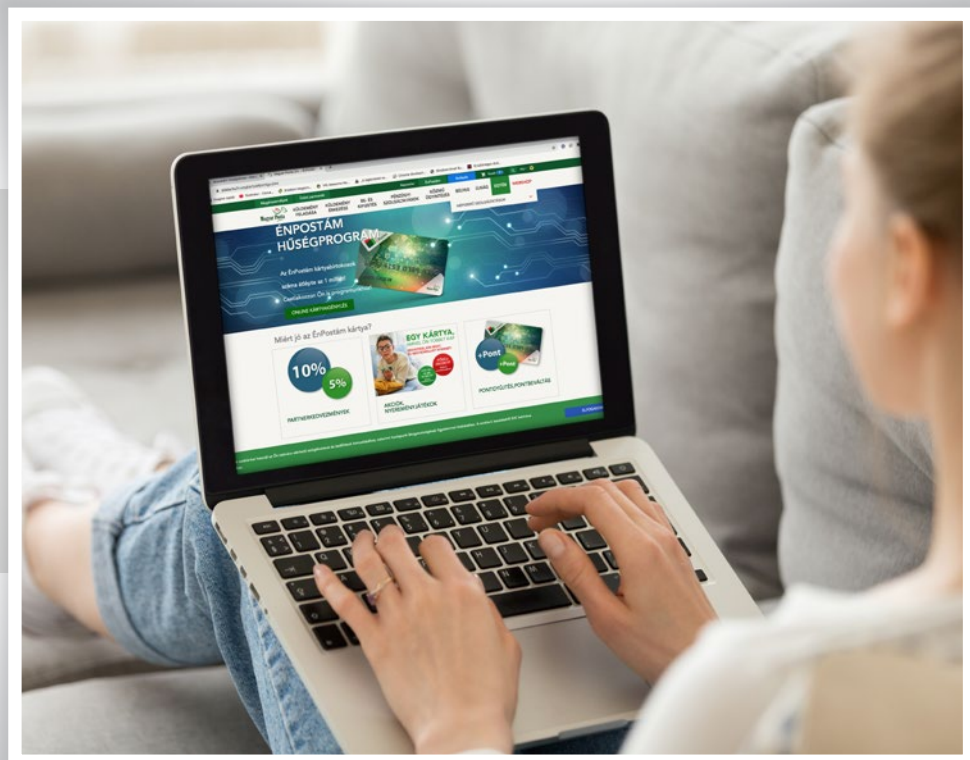
Customers wish to receive simple, fast answers in plain language to their questions, and to meet this need a **new website structure** was developed in 2018 and introduced in 2019. Channel optimisation is the answer to the ever larger number of e-mail enquiries. In this year, too, great emphasis was laid on **customer education**, whose main purpose was to draw customers' attention to the information on the website which is accessible quickly and cost-effectively. Nowadays customers are spending an increasing amount of time **on the website** (direct contact is only made with 25% of customers visiting the customer service page), where they can read the **latest contents** and easily submit queries to colleagues with the appropriate professional expertise using templates.

Quality indicators further improved in 2019, with the call acceptance rate topping the set level of 85% every month and replies were sent to e-mails within 24 hours or on t+1 working day at the latest. The **average time to resolve complaints also improved** year-on-year, **taking half a day less** and falling to 21.5 days in 2019.

In order to support the back testing and enhancement of the quality of Magyar Posta's logistics and network services, a **customer satisfaction survey made after successful delivery was introduced**, facilitating the inclusion of customer experiences and needs in the service portfolio. The information thus acquired can also be used in the future for parcel logistics developments and reviewing processes. **Dedicated customer service operates** on all channels, where key partners receive customised answers to their questions and solutions are sought to their requests concerning services within the shortest time possible. For private customers, Magyar Posta created the option of being able to order certain mediated financial products over the phone without having to visit postal outlets in person.

In conjunction with growing e-commerce, the expansion of the innovative capacities of customer service, the development of digital channels and the **automation of processes** remain indispensable in order to serve increased customer requirements at the expected standard. ■

THANKS TO THE NEW, STREAMLINED WEBSITE STRUCTURE, CUSTOMERS SPEND AN INCREASING AMOUNT OF TIME VISITING THE POSTA.HU SITE, WHERE THEY CAN ALSO SUBMIT QUERIES



SERVING CUSTOMERS TO THE UTMOST



CLOSE TO CUSTOMERS

97% of the country's population can access Magyar Posta's services at **fixed-point outlets in the place where they live.** In villages without a fixed postal outlet, in 2019 more than 350 mobile post routes ensured mail acceptance and delivery, allowing customers to arrange their postal affairs in their own home.

Thanks to improvements in the delivery processes, in 2019 registered mail was delivered with the aid of a PDA in 90% of settlements in Hungary.

In 2019, 14,000 customers made use of the **electronic appointment booking** facility, which allows customers to reserve a time to be served via the **posta.hu website or using Magyar Posta's mobile application.**

At 177 post offices nationwide, modern touch screen totems of queueing systems help customers choose their desired service. Furthermore, 132 postal outlets operate branch offices for utility providers to allow customers to deal with matters

IN 2019 MAGYAR POSTA ZRT. SERVED ITS CUSTOMERS AT ALL ITS POST OFFICES ACROSS THE COUNTRY EVERY WEEKDAY FOR A TOTAL OF

19,500
OPENING HOURS
PER DAY

related to utility services and use postal services at the same place.

As a result of the cooperation between Magyar Posta and Government Offices, **the opening hours of postal outlets and Government Offices have been coordinated in the capital and in 17 rural settlements,** while elsewhere post partner points were established or bill payment terminals installed in Government Offices, thus facilitating bill payments for arranging official business subject to a fee.

OVER 350 MOBILE POST ROUTES AID THE ACCEPTANCE AND DELIVERY OF MAIL IN OUR NETWORK



LOGISTICS SYSTEMS

Once again in 2019, Magyar Posta's logistics network performed effectively in the logistics services market expanding due to vigorous online commerce. This success was made possible by flexibly serving market needs, developing and continuously replacing vehicles and equipment, and better exploiting technological systems and capacities.

Development of the vehicle fleet

Under the **long-term vehicle replacement and development plan**, 33 trailers and semitrailers were purchased in 2019.

30 motorcycles and 55 mopeds were acquired to support and **update delivery service vehicles**.



IN 2019 THE LOGISTICS VEHICLE FLEET WAS EXPANDED BY SEVERAL TYPES OF ELECTRIC VEHICLE



MAGYAR POSTA'S VEHICLES COVERED MORE THAN

84.5 million kilometres

IN 2019

Further expansion of the electric vehicle fleet

As part of the **development of the delivery vehicle fleet**, 50 electric three-wheeled vehicles and 216 electrically assisted bicycles (e-bikes) were put into service, improving employees' working conditions and helping mail reach addressees safely.

The distance travelled by parcel delivery vehicles was up by nearly 3% in 2019 compared to the previous year. In 2019, fleet fuel consumption was close to 9.3 million litres.

ADAPTING TO GROWING LOGISTICS NEEDS, THE SIZE OF THE SERVICE AREA OF THE FÜZESABONY PLANT WAS INCREASED CONSIDERABLY BY MOVING TO NEW PREMISES



DEVELOPMENT OF THE LOGISTICS INFRASTRUCTURE

Projects to increase capacity begun in previous years continued at logistics premises in the provinces in 2019. Magyar Posta carried out a **capacity increase** of both interior and exterior space, handing over an extra area totalling 16,109.5 m² at two premises, in Nyíregyháza and Füzesabony, to cater for the growing parcel turnover.

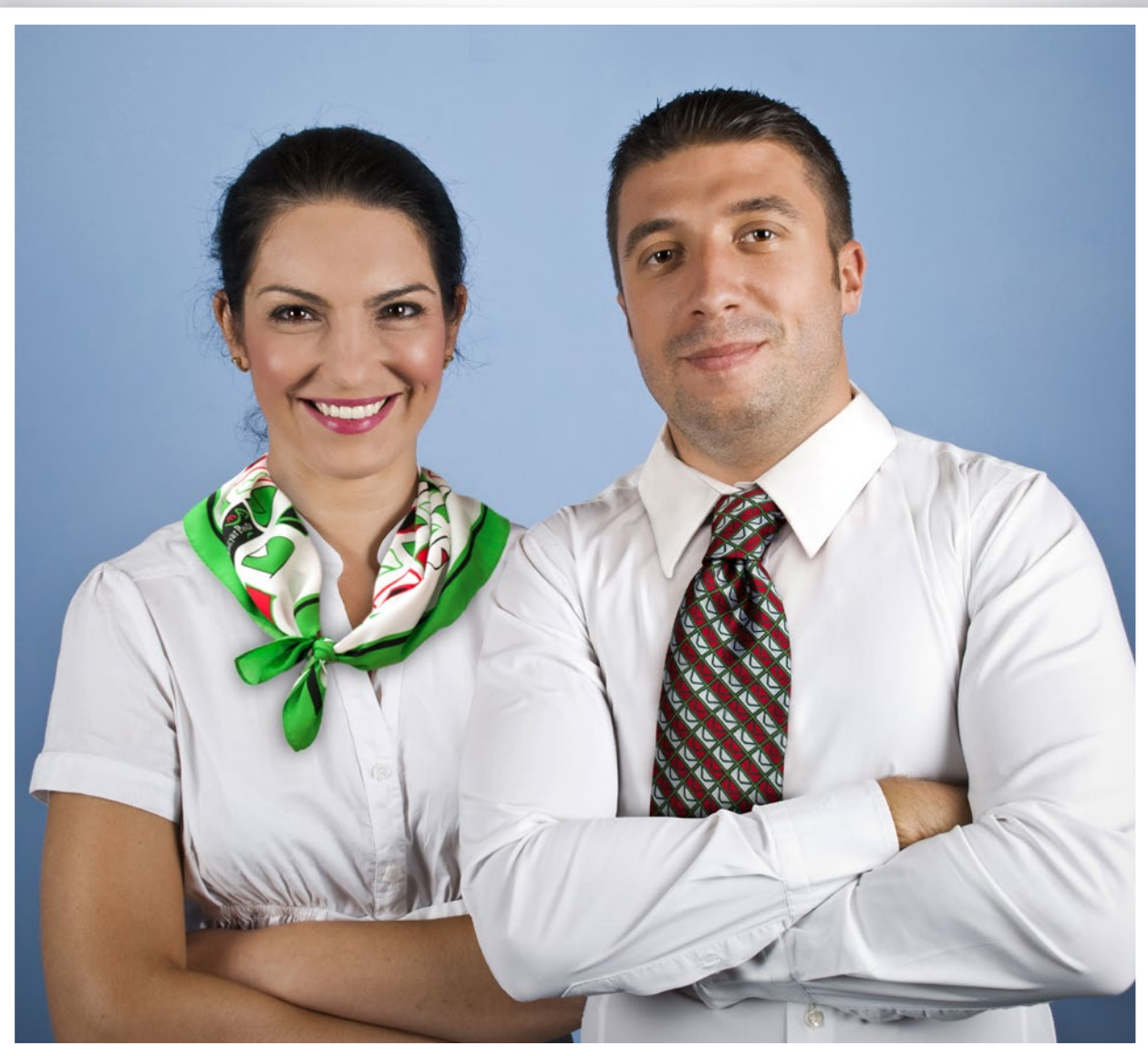
The Füzesabony Logistics Plant/Depot moved to new premises with 8,592.5 m² more space.

The site of the Nyíregyháza Logistics Plant/Depot was expanded by an area of 7,517 m², thus helping the efficient quality performance of logistic tasks in the East Hungary region. ■



MAGYAR POSTA ALSO INCREASED CAPACITY SIGNIFICANTLY IN NYÍREGYHÁZA

MAGYAR POSTA AS AN EMPLOYER



MAGYAR POSTA AS AN EMPLOYER

According to the Central Statistical Office, in 2019, the average statistical headcount including part-time employment was **28,872.3**, which is the equivalent of **27,602** full-time employees.

The three-year wage agreement between Magyar Posta and the employee organisations for 2017-19 fixed the **rate of wage development for 2019** at not less than 6%, which was adjusted to **10%** in line with labour market processes based on the parties' agreement.

The average monthly per capita full-time earnings were HUF 311,018, which were 10% higher than in 2018, in compliance with the 2019 wage agreement.

OFB, AID, HOLIDAY OPTIONS

Optional fringe benefits (OFB) for employees were an influential part of staff costs. In 2019, as in other years, the Company offered staff the option of choosing the individual fringe benefit elements that best suited their particular living conditions, and personal and family needs.

Under the Collective Contract and other internal regulations, Magyar Posta provided employees with **housing loans, aid for people in need** and - to a lesser extent than before - holiday

options. The Company provided holidays for active and retired employees and their families, for 668 people in all. In addition, 302 children enjoyed concessionary holiday programmes and 131 employees benefited from recreational opportunities on rehabilitative vacations provided with the aim of improving staff health.

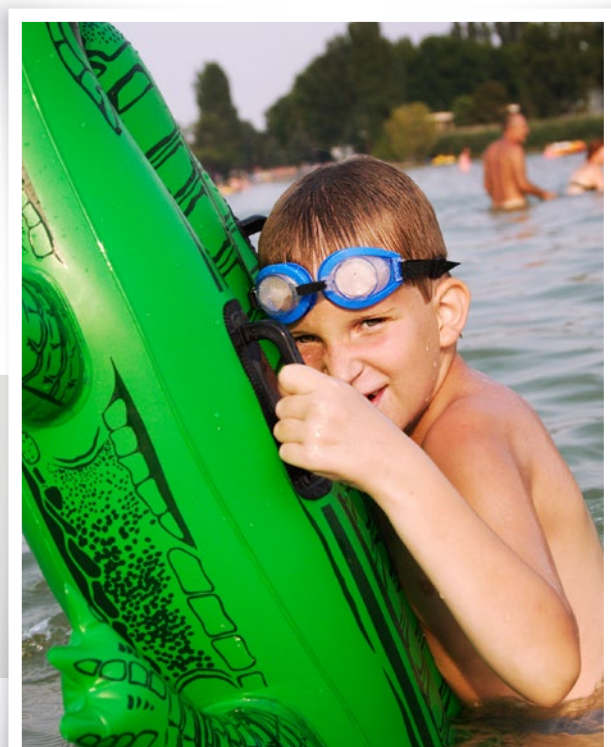
By the end of 2019, as a result of decreasing use and disproportionate expenditure, the operation of welfare properties was gradually suspended and the sale of holiday homes began. From 2020 employees will be able to apply to the Posthorn Foundation for help with rest and recreation.

98 people received **housing support worth a total of HUF 282 million**.

In 2019, the Company provided **HUF 125 million in aid**, which supported employees in difficult social circumstances dependent on need, and offered assistance with maternity and funeral expenses in a total of 2,726 cases.



THANKS TO THE COMPANY'S COMMITTED SUPPORT, SEVERAL HUNDRED CHILDREN OF POSTAL EMPLOYEES ENJOYED CONCESSIONARY HOLIDAYS



TREND OF ANNUAL REDUCED FLUCTUATION OF STAFF AT MAGYAR POSTA OVER THE LAST 3 YEARS*

	2017	2018	2019
Magyar Posta Zrt. total:	23.1%	23.70%	23.40%
Management/service	13.0%	14.6%	18.1%
Implementation:	24.6%	25.0%	24.1%
<i>Logistics</i>	27.8%	25.2%	24.2%
<i>Network</i>	23.8%	25.0%	24.1%

*FOR OVER 30 DAYS OF EMPLOYMENT EXCLUDING THE EXPIRY OF FIXED PERIODS AND RETIREMENT

STAFF TURNOVER

The significant rise in the area of management/service is the effect of collective redundancies implemented in 2019, which were decided by the Company with a view to increasing efficiency and reducing bureaucracy. In the implementation area the fluctuation is still high but has a falling trend.

use of **several recruitment channels in order to ensure the supply of suitable staff.**

Magyar Posta reached potential candidates by placing several thousand job advertisements on various interfaces and organising numerous recruitment events in 2019 in order to attract the attention of job seekers.

DEVELOPMENT OF RECRUITMENT TOOLS

Labour shortages, which became general in 2019, also affected Magyar Posta, resulting in the

Adapting to the changes in the labour market, the **Employee Recommendation Programme** was expanded by the continual involvement of new locations and remuneration for it was raised for some premises and jobs with high staff turnover.



MAGYAR POSTA PARTICIPATED IN SEVERAL JOB FAIRS, PRESENTING CAREER OPPORTUNITIES AT THE COMPANY

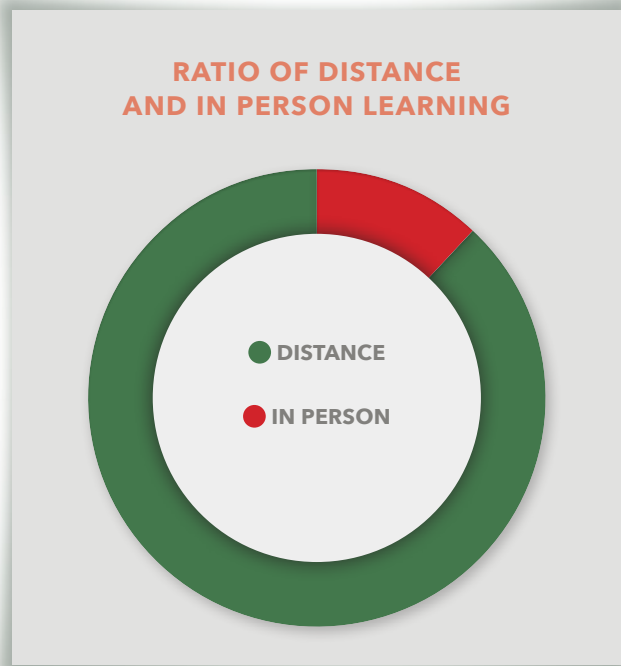
TRAINING AND DEVELOPMENT

In 2019, Magyar Posta’s employees were involved in **organised training** on about 102,000 occasions and took part in development programmes organised and financed by the Company several times. Some programmes were related to complying with legal or internal regulatory requirements. In addition, there were a significant number of training courses connected with product introductions, including the priority project of the launch of the postal electronic delivery system affecting 12,000 end users. The numbers conceal **conscious HR developments** covering the implementation of both central programmes and developments arising from individual needs.

The proportions of the method of training used in 2019 follow the trends of previous years. The use of electronic and paper-based distance learning and blended learning both typify the Company’s training programme. The blended method is prominent in postal professional training, product launch support and skills development alike.

Several central programmes to retain the workforce were held in 2019, which the Company intends to continue in the coming years. The most important of these are described below.

Besides retaining staff who had been employed for several years, a new onboarding programme



to address new employees was introduced. **My Vocation - the Post** is a complex programme that orients new employees entering directly from the labour market through central preparation and, after a successful exam, takes them to their target position. The aim of the programme is to supply the implementation area with employees who, having become acquainted with the local characteristics, are able to perform their work independently, are motivated and are aware of the tasks facing them.

Apart from aiding the advancement of colleagues, in 2019 there was an opportunity to identify and train the next generation of managers.

IN THE MY VOCATION - THE POST PROGRAMME EMPLOYEES RECEIVE TARGETED CENTRAL PREPARATION



AS A RESULT OF CONTINUOUS TRAINING, POSTAL EMPLOYEES HAVE A BROAD RANGE OF UP-TO-DATE INFORMATION IN THEIR SPECIALIST FIELD



The **Next In Line Before Me** programme aimed to find replacements for managers intending to leave within the next two years and was open to employees with managerial potential nominated by postal outlets and logistics units who agreed to participate in the programme and achieved the required level in skill and ability tests. The programme, launched with 150 employees, includes 2*2 day management skills, related managerial e-learning materials as well as site visits, digital literacy development and specific job-related professional preparations.

STAGES IN THE NEXT IN LINE BEFORE ME PROGRAMME

MANAGERIAL SUPPLY BANK



MANAGERIAL REPLACEMENT PROGRAMME



APPOINTMENT

To aid the supply of professionals and to satisfy social responsibility, Magyar Posta continued to ensure comprehensive year-round and summer internships for the **OKJ National Vocational Training qualifications** for trainee postal

business administrators and logistics and transport administrators. Over 110 accredited internships are offered to trainees to learn every aspect of the profession. ■

HOW THE POST BECOMES AN EMPLOYEE'S VOCATION

ADDRESSING, ADVERTISING

FILTERING, SELECTION

SITE VISITS

ESTABLISHING EMPLOYMENT RELATIONS

CLASSROOM PREPARATIONS

PROFESSIONAL PRACTICE

PROFESSIONAL EXAM

RECOMMENDATION FOR AREA

ENVIRONMENTAL PROTECTION - RESPECT FOR THE ENVIRONMENT



ENVIRONMENTAL PROTECTION - RESPECT FOR THE ENVIRONMENT

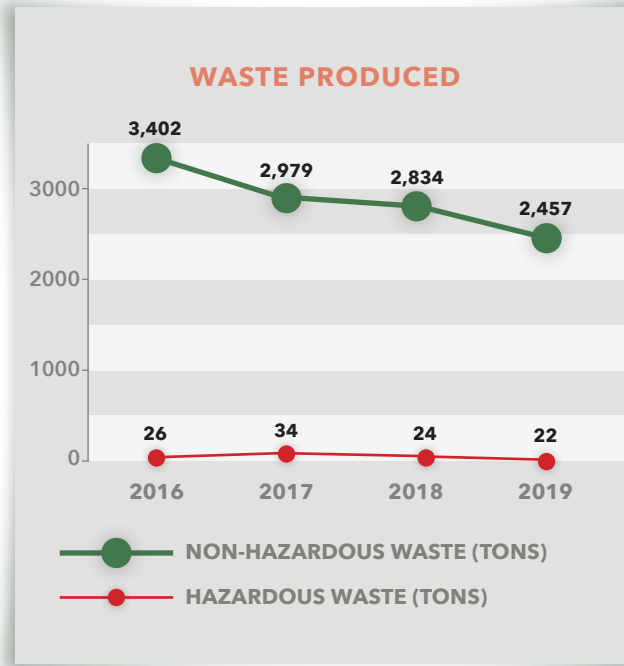
Due to the climate sensitivity of our age, the role of **corporate environmental protection** is becoming more important, and the related legal and social requirements are growing.

Waste management, as a key area of environmental activities, can successfully aid economic efficiency. As the result of the effective operation of the separate waste collection system, in 2019 **income from sales of waste amounted to almost HUF 19 million**.

In 2019, Magyar Posta generated 2,479 tons of **separately collected waste**, 2,457 tons of which were classified as non-hazardous, while 22 tons were classified as hazardous. More than 88% of the separately collected waste (paper, metal, plastic, electronic waste, etc.) was sold for recycling. The largest proportion (97%) of the sold waste was paper and plastic waste.

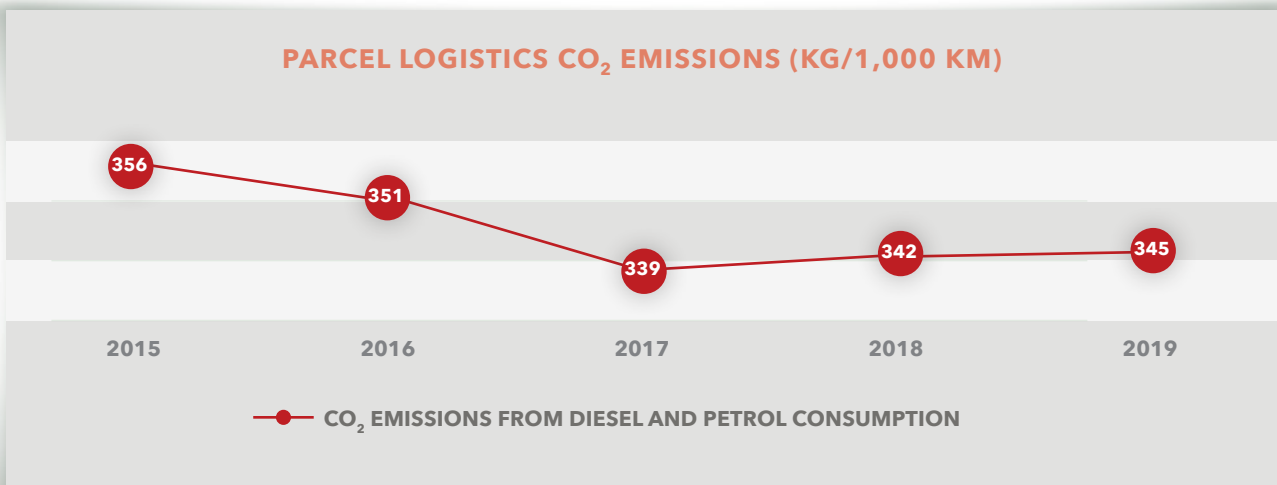
Mail logistics increased its **CO₂ emissions** per 1,000 kilometres by 0.9% year-on-year, which was attributable to the continued rise in 2019 of the number of parcels and parcel-type consignments requiring larger transport capacities. In particular, the proportion of parcels to be delivered to the door remained high, which significantly increased the number of kilometres covered.

As a responsible service provider, the Company published a **Sustainability Report** following



Global Reporting Initiative (GRI) standards, which in addition to environmental protection also addresses the other two pillars of sustainability, the social and economic dimensions. The report was certified by an independent company, thus it fully complies with market practice.

In order to support sustainability efforts in the global postal sector, Magyar Posta also joined the **UPU (Universal Postal Union) climate protection programme** operating under the auspices of the UN and provided the data required for sector-specific eco-footprint calculations.





As usual, in 2019 the Company again joined the **litter collecting campaign "Pick It Up!"**, and Magyar Posta also provided the national logistics background for it.

The Company demonstrated its commitment to sustainability by adopting a 150-year-old group of trees in the Budapest Botanical Garden on Earth Day.

For World Environment Day we organised an open day entitled **ENVIRONMENTAL AND HEALTH DAY 2019** *Responsibly for Tomorrow* at three venues around the country, where we drew the attention of employees to environment- and health-conscious lifestyles and corporate operations as well as the tasks and opportunities related thereto. The programme was highly successful, and certain events (free health checks, ECO game team competition, electric vehicle presentation, first

FOR YEARS MAGYAR POSTA HAS TAKEN PART IN THE POPULAR VOLUNTARY PROGRAMME

aid demonstration, climate change lecture, spine exercises in the office) attracted great interest and were oversubscribed. We are convinced that these events also serve a community-building purpose in addition to educating.

ON EARTH DAY MAGYAR POSTA ADOPTED A 150-YEAR-OLD GROUP OF TREES IN THE BUDAPEST BOTANICAL GARDEN



Environmental investments

AMOUNTS DEVOTED TO ENVIRONMENTAL PROTECTION INVESTMENTS IN 2019

Activity	Cost (HUF thousand)	Number of premises
Modernisation, regulation of heating, gas connection	29,407	8
Modernising lighting and wiring	93,765	10
Renovating and connecting plumbing and drains	91,549	6
Wall renovation, heat insulation	34,279	2
Total:	249,000	26

Health protection

For the fifth time, employees could have a health check under the **Comprehensive National Health Protection Screening Programme**, which covered 34 special tests. Under the voluntary Health Protection Programme, 302 employees gained a comprehensive overview of their state of health and learnt about the importance of prevention at 4 locations.

At large-scale corporate events (e.g. Health Day, dragon boat competition), Magyar Posta provided free specific **health check options**, which proved to be popular with staff on every occasion. ■

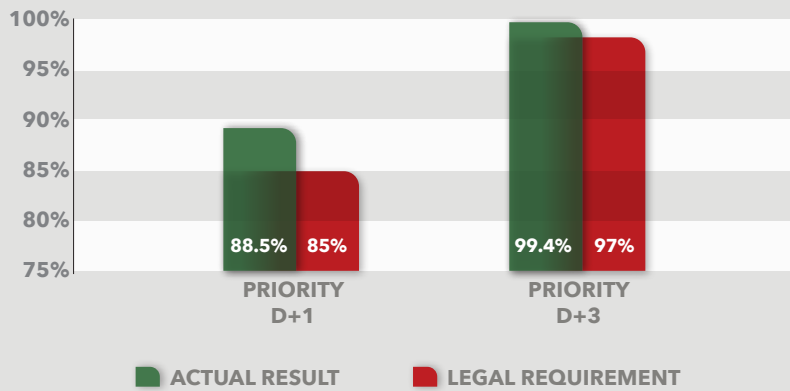
MAGYAR POSTA OFFERED FREE HEALTH CHECKS AT A NUMBER OF EVENTS



QUALITY MANAGEMENT - QUALITY AWARENESS



**UNIVERSAL LETTER-MAIL SERVICE -
PRIORITY ITEMS POSTED BASED ON SINGLE-PIECE TARIFFS - 2019**



In the **Integrated Quality, Environment and Energy Policy**, Magyar Posta’s management set the continuous objectives for the Company of operating as a reliable and responsible national postal service provider that offers quality services, and undertook the commitment to protect the environment, avoid environmental pollution and implement rational energy management.

In addition to the oldest operating **ISO 9001 standard Quality Management System** introduced 15 years ago as well as the **ISO 14001 standard Environmental Management System** for the logistics premises and the **ISO 27001 Information Security Management System** for units performing key activities and processing sensitive customer data, the **ISO 50001 standard Energy Management System** was also implemented in 2016 in order to increase energy efficiency.

An independent certifying body inspects the compliance of the management systems on a regular, annual basis, and conducts a renewal audit on strict conditions every three years, verifying compliant operation with a certificate. In 2019, our **Energy Management System** received certification under the new standard

(ISO 50001:2018). Following the successful renewal audit of our **Quality Management System and Environmental Management System in 2017, they passed the interim review audit** in 2019 as well together with our **Information Security Management System**, and the related certificates remain valid accordingly (ISO 9001:2015, ISO 14001:2015, ISO/IEC 27001:2013).

Magyar Posta, as the universal postal service provider, must meet statutory quality expectations¹. **In 2019, based on the results of the independent measuring organisation, GfK Hungária Piackutató Kft., Magyar Posta again fulfilled its obligations for transit times laid down by law for the handling of domestic, individually posted, priority mail items.** ■

¹ Pursuant to the provisions of Sections 15(1) to (4) and 35(3) of Act CLIX of 2012 of 29 October 2012 on Postal Services.



HU05/1670 számú tanúsítvány fordítása

Tanúsítjuk, hogy a

Magyar Posta Zrt.

1138 Budapest, Dunavirág u. 2-6.

irányítási rendszerét auditáltuk és az megfelel az alábbi szabvány követelményeinek:

ISO 9001:2015

A tanúsítás az alábbi tevékenységekre érvényes:

Levél- és csomagszolgáltatások, áru fuvarozási és komplex raktár logisztikai szolgáltatás, küldemény-előállítás szolgáltatás (Insert Pack) és hiteles küldemény digitalizálási, adatfeldolgozási szolgáltatás teljes üzleti folyamata, valamint a kapcsolódó technológiai és támogató folyamatok.

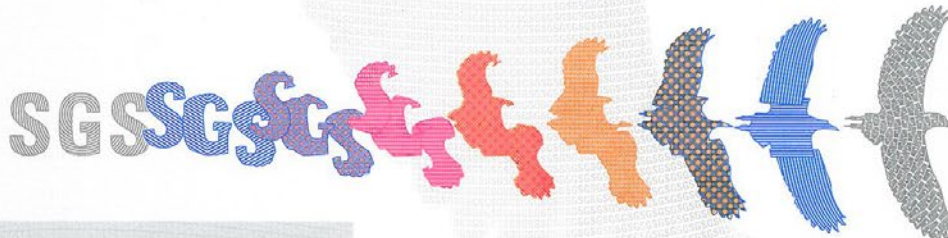
A tanúsított területtel és az ISO 9001:2015 szabvány követelményeinek alkalmazhatóságával kapcsolatban további információ a szervezettel való konzultáció útján nyerhető

A tanúsítvány 2017. december 9-től 2020. december 8-ig érvényes, sikeres felülvizsgálatok esetén. Megújító audit esedékes legkésőbb 2020. november 29-ig. Kiadás 11. Tanúsítva 2005. december 9-től.

Jóváhagyta:

SGS United Kingdom Ltd
Rossmore Business Park Ellesmere Port Cheshire CH65 3EN UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com

Oldalszám 1 / 1



Cégünk ezt a dokumentumot a "Tanúsítási Szolgáltatás Általános Szerződési Feltételei" szerinti állította ki. A szabályzat teljes szövege megtalálható a www.sgs.com/terms_and_conditions.html webcímen, amely különös figyelmet szentel a felelősségi, kártalanítási és jogi kérdésekre. Ezen nyomtatott dokumentum hitelességét a <http://www.sgs.com/en/Our-Company/Certified-Clients-Directories/Certified-Clients-Directories.aspx> webcímen lehet ellenőrizni. Minden jogszelvény módosítás, tartalmi vagy kinézetbeli változtatás hamisításnak minősül, tehát törvénybe ütköző és jogi eljárást vonhat maga után.



HU12/6283 számú tanúsítvány fordítása

Tanúsítjuk, hogy a

Magyar Posta Zrt.

1138 Budapest, Dunavirág u. 2-6.

irányítási rendszerét auditáltuk és az megfelel az alábbi szabvány követelményeinek:

ISO 14001:2015

A tanúsítás az alábbi tevékenységekre érvényes:

A Magyar Posta Zrt. szállítási- és feldolgozó üzemei, az ezeken a telephelyeken található valamennyi Postai szervezeti egység, valamint speciális technológiai központjai.

A tanúsítvány 2017. november 14-től 2020. november 13-ig érvényes, sikeres felülvizsgálatok esetén. Megújító audit esedékes legkésőbb 2020. október 3-ig. Kiadás 4. Tanúsítva 2012. február 19-től.

A tanúsítvány több telephelyre érvényes. A telephelyek adatait a következő oldalakon részleteztük.



Jóváhagyta:

SGS United Kingdom Ltd Systems & Services Certification
Rossmore Business Park Ellesmere Port Cheshire CH65 3EN UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com



0005

Oldalszám 1/3



Cégünk ezt a dokumentumot a "Tanúsítási Szolgáltatás Általános Szerződési Feltételei" szerint állította ki. A szabályzat teljes szövege megtalálható a www.sgs.com/terms_and_conditions.htm webcímen, amely különös figyelmet szentel a felelősség, kártalanítási és jogi kérdésekre. Ezen nyomtatott dokumentum hitelességét a http://www.sgs.com/clients/certified_clients.htm webcímen lehet ellenőrizni. Minden jogosulatlan módosítás, tartalmi vagy kinézetbeli változtatás hamisításnak minősül, tehát törvénybe ütköző és jogi eljárást vonhat maga után.

HU16/7967 számú tanúsítvány fordítása



Tanúsítjuk, hogy a

Magyar Posta Zrt.

1138 Budapest, Dunavirág u. 2-6.

irányítási rendszerét auditáltuk és az megfelel az alábbi szabvány követelményeinek:

ISO 50001:2018

A tanúsítás az alábbi tevékenységekre érvényes:

A Magyar Posta Zrt. üzleti, szolgáltatási és támogató folyamatai, valamint beruházási, beszerzési, épület- és flottazemeltetési tevékenysége.

EA Sector: 31

A tanúsítvány 2019. december 13-tól 2022. december 12-ig érvényes, sikeres felülvizsgálatok esetén.
A megújító audit minimum 60 nappal a tanúsítvány lejáratára előtt esedékes.
Kiadás 2. Tanúsítva 2016. december 13-tól.



Jóváhagyta:
Paola Santarelli

SGS ITALIA S.p.A. - Certification and Business Enhancement
Via Caldera, 21 20153 MILANO - Italy
t +39 02 73 93 11 f +39 02 70 10 94 89 www.sgs.com

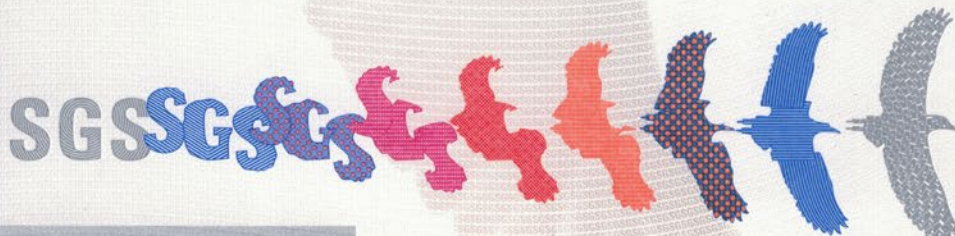
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Oldalszám 1 / 1



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CERTIFICATION OF THE RESULTS OF INDEPENDENTLY MEASURED TRANSIT TIMES



TANÚSÍTVÁNY

A GfK Hungária Piackutató Kft., mint független mérő szervezet tanúsítja, hogy a

MAGYAR POSTA Zrt.

a belföldi forgalmú levélküldemények szolgáltatásában

2019. évben az alábbi átfutási időket teljesítette:

A feladást követő 5. munkanap végéig kézbesített levélküldemények aránya

Egyetemes postai szolgáltatások

Egyedi feladású elsőbbségi levélküldemények	99,86 %
Egyedi feladású nem elsőbbségi levélküldemények	95,46 %
Tömeges feladású elsőbbségi levélküldemények	99,83 %
Tömeges feladású nem elsőbbségi levélküldemények	97,08 %
Vakok írása levélküldemények	100 %

Egyetemes postai szolgáltatást helyettesítő szolgáltatás

Üzleti levél	97,02 %
--------------	----------------

GfK Hungária Piackutató Kft. a méréseket a Nemzeti Média- és Hírközlési Hatóság UF-29426-3/2018. számú határozatában jóváhagyott egyetemes és egyetemes postai szolgáltatást helyettesítő szolgáltatások átfutási idő mérési módszertanai, illetve Vakok írása küldemények átfutási módszertana alapján, továbbá

az **MSZ EN 13850:2013** az **MSZ EN 14508:2016** és
az **MSZ EN 14534:2016**

szabványok előírásainak megfelelően végezte.

Budapest, 2020. február 28.

Sztupár Andrea ügyvezető igazgató

Gál Enikő ügyvezető igazgató

GfK Hungária Kft.
1077 Budapest, Wesselényi s. 16.
Adószám: 18253027-2-42
2.

MAGYAR POSTA ZRT.'S DATA



MANAGEMENT AND ORGANISATION

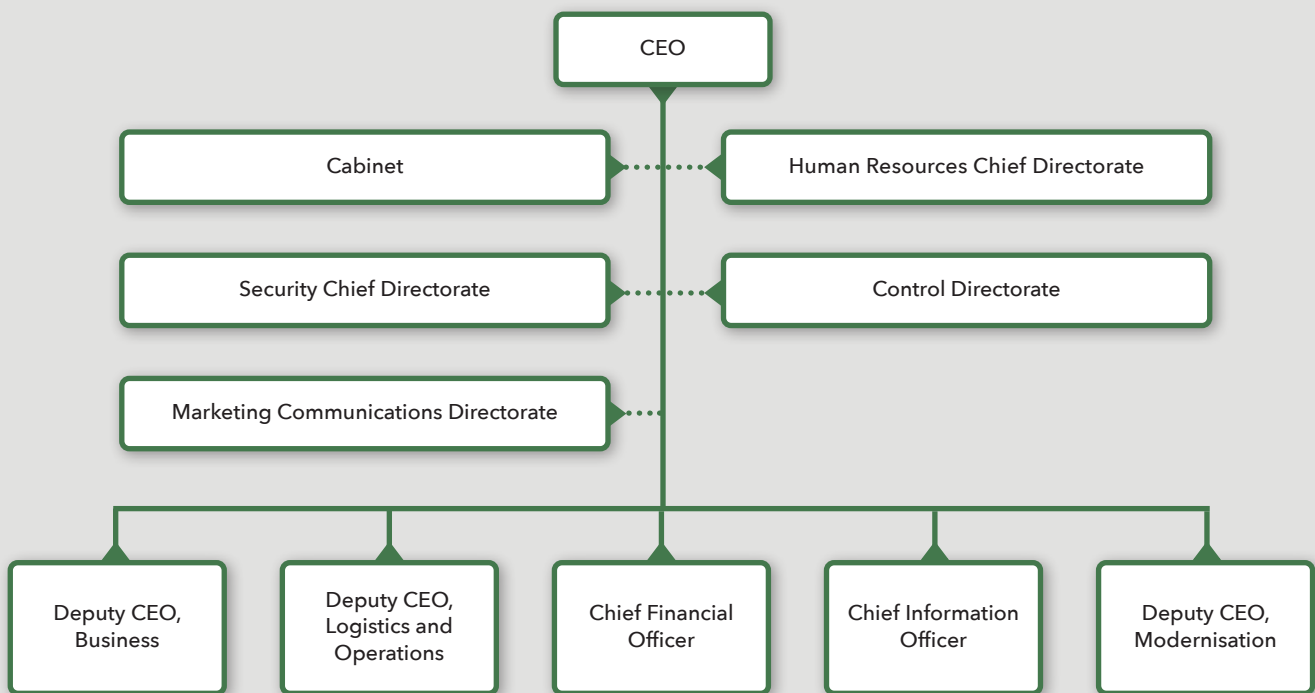
The Company set the objective of a complete corporate overhaul for the sake of stable and safe operation that is sustainable in the long term.

In the first half of 2019, the modernisation unit was set up in the organisational structure for the purpose and duration of carrying out a comprehensive organisational and operational modernisation programme lasting several years.

The aim of the modernisation is to turn Magyar Posta into a state enterprise providing postal and logistics services and reliably meeting modern customer needs.

In the second half of 2019, focusing on an activity-based survey and processes, a **central efficiency enhancement programme** was launched to improve the fields of management and support. The programme is intended to aid the transformation of the Company's operations in accordance with the modernisation tasks.

CORPORATE MANAGEMENT STRUCTURE OF MAGYAR POSTA ZRT. (31 DECEMBER 2019)



MEMBERS OF THE BOARD OF DIRECTORS

ON 31 DECEMBER 2019:

- ▶ Sára Irén Hegmanné Nemes, *chairwoman*
- ▶ Dr Zsolt Harmath
- ▶ György Schamschula
- ▶ Levente László Szabó
- ▶ Zsolt László Majláth
- ▶ László Szabó

MEMBERS OF THE SUPERVISORY BOARD

ON 31 DECEMBER 2019:

- ▶ Dr Barnabás Balczó, *chairman*
- ▶ Dr Erika Ócsai
- ▶ Dr Boldizsár Szabó
- ▶ Dr Attila Tamás Tajthy
- ▶ Dr Sándor Nemes
- ▶ Zsuzsanna Tóth

REGISTRATION DATA ABOUT MAGYAR POSTA ZRT. (2019)

Magyar Posta was founded for an indefinite period of time. The Company is the general legal successor of Magyar Posta Vállalat and was founded on 31 December 1993.

COMPANY HEADQUARTERS: Budapest, District XIII, Dunavirág u. 2-6.

THE COMPANY'S SHARE CAPITAL ON 31 DECEMBER 2019: HUF 14,137,693,100

MAIN ACTIVITIES:

- ▶ acceptance, transport and delivery of letter-mail items and parcels,
- ▶ complex logistics services,
- ▶ payment services intermediation,
- ▶ savings and insurance intermediation,
- ▶ newspaper distribution,
- ▶ retail activity,
- ▶ digital services.

THE COMPANY'S MANAGING BODY: Board of Directors

THE COMPANY'S CHIEF EXECUTIVE OFFICER: György Schamschula

THE COMPANY'S AUDITOR ON 31 DECEMBER 2019:

Deloitte Könyvvizsgáló és Tanácsadó Kft.

Tamás Horváth, certified auditor

Chamber membership number: 003449

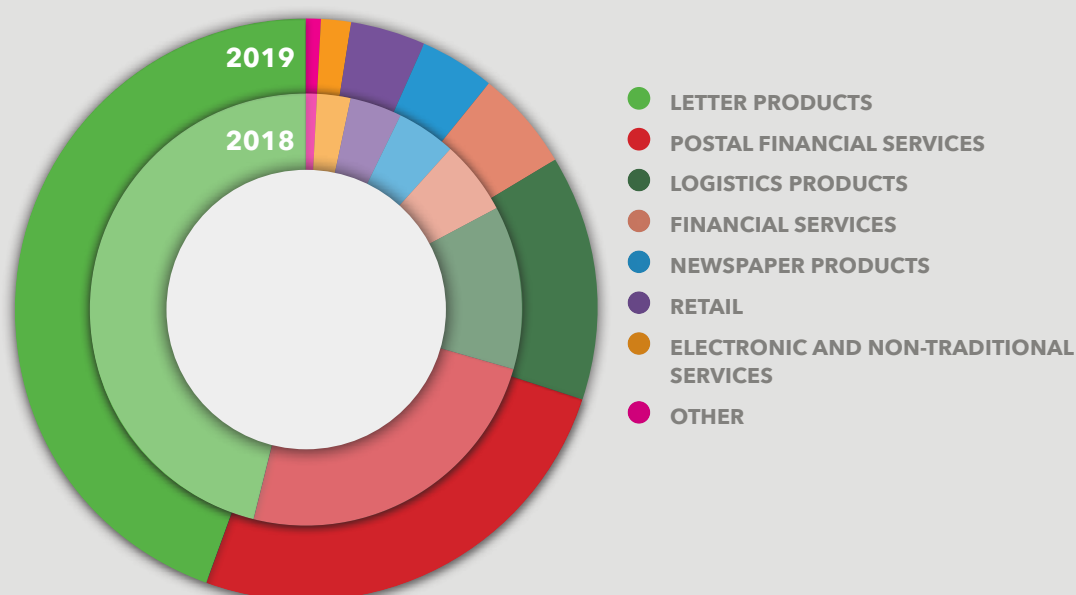
RESULTS

The Company's strategic alliances formed in the previous period were further strengthened over the last year and the foundations for long-term cooperation were laid, ensuring mutual advantages. The Company is typified by continuous product and service renewal irrespective of whether they are provided in a competitive environment or in accordance with statutory obligations. The developments follow changes in consumption

patterns, expectations generated by customer requirements and international trends.

The **Company achieved a profit before tax of HUF 245 million in 2019**, while raising salaries by 10 per cent on average. Wage development was differentiated, and the increase in essential jobs typically reached 12 per cent. The annual **sales revenue was HUF 204 billion**. In the breakdown of turnover by product, the share of logistics and payment products grew within the portfolio. ■

BREAKDOWN OF THE REVENUE OF MAGYAR POSTA IN 2019 COMPARED TO 2018



Name	2018	2019
EBIT (HUF million)	520	328
EBITDA (HUF million)	11,015	11,202
EBIT/average equity	0.6%	0.4%
EBIT/average assets	0.3%	0.2%
EBIT/net sales revenues	0.3%	0.2%
EBITDA/average equity	11.7%	13.3%
EBITDA/average assets	5.3%	5.9%
EBITDA/net sales revenues	5.5%	5.5%

Deloitte.

Deloitte Könyvvizsgáló
és Tanácsadó Kft.
1068 Budapest,
Dózsa György út 84/C
Levélcím: 1438 Budapest, Pf. 471

Tel: +36 (1) 428-6800
Fax: +36 (1) 428-6801
www.deloitte.hu

Bejegyzve:
Fővárosi Törvényszék Cégbírósága
Cg.: 01-09-071057

FÜGGETLEN KÖNYVVIZSGÁLÓI JELENTÉS AZ ÖSSZESÍTETT PÉNZÜGYI KIMUTATÁSOKRÓL

A Magyar Posta Zrt. részvényeseinek

Vélemény

A mellékelt összesített pénzügyi kimutatásokat, amelyek a 2019. december 31-i fordulónapra készített összesített mérlegből, valamint az ezen időponttal végződő évre vonatkozó összesített eredménykimutatásból állnak, a Magyar Posta Zrt. 2019. december 31-ével végződő évre vonatkozó, számvitelről szóló 2000. évi C. törvény szerint készített éves beszámolójából vezették le. Véleményünk szerint a mellékelt összesített pénzügyi kimutatások minden lényeges szempontból összhangban vannak a könyvvizsgált éves beszámolóval.

Összesített pénzügyi kimutatások

Az összesített pénzügyi kimutatások nem tartalmazzák a Magyarországon hatályos, a számvitelről szóló 2000. évi C. törvény által előírt valamennyi közzétételt. Emiatt az összesített pénzügyi kimutatások és az azokra vonatkozó könyvvizsgálói jelentés elolvasása nem helyettesíti a könyvvizsgált éves beszámoló és az arra vonatkozó könyvvizsgálói jelentés elolvasását. Az összesített pénzügyi kimutatások és a könyvvizsgált éves beszámoló nem tükrözik a könyvvizsgált éves beszámolóra vonatkozó jelentésünk dátumát követően bekövetkezett események hatásait.

A könyvvizsgált éves beszámoló és az arra vonatkozó jelentésünk

A 2020. május 12-én kelt független könyvvizsgálói jelentésünkben minősítés nélküli véleményt bocsátottunk ki az éves beszámolóra vonatkozóan, amelyet a közgyűlés 2020. május 28-án jóváhagyott.

A vezetés felelőssége az összesített pénzügyi kimutatásokért

A vezetés felelős az összesített pénzügyi kimutatásoknak az elkészítéséért.

A könyvvizsgáló felelőssége

A mi felelősségünk vélemény kibocsátása eljárásaink alapján, amelyeket a 810. témaszámú, „Összesített pénzügyi kimutatásokra vonatkozó jelentések kibocsátására vonatkozó megbízások” című magyar Nemzeti Könyvvizsgálói Standarddal összhangban hajtottunk végre, arra vonatkozóan, hogy az összesített pénzügyi kimutatások minden lényeges szempontból összhangban vannak-e a könyvvizsgált éves beszámolóval.

Budapest, 2020. november 16.



Horváth Tamás

A Deloitte Könyvvizsgáló és Tanácsadó Kft. képviselőjében
illetve mint kamarai tag könyvvizsgáló

Deloitte Könyvvizsgáló és Tanácsadó Kft.
1068 Budapest Dózsa György út 84/C.
Nyilvántartási szám: 000083
Kamarai tag könyvvizsgálói tagszám: 003449

Annex 2

FINANCIAL AND OPERATING PERFORMANCE

BALANCE SHEET "A" ASSETS

Assets		figures in HUF million	
	Item	31 December 2018	31 December 2019
A.	Investments (non-financial)	141,927	137,891
I.	INTANGIBLE ASSETS	9,623	8,492
	Capitalised value of start-up and restructuring		
	Capitalised value of R&D		
	Rights representing property	5,418	3,850
	Intellectual products	4,205	4,642
	Goodwill		
	Prepayment on intangible assets		
	Revaluation of intangible assets		
II.	TANGIBLE ASSETS	94,116	71,033
	Land and related property-valued rights	35,956	25,592
	Technical equipment, machinery, vehicles	13,464	13,980
	Other equipment, accessories, vehicles	2,784	2,074
	Livestock		
	Reconstruction in progress	3,579	1,441
	Prepayment on investments	2	2
	Revaluation of tangible assets	38,331	27,944
III.	FINANCIAL INVESTMENTS	38,188	58,366
	Long-term shares in associated undertakings	10,963	43,635
	Long-term loans to associated undertakings		
	Long-term major shares	26,165	2,440
	Long-term loans to undertakings in major profit-sharing partnership	310	310
	Other long-term shares		11,196
	Long-term loans to undertakings in other profit-sharing partnership		
	Other long-term loans	750	785
	Securities embodying long-term credit partnership		
	Revaluation of financial investments		

B.	Current assets	62,222	48,033
I.	STOCKS (INVENTORY)	761	1,352
	Raw materials	503	520
	Unfinished goods and work-in-progress		
	Livestock		
	Finished goods	59	61
	Goods	74	645
	Advance payments on inventories	125	126
II.	RECEIVABLES	27,909	24,921
	Receivables from customers	14,575	14,661
	Accounts owed by associated undertakings	8,211	6,259
	Accounts owed by undertakings in major profit-sharing partnership	535	453
	Accounts owed by undertakings in other profit-sharing partnership		181
	Bills of exchange receivable		
	Other debtors	4,588	3,367
III.	SECURITIES	3,669	3,202
	Share in associated undertakings		30
	Major shares		
	Other shares	206	206
	Own shares		
	Securities for trade embodying credit partnership	3,463	2,966
IV.	LIQUID ASSETS	29,883	18,558
	Cash in hand, cheques	18,988	16,855
	Bank deposits	10,895	1,703
C.	Prepayments	2,569	3,953
	Prepayments of income	1,455	2,682
	Prepayments of costs and expenditures	1,114	1,271
	Deferred expenditures		
	Total assets	206,718	189,877

BALANCE SHEET "A" LIABILITIES

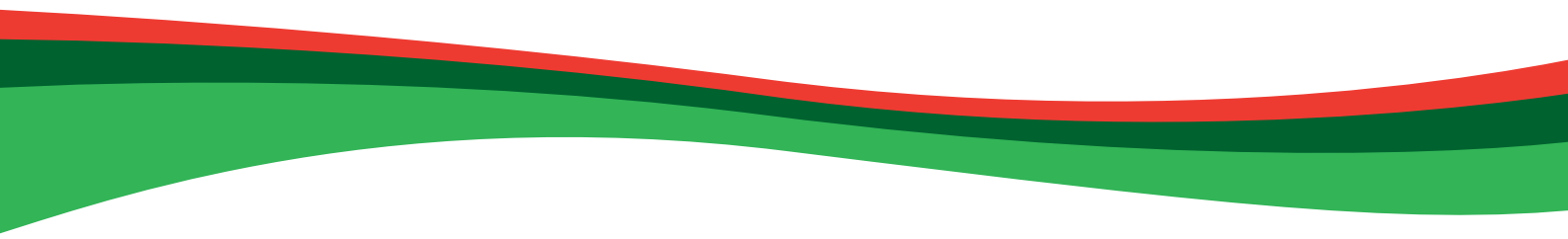
Liabilities		figures in HUF million	
	Item	31 December 2018	31 December 2019
D.	Equity	94,265	84,023
I.	REGISTERED CAPITAL	14,138	14,138
	of which repurchased property share at face value		
II.	REGISTERED UNPAID CAPITAL (-)		
III.	CAPITAL RESERVE	4,941	4,941
IV.	PROFIT RESERVE	36,007	36,439
V.	TIED UP RESERVE	351	416
VI.	REVALUATION RESERVE	38,331	27,944
VII.	PROFIT AFTER TAX	497	145
E.	Provisions	14,835	18,970
	Provisions for expected liabilities	14,835	18,970
	Provisions for future costs		
	Other provisions		
F.	Credits (liabilities)	80,383	73,811
I.	SUBORDINATED LIABILITIES	0	0
	Subordinated liabilities against associated undertakings		
	Subordinated liabilities against undertakings in major profit-sharing partnership		
	Subordinated liabilities against undertakings in other profit-sharing partnership		
	Subordinated liabilities against other party		
II.	LONG-TERM LIABILITIES	8,815	5,881
	Long-term loans		
	Convertible and equity bonds		
	Debenture loans		
	Investment and development credits		
	Other long-term credits	8,571	5,714
	Long-term liabilities against associated undertakings		
	Long-term liabilities against undertakings in major profit-sharing partnership		
	Long-term liabilities against undertakings in other profit-sharing partnership		
	Other long-term liabilities	244	167

III.	SHORT-TERM LIABILITIES	71,568	67,930
	Short-term loans		
	of which convertible and equity bonds		
	Short-term credits	7,467	12,357
	Prepayments received from purchasers	807	2,939
	Trade creditors	9,517	6,990
	Bills of exchange payable		
	Short-term liabilities against associated undertakings	9,102	6,277
	Short-term liabilities against undertakings in major profit-sharing partnership	570	441
	Short-term liabilities against undertakings in other profit-sharing partnership		
	Other short-term liabilities	44,105	38,926
G.	Accruals and deferred income	17,235	13,073
	Accrual of income	560	551
	Accrual of costs and expenditures	13,810	9,759
	Deferred income	2,865	2,763
	Total equity and liabilities	206,718	189,877

PROFIT & LOSS ACCOUNT (total costs method)

		figures in HUF million	
	Item	31 December 2018	31 December 2019
1	Net domestic sales	186,813	190,715
2	Net export sales	14,061	13,275
I.	Turnover (01+02)	200,874	203,990
3	Change in stocks produced ±	-3	2
4	Capitalised value of assets produced	287	396
II.	Own performance capitalised (±03+04)	284	398
III.	Other income	12,215	31,671
	of which reversed diminution in value	112	74
5	Cost of raw materials	8,438	8,919
6	Services used	44,202	46,344
7	Other services	2,266	2,483
8	Original value of goods sold	7,055	4,587
9	Value of services sold (brokerage)	294	336
IV.	Material-type expenditures (05+06+07+08+09)	62,255	62,669
10	Wage costs	97,969	100,400
11	Other personal type expenses	8,948	9,333
12	Wage contributions	22,241	22,003
V.	Staff costs (10+11+12)	129,158	131,736
VI.	Depreciation write-off	10,495	10,874
VII.	Other expenditures	14,990	18,735
	of which value loss	1,091	444
A.	OPERATING PROFIT (I±II+III-IV-V-VI-VII)	-3,525	12,045
13	Dividend and profit-sharing from investments	8,485	713
	of which from associated undertakings	8,281	500
14	Income from shares and exchange gains		
	of which from associated undertakings		
15	Income from financial investments (securities, loans) and exchange gains	23	52
	of which from associated undertakings		1
16	Other interest and similar income due	50	53
	of which from associated undertakings	2	1
17	Other income from payment transactions	435	378

VIII.	Income from financial transactions (13+14+15+16+17)	8,993	1,196
18	Expenditures from shares and exchange losses		12,564
	of which to associated undertakings		
19	Expenditures from financial investments (securities, loans) and exchange losses		
	of which to associated undertakings		
20	Interest and similar expenditures payable	96	188
	of which to associated undertakings		
21	Losses on shares, securities, long-term loans, bank deposits	4,589	
22	Other expenditures on payment transactions	286	244
IX.	Expenditures on payment transactions (18+19+20+21+22)	4,971	12,996
B.	PROFIT ON PAYMENT TRANSACTIONS (VIII-IX)	4,022	-11,800
C.	PROFIT BEFORE TAX ($\pm A \pm B$)	497	245
X.	Taxation	0	100
D.	PROFIT AFTER TAX ($\pm C - X$)	497	145



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