MOL Hungarian Oil and Gas Public Limited Company

EUR 650,000,000 1.500 per cent. Notes due 2027

Issue Price: 99.081 per cent.

The EUR 650,000,000 1.500 per cent. Notes due 2027 (the **Notes**) are issued by MOL Hungarian Oil and Gas Public Limited Company (the **Issuer** or **MOL** and together with its subsidiaries, the **Group** or the **MOL Group**). Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 8 October 2027 (the **Maturity Date**).

The Notes will bear interest from and including 8 October 2020 (the **Issue Date**) at the rate of 1.500 per cent. per annum payable annually in arrear on 8 October in each year, commencing on 8 October 2021. Payments on the Notes will be made in euro.

The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest, (i) in the event of certain tax changes as described under Condition 7.2 (*Redemption for Taxation Reasons*) or (ii) at any time on or after the date falling three months prior to the Maturity Date as described under Condition 7.4 (*Maturity Par Call Option*) . A holder of Notes may, upon the occurrence of a Change of Control as described in Condition 7.3 (*Redemption at the option of the Noteholders (Investor Put)*), require the Issuer to redeem the Notes at par plus accrued interest. The Notes mature on 8 October 2027.

This prospectus (the **Prospectus**) has been approved by the Central Bank of Ireland (the **CBI**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CBI only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Notes to be admitted to its official list (the **Official List**) and to trading on its regulated market (the **Euronext Dublin Regulated Market**). Reference in this Prospectus to being **listed** (and all date references) shall mean that such Notes have been admitted to trading on the Euronext Dublin Regulated Market. The Euronext Dublin Regulated Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**).

The Notes will be offered and sold to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S (**Regulation S**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**).

THE NOTES HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAW, AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS SUCH TERMS ARE DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The Notes will be offered and sold in registered form and in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. The Notes will be represented by beneficial interests in a Global Certificate (the **Global Certificate**) which will be registered in the name of a nominee for, and shall be deposited on or around the Issue Date with, a common safekeeper for, and in respect of interests held through, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, certificates will not be issued for beneficial interests in the Global Certificate. See "*Overview of the Provisions Relating to the Notes in Global Form*".

The Notes will be rated BBB- by S&P Global Ratings Europe Limited (**S&P**) and BBB- by Fitch Ratings Ireland Limited (**Fitch**). Each of S&P and Fitch is established in the European Union (the **EU**) and is registered under Regulation (EC) No 1060/2009 (as amended) (the **CRA Regulation**). As such, each of S&P and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. A brief explanation of the meanings of the above ratings is set out in "*General Information*". Any change in the rating of the Notes may adversely affect the price that a purchaser may be willing to pay for the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "*Risk Factors*" on pages 12-30.

Global Coordinators and Joint Bookrunners

BNP PARIBAS | **Erste Group**

SMBC Nikko | **UniCredit Bank**

Joint Bookrunners

OTP Bank Plc. | **Raiffeisen Bank International**

Co-Managers

Commerzbank | **KBC Bank**

Mizuho Securities

The date of this Prospectus is 6 October 2020

IMPORTANT NOTICES

This Prospectus comprises a prospectus for the purposes of Article 6 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus. This Prospectus may only be used for the purposes for which it has been published.

Other than in relation to the documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below), the information on websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CBI.

Information sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Managers (as defined in "*Subscription and Sale*") and Citicorp Trustee Company Limited (the **Trustee**) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes. The Managers and the Trustee accept no liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution. Neither the Managers nor the Trustee undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the Notes of any information coming to their attention.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Managers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Managers or the Trustee that any recipient of this Prospectus should purchase the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Managers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

Important Information relating to the use of this Prospectus and offers of the Notes generally

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Managers or the Trustee which is intended to permit a public offering of the Notes or the possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom, the Dubai International Financial Centre, Hong Kong, Hungary, Italy, Singapore and the United Arab Emirates (excluding the Dubai International Financial Centre) (see "*Subscription and Sale*").

MIFID II product governance / Professional investors and eligible counterparties only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**)

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Stabilisation

IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS AS STABILISATION MANAGER (THE **STABILISATION MANAGER**) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE

DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Suitability of Investment

The Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Presentation of Financial Information

Non-IFRS measures

Certain measures are included in this Prospectus that are not measures presented in accordance with, or defined by, International Financial Reporting Standards (**IFRS**), as adopted by the EU. These include (i) EBITDA; (ii) EBITDA adjusted for special items; (iii) Clean CCS EBITDA; (iv) Net debt/EBITDA; (v) Gearing ratio; (vi) capital expenditure; (vii) Organic CAPEX; (viii) Sustain CAPEX; (ix) Transformational CAPEX; (x) simplified free cash flow; (xi) profit from operation; (xii) refining margin; (xiii) MOL Group Petrochemicals Margin; (xiv) Fuel Unit Margin; (xv) non-fuel margin; and (xvi) Total Margin (Consumer Services Segment) (all as defined below). MOL defines and calculates these as follows:

(i) **EBITDA**: operating (loss)/profit plus depreciation, depletion, amortisation and impairment;

(ii) **EBITDA adjusted for special items**: EBITDA as adjusted for non-recurring special items that are single, significant (more than USD 10 million profit and loss effect) non-recurring economic events which are not considered as part of the core operation of the segment therefore they do not reflect the actual performance of the given period such as asset impairments/write-offs, provisions for redundancies, special taxes/fines and other non-recurring items;

(iii) **Clean CCS EBITDA**: EBITDA adjusted for special items further adjusted by (i) excluding (a) inventory holding gains/losses, (b) impairment on inventories and (c) FX gains/losses on debtors and creditors; (ii) CO_2 cost recognition; and (iii) capturing the results of underlying commodity derivatives transactions;

(iv) **Net debt/EBITDA**: net debt (long-term debt plus short-term debt less current debt securities and cash and cash equivalents) divided by EBITDA;

(v) **Gearing ratio**: Ratio of net debt to net debt plus equity;

(vi) **capital expenditure** or **CAPEX**: Changes in the gross book value of property, plants and equipment without disposals (i.e. indicating expenses incurred to acquire, upgrade, and maintain physical and intangible assets);

(vii) **Organic CAPEX**: Capital expenditure related to organic uses (i.e. uses that are not inorganic uses such as asset purchases or acquisitions);

(viii) **Sustain CAPEX**: "Stay-in-business"-type of capital expenditure, necessary to make sure all of the Group's businesses remain operational;

(ix) **Transformational CAPEX**: Capital expenditure related to strategic, transformational projects as part of the MOL 2030 Strategy (as defined below);

(x) **Simplified free cash flow**: Clean CCS EBITDA less Organic CAPEX;

(xi) **Profit from operation**: Summary line as it is stated in the consolidated statement of profit or loss;

(xii) **Refining margin**: Margin between the market prices of the Group's refined petroleum products and the prices of crude oil and other feedstock which the Group pays for (an indicator of the overall profitability of the Group's refining operations). It is based on weighted refinery yields, relevant international product and crude quotations and includes cost of purchased energy;

(xiii) **MOL Group Petrochemicals Margin**: A variable margin based upon the product yields of the petrochemicals departments of MOL and Slovnaft a.s. (**Slovnaft**) The formula used for calculating this is as follows (in each case indicated in the percentage of the relevant product yield of MOL or Slovnaft): 8.3 per cent. ethylene + 16.0 per cent. LDPE + 25.5 per cent. HDPE + 37.3 per cent. PP + 5.3 per cent. butadiene + 7.6 per cent. benzene – 117.5 per cent. naphtha – 12.0 per cent. propylene;

(xiv) **Fuel Unit Margin**: Calculated as the difference between fuel revenue and cost of goods sold value;

(xv) **Non-fuel margin**: Calculated as the difference between non-fuel sales and cost of goods sold of non-fuel goods;

(xvi) **Total Margin (Consumer Services Segment)**: Calculated as the total of non-fuel margin and fuel margin.

MOL believes that the presentation of these non-IFRS measures enhances an investor's understanding of the Group's financial performance in the years presented and provides helpful comparisons of financial performance between periods by adjusting for the distorting effect of non-recurring items and volatility of the cost of supply of crude oil and other major raw materials. These non-IFRS measures are not presented in accordance with IFRS and MOL's use of them may vary from, and not be comparable with, non-IFRS measures used by other companies. These non-IFRS measures should not be considered in isolation or as a substitute for financial information as reported under IFRS. EBITDA, EBITDA adjusted for special items, Clean CCS EBITDA, Net debt/EBITDA, Gearing ratio, CAPEX, Organic CAPEX, Sustain CAPEX, Transformational CAPEX, Simplified free cash flow, profit from operation, refining margin, MOL Group Petrochemicals Margin, Fuel Unit Margin, non-fuel margin and Total Margin (Consumer Services Segment) should not be considered as an alternative to net profit or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of liquidity.

Currencies

All references in this document to:

- **EUR**, **euro** and **€** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;

- **HRK** are to Croatian Kuna;

- **HUF** and **Forint** are to Hungarian Forint;

- **U.S. dollars**, **U.S.$**, **USD** and **$** are to the currency of the United States of America; and

- **Sterling** and **£** are to Pounds Sterling.

Unless otherwise indicated, the currency exchange rates (**FX Rate**) set out below are used throughout the Prospectus for any conversions between the relevant currencies as at the relevant dates.

As at 30 June 2020:[1]

- the exchange rate for HUF to EUR was HUF 356.57 to EUR 1;
- the exchange rate for HRK to EUR was HRK 7.5705 to EUR 1;
- the exchange rate for USD to EUR was USD 1.1219 to EUR 1; and
- the exchange rate for HUF to USD was HUF 317.83 to USD 1.

As at 30 June 2019:[1]

- the exchange rate for HUF to EUR was HUF 323.54 to EUR 1;
- the exchange rate for HRK to EUR was HRK 7.39858 to EUR 1;
- the exchange rate for USD to EUR was USD 1.1389 to EUR 1; and
- the exchange rate for HUF to USD was HUF 284.08 to USD 1.

As at 31 December 2019:[1]

- the exchange rate for HUF to EUR was HUF 330.52 to EUR 1;
- the exchange rate for HRK to EUR was HRK 7.4408 to EUR 1;
- the exchange rate for USD to EUR was USD 1.1214 to EUR 1; and
- the exchange rate for HUF to USD was HUF 294.74 to USD 1.

As at 31 December 2018:[1]

- the exchange rate for HUF to EUR was HUF 321.51 to EUR 1;
- the exchange rate for HRK to EUR was HRK 7.4115 to EUR 1;

[1] Source: the exchange rate reports of the Hungarian National Bank for the date indicated, available at: https://www.mnb.hu/en/arfolyam-lekerdezes

- the exchange rate for USD to EUR was USD 1.1444 to EUR 1; and
- the exchange rate for HUF to USD was 280.94 to USD 1.

Certain profit and loss and CAPEX figures set out in tables in the sub-sections entitled "Overview of the 2019 Results" and "Overview of the first half 2020 results" of the "Description of the Issuer" below, have been calculated on the basis of the average exchange rate for the relevant period in accordance with IFRS (IAS21) based on the exchange rate set out in the exchange rate reports of the Hungarian National Bank, as indicated in those sub-sections.

Rounding

Certain amounts that appear in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Forward-Looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events as of the date of this Prospectus and includes statements using the words “believes”, “anticipates”, “intends”, “expects” or other similar terms. This applies in particular to statements relating to, among other things, the future financial performance, plans and expectations regarding developments in the business and management of the Issuer and the Group, and the general economic and regulatory conditions and similar factors affecting the Issuer and the Group.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial condition and the development of the industry in which they operate may differ significantly from those predicted or suggested by the forward-looking statements contained in this Prospectus. In addition, even if the Group’s results of operations, financial condition and business and the development of the industry in which they operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

The forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the Group’s financial position and profitability, to be materially different from or worse than those expressed or implied by these forward-looking statements. Accordingly, prospective investors are strongly advised to read the sections of this Prospectus entitled: "*Risk Factors*", "*Description of the Macroeconomic situation and the Oil and Gas Industry*" and "*Description of the Issuer*". These sections include more detailed descriptions of factors that might have an impact on the Issuer’s business and the markets in which the Issuer and its subsidiaries and affiliates operate. The Issuer does not assume any obligation to (a) update or revise the forward-looking statements, (b) adapt the forward-looking statements to future events or developments or (c) publicly release any revisions that the Issuer may make to these forward-looking statements that may result from events or circumstances arising after the date of this Prospectus.

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OVERVIEW

Description:	EUR 650,000,000 1.500 per cent. Notes due 2027
Issuer:	MOL Hungarian Oil and Gas Public Limited Company
Issuer Legal Entity Identifier (LEI):	213800R83KX5FQFGXS67
Global Coordinators and Joint Bookrunners:	BNP Paribas Erste Group Bank AG SMBC Nikko Capital Markets Limited UniCredit Bank AG
Joint Bookrunners:	OTP Bank Plc. Raiffeisen Bank International AG
Co-Managers:	Commerzbank Aktiengesellschaft KBC Bank NV Mizuho Securities Europe GmbH
Principal Paying Agent:	Citibank N.A., London Branch
Paying Agent:	Citigroup Global Markets Europe AG
Listing Agent:	Arthur Cox Listing Services Limited
Trustee:	Citicorp Trustee Company Limited
Registrar:	Citigroup Global Markets Europe AG
Form and Denominations:	Notes will be represented by beneficial interests in the Global Certificate in registered form, which will be registered in the name of a nominee for, and shall be deposited with a common safekeeper for, Euroclear and Clearstream, Luxembourg. The Notes will be in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof.
Issue Date:	8 October 2020.
Interest and Interest Payment Dates:	The Notes will bear interest from and including 8 October 2020 at the rate of 1.500 per cent. per annum, payable annually in arrear on 8 October in each year. The first payment (representing a full year's interest) shall be made on 8 October 2021.
Maturity Date:	8 October 2027.
Status:	The Notes will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as aforesaid) will rank *pari passu*, without any preference among

themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 4 (*Negative Pledge*).
Withholding Tax:	All payments in respect of the Notes will be made free and clear of withholding taxes imposed by Hungary or any political subdivision or any authority thereof or therein having power to tax (the **Relevant Jurisdiction**) as provided in Condition 8 (*Taxation*) unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 8 (*Taxation*)) pay such additional amounts as will result in the Noteholder receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Redemption for Taxation Reasons:	The Issuer may, at its option, redeem all, but not some only, of the Notes at their principal amount together with any accrued interest in the event of certain changes affecting taxation in the Relevant Jurisdiction as described under Condition 7.2 (*Redemption for Taxation Reasons*).
Redemption at the Option of the Noteholders:	Subject to the conditions described in Condition 7.3 (*Redemption at the option of the Noteholders (Investor Put)*), if a Put Event occurs, the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase the Note on the Put Date at its principal amount together with interest accrued to (but excluding) the Put Date.
Optional Redemption at Par:	The Issuer may, at any time on or after the date falling three months prior to the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (with a copy to the Trustee), redeem the Notes in whole or in part at the principal amount thereof together with interest accrued and unpaid to but excluding the Par Optional Prepayment Date (as defined in the Terms and Conditions of the Notes), as described under Condition 7.4 (*Maturity Par Call Option*).
Meetings of Noteholders:	The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.
Modifications, Waiver and Substitution:	The Trustee may, without the consent of Noteholders, agree to (i) any modification of (subject to certain exceptions), or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of a Subsidiary of a holding company of the Issuer as principal debtor under any Notes in place of the Issuer, in each case, in

	the circumstances and subject to the conditions described in Conditions 11 (*Enforcement*), 14 (*Substitution*) and 15 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination*) of the Conditions of the Notes.
Use of Proceeds:	The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes, including the refinancing of its existing portfolio of debt.
Issue Price:	99.081 per cent.
Yield:	1.640 per cent. This yield is calculated as the yield to maturity of the Notes at the Issue Date on the basis of the Issue Price, and is not an indication of future yield.
Rating:	The Notes will be rated BBB- by S&P and BBB- by Fitch. Each of S&P and Fitch is established in the EU and is registered under the CRA Regulation. In general, European (including United Kingdom) regulated investors are restricted under the CRA Regulation from using a credit rating for regulatory purposes, unless such rating is issued by a credit rating agency established in the European Economic Area (the **EEA**) or the UK and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by a credit rating agency not established in the EEA or the UK, unless the relevant credit ratings are endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or the relevant non-EU and non-UK credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances.
Governing Law:	The Notes, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Trust Deed or the Agency Agreement, as the case may be, will be governed by, and construed in accordance with, English law.
Listing:	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market.
ISIN:	XS2232045463
Common Code:	223204546

Selling Restrictions:	The Notes have not been nor will be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act). The Notes may be sold in other jurisdictions (including Member States of the EEA (**Member States**) and the United Kingdom) only in compliance with applicable laws and regulations. See "*Subscription and Sale*" below.

RISK FACTORS

MOL believes that the following factors may affect its ability to fulfil its obligations under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

MOL believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of MOL to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which are as yet unknown and MOL does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (and any documents incorporated by reference into this Prospectus) and reach their own views prior to making any investment decision.

1. RISKS RELATED TO THE GROUP'S BUSINESS IN THE OIL AND GAS INDUSTRY

Risks related to climate change, including the decline in demand for fossil fuel and policy changes which may have an adverse effect on the Group's revenues or costs

The Group is exposed to transitional and physical climate related risks in connection with the gradual shift to a low carbon economy, which have the potential to impact negatively the financial performance of the Group. Transition risks include: market risks (e.g. changing consumer behaviour and decreasing demand for fossil fuels affecting refinery output and retail sales); policy and legal risks (e.g. the ban of single use plastics affecting the petrochemical sector, EU taxonomy affecting access to and the cost of capital, and carbon tax; for further detail on regulatory changes please see "*Risk Factors – Changes to the legal and regulatory framework in which the Group operates could negatively impact its business, financial condition and results of operations*"), technology risks (e.g. increasing electrification of transportation affecting demand for fuels) and reputational risks (e.g. inability to attract future workforce).

Physical climate related risks include both chronic risks (e.g. depleting water resources affecting the facilities of the exploration and production (also known as upstream) (**E&P**) Segment (as defined in the "*Introduction*" section of the "*Description of the Issuer*" below), drying rivers affecting the facilities of the Downstream Segment (as defined in the "*Introduction*" section of the "*Description of the Issuer*" below) and rising sea levels affecting the Group's coastal refinery); and acute risks (e.g. extreme weather events such as heavy rainfall or high winds affecting all facilities). Failure to adapt to both transitional and physical climate related risks may result in negative financial impacts to the Group in the form of decreasing revenues, increasing costs and liabilities, physical asset damage, disruption to operations, a rise in the cost of capital and constrained access to capital markets.

In addition, the oil and gas industry is facing increasing demands and social and environmental pressures to clarify what the implications of energy transitions could be for their operations and business models, and to explain how they can contribute to reducing greenhouse gas emissions and to achieving the goals of the Paris Agreement (the universal, legally binding global climate change agreement, adopted at the Paris climate conference in December 2015, setting out a global framework to avoid dangerous climate change and to strengthen countries' ability to deal with the impacts of climate change).

The global transportation sector is the second largest energy consuming sector after the industrial sector and accounts for 30 per cent. of the world's total energy distribution. The sector is currently responsible for nearly 60 per cent. of oil demand in the world. Within this sector, road vehicles dominate oil consumption and represents approximately 80 per cent. of the total energy demand.

As hybrid and electric technology gains momentum and internal combustion engines are forced to become more and more fuel efficient by regulation, the Group's oil product sales are inevitably affected. As at the date of this Prospectus, middle distillates and gasoline sales make up approximately 75 per cent. of total oil product sales, concentrating the Group's exposure to a large extent to the transition of the transportation sector.

The MOL Group has already announced that it is making preparations for an expected decline in motor fuel consumption and has developed an investment plan to diversify away from fuel production as part of its long-term strategy. However, a faster-than-expected decline in fuel demand as a result of more aggressive environmental policies and regulation supported by a change in customer behaviour could mean that the degree of planned diversification by the Group could become insufficient to generate expected earnings.

The Group is subject to operational risks including physical asset risks prevalent in the oil and gas industry

The Group's business operations, like those of other oil and gas companies, refineries and petrochemical companies, may be adversely affected by numerous factors, including fires, explosions, blowouts, reservoir damage, loss of well control, discharges of gases and toxic chemicals, the breakdown or failure of equipment or processes, performance below expected levels of output or efficiency, labour disputes, natural disasters, weather conditions, terrorist attacks, sabotage, interruption or closure, IT failures, breaches of cyber security, epidemic diseases and other risks. These can result in personal injuries, loss of life, property and environmental damage and delays to, or loss of, production and third-party liabilities. High asset concentration in the Downstream Segment is a significant risk and could materially impact on the Group's operations.

As at the date of this Prospectus, the Group does not insure groups of assets where the amount of the joint potential loss resulting from a single occurrence is less than USD 40 million in the case of the Downstream Segment, USD 10 million in the case of the E&P Segment and less than EUR 500,000 in the case of losses arising from third party liabilities. The Downstream Segment self-retained (non-insured) loss per event is (i) USD 20 million for property damages and (ii) the greater of 60 days' lost revenues in the case of business interruption or USD 20 million in respect of lost revenues. In line with industry practice and insurance market capacity, the limits of the Group's insurance policies cover the majority of worst-case scenarios, but there still remains a small risk of cases where the loss could exceed the policy limit.

To the extent that the Group incurs losses which are not covered by insurance or are below the relevant excess amount, such losses would generally need to be met by the Group, consequently increasing the Group's cost base and negatively impacting the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

The Group may be subject to significant environmental liabilities

The Group's operations, which are often potentially hazardous, are subject to the risk of liabilities arising from previous and current environmental pollution and the cost of any associated remedial work. The Group has insurance to cover the risk of sudden and accidental environmental pollution. While the Group is of the view that this insurance is of sufficient size and that it is in accordance with industry standards, there is a risk that the Group could incur environmental liabilities which exceed the amount that it is insured for and, if any such excess were to be material, this may have a material adverse effect on the financial position of the Group.

The Group needs to strike an appropriate balance between the need to access and develop energy resources and the need to protect the natural environments in each of its operating geographies. An inability to balance this perceived trade-off could damage the image and reputation of the Group with the public and relevant governments, which could impact upon the Group's future business prospects.

The Group undertakes transportation of oil and gas to its E&P Segment, as well as petrochemicals and other products through its Downstream Segment. All modes of transporting, refining and storing hydrocarbons bring inherent risks, with containment failures potentially occurring during transportation by road, rail, sea or pipeline, during storing or in the production process. The release of hazardous materials could pose serious environmental and social risks given the high volumes of materials involved.

As at the date of this Prospectus, the Group is responsible for remedial work for past environmental damage relating to its operations (primarily soil and groundwater contamination and disposal of hazardous wastes). The provision for environmental liabilities at Group level (excluding recognised contingent liabilities as per IFRS 3) as at 31 December 2019 was HUF 52,372 million (USD 177.7 million). As at 31 December 2019, the provision for field abandonment amounted to HUF 391,398 million (USD 1,327.9 million). This provision was made for the estimated total costs of plugging and abandoning wells upon termination of production by the Group.

There are certain Group sites which may be affected by contamination, but the cost of remedial work is, as at the date of this Prospectus, not yet quantifiable. The main areas where such contingent liabilities may exist are the assets of INA, industrial site in Sisak and refinery in Rijeka (Croatia), the Croatian retail and logistic network, as well as damage at certain sites of the E&P Segment.

As at 31 December 2019, at Group level the aggregate amount of contingent liabilities for environmental damage was not expected to exceed HUF 50.54 billion/ USD 171.5 million (HUF 51.4-53.4 billion at 31 December 2018). This amount includes HUF 45.4 billion (USD 154 million) of contingent liabilities relating to the acquisitions of IES Italiana Energia e Servizi S.p.A. (**IES**) and INA-Industrija nafte, d.d. (**INA**) which are recognised on the balance sheet of the Group, as required by the IFRS. If liabilities for environmental damage were to significantly exceed the amount provided for, there could be a material adverse effect on the financial condition of the Group which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Estimates of the Group's crude oil and natural gas reserves are subject to uncertainties and incorrect estimations could negatively impact the Group

There are a number of uncertainties inherent in estimating quantities of proven reserves, projecting future rates of production and the timing of development expenditures, including numerous factors which are beyond the producers' control. Reserve estimates are highly dependent on the accuracy of the assumptions upon which they were based, the quality of the information available and the ability to verify such information against industry standards. In addition, results of drilling, testing and production subsequent to the date of an estimate may require revision of any such estimate. Accordingly, reserve estimates may be materially different from the quantities of crude oil and natural gas that are ultimately recovered and, if recovered, the revenue from and the costs related thereto could be more or less than the estimated amounts. This Prospectus includes data on the Group's proved plus probable reserves (**2P**) as at 31 December 2019 (please see the section entitled "*Business Segments – E&P Segment – Financial overview*" of the "*Description of the Issuer*" below). Such data contains estimates and the figures provided should not be considered as exact.

Any upward error in the estimate of reserves may result in lower than expected or negative returns on investment which in turn could have a material adverse effect on the Group's business, financial condition and results of operations and may affect MOL's ability to fulfil its obligations under the Notes.

Higher than expected decline of hydrocarbon production and failure to replace reserves may have material adverse effect on the Group

The Group has matured fields in its E&P Segment portfolio in Hungary, Croatia and Russia where production has been declining. If the rate of decline in production is greater than expected, and/or the production optimisation programmes are not as successful as expected, or inorganic steps (such as asset purchases or acquisitions) are not successful, the EBITDA of the Group generated by E&P Segment could significantly deteriorate. This may have a material adverse effect on the Group's business, financial condition and results of operations, which in turn may affect MOL's ability to fulfil its obligations under the Notes.

A sustained disruption in the crude oil supply could have a material adverse effect on the Group's business

The Group purchases pipeline crude oil on the basis of long-term and annual agreements from the resources of different Russian producers via the Friendship-II pipeline, which runs between Russia and Europe. Disputes between Russia and transit countries may result in supply uncertainty, including crude contamination. The Group has no control over this crude oil supply route or its costs.

For its own production and supply needs, the Group also uses pipelines which are owned and operated by third parties. For example, INA obtains its crude oil from domestic production or from the Adria pipeline. This pipeline is owned and operated by Janaf Plc, a company majority owned by the Croatian state. A failure by third parties to maintain or sufficiently increase the capacity of their pipelines, breakdowns and leakages, or specific court or other legal actions to limit the Group's access to the system, could require the Group to utilise more expensive alternative export or import routes that could result in a decline in profit margins. Extra repairs and maintenance of the pipelines could be required where a pipeline passes through areas with a harsh climate, such as Russia. Any sustained disruption in supply, uncertainty of availability or the physical condition of the pipeline system and changes in governmental policy on access to the pipelines could affect the Group's ability to sell oil from exploration or to acquire oil as well as product feedstock at the most economic rates for the Group's refineries, which could have a material adverse effect on the Group's business, results of operations or financial condition and may affect MOL's ability to fulfil its obligations under the Notes.

2. RISKS RELATED TO THE MARKETS IN WHICH THE GROUP OPERATES

Fluctuations in crude oil and natural gas prices may adversely affect the Group's business

The Group is exposed to commodity price risk on both the purchasing side and the sales side. The main commodity risks stem from its long positions in crude oil, refining margins and petrochemical margins.

In line with other international oil and gas companies, all purchases by the Group of crude oil and natural gas, and all sales of refined products and petrochemical products are undertaken pursuant to agreements priced in or by reference to spot or contract world market prices. Such prices may fluctuate widely in response to changes in many factors over which the Group has no control.

Historically, international crude oil and natural gas prices have fluctuated widely. A material decline in the price of crude oil or natural gas for a sustained period would have a material adverse effect on the Group's results of operations and value of reserves estimates.

As at the date of this Prospectus, it is not foreseeable whether and in which way international cartels or leading oil-producing states will adjust crude oil production levels according to actual market demand and, accordingly, influence prices. Furthermore, lower crude oil and natural gas prices may also reduce the amount of oil and natural gas that the Group can produce economically or reduce the economic viability of projects planned or in development and may have a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, rapid material and/or sustained changes in crude oil, gas, electricity and petroleum product prices can impact the validity of the assumptions on which strategic decisions are based and, as a result, the ensuing actions derived from those decisions may no longer be appropriate.

A prolonged period of low prices may necessitate a review for impairment of the Group's oil and natural gas properties. Such a review would reflect management's view of long-term depressed oil and natural gas prices, and any impairment charges incurred as a result could have a significant effect on the Group's results of operations, for the period in which it occurs which in turn may affect MOL's ability to fulfil its obligations under the Notes.

A decline in refining and petrochemical margins may adversely affect the Group's business, prospects, financial condition or results of operations

The operating results of the Group's refining business depend largely on the refining margin (as defined and explained in the section entitled "*Presentation of Financial Information – Non-IFRS Measures*" above). The cost to acquire feedstock and the prices at which the Group can ultimately sell refined products depends on a variety of factors beyond its control. Although an increase or decrease in the price of crude oil generally results in a corresponding increase or decrease in the price of the majority of refined products, changes in the prices of refined products generally lag behind upward and downward changes in crude oil prices. As a result, a rapid and significant increase in the market price for crude oil has an adverse impact on refining margins. A prolonged reduction in refining margins could have a material adverse effect on the Group's business, results of operations or financial condition.

In addition, the commissioning of more complex and more competitive refineries in the U.S. and the Middle East has put Europe in a vulnerable position since additional import volumes of diesel have pushed crack spreads (as defined and explained in the "*Glossary*" below) lower. Should this lower diesel crack environment persist, especially given the "anti-diesel" market sentiment and stricter EU regulation, it may negatively impact the Group's profitability. Although gasoline crack spreads performed better historically compared to diesel crack spreads (due to high global demand growth mainly driven by the US and Asia), the Group does not expect that this trend will continue in the future due to refinery capacity additions and shrinking export markets. Global competition for gasoline outlets could increase, which may negatively affect European crack spreads and as a result may have a negative impact on the Group's business, results of operations or financial condition. This in turn may affect MOL's ability to fulfil its obligations under the Notes.

3. RISKS RELATED TO THE GROUP'S ORDINARY COURSE OF OPERATIONS

Pandemics such as the COVID-19 pandemic may have a material adverse effect on the Group's business results of operations or financial condition

A severe acute respiratory illness caused by a new coronavirus (SARS-CoV-2, known as **COVID-19**) was first reported in December 2019 and has subsequently spread throughout the world to countries and jurisdictions in which the Group operates. On 30 January 2020, the World Health Organisation (**WHO**) declared COVID-19 a public health emergency of international concern and on 11 March 2020, the WHO declared the outbreak a pandemic. COVID-19 has had and continues to have adverse repercussions across regional and global economies and financial markets which adversely affect the jurisdictions in which the Group's operate, including Hungary.

In response to the pandemic, the governments of more than 80 countries across the world, including Hungary, introduced measures aimed at preventing the further spread of COVID-19, including amongst others, orders for businesses and some of the government institutions to temporarily stop their operations, closures of places where large groups of people gather such as schools, sports facilities and bars and restaurants, large-scale lockdowns and home confinement, border controls and travel and other restrictions. Such measures have disrupted the normal flow of business operations both globally and locally, affected global supply chains, global manufacturing, tourism, consumer spending and asset prices. The COVID-19 pandemic has triggered the significant global market turmoil and has produced a negative impact on the level of global and local economic activity.

In response to the global economic downturn, central banks and monetary authorities are, as at the date of this Prospectus, engaging in an ongoing series of interventions in financial markets and national governments are announcing fiscal policy initiatives to stimulate their economies. The recovery of economies partially depends on the measures taken by governments to ease the imposed restrictions, but the pace of any recovery remains uncertain.

The COVID-19 pandemic may affect the Group's industry and business in a number of ways, including but not limited to:

- declines in prices of the Group's products;
- decrease in sales volume of the Group's products due to a decline in demand;
- increase in transportation expenses of the Group;
- limiting the Group's ability to generate cash flow, and as a result, affecting its financial condition;
- causing the Group to delay, postpone or cancel certain of its investment projects;
- impacting the Group's ability to enter into new strategic transactions or to finalise strategic transactions on previously agreed terms and timetables;
- requiring the Group to make operational changes and implement measures to ensure the health and safety of its employees and counterparties, which may involve increased costs or operational inefficiencies; and
- deterioration of the Group's customers' creditworthiness.

Whilst as at the date of this Prospectus, the Group is not able to estimate and quantify in full the negative effects that the COVID-19 outbreak might have on its business, financial condition and results of operations the Group experienced a decline in the E&P Segment's EBITDA, the Downstream Segment's Clean CCS EBITDA and retail fuel sales during the second quarter of 2020 as a result of the impact of the COVID-19 pandemic on its business operations (please refer to the section entitled "*Overview of the first half 2020 results*" of the "*Description of the Issuer*" below). The overall impact of the pandemic on the Group's business will depend on a range of factors which it is not possible to accurately predict, including the duration, severity, potential recurrence and scope of the pandemic and the extensiveness of measures adopted by governments.

There is still, as at the date of this Prospectus, significant uncertainty relating to the severity of the near and long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets, the Hungarian economy and the economies of the jurisdictions in which the Group operates, and the Group is not able to accurately predict the near-term or long-term impact of the COVID-19 pandemic on the Group's business, financial condition and results of operations. It is possible that the current COVID-19 pandemic will cause a prolonged global economic crisis or recession, which could have a negative impact on the Hungarian economy in general and the Group's industry and business in particular. To the extent the COVID-19 pandemic adversely affects the Group's business and financial results, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

For further information on the COVID-19 pandemic see the risk factor entitled "*The Group may encounter difficulties in financing its capital expenditure plans*"; the "*Description of the Macroeconomic situation and the Oil and Gas Industry*"; and the sections entitled "*Overview of the first half 2020 results*", "*Strategy*" "*Overview of the E&P Segment's results in the first half of 2020*", "*Overview of the Consumer Services Segment's results in the first half of 2020*", "*Overview of the Gas Midstream Segment's results in the first half of 2020*" and "*Employees*" of the "*Description of the Issuer*" below.

The Group is exposed to cyber risk in the ordinary course of its operations

The oil and gas industry is a valuable target for cyber-criminals seeking to exploit industrial control systems (**ICS**) environments. The number of attacks against ICS overall is increasing as cyber-criminals with specific interest in oil and gas companies remain active and are evolving their behaviours. The Group is exposed to cyber risk which means the risk of financial loss, disruption or damage to the reputation of an organisation from a failure of its information technology systems. Such risk can be generated by government agencies, organised criminal gangs or disgruntled employees who could potentially harm the Group's industrial network and process control network and thereby damage confidentiality, integrity and availability of systems or disrupt processes. Such damage could cause reputational damage to the Group and cause disruptions in its operations leading to loss. The Group created a cyber security strategy (for the period 2020 to 2030) to address the growing cyber threat. Based on the predictions of the Group's cyber security department, increased targeted spear-phishing campaigns and compromised privileges continue to be the major cause of data breaches. The top cloud suppliers may suffer breaches, which could compromise sensitive information of major companies (such as MOL) stored with them, as there is an ever-increasing number of hacking tools available to cyber-criminals which are designed to attack critical infrastructure elements. Whilst the Group continuously monitors the external regulatory environment related to data privacy, network security and national critical infrastructure elements, there can be no assurances that such policies and procedures will be effective in eliminating cyber risk or the potential losses arising therefrom. For further information on the Group's information technology (**IT**) cyber security infrastructure please see the section "*Information Technology (IT)*" of the "*Description of the Issuer*" below.

The inability to attract, train or retain qualified personnel could jeopardise the human capital of the Group and have a material adverse effect on the Group's business, financial condition and results of operations

The Group's ability to implement its strategy is dependent on the capabilities and performance of its key management and technical personnel. Significant loss of critical and key personnel or the inability to attract, train or retain appropriately qualified personnel (in particular for technical positions where availability of appropriately qualified personnel may be limited, especially blue-collar site workers) could have a significant material adverse effect on the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

The Group is exposed to a risk of failure to comply with applicable quality standards

The Group is subject to risks resulting from potential non-compliance with quality standards, including standards on product quality, fuel bio content, health, safety and environmental (**HSE**) and energy management. Supplying customers with on-specification products is critical to maintaining the Group's various required licenses to operate. Failure by the Group to meet quality standards could lead to harm to people, third-party property and the environment, could adversely affect the MOL Group's reputation, and may result in regulatory action and legal liability. This in turn could have a significant material adverse effect on the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

4. RISKS RELATED TO THE LEGAL, REGULATORY AND POLITICAL ENVIRONMENT IN WHICH THE GROUP OPERATES

Changes to the legal and regulatory framework in which the Group operates could negatively impact its business, financial condition and results of operations

The Group is exposed to legal and regulatory risk from directives and regulations applicable to the Group's businesses in the jurisdictions in which it operates, and, in particular, with respect to EU law in the fields of energy, environment and climate change in addition to national law as well as national and local legislation and regulation.

Any changes in such laws and regulations which affect Group facilities may involve further investment obligations, higher operating costs and decommissioning liabilities. Changes to the regulatory framework in which the Group operates could also result in additional unbudgeted capital expenditure and/or incremental operating costs, which could impact upon profitability and revenue generation. In particular, climate related legislation may have a negative impact on the financial performance of the oil and gas sector (including MOL's operations).

The activities of the Group's E&P Segment are subject to extensive regulation by the host governments of EU and non-EU countries, including, but not limited to:

- petroleum law;
- energy policies;
- regulatory systems; and
- government contracts (e.g. concession agreements, production sharing agreements, risk sharing contracts, joint venture agreements, service contracts and hybrid contracts).

Any unexpected changes in regulatory requirements, licence terms, size and structure of royalties, tariffs, export duties, taxation policies, dedicated sales contracts with government dedicated entities at regulated prices, other trade barriers and price exchange controls in any countries where the Group has operations could limit those operations, make the distribution of products difficult and have a negative effect on the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Governments may appropriate the Group's assets

Due to the nature of the business of the Group and the characteristics of certain jurisdictions in which the Group has operations, the Group faces the potential risk of government intervention via nationalisation, expropriation or cancellation of contract rights. Moreover, in some jurisdictions in which the Group operates, the legal framework relating to the Group's various business lines may change at any time, including changes that could include the nationalisation of individual lines of business. This may have a negative effect on the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Some of the Group's operations are in unstable political environments that have less developed legal systems and procedural safeguards and that may not be sufficient to protect the Group's interests. Such operations are also exposed to the risk of terrorism.

As at the date of this Prospectus, some of the Group's oil and gas assets and supply sources are located outside of Europe in countries with developing economies and/or unstable political environments. In particular, the Group has assets in Kazakhstan, the Kurdistan Region of Iraq, Syria, Pakistan, Egypt, Oman, Angola and Azerbaijan where the Group's operations are exposed to economic and political risks, including an uncertain legislative framework, political interference in business, nationalisation, civil strife, social instability and acts of war or terrorism. In certain countries in which the Group operates, it may be difficult to repatriate investment and profits.

If political instability and acts of terrorism in one or more of the countries in which the Group operates continues or heightens, it could have a negative impact on the Group's business, results of operations and financial condition which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Sales prices of hydrocarbon and refined products are regulated in certain countries, which exposes the Group to regulatory and price risks

In certain countries where the Group operates sales prices of hydrocarbon and refined products are fully or partially regulated which exposes the Group to regulatory and price risks if the regulated prices are lowered below market levels.

In terms of hydrocarbon products, in Hungary two-thirds of the Group's natural gas production is sold under regulated terms to a designated wholesale supplier (for universal supply purposes). In Croatia, as at the date of this Prospectus, gas prices and related market terms are partially regulated, although the full liberalisation of the Croatian market is expected to start from 1 April 2021.

In terms of refined products, the wholesale and retail markets in which the Group operates are generally liberalised and free markets. However, in Slovenia a moving price cap is applied affecting a minor sales volume of the Group's products.

These regulations and any amendment to them could restrict the Group's ability to fully adjust its wholesale and retail prices in accordance with market prices, in which case fluctuations in the prices of commodities and currency exchange rates could reduce the Group's ability to pass on supply costs to customers in time to prevent losses. This could have a material adverse effect on the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

A failure to obtain or maintain licences and permits could prevent the Group from carrying on its activities

The industry in which the Group operates is regulated and its operations require it to obtain and maintain licences and/or permits.

Each of the Group's licences could be suspended or terminated by the relevant licensing authorities if the Group is deemed to have violated its terms or repeatedly violated the applicable requirements of law or, alternatively, not renewed after expiration. Licences are re-tendered before expiry and no assurance can be given that the Group will win the re-tendering process. The termination or modification of, or failure, for any reason, to renew these licences in a timely manner could have a material adverse effect on the Group's business, financial condition and results of operations as the Group will not be able to carry on some or all of its current activities.

Compliance with United Nations, UK, U.S. and EU sanctions could have an impact on the Group's economic interests

The United Nations (**UN**), the U.S., the UK, the EU and the Member States of the EU impose regulations that restrict the ability of entities or persons to invest in, or otherwise engage in business with, certain countries and specially designated persons. For example, enterprises operating in certain countries in the Middle East and Africa have been subject to such sanctions as well as Russian enterprises following the political crisis in Ukraine and Crimea since 2014.

Due to the ongoing conflict between Russia and Ukraine, the EU, the UK, the U.S. and other members of the G7 bloc of developed nations (including Canada and Japan), have introduced sanctions and restrictive measures against certain Russian persons. While the current sanctions regime directed at Russia has had no material impact on the Group's operations in Russia, should current sanctions be extended, they may preclude the Group from performing parts of its operations in Russia or conducting business with Russian entities. The Group may even be forced to cease operations in Russia or refrain from transactions with Russian entities or to amend existing contractual terms which could have a material adverse effect on the Group's business, financial condition and results of operations and may affect MOL's ability to fulfil its obligations under the Notes.

The Group has economic interests in Syria, which is currently a sanctions target under UN, U.S., UK and EU sanctions regulations. Activities in Syria were, however, suspended in 2012 as a result of the civil war.

In 2008, INA signed a service contract for the exploration and development of the Moghan 2 Block (the **Service Contract**) with the National Iranian Oil Company (**NIOC**) which requires INA to carry out exploration, appraisal and development of oil and gas resources. The exploration phase of the Service Contract expired on 31 May 2012 without INA fulfilling all its contractual obligations and investing only USD 5.1 million between 2008 and 2012 (of which USD 4.6 million is accepted by NIOC) of the minimum financial commitment of USD 40.3 million. Outstanding financial obligations under the Service Contract amount to USD 35.7 million. Due to international sanctions INA has liquidated its branch office in Tehran and has not been able to settle the said outstanding financial obligations.

While the Group currently complies with all relevant sanctions regulations, EU and U.S. sanctions are constantly in flux and may change rapidly and substantially. Any violations or perceived violations of existing or future UN, U.S., EU or UK sanctions could subject the Group to penalties that could have a material adverse effect on the Group's ability to obtain goods and services in the international markets, access the international capital or bank debt markets and cause reputational damage. Any of the above implications could have a material adverse effect on the Group's business, financial condition and results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes. With regards to risks related to sanctions please also refer to "*Risks related to FGSZ's participation in the FGSZ Gas Pipeline Project*" below.

Risks related to FGSZ's participation in the FGSZ Gas Pipeline Project

The Hungarian Energy and Public Utility Regulatory Authority (**MEKH**) issued a resolution on 31 March 2020, requiring Földgázszállító Zrt. (**FGSZ**), MOL's wholly-owned subsidiary responsible for the Group's gas midstream segment, to develop a cross-border entry point with a capacity of 6 billion m3/year (the **MEKH Resolution**) as part of a contemplated interconnector gas pipeline between Hungary and Serbia (the **FGSZ Gas Pipeline Project** or the **Project**) (for more information please see the section " *Recent Developments – The FGSZ Gas Pipeline Project*" of the "*Description of the Issuer*" below).

MOL understands that the U.S. Government might consider the Project to be an extension (and therefore part) of the second strand of the TurkStream pipeline (**TurkStream 2**), running from Russia to Turkey. This is significant because in July 2020, the United States updated its guidance under the U.S. Countering America's Adversaries Through Sanctions Act of 2017 (**CAATSA**), which, among other things, targets energy export pipelines that originate in the Russian Federation and "transport hydrocarbons across an international land or maritime border for delivery to another country." This updated July 2020 guidance announces the U.S. intention to expand the focus of certain sanctions under CAATSA to address what the U.S. perceives to be threats to U.S. national security and foreign policy interests specifically related to the Nord Stream 2 and TurkStream 2 pipelines.

MOL takes the position that the Project, which establishes a pipeline connection only between Hungary and Serbia in full compliance with pertinent Hungarian and EU legislation, should not be considered to be an extension or part of TurkStream 2, and therefore that it should not be a target of U.S. sanctions.

Should the U.S. confirm that it views the FGSZ Gas Pipeline Project to be an extension or part of TurkStream 2, and if the Group should determine to proceed with its involvement with the FGSZ Gas Pipeline Project as required by the terms of the MEKH Resolution, there is a risk that the U.S. could impose sanctions on FGSZ (and potentially other FGSZ affiliates, including the Issuer) pursuant to section 232 of CAATSA. Such sanctions may include, among others:

- export-import sanctions;
- restrictions on the receipt of loans or credit from certain financial institutions;
- property blocking sanctions;
- foreign exchange sanctions;
- bans on investment in equity or debt by US persons; and
- sanctions, including travel-restrictions, on corporate officers.

The imposition of any such sanctions could have a material adverse effect on the ability of the Group to access international capital or bank debt markets and may cause reputational damage or other impacts on its business that could have a material adverse effect on the Group's business, financial condition and results of operations. This in turn could have an adverse effect on the value of the Notes and the ability of the Noteholders to sell their Notes in the secondary market. Further, if the U.S. government were to designate the Issuer as a sanctions target, Noteholders could be unable to sell, transfer or otherwise deal in or receive distributions with respect to the Notes.

Should the Group determine, however, not to proceed with the FGSZ Gas Pipeline Project such that it does not fulfil the terms of the MEKH Resolution to complete the FGSZ Gas Pipeline Project by October 2021, and there is no withdrawal or amendment of the MEKH Resolution, FGSZ could be subject to penalties and sanctions from the MEKH. Those sanctions and penalties include:

- the obligation to fulfil the MEKH Resolution and meet relevant deadlines;
- penalties up to (the higher of) (i) HUF 100 million (approx. EUR 278,000) or (ii) 10 per cent. of the net sales of FGSZ, in the year preceding the year when the non-compliance occurred (these penalties could be imposed repeatedly for as long as FGSZ has not fulfilled the relevant obligations); and

- the suspension of activities, or partial or complete withdrawal of the operating licence of FGSZ and, the assignment of another TSO (transmission system operator) to take over the implementation of the Project.

The Group does business in jurisdictions with inherent risks relating to fraud, bribery and corruption

The Group currently does business in a number of jurisdictions that have been allocated low scores on Transparency International's Corruption Perceptions Index 2019 such as Angola, Russia, Ukraine, Iraq, Pakistan and Kazakhstan. Doing business in international developing markets brings inherent risks associated with the enforcement of obligations, fraud, bribery and corruption. In addition, the oil and gas industries have historically been shown to be vulnerable to corrupt or unethical practices.

While the Group maintains an anti-fraud framework, comprehensive internal regulations and a whistleblowing system (including preventive, detective and corrective capabilities), it may not be possible for the Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. If any such fraudulent activity is detected, the Group may be subject to civil and criminal penalties and to reputational damage. Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Group operates could have a material adverse effect on its business, financial condition and results of operations. In addition, as a result of the Group's business conduct and specialised anti-fraud framework and other safeguards, there is a risk that the Group could be at a commercial disadvantage and may fail to secure contracts within jurisdictions that have been allocated a low score on Transparency International's "Corruption Perceptions Index" to the benefit of other companies who may not have or comply with such anti-corruption safeguards.

Litigation and regulatory proceedings may have a material adverse effect on the Group's business, financial condition and results of operations

The Group is subject to numerous risks relating to legal and regulatory proceedings in which a Group company is, as at the date of this Prospectus, a party or that could develop in the future.

Croatia has initiated criminal proceedings and issued domestic, European and international arrest warrants against MOL's Chairman-CEO, Mr Zsolt Hernádi. A negative outcome of these proceedings may cause reputational damage (for further information, see "*Description of the Issuer – Litigation*").

Although the Group does not, as at the date of this Prospectus, expect litigation or regulatory proceedings to which it is a party to have a material adverse effect on its financial condition and results of operations, no assurance can be given that the ultimate outcome of such legal proceedings or regulatory proceedings and any consequential legal proceedings or regulatory proceedings thereafter will not have a material adverse effect on its results of operations or financial condition which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Ongoing tax, customs, excise and other financial inspections may have a material adverse effect on the Group's business, financial condition and results of operations

As at the date of this Prospectus, there are a number of tax, customs, excise and other financial inspections, investigations and challenges on-going in relation to various Group entities (including INA and its subsidiaries). MOL considers these inspections, investigations and challenges to be in the ordinary course of its business. However, at this stage MOL is unable to accurately predict the outcome of these procedures.

Any violation by MOL of applicable law and regulation could lead to the imposition of substantial fines, sanctions or other measures, based on the findings of such tax, customs, excise and other financial inspections, investigations and challenges and plaintiffs could seek compensation for any alleged damages that arose as a result of any sanctioned conduct. Any of the foregoing could have, individually or in the aggregate, a material adverse effect on the Group's business, results of operations or financial condition and may affect MOL's ability to fulfil its obligations under the Notes.

5. RISKS RELATED TO THE GROUP'S STRATEGY

The Group's organic growth and transformation strategy involves uncertainties and operating risks, including project execution risk

The Group's future projects, including field development, exploration, the modernisation of refinery and particularly petrochemical assets, the logistics network and the construction of power plants may be delayed or less profitable than expected or unsuccessful for numerous reasons, including cost overruns, lower product prices, higher raw material or energy prices, equipment shortages, limited availability of contractors and subcontractors, mechanical difficulties and financial distress situations. These projects will also often require the use of new and advanced technologies which are expensive to develop, purchase and implement and may not function as expected. In addition, the implementation may take more time than reasonably expected and severe weather conditions could impede the Group's development and/or exploration operations and plans for its fields and facilities. Delays in delivery of the Group's strategic projects, including the Polyol Project and the Rijeka Project (both as defined and explained in the section entitled "*Strategy – Downstream Segment strategy*" of the "*Description of the Issuer*" below) may adversely affect the Group's expected market position and therefore deteriorate the return or recovery of the investment. All of these factors may materially adversely affect the Group's business, financial condition or results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

The Group's expansion strategy and potential restructurings expose the Group to risks

The Group is an international oil and gas business with a diversified European portfolio as well as several investments in oil and gas activities outside Europe. As part of its strategy, the Group may in the future seek additional opportunities to further expand its integrated portfolio and to restructure or cease its existing operations where it is appropriate. The expansion of the Group's business and portfolio is integral to the Group's success. The Group assesses each investment it makes on the basis of extensive financial, operational and market analysis, which may include certain assumptions.

The Group's ability to continue to grow and to penetrate new markets will depend on a number of factors. These include, among others, the availability of internal and external financing, the availability of suitable third-party business partners able to share risk and costs as well as existing and future competition. The Group might not be able to implement its growth strategy or successfully manage previous acquisitions and further its growth and this may have a material adverse effect on the Group's business, results of operations or financial condition which in turn may affect MOL's ability to fulfil its obligations under the Notes.

A failure to implement planned efficiency programmes may adversely affect the Group's business, prospects, financial condition or results of operations

The Group has initiated a number of efficiency programmes, most notably the Downstream 2022 Programme (see "*Description of the Issuer – Business Segments – Downstream Segment*"). The success of such programmes depends on the operational availability of production units (e.g. fewer shutdowns give more room to profit from energy efficiency improvement actions). Beyond the targeted effect of internal measures, success is highly dependent on business specific external factors such as market trends, volatile crude oil and energy prices, changing regional supply and demand and product margins which may severely impact the Downstream Segment's results. A failure to implement the Downstream 2022 Programme initiatives may have an adverse effect on the Group's business, prospects, financial condition or results of operations which in turn may affect MOL's ability to fulfil its obligations under the Notes.

The Group faces increasing competition which decreases profitability

The Group faces increasing competitive pressures in all areas of its business, both from local as well as global oil and gas companies. There is growing competition for access to low-cost crude oil and natural gas reserves as well as exploration and production licences.

Automotive fuel is subject to stringent quality requirements and liberalised products within the EU. The Group's market position in Hungary, the Slovak Republic, Croatia, Austria, the Czech Republic, Slovenia, Bosnia-Herzegovina and Romania is subject to competition from other regional refiners and wholesale distributors. The Group's retail competitors include multinational, Western European and regional oil companies as well as hypermarkets, many of which have significantly greater financial resources than the Group. If these companies are able to increase their market share at the Group's expense then there could be a material adverse effect on the Group's business, results of operations or financial condition.

Other oil derivatives (chemical, petrochemical and lubricant products) have wider and thus more competitive markets when compared to automotive fuels, as they are easily transportable over greater distances.

The Group's petrochemical business faces fierce competition from the U.S., the Middle East and also Western European producers who are squeezed out from their exports markets, in particular from China, where newly-built petrochemical units have significant cost advantages due to lower feedstock prices, especially in commodity polyolefins or economies of scales and/or their domestic market size.

If the Group is unable to effectively compete in any of the markets in which it operates, this may have a material adverse effect on the Group's business, results of operations or financial condition which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Inadequate contingency plans or crisis management may have a material adverse effect on the Group's business

Contingency plans are required to continue or recover operations following a disruption or incident. Inability to restore or replace critical capacity to an agreed level within an agreed timeframe would prolong the impact of any disruption. Crisis management plans and capability are essential to deal with emergencies at every level and area of the MOL Group's operations to respond in an appropriate manner to either an external or internal crisis. Inadequacies in this regard could severely affect the Group's business and operations and consequently may have a material adverse effect on the Group's business, results of operations and financial condition. This in turn may affect MOL's ability to fulfil its obligations under the Notes.

6. RISKS RELATED TO THE GROUP'S FINANCING AND BUSINESS

The Group may encounter difficulties in financing its capital expenditure plans

The Group's businesses require significant capital expenditures, including in refining and petrochemicals, exploration and development, production, transportation and gas transmission and to meet its obligations under environmental laws and regulations. The Group intends to finance these capital expenditures in line with its operating cashflow. However, significant merger and acquisition transactions like the recently concluded acquisition of Azeri-Chirag-Gunashli (**ACG**) field may increase the indebtedness of the Group and if expiring debt cannot be fully refinanced in the future, the

Group may lose its flexibility in relation to financing arrangements, created by its currently strong liquidity position and may need to adjust its capital expenditure plans.

The Group depends on regular access to bank finance and occasional access to the debt capital markets to meet a significant portion of its financing requirements. However, the global banking sector and capital markets have experienced significant disruptions since the financial crisis in 2008 that have been characterised by reductions in liquidity, greater volatility, general widening of spreads and, in some cases, lack of price transparency in money and capital markets interest rates. The same could happen and is happening as a consequence of the COVID-19 pandemic which has had an impact on the Group's global capital expenditure plans. (For further information on the risks related to the COVID-19 pandemic please also see "*Risk Factors - Pandemics such as the pandemic caused by the COVID-19 virus may have material adverse effect on the Group's business results of operations or financial condition*"). As a result, many lenders have reduced or ceased providing funding to borrowers, both in the short term or even permanently and there has been a general increase in the cost of borrowing from private-sector borrowers in such periods. The continuation or worsening of such market disruption and potential deterioration of the Group's credit rating may adversely impact the Group's ability to borrow in the credit or debt capital markets and may increase the cost of funding. If the Group is unable to refinance its maturing loan facilities or bonds or is only able to do so at a significantly higher cost, it may have to reduce planned capital expenditure, which could materially and adversely affect its business, results of operations or financial condition which in turn may affect MOL's ability to fulfil its obligations under the Notes.

Fluctuations in currency exchange rates could increase the Group's costs and reduce its margins

The Group is exposed to foreign exchange risk. The Group buys raw materials predominantly in USD and sells products based on formulas which are linked to USD and EUR quoted market prices. The Group's income in EUR and USD exceeds its costs in those currencies, while as a result of the currency composition of its operational cost structure, the Group's costs in HUF, HRK and RUB exceed its income in those currencies. The Group is also exposed to foreign exchange risk arising from loans denominated in foreign currencies. As at 31 December 2019, the currency composition of the Group's gross debt was 79 per cent. in EUR, 11 per cent. in USD and 10 per cent. in other currencies (namely HUF, HRK, PLN, CZK and other) compared with the previous year where, as of 31 December 2018, the currency composition of the Group's total debt was 58 per cent. in EUR, 36 per cent. in USD, and 6 per cent. in other currencies (namely HUF, HRK, PLN, CZK and other). The Group's reporting currency is HUF. The Group does not hedge its foreign exchange risk and therefore changes in foreign currency rates against HUF bear currency exchange risk for the Group which might affect the financial results of the Group which in turn may affect MOL's ability to fulfil its obligations under the Notes.

The Group is exposed to trade credit risk

The Group provides services and products with deferred payment terms to some customers. The upper credit limit of the deferred payment terms is supported by the Group's internal and external evaluation. A severe economic and financial crisis, however, may result in sudden deterioration of the customers' creditworthiness and the valuations used as a base for the credit limit becoming outdated rapidly resulting in non-payment by such customers and financial losses for the Group which may, in turn, affect the ability of MOL to meet its payment obligations under the Notes.

The Group is exposed to joint venture (partner) risk

The Group currently conducts a number of projects through joint ventures with other companies and may in the future enter into further joint ventures as a means of conducting its business. The Group cannot fully control the operations and the assets of its joint ventures, nor can it make major decisions with respect to its joint ventures unless its joint venture partners (or the majority of them in accordance with the specific voting rights) agree. Accordingly, although the Group has the ability to influence or veto decisions with respect to some of its joint ventures, it is generally not in a position to make unilateral decisions. This may constrain the ability of the Group's joint ventures to take action. Furthermore, one or more of the Group's joint venture partners may unilaterally decide to withdraw from a joint venture, which may result in the Group making a loss or being unable to realise the expected gains.

Furthermore, a joint venture partner's insolvency, liquidation or a deterioration in such joint venture partner's financial position may result in delays in the project or additional cost or financial commitment for the Group which, in turn, may impact the ability of the MOL to meet its obligations under the Notes.

7. RISKS RELATED TO THE NOTES

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

The Notes constitute unsecured obligations of the Issuer

MOL's obligations under the Notes will be unsecured. Accordingly, any claims against MOL under the Notes would be unsecured claims. MOL's ability to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate cash flows, which could be affected by, *inter alia*, the circumstances described in the risk factors. Any such factors could affect MOL's ability to make payment of interest and principal under the Notes.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings of Noteholders (including by way of conference or video call) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination*) and Condition 14 (*Substitution*).

The Notes may be redeemed prior to maturity

In the event that MOL would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Hungary or any political subdivision or any authority thereof or therein having power to tax, MOL may redeem all outstanding Notes in accordance with the Conditions.

In addition, MOL may, at its option, redeem all outstanding Notes at any time on or after the date falling three months prior to the Maturity Date in accordance with the Conditions.

During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at the time.

Investors who purchase Notes in denominations that are not an integral multiple of EUR 100,000 may be adversely affected if definitive Notes are subsequently required to be issued

The Notes have denominations consisting of a minimum of EUR 100,000 plus one or more higher integral multiples of EUR 1,000 up to and including EUR 199,000. It is possible that the Notes may be traded in amounts that are not integral multiples of EUR 100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to EUR 100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of EUR 100,000 may be illiquid and difficult to trade.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Eligibility of the Notes for Eurosystem Monetary Policy

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are upon issue deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and registered in the name of a nominee of the common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (**Eurosystem Eligible Collateral**) either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met. The Issuer does not give any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in the Notes should seek their own advice with respect to whether or not the Notes constitute Eurosystem Eligible Collateral.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market, there is no assurance that such application will be accepted and the Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

The Global Certificate is held by or on behalf of Euroclear and Clearstream, Luxembourg and investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by the Global Certificate except in certain limited circumstances described in the Global Certificate. The Global Certificate will be registered in the name of a nominee for, and deposited with, a common safekeeper for Euroclear and Clearstream, Luxembourg. Individual Definitive Certificates evidencing holdings of Notes will only be available in certain limited circumstances. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

For so long as the Notes are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg and their respective participants to appoint appropriate proxies.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of the Notes may be adversely affected by movements in market interest rates

Investment in the Notes involves the risk that if market interest rates subsequently increase above the rate of interest payable on the Notes, this may adversely affect the value of the Notes.

Credit ratings may not reflect all risks

The Notes will be rated BBB- by S&P and BBB- by Fitch. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, or other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Inflation may reduce the value of payments under the Notes

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Prospectus:

(a) the audited consolidated financial statements of the Issuer for the year ended 31 December 2019 (prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the EU) and the auditor's report thereon (which can be found at https://molgroup.info/storage/documents/publications/annual_reports/2019/mol_group_annual_report_2019_eng.pdf);

(b) the audited consolidated financial statements of the Issuer for the year ended 31 December 2018 (prepared in accordance with IFRS as adopted by the EU) and the auditor's report thereon (which can be found at https://molgroup.info/storage/documents/publications/annual_reports/2018/mol_plc_consolidated_annual_report_2018.pdf); and

(c) the unaudited interim consolidated financial statements of the Issuer for the six month period ended 30 June 2020 (which can be found at https://molgroup.info/storage/documents/publications/quarterly_reports/2020/mol_group_2020h1_report_eng.pdf) (the **2020 Interim Financial Statements**),

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The cross-reference list below sets out the sections of the Issuer's consolidated annual reports for 2019 and 2018 and of the Issuer's consolidated interim half-year report of 2020, which contain the consolidated financial statements which are incorporated by reference in and form part of this Prospectus.

The information incorporated by reference, that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Cross-Reference List

1. Consolidated financial statements of the Issuer as at and for the year ended 31 December 2019 prepared in accordance with IFRS as adopted by the EU together with the auditors' report:

Section incorporated	Page
Independent Auditors' Report..	Pages 2-10
Consolidated statement of profit or loss (audited information) .	Page 11
Consolidated statement of comprehensive income (audited information)	Page 12

2. Consolidated financial statements of the Issuer as at and for the year ended 31 December 2018 prepared in accordance with IFRS as adopted by the EU together with the auditors' report:

3. Unaudited interim consolidated financial statements of the Issuer for the six month period ended 30 June 2020 prepared in accordance with IFRS as adopted by the EU:

Section incorporated	**Page**
Interim condensed consolidated statement of cash flow (unaudited information)	Page 27
Notes to the interim condensed financial statements (unaudited information)	Pages 28-46

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

CONDITIONS OF THE NOTES

The following, except for the italicised wording, is the text of the Conditions of the Notes which (subject to modification) will be endorsed on the Definitive Certificates issued in respect of the Notes:

The EUR 650,000,000 1.500 per cent. Notes due 2027 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 and forming a single series with the Notes) of MOL Hungarian Oil and Gas Public Limited Company (MOL Magyar Olaj- és Gázipari Nyilvánosan Működő Részvénytársaság) (the **Issuer**) are constituted by a Trust Deed dated 8 October 2020 (as amended or supplemented from time to time, the **Trust Deed**) made between the Issuer and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include all persons for the time being appointed as trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the **Noteholders**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 8 October 2020 (as amended or supplemented from time to time, the **Agency Agreement**) made between the Issuer, Citibank N.A., London Branch as principal paying agent (the **Principal Paying Agent** and, together with any other paying agents appointed pursuant to the Agency Agreement from time to time, the **Paying Agents**), Citigroup Global Markets Europe AG as registrar (the **Registrar** and, together with the Paying Agents, the **Agents**) and the Trustee are available for inspection on reasonable notice during normal business hours by the Noteholders at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

References in these Conditions to the **Principal Paying Agent**, the **Registrar**, the **Paying Agents** and the **Agents** shall include any successor(s) appointed from time to time in connection with the Notes.

*The owners shown in the records of Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.*

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof (referred to as the **principal amount** of a Note). A definitive note certificate (each a **Definitive Certificate**) will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded on the relevant Definitive Certificate and in the register of Noteholders (the **Register**) which the Issuer will procure to be kept by the Registrar and at the registered office of the Issuer.

The Notes are not issuable in bearer form.

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or writing on it, or the previous theft or loss of, the Definitive Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions **Noteholder** and (in relation to a Note) **holder** means the person in whose name a Note is registered in the Register.

2. TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE CERTIFICATES

2.1 Transfers

A Note may be transferred by depositing the Definitive Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Agents.

2.2 Delivery of new Definitive Certificates

Each new Definitive Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Definitive Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, **business day** shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Definitive Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see "*Overview of the Provisions Relating to the Notes in Global Form– Exchange and Registration of Title*"), owners of interests in the Notes will not be entitled to receive physical delivery of Definitive Certificates. Issues of Definitive Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Notes in respect of which a Definitive Certificate is issued are to be transferred a new Definitive Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Definitive Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of any transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note.

2.5 Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one.

3. STATUS

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (Negative Pledge)) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Issuer will not, and will ensure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (including, without limitation, anything analogous to the foregoing under the laws of any relevant jurisdiction) (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness (each as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes and the Trust Deed are secured by the Security Interest(s) equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(b) such other security or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion considers not materially less beneficial to the interests of the Noteholders or (ii) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4.2 Interpretation

For the purposes of these Conditions:

(a) **Group** means the Issuer and its Subsidiaries;

(b) **Guarantee** means, in relation to any Relevant Indebtedness of any Person, any obligation of another Person to pay such Relevant Indebtedness including (without limitation):

   (i) any obligation to purchase such Relevant Indebtedness;

   (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Relevant Indebtedness;

   (iii) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and

   (iv) any other agreement to be responsible for such Relevant Indebtedness;

(c) **Relevant Indebtedness** means any borrowings of any Person having an original maturity of more than one year in the form of or represented by bonds, notes, debentures, debenture stock, loan stock, certificates or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities):

(i) where more than 50 per cent. in aggregate principal amount of such bonds, notes, debentures, debenture stock, loan stock, certificates or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) are initially offered outside Hungary by or with the authorisation of the Issuer; and

(ii) which are or are intended to be or are capable of being listed, quoted or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing);

(d) **Person** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

(e) a company shall be a **Subsidiary** of another company (the **Parent Company**) if (i) the Parent Company holds a majority of the voting rights in the relevant company or (ii) the Parent Company is a member and has the right to appoint or remove a majority of the board of directors of the relevant company or (iii) the Parent Company is a member and controls a majority of the voting rights of the relevant company, and includes any company which is a Subsidiary of a Subsidiary.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 8 October 2020 (the **Issue Date**) at the rate of 1.500 per cent. per annum, payable annually in arrear on 8 October in each year (each an **Interest Payment Date**). The first payment (representing a full year's interest) (for the period from and including the Issue Date to but excluding 8 October 2021 and amounting to EUR 15 per EUR 1,000 principal amount of Notes) shall be made on 8 October 2021.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon surrender of the Definitive Certificate representing such Note, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated by applying the rate of 1.500 per cent. per annum to each EUR 1,000 principal amount of Notes (the **Calculation Amount**) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date (or, where the Accrual Date is the Issue Date, from and including 8 October 2020) to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

6. PAYMENTS

6.1 Payments in respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender or presentation of the relevant Definitive Certificate at the specified office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the **record date**) being the fifteenth day before the relevant Interest Payment Date.

For the purposes of this Condition, a Noteholder's **registered account** means the Euro account maintained by or on behalf of it with a bank that processes payments in Euro, details of which appear on the Register at the close of business, in the case of principal, on the second Business Day (as defined below) before the due date for payment and, in the case of interest, on the relevant record date.

6.2 Payments subject to applicable laws

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (Taxation)) any law implementing an intergovernmental approach thereto.

6.3 No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition.

6.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Definitive Certificate is surrendered at the specified office of a Paying Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Noteholder is late in surrendering its Definitive Certificate (if required to do so).

In these Conditions:

Business Day means a day on which the TARGET2 System is open and, in the case of presentation of a Definitive Certificate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place in which the Definitive Certificate is presented; and

TARGET2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (Target 2) System or any successor thereto

6.5 Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

6.6 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(a) there will at all times be a Principal Paying Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (which may be the Principal Paying Agent) having a specified office in the place (if any) required by the rules and regulations of the relevant stock exchange or any other relevant authority; and

(c) there will at all times be:

(i) a Paying Agent (which may be the Principal Paying Agent) in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated; and

(ii) a Registrar.

Notice of any variation, termination or appointment of an Agent and/or of any changes in the specified offices of an Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (Notices).

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 8 October 2027 (the **Maturity Date**).

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (Taxation)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 6 October 2020, on the next Interest

Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (Taxation); and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders (with a copy to the Trustee) in accordance with Condition 13 (Notices) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept without further investigation the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

7.3 Redemption at the option of the Noteholders (Investor Put)

If at any time while any Notes remain outstanding there occurs a Change of Control (as defined below), a **Put Event** will be deemed to occur.

For the purposes of this Condition:

A **Change of Control** shall be deemed to have occurred if any person or group of persons Acting in Concert gains Control of the Issuer.

Acting in Concert means acting together pursuant to an agreement or understanding (whether formal or informal).

Control means at any time directly or indirectly (i) having the ownership of more than 50 per cent. of the aggregate number of voting rights exercisable at a general meeting of an entity in accordance with such entity's articles of association (a **General Meeting**) or (ii) having the capability to appoint the majority of the members of the board of directors of an entity, whether through the ownership of share capital, by contract or otherwise.

Put Date means the fifth Business Day following the expiry of the Put Period.

If a Put Event occurs, the holder of each Note will have the option (a **Put Option**) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 7.2 (Redemption for Taxation Reasons) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined above) at its principal amount together with interest accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall give notice (a **Put Event Notice**) to the Noteholders (with a copy to the Trustee) in accordance with Condition 13 (Notices) specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of a Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Agent (a **Put Notice**) to the specified office of any Agent at any time during normal business hours of such Agent falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, in which the holder must specify a bank account to which payment is to be made under this Condition 7.3 and the principal amount thereof to be redeemed and, if less than the full principal amount of the holder's Notes is to be redeemed, an address to which a new Definitive Certificate in respect of the balance of such Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (Delivery of new Definitive Certificates) accompanied by the Definitive Certificate for such Notes or evidence satisfactory to the Agent concerned that the Definitive Certificate for such Notes will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this Condition 7.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be immediately due and payable pursuant to Condition 10 (Events of Default), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.3.

If 85 per cent. or more in principal amount of the Notes outstanding immediately prior to the Put Date have been redeemed or purchased pursuant to this Condition 7.3, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (with a copy to the Trustee) (such notice being given within 45 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or other such event has occurred.

7.4 Maturity Par Call Option

The Issuer may at its option, at any time on or after the date falling three months prior to the Maturity Date having given not less than 30 nor more than 60 days' notice to the Noteholders (with a copy to the Trustee) in accordance with Condition 13 (Notices) (which notice shall be irrevocable and shall specify the date fixed for prepayment (the **Par Optional Prepayment Date**)), redeem all the Notes, but not some only, at their principal amount together with interest accrued to but excluding the Par Optional Prepayment Date.

7.5 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 7.1 (Redemption at Maturity), 7.2 (Redemption for Taxation Reasons), 7.3 (Redemption at the option of the Noteholders (Investor Put)) and 7.4 (Maturity Par Call Option) above.

7.6 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes in any manner and at any price. Any Notes so purchased may be held, redeemed, reissued or resold.

7.7 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries and thereupon redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

7.8 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 (Redemption for Taxation Reasons) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Condition.

8. TAXATION

8.1 Payment without Withholding

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

(a) the holder of which is liable for Taxes in respect of such Note by reason of its having some connection with the Relevant Jurisdiction other than a mere holding of the Notes; or

(b) presented for payment in the Relevant Jurisdiction; or

(c) presented for payment by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day (as defined in Condition 6.4 (Payment on Business Days)).

8.2 Interpretation

In these Conditions:

(a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13 (Notices); and

(b) **Relevant Jurisdiction** means Hungary or any political subdivision or any authority thereof or therein having power to tax.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

9. PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 8 (Taxation).

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) (but, in the case of the happening of any of the events described in paragraphs (b), (d), (e) (other than in respect of a payment obligation), (f) (other than the winding up or dissolution of the Issuer), and (g) to (l) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (**Events of Default** and each an **Event of Default**):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three Budapest Business Days in the case of principal or five Budapest Business Days in the case of interest, provided that such default will not be an Event of Default if (i) it occurs by reason only of administrative or technical difficulties affecting the transfer of the funds due from the Issuer, (ii) the Issuer issued the appropriate transfer and payment instructions in sufficient time to permit the transfer and payment of the amount due to be made on its due date and (iii) the holders of the Notes receive from the Issuer that amount within seven Budapest Business Days after the due date for payment; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy, when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 Budapest Business Days (or such longer period as the Trustee may permit) after the date on which notice of such failure requiring the Issuer to remedy the same shall have first been given by the Trustee; or

(c) if any Indebtedness of the Issuer or a Material Subsidiary is not paid when due after the expiration of any applicable grace period, or any Indebtedness of the Issuer or a Material Subsidiary is declared to be due and payable prior to its specified maturity, provided, however, that no Event of Default shall have occurred if the aggregate amount of such Indebtedness (or its equivalent) which is not paid when due (after the expiration of any applicable grace period) or is due and payable prior to its specified maturity date is equal to or less than EUR 50 million (or its equivalent in another currency); or

(d) if one or more final and binding judgment(s) or order(s) for the payment of any amount in aggregate in excess of EUR 50 million is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or

(f) if any order is made by any competent court or a resolution is passed for the winding up, liquidation or dissolution of the Issuer or a Material Subsidiary save for the purposes of reorganisation whilst solvent on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(g) if the Issuer or a Material Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of reorganisation whilst solvent on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or the Issuer or a Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits its inability to, pay its debts (or any class of its debts) as they fall due or is adjudicated or found bankrupt or insolvent; or

(h) if (i) proceedings are initiated against the Issuer or a Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer or a Material Subsidiary or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of the Issuer or a Material Subsidiary or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of the Issuer or a Material Subsidiary, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or substantially the whole of the undertaking or assets of the Issuer or a Material Subsidiary, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 90 days (or such longer period as the Trustee may consider appropriate in relation to the jurisdiction concerned) or unless, and for so long as, the Trustee is satisfied that it is being contested in good faith and diligently; or

(i) if the Issuer or a Material Subsidiary (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(j) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have an analogous effect to any of the events referred to in paragraphs (f) to (i) above; or

(k) if a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any Material Subsidiary where the value of the undertaking, assets and revenues in question exceeds EUR 50 million; or

(l) if any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of, the Notes or the Trust Deed as applicable, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of Hungary, is not taken, fulfilled or done.

10.2 Interpretation

For the purposes of this Condition:

(a) **Budapest Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Budapest.

(b) **Material Subsidiary** means, at any time, a Subsidiary of the Issuer whose consolidated tangible net worth or EBITDA (excluding intra-Group items) then equals or exceeds 10 per cent. of the Consolidated Tangible Net Worth or EBITDA of the Issuer (on a consolidated basis).

For this purpose:

(i) the consolidated tangible net worth or EBITDA of a Subsidiary of the Issuer will be determined from its latest annual financial statements (consolidated if it has Subsidiaries) upon which the Issuer's latest annual audited consolidated financial statements have been based;

(ii) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the latest annual audited consolidated financial statements of the Issuer have been prepared, the consolidated tangible net worth or EBITDA of that Subsidiary will be determined from its latest annual financial statements;

(iii) the Consolidated Tangible Net Worth or EBITDA of the Issuer will be determined from the Issuer's latest annual audited consolidated financial statements, adjusted (where appropriate) to reflect the consolidated tangible net worth or EBITDA of any company or business subsequently acquired or disposed of; and

(iv) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; whether or not a Subsidiary is a Material Subsidiary in any subsequent Measurement Period after that disposal will be determined by reference to the subsequent annual financial statements of that Subsidiary and the Issuer (on a consolidated basis).

However:

(A) the first determination of whether a company which becomes a Subsidiary of the Issuer after the issue of the Notes is or is not a Material Subsidiary shall be made by reference to its latest annual audited financial statements and the latest annual audited consolidated financial statements of the Issuer, in each case for the financial year after the financial year of the Issuer in which the date of that company's acquisition falls; and

(B) if there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer provided by the Issuer to the Trustee that in the auditors' opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

For the purposes of this definition, **consolidated tangible net worth** of a company means total assets as they appear in the financial statements of that company (consolidated if prepared) less the aggregate of total intangible assets and total liabilities of that company on a consolidated basis, calculated by reference to that company's financial statements (consolidated if prepared).

Where:

Consolidated Tangible Net Worth means total assets as they appear in the consolidated financial statements of the Issuer less the aggregate of total intangible assets and total liabilities of the Issuer on a consolidated basis, calculated by reference to the most recent annual consolidated financial statements of the Issuer.

EBITDA means, in relation to any person and for any Measurement Period, operating profit plus cash dividends received plus any depreciation or amortisation. For the purposes of the definition of Material Subsidiary, cash dividends received shall be calculated by reference to the cashflow statement and each of operating profit, depreciation, provision and amortisation shall be calculated by reference to the relevant person's consolidated (or, if that is not available, unconsolidated) profit and loss account. For the purposes of calculating EBITDA for any Measurement Period, the EBITDA of any company which has been acquired or disposed of by a member of the Group for consideration in excess of EUR 250 million during that Measurement Period shall be included, in the case of an acquisition, or excluded, in the case of a disposal, on a pro forma basis as if the acquisition, or, as the case may be, the disposal, had been completed on the first day of that Measurement Period.

Measurement Period means a period of 12 months ending on the last day of a financial year of the Issuer;

(c) **Indebtedness** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other debt securities or any borrowed money or any liability (including but not limited to any amount payable under any guarantee for, or indemnity in respect of, any moneys borrowed or raised) under or in respect of any acceptance or acceptance credit.

11. ENFORCEMENT

11.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

11.2 Limitation on Trustee actions

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

11.3 Enforcement by the Noteholders

No Noteholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed or the Notes or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

12. REPLACEMENT OF DEFINITIVE CERTIFICATES

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

13. NOTICES

Notices to the Noteholders shall be valid if published (i) for so long as the Notes are listed on the Irish Stock Exchange trading as Euronext Dublin (**Euronext Dublin**), on the website of Euronext Dublin (www.ise.ie) or (ii) if such publication is not practicable or if the Notes are not so listed, in a leading English language daily newspaper having general circulation in Europe (which is expected to be the Financial Times, or if this is not practicable, in another leading English language daily newspaper as the Trustee shall approve having general circulation in Europe). Any such notice shall be deemed to have been given on the date of first publication.

14. SUBSTITUTION

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes and the Trust Deed of any other company being a Subsidiary of the Issuer or a holding company of the Issuer or another Subsidiary of a holding company of the Issuer, subject to:

(a) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders; and

(b) certain other conditions set out in the Trust Deed being complied with.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

15.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference or video call) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution proposed at a meeting duly convened and held in accordance with the Trust Deed shall be passed if a majority consisting of not less than three-fourths of the votes cast vote in favour of it. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

The Trust Deed provides that (i) a resolution in writing signed for the time being by or on behalf of the holders of not less than three-quarters in principal amount of the Notes outstanding or (ii) consent given by way of electronic consents through the relevant clearing system(s) in accordance with the Trust Deed by or on behalf of the holders of not less than three-quarters in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Any such resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

15.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or (ii) to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

15.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 8 (Taxation).

15.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any modification, abrogation, waiver, authorisation, determination or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (Notices).

16. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

16.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and Noteholders, including *inter alia* (i) provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

16.2 Trustee Contracting with the Issuer

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any if its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the Notes or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing Law

The Trust Deed and the Notes, and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes, are governed by, and shall be construed in accordance with, English law.

18.2 Jurisdiction of English Courts

(a) Subject to Condition 18.2(b) and 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes (a **Dispute**), and each of the Issuer, the Trustee and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute. To the extent allowed by law, the Trustee and the Noteholders may take any suit, action or proceeding (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed and the Notes respectively (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(c) The Issuer has, in the Trust Deed, consented to the enforcement of any judgment and, to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.

18.3 Appointment of Process Agent

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Services Limited at the latter's registered office for the time being, currently at Fifth Floor, 100 Wood Street, London EC2V 5EX, United Kingdom as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

19. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

OVERVIEW OF THE PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Global Certificate contains the following provisions which apply to the Notes in respect of which they are issued whilst they are evidenced by the Global Certificate (including definitions which are not otherwise included in these summary provisions), some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in paragraphs 1 to 8 below.

1. Accountholders

For so long as any of the Notes are evidenced by the Global Certificate, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a particular aggregate principal amount of the Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (as the case may be) as to the outstanding principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (such aggregate principal amount being the **Accountholder's Holding**, and the expression **Noteholders** and references to **holding of Notes** and to **holder of Notes** shall be construed accordingly) for all purposes other than with respect to payments on such Notes, for which purpose the registered holder shall be deemed to be the holder of such aggregate principal amount of the Notes in accordance with and subject to the terms of the Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the registered holder.

2. Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of its Subsidiaries will be effected by a reduction in the aggregate principal amount of the Notes in the Register and by the annotation of the appropriate schedule to the Global Certificate.

3. Payments

For so long as the registered holder is shown in the Register as the holder of the Notes evidenced by a Global Certificate, the registered holder shall (subject as set out above under "Accountholders") in all respects be entitled to the benefit of such Notes and shall be entitled to the benefit of the Agency Agreement. Payments of all amounts payable under the Conditions in respect of the Notes as evidenced by the Global Certificate will be made to the registered holder pursuant to the Conditions.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Upon any payment of any amount payable under the Conditions the amount so paid shall be entered by the Registrar on the register, which entry shall constitute *prima facie* evidence that the payment has been made.

For the purposes of Condition 6.1 (Payments in respect of Notes), so long as the Notes as evidenced by the Global Certificate are held on behalf of Euroclear and/or Clearstream, Luxembourg, the record date in respect of the Notes shall be the close of business on the day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

4. Notices

So long as the Notes are evidenced by the Global Certificate and the Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by Condition 13 (Notices) except that, so long as the Notes are listed on Euronext Dublin, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on the date of delivery to the relevant clearing system.

5. Redemption at the option of Noteholders (Investor Put)

So long as the Notes are evidenced by the Global Certificate and the Global Certificate is held on behalf of a clearing system, to exercise the right to require redemption of the Notes pursuant to Condition 7.3 (Redemption at the option of the Noteholders (Investor Put)), Noteholders must, within the Put Period, give notice to the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

6. Exchange and Registration of Title

The Global Certificate will be exchangeable (free of charge to the holder) in whole but not in part for Definitive Certificates only upon the occurrence of an Exchange Event. An Exchange Event means that:

(a) an Event of Default (as defined in Condition 10 (Events of Default)) has occurred and is continuing; or

(b) the Issuer has been notified that both Euroclear or Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system acceptable to the Trustee is available; or

(c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes evidenced by the Global Certificate in definitive form.

The Issuer will promptly give notice to the Noteholders in accordance with Condition 13 (Notices) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg, as the case may be, acting on the instructions of any Accountholder may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any exchange shall occur no later than ten days after the date of receipt of the first relevant notice by the Registrar.

Exchanges will be made upon presentation of the Global Certificate at the office of the Registrar by or on behalf of the registered holder on any day on which banks are open for general business in Germany and will be effected by the Registrar (a) entering each Accountholder in the Register as the registered holder of the principal amount of Notes equal to such Accountholder's Holding (as defined above) and (b) completing, authenticating and dispatching to each Accountholder a Definitive Certificate evidencing such Accountholder's Holding. The aggregate principal amount of the Notes evidenced by Definitive Certificates issued upon an exchange of the Global Certificate will be equal to the aggregate outstanding principal amount of the Notes evidenced by the Global Certificate.

The Registrar will not register title to the Notes in a name other than that of a nominee for Euroclear and/or Clearstream, Luxembourg acting as common safekeeper for a period of fifteen calendar days preceding the due date for any payment of principal, or interest in respect of the Notes.

7. Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and/or, Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants.

8. Electronic consents

The Trust Deed provides that consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders.

USE OF PROCEEDS

The net proceeds from the issue of Notes, amounting to approximately EUR 644,026,500, will be applied by the Issuer for its general corporate purposes, including the refinancing of its existing portfolio of debt.

DESCRIPTION OF THE MACROECONOMIC SITUATION AND THE OIL AND GAS INDUSTRY

Macroeconomic environment

As at the date of this Prospectus, the COVID-19 pandemic has spread rapidly throughout the world and has created the largest economic shock the global economy has experienced in decades, causing a collapse in global activity. It is estimated that global gross domestic product (**GDP**) could have fallen by as much as 10-13 per cent. from late 2019 levels during the second quarter of 2020, during the period of the most severe government-imposed lockdowns across many countries. According to the International Monetary Fund, global GDP growth is projected to contract by 5 per cent. in 2020 and it is possible it may even decline further.[2] A second major global wave of the virus could lead to further disruptions to economic activity across the word unless a medical solution is found, such as a vaccine. Beyond these economic impacts, the pandemic will also have severe and long-lasting socio-economic impacts that may weaken long-term growth prospects, cause a significant decrease in investment activity as a result of elevated uncertainty, erode human capital because of increased unemployment and potentially damage trade and supply linkages.

China, however, which was the first country to impose a lockdown during the first quarter of 2020, had already seen a high degree of normalisation by May 2020, with monthly power generation, exports, auto sales and oil demand having turned positive compared to the same period of 2019. The Chinese GDP-growth in the second quarter of 2020 was 3.2 per cent. year-on-year.[3] The return of growth was mainly driven by the surprising strength of exports, with electronics (and, in particular, "work from home" gadgets such as laptops, webcams, and gaming consoles), medical equipment and textiles being the strongest segments. Notwithstanding this robust growth, continued growth is uncertain due to the negative impact resulting from the ongoing weakness of major economies.

In the Eurozone, GDP fell by 3.2 per cent. year-on-year during the first quarter of 2020 and fell by 14.7 per cent. year-on-year during the second quarter of 2020.[4] As at the date of this Prospectus, the global economy has started to recover as a result of successful virus containment. The IHS Markit Flash Eurozone Purchasing Managers' Index showed improving expectations in July, with the Composite Output Index reaching above pre-crisis levels at 54.8 (up from 48.5 in June and the lows of 13.6 in April; values above 50 indicate growth expectations). Both manufacturing and services returned to growth in the Eurozone in July 2020. There was a slowdown in growth across the Eurozone private sector during August 2020, according to provisional Purchase Managers' Index survey data. However, although the IHS Markit Flash Eurozone PMI Composite Output Index corrected to 51.6 during August 2020, this still indicates an expectation of growth.[5]

Large-scale fiscal and monetary policy stimulus will support the recovery of economies, primarily in developed countries. Moreover, for the first time, the EU will be able to run a federal deficit to respond to the economic shock. It will raise proceeds through a collective capital markets issuance and channel a large part of the proceeds of such issuance in the form of grants to countries most in need of assistance as a result of the economic impact of the COVID-19 pandemic.

In the CEE region, the first wave of the virus was successfully contained compared to other parts of the world, with the number of infections and deaths per million being especially low in Hungary and Slovakia. The reasons for the relatively favourable pandemic outcome during the second quarter of 2020 was a result of the quick government response to the outbreak with early lockdowns, protection

2 Source: IMF (2020): World Economic Outlook, June update. Available here: https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020
3 Source: National Bureau of Statistics of China. /
4 Source: Eurostat, also available at https://tradingeconomics.com/euro-area/gdp-growth-annual .
5 Source: IHS Markit, https://www.markiteconomics.com/Public/Home/PressRelease/fa5fb6e1a20a45c7b2b1f335df461d95 and https://tradingeconomics.com/euro-area/composite-pmi

of the elderly and reducing social interactions, including travel intensity and public gatherings. However, by the end of August 2020, the number of new cases reported started to increase and, as at the date of this Prospectus are higher than their peak during April and May 2020. The authorities in the CEE region have, to date, responded with less stringent restrictions than implemented earlier in 2020 and are relying more on case-by-case measures, stating that more knowledge about the virus has accumulated and the countries' health systems are better prepared.

In Hungary, real GDP declined by 0.4 per cent. quarter-on-quarter during the first quarter of 2020, which equates to 2.2 per cent. annual growth compared to the first quarter of 2019. In the first quarter of 2020 the global pandemic had already affected Hungary's economy because of its economic openness (net exports' contribution to the annual GDP decline was 1.6 per cent.), but domestic private consumption maintained its strong upward trend with 2.6 per cent. contribution. In the second quarter of 2020 due to the strict lockdown measures, the economy contracted by 14.5 per cent quarter-on-quarter, one of the deepest contractions in the region (a contraction of 13.6 per cent year-on-year).

Oil and natural gas market developments

In 2019 the price of Brent averaged 64 USD/bbl and remained in the 55-75 USD/bbl range throughout the year. Even events such as the drone attacks on the Abqaiq refinery and Khurais oilfield in Saudi Arabia and the assassination of General Qasem Soleimani in Iraq only resulted in temporary spikes. The main reasons for such stable oil prices were the outlook for continuously decreasing oil demand (up only 0.9 MMbpd in 2019, the slowest pace in seven years mainly due to the global manufacturing slowdown and warm weather conditions) and expectations of an active OPEC+ supply management.

By March 2020, it became clear that global demand for oil would be disrupted by the measures introduced by governments globally to contain the spread of the COVID-19 pandemic which halted mobility, transportation and a large part of industrial activity. The reduced demand for oil as a result of the pandemic is the largest reduction seen in history. The International Energy Agency expects a -7.2 MMbpd annual change in global demand in 2020, an unprecedented fall, being far greater than the -1 MMbpd decrease in 2009, as a result of the global financial crisis.

However, the immediate response to the falling demand was an increase in oil production instead of reduction, as Saudi Arabia initiated an oil price war, after a failure of OPEC+ members to agree on more proportional supply cut extensions. The combination of declining demand and increasing supply sent the price of Dated Brent into a freefall, hitting the lowest point on 21 April 2020 at USD13.24/bbl (the U.S. benchmark West Texas Intermediate even traded at negative prices on 20 April for a short period, for the very first time in history).

Only in mid-April 2020 did OPEC+ agree to reduce crude oil production again. They committed to cut production by 9.7 MMbpd during May and June 2020, compared to the production of OPEC+ in October 2018. This agreement was later extended to the end of July 2020. Unprecedented production cuts managed to stabilise the supply and demand and the Brent oil price has increased and has remained in the very narrow USD40-44/bbl range since mid-June 2020 to the date of this Prospectus. As lockdown measures have been eased around the globe, transportation fuel demand has started to recover. As at the date of this Prospectus, road fuel demand is close to being back to pre-COVID-19 levels around the world, as driving is preferred to public transport. However, in anticipation of a second wave of the COVID-19 pandemic, oil demand is not expected to recover fully this year.[6]

At the same time, global gas markets have seen historically low prices due to the global oversupply of liquefied natural gas (**LNG**). Global LNG export capacities increased by about 8 per cent. in 2019, mainly in the U.S., Australia and Russia, at a time when growth in demand slowed compared to previous

6 Source: https://uk.reuters.com/article/uk-global-oil-mobility/fuel-demand-rises-as-schools-open-commuters-shun-public-transport-idUKKBN2660UX

years. Growth in supply continued into 2020, while demand for LNG has dropped significantly due to lower economic output and reduced electricity generation during lockdowns. Due to contractual constraints the supply of LNG was slow to respond to lower demand. However, since June 2020 many LNG shipments have been cancelled. In particular, U.S. LNG exports were reduced by half, leading to a much-needed rebalancing of the global market.

Although the International Energy Agency expects that global demand for natural gas in 2020 will remain about 6 per cent. below the previous year's level, the supply response is expected to help prices to recover. The impact of the LNG supply/demand rebalancing is already shown in the upward trend in forward spot gas prices for deliveries at the end of 2020 and into 2021. While August 2020 TTF forward prices are at 4.9 EUR/megawatt hour (**MWh**), reflecting expectations of limited demand and ample supply via pipelines, LNG and storage, December forward prices are at 11.9 EUR/MWh, and December 2021 forward prices at 14.9 EUR/MWh.

Downstream: global capacity additions exceed demand growth

Globally, additional refining capacity in 2019 outpaced the growth in demand which resulted in a global oversupply. This general trend of a structural oversupply in refining is expected to continue over the mid-term. Global refining capacities are forecast to increase by 5.1 MMbpd during the period from 2020 to 2025 (approximately a 5 per cent. increase), primarily driven by net additions of new assets built in Asia Pacific (which are predicted to produce an additional 2.1 MMbpd) and the Middle East (which are predicted to produce an additional 1.3 MMbpd).

The lockdown measures introduced as a result of the COVID-19 pandemic have had a large and immediate impact on passenger and freight transport. Jet fuel (kerosene) has been hit most but gasoline crack spreads in the second quarter of 2020 were also 70 per cent. less than in the second quarter of 2019 and diesel crack spreads were down by 36 per cent. year-on-year.

The fall in demand as a result of the pandemic is now putting further pressure on refining margins and profitability, likely leading to a consolidation in the industry, with some refinery operations ceasing in Europe and North America. The most exposed assets are those which are old, have a low complexity level, are not integrated with petrochemical production and are located on the coast. Wood Mackenzie's most recent refinery closure analysis suggests that 1.4 MMbpd of European refining capacity is under threat of closure by 2023, representing 10 per cent. of the overall capacity. The closure of 1.4 MMbpd of refining capacity in Europe would be enough to increase refinery utilisation in the region to pre-2019 levels. The Group assets are not listed as refineries under threat of closure, due to their higher complexity, petrochemical integration and favourable location.

As at the date of this Prospectus, the petrochemical industry has reached the end of an investment cycle which has been marked by the addition of large global olefins production capacities at a time when growth in demand has already slowed down due to the global manufacturing weakness and the outbreak of the COVID-19 pandemic. As a result, supply exceeded consumption in the second quarter of 2020 and a renewed slowdown in demand due to the second wave of the COVID-19 pandemic is expected to make the impact of overcapacity worse temporarily. In the short term, however, very low oil prices improved the economics of naphtha-based petrochemical production against ethane feedstock. Meanwhile, the average naphtha crack spreads (FOB Rotterdam) in Q2 2020 were at 12.5 USD/t, up 457 per cent. year-on-year from USD2.2/t, although they have been highly volatile during the first half of 2020.

SELECTED FINANCIAL INFORMATION

Consolidated Statement of Financial Position

The following table shows the financial position of MOL as at 31 December 2019 and 2018, and as at 30 June 2020 and 2019:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
ASSETS	**HUF million**	**HUF million**	**HUF million**	**HUF million**
Non-current assets				
Property, plant and equipment	2,685,969	2,274,271	3,358,789	2,417,925
Intangible assets	207,964	195,446	293,168	189,670
Investments in associates and joint ventures	206,077	198,449	217,309	210,066
Other non-current financial assets	137,691	122,463	153,464	127,898
Deferred tax assets	123,805	136,312	111,614	129,954
Other non-current assets	90,372	89,255	96,885	86,229
Total non-current assets	**3,451,878**	**3,016,196**	**4,231,229**	**3,161,742**
Current assets				
Inventories	517,060	492,727	462,651	523,535
Trade and other receivables	610,335	588,620	545,510	675,634
Securities	24,275	2,571	14,602	21,210
Other current financial assets	104,145	32,134	34,014	64,912
Income tax receivable	30,724	28,829	49,200	28,182
Cash and cash equivalents	326,108	383,511	353,247	218,223
Other current assets	67,477	66,815	72,005	71,950
Assets classified as held for sale	285	178	291	444
Total current assets	**1,680,409**	**1,595,385**	**1,531,520**	**1,604,090**
TOTAL ASSETS	**5,132,287**	**4,611,581**	**5,762,749**	**4,765,832**
EQUITY AND LIABILITIES				
Equity				
Share capital	79,408	79,298	79,427	79,421
Retained earnings and other reserves	1,848,763	1,613,960	2,189,567	1,832,407
Profit for the year attr. to owners of parent	223,214	301,197	(89,956)	126,436
Equity attributable to owners of parent	**2,151,385**	**1,994,455**	**2,179,038**	**2,038,264**
Non-controlling interests	299,984	315,491	288,120	290,329
Total equity	**2,451,369**	**2,309,946**	**2,467,158**	**2,328,593**
Non-current liabilities				
Long-term debt	582,417	354,880	1,087,563	410,596
Other non-current financial liabilities	3,138	4,476	74,489	3,507
Non-current provisions	545,276	474,440	596,374	481,601
Deferred tax liabilities	59,952	51,403	160,438	55,852
Other non-current liabilities	26,624	23,498	31,240	22,688
Total non-current liabilities	**1,217,407**	**908,697**	**1,950,104**	**974,244**
Current liabilities				
Short-term debt	326,622	345,396	268,824	365,327
Trade and other payables	624,164	573,220	548,208	567,009

	Year ended 31 December		Six months ended 30 June	
	2019	**2018**	**2020**	**2019**
Other current financial liabilities	252,606	229,070	227,291	223,666
Current provisions	36,052	36,809	24,453	18,488
Income tax payable	6,929	601	14,751	2,545
Other current liabilities	217,138	207,842	261,960	285,960
Total current liabilities	**1,463,511**	**1,392,938**	**1,345,487**	**1,462,995**
Total liabilities	**2,680,918**	**2,301,635**	**3,295,591**	**2,437,239**
TOTAL EQUITY AND LIABILITIES	**5,132,287**	**4,611,581**	**5,762,749**	**4,765,832**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following table shows the profit and loss and other comprehensive income of MOL for the years ended 31 December 2019 and 2018, and half years ended 30 June 2020 and 2019:

	Year ended 31 December		Six months ended 30 June	
	2019	**2018**	**2020**	**2019**
	HUF million	**HUF million**	**HUF million**	**HUF million**
Net sales	5,266,735	5,168,668	1,943,399	2,483,427
Other operating income	30,471	41,971	55,449	7,412
Total operating income	**5,297,206**	**5,210,639**	**1,998,848**	**2,490,839**
Raw material and consumables used	4,111,960	4,044,821	1,451,985	1,947,437
Employee benefits expenses	285,153	270,687	134,652	137,545
Depreciation, depletion, amortisation and impairment	391,010	411,338	228,983	178,673
Other operating expenses	299,574	256,125	108,032	139,395
Change in inventory of finished goods and work in progress	1,378	(55,805)	82,569	(17,967)
Work performed by the enterprise and capitalized	(85,928)	(69,403)	(25,327)	(40,912)
Total operating expenses	**5,003,147**	**4,857,763**	**1,980,894**	**2,344,171**
Profit from operation	**294,059**	**352,876**	**17,954**	**146,668**
Finance income	103,790	95,824	80,494	42,696
Finance expense	121,188	132,363	171,151	48,856
Total finance expense, net	**(17,398)**	**(36,539)**	**(90,657)**	**(6,160)**
Share of after-tax results of associates and joint ventures	(962)	15,014	(12,336)	4,327
Profit before tax	**275,699**	**331,351**	**(85,039)**	**144,835**
Income tax expense	47,318	25,673	32,222	19,570
PROFIT FOR THE YEAR	**228,381**	**305,678**	**(117,261)**	**125,265**
Attributable to:				
Owners of parent	223,214	301,197	(89,956)	126,436
Non-controlling interests	5,167	4,481	(27,305)	(1,171)
Basic earnings per share	**317**	**432**	**(126)**	**180**
Diluted earnings per share	**314**	**432**	**(126)**	**180**

	Year ended 31 December		Six months ended 30 June	
	2019	**2018**	**2020**	**2019**
	HUF million	**HUF million**	**HUF million**	**HUF million**
Profit for the year	**228,381**	**305.678**	**(117,261)**	**125,265**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations, net of tax	35,340	66,150	142,229	12,665
Net investment hedge, net of tax	(13,119)	(14,330)	(17,646)	(2,249)
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	717	(247)	636	684
Changes in fair value of cash flow hedges, net of tax	1,482	601	(234)	565
Share of other comprehensive income of associates and joint ventures	7,650	3,625	6,577	3,213
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**32,070**	**55,799**	**131,562**	**14,878**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	4,836	(6,120)	304	2,895
Remeasurement of post-employment benefit obligations	1,882	(786)	(7)	(452)
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	**6,718**	**(6,906)**	**297**	**2,443**
Other comprehensive income for the year, net of tax	**38,788**	**48,893**	**131,859**	**17,321**
Total comprehensive income for the year	**267,169**	**354,571**	**14,598**	**142,586**
Attributable to:				
Owners of parent	257,728	340,690	26,173	139,719
Non-controlling interest	9,441	13,881	(11,575)	2,867

The following table shows the Group's reconciliation of EBITDA to EBITDA adjusted for special items and Clean CCS EBITDA for the years ended 31 December 2019 and 2018, and half year ended 30 June 2020 and 2019:

		Year ended 31 December		Six months ended 30 June
	2019	2018	2020	2019
	HUF million	HUF million	HUF million	HUF million
Profit from operation	**294,059**	**352,876**	**17,954**	**146,668**
+ Depreciation, depletion, amortisation and impairment	391,010	411,338	228,983	178,673
EBITDA	**685,069**	**764,214**	**246,937**	**325,341**
Special items:				
E&P Segment				
Kalegran switch to accrual accounting	3,922	-	-	3,922
Gain on INAgip acquisition	-	12,699	-	-
Total impact of special items in E&P Segment	**3,922**	**12,699**	**-**	**3,922**
Downstream Segment				
Environmental provision	(7,505)	-	-	-
Penalty from LDPE 4 constructor in Slovnaft	-	4,510	-	-
Total special items in the Downstream Segment	**(7,505)**	**4,510**	**-**	**-**
Total impact of special items on EBITDA	**(3,583)**	**17,209**	**-**	**3,922**
EBITDA adjusted for special items	**688,652**	**747,005**	**246,937**	**321,419**
CCS and derivative adjustments: *				
Inventory holding gain / loss[7]	(8,065)	(28,917)		
Impairment on raw materials and own-produced inventory[8]	(6,007)	10,298		
- thereof affects raw materials	(635)	642		
- thereof affects own-produced inventory	(5,014)	9,656		
- thereof affects purchased goods/products inventory	(358)	-		
Cargo commodity derivatives[9]	406	4,017		
CO_2 adjustment[10]	(978)	-		
Impact of other commodity derivative adjustments[11]	34,893	(4,220)		
Clean CCS EBITDA	**708,901**	**728,183**	**305,233**	**326,392**

*Available only for year-end

7 Adjustment of inventory holding gain/loss reflects the actual cost of supplies in the given period which MOL believes better presents the underlying production and sales results. It makes the results comparable to other companies in the oil and gas industry. The adjustment eliminates the historic effect of weighted average inventory accounting by reflecting: (a) crude oil and other key feedstock at the value at which it was purchased and (b) the historic production costs of finished products.

8 According to the relevant standard accounting rules (IFRS standard IAS 2 – Inventories), inventories must be measured at the lower of cost or expected future sales price, therefore inventories must be revalued (i.e. an impairment must be recognised on closing inventory for the period if its cost is significantly higher than the expected sales price). Since impairment removes the historic effect from inventory of a decreasing price environment this, together with the adjustment of inventory holding gain/loss would result in duplication.

9 Via cargo hedge transactions, the exposure to crude oil price variance is hedged by changing the actual pricing of cargo (for example, a five-day pricing window) to a monthly average measure. Since the Group's CCS methodology is also based on switching to period average crude oil prices, the CCS effect together with the effect of the cargo hedge transactions would lead to duplication, therefore the effect of the cargo hedges is eliminated.

10 CO_2 adjustment revaluates provisions created in the Downstream Segment's operation for CO_2 consumption above freely allocated quotas, as defined in accounting policy, which ensures in the clean CCS result the accurate cost recognition in the given period also including smoother distribution within the financial year. It consequently eliminates rolled-over impacts between financial years, too.

11 Since the legs of commodity hedge transactions are often reflected in different accounting periods, to measure the real performance in the current period, adjustment of hedging is performed to eliminate timing differences and allocate the relevant legs together.

DESCRIPTION OF THE ISSUER

INTRODUCTION

MOL Hungarian Oil and Gas Public Limited Company is the parent company of its corporate group. The Group is an integrated oil and gas group in CEE which is primarily engaged in the exploration and production of crude oil and natural gas, the refining of crude oil, wholesale of refined petroleum products, the production and sale of petrochemicals and the retail of fuel and various non-fuel products and a wide range of mobility services. In addition, the Group is involved in gas infrastructure services.

The Group operates through several direct and indirect, wholly owned, majority owned or minority owned subsidiaries. Its operations are broadly divided into the following four segments, as at the date of this Prospectus:

(a) the E&P Segment, consisting of an oil and gas production presence in fourteen countries, including production operations in nine countries (the **E&P Segment**);

(b) the Downstream Segment, that operates three refineries, two petrochemical production units in CEE and is engaged in the wholesale of petroleum and petrochemical products (the **Downstream Segment**);

(c) the consumer services segment, that operates more than 1900 fillings stations across CEE and provides a wide range of mobility services (the **Consumer Services Segment**); and

(d) the gas midstream segment, fully operated by FGSZ, consisting of an almost 6,000 km long pipeline system ensuring natural gas transmission in Hungary (the **Gas Midstream Segment**).

Based on the market capitalisation for 2019, MOL is one of the largest oil and gas companies in CEE and, as at 30 June 2020, its market capitalisation was HUF 1,522 billion (USD 4.8 billion).

OVERVIEW OF THE 2019 RESULTS

The tables below show the breakdown of EBITDA and Clean CCS EBITDA between the Group's different businesses for the years ended 31 December 2019 and 2018, both in HUF and USD.

	As at 31 December 2019		**As at 31 December 2018**	
	HUF billion	**USD million(1)**	**HUF billion**	**USD million(1)**
E&P Segment	309.2	1,065	356.9	1,314
Downstream Segment	224.6	771	293.0	1,082
Gas Midstream Segment	54.2	187	50.3	189
Consumer Services Segment	137.3	471	114.9	423
Corporate and other	(37.2)	(129)	(41.9)	(154)
Intersegment transfers	(3.1)	(11)	(9.0)	(35)
Total EBITDA	**685.1**	**2,354**	**764.2**	**2,819**

(1) The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.

	As at 31 December 2019		As at 31 December 2018	
	HUF billion	**USD million(1)**	**HUF billion**	**USD million(1)**
E&P Segment	305.2	1,052	344.2	1,269
Downstream Segment	252.5	866	269.7	995
Gas Midstream Segment	54.2	187	50.3	189
Consumer Services Segment	137.3	471	114.8	423
Corporate and other	(37.2)	(129)	(41.9)	(154)
Intersegment transfers	(3.1)	(11)	(9.0)	(35)
Total Clean CCS EBITDA	**708.9**	**2,436**	**728.2**	**2,687**

(1) The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.

In 2019, the E&P Segment generated 45 per cent. of the Group's EBITDA compared to 47 per cent. in 2018. In 2019, 33 per cent. (38 per cent. in 2018) was generated by the Downstream Segment, 20 per cent. by the Consumer Services Segment (15 per cent. in 2018) and 8 per cent. (7 per cent. in 2018) by the Gas Midstream Segment.

In 2019, the E&P Segment generated 43 per cent. of the Group's Clean CCS EBITDA compared to 47 per cent. in 2018. In 2019, 36 per cent. (37 per cent. in 2018) was generated by the Downstream Segment, 19 per cent. by the Consumer Services Segment (16 per cent. in 2018) and 8 per cent. (7 per cent. in 2018) by the Gas Midstream Segment.

The E&P Segment's EBITDA, excluding special items, reached HUF 305 billion (USD 1.1 billion) in 2019, representing an 11 per cent. decrease compared to 2018 reflecting lower oil and gas prices. Total hydrocarbon production remained broadly unchanged year-on year at 111 mboepd, while group-level average unit production costs increased slightly to USD 6.4/boe but still remained at a highly competitive level.

The Downstream Segment's Clean CCS EBITDA decreased by 6 per cent. to HUF 252 billion in 2019. Profitability was adversely affected by a decrease in refining margins (the MOL Group's refining margin was USD 4.2/bbl, down 22 per cent. year-on-year) and petrochemical margins (the MOL Group's petrochemicals margin fell by 7 per cent. to EUR 372/t). This was partly offset by strong sales margins and lower energy prices, as well as the continuous internal efficiency improvement delivered as part of the Downstream 2022 Programme (please also see "*Business Segments – Downstream Segment*" below).

The Consumer Services Segment's EBITDA increased in 2019 by 20 per cent. to HUF 137 billion (USD 471 million), driven by the dynamic expansion of non-fuel margins and by healthy fuel market trends in the CEE, supporting both the growth in fuel volumes and in fuel margins.

The Group's Clean CCS EBITDA, Transformational CAPEX, Sustain CAPEX and Simplified Free Cash Flow for the years ended 31 December 2015 to 31 December 2019 are set out in the table below.

	2015	**2016**	**2017**	**2018**	**2019**
Clean CCS EBITDA (USD bn)	2.5	2.2	2.4	2.7	2.4
Transformational CAPEX (USD bn))	0.0	0.0	0.1	0.2	0.8
Sustain CAPEX (USD bn)	1.5	1.1	1.0	1.1	1.3
Simplified Free Cash Flow (USD bn)	1.0	1.1	1.4	1.4	0.4

The Group's Clean CCS EBITDA for the years ended 31 December 2015 to 31 December 2019 together with three key earnings drivers are set out in the table below.

Clean CCS EBITDA (USD bn)	**2015**	**2016**	**2017**	**2018**	**2019**
Upstream	0.72	0.68	0.85	1.27	1.05
Downstream	1.37	1.15	1.18	1.00	0.87
Consumer Services	0.28	0.31	0.36	0.42	0.47
Gas Midstream & Other	0.11	0.03	0.06	0.00	0.05
Refining Margin	95%	87%	100%	83%	65%
MOL Group Petrochemicals Margin	100%	90%	75%	61%	55%
Brent Crude	73%	61%	76%	100%	90%

OVERVIEW OF THE FIRST HALF 2020 RESULTS

The tables below show the breakdown of EBITDA and Clean CCS EBITDA between the Group's different businesses for the six-month periods ended 30 June 2020 and 2019, both in HUF and USD.

	As at 30 June 2020		**As at 30 June 2019**	
	HUF billion	**USD million(1)**	**HUF billion**	**USD million(1)**
E&P Segment	91.9	297	160.7	567
Downstream Segment	69.3	223	109.9	385
Gas Midstream Segment	36.2	116	25.0	89
Consumer Services Segment	62.3	199	58.7	207
Corporate and other	(27.8)	(89)	(25.9)	(91)
Intersegment transfers	14.9	47	(3.0)	(11)
Total EBITDA	**246.9**	**792**	**325.3**	**1,145**

(1) *The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.*

	As at 30 June 2020		**As at 30 June 2019**	
	HUF billion	**USD million(1)**	**HUF billion**	**USD million(1)**
E&P Segment	91.9	297	156.7	553
Downstream Segment	127.6	405	114.8	403
Gas Midstream Segment	36.2	116	25.0	89
Consumer Services Segment	62.3	199	58.7	207
Corporate and other	(27.8)	(89)	(25.9)	(91)
Intersegment transfers	14.9	47	(3.0)	(11)
Total Clean CCS EBITDA	**305.2**	**975**	**326.4**	**1,148**

(1) *The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.*

The E&P Segment's EBITDA, excluding special items, decreased by 50 per cent. year-on-year to HUF 36 billion in the second quarter of 2020. EBITDA as at 30 June 2020 for the E&P Segment amounted to HUF 92 billion, 41 per cent. lower compared to the previous year. The E&P Segment was hit by significantly lower oil and gas prices in 2020 compared to 2019, which outweighed the comprehensive set of actions put in place to adjust the Group's operating and capital expenditures during the COVID-

19 pandemic and the positive effect of higher production helped by the ACG transaction (Please see the section entitled "*Business Segments – E&P Segment*" below).

The Downstream Segment delivered HUF 37 billion Clean CCS EBITDA in the second quarter of 2020, 52 per cent. less when compared year-on-year. Clean CCS EBITDA as at 30 June 2020 for the Downstream Segment amounted to HUF 128 billion, 11 per cent. higher than the previous year, still supported by the strong performance of the first quarter and helped by low figures in the six months ended 30 June 2019.

The Consumer Services Segment's EBITDA rose 4 per cent. year-on-year to HUF 35 billion in the second quarter of 2020, despite the COVID-19 pandemic and lower fuel and non-fuel margins which were offset by lower operating expenses. EBITDA grew by 6 per cent. in the first half of 2020 year-on-year and amounted to HUF 62 billion.

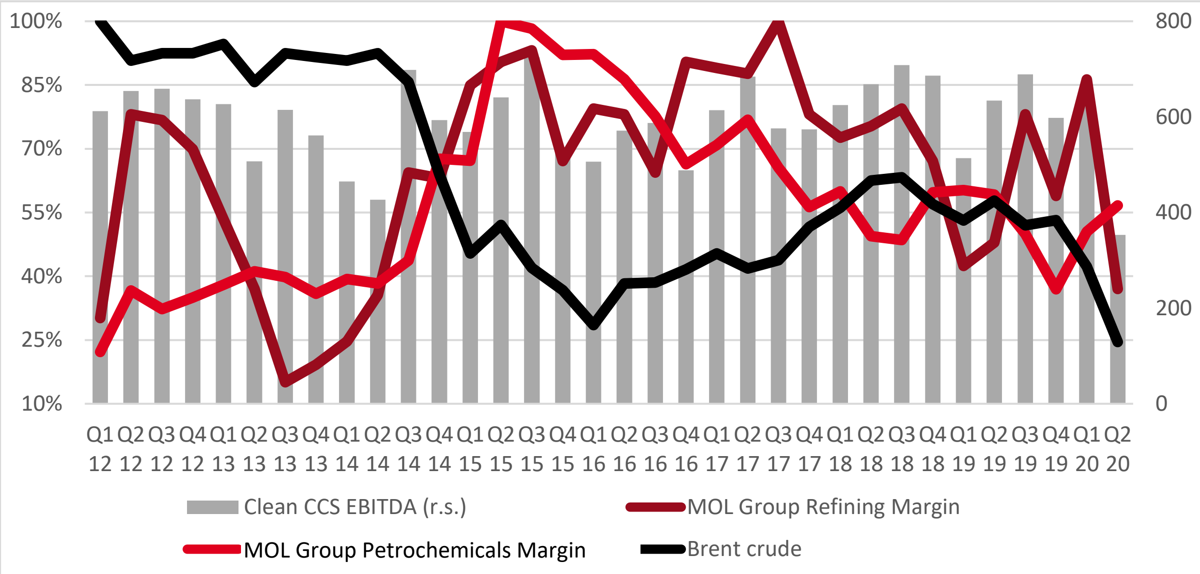
The Gas Midstream Segment's EBITDA more than doubled year-on-year, and amounted to HUF 14 billion in the second quarter of 2020, and to HUF 36 billion in the first half of 2020, which is 45 per cent. higher than the first half of 2019, due to higher capacity bookings and lower operating expenses.

Corporate and other delivered an EBITDA of HUF -16 billion in the second quarter of 2020 and the negative contribution stood at HUF 28 billion as at 30 June 2020, 7 per cent. increase year-on-year.

The table below shows the breakdown of simplified free cash flow between the Group's different businesses for the years ended 31 December 2015 to 31 December 2019 and the six month period ended 30 June 2020.

Simplified free cash flow (USD mn)	**2015**	**2016**	**2017**	**2018**	**2019**	**H1 2020**
Upstream	8.2	240	534	957.9	691.6	149
Downstream	997.0	761	700	390.9	-513.1	49
Consumer Services	198.0	250	210	224.2	297	153
Gas Midstream	193.0	168	205	154.1	143.1	108
Corporate and other (including intersegment)	(173.9)	(220.0)	(245.0)	(331)	(262.7)	(103)

EXTERNAL ENVIRONMENT* AND MOL CLEAN CCS EBITDA (USD MILLION)



** The quarterly per cent. values of the refining margin, MOL Group Petrochemicals Margin and Brent crude are measured against their respective maximum values (100 per cent.) in the period of Q1 2012 – Q2 2020 (100per cent. equals to the following values: refining margin: 7.3 USD/bbl; MOL Group Petrochemicals Margin: 654 EUR/t; Brent crude: 119 USD/bbl).*

RECENT DEVELOPMENTS

The FGSZ Gas Pipeline Project

The FGSZ Gas Pipeline Project (as defined in the risk factor entitled "*Risks related to FGSZ's participation in the FGSZ Gas Pipeline Project*" above) is part of a ten-year capacity development plan that will create a reverse interconnector at the Hungarian-Serbian border. Under the terms of the MEKH Resolution, FGSZ is required to complete the FGSZ Gas Pipeline Project by October 2021. As at the date of this Prospectus, FGSZ has conducted only limited preparatory work in connection with the Project (such as preparation of pipe storage areas and removal of certain site materials, and entering into a small number of supply and other related agreements); it has not supplied or laid any pipes or conducted other material construction activities to advance the Project.

MOL understands that the U.S. Government might consider the Project to be an extension (and therefore part) of the second strand of an energy pipeline originating in Russia known as "TurkStream." Both strands of TurkStream run from Russia to Turkey. The second strand, with capacity to supply consumers beyond Turkey, is referred to as "TurkStream 2." The U.S. position on the Project is significant because in July 2020, the United States updated its guidance under the CAATSA, which, among other things, targets energy export pipelines that originate in the Russian Federation and "transport hydrocarbons across an international land or maritime border for delivery to another country." This updated July 2020 guidance announces the U.S. intention to expand the focus of certain sanctions under CAATSA to address what the U.S. perceives to be threats to U.S. national security and foreign policy interests specifically related to the Nord Stream 2 and TurkStream 2 pipelines.

MOL takes the position that the Project, which establishes a pipeline connection only between Hungary and Serbia in full compliance with pertinent Hungarian and EU legislation, should not be considered to be an extension or part of TurkStream 2. MOL believes therefore that the Project should not be a target of U.S. or other sanctions. However, if the U.S. takes the position that the Project is an extension of TurkStream 2, and the Group chooses to proceed with the Project, FGSZ and its affiliates, including the

Issuer, could become targets of U.S. sanctions. For more information, please see the risk factor language set out in "*Risks related to FGSZ's participation in the FGSZ Gas Pipeline Project*" above.

Decision of the MOL Board to launch a maximum 5 per cent. MOL share purchase

On 25 September 2020, the Board of Directors of MOL decided that, based on the authorisation provided by resolution No. 7/2020 (04.30) adopted on behalf of MOL Plc. at the 2020 Annual General Meeting, a maximum of 40,971,270 class "A" shares in MOL (representing 5 per cent. of all such class "A" shares in MOL) may be purchased during the 12 months following such date within the framework of, and in line with, the conditions set out in Annual General Meeting resolution No. 7/2020 (04.30). The Board of Directors appointed MOL Vagyonkezelő Kft. to execute these treasury share purchases.

CORPORATE HISTORY

The legal name of the issuer is MOL Hungarian Oil and Gas Public Limited Company (MOL Magyar Olaj- és Gázipari Nyilvánosan Működő Részvénytársaság), abbreviated to MOL Plc. (MOL Nyrt.). It also operates under the commercial name MOL. MOL's registered office is at Október huszonharmadika u. 18, Budapest, H-1117, Hungary, telephone number +36 1 209 0000. The MOL Group's website is https://molgroup.info/en. MOL was founded on 1 October 1991 as the legal successor to the state owned Országos Kőolaj és Gázipari Tröszt (**OKGT**) as well as nine companies which had previously been part of OKGT, and was incorporated in Hungary under Act VI of 1988, Act XIII of 1989, Act VII of 1990 and Government Resolution No. 3149/1991 (IV.11.). MOL was registered as a company limited by shares on 10 June 1992, under registration number Cg. 01-10-041683 by the Metropolitan Court in Budapest acting as Court of Registration, and it was founded for an indefinite period.

The privatisation of MOL began in November 1995 with the listing of MOL's shares on the Budapest Stock Exchange and global depositary receipts at the Luxembourg Stock Exchange.

By 1998, state ownership decreased to 25 per cent. and, except for one class "B" share, the Hungarian State had sold all of its remaining class "A" shares in MOL by November 2006. In 2011 the government of Hungary signed an agreement to purchase 21.2 per cent. class "A" MOL shares from Surgutneftegas OJSC. As of 30 June 2020, the Hungarian state holds a 5.2 per cent. stake in MOL having transferred 81,942,946 class "A" MOL ordinary shares to the Maecenas Universitatis Corvini Foundation's trust management on 5 June 2019, and 81,942,946 class "A" MOL ordinary shares to the Minister heading the Prime Minister's Office, acting on behalf of the state, who transferred the shareholding to the Tihany Foundation on 18 June 2020. MOL's shares are currently listed on the Budapest and Warsaw stock exchanges and depositary receipts are traded on U.S. over-the-counter markets. See also "*Decision of the MOL Board to launch a maximum 5 per cent. MOL share purchase*" above.

STRUCTURE OF THE GROUP

The chart below outlines MOL’s main consolidated subsidiaries as at the date of this Prospectus.

MOL Nyrt.

Corporate	Consumer services	Downstream	Exploration & Production	Gas & Mineral	Innovative Businesses & Services	New Businesses / Ventures
*INA - Industrija Nafte d.d.	*Energopetrol d.d. Sarajevo	Aurora Kunststoffe GmbH	*ADRIAGAS S.r.l.	FGSZ Földgázszállító Zrt.	CEGE Geotermikus Koncessziós Kft.	Fonte Viva Kft.
*INA BH d.d. Sarajevo	*HOLDINA d.o.o. Sarajevo	*CROPLIN d.o.o.	Csanád Szénhidrogén Koncessziós Kft.		CEGE Közép-európai Geotermikus Energia Termelő Zrt.	ISO-SZER Kft.
*INA VATROGASNI SERVISI d.o.o.	*INA MALOPRODAJNI SERVISI d.o.o.	IES Italiana Energia e Servizi S.p.A.	EMSZ Első Magyar Szénhidrogén Koncessziós Kft.		*CROSCO B.V.	Neptunus Investment Kft.
MOL Aréna Kft.	*INA-CRNA GORA d.o.o.	*INA d.o.o. Beograd	Kalegran B.V.		*CROSCO d.o.o.	OT INDUSTRIES-DKG Gépgyártó Zrt.
MOL CVC Investment Kft.	MOL IT Holding Kft.	*INA Maziva d.o.o.	KMSZ Kelet-Magyarországi Szénhidrogén Koncessziós Kft.		CROSCO INTERNATIONAL d.o.o. (Tuzla)	OT INDUSTRIES Eszközhasznosító Kft.
MOL Group Finance S.A.	MOL E-mobilitás Vagyonkezelő Kft.	*INA SLOVENIJA, d.o.o.	MOL Azerbaijan Ltd.		*CROSCO S.A. DE C.V	OT Industries Fővállalkozó Zrt.
MOL Group International Services B.V.	MOL Fleet Holding Vagyonkezelő Kft.	*INA-KOSOVO d.o.o.	MH Oil and Gas B.V.		*CROSCO UKRAINE LLC	OT INDUSTRIES-KVV Kivitelező Zrt.
MOL GBS Magyarország Kft.	MOL Fleet Solution Flottakezelő Kft.	Leodium Investment Kft.	MNS Oil and Gas B.V.		GEOINFORM Mélyfúrási Információ Szolgáltató Kft.	OT Industries Tervező Zrt.
MOL GBS Slovensko s.r.o.	MOL Ingatlan Holding Kft.	MCT Slovakia s.r.o.	MOL Bázakerettye Szénhidrogén Koncessziós Kft.		*HOSTIN, d.o.o.	OT INDUSTRIES Vagyonkezelő Zrt.
MOL Investment Kft.	MOL Ingatlankezelő Kft.	MOL Austria Handels GmbH	MOL Bucsa Szénhidrogén Koncessziós Kft.		*INA - INDUSTRIJSKI SERVISI d.o.o.	
MOL IT & Digital GBS Magyarország Kft.	MOL Kiskereskedelmi Ingatlan Kft.	MOL Česká republika, s r.o.	MOL Crossroads B.V.		MOL C.F. Kft.	
MOL IT Digital GBS Slovensko S.r.o.	MOL Limitless Mobility Holding Kft.	MOL Commodity Trading Kft.	MOL Denmark B.V.		MOL Magyarország Társasági Szolgáltatások Kft.	
MOL Reinsurance Co. DAC	MOL Limitless Mobility Kft.	MOL CZ Downstream Investment B.V.	MOL Dráva Szénhidrogén Koncessziós Kft.		*NORDIC SHIPPING Ltd.	
MOL Vagyonkezelő Kft.	MOL Magyarország Szolgáltató Központ Kft.	MOL Germany GmbH	MOL ENERGY UK Ltd.		PETROLSZOLG Karbantartó és Szolgáltató Kft.	
*PLAVI TIM d.o.o.	MOL Retail Holding Kft.	MOL Group Italy Luce & Gas S.r.l.	MOL (FED) Kazakhstan B.V.		*ROTARY Fúrási Zrt.	
SLOVNAFT, a.s.	MOL Romania Petroleum Products s.r.l.	MOL Kunststoff Kft.	MOL Jászárokszállás Szénhidrogén Koncessziós Kft.		*SEA HORSE SHIPPING Inc.	
*TOP RAČUNOVODSTVO SERVISI d.o.o.	MOL Serbia d.o.o.	MOL Petrolkémia Zrt.	MOL Mezőtúr Szénhidrogén Koncessziós Kft.		SLOVNAFT MONTÁŽE A OPRAVY a.s.	
TVK Ingatlankezelő és Forgalmazó Kft.	MOL Slovenia Downstream Investment B.V.	MOL Ukraine Llc.	MOL Nordsjön B.V.		*STSI - INTEGRIRANI TEHNIČKI SERVISI d.o.o.	
	MOL Slovenija d.o.o.	MOL-LUB Kenőanyag Gyártó Forgalmazó és Szolgáltató Kft.	MOL Norge AS			
	MOL Solar Investment Kft.	MOL-LUB Russ LLc.	MOL Nyírség-Dél Szénhidrogén Koncessziós Kft.			
	MOL Solar Operator Kft.	MOLTRADE-Mineralimpex Kereskedelmi Zrt.	MOL Nyírség-Észak Szénhidrogén Koncessziós Kft.			
	Multipont Program Zrt.	MOLTRANS Tankautós Fuvarozó Kft.	MOL Okány-Nyugat Szénhidrogén Koncessziós Kft.			
	*PETROL d.d., Jurdani	Nelsa S.r.l.	MOL OPERATIONS UK Ltd.			
	Port SPV d.o.o.	Panta Distribuzione S.p.A.	MOL Őrség Szénhidrogén Koncessziós Kft.			
	Slovnaft Mobility Services, s.r.o	ROTH Heizöle Gesellschaft mbH	MOL Pakistan Oil and Gas Co. B.V.			
	TIFON d.o.o	SLOVNAFT Polska S.A.	MOL Somogybükkösd Szénhidrogén Koncessziós Kft.			
	Tisza Solar Energy kft	SLOVNAFT TRANS a.s.	MOL Somogyvámos Szénhidrogén Koncessziós Kft.			
	White Solar Energy Kft.	SWS spol. s r.o.	MOL SZMDK Szénhidrogén Koncessziós Kft.			
		Terméktároló Zrt.	MOL UK FACILITIES Ltd.			
		Tisza-WTP Kft.	MOL West Oman B.V.			
		TVK-Erőmű Kft.	MOL Zala-Nyugat Szénhidrogén Koncessziós Kft.			
		VÚRUP, a.s.	MOLGROWEST (I) Ltd.			
		Zväz pre skladovanie zásob, a.s.	MOLGROWEST (II) Ltd.			
			MOL-Russ Llc.			
			Panfora Oil & Gas S.R.L.			
			Tápió Szénhidrogén Koncessziós Kft.			

* minority share

From 1 February 2019, a new operational model was established, as a result of which the operating companies were reallocated by business segments.

STRATEGY

The MOL Group announced its long-term strategy with the title "MOL 2030" in October 2016 (the **MOL 2030 Strategy**). The MOL 2030 Strategy is based on a vision of the diminishing importance of fossil fuels and, consequently, the peaking, flattening and ultimately declining demand for motor fuels, the key products of MOL's integrated oil value chain, in MOL's relevant European and CEE markets. This long-term strategy sets out an envisaged corporate and business transformation to ensure MOL remains relevant to its employees, customers and investors in its existing business lines as well as in new businesses lines. The MOL 2030 Strategy has four major strategic transformation directions for MOL for the upcoming years and decades:

- From fuels to chemicals transformation in the Downstream Segment to address the expected decline in long-term motor fuel consumption in CEE. This strategic direction aims at significantly reducing the motor fuel yield in the refining system and increasing other high-value, non-fuel product yields, predominantly those which can be transferred as feedstock to the petrochemicals, chemicals value chains.

- From fuel retailing to consumer goods retailing and mobility services. This strategic direction aims at transforming the Group's regional service station network to become primarily a consumer goods and fast-moving consumer goods (**FMCG**) retailer and offering various clean and alternative mobility related products and services for people in transit.

- From CEE to international E&P Segment. This strategic direction aims at gradually and opportunistically increasing MOL's international E&P footprint to replace declining CEE production and reserves in order to maintain the group's integrated business model in the coming years.

- Corporate culture transformation and moving from back-office-type to a digital organization. The successful implementation of the corporate strategy would only work in tandem with a major underlying change in corporate culture. An important support to the execution of the corporate strategy will be the digital transformation of the organisation and the turning of functional areas into real strategic enablers.

As part of the regular strategy review process and as further accelerated by the unforeseen and unprecedented events of the first half of 2020 as a result of the COVID-19 pandemic, the board of directors of MOL (the **Board of Directors**) has recently initiated a strategy review and refresh process, which will incorporate the learnings and consequences of the COVID-19 pandemic and the related economic crisis on the oil and gas industry, including MOL. As at the date of this Prospectus, the Board still considers that the key strategic directions of the company, set four years ago, are still valid. However, the changing external environment necessitated an update of some of the assumptions underlying this strategy, adjustment of certain targets, the reconsideration of some priorities and the extension of the timeline to beyond 2030. This strategy review is expected to be completed by early 2021.

E&P Segment strategy

The strategy of the MOL Group's E&P Segment is to maximise value creation of the existing reserves, while attempting to mitigate decline and sustain the Group's current activity level, making sure that the E&P Segment remains a pillar of the integrated business model of the Group. MOL Group plans to achieve this by transforming to an international E&P Segment portfolio from a predominantly CEE-focused operation. The key targets are to:

- maximise cash generation of the existing barrels through running an efficient operation,

- keep the unit production cost at a very competitive level (below USD 7/boe) in the period from 2020 to 2023, and

- seek to maintain production at around the level as at the date of this Prospectus until at least 2023.

2019 was a year of important milestones for the MOL 2030 Strategy. MOL agreed to acquire Chevron's assets in Azerbaijan (including a 9.57 per cent. stake in the giant ACG offshore field and 8.9 per cent. in the Baku-Tbilisi-Ceyhan (**BTC**) pipeline) for USD 1.5 billion. The transaction was closed on 16 April 2020, and was as a major step in resolving the reserve replacement challenge MOL has been facing in recent years. The MOL Group's exploration will continue in Norway and 2020 brought the first success in the form of an oil and gas discovery in a MOL-operated block, while MOL will also continue to monitor inorganic growth opportunities.

Downstream Segment strategy

The Downstream Segment operates high quality assets in CEE and its key strategic aim is to continue to maximise capacity utilisation in a profitable way, so that the key assets remain among the most profitable sites in Europe. The MOL 2030 Strategy has four key pillars in the Downstream Segment:

- MOL Group wants to significantly reduce the yield of motor fuels in its refining system, mostly through materially increasing the share of petrochemical feedstock, but also the share of other high-value non-fuel products in the refinery output;

- MOL Group is expected to invest around USD 4.5 billion by 2030 to expand along the chemicals and petrochemical value chain, moving towards semi-commodity and specialty products manufacturing. MOL Group plans to become a leading chemicals company in CEE by 2030;

- Sustainability will increasingly become a differentiating factor for downstream companies, hence MOL will step up investments in this area, including, but not restricted to recycling, rubber bitumen, second generation biofuels and renewable power generation; and

- MOL will continue to aggressively pursue internal efficiency improvement to make sure it is able to retain its competitive position in Europe.

As part of the MOL 2030 Strategy MOL Group aims to deliver net efficiency gains and a visible EBITDA contribution from the transformational projects by 2023. The main areas for efficiency improvement are asset availability, market position and energy efficiency. To achieve these targets, the Downstream Segment will invest in major strategic projects and the strategic capital expenditure spending will likely exceed USD 3 billion, including the USD 1.4 billion "Polyol Project", MOL's most significant organic investment into the polyether polyol business (the **Polyol Project**), the Rijeka refinery residue upgrade project (the **Rijeka Project**) and several other strategic, transformational investments. The Rijeka Project is expected to increase the overall efficiency and complexity of the Rijeka refinery and is a significant part of the Downstream Segment's transformation programme which is aimed at turning INA's refining and marketing divisions into a sustainable and profitable business.

While the COVID-19 pandemic may lead to slight delays, strategic projects are given priority and continue to progress well.

In the Downstream Segment, 2019 was also a year of important milestones for the MOL 2030 Strategy, as a final investment decision was made on the Rijeka Project and the Polyol Project reached nearly 50 per cent. completion (65 per cent. at the end of the second quarter of 2020).

Consumer Services Segment strategy

The strategy of the MOL Group's Consumer Services Segment is to become a true consumer goods retailer and to lead the revolution of transportation in the CEE region. The Consumer Services Segment consists of two main business lines – retail and mobility. Retail includes both fuel and non-fuel (consumer goods) retailing with the installation of its new non-fuel concept, Fresh Corner at Service Stations (**SeS**) as well as digitalizing customer interactions and operations. Mobility is comprised of all other services provided for people in transit. Mobility, in preparation for moving beyond a fuel-based society and in line with the MOL 2030 Strategy, launched several clean and alternative mobility related products and services, facilitating the gradual shift towards a multi-modal, clean and sustainable transportation. The Consumer Services Segment aims to scale up mobility services with car sharing, fleet management and public transport as well as to become a leading regional EV charging provider on the CEE e-mobility market.

As part of the MOL 2030 Strategy, the Consumer Services Segment aims to further boost EBITDA by 2023, and increase the contribution of the non-fuel margin to the Total Margin (Consumer Services Segment), which reached nearly 30 per cent. by the end of 2019. MOL expects this contribution to continue increasing in the future. This should be achieved by continuing the accelerated non-fuel concept (i.e. Fresh Corner) roll-out and by developing new gastro offers for the customers.

The Consumer Services Segment concluded another year of very strong performance in 2019 with continued double-digit EBITDA growth (20 per cent. higher than in 2018 calculated in HUF terms), bringing earnings very close to hitting the original target for 2023 much earlier than expected. 2019 also showcased the importance of maintaining the growth of the non-fuel margin contribution supported by the increasing number of Fresh Corners and improved gastronomical offering. The segment also demonstrated outstanding resilience amidst the COVID-19 pandemic and related lockdowns and sharp decline in transport fuel demand. The Consumer Services Segment's EBITDA was almost flat comparing the first half of 2020 with the first half of 2019 as cost savings and optimisation measures almost fully offset the inevitable fallout of fuel and non-fuel margins. The crisis may slow down progress slightly, but MOL does not expect that it will derail the business from its strategic growth path.

Financial Framework

MOL Group's strategic goal is to continue to build a resilient integrated business on the back of a high quality, low cost asset base through a constant efficiency drive. To support the implementation of the MOL 2030 Strategy, MOL developed a rolling five-year financial framework model, which outlines and quantifies the key cash inflow and outflow items. The financial framework shall ensure a robust and coherent financial model, where cash generation is sufficient to fund all key spending items, including the business-as-usual capital expenditure, the strategic capital expenditure required for the business transformation, other cash outflow items (including taxes, funding cost and other items) and the remuneration of the shareholders (cash base dividends).

A strategic priority for management remains to finance its organic capital expenditure from operating cash flows and to generate a sustainable free cash flow. The Group's current and future strategic priorities are to retain its financial discipline irrespective of the external environment. A strong balance sheet is key for the Group; this will allow it to meet its strategic objectives whilst continuing to keep within its debt covenants.

Dividends

MOL's financial framework aims at generating enough cash flow to cover all of its expenses, including all organic investments (sustained, transformational and strategic alike) as well as any dividend distribution to its shareholders.

MOL has no formal dividend policy. However, over the past few years MOL has built up a track record of paying a gradually rising base dividend to its shareholders, which has always been fully funded by operating cash flows. MOL also paid special dividends to its shareholders in 2018 and 2019, as earnings and cash flows in the 2017 and 2018 financial years exceeded the normalised level of profitability. It was MOL's intention to share with its shareholders any excess cash flow stemming from a stronger than normal external macro environment in the form of this special dividend.

COMPETITIVE STRENGTHS

The Group benefits from a number of competitive advantages including its more than 80 years of experience in Central Europe. As a result of the currently difficult business environment MOL has adopted a conservative management approach and remained disciplined. By way of illustration, this has resulted in MOL financing its organic capital expenditure requirements from operating cash flow in each of the last four years and it intends to continue to do so in the medium term.

With the aim of becoming a much more agile corporation, at the end of 2018 MOL introduced project "One", which has already introduced in 2019 a new governance structure and new processes to ensure faster decision making, greater transparency of roles, clearer reporting lines and greater empowerment.

E&P Segment

The Group's E&P Segment has a geographically diversified international portfolio and a well-established presence and strong strategic partnerships in four core regions: CEE, North Sea, the Commonwealth of Independent States (**CIS**) Region, the Middle East and Africa. During the last eight decades the E&P Segment built its competitive strengths through immense knowledge and experience, including a significant number of optimisation measures, as follows.

Accumulated knowledge in successful operation of mature assets

It is a natural challenge to ensure continuous production on mature fields within the portfolio. The E&P Segment is committed to focussing on extracting maximum value from its assets, engaging in a wide range of activities in a structured and systematic way to maximise recovery and production rates in Hungary, Croatia and Russia.

In the CEE the E&P Segment is focusing on the following measures to enhance its competitive strengths.

- Production intensification activities, including undertaking well and reservoir performance improvement measures, and the utilisation of different technologies. The extensive geological knowledge of the relevant countries and a well-developed existing surface infrastructure supports a sustainable and efficient operation. By capturing subsurface uncertainties and complex production histories in geological and dynamic models, bypassed oil can be identified and targeted through several interventions.

- A production optimisation programme is ongoing both in Hungary and Croatia and different production intensification efforts are in place in order to mitigate production decline with extensive well stimulations.

- An enhanced oil recovery (**EOR**) project is ongoing in Croatia to counteract the natural decline of mature fields and to revitalise old, partially depleted wells. On the Ivanić and Žutica North fields the E&P Segment achieved great results. Since the start of the EOR, production of the Ivanić field has increased by 2.5 times and the production of the Žutica North field 6.5 times. Over 60 per cent. of the total produced hydrocarbon volumes in the Ivanić field and 90 per cent. produced in the Žutica North field are the result of implementing EOR.

- The full field optimisation (**FFO**) concept in Croatia includes improvements across the entire production system – reservoir, well, pipeline network and facility performance – which are all made possible using integrated computer models.

In Russia the Group's Baitugan asset is a mature field in production since 1947 with developed infrastructure, which supports low operating and development costs. The main target of the work programme is to mitigate baseline production decline with drillings (including horizontal), well workovers and infrastructure improvement projects. Full-scale geological and dynamic models have been made to improve well location selection and enable optimum field development. In addition to this, several infrastructure improvement projects are ongoing.

Recent exploration successes in operated licences

As discussed in more detail in the "*Business Segments – E&P Segment*" section below, the Group has had recent exploration successes in Hungary, Pakistan and Norway providing competitive advantages to the Group.

Low-cost operations and scrutiny applied in capital expenditure spending

The Group ensures strong cost discipline is followed during operations. Keeping production cost at a competitive level through the implementation of different cost saving initiatives is continuously in the focus of the E&P Segment. This effort is clearly visible also in the E&P Segment's results, as unit production cost decreased significantly from USD 7.3/boe level (in 2015) to 6.4 USD/boe (in 2019), with unit production costs of USD 5.7/boe in 2016, USD 6.1/boe in 2017, and USD 6.3/boe in 2018. The unit production cost during the first half of 2020 was USD 6.0/boe. The Group also implements cost optimisation measures (including capital expenditure) which contribute to substantial cash generation and ensure self-funding operation in a low oil price environment. Supported by the strong cost control, the E&P Segment's portfolio breakeven was reduced to approximately USD 25/boe as at the date of this Prospectus.

Active participation in the management of non-operated international assets

MOL is taking an active role in commercial, technical and cost considerations of non-operated assets, mainly in the UK and the Kurdistan Region of Iraq.

Downstream Segment

The Group's Downstream Segment comprises different business activities that are part of an integrated value chain. This value chain turns crude oil into a range of refined products, which are moved and marketed for household, industrial and transport use. The products include, among others, gasoline, diesel, heating oil, aviation fuel, lubricants, bitumen, sulphur and LPG. In addition, the company produces and sells petrochemicals worldwide and holds a leading position in the petrochemical sector in the CEE region. Therefore, the Downstream Segment's strength is supported by its geographical position, competitive asset base, well balanced product offering and customer portfolio.

Part of the Group's strength lies in its high net cash margin producing refineries in Hungary and Slovakia which make the most of their geographical locations (being well placed to take in crude oil and distribute refined products), as well as a well-balanced product and customer portfolios.

The Group's feedstock optimisation ensures that it selects the most appropriate raw materials for all of its refineries from a wide slate of crude oil types. Crude and raw materials supply, and low-cost product distribution are possible through its extensive pipeline system and increased storage depot coverage.

The Group's diverse logistics network, combined with well-positioned commercial activities, remains a key advantage in capturing sales margin revenues and reaching end customers.

Consumer Services Segment

The Group Consumer Services Segment focuses on the variety of technological developments that are intended to support new consumer needs and mobility services. Despite the healthy growth of fuel consumption in CEE in the past several years, advancements in technology and new consumer habits have fundamentally changed what has so far been considered fuel retail. Looking at the next five years, fuel consumption is still expected to grow in CEE, however, the long-term outlook is that fossil fuels will lose their monopolistic dominance by the end of the next decade. MOL has realised that there is a need to go beyond its current offering to succeed in the new environment. Therefore, transformation of MOL's retail operations is expected by tapping into growing areas of consumer demand and taking part in the reinvention of transportation in CEE. MOL considers assortment and store lay-out development as main drivers, while following market trends and own brand range launch as differentiators.

Consumer Services was one of the best performing segments of the Group in 2019, capping another strong year with double-digit earnings growth. The segment achieved several important milestones, including the non-fuel margin generation reaching 30 per cent. of the Total Margin (Consumer Services Segment) by the end of the year. The accelerated roll-out of non-fuel offerings continued in the first half of 2020; the number of reconstructed sites with Fresh Corners rose to 895 as at 30 June 2020 from 765 as at 30 June 2019.

Gas Midstream Segment

FGSZ plays a key role in the regional transmission of gas in Hungary as a result of its geographical location. The security of supply in Hungary is inseparable from the energy security of the CEE region and the whole of Europe. Therefore, within the framework of European gas market cooperation based on mutual advantages, FGSZ aims to ensure the interoperability of the natural gas networks of the region on the part of Hungary; and at the same time strives to increase the volume of transmission and transit through Hungary.

BUSINESS SEGMENTS

1. E&P SEGMENT

The Group has an E&P presence in fourteen countries including production operations in nine countries as at the date of this Prospectus. In 2019 the MOL Group acquired Chevron's stake in Azerbaijan's super-giant field. This is the largest acquisition in the Group's history and a major step towards the MOL 2030 Strategy's targets of reserve replacement and diversifying into an international E&P Segment. The USD 1.5 billion transaction includes a 9.57 per cent. interest in the ACG field and 8.9 per cent. in the BTC pipeline and related Gas Midstream Segment's related assets. The MOL Group began consolidating these assets on 16 April 2020 upon the completion of the transaction.

Total group production (including joint ventures and associates) was maintained on a stable level (around 110 mboepd) in the last four years, with 111 mboepd produced in 2019. While Hungary and Croatia still account for more than 60 per cent. of the Group's total production, international assets became a solid third pillar for the segment. The production of international assets is expected to average at 115-120 mboepd in 2020, including the contribution from ACG as of 16 April 2020, adding around 20 mboepd (net) to the Group's production on an annualised basis.

The E&P Segment demonstrates strong cost discipline with Group-level average direct production cost being kept at the very competitive USD 6-7/boe level, with USD 6.4/boe achieved in 2019.

Financial overview

Clean CCS EBITDA reached USD 1,052 million in 2019, driven by strong production performance and continued cost consciousness. Capital expenditure amounted to USD 360 million in 2019, with approximately half of the total segment spending realised in the CEE region, mostly on production optimisation related initiatives. In the coming years exploration spending will target offshore drilling in Norway, exploration drilling in Hungary as well as exploration activities in Pakistan and Croatia. Development spending will focus on production optimisation in CEE, in offshore development drilling in Croatia, and Shaikan development in Kurdistan Region of Iraq, and ensuring first gas from a greenfield project in Kazakhstan.

The E&P Segment generated USD 715 million simplified free cash flow (including the contribution of the Group’s joint ventures and associates) in 2019 (USD 18 on each barrel lifted) in an USD 64/bbl oil price environment and remains a core source of revenue for the MOL Group, with simplified free cash flow having increased from USD 87 million in 2015 (USD 1 on each barrel lifted) in an USD 52/bbl oil price environment to USD 260 million in 2016 (USD 7 on each barrel lifted) in an USD 44/bbl oil price environment to USD 548 million (USD 15 on each barrel lifted) in an USD 54/bbl oil price environment and to USD 992 million (USD 24 on each barrel lifted) in an USD 71/bbl oil price environment. In the first half of 2020 the E&P Segment generated USD 163 million simplified free cash flow (USD 8 on each barrel lifted) in an USD 40/bbl oil price environment. With the immediately free cash flow accretive ACG assets, the already robust cash generation of the E&P Segment is expected to further strengthen.

MOL is committed to the key principles of sustainable operations. MOL aims for zero HSE incidents and to protect the environment by eliminating spills, decreasing greenhouse gas emissions and participating in the World Bank’s Zero Flaring Initiative.

The following diagram gives an overview of the Group's geographic production and exploration activities:

Note: On 26 February 2012 INA delivered the "Force Majeure" in Syria.

At the end of 2019 the Group recorded 270 MMboe of 2P reserves. With the acquisition of ACG the total 2P reserves are estimated to increase to approximately 360-380 MMboe by the end of 2020. The E&P Segment will continue to pursue organic and inorganic reserve replacement opportunities in line with the MOL 2030 Strategy.

	Year ended 31 December	
SPE 2P reserves, MMboe	**2019**	**2018**
Hungary	57	77
Croatia	102	110
United Kingdom	25	29
Russia	26	45
Kazakhstan	24	24
Pakistan	14	15
Other	22	24
Total	**270**	**324**

Central and Eastern Europe

The CEE region retains a key role in the production portfolio, contributing more than 60 per cent. of total Group production in 2019. The Group has over 80 years of experience in Hungary and in 2003 became a shareholder in INA which previously was Croatia's state-owned oil and gas company. INA has over 60 years of experience and currently operates onshore and offshore assets.

Licence information as of 31 December 2019

Country	Block	2019 YE Reserves (MMboe)	2019 Production (mboepd)	Operated by the MOL Group	MOL Group Diluted share (per cent.)	Partner(s) (per cent.)
Hungary	Several	57.2	37.8	Yes	100	-
Croatia	Onshore – several	102.4	25.4	Yes	100	-
	Offshore – North Adriatic		6.1	Yes	100	-
	Offshore – Marica			Yes	100	-
	Offshore – Izabela			No	30	Edison Spa (**Edison**) (70)
Romania	EX-1	n.a.	n.a.	No	30	Sand Hill Petroleum BV (**Sand Hill**) (70)
	EX-5			No	20	Sand Hill (80)
	EX-6			Yes	100	-

Hungary

The MOL Group has accumulated over 80 years of experience in conventional exploration and field development in the Pannonian Basin. Hungary is still key and one of MOL Group's core countries in terms of production and reserves on a portfolio level, and a significant contributor to MOL's E&P Segment cash flow. The extensive geological knowledge of the country and a well-developed existing surface infrastructure supports a sustainable and efficient operation.

MOL's net exploration acreage in Hungary covers more than 10,000 km2, focusing around three areas: the Drava and the Zala Basins in the Western part of the country, central Hungary Paleogene representing oil, and various fields in Eastern Hungary, mainly focusing on gas production. In 2019, exploration activity was revitalised and four consecutive shallow gas discoveries and one conventional oil discovery were made. In 2020, the shallow gas programme continued and as of the date of this Prospectus, remains highly successful with four discoveries in the first half of the year. MOL Hungary's first unconventional pilot was drilled in Tótkomlós in 2020 and the data evaluation of the results is in progress as at the date of this Prospectus. In addition to the existing portfolio, MOL Hungary continuously strives to obtain additional licences. In the latest, seventh bid round, two new hydrocarbon exploration licences were awarded near Kisvárda and Nyírbátor, bringing the number of exploration licences to 17.

MOL Hungary accounts for almost 35 per cent. of MOL Group's hydrocarbon production, with more than 950 producing wells. Production is concentrated in South-East Hungary where approximately 75 per cent. of total production and approximately 90 per cent. of gas production originates. The ongoing field development extensions are mainly focusing on three areas to realise the reserve potential: Somogy/Babócsa, Gomba and Mezősas.

Managing the natural decline in production is the main challenge facing MOL's Hungarian operations. The key objective of MOL's annual production optimisation programme is to stop this natural decline, put undeveloped reserves into production and realise the remaining exploration potential via accelerated exploration and development activity. Since the start of this programme in 2016, the annualised production contributed substantially to diminishing the impact of the natural production decline.

Croatia

Exploration and production activities in Croatia commenced in 1960. Since then, more than 45 oil and 30 gas fields have been put into operation, around 4,500 exploration and development wells have been drilled with total depth of approximately seven million meters. Currently there are about 1,200 producing oil wells with more than 4,000 km of various pipelines and more than 200 wells producing gas.

In addition to these onshore operations, there are also offshore operations in the northern Adriatic where production began in 1998. Currently, INA is the sole owner and operator in the Northern Adriatic and Aiza Laura Contract areas since the ENI SpA (**ENI**) buyout in 2018, while the gas field Izabela is managed in cooperation with Edison through a joint operating company, Edina.

Current exploration activities focus on the Drava-02 concession area where the exploration programme commenced in 2017. INA is continuously looking for opportunities to extend its existing portfolio and has been awarded three exploration licences in the latest bid rounds: "Drava-03" and "North-Western Croatia-01" licences in the second Croatian onshore bid round, and the "Dinarides Block 14" licence in the third Croatian onshore bid round.

Croatian production contributes more than 25 per cent. of MOL Group's total production from both onshore and offshore fields. The production optimisation programme and the EOR project are also ongoing in Croatia to counteract the natural decline of mature fields and to revitalise old, partially depleted wells. Over the last five years these projects contributed significantly to the year-on-year increase in onshore oil production.

Romania

MOL Group's focus is on the exploration of conventional hydrocarbon potential and as at the date of this Prospectus has interests in three licences: 30 per cent. in EX-1, 20 per cent. in EX-5 (in partnership with Sand Hill) and 100 per cent. in EX-6 as operator.

In 2018 the first well in the non-operated EX-5 licence was drilled, however no commercial hydrocarbons were found. In respect of the EX-1 licence the first well was drilled in 2020 and was declared as a dry well. As at the date of this Prospectus efforts are ongoing to deliver the remaining committed work programme on all three licences.

North Sea

United Kingdom

MOL Group entered the United Kingdom in 2014 by acquiring a portfolio of non-operated producing and development assets from Wintershall Dea GmbH (**Wintershall**)and Premier Oil plc (**Premier**). By completing three development projects, MOL Energy UK Ltd. (**MOL Energy UK**) has been able to increase production to just under 20 mboepd and MOL Energy UK is now a significant production contributor to the MOL Group's international portfolio. MOL Energy UK is respected by its competitors as a result of playing an active role in commercial, technical and cost considerations of non-operated assets.

Licence information as of 31 December 2019.						
Country	**Block**	**2019 YE Reserves (MMboe)**	**2019 Production (mboepd)**	**Operated by the MOL Group**	**MOL Group Diluted share (per cent.)**	**Partner(s) (per cent.)**
UK	Bonneville	24.6	18.7	No	20	Premier (50), Cairn Energy PLC (**Cairn**) (20), MOL (20), ONE-Dyas Norge AS (**ONE-Dyas**) (10)
	Broom			No	29	EnQuest (63), Ithaca Petroleum Norge AS (**Ithaca**) (8), MOL (29)
	Catcher, Burgman, Varadero			No	20	Premier (50), MOL (20), Cairn (20), ONE-Dyas (10)
	Cladhan			No	34	The Abu Dhabi National Energy Company PJSC (Op. 64.5), MOL (33.5), ONE-Dyas (2)
	Crathes			No	50	EnQuest plc (**EnQuest**) (50), MOL (50)
	Laverda			No	20	Premier (50), Cairn (20), MOL (20), ONE-Dyas (10)
	Peppermint			No	40	Cairn (60), MOL (40)
	Rochelle			No	21	CNOOC Petroleum Europe (50), MOL (20.71)
	Scolty			No	50	EnQuest (50), MOL (50)
	Scott			No	22	CNOOC Petroleum Energy (41.89), MOL (21.83), Dana Petroleum plc (**Dana Petroleum**) (20.64), Edison (10.47), Total UK Ltd (**Total UK**) (5.16)
	Telford			No	2	CNOOC Petroleum Europe (80.4), Edison (15.65), Total UK (2.36), MOL (1.59)

More than 60 per cent. of the total UK production originates from the Catcher, Varadero and Burgman fields and are produced through a newly built floating production storage and offloading vessel (**FPSO**). Initial oil production was achieved in December 2017 and production rates increased during 2018 as final commissioning was completed. The FPSO has been producing in excess of its expected capacity. The Catcher development produces at plateau rates and contributes more than 60 per cent. to the UK production total.

The Scolty&Crathes development came on stream in late 2017. Although the reservoir has excellent characteristics, the production rates were initially restricted by an unexpected build-up of wax in the subsea pipeline from the fields to the host facility. This issue was resolved in 2019 with the installation of a thermally insulated replacement pipeline system. Production came back online in the third quarter of 2019 with better than expected results.

Following a fire that broke out in a compressor module of the host platform of the Broom field, there was no production on this field since the fourth quarter of 2019. The decision was made by the operator that production will not be restarted since the costs and risks of fixing the installation outweighed the economic benefits. This results in an approximately 0.5mboepd entitlement production decrease for the MOL Group's E&P Segment.

Norway

The MOL Group entered Norway in 2015 by acquiring 100 per cent. of the ownership of Ithaca. The focus of MOL Norge AS (**MOL Norge**) is on exploration through an active operated and non-operated drilling campaign. In 2018, the company made a step-change by successfully transitioning to become an offshore operator in record time without any setbacks in a highly regulated environment by adding a well delivery team and strengthening the HSE and procurement functions. The company currently operates on the Norwegian Continental Shelf in three core areas: the Northern North Sea, the Southern Viking Graben and the Central Graben South.

Licence information as of 31 December 2019						
Country	**Block**	**2019 YE Reserves (MMboe)**	**2019 Production (mboepd)**	**Operated by the MOL Group**	**MOL Group Diluted share (per cent.)**	**Partner(s) (per cent.)**
Norway	PL019C	n.a.	n.a.	No	20	Aker BP ASA (**Aker BP**) (Op. 80), MOL (20)
	PL102 F & G			No	10	Aker BP (Op. 50), Petoro (**Petoro**) (30), Grupa Lotos SA (**Lotos**) (10), MOL (10)
	PL617			Yes	40	MOL (Op. 40), OMV AG (**OMV**) (30), Wintershall (30)
	PL771			Yes	40	MOL (Op. 40), OMV (30), Wintershall (30)
	PL808			Yes	80	MOL (Op. 80), Edison (20)
Norway	PL814	n.a.	n.a.	No	30	Aker BP (Op 40), MOL (30), OMV (30)
	PL820S			Yes	40	MOL (Op. 40), Lundin Energy AB (**Lundin**) (40), Pandion Energy AS (10), Wintershall (10)
	PL860			Yes	40	MOL (Op. 40), Lundin (40), Petoro (20)
	PL904			Yes	30	MOL (Op. 30), Petoro (30), Equinor ASA (20), Lundin (20)
	PL905			Yes	50	MOL (Op. 50), OMV (50)
	PL932			No	40	Aker BP (Op. 60), MOL (40)

Licence information as of 31 December 2019						
Country	**Block**	**2019 YE Reserves (MMboe)**	**2019 Production (mboepd)**	**Operated by the MOL Group**	**MOL Group Diluted share (per cent.)**	**Partner(s) (per cent.)**
	PL968			No	20	DNO International ASA, (**DNO**) (Op 40), AkerBP (20), MOL (20), Petoro (20)

The Group has built partnerships with strong and well-performing North Sea companies (Petoro, AkerBP, OMV and Lundin) and expanded its operations in the Mandal High area. In 2018 the first MOL-operated offshore well in the North Sea was drilled successfully on PL860 in the Mandal High area. Although the well proved to be dry, well operations were executed with excellent HSE performance and without any incidents or harm to the environment.

The drilling programme continued in 2019 with one operated well on Mandal High (PL539) and one operated well in the Southern Viking Graben (PL820S). In addition, MOL Norge participated in two exploration wells, operated by AkerBP (PL814 and PL019c). The PL820S well was announced as an oil and gas discovery in early 2020. Preliminary discovery shows recoverable resources between 12-71 MMboe with light oil at an API gravity of 40. Preparation of an appraisal programme proposal has been initiated. The other three wells drilled in 2019 proved to be dry.

In the coming years MOL Norge intends to replenish and upgrade its portfolio with high-grade licences through licence rationalisation.

Middle East

Licence information as of 31 December 2019						
Country	**Block**	**2019 YE Reserves (MMboe)**	**2019 Production (mboepd)**	**Operated by the MOL Group**	**MOL Group Diluted share (per cent.)**	**Partner(s) (per cent.)**
Pakistan	TAL	14.5	8.1	Yes	10.5/8.4*	Oil and Gas Development Company Limited (31.6), Pakistan Petroleum Limited (31.6), Pakistan Oilfields Limited (**POL**) (26.3), Government Holdings (Private) Limited (0.5)
	Margala			Yes	70	POL (30)
	Karak			No	40	Mari Petroleum Company Limited (Op. 60)
	DG Khan**			No	30	POL (Op. 70)
Kurdistan Region of Iraq	Pearl	17	4.3	No	10	Crescent Petroleum Company International Limited (**Crescent**

Licence information as of 31 December 2019						
Country	**Block**	**2019 YE Reserves (MMboe)**	**2019 Production (mboepd)**	**Operated by the MOL Group**	**MOL Group Diluted share (per cent.)**	**Partner(s) (per cent.)**
						Petroleum) (Op. 35), Dana Gas (Op. 35), MOL (10), OMV (10), RWE Middle East Holdings, B.V. (**RWE)**(10)
	Shaikan		3.4	No	20	Gulf Keystone Petroleum (**GKP**) (Op. 80), MOL (20)
Sultanate of Oman	Block 66	n.a.	n.a.	Yes	75	MOL (Op. 75), HCF (25)
Syria (in force majeure)	Hayan	n.a.	n.a.	Yes	100	-
	Aphamia			Yes	100	-

*10.5 per cent. during exploration/8.4 per cent. during Development phase

Pakistan

MOL Pakistan Oil and Gas Co. B.V. (**MOL Pakistan**) is a wholly-owned Subsidiary of MOL, operating in Pakistan since 1999. MOL Pakistan has interests in 4 blocks, of which the TAL and Margala blocks are operational as of the date of this Prospectus. The MOL-operated TAL block is one of the key LPG and gas producers in the country, contributing to Pakistan's energy supply.

Since 1999 approximately 35 MMboe reserves have been added to the MOL portfolio through successful exploration drillings within three different blocks. In the TAL block, exploration activity is ongoing in an effort to mature various leads. As a result of key development projects, the operated gross production level in TAL block reached 90 mboepd plateau rate in 2018 and has been maintained at this level since then.

Drilling at the Mamikhel South-1 exploration well commenced in 2019 and was completed successfully in the second quarter of 2020. The well reached a total depth of 4,939 meters and made a gas and condensate discovery upon testing.

MOL Pakistan's priority for the near future is to explore and develop the potential of its existing portfolio. MOL Group is committed to finalising ongoing field development activities in the TAL block and to continuing exploration on existing operated and non-operated blocks.

Kurdistan Region of Iraq

MOL Group entered the Kurdistan Region of Iraq in 2007, where Kalegran Ltd (**Kalegran**) (MOL's 100 per cent. owned Subsidiary) is a minority partner with a 20 per cent. stake in the shaikan production sharing agreement. MOL also acquired a 10 per cent. stake in Pearl Petroleum Company Limited (**Pearl**) (Khormor and Chemchemal fields) (**Pearl Fields**) in 2009 from Crescent Petroleum and Dana Gas PJSC (**Dana Gas)** in the Kurdistan Region of Iraq.

The Shaikan oil field is located in the Kurdistan Region of Iraq, 60 kilometres north of the regional capital Erbil. The field was discovered by GKP and MOL's Subsidiary (Kalegran), and it is one of the largest fields in Kurdistan with majority of the oil currently being produced from the Upper Jurassic fractured carbonates. As at the date of this Prospectus, the field produces about 35 mboepd (gross), with production being delivered to two production facilities. Export to the main oil trunk line from the production facility has been secured through an export pipeline and transportation by truck was eliminated in 2019, decreasing safety risk and costs. The Shaikan field development project is ongoing as at the date of this Prospectus with the aim of increasing the production capacity to 55 mboepd (gross).

Pearl Fields encompass the gas/condensate producing Khor Mor field, the Chemchemal gas field and exploration territory in Blocks 19 and 20.

Oman

The MOL Group entered Oman in 2006 and currently has a 75 per cent. interest in Block 66, which was acquired in 2013. After an unsuccessful exploration programme, the process of relinquishment is ongoing as at the date of this Prospectus.

Syria

INA entered Syria in 1998 (before its acquisition by the MOL Group), and continued its operations as a part of the MOL Group as the sole operator of two blocks: Hayan and Aphamia. The MOL Group's activities in Syria were suspended in 2012 as a result of the civil war and the imposition of sanctions on Syria. Accordingly, INA closed its office in Damascus and withdrew its employees from the country. The reserves in Syria were re-classified into contingent resources due to the current situation. INA maintains its economic interest in the area and aims to resume operations and its production sharing agreements once circumstances allow and Syria is no longer subject to sanctions.

The CIS region

Licence information as of 31 December 2019						
Country	**Block**	**31 December 2019 Reserves (MMboe)**	**2019 Production (mboepd)**	**Operated by the MOL Group**	**MOL Group Diluted share (per cent.)**	**Partner(s) (per cent.)**
Russia	Baitugan	26.2	4.9	Yes	51	Turkish Petroleum Corporation (**TPAO**) (49)
Kazakhstan	Fedorovsky	23.5	n.a.	No	27.5	Operating Company: Ural Oil and Gas LLP*
	Rozhkovsky			No	27.5	Operating Company: Ural Oil and Gas LLP*

* Owned by KazMunayGas Exploration Production JSC (**KMG EP**) (50 per cent.), MOL (27.5 per cent.), First International Oil Corporation (**FIOC**) (22.5 per cent.)

Russia

The MOL Group entered into a strategic partnership with TPAO by divesting 49 per cent. of shares in BaiTex in 2014, while remaining the operator. Baitugan is a mature and compact field that has been in production since 1947, with developed infrastructure, which supports low operating and development costs. The main target of the annual work programme on this field is to mitigate baseline production decline with drillings (including horizontal), well workovers and infrastructure improvement projects.

In 2019 the annual programme was completed successfully with 71 well workovers and 17 drilled wells, out of which two were horizontal. Moreover, as a part of the new FDP, full-scale geological and dynamic models were made to improve well location selection and enable optimum field development. In addition to this, several infrastructure improvement projects are ongoing as at the date of this Prospectus. Priorities include exploiting the remaining potential from the mature field by continuing the ongoing drilling and infrastructure development programme and an annual well-workover campaign. MOL also continues to focus on the Baitugan reassessment project in order to improve oil recovery.

Kazakhstan

MOL Group has found a partnership with KMG EP and FIOC in respect of its Kazakh operations in the Fedorovsky block, where preparations are currently ongoing for the trial production project aiming to deliver first gas production.

In 2018, a big milestone was achieved in the trial production project when MOL signed two key commercial agreements with Nostrum Oil & Gas Plc: a gas sales agreement and a condensate processing agreement. A concept select study for surface facilities was also completed and provided the foundation for an engineering, procurement, construction and commissioning (**EPCC**) solution to deliver first gas. The Group as the technical leader of the project is responsible delivering the roadmap towards first gas production in cooperation with its partners.

Africa

<table>
<tr><th colspan="7">Licence information as of 31 December 2019</th></tr>
<tr><th>Country</th><th>Block</th><th>2019 YE Reserves (MMboe)</th><th>2019 Production (mboepd)</th><th>Operated by the MOL Group</th><th>MOL Group Diluted share (per cent.)</th><th>Partner(s) (per cent.)</th></tr>
<tr><td rowspan="4">Egypt</td><td>Ras Qattara</td><td rowspan="4">2.9</td><td rowspan="4">1.8</td><td>No</td><td>25</td><td>International Egyptian Oil Company (IEOC) (Op. 75)</td></tr>
<tr><td>West Abu Gharadig</td><td>No</td><td>25</td><td>IEOC (Op. 45), Dana Petroleum (30)</td></tr>
<tr><td>North Bahariya</td><td>No</td><td>20</td><td>Sahara North Bahariya Ltd (Op. 50), IPR (30)</td></tr>
<tr><td>East Yidma</td><td>Yes</td><td>100</td><td>-</td></tr>
<tr><td>Angola</td><td>Block 3/05</td><td>1.7</td><td>0.6</td><td>No</td><td>4</td><td>Sonangol EP (Sonangol) (Op. 25), China Sonangol International Holding Company Limited (25), Maurel&Prom (20), ENI (12), Somoil SA (Somoil) (10), NIS PJSC Gazprom (4), INA (4)</td></tr>
</table>

	Block 3/05 A			No	4	Sonangol (Op. 50), Maurel&Prom (20), ENI (12), Somoil (10), NIS Gazprom (4), INA (4)

Egypt

The MOL Group, through INA, is the 100 per cent. operator of a concession in East Yidma and has interests in three concessions in the Western Desert of Egypt as a non-operator with several partners (25 per cent. stake in the Ras Qattara and West Abu Gharadig licences and 20 per cent. stake in the North Bahariya licence).

In 2019, on the operated East Yidma concession, the exploration well of Rizk-2D was drilled successfully with oil discovery. This was INA's deepest exploration well in the last 35 years and the well has already been brought to production. In 2019, field development activities continued. 18 development wells were drilled on non-operated concessions in North Bahariya and Ras Qattara, and 52 well workovers were finished across the East Yidma, North Bahariya and Ras Qatara concessions.

Angola

The MOL Group entered Angola in 1981 and currently holds a four per cent. interest in two non-operated blocks, Block 3/05 and 3/05 A, both operated by Sonangol. In 2019, the work programme in Block 3/05 included facilities maintenance and preparation for a major well workover campaign. Operations in Block 3/05 A included a re-evaluation process of the upside potential of the Punja field and preparation activities for restoring production, where due to technical issues there was no production in 2019.

Technological considerations

The E&P Segment of the Group continues to focus on extracting maximum value from its assets, engaging in a wide range of activities in a structured and systematic way to maximise recovery and production rates. These activities include undertaking well and reservoir performance improvement measures, and utilisation of different EOR technologies in the CEE region.

The Group's activities in 2019 included (i) drilling of new wells, both onshore and offshore (ii) well workovers and other interventions such as casing valve changes, (iii) Artificial Lifting System in Croatia where sucker-rod pumps were changed to electrical submersible pumps which resulted in lower operating costs, (iv) extensive well stimulations in Croatia, Hungary and Russia. MOL is committed to continuing with its production intensification efforts in the future. By capturing subsurface uncertainties and complex production histories in geological and dynamic models, bypassed oil can be identified and targeted through several interventions. The Group's 2019 activities included a series of such interventions, which resulted in 71 well workovers in Russia, 64 in Croatia and 57 in Hungary. In 2020 these activities continued and in the first half of the year a further 34 well workovers were performed in Hungary, three in Croatia and 12 in Russia. In addition, the FFO concept is being implemented in Croatia, covering ten fields in total since introduction in 2016. The FFO concept includes improvements across the entire production system – reservoir, well, pipeline network and facility performance – which are all made possible using integrated computer models. The concept implementation is planned to continue in the future, across new prospective mature onshore fields and on the fields already covered.

As a result of the Group's commitment to applying the best available technology in drilling, in 2018 MOL Group was able to successfully drill and test the first offshore well in the North Sea as an operator and since then several others followed. These complex drilling operations were delivered without any safety incidents. In Egypt, a 5,613-metre-deep well was drilled and tested in a very complex and difficult geological structure. In Hungary, a pilot unconventional well was finished in 2020 in Tótkomlós marl and it was successfully used for information gathering; 72 metres of core was retracted, and core analytical protocol for unconventional plays was made. In Russia, as part of a field development drilling, several horizontal wells were drilled successfully.

The E&P Segment is focused extensively on CEE EOR projects which have had positive results. In Croatia, the CO_2 injections initially started in 2014 on the Ivanić field and the in 2015 on the Žutica North field. The EOR project on these fields continued throughout 2019 and 2020. Since the start of EOR, operations in the Ivanić field production has increased by 2.5 times and Žutica North 6.5 times. Over 60 per cent. of the total produced hydrocarbon volumes in the Ivanić field and 90 per cent. produced in the Žutica North field are the result of implementing EOR.

The Group is undergoing a digital transformation and as a part of this, several initiatives are in progress. In Russia, the Baitugan oil field is in the process of transforming into a digitalised "smart" field. Production facilities, which include more than 500 production and injection wells, central processing facilities and many other units have been equipped with modern technologies that enable centralised data gathering from the field with instant access to this data. Being a smart field allows remote control of the facilities and the capability of placing the operations of the facilities in automatic mode. In Hungary and Croatia, machine learning and data science techniques are applied in line with the industry achievements in both exploration and development projects. An example of this is where rock typing is conducted on extensive subsurface data sets in the reservoir characterisation processes. In Norway, MOL Norge has contracted a software and service company (dGB Earth Sciences) and is currently working on a project which applies state-of-art seismic methods on MOL Norge licences to support drill or drop decisions on key areas. This software uses machine learning and deep learning-based applications.

OVERVIEW OF THE E&P SEGMENT'S RESULTS IN THE FIRST HALF OF 2020

EBITDA, excluding special items, amounted to USD 297 million in the first half of 2020, a decrease of 46 per cent. versus the same period in the previous year, which was mostly driven by a 36 per cent. overall decrease in the average realised hydrocarbon prices.

Average daily hydrocarbon production reached 114.0 mboepd in the first half of 2020, which is 0.4 mboepd higher than in the first half of 2019. Production was adversely affected as a result of the impact of COVID-19 in Pakistan, extended shutdown in UK on the Catcher FPSO and lower volumes in CEE region driven by continued natural decline. The addition of Azerbaijan's ACG field, however, more than offset these decreases in volumes.

Average daily entitlement production of ACG amounted to 19.6 MMbpd for the period from 16 April 2020 (i.e. the closing of the deal) to 30 June 2020, whereas the average of the entire the first half of 2020 is 8.2 MMbpd for MOL. Production during May and June has been impacted by the commitment of the Republic of Azerbaijan to decrease its oil production, in line with OPEC+ curtailments.

MOL E&P Segment continues to demonstrate strong cost discipline and maintained the group-level average direct production cost (excluding depreciation, depletion, and amortization) at a competitive level of 6.0 USD/boe, which has been aided by the favourable effect of the low unit cost of ACG barrels.

In the first half of 2020 E&P Segment organic capital expenditure amounted to USD 148 million, decreasing by 12 per cent. compared to the same period in the previous year, primarily due to less spending on exploration activities in Norway, and development activities in the CEE region and the UK. However, this effect was offset by the addition of development focused capital expenditure in Azerbaijan. Nearly two thirds of the total E&P Segment capital expenditure are spent in the CEE and in Azerbaijan combined (amounting to USD 97.9 million).

2. DOWNSTREAM SEGMENT

The Downstream Segment, with a deeply integrated refining and marketing and petrochemicals business model has assets in 11 countries, 9,400 employees and 55,000 wholesale customers. It operates three refineries (located in Hungary, Slovakia and Croatia) with a total capacity of 379Mbpd and 18,7 mtpa refined products sales, as well as two petrochemical plants with 1.3 mtpa petrochemical products sales.

Together, the three refineries have an increasingly diversified petrochemical base. As such, the Downstream Segment is strategically well positioned to generate higher margins through increased integration in the landlocked markets of the CEE region. The Group continues to focus simultaneously on operating efficiencies and growth opportunities to withstand and benefit from changes in the external macro environment.

In 2017 the strategy of the Downstream Segment was translated into a five-year transformational journey, named "Downstream 2022 Programme" (the **Downstream 2022 Programme**). The Downstream 2022 Programme has already produced results in 2019 as demonstrated by: (1) Final investment decision and the start of construction of the largest project in MOL's history (USD 1.4 billion), a new polyol plant aiming to extend the petrochemical value chain towards this growing semi-commodity market; (2) the start of production at the new synthetic rubber plant in cooperation with the Group's Japanese partner, which employs cutting edge technology; and (3) acquiring a German compounding company, AURORA Kunststoffe GmbH (**Aurora**), and beginning a partnership with the German company APK AG (**APK**) in a plastic recycling business. These examples represent how an oil company grows in a circular economy.

The Downstream Segment's investment portfolio (as detailed below) is built on four pillars to reflect on key industry drivers:

Fuel transformation: Seeks diversification in the refining segment and produce more petrochemical products instead of motor fuels.

Diversification: Add new products along the value chain, moving away from commodities and entering beyond commodity and specialty petrochemicals' markets. The key focus is that the market for new products is attractive and MOL has to be competitive by backward integration as well.

Efficiency: the Downstream Energy and Efficiency Programme (**DEEP**) improves the Downstream Segment's EBITDA by launching a multi-year development programme targeting significant energy efficiency improvement of refining and petrochemical assets and addressing margin lost on refinery products with less value than crude oil. DEEP focuses on new big-ticket initiatives on top of existing actions while not ignoring ongoing initiatives. DEEP anticipates a significant contribution in reducing Scope 1 (as defined in the section entitled "*Sustainability Performance Data*" below) greenhouse gas emission of MOL Group assets.

Sustainability: The sustainability strategy is under development and the climate strategy aims to decrease both direct & indirect greenhouse gas (**GHG**) emissions. The Downstream Segment will progress this in three streams:

- <u>Efficiency improvement</u> – The goal of the Downstream Segment is to investigate possible energy efficiency initiatives to reduce own consumption, losses and minimize overall energy consumption. The Downstream Segment also targets support its customers to reduce their own energy consumption with the MOL Group's products and to be more energy efficient.

- <u>Circular economy</u> – The Downstream Segment aims to continue the development of its recycling business and investigate further potential of such activities to support its communities.

- <u>Decarbonisation technologies</u> – The Downstream Segment aims to investigate technologies that will allow it to reduce its GHG footprint and diversify its product portfolio from fossil fuels as well as significantly reduce the GHG footprint of its current assets.

The Group will communicate high-level targets for the period from 2030 to 2050 in early 2021.

Financial overview

In the financial year ended 31 December 2019, the Downstream Segment generated HUF 252 billion Clean CCS EBITDA, which is 6 per cent. lower than the previous year's. The lower result was fully attributable to a weaker macro environment as shown by the lower refining margin and the MOL Group Petrochemicals Margin (down by 22 per cent. and 7 per cent., respectively). A substantial drop in petrochemical margins was partly offset by strong sales margins and lower energy costs. The deteriorating refining macro conditions were partly offset due to strong volumes and improved sales performance.

The EBITDA contribution of the Downstream 2022 Programme was more than USD 150 million in the period from 2018 and 2019 and was broadly achieved with efficiency improvement actions targeting asset availability, market position and strong focus on energy efficiency. The Downstream 2022 Programme was able to fully compensate the negative effect of personnel-type expenditure increase and availability issues.

The Downstream Segment's investments grew by 145 per cent. compared to the financial year ended 31 December 2018 to HUF 416.3 billion (USD 1.422 million). Out of the total capital expenditure spend USD 603 million was spent on sustaining current operations, and USD 776 million spent on transformational projects. The increase was driven by the ongoing transformational projects of which the largest one is the Polyol Project (USD 688 million in 2019), with other large ones being the propylene splitter in Rijeka (USD 37 million) and the alternative crude processing facilities (USD 29 million). The construction works of the new polyol complex in Tiszaújváros reached nearly 50 per cent. completion level by the end of 2019.

Refining

The Group's refineries are located in Hungary (Danube), Slovakia (Bratislava) and Croatia (Rijeka).

The Group's refineries processed 14.5 million tons of crude oil in 2019, of which 7.9 per cent. was supplied by the operations of the Group. The remaining 92.1 per cent. was purchased from external sources. Russia is the major import source, accounting for 79 per cent. of the Group's 2019 import crude oil supply. In 2019 the total amount of processed feedstock was 17.5 million tonnes.

The Group's refineries' capacity to process mainly heavier, sour crude oil raw material, provides a cost advantage through the cycle as Urals tend to be cheaper than sweet blends. Moreover, high refinery complexity and a deeply integrated downstream portfolio provide a broad range of products, which tend to yield higher prices.

The Danube Refinery

The Danube refinery is located south of Budapest, with a capacity of 165 kbpd (8.1 mtpa) of crude oil, is one of the largest and most complex (NCI 10.6) refineries in CEE region (the **Danube Refinery**). The facility has 54 major process plants and is flexible in the processing of crudes from Russia through the Friendship pipeline. Alternative crude oils are also available through the Adria pipeline. It has a high upgrading complexity with a fluid catalytic cracker (**FCC**), a mild-hydro cracking unit, a Coker, a catalytic reforming unit, aromatics plants, lube units and petrochemical integration through the pipeline with MOL Petrochemicals.

The Bratislava Refinery

The Bratislava refinery has a processing capacity of 124 kbpd (6.1 mtpa), processing mainly Russian crude from the Friendship pipeline. The Bratislava refinery covers the whole value chain from production, distribution, wholesale to retail, and is ranked as one of the most complex refineries in Europe due to the high complexity (NCI 11.5). The refinery has its own integrated power plant. The major plants are dedicated to the production of a wide portfolio of motor fuels: operations include distillation and vacuum distillation, reforming and aromatics extraction. The plant uses a hydrodesulphurisation unit, a hydrocracking unit (**HCU**), a FCC and a residual HCU.

The Rijeka Refinery

The Rijeka refinery has a capacity of 90.4 kbpd (4.5 mtpa) of crude oil and is the largest refinery in Croatia, with NCI 9.1. The facility has 20 major process plants and is flexible in the processing of crudes from a wide range of regions. It has a high upgrading complexity with an FCC unit, a modern HCU and a Visbreaker. The refinery has its own power plant for electricity and steam production. The refinery is connected to the Adria pipeline and crude oil is supplied under the sea by the pipeline from the island of Krk. Shipping and delivery of raw materials, gas oils and refinery products is possible by sea and by land.

The Sisak Industrial Hub

Under INA's programme entitled "Downstream 2023 New Course" (approved by INA's board of directors and announced at the end of 2018), there is a plan in place to terminate the loss-making crude oil processing operations in Sisak, Croatia and the Sisak site will be converted into an industrial site with various new viable alternative industrial activities. The Sisak industrial site is expected to remain a valuable part of INA's operations and INA plans to continue its business activities there, keeping its position as a major employer and investor. The alternative industrial activities are planned to include the development of bio-component refining, a modern logistic hub, as well as bitumen, renewables and other sustainable and economically viable operations.

The following table describes the Group's major refineries with their total feedstock in the periods indicated.

(thousand tonnes)	**2019**	**2018**
Danube Refinery	8,740	8,948
Bratislava refinery	6,140	6,549
INA refinery	3,077	4,105
Total	17,957	19,602

The following table sets out the product yields of the Group refineries in 2019 and 2018.

Production yields (per cent.)	**Danube Refinery**		**Bratislava refinery**		**INA refinery**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
LPG	1.4	1.2	2.7	2.9	5.1	5.3
Naphtha	11.7	12.5	8.1	8.1	0.5	0.9
Motor gasolines	13.6	13.1	20.3	21.8	22.8	21.4
Middle distillates	45.4	45.1	46.4	45.4	44.0	42.4
Fuel oils & bitumen	5.8	5.9	4.9	4.8	11.9	14.3
Others	13.4	13.3	9.4	8.6	4.5	4.8
Own use + losses	8.7	8.7	8.1	8.2	11.2	10.8

The following table shows the Group's refining margins:

	Year ended 31 December		
	2019	**2018**	**Ch. (per cent.)**
Brent dated (USD/bbl)	64.2	71.3	(10.0)
Brent Ural spread (USD/bbl)	0.4	1.4	(68.2)
Crack spread – premium unleaded (USD/t)	127.6	135.2	(5.6)
Crack spread – gasoil 10ppm (USD/t)	105.2	101.8	3.3
Crack spread – naphtha (USD/t)	(5.2)	45.3	(111.5)
Crack spread – fuel oil 3.5 (USD/t)	(161.8)	(145.4)	11.3
Crack spread – premium unleaded (USD/bbl)	9.4	9.6	(2.6)
Crack spread – gasoil 10ppm (USD/bbl)	15.1	14.8	2.1
Crack spread – naphtha (USD/bbl)	(10.3)	(5.6)	82.5
Crack spread – fuel oil 3.5 (USD/bbl)	(13.0)	(9.1)	43.2

	Year ended 31 December		
	2019	**2018**	**Ch. (per cent.)**
Group refining margin (USD/bbl)	4.2	5.4	(22.3)
Complex refining margin (MOL + Slovnaft) (USD/bbl)	5.1	6.3	(18.2)
MOL Group Petrochemicals Margin (EUR/t)	371.9	399.2	(5.1)
The Downstream Segment's Clean CCS EBITDA			
MOL Group	**866.3**	**995.0**	**(12.9)**
MOL (excl. INA, exlc. special items)	892.8	1,053.4	(15.3)
INA (excl. spec. items)	(26.5)	(58.5)	(54.7)

Petrochemicals

The MOL Group's petrochemical activity, which is conducted through MOL Petrochemicals Co. Ltd. (**MOL Petrochemicals**), and the petrochemical unit of Slovnaft, a.s. (**Slovnaft**) in Bratislava (part of the integrated Downstream Segment of the MOL Group) holds the leading position in the petrochemical sector in the CEE.

Both MOL Petrochemicals and Slovnaft have many decades of experience in producing polymers of a competitive quality for the plastics processing industry, which are fundamental for a wide range of industrial application and for production of a large number of consumer goods that are essential to our everyday lives. Those include such chemicals as polyolefins (i.e. HDPE, LDPE, PP), various monomers (i.e. ethylene, propylene, butadiene), aromatics, aliphatics and maleic anhydride, as well as sulphur and pentane.

Logistics

The logistics operations of the Group's Downstream Segment span 11 European countries with approximately 2,100 direct employees. The Downstream Segment is responsible for moving, loading, storing, discharging, packing (lubes, petrochemicals) and administrating raw materials, semi-finished and finished products. It provides logistics support to domestic and regional sales activities, as an integrated part of the Group's supply chain.

As of the date of this Prospectus, the majority of crude oil processed by the Group's landlocked refineries (Danube and Bratislava) arrives by means of the Friendship pipeline through Belarus and Ukraine from Russia. However, oil can now be sourced from the Middle East or the Mediterranean and be pumped through the Adria pipeline. This means that the security of supply has significantly improved, while the degree of the current one-sided dependence on Russia has decreased, allowing the Group to take an opportunistic approach capturing the benefits of fluctuating crude spreads.

After the processing of crude oil in the refineries, the semi-finished and finished products are delivered directly, or through the Group's distribution network to its customers all over Europe. Over the last 20 years, the quantity of product distributed by the product pipeline system has increased significantly, and the product range has been greatly expanded. Today, the yearly volume amounts to over 10.5 million tons of different product types (gasoline, diesel fuels, chemical feedstocks, power plant fuel oil, JET-A1 aircraft fuel and semi-finished products).

As at the date of this Prospectus the Group distribution network operates 40 product storage terminals with total commercial storage capacity of approximately 1.8 million m^3. In addition, in the Czech Republic the Group closely cooperates with the ČEPRO pipeline and depot network system, to which the Slovnaft refinery is connected by a product pipeline.

In 2019, several new efficiency initiatives started in logistics, including excellence programmes in the areas of terminal and pipeline operations focusing on higher productivity. In respect of the core business products at the rail transportation system, the implementation of a GPS-based monitoring and positioning system has been completed to increase efficiency. Operation of the acquired terminal in Serbia was taken over and put onstream by the MOL Group in September. Continuous transportation of two streams of Croatian domestic crude oil was established – towards the Rijeka refinery by rail and towards the Danube Refinery by pipeline.

Commerce and Optimisation (C&O)

C&O organisation operates in a total of 13 countries throughout the CEE region and is responsible for the coordination of fuel sales fulfilling the demands of domestic core market sales and optimising of core market sales. The organisation consists of Group supply and trading, asset supply and optimisation and customer care service units to enhance the focus on product sales related activities, whereas fuel, petrochemicals, special products business units are responsible for managing the value stream of the given product and acting as single point contacts towards the subsidiaries.

In 2018 the first customer satisfaction survey took place with an extensive scope involving all the countries in which MOL operates and all of its product lines with approximately 60,000 business-to-business customers. Following a strong 89 per cent. customer satisfaction rate, improvements have already been implemented across the board, including claim management. In line with the Group's continuous improvement mindset, the customer satisfaction survey was launched for the second time in 2019.

In 2019, total refined and petrochemical product sales reached 20.0 million tons level in 2019, 0.5 per cent. above the base period (2018). As its first major achievement a group-wide digital roadmap has been already created and it is ready to be implemented in the upcoming years.

Development

The Downstream Segment's development team creates, builds and manages the new growth engines, investments of MOL's future Downstream Segment business portfolio, and increases the overall efficiency and sustainability of its assets through defining, recognising, developing and delivering the right projects to extend the Group's EBITDA through the following.

- "Downstream Segment business development" - Identifying and developing strategic organic and inorganic opportunities, managing development of project portfolio and pipeline and developing business case and technical scope for large projects.

- "Downstream Segment research and development" - Creating and delivering research and development strategy.

- "Downstream Segment projects and technology" - Managing the development of project portfolio and pipeline and developing technical scope for large projects.

- "Downstream Segment strategic projects" - Delivering strategic projects.

The Polyol Project progressed according to schedule in 2019 following the finalisation of the front-end engineering design and the signing of the EPCC contracts in the previous year. Having ThyssenKrupp Industrial Solutions as the EPCC contractor for the main process units and also for the offsite and utility part of the new chemical complex in Tiszaújváros, the project has achieved close to 50 per cent. cumulated progress. During 2019, the site was prepared for the investment following which piling has been finalised, civil concrete works are 50 per cent. completed, and steel erection had also been commenced by the end of 2019. All key equipment pieces have been ordered with pre-fabrication in the workshops of the vendors in and out of Europe. In addition to these physical workstreams, the detailed design has achieved almost 90 per cent. completion.

2020 will be an important year for the project in achieving the goal of starting production at the plants at the end of 2021. Civil works are to be finalised, while key pieces of equipment were delivered to the site in the first half of 2020. Steel erection will ramp-up with the construction headcount reaching 2,500 in the second half of the year. The project has also progressed with delivering the research and development and marketing background required to enter the polyol business.

The MOL Group has signed a strategic cooperation agreement with a German recycling technology company, APK, which developed a ground-breaking technology to process a broad variety of mixed plastic waste into high-quality polymers called Newcycling®. MOL's new partnership with the German innovative company APK is an important step on its journey to become a regional leader in recycling of plastics.

With the effect from 31 October 2019, the MOL Group acquired a 100 per cent. shareholding in Aurora, a German plastic compounder company, strengthening its position in recycled, sustainable plastics compounding segment and its position as automotive supplier.

OVERVIEW OF THE DOWNSTREAM SEGMENT'S RESULTS IN THE FIRST HALF OF 2020

The Downstream Segment delivered Clean CCS EBITDA of HUF 128 billion in the first half of 2020, 11 per cent. higher than the first half of 2019. The exceptionally good performance by this business in the first quarter of 2020 was driven by a favourable macro environment and wholesale margins capped by plummeting demand toward the end of the first quarter of 2020. This positive macro environment in the first quarter of 2020 led to an above 1 USD/bbl improvement in refining margins in the first half of 2020 when compared to the same period in 2019.

The Downstream Segment delivered HUF 37 billion Clean CCS EBITDA in the second quarter of 2020, halving profitability quarter-on-quarter and a 52 per cent. decline year-on-year.

The performance of the Downstream Segment was HUF 37 billion or 52 per cent. lower in the second quarter of 2020 primarily due to:

- The deteriorating external environment in refining as demonstrated by the Group's refining margin being down by approximately 1 USD/bbl. The situation worsened during the quarter while the demand was picking up. Extremely low gasoline and diesel crack spreads as well as a severe decrease in jet fuel (kerosene) demand caused significant adjustments in yield structure.

- The MOL Group Petrochemicals Margin, however, averaged at 431 EUR/t representing a 2 per cent. increase year-on-year. Sales were robust, especially in May where MOL recorded its highest ever sold volume.

- The performance of refining and marketing (**R&M**) was also influenced by depressed wholesale margins as a result of growing but still limited market demand and an oversupplied market. Operating costs decreased slightly in line with lower gas prices. A weakening of the HUF against USD also supported the overall profitability (in HUF terms).

- Refining throughput increased year on year despite the shortfall in demand thanks to the prioritisation of own production over third-party purchases and no major turnaround in the Group's refineries.

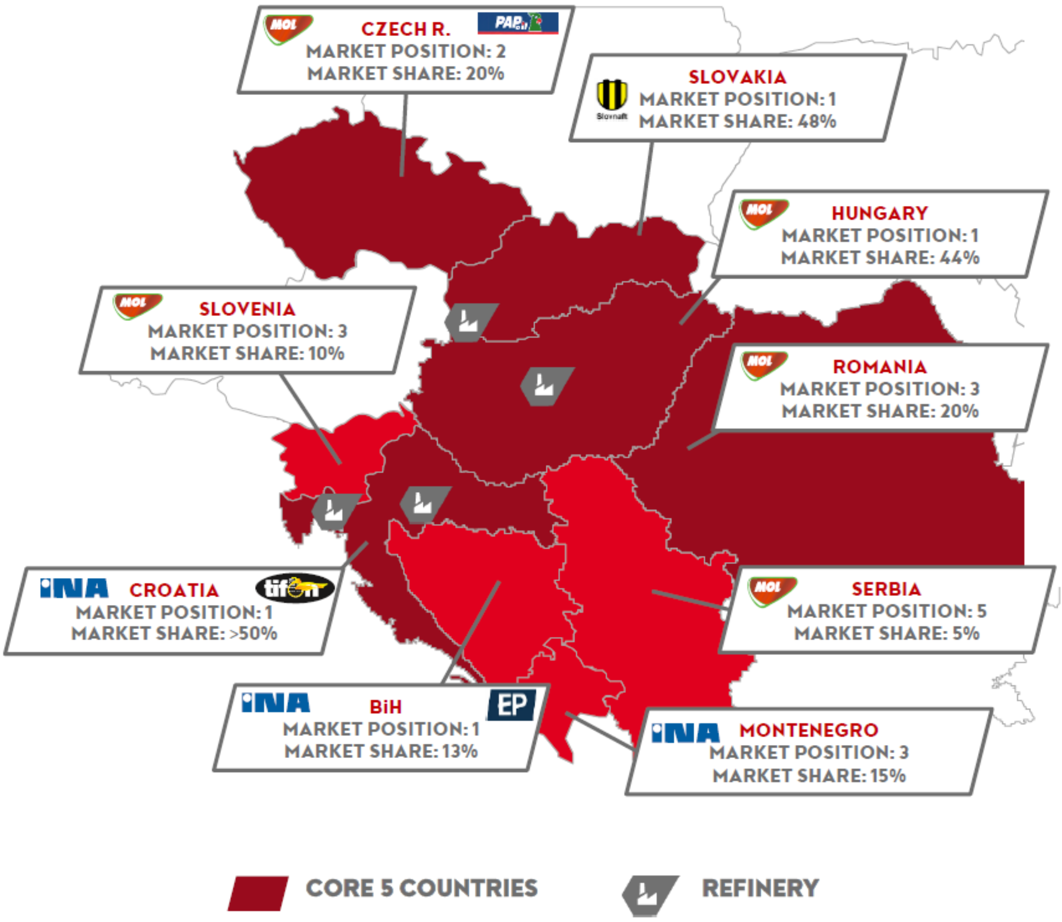
3. CONSUMER SERVICES SEGMENT

The consumer services segment consists of two main business lines: retail, which includes both fuel and non-fuel retailing, and mobility, which comprises of all other services provided for people in transit.

Retail

The MOL Group currently owns a network of nearly 1,900 SeS under six well-established brands across nine countries in CEE. MOL, Slovnaft, INA, Tifon, Energopetrol and PapOil are all brands within the Group. The MOL Group's networks play a leading role on the Croatian, Hungarian, Slovakian and Bosnian retail markets and represent the premium segment in Czech Republic, Romania and Slovenia. Additionally, MOL also has a retail presence in Serbia and Montenegro.

The following diagram shows the international presence of the Group's Consumer Services Segment as at the date of this Prospectus, including its market position and market share in each country.[12]



Besides maintaining a strong position in fuel retailing, one of the MOL Group's strategic aims is to transform its retail network into multi-purpose SeS and to shift from product-driven to customer-driven operations by building on MOL Group's market expertise, size and knowledge of the Group's 10 million customers. Despite the slowing growth in fuel demand, MOL has continued to demonstrate a solid performance with fuel sales growing by 14 per cent. between 2016 and 2019, reaching an annual 5.98 billion litres in 2019 (up from 5.24 billion litres in 2016). As a result of this, and of the growing percentage of premium fuel share (calculated as premium fuel sales volume divided by the total fuel

12 Source: Hungarian, Romanian, Slovakian and Czech local oil associations and the Group's own estimates

sales volume) (from 4 per cent. to 8.5 per cent. in four years), the Fuel Unit Margin grew by 15 per cent. and reached USD 12 cents / litre in 2019 (from USD 10.5 cents / litre in 2016).

A few years ago, MOL introduced a new retail concept, Fresh Corner, MOL's own convenience brand encompassing high quality coffee, fresh food and everyday groceries. As at 31 December 2019, MOL had 877 Fresh Corner outlets across the CEE region and, as at the date of this Prospectus, the concept continues to be rolled out, reaching 895 constructed sites in the first half of 2020. Between 2016 and 2019, non-fuel sales grew by 39 per cent., from USD 890 million to USD 1,238 million. In this period, the Margin of Non-fuel Goods also increased at an unprecedented pace, by 82 per cent., reaching a contribution of 29 per cent. of the Total Margin (Consumer Services Segment) (from 22 per cent. in 2015).

MOL also focuses on increased digitalisation and the ability to combine the in-store and online experience. MOL anticipates moving beyond the boundaries of physical locations by developing seamlessly integrated online services to address consumers' increasing need for convenience. MOL launched its multi-year digital transformation programme to achieve three goals: personalise customer loyalty interactions, enhance the convenience of the customer experience and improve internal operations via leveraging data.

Mobility

Looking beyond traditional retail, MOL has started to embrace rapid changes in transportation by tapping into growing areas of consumer demand. MOL's aim is to become one of the primary sources of mobility solutions and innovations in the region, and to branch out from a commodity seller to a service provider.

Group E-Mobility has been established to develop and provide a charging infrastructure for Electric Vehicles or Battery Electric Vehicles under the brand of MOL Plugee. The MOL Group is aiming to become a leading regional player on the CEE e-mobility market and to differentiate itself through its operation of the electric charging network with state-of-the-art service level. By the end of 2019 the MOL Group operated more than 70 chargers in the region, which is expected to reach around 200 chargers by the end of 2020 and grow further in the following years.

MOL Fleet Solution was established as part of the Group's mobility strategy in 2017. The main target was to finance and manage vehicles owned and used by the MOL Group and external clients and the fleets of small to medium-sized or large businesses. The number of financed and managed cars has been growing dynamically and reached over 3,000 cars by the end of 2019.

MOL Limo is the leading player in car-sharing in Hungary with the largest fleet and service area. In 2019 the number of registered users has exceeded 50,000 people. An analysis of opportunities to introduce the service in new locations in the CEE region is planned.

Financial performance

In 2019 the Consumer Services Segment's EBITDA increased 20 per cent. and reached HUF 137 billion resulting in a double-digit-growth for the year. The increase was mainly driven by the dynamic expansion of the non-fuel margin and by healthy fuel market trends in the CEE region, supporting both fuel volumes and fuel margin growth.

Due to a decrease of 6 per cent. in organic capital expenditures by MOL in the year to 31 December 2019, simplified free cash flow of the Consumer Services Segment reached HUF 86 billion (nearly USD 300 million) in 2019.

Segment IFRS results (HUF billion)	Year ended 31 December 2019	Year ended 31 December 2018	Ch per cent.
EBITDA	137.3	114.9	20
Operating profit/(loss) reported	102.5	87.6	17
CAPEX	51.2	54.7	(6)

Total retail sales (kt)	Year ended 31 December 2019	Year ended 31 December 2018	Ch per cent.
Hungary	1,345	1,276	5
Slovakia	725	685	6
Croatia	1,098	1,083	1
Romania	753	718	5
Czech Republic	525	498	5
Other	405	369	10
Total retail sales	4,851	4,629	5

Non-fuel indicators	Year ended 31 December 2019	Year ended 31 December 2018
Non-fuel margin	28.8 per cent.	27.4 per cent.
Number of Fresh Corner sites	877	687

	2015	2016	2017	2018	2019
Consumer Services Segment's EBITDA as of Group Total Clean CCS EBITDA (per cent.)	8.99	14.26	14.75	15.74	19.34
Consumer Services Segment's EBITDA (USD million)	221	307	361	423	471

OVERVIEW OF THE CONSUMER SERVICES SEGMENT'S RESULTS IN THE FIRST HALF OF 2020

The Consumer Services Segment's EBITDA in the second quarter of 2020 rose by 4 per cent. year-on-year which is an approximate increase of HUF 35 billion despite the COVID-19 pandemic and lower fuel and non-fuel margins due to the lockdowns. Fuel and non-fuel margin losses were almost offset by cost savings and optimisation. Capital expenditure was 23 per cent. down in the second quarter of 2020 year–on-year, resulting in an improved simplified free cash flow for the period.

Despite the immediate adverse effect of the COVID-19 pandemic, the performance of the Consumer Services Segment showed extraordinary resilience. Due to quick adaptation to the new situation (through the introduction of new products and operating expenses optimisation measures), ongoing market recovery and a good performance in the first quarter of 2020 before the impact of the COVID-19 pandemic was felt, EBITDA for the first half of 2020 surpassed the base level by 6 per cent. in HUF terms when compared to the same period in 2019.

Retail fuel sales volumes declined significantly by 21.4 per cent. year-on-year in the second quarter of 2020 and decreased by 11 per cent. in the first half of 2020 year-on-year as a result of the CEE region-wide lockdown during the COVID-19 pandemic. MOL sales were slightly ahead of the market which resulted in MOL gaining market share. The decrease in volumes has been partly offset by improving unit margins in a low pump price environment.

During the first half of 2020, 18 new Fresh Corners were added across the network, taking the total number of Fresh Corners to 895. The COVID-19 pandemic reduced construction activities across the

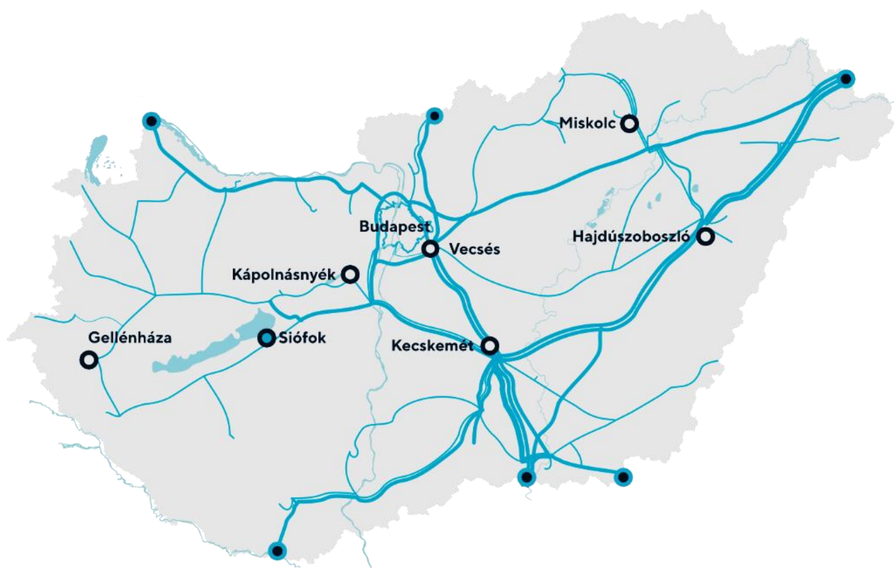
CEE region. The non-fuel margin decreased by 11 per cent. in the second quarter of 2020 year-on-year and 6 per cent. in the first half of 2020. The share of the non-fuel margin within the Total Margin (Consumer Services Segment) was only slightly lower in the second quarter of 2020 when compared to the same period in 2019.

With an effective review of capital expenditures, the simplified free cash flow of the Consumer Services Segment is also expected to be very strong in 2020.

4. GAS MIDSTREAM SEGMENT

The Gas Midstream Segment is led by MOL's wholly-owned Subsidiary FGSZ. FGSZ is the operator of the nearly 6,000km long high-pressure natural gas transmission pipeline system in Hungary since FGSZ completed its acquisition of Hungarian Gas Transit Ltd. (MGT Zrt.) in the fourth quarter of 2019. FGSZ performs its main activity under market conditions regulated by law. Aside from domestic natural gas transmission, FGSZ is also engaged in international transmission activities and operates bidirectional interconnection points with Slovak Republic, Ukraine, Romania and Croatia and a unidirectional inlet point from Austria and an exit point to Serbia. The pipeline and trade infrastructure developments carried out by FGSZ in recent years are of strategic importance and provide for the Group's future in its role as a regional distributor. On the global scale, FGSZ's pipeline network represents the highest technological standards. FGSZ ranks among the CEE region's companies of strategic importance. Furthermore, FGSZ is the owner and operator of the EU recognised cross-border capacity allocation information technology application Regional Booking Platform. As at the date of this Prospectus, in addition to FGSZ's operations, eleven further transmission system operators allocate partially or entirely their system capacities throughout the EU. FGSZ provides a stable cash-flow for the Group.

The following diagram provides an overview of FGSZ's network:



Financial performance

The Gas Midstream Segment generated EBITDA of HUF 54.2 billion (USD 187 million) in 2019, which was an eight per cent. increase on the previous year's figure of HUF 50.3 billion (USD 189 million).

Revenues from regulated transmission services totalled HUF 56.9 billion (USD 196 million) in 2019, which was four per cent. higher than the previous year. Regulated transmission volumes rose significantly (an increase of 20 per cent. year-on-year), domestic transmission was flat, while gas storage volumes increased significantly. Export volumes to Romania, Croatia and Ukraine were above the high base level of 2018 in line with changes of regional gas market demands.

Non-regulated transit revenues were HUF 18.8 billion (USD 65 million), similar to the prior year as a result of slightly lower Serbian and Bosnian transit volumes (a decrease of 9 per cent. year-on-year) and favourable FX changes.

Operating costs were significantly lower in 2019 (a decrease of 10 per cent. compared with 2018) as purchased gas volumes (compressor fuel gas and network loss) and gas purchase prices declined.

The Gas Midstream Segment's EBITDA for the years ended 31 December 2015 to 31 December 2019 and the six month periods ended 30 June 2019 and 30 June 2020 are set out below.

EBITDA (Gas Midstream Segment)	**Year ended 31 December 2015**	**Year ended 31 December 2016**	**Year ended 31 December 2017**	**Year ended 31 December 2018**	**Year ended 31 December 2019**	**Six months ended 30 June 2019**	**Six months ended 30 June 2020**
HUF bn	59.60	54.50	61.40	50.33	54.24	25.00	36.18
USD mn[(1)]	213.27	193.60	223.30	189.10	186.60	88.60	115.80

(1) The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.

OVERVIEW OF THE GAS MIDSTREAM SEGMENT'S RESULTS IN THE FIRST HALF OF 2020

The EBITDA of FGSZ almost doubled in the second quarter of 2020 and totalled at HUF 14.3 billion. EBITDA to June 2020 increased by 45 per cent. to HUF 36.2 billion compared to prior year. Both higher revenues and lower operating expenses contributed to the increasing profitability.

Domestic transmission volumes were significantly lower in the second quarter and the first half of 2020, as domestic gas storage (injected) volumes have decreased significantly, due to fully loaded storage capacities at the end of last year and mild weather conditions in the first quarter of 2020. Export transmission volumes to Ukraine, Romania and Croatia were significantly higher than a year ago, as lower gas prices boosted cross-border trading in the first half of 2020. Non-regulated Serbian and Bosnian transit volumes were lower than last year's figures, but regulated transit mostly compensated for this decrease.

Revenues from domestic (regulated) transmission services in the second quarter of 2020 rose by 67 per cent. year-on-year and 43 per cent. year to date. Significant changes in the capacity portfolio of system users and increased transit demand to neighbouring countries resulted in significantly higher regulated revenues, while tariff changes (that became effective from October 2019) contributed to the increase, too. Major changes compared to the prior tariff regime include (i) the termination of individual exit tariff of certain cross border exit points (for example from Hungary towards Romania); (ii) regulated asset value and eligible operating expenses being incorporated in regulated tariffs; and (iii) changes in the allocation of regulated revenues on entry-exit points. The new tariff regime also introduced minor changes to the multiplier of short-term capacity products and to the turnover fee components.

Revenues from non-regulated transit (to Serbia and Bosnia and Herzegovina) were 28 per cent. lower in the second quarter of 2020 and the first half of 2020 too, as a result of lower realised transmission volumes and decreased contracted prices. Part of the total volumes were transited at regulated tariffs, which contributed to the increase in regulated revenues and decreased non-regulated income.

Operating expenses were significantly lower by 29 per cent. in the second quarter of 2020 and 19 per cent. in the first half of 2020 compared to last year's figures. Natural gas costs (fuel gas consumption and network loss) decreased in line with lower transmitted volumes and significantly lower gas purchase prices. Other variable costs and fixed operating costs were also lower than in prior years, as a result of strict cost control related to the COVID-19 pandemic beginning in March 2020.

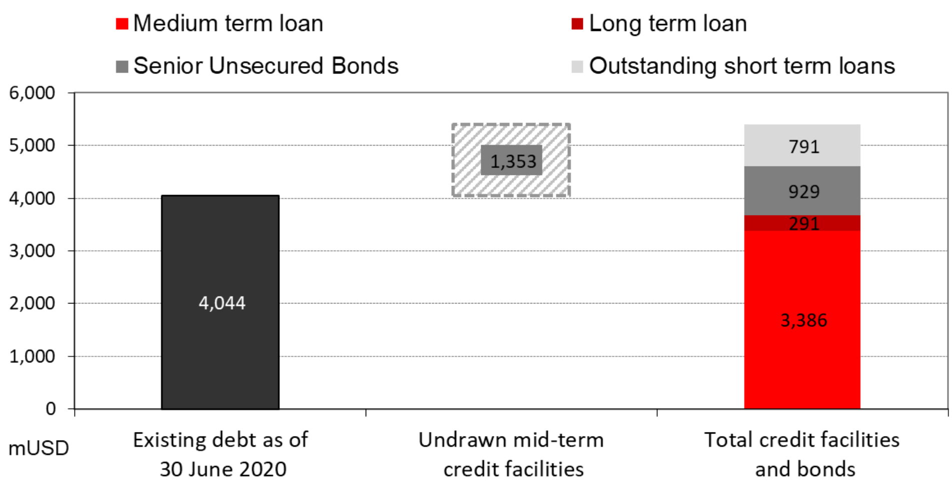
BORROWINGS AND CAPITAL EXPENDITURE

Borrowings

The Group manages its external financing requirements centrally at the level of the parent company (i.e. MOL) with other main group members such as INA and Slovnaft accessing finance from the financial markets only occasionally. The MOL Group believes that it has sufficient financing for its operations and investments in the short-to medium-term. Its diversified, long-term financing portfolio consists of revolving, syndicated and club loans, concluded with multiple international financial institutions and two outstanding long-term bonds. All financing lines are generally refinanced well before maturity. In June 2016, MOL signed a EUR 615 million revolving credit facility agreement, followed by a EUR 750 million facility signed in December 2017, a EUR 555 million facility in July 2018 and EUR 570 million revolving credit facility agreement in September 2019, which was increased to EUR 870 million in June 2020. The tenor of all these facilities is five years, with a prevailing embedded extension option of two years.

In 2016, MOL issued EUR 750,000,000 2.625 per cent. notes due 2023 on the Eurobond market. In 2017, MOL accessed the Schuldschein Darlehen market which raised EUR 130 million which enabled the Group to access a more diversified investor base. In September 2019 MOL issued a HUF 28.4 billion bond and in September 2020 a HUF 36.6 billion bond in line with the "Bond Funding for Growth Scheme" announced by the Hungarian National Bank.

The amount of undrawn major committed credit facilities	**Year ended 31 December 2019** HUF million	**Year ended 31 December 2018** HUF million	**Six months ended 30 June 2020** HUF million	**Six months ended 30 June 2019** HUF million
Long-term loan facilities available	771,217	875,630	430,703	882,758
Short-term facilities available	72,961	63,398	83,112	124,532
Total loan facilities available	**844,178**	**939,028**	**513,814**	**1,007,290**



In December 2018 INA signed a USD 300 million revolving credit facility to refinance its existing USD 300 million credit facility and to take advantage of better market conditions as it was the case in all transactions listed above.

Indebtedness

	Six months ended 30 June 2020	Year ended 31 December 2019	Year ended 31 December 2018
Net debt*/EBITDA	1.63	0.8	0.4
Gearing ratio**	28.6 per cent	18.6 per cent.	12 per cent.

**Net debt contains the long- and short-term debt less cash and cash equivalents and securities*
***Ratio of net debt to net debt plus equity.*

The Net debt/EBITDA for the period prior to 2018 was, as follows: 0.7 (in 2015), 1.0 (in 2016), and 0.6 (in 2017).

Capital Expenditure

The following tables set out the Group's capital expenditure in 2018 and 2019 as well as the first six months of 2020 and 2019:

	Year ended 31 December			
Capital expenditures	**2019 (HUF billion)**	**2019 (USD million)[(1)]**	**2018 (HUF billion)**	**2018 (USD million)[(1)]**
E&P Segment	104.8	360	91.0	335
of which inorganic:	0.0	0	6.4	23
Downstream Segment	416.3	1,422	170.1	617
of which inorganic:	12.9	43	3.7	13
Consumer Services Segment	51.2	175	54.7	199
of which inorganic:	0.0	0.0	0.0	0.0
Gas Midstream Segment	48.9	163	9.4	34
of which inorganic:	36.0	120	0.0	0.0
Corporate and other	38.4	131	42.3	151
of which inorganic:	0.1	0.0	0.1	1
Intersegment	(2.4)	(8)	(4.2)	(10)
of which inorganic:	0.0	0.0	0.0	0.0
Total	**657.2**	**2,242**	**363.2**	**1,326**
of which inorganic:	49.0	163	10.2	37

(1) The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.

	Six months ended 30 June			
Capital expenditures	**2020 (HUF billion)**	**2020 (USD million)[(1)]**	**2019 (HUF billion)**	**2019 (USD million)[(1)]**
E&P Segment	551.8	1,644	48.0	169
of which inorganic:	486.6	1,496	0.0	0
Downstream Segment	112.8	357	152.9	535
of which inorganic:	0.0	0.0	2.9	10

Capital expenditures	Six months ended 30 June 2020 (HUF billion)	2020 (USD million)(1)	2019 (HUF billion)	2019 (USD million)(1)
Consumer Services Segment	15.5	47	16.6	58
of which inorganic:	0.5	2	0.0	0.0
Gas Midstream Segment	3.3	8	1.8	6
of which inorganic:	0.0	0.0	0.0	0.0
Corporate and other	21.3	65	9.9	36
of which inorganic:	1.4	2	0.1	0.0
Intersegment	(0.4)	(1)	(1.4)	(4.9)
of which inorganic:	0.0	0.0	0.0	0.0
Total	**704.2**	**2,120**	**227.7**	**800**
of which inorganic:	488.5	1,501	3.0	10

(1) *The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.*

The following tables set out the breakdown of capital expenditure between transformational projects and sustained capital expenditures:

Capital Expenditure by type	Year ended 31 December 2019 (HUF billion)	2019 (USD million)(1)	2018 (HUF billion)	2018 (USD million)(1)	Change (percent, HUF)
Total	**657.2**	**2,242**	**363.2**	**1,326**	**81**
Sustain CAPEX	379.4	1,303	306.4	1,119	24
Transformational CAPEX	228.8	776	46.6	171	391

(1) *The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.*

Capital Expenditure by type	Six months ended 30 June 2020 (HUF billion)	2020 (USD million)(1)	2019 (HUF billion)	2019 (USD million)(1)	Change (percent, HUF)
Total	**704.2**	**2,120**	**227.7**	**800**	**2**
Sustain CAPEX	133.1	357	139.8	493	(5)
Transformational CAPEX	82.6	262	85.0	297	(3)

(1) *The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.*

Total capital expenditure in 2019 reached USD 2.2 billion. The increase in organic capital expenditure was primarily driven by the Downstream Segment's transformational projects at a total of USD 776 million of which was spent on the largest projects including the new polyol plant accounting for USD 688 million, the propylene splitter accounting for USD 37 million and investments in alternative crude processing for USD 27 million. Sustain CAPEX rose by 16 per cent. (in USD terms) in 2019, boosted by major turnarounds in the Downstream Segment (Rijeka, Bratislava, steam crackers) and slightly higher capital expenditure in the E&P Segment. Inorganic capital expenditure was USD 163 million in 2019, including the MGT (the Gas Midstream Segment) and Aurora (recycling) transactions.

E&P Segment Capital Expenditure

	Year ended 31 December			
	2019 (HUF billion)	**2019 (USD million)(1)**	**2018 (HUF billion)**	**2018 (USD million)(1)**
Exploration	27.5	94	18.9	70
Development	62.3	214	54.6	201
Acquisition	0.0	0	6.4	23
Consolidation & other	15.0	52	11.1	41
Total	104.8	360	91.0	335

(1) The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.

In 2019, the E&P Segment's capital expenditure amounted to HUF 105 billion in 2019, increasing 15 per cent. compared to 2018, driven by higher spending in both exploration and development, mainly in Norway, Kurdistan Region of Iraq and in the UK. Capital expenditure decreased in Hungary and Croatia compared to 2018 but spending in the CEE region still amounted to approximately half of the total segment spending at an amount of HUF 53 billion, mostly on production optimisation related initiatives. In the period from 2020 to 2023 exploration spending will target offshore drilling in Norway, unconventional and shallow gas exploration in Hungary as well as exploration activities in Pakistan and Croatia. Development spending will focus on production optimisation in CEE and in offshore development drilling in Croatia, in addition to Shaikan development in Kurdistan Region of Iraq, first gas in Kazakhstan and development activities in the ACG field.

Downstream Segment Capital Expenditure

	Year ended 31 December					
Capital Expenditure	**2019 (HUF billion)**	**2019 (USD million)(1)**	**2018 (HUF billion)**	**2018 (USD million)(1)**	**Ch. (per cent.)**	**Main projects in 2019**
R&M capital expenditure and investments	140.8	484	105.5	382	33	• MOL: Blending alternative crude in DR, New Rubber bitumen unit in ZR, new LPG-amine absorber, Catalyst Replacement • SN: New Crude Oil tank, Catalyst replacement, Periodical maintenance • INA: Propane-propylene splitter, Platforming 2 modernisation, Turnaround, New column on CDU

Capital Expenditure	Year ended 31 December 2019 (HUF billion)	2019 (USD million)[(1)]	2018 (HUF billion)	2018 (USD million)[(1)]	Ch. (per cent.)	Main projects in 2019
Petrochemicals capital expenditure	271	922	61.0	222	344	• MOL: Polyol, SC1 Boiler replacement, SC1 Lifetime extension, Metathesis Project • SN: Ethylene Storage Tank, Low Nitrogen Oxide (**NO_x**) burners for boiler, periodical maintenance
Power and other	4.2	15	3.6	13	17	
Total	416	1,421	170.1	617	145	

(1) The method of calculating the FX Rates used for the HUF – USD conversion in this table is set out the section entitled "Presentation of Financial Information – Currencies" above.

In 2019 the Downstream Segment's investments grew by 145 per cent. compared to 2018 to HUF 416.3 billion (USD 1.422 million). Out of the total capital expenditure, USD 603 million was spent on sustaining current operation, and USD 776 million was spent on transformational projects. The increase was driven by the ongoing transformational projects of which the largest one is the Polyol Project (with a capital expenditure of USD 688 million in 2019), with other large projects being the propylene splitter in Rijeka (USD 37 million) and the alternative crude processing facilities (USD 29 million). The construction works of the new polyol complex in Tiszaújváros were nearly 50 per cent. complete by the end of 2019.

COMPETITION

The E&P Segment's competitors

The MOL Group's E&P Segment portfolio is not replicated by any of its individual peers. Notwithstanding this MOL considers that the Group's E&P competitors include both pure upstream players and European integrated companies. In the first category of the E&P Segment's competitors there are a number of smaller European companies whose activities are exclusively focused on upstream work (i.e. exploration and production). These include Lundin, Premier, DNO and EnQuest. The second category consists of companies, which in terms of size and background share some similar characteristics to MOL Group. These include OMV and Polskie Górnictwo Naftowe i Gazownictwo S.A.

The Downstream Segment's competitors

The Group's competitors in the Downstream Segment consist of a number of European regional players. Although some of these players have upstream activities (OMV being the only fully integrated company in the CEE region besides MOL), their core activities are predominantly downstream focused, including activities in refining, petrochemicals and retail. The Downstream Segment's competitors include OMV, Polski Koncern Naftowy Orlen SA, Lotos, Tupras Turkiye Petrol Rafinerileri AS, Saras SpA, and Hellenic Petroleum SA.

The Consumer Services Segment's competitors

Similarly to the Downstream Segment, competitors in the Consumer Services Segment encompass a number of regional European players. These include OMV, Polski Koncern Naftowy Orlen SA, Lotos, Hellenic Petroleum SA and Naftna Industrija Srbije AD.

REGULATION

The Group conducts its operations in compliance with all relevant regulatory requirements of the relevant countries in which it operates.

The EU provides a general legal framework for the Group's operations in Member States. This includes guarantees of property rights, rule of law and protection against arbitrary state action, enforcement of contracts and, in the absence of explicit price regulation, free market pricing.

The most important legal and operational regulations affecting the Group's operations are energy laws and policies, competition policy; product quality regulations; fuel standards; transportation and, regulatory decisions; the environmental and safety regulations applied to the Group's facilities, taxation legislation, including general corporate taxes as well as targeted sector-specific fiscal terms (applicable to areas such as mining royalties); labour laws and employment regulations, GDPR and local data protection laws.

The most important licences, authorisations and approvals to enable the Group to conduct its business in the countries in which it operates are:

(a) mining licences/concession rights on the relevant mining plots; exploration and production/exploitation licences for certain areas outside of Hungary, licences for operation of high-pressure liquid hydrocarbons pipelines;

(b) technical and environmental licences of the MOL facilities and infrastructure;

(c) independent transmission system operator, and natural gas production and electricity trading licences, issued in accordance with the applicable requirements of the relevant laws; and

(d) several types of excise licence (related to producing, storage, trading).

Mining licences can be suspended and/or terminated by the licensing authorities if a member of the Group is deemed to have violated their terms. Licences for mining activities are renewed according to their expiry date. Exploration and production/exploitation licences set forth the obligatory work commitments with the applicable deadlines, which generally can be extended for good reason with the approval of the relevant governmental body in accordance with applicable law.

A number of authorisations and licences for the refineries dealing with environmental or technological issues are regulated at an international and national level. In general, the most important authorisations are the "Integrated Pollution Prevention and Control" licence (or as recently renamed, the licence under the EU Industrial Emissions Directive[13]) which relates to industrial emissions, water laws, (in some countries) carbon dioxide emissions licences, the waste management plans and environmental certificates. The renewal of authorisations and licences is dependent on several circumstances. Some of them have unlimited validity and some of them require renewal only in the case of a serious event occurring. Others have definite renewal dates based on legislative requirements and some of them have to be renewed annually.

In the case of Hungarian operations, the operator licence for acting as an independent transmission system operator is valid for an indefinite period of time.

SUSTAINABILITY GOVERNANCE AND STRATEGY

Sustainability is a board level matter delegated to the Sustainable Development Committee (**SDC**) of the Board of Directors. The SDC is made up of two independent non-executive directors and the Group

[13] Directive 2010/75/EU on industrial emissions

Chief Executive Officer (**GCEO**), with the Chairman and Vice-Chairman of MOL's Supervisory Board (the **Supervisory Board**) being permanent invitees. The SDC reviews and approves sustainability policies, long-term objectives and external environmental, social and corporate governance (**ESG**) reporting. The ESG function belongs under investor relations, which itself reports directly to the Chief Financial Officer, who in turn reports to the GCEO.

Sustainability at MOL Group takes a holistic approach to the management of non-financial risks and is integrated into operations and decision making across the Group. As at the date of this Prospectus, a new sustainability strategy is under preparation and is expected to be launched in the first quarter of 2021. It will contain a number of ESG metrics and targets and will be based on four focus areas: climate change and environment, health and safety, people and communities, and integrity and transparency, with the main focus on climate change and decarbonisation. The new sustainability strategy will be the successor of MOL Group's current sustainability strategy (named "SD 2020") which ends in 2020.

ESG REPORTING AND ESG RATINGS

Since 2008, MOL Group has been reporting its financial and non-financial ESG performance in one integrated report based on the Group's materiality matrix. MOL Group uses the IPIECA-API "Oil and Gas Industry Guidance on Voluntary Sustainability Reporting" protocol when defining the content of reports and selecting which indicators to cover, as well as the GHG emission protocol for estimating the Group's carbon footprint. Furthermore, MOL Group applies the "Global Reporting Initiative (**GRI**) Reporting" as well the "GRI Sector Disclosures for Oil and Gas" to report sustainability related information to a broader stakeholder base, whilst using the Sustainability Accounting Standards Board (**SASB**) "Materiality Map" for cross-referencing financially material issues towards the Group's financial stakeholders (i.e. capital markets investors with MOL shares). The MOL Group uses its sustainability report in fulfilment of the legally binding requirements of Directive 2014/95/EU on the disclosure of non-financial and diversity information.

The MOL Group's ESG reporting is made up of three pillars: (1) the "Sustainability Report" which is integrated into the MOL Group's annual report and covers Group-level material data with explanatory narrative restricted to important developments and significant changes in performance described across four focus areas (i.e. climate change and environment, health and safety, people and communities, and integrity and transparency); (2) the "GRI Reporting Table" which covers 162 different GRI standard indicators (including the "Oil and Gas" supplement); and (3) the group-wide data library which contains more than 600 individual ESG data points. All three pillars undergo external assurance by the external auditor each year.

The MOL Group is covered by all major ESG analyst, index and rating houses. MOL Group conducts a systematic engagement with and monitoring of ESG rating houses' disclosure requirements to align the Group's reporting practices to the requirements of ESG rating houses. MOL Group submits its responses to all ESG rating houses covering the Group. Scores from some of the main ESG rating houses include an AA rating by Morgan Stanley Capital International Inc., a score of 70 out of 100 in the Dow Jones Sustainability Index, and a score of 68.5 out of 100 in the Bloomberg ESG disclosure score. Sustainalytics has ranked MOL Group sixth out of 284 global oil and gas producers (top 2 per cent.), with the second lowest risk among 45 global integrated oil and gas producers (top 3 per cent.).

SUSTAINABILITY PERFORMANCE DATA

Selected Group-level material indicators are highlighted below, with references to SASB sustainability accounting metric codes, and the GRI reporting standards.

1. CLIMATE CHANGE & ENVIRONMENT	UNIT OF MEASURE	2019	2018	SASB	GRI
Total Direct GHG (Scope 1 – as defined below)	million tonnes CO_2 eq	6.81	7.36	EM-RM-110a.1	305-1
Total Direct GHG (Scope 1 – as defined below) under ETS	million tonnes CO_2 eq	6.11	6.60	EM-RM-110a.1	305-1
Total Indirect GHG (Scope 2) - Location based	million tonnes CO_2 eq	0.9	0.85	EM-RM-110a.1	305-2

Total Indirect GHG (Scope 2) - Market based	million tonnes CO_2 eq	1.02	0.91	EM-RM-110a.1	305-2
Total Indirect GHG (Scope 3 – as defined below)	million tonnes CO_2 eq	59.3	62.5	-	305-3
Methane (CH_4)	tonnes	3,028	3,560	EM-EP-110a.2	305-1
Carbon Dioxide (CO_2)	million tonnes CO_2 eq	6.79	7.16	EM-RM-120a.1	305-1
Sulphur Dioxide (SO_2)	tonnes	6,367	8,131	EM-RM-120a.1	305-7
Nitrogen Oxides (NO_X)	tonnes	5,602	6,430	EM-RM-120a.1	305-7
Volatile Organic Compounds (VOC)	tonnes	7,128	6,169	EM-RM-120a.1	305-7
Total direct energy consumption	gigajoule	93,610,423	100,961,464	EM-RM-120a.1	302-1
Total indirect energy consumption	gigajoule	11,025,689	11,292,444	EM-RM-120a.1	302-2
Number of Spills (>1m3)	m3	16	4	EM-EP-160a.2	306-3
Number of Spills (>1bbl)	bbl	62	50	EM-EP-160a.2	306-3
Volume of Spills (>1m3) - HC content	m3	305.8	29.2	EM-EP-160a.2	306-3
Volume of Spills (>1bbl) - HC content	bbl	2,018	309.2	EM-EP-160a.2	306-3
Total Water Withdrawal	th m^3	86,644	98,220	EM-RM-140a.1	303-3
Total Water Discharge	th m^3	100,491	109,429	EM-RM-140a.1	303-4
Total Waste Generated	tonnes	210,738	272,769	EM-RM-150a.1	303-5
o/w Hazardous Waste	tonnes	96,957	143,291	EM-RM-150a.1	303-5
2. HEALTH & SAFETY	**UNIT OF MEASURE**	**2019**	**2018**	**SASB**	**GRI**
Fatalities – own-staff	number	0	1	EM-RM-320a.1	403-2
Fatalities – contractors - on-site	number	1	0	EM-RM-320a.1	403-2
Fatalities – contractors - off-site	number	0	0	EM-RM-320a.1	403-2
Fatalities – third parties	number	1	4	EM-RM-320a.1	403-2
Lost Time Injury Frequency (incl. contractors)	per 1 million hours worked	1.16	1.33	EM-RM-320a.1	403-9
Total Recordable Injury Rate (incl. contractors)	per 1 million hours worked	1.40	1.67	EM-RM-320a.1	403-9
HAZMAT Transport Related Road Accidents	number	46	53	TR-RO-540Aa.1	403-9
HAZMAT Transportation Road Accident Rate	cases per driven million km	0.44	-	TR-RO-540Aa.1	403-9
TIER 1 Process Safety Events	number	14	7	EM-RM-540a.1	OG-13
TIER 2 Process Safety Events	number	21	18	EM-RM-540a.1	OG-13
HSE Penalties	HUF million	12.1	13.6	-	419-1
3. PEOPLE & COMMUNITIES	**UNIT OF MEASURE**	**2019**	**2018**	**SASB**	**GRI**
Employee turnover rate	per cent.	13.3	11.7	CG-MR-310a.2	401-1
o/w Voluntary Turnover Rate	per cent.	7.4	-	CG-MR-310a.2	401-1
o/w Non-voluntary Turnover Rate	per cent.	5.9	-	CG-MR-310a.2	401-1
Average hours of training per employee	hours	21	28	-	404-1
Average training cost per employee	HUF th	100	107	-	404-1
Proportion of women in total workforce	per cent.	24.0	24.3	CG-MR-330a.1	405-1
Proportion of women in top management	per cent.	24.3	23.7	CG-MR-330a.1	405-1
Donations in cash	HUF million	1,342	1,285	-	203-1
In-kind giving	HUF million	9.1	28.6	-	203-1
Employee volunteering	hours	14,350	9,701	-	203-1
Number of formal grievances	number	148	184	RT-CH-210a.1	413-2
o/w environmentally related	number	68	103	RT-CH-210a.1	413-2
4. INTEGRITY & TRANSPARENCY	**UNIT OF MEASURE**	**2019**	**2018**	**SASB**	**GRI**
Ethics Concern Reports	number	116	126	-	102-17
Ethics Investigations	number	87	82	-	102-17
Ethics Misconducts	number	38	37	-	102-17
Security Investigations	number	1286	1120	-	102-17
Security Misconducts	number	931	565	-	102-17
Fines related to anti-competitive practices	HUF million	0	0	EM-RM-520a.1	206-1

ENVIRONMENT

Environmental Performance

Compared to the year ended 31 December 2018 most of MOL Group's air polluting substance emissions decreased during 2019, with a 22 per cent. decrease in Sulphur Dioxide (**SO_2**) to 6,367 tonnes compared to the period to 31 December 2018, NO_x reduced by 13 per cent. to 5,602 tonnes, Particular Matter down 17 per cent. and Carbon Monoxide (**CO**) emissions decreased 4 per cent. to 1,418 tonnes. Several changes introduced during refinery turnarounds contributed to the reduction; in addition to the implementation of energy efficiency improvement measures, refinery facilities were upgraded with the latest available technology for reducing air emissions, including a new facility for additional treatment of acid gases and equipment for removing particulates from flue gas prior to the release into the atmosphere in Rijeka. Hydrogen sulfide emissions from venting were reduced by 55 per cent.in 2019 compared to 2018 which was the result of the reconstruction of flare equipment in the Group's Hungarian E&P operations, resulting in all associated gas being burnt again compared to the previous years practice of venting it. Volatile Organic Compounds (**VOC**) increased by 16 per cent. to 7,128 tonnes.

Total water withdrawal decreased by 12 per cent. in 2019 due to the maintenance activities at the Rijeka refinery, leading to an 8 per cent. reduction in water discharged compared to 2018, which in turn resulted in a decrease in the release of pollutant substances.

During 2019, MOL Group recorded 62 own staff spills to the environment (of more than 1 bbl of hydrocarbon content), with a total hydrocarbon volume of 321m^3 across the Group, an increase in both volume and number compared to 2018.

MOL Group's total direct GHG emissions from operated facilities (**Scope 1**) reached 6.8 million tonnes of CO_2-equivalents (**CO_2-eq**) in 2019, a year-on-year decrease of 8 per cent. compared to 7.4 million tonnes of CO2-eq in 2018. The Downstream Segment continued to account for the majority of the Scope 1 emissions (87 per cent.), with the E&P Segment accounting for 12 per cent.. Around 90 per cent. of all GHG Scope 1 emissions fall under Emissions Trading System. Scope 2 emissions are typically around 1 million tonnes of CO_2-eq per year.

	UNIT OF MEASURE	2019	2018	Ch %
Downstream	tonnes CO_2 eq	**5,912,849**	**6,402,287**	-7.6%
o/w Refining	tonnes CO_2 eq	3,558,447	3,987,820	-10.8%
o/w Petrochemicals	tonnes CO_2 eq	1,340,788	1,463,248	-8.4%
o/w Power and Heat Generation	tonnes CO_2 eq	977,275	916,242	6.7%
Upstream	tonnes CO_2 eq	**843,413**	**913,697**	-7.7%
Others	tonnes CO_2 eq	**54,269**	**81,417**	-33.3%
Total GHG Emissions Scope 1	tonnes CO_2 eq	**6,810,531**	**7,363,809**	-7.5%
Total GHG Emissions Scope 2 (market based)	tonnes CO_2 eq	**898,771**	**912,880**	-1.5%
Total GHG Emissions Scope 1+2	**tonnes CO_2 eq**	**7,709,302**	**8,276,689**	**-6.9%**

The year-on-year decrease in Scope 1 emissions was primarily driven by the Downstream Segment's production (Refining and Petrochemicals) which registered a decrease of around 550 thousand tonnes of CO2-eq to reach 4.9 million tonnes of CO2-eq in 2019, compared to 5.5 million tonnes of CO2-eq emitted in 2018. The decrease in emissions from the Downstream Segment's production was primarily the result of lower refining and petrochemical processing levels during 2019 compared to the previous twelve months, as the on-stream factor for both refining and petrochemical declined by 5 per cent. each to 83 per cent. and 89 per cent. respectively. Group-level methane emissions remained relatively small compared to the total footprint of the Group, reaching 3,028 tonnes (75.6 thousand tonnes of CO2-eq) during 2019. Energy efficiency measures continued during 2019 throughout the Group. Following the completion of the "New Downstream Programme" which ran between 2015 to 2017 and the "Next Downstream Programme" which ran between 2015 to 2017, MOL Group's Downstream Segment continued during 2019 its Downstream 2022 Programme, a strategic plan which, among other things, contains around 450 efficiency measures, including energy related ones. A number of efficiency measures undertaken as part of the Downstream 2022 Programme, including improvements to the efficiency to hydrogen plants and fired heaters, contributed with a reduction in emissions of around 100,000 tonnes of CO2-eq for the Downstream Segment.

MOL Group GHG emissions emitted from the value chain which are not directly related to the Group's own operations are Scope 3 (**Scope 3**) (own operations are accounted under Scope 1). MOL Group's

Scope 3 emissions are mainly the result of the use by customers of the Group in the form of (a) fuel sold by the Group's retail and wholesale segments, mostly in the form of diesel and gasoline, and (b) sold natural gas. These two sources account for around 95 per cent. of the Group's reported emissions. Purchased goods include crude oil as well biofuel for blending purposes. During 2019, the total Group Scope 3 emissions reached 59.3 million tonnes of CO2-eq, a decrease of 3.2 million tonnes (5 per cent.) compared to the 62.5 million tonnes of CO2-eq registered in 2018.

CAT.		UNIT OF MEASURE	2019	2018	Ch %
1	**Purchased goods and services**	tonnes CO2 eq	**1,987,464**	**1,644,265**	20.9%
	o/w Crude oil	tonnes CO2 eq	1,555,554	1,644,265	-5.4%
	o/w Bio fuel	tonnes CO2 eq	431,910	-	-
6	**Business travel**	tonnes CO2 eq	**3,206**	**2,668**	19.7%
11	**Use of sold products**	tonnes CO2 eq	**56,699,140**	**60,808,711**	-6.8%
	o/w refinery excl. naphtha	tonnes CO2 eq	52,071,667	55,425,285	-6.1%
	o/w Natural Gas	tonnes CO2 eq	4,627,473	5,383,426	-14%
12	**End-of-life treatment of sold products** (polymers)	tonnes CO2 eq	**409,284**	-	-
15	**Investments** (Upstream JVs)	tonnes CO2 eq	**189,665**	-	-
	Total Scope 3	**tonnes CO2 eq**	**59,288,759**	**62,455,644**	-5,0%

The decrease was mainly the result of changes to the calculation methodology as well as declining sales of several refinery products.

HEALTH AND SAFETY PERFORMANCE

The Group has used Total Recordable Injury Rate (**TRIR**) as the key leading indicator of its own and contracted personal safety performance since 2014, replacing the previously used Lost Time Injury Frequency (**LTIF**). However, we still follow the number of Lost Time Injuries (**LTI**) within Total Recordable Injuries (**TRI**) as well, to keep the possibility of differentiation of personal injury cases based on their seriousness.

In 2019, MOL Group experienced a decrease in TRIs among its own employees and contractors, reaching a combined total of 147 in 2019 compared to 160 the previous year. As a result, MOL Group recorded a decrease in 16 per cent. of TRIR, (TRIs measured per one million working hours) during 2019, reaching 1.40 for the year, and below the Group's 1.5 target for 2019 (the target for 2020 has been set at 1.4). The year-on-year decrease was mainly a result of a combination of increased health and safety awareness campaigns and various actions initiated and implemented during the year, including but not limited to leadership engagement, unconscious behaviour and hand protection programmes. Causes of TRIs across the Group were mainly the result of "slips and trips" type of injuries caused by human error and/or lack of attention. During 2019 LTI decreased to 122, down from 128 in 2018, resulting in a decrease in LTIF, measured per one million working hours of 13 per cent. to 1.16 during 2019 compared to 1.33 recorded in 2018. Consistent with the 2019 TRI numbers, LTIs were predominately driven by lower severity cases caused by human error and/or lack of attention. After five work related fatalities in 2018, during 2019 there were two work related fatalities: one contractor employee and one third party case, both in Hungary.

To further decrease the threat of high severity injuries, MOL Group simplified and updated its previous "ten Life Saving Rules" to make them more specific to the working environment in which the Group operates, with the ultimate aim of improving safety across the Group. The changes to ten Life Saving Rules are aimed at increasing individual awareness and promoting ownership of critical safeguarding measures preventing serious personal injuries and fatalities.

Due to the experienced number of mainly low severity injuries caused by "lack of attention/care", MOL Group's behaviour-based trainings called "Unconscious Behaviour Training" for its field-based workforce continued during 2019. The aim of this training is to increase safety awareness, seeking to further reduce the number of injuries caused by inattention. MOL Group implemented this programme throughout all operations in previous years in a bid to increase safety awareness, and train staff to ensure identification of all hazards, requiring them to take all necessary mitigation and prevention measures to avoid human errors. Building on the improved occupational health and safety performance in 2019, the Group is expected to launch a new HSE strategy for the period of 2021-2025. The strategy aims to include an integrated HSE culture development programme in order to further improve HSE awareness amongst both MOL Group's own staff and contractors.

During 2019, MOL Group continued its focus on employee wellbeing, with sport programmes, health screenings, mental health and healthy nutrition programmes organised across the Group. To ensure immediate help is available, MOL Group began expanding the number of automated external defibrillators (**AEDs**) available on MOL Group sites and SeS, with the aim of doubling the current number of AEDs when the expansion of the programme ends in 2020. The AEDs placed on SeS are available for the public, potentially helping to save lives independently from the Group's operations. In line with previous years, no occupational illnesses were recorded across the entire Group during 2019.

LTIF and TRIR for contractors increased during 2019 to 0.56 and 0.78 respectively, resulting in an increase of 8 per cent. and 11 per cent. respectively compared to 2018. The increase can partly be attributed to efforts taken by MOL Group to reduce latency in contractor accident reporting, which included, among other things, the introduction of penalties of unreported events, resulting in an overall improved reporting discipline among contractors. In order to improve contractors' HSE performance in 2019, MOL Group revitalised its contractor HSE programme. In addition to continuing previously started programmes (contractor registration, pre-screening and pre-audits, integrated supplier qualification system, post-evaluation of vendor HSE performance, electronic permit to work system, incentive system, etc.) the revitalised contractor HSE programme contains a stricter pre-qualification processes, improved hazard communication and transformation from theoretical trainings to practical ones, as well as a more detailed and a more accurate post evaluation system. As part of the contractor HSE programme, during 2019 MOL Group applied a stricter control approach, resulting in a 20 per cent. increase in the number of on-site inspections to 26,480 leading to an increase in the non-compliance ratio from 14 per cent. to 25 per cent.. The most common occurrence of non-compliance cause continued to be the incorrect and/or failure to use of personal protective equipment. The introduction of more consistent follow-ups and stricter management of detected non-compliance cases led to more than a doubling in the proposed penalties compared to 2018. Increased detection of non-compliance resulted in a 38 per cent. increase in the number of banned contractor personnel from MOL Group premises. MOL Group's road accident rate (**RAR**) for HAZMAT transportation decreased to 0.44 in 2019 compared to 0.67 in 2018 (RAR typically hovers around 0.5, i.e. one accident for every 2 million driven kilometres). To further reduce the number of road related accidents and fatalities, MOL Group continued its "Safe Driving Programme" during 2019, which aims to train and improve the skills of all drivers, raising awareness of traffic hazards and support responsible driving, ensuring the safe use of vehicles across the Group. With the renewed ten life -saving rules (**LSRs**), MOL Group ensured its focus on road safety by introducing the "Drive Safely" rule as the sixth LSR.

During 2019, the number of TIER 1 Process Safety Events (**PSE**) reached 14, an increase of seven events from the previous year. The rise can partially be explained by a combination of a) four logistics PSE related events (none in 2018), and b) two incidents occurring at MOL Group SeS involving LPG storage tanks which were classified as TIER 1 following changes to the API 754 recommended practice reporting methodology. During 2019 no major fire nor any serious personal injury caused by TIER 1 loss of primary containment (**LOPC**) was registered. The consequences in the majority of the TIER 1 events were linked to either material release or spill to the environment, followed by remediation activities. Of the 14 TIER 1 events, five were classified as Severity 1 (very low), seven cases as Severity 2 (low) and two cases as Severity 3 (medium). Despite the increase in the combined number of TIER 1 and 2 incidents in 2019 (35) compared to 2018 (25), MOL Group recorded a decreasing trend in severity of PSE, meaning no major fires nor any serious personal injuries were registered during 2019. During

2019, the Downstream Segment production focused on the implementation of an electronic risk database (called the "Enablon Risk Module") as a means to improve risk identification and risk management with the ultimate aim of improving capital allocation to higher risk areas. In E&P, corrosion management improvement was in focus in order to minimise the number of leakages caused by corrosion.

INFORMATION TECHNOLOGY (IT)

The Group currently has hundreds of IT applications, out of which the key ones are related to significant suppliers.

The Group has several data centres all over the world.

Data centres at the Group have the following characteristics:

- Critical systems are replicated across geographical data centres.
- Each data centre has a counterpart for disaster recovery.
- Tapes are stored in different data centres than where they were recorded.
- There are regular audits on tape availability.
- Lines are duplicated.

As at the date of this Prospectus, there have been no major cyber security incidents which affected production units or would have affected the elements of national critical infrastructures. In 2020 up to the date of this Prospectus there were approximately 5500 cyber security incidents, the majority of which were categorised as low priority. All of the cyber security incidents were adequately managed and the Group managed to avoid business interruption and could minimise the business impact. One of these was a cyber security incident at INA where INA's back office area was targeted and the Group's IT disaster recovery plans had to be activated. This incident had no effect on the Group's production either.

A roadmap has been prepared for the further consolidation of IT infrastructure in order to mitigate the risk of diversification of technology across geographical locations. The Group is currently implementing a business continuity programme.

In 2014 the Group took a strategic decision to enhance its information security capabilities by hiring a Group Chief Information Security Officer (the **CISO**). The CISO is tasked with continuously assessing the cyber resilience of the Group and developing and implementing the necessary safeguards and countermeasures to proactively defend against cyber threats.

In the last five years the team grew to 53 full time employees and developed the Group's information security response strategy supported by the "Business Continuity Management and Disaster Recovery" team. The key functional capabilities that are being enhanced are the cyber defence centre, which focuses on detection, response and hunting, the overall security framework and the extension of assurance and awareness activities. Furthermore, the Group's cyber security team launched the Group's "Industrial Cyber Security Programme" in 2017.

LITIGATION

ICSID arbitration (*MOL vs. Croatia*)

MOL's request for arbitration was filed with the International Centre for Settlement of Investment Disputes (**ICSID**) on 26 November 2013 against the government of the Republic of Croatia under the Energy Charter Treaty mainly due to the huge losses INA suffered in the gas business as a consequence of the breach of the agreements of 2009 by the government of the Republic of Croatia. The scope of this arbitration goes beyond just seeking a remedy for the breach of the contracts in general; it is also about determining the abuse of regulatory power at the expense of a single actor, INA, and indirectly, MOL.

Criminal proceeding in relation to MOL's investment in INA

In 2011 Croatian authorities launched an investigation against MOL's Chairman-CEO, Mr. Zsolt Hernádi, alleging that he committed the criminal offence of bribery by offering EUR 10 million to the former Prime Minister of the Republic of Croatia, Dr Ivo Sanader, in order for MOL to gain control rights over the Croatian oil and gas company, INA. Accusations were based on the testimony of Croatian businessman, Mr Robert Ježić.

In a separate proceeding the Croatian prosecution charged Dr Sanader with the offence of receiving a bribe and the court of first instance found him guilty in 2012, this verdict was confirmed by the Croatian Supreme Court in its final decision in mid-2014. However, in mid-2015, the Croatian Constitutional Court unanimously delivered a decision that quashed the first and second instance convictions and remanded the case to the first instance court for retrial by confirming that there were serious procedural deficiencies in the criminal proceedings.

The prosecution filed an indictment against Mr Hernádi with the Zagreb County Court, in his absence, in March 2014 whereupon the court decided at the end of 2015 to merge this case with the restarted trial against the former Croatian Prime Minister, Dr Sanader. Following several suspensions the joint trial continued during 2019. On 30 December 2019, the Zagreb County Court issued an oral judgment finding Mr Hernádi and Dr Sanader guilty of engaging in bribery. In this non-final verdict the court sentenced Mr Hernádi to two years in prison. MOL considers that the trial was procedurally flawed and that this resulted in an incorrect verdict. As stated by the independent monitors of the proceedings (Judge Professor Dr. c.c. Kai Ambos and Lord Anderson of Ipswich KBE QC) in an interim report: "*We consider that USKOK's conduct of the prosecution and the Trial Chamber's conduct […] of the proceedings fall short of internationally recognised fair trial standards in a number of respects. […] We consider that the errors detailed [in the interim report] of the prosecution and Trial Chamber are remarkable, and of crucial significance for the fairness of proceedings.*" In July 2020, Mr Hernádi's defence attorneys filed a detailed appeal against the first instance verdict.

Before the trials took place in Croatia, a request from Croatia was sent to the Hungarian Attorney General's Office for the interrogation of Mr Hernádi as a suspect. The Attorney General refused that request but did initiate a domestic investigation into the allegations, which was undertaken by the Central Office of Investigation within his organisation. On 20 January 2012 that agency concluded, after conducting a thorough investigation, that there was no evidence that either Mr Hernádi or MOL had been involved in an agreement to bribe Dr Sanader.

On 23 August 2018 the Metropolitan Court of Budapest, after a ruling made in 2013, refusing extradition, once again refused the extradition of Mr Hernádi to Croatia. The primary reason for the non-execution of the Croatian arrest warrant is that *"[I]t can be established that in the case of his extradition, the accused person's rights to a fair trial would be violated and the impartial adjudication of the case could not be ensured."*

Mr Hernádi was also named as a defendant in a private prosecution in Hungary. The factual components of the private prosecution were mainly based upon allegations of the Croatian state prosecution. However, in December 2014, the Court of Appeals in Budapest ruled on the private prosecutor's indictment against the Chairman-CEO by terminating the procedure on all charges in a non-appealable decision. Accordingly, the prosecution in Hungary against Mr Hernádi has been fully dismissed with this 2014 ruling.

Creditor procedures (*BETA vs. MOL*)

Creditor BETA s.r.o. claimed that the purchase offer of MOL in connection with the acquisition of Slovnaft shares was not approved by the Slovak financial authority. Therefore, the company was not able to receive consideration for its shares. Creditor BETA claims compensation for damages of approximately EUR 3 million plus annual interest of 10.48 per cent.. The procedure is at the quantum determination phase, while MOL has filed an appeal against the interim decision on the legal basis with the appellate court. This appeal was dismissed by the court. MOL has filed an extraordinary appeal against the dismissal of its appeal.

Concessions (INA Group)

On 29 July 2011 the Ministry of Economy, Labour and Entrepreneurship of the Republic of Croatia (the **Ministry**) rendered three decisions depriving INA of the licence to explore hydrocarbons in the exploration areas "Sava", "Drava" and "North-West Croatia".

On 29 August 2011, INA filed three administrative lawsuits against the Ministry's decisions. The Croatian Administrative Court annulled the Ministry's decisions.

On 10 November 2014 and 20 February 2015 the Ministry adopted new decisions in which it again deprived INA of the licence to explore hydrocarbons in the exploration areas "Sava", "North-West Croatia" and "Drava", with the same explanations. INA filed lawsuits against new Ministry decisions regarding exploration areas "Sava", "Drava" and "North-West Croatia".

In November 2016 the Administrative Court reached a decision and rejected INA's claim in the case regarding exploration area "Drava". INA filed an appeal against that decision in December 2016.

On 8 September 2017 INA received the judgment brought by the High Administrative Court, rejecting INA's appeal against the first instance verdict in the "Drava" case. Thus, the decision on seizure of hydrocarbon exploration approvals in the "Drava" research area became final. The court has still not reached a decision on INA's lawsuits regarding exploration areas "Sava" and "North-West Croatia".

On 6 October 2017 INA filed a constitutional lawsuit before the Constitutional Court of the Republic of Croatia against judgments brought by the High Administrative Court and Administrative Court of the Republic of Croatia in the "Drava" case. In its request, INA asked the Constitutional Court to annul all of these judgments. As at the date of this Prospectus the case is pending at the Constitutional Court.

On 12 July 2018, INA received a decision from the High Administrative Court cancelling the previous decision of the Administrative Court and the Ministry of Economy's decision regarding the "Sava" exploration licence and has returned the case for retrial.

As at the date of this Prospectus, INA is not entitled to operate the "Sava", "North-West Croatia" and "Drava" exploration areas based on the contested licenses. However, new public tenders were held in 2016 and 2020 under which parts of these exploration areas were awarded to INA (amongst others) to perform exploration activities. The terms under which INA currently operates at these exploration areas are different from the terms of its initial operations due to changes in the applicable legislation.

Belvedere

In July 2017 INA received a lawsuit from Belvedere d.d. Dubrovnik (**Belvedere**) with a claim amounting to HRK 220 million. The claim relates to a loan provided by INA in 2005 to Belvedere as the former owner of the hotel "Belvedere" in Dubrovnik. Since Belvedere has not repaid the loan, enforcement procedures were initiated in 2012, and the hotel was sold to the highest bidder on a public auction. Belvedere now claims that the hotel was sold below its market value and also claims damage to its reputation and loss of profit.

As at the date of this Prospectus, MOL cannot predict the outcome of this procedure. However, during the procedure three independent court experts appointed by the court to examine the auction price have concluded that the damages claimed by Belvedere seem to be too high considering the relevant market prices.

MOL and INA vs. Federation of the Bosnia and Herzegovina (FBIH)

MOL and INA initiated arbitration against FBIH in 2012, in front of the International Court of Arbitration in Zurich. The case was in abeyance until November 2019.

INA and MOL claim:

In the Energopetrol (**EP**) recapitalisation agreement, signed September 2006 (the **RA**), FBIH gave representations and warranties to the consortium in respect of EP's compliance with legal regulations relating to labour and employment matters, that there was no risk of legal proceedings to be brought against EP. Following the closing of the transaction, a significant number of the then former and existing employees started lawsuits against EP.

FBIH counterclaim:

According to the EP RA, it was INA's and MOL's obligation to provide for investments in EP. According to the text of the RA, "investment" means to provide necessary funds, including, without limitation, to provide loans, to EP, with a purpose to renew and expand the existing network of petrol stations, as foreseen in the investment plan enclosed in the RA. Deloitte, who was engaged by the parties to the RA to confirm performance of the agreed RA provisions, confirmed that the consortium had duly performed its investment obligations.

OMV Upstream vs. Dana Gas, Crescent Petroleum, MOL and Pearl

On 3 April 2019, OMV Upstream International GmbH (**OMV Upstream**) as claimant commenced arbitration against Dana Gas, Crescent Petroleum, MOL and Pearl as respondents under the joint venture agreement dated 15 May 2009 between the parties and RWE (the **JVA**). On 12 April 2019, another arbitration was commenced by Dana Gas and Crescent Petroleum as claimants, against OMV Upstream and MOL as respondents. The London Court of International Arbitration approved the consolidation of these arbitrations.

Dana Gas' and Crescent Petroleum's position is that Pearl's approval of a field development plan (**FDP**) for the oil and gas field at Chemchemal is necessary for Pearl's development of this field and any delay is value destructive to Pearl.

MOL's position is that Dana Gas and Crescent Petroleum are seeking earn-out payments to which they are not entitled by advancing a premature and unjustified FDP that both ignore the true status of Pearl's operations.

In two expert determination procedures the experts, agreeing with MOL, determined that the FDPs did not reasonably conform with the development criteria set out in the JVA.

MOL seeks dismissal of all Dana Gas' and Crescent Petroleum's claims.

A hearing on the merits is set down for April 2021.

Dana Gas and Crescent Petroleum vs. MOL

On 14 February 2020, Dana Gas and Crescent Petroleum as claimants commenced arbitration against Hungarian Oil and Gas Public Limited Company (**MOL Hungary**) as respondent. Dana Gas and Crescent Petroleum claim that MOL Hungary breached the share sale agreement dated 15 May 2009 concluded by Dana Gas, Crescent Petroleum and MOL (the **SSA**) by refusing to pay earn-out payments that they allege are due.

MOL's position is that the claimants have no entitlement to reserve based earn out payments, production based earn out payments or crude oil earn-out payments under the SSA. The facts are the same as those being adjudicated in the JVA arbitration above.

INTEGRATED CORPORATE RISK MANAGEMENT

The aim of the Group's risk management function is to keep the risks associated with the Group's operation within acceptable levels as well as to support the resilience and sustainability of the Group.

For this purpose, as an integral part of the corporate governance structure, MOL has developed a comprehensive enterprise risk management (**ERM**) system which focuses on the organisation's value creation process, meaning factors critical to the success and threats related to the achievement of objectives but also occurrence of risk events causing potential impact to people, assets, environment or reputation. Within the ERM processes all significant risks throughout the whole Group, covering all business and functional units, geographies as well as projects, are identified, assessed, evaluated and treated, considering all time horizons.

In order to ensure an effective risk management, risks are being managed (assess, evaluate, treat) as a first line of defence, by nominated risk owners, who are managers responsible for operating the respective business areas including supervising the existing mitigation and the implementation of new mitigation actions in their organisations. Group level business and functional units, specialised risk management functions and the Group risk management department provide oversight. The Management Committee, the Chief Executives Committee, the Board of Directors and the Supervisory Board together with their specialised committees provide supervision and assurance on the effectiveness of the Group level application of the risk management framework.

Regular risk reporting to top management provides oversight on top risks and assurance that updated responses, controls, and appropriate mitigation actions are set and followed. Effectiveness of the risk management system is considered by the Management Committee, the Chief Executives Committee, the Board of Directors, Supervisory Board and its respective committees.

Main risk management tools

ERM integrates strategic, operational and financial risks:

- Strategic risks comprise the long-term strategic objectives of the organisation, contain key challenges that are crucial for the organisation to deliver its long-term strategy and ensure sustainability and development.

- Operational risks comprise day-to-day issues that the organisation is confronted with as it works to deliver its objectives. These are risks resulting from breakdowns of physical assets, in internal procedures, people and systems. It includes besides physical asset safety and machinery breakdown risk, crude oil supply, cyber security, HSE, compliance risk and any other risks.

- Financial risks concern the effective management of the exposure towards financial and financing markets and (credit) exposure towards external partners. This includes foreign exchange, commodity price and interest rate risk as well as counterparty (credit) risk.

Long term and midterm risk analysis are carried out regularly (at least once per year) which permits the Group to manage key risks that may prevent the Group from achieving its objectives and therefore may require attention or decisions by management.

Financial risk management: this is centralised and focuses on commodity market price risks, currency risks, interest rate risks, liquidity risks, financial covenant requirements such as net debt to EBITDA ratio and financial rating. The Group assesses short-term, market related risks and helps to monitor the profitability and the financial stability of the Group. Commodity price, foreign exchange and interest rate risks are measured by using a complex risk model, and are managed, if necessary, with risk mitigation tools (such as financial derivatives or other financial measures). As a listed oil and gas company, the Group's hedging policy provides for the general acceptance of commodity price risks and manages the foreign currency and interest rate risks to maintain adequate levels of liquidity, financial covenants and rating. The Group has in place a process to monitor, initiate and execute hedging for exposures which are outside of the ordinary course business, with the aim to manage these risks within the relevant limits and to confirm certain price levels. All hedging execution is centralised and hedge positions are considered from a Group perspective.

Credit risk management: the Group supplies products and services to a diverse customer portfolio, both from a business segment and geographical perspective and faces credit risk in cases of non-prompt payment by its customers. This risk is managed by a network of credit experts working in the countries in which the Group operates, performing proper evaluations and revaluations of customers and collaterals received in respect of any obligations to the Group, monitoring of payments and blocking orders in case of non-payments. Individual credit limits are calculated and defined after external and internal assessment of customers. Information on existing and possible customers is gathered from well-known and reliable credit agencies. The Group uses deposits, bank guarantees, letter of credits and liens as its preferred form of security. The Group also uses credit insurance services to transfer part of the customer credit risk within its portfolio.

Insurance: for low probability high potential risks, MOL Group also uses insurance instruments. Insurance is managed centrally via group programmes to maximise considerable synergy benefits. The major insurance types held by the Group are: property damage, business interruption, liability and control of well insurance. The Group also maintains loss of production income insurance for its offshore North Adriatic production and other insurances which are necessary due to legal, regulatory or contractual requirements. Following best industry practice, the majority of the insurance programmes are renewed annually, and these are contracted with reputable international carriers with a minimum credit rating of A-. The Group believes that its approach to insurance of risk is in line with industry practice for a group of its type.

Business continuity: focusing on low probability high potential risks that could disrupt the Group's operations, value chain and cash generation, MOL Group has implemented and is currently working to integrate a crisis management and business continuity programme in order to reduce recovery times within tolerable limits for processes critical to the Group's business.

Project investment risks and capital allocation: as a capital expenditure heavy industry, both for organic as well as non-organic capital expenditure projects, the Group operates a stage gating process where each project can be initiated when having its own dedicated risk register which is used regularly by the project team to monitor and manage the risks. All investment project proposals must contain risk-reward information and a list of risk and mitigation actions implemented or proposed. From a capital allocation perspective, to make sure each capital expenditure project investment decision is taken to properly remunerate the capital invested, project economics are evaluated by a dedicated department using the weighted average cost of capital and discounted cash flows methods and also the projects, internal rate of returns are evaluated for baseline and also adverse economic scenarios.

Other risk disciplines: several specialised risk functions (risk disciplines) have been operated in the Group in order to cover and manage all the risk areas of the Group's operations. These include health, safety and environmental, compliance, legal, security, cyber security, procurement, IT functions and human resources.

Under the ERM umbrella the Group can maximise the synergies between the above detailed pillars of risk management and the various risk disciplines, support the collaboration of the businesses and the various risk departments and effectively report the risks and the risk profile of the Group to the management.

CORPORATE AND SHAREHOLDER INFORMATION

MOL's Articles of Association currently in force were last modified on 4 June 2020.

As of 30 June 2020 MOL's share capital amounted to HUF 102,428,682,578 represented by: (i) 819,424,824 registered series "A" ordinary shares with a par value of HUF 125; (ii) 578 series "C" registered ordinary shares with a par value of HUF 1,001; and (iii) one series "B" registered voting preference share with a par value of HUF 1,000 that entitles the holder to preferential rights as specified in the present Articles of Association. The series "B" share is owned by MNV Zrt. (Hungarian National Asset Management Inc.), exercising ownership rights on behalf of the Hungarian State. See also "*Decision of the MOL Board to launch a maximum 5 per cent. MOL share purchase*" above.

Ownership Structure as of 30 June 2020

	Par value of shares (HUF th)	**per cent.**
Foreign investors	30,426,466	29.71
Hungarian State (MNV Zrt.)	5,372,251	5.24
Maecenas Corvini Foundation	10,242,868	10.00
Tihany Foundation	10,242,868	10.00
OmanOil (Budapest) Limited	7,316,294	7.14
OTP Bank Plc.	5,014,226	4.90
OTP Fund Management	1,303,216	1.27
ING Bank N.V.	4,897,497	4.78
UniCredit Bank AG	3,446,793	3.37
Commerzbank AG	1,341,813	1.31
Domestic institutional investors	9,503,841	9.28
Domestic private investors	6,780,669	6.62
MOL & MOL Inv. Kft. (Treasury shares)	6,539,882	6.38

Please note, that the data above does not fully reflect the ownership structure in MOL's share register (**Share Register**). The data above is based on the applications received requesting registration of the shares and the published shareholders notifications. Registration in the Share Register is not mandatory.

For shareholders to exercise their rights as shareholders of MOL, they must be registered in the Share Register. According to the Articles of Association no shareholder or shareholder group may exercise more than 10 per cent. of the voting rights in MOL.

To the knowledge of MOL, none of its shareholders have entered into a shareholders' agreement in relation to their shareholdings in MOL. The shareholders (including the shareholder of the series "B" share, MNV Zrt. (Hungarian National Asset Management Inc.) acting on behalf of the Hungarian State) are entitled to use their rights as shareholders of MOL in accordance with applicable law, the Articles of Association and the rules of the Budapest and Warsaw Stock Exchanges (where the shares of MOL are listed).

Shareholding of the Hungarian State

The Hungarian State owns a 5.24 per cent. stake in MOL via MNV Zrt., the Hungarian National Asset Management Inc. The series "B" share entitles its holder (MNV Zrt., the Hungarian National Asset Management Inc.) to preferential rights as specified in the current Articles of Association. These rights include the following: the supporting vote of the holder of the series "B" share is required to adopt, among other things, decisions on amending the Articles of Association regarding the series "B" share, the definition of voting rights and shareholder group and a list of issues requiring a supermajority at the General Meeting. Furthermore, the "yes" vote of the holder of the series "B" share is required to adopt decisions on any proposal not supported by the Board of Directors in the following matters: election and dismissal of the members of the Board of Directors, the Supervisory Board and the auditors, decisions relating to distributions of profit after taxation and amending of certain provisions of the Articles of Association.

MANAGEMENT AND EMPLOYEES

CORPORATE GOVERNANCE AND MANAGEMENT

MOL has always been and remains committed to implementing the highest standards of corporate governance structures and practices. This is not only with regard to expectations in Hungary but also with reference to the continually evolving and improving standards of good governance on an international level. As a result, MOL is geared towards shareholders' interests, whilst taking into account the interests of a broader group of stakeholders inevitably necessary to enhance the creation of exceptional value for MOL's shareholders and society.

MOL submits its declaration on corporate governance (the **Corporate Governance Declaration**) to the Budapest Stock Exchange every year and reviews its compliance with the recommendation of the Warsaw Stock Exchange. If any changes are made to it, the Corporate Governance Declaration is also published. The Corporate Governance Declaration describes the corporate governance framework of the whole Group, defining the roles and responsibilities of its highest decision-making forums. The corporate governance practice presented in the Corporate Governance Declaration meets the requirements of the regulations of the Budapest Stock Exchange and the relevant capital markets regulations to which MOL is subject. MOL also regularly reviews its policies to ensure that they take account of continually evolving international best practice in this area. The Corporate Governance Declaration is published on MOL's website each year.

Board of Directors

MOL's Board of Directors (the **Board**) acts as its highest managing body and as such has collective responsibility for all corporate operations.

The Boards' key activities are focused on achieving increasing shareholder value while considering other stakeholders' interest; improving efficiency and profitability and ensuring transparency in corporate activities and sustainable operation. It also aims to ensure appropriate risk management, environmental protection and conditions for safety at work.

Given that MOL and its subsidiaries effectively operate as a single economic unit, the Board is also responsible for enforcing its aims and policies and for promoting MOL's culture throughout the entire Group.

The principles, policies and goals take account of the Board of Directors' specific and unique relationship with MOL's shareholders, the executive management and MOL. The composition of the Board reflects this with the majority (seven of ten members) made up of non-executive directors. At present, six members of the Board of Directors qualify as independent on the basis of its own set of criteria (based on NYSE and EU recommendations) and the declaration of the directors.

In the table below the members of the Board of Directors are listed and their independence status given as in 2019:

Name	Status	Mandate
Zsolt Hernádi, Chairman	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 24 February 1999
Dr. Sándor Csányi, Deputy Chairman	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 20 October 2000

Name	Status	Mandate
József Molnár	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 12 October 2007
Zsigmond Járai	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 29 April 2010
Dr. László Parragh	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 29 April 2010
Dr. Martin Roman	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 29 April 2010
Dr. Oszkár Világi	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 1 May 2011
Dr. Anthony Radev	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 30 April 2014
Talal Al-Awfi	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 30 April 2019
Dr. Anwar al-Kharusi	independent	Dr. Anwar Al-Kharusi's mandate as member of the Board of Directors expired on 29 April 2019.
Dr. János Martonyi	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 1 July 2014

The directors confirm that there is no conflict of interest between their duties as director of the Issuer and their principal and/or other outside activities.

Committees of the Board of Directors

The Board of Directors operates committees (the **Committees**) to increase the efficiency of its operation and to provide the appropriate professional background for decision making.

Currently there are three standing Committees:

- Corporate Governance and Remuneration Committee;
- Finance and Risk Management Committee; and
- Sustainable Development Committee.

The scope of responsibilities of the Committees operated by the Board of Directors is primarily defined in their respective charters. The Board is responsible for appointing Committee members. The majority of the Committee members consist of non-executive and independent members.

Relationship between the Board and the Executive Management

The Group's governance is carried out in line with standardised corporate governance principles and practice. Prior to 1 February 2019, the Board met its obligations under these principles by defining the responsibilities and accountabilities of the Executive Board (the **EB**), established by the Board and securing the corporate operative activities, operational and organisational procedures, as well as standardised system for target-setting, reporting and audit (performance control system and business control system).

From 1 February 2019, as a result of the standardised corporate governance practice, tasks related to the operation of MOL, and certain responsibilities and tasks of strategic importance to MOL's operations are divided between two top management committees, the Chief Executives Committee (**CEC**) and the Management Committee (**MC**).

Control and management of MOL Group is implemented through business and functional organisations. To enhance corporate governance the MC provides a direct link between the CEC and MOL's work organisation, and the majority of the topics discussed by the MC are related to the core operation of MOL. The President of the MC is the Group Chief Executive Officer, its members are the Group Chief Financial Officer, the Group E&P Executive Vice President, the Group Downstream Executive Vice President, the Group Consumer Services Executive Vice President, the Chief Executive Officer of Slovnaft, the President of the Management Board of INA d.d., and the MOL Hungary Managing Director (this position is also held by the Group Consumer Services Executive Vice President currently).

The CEC, being the regular forum of the three top level leaders of MOL, was established with the aim of adopting strategic decisions which are not within the competency of the Board of Directors or the General Meeting. The CEC examines and supervises matters to be submitted to the Board of Directors, and provides a preliminary opinion on certain proposals submitted to the Board of Directors. The Chairman of the CEC is the Chairman-CEO, its members are the Group Chief Executive Officer and the Group Chief Innovation Officer.

Additionally, the CEC and the MC operate as decision-making bodies in relation to all questions delegated to their competence by internal regulations and which do not belong in the capacities of the Board of Directors or the General Meeting in accordance with the laws and the Articles of Association.

Each member of the MC and the CEC shall have one vote and decisions of the forums are passed with a simple majority of the votes.

The EB members between 1 January and 31 January 2019 were:

Zsolt Hernádi	Chairman-CEO (C-CEO)
József Molnár	Group Chief Executive Officer (GCEO)
Sándor Fasimon	MOL Hungary COO, President of INA d.d. Management Board
Ferenc Horváth	Group Downstream Executive Vice President
József Simola	Group Chief Financial Officer (GCFO)
Dr. Oszkár Világi	Innovative Businesses and Services Executive Vice President*; C-CEO, Slovnaft, a.s.
Dr. Berislav Gašo	Group E&P Executive Vice President
Péter Ratatics	Consumer Services Executive Vice President*
* the exact position titles have been changed since 31 January 2019	

As of 1 February 2019 the CEC members are:

Zsolt Hernádi	Chairman-CEO (C-CEO)
József Molnár	Group Chief Executive Officer (GCEO)
Dr. Oszkár Világi	Group Chief Innovation Officer; C-CEO, Slovnaft, a.s.

As of 1 February 2019 the MC members are:

József Molnár	Group Chief Executive Officer (GCEO)
József Simola	Group Chief Financial Officer (GCFO)
Ferenc Horváth	Group Downstream Executive Vice President (resigned as of 15 July 2020)
Gabriel Szabó	Group Downstream Executive Vice President (appointed from 15 July)
Sándor Fasimon	President of INA Management Board
Dr. Berislav Gašo	Group E&P Executive Vice President
Péter Ratatics	Group Consumer Services Executive Vice President, MOL Hungary Managing Director
Zdravka Demeter Bubalo	Group Human Resources Senior Vice President
Marek Senkovič	CEO of Slovnaft, a.s. (Mr. Gabriel Szabó held this title until 15 July 2020 and was a member of the MC based on this position)

The members of the CEC and MC confirm that there is no conflict of interest between their duties as members of the CEC and MC of MOL and their principal and/or other outside activities.

Supervisory Board

The Supervisory Board is responsible for monitoring and supervising the Board of Directors on behalf of the shareholders (all those entitled to attend and vote at a General Meeting). Members of the Supervisory Board are elected by a General Meeting for a definite period, but for a maximum of five years. The Supervisory Board currently consists of fourteen members. In accordance with the Civil Code, one-third of the members shall be representatives of the employees; accordingly, currently five members of MOL’s Supervisory Board are employee representatives with the other nine external persons appointed by the shareholders.

The members of the Supervisory Board and their independence status are as follows:

Zoltán Áldott, Chairman	non-independent
Dr. Attila Chikán, Deputy Chairman	independent
Péter Gottfried (elected as member of the Supervisory Board from 1 May 2020)	independent

Dr. Norbert Szivek (mandate as member of the Supervisory Board expired on 28 April 2020)	independent
Ivan Mikloš	independent
Vladimír Kestler	independent
Ilona Dávid	independent
Dr. András Lánczi	independent
Dr. Anett Pandurics (elected as member of the Supervisory Board from 30 April 2019)	independent
Piroska Bognár	non-independent (employee representative)
Dr. Sándor Puskás	non-independent (employee representative)
András Tóth	non-independent (employee representative)
Tibor István Ördög	non-independent (employee representative)
Csaba Szabó	non-independent (employee representative)

The Chairman of the Supervisory Board is a permanent invitee to the meetings of the Board of Directors; Finance and Risk Management Committee and Sustainable Development Committee meetings. Regular agenda points of the Supervisory Board include the quarterly report of the Board of Directors on MOL's operations and the reports of the Internal Audit and Corporate Security departments, furthermore it is informed on other relevant topics. In addition, the Supervisory Board reviews the proposals for the Annual General Meeting. The Supervisory Board reviews its annual activity during the year.

The members of the Supervisory Board confirm that there is no conflict of interest between their duties as members of the Supervisory Board of MOL and their principal and/or other outside activities.

Board of Directors

Mr. Zsolt Hernádi

Between 1989 and 1994 Mr. Hernádi occupied various posts at the Kereskedelmi és Hitelbank Plc. and between 1992 and 1994 he was its Deputy General Manager. Mr. Hernádi was Chief Executive Officer of the Central Bank of Hungarian Savings Cooperatives between 1994 and 2001 and member of its Board of Directors between 1994 and 2002. Between 1995 and 2001, Mr. Hernádi was a Board member of the Hungarian Banking Association. Since 2001, he is member of the European Round Table of Industrialists. Since 2007 he has become honorary citizen of Esztergom, and since September, 2009 he has become the honorary citizen of the Corvinus University of Budapest. In 2010 he was honoured with the Hungarian Order of Merit – Commander with Star Award. Since March, 2016 he has become honorary citizen of Százhalombatta. In 2017 he was appointed as a member of the National Competitiveness Council. In 2018 he received the Titular University Professor title from Corvinus University of Budapest. In 2019, he became an honorary citizen of Miskolc and was elected Chairman of the Board of Trustees of the Maecenas Universitatis Corvini Foundation, the controlling entity of Corvinus University of Budapest.

Dr. Sándor Csányi

Specialising in finance at university, where he also took a doctorate, he later became a chartered accountant and his first job was at the Ministry of Finance. He also worked for the Ministry of Food and Agriculture and at the Hungarian Credit Bank. From 1989 to 1992, he was Deputy Chief Executive Officer of the Commercial & Credit Bank (K&H), and since 1992, he has been the Chairman and & Chief Executive Officer of OTP Bank Plc. On 15 April 2016, the annual shareholders meeting re-elected him for another five-year term as Chairman and Chief Executive Officer of OTP Bank Plc. He is Co-Chairman of the National Association of Entrepreneurs and Employers (VOSZ). He is a member of the Institut International d' Études Bancaires. In January 2012, he was elected the Co-Chairman of the Chinese-Hungarian Business Council. Since July 2010, he is the President of the Hungarian Football Federation. Since March 2015, he has been a member of UEFA's Executive Committee. Since April 2017 he has been a member of FIFA's Council. In February 2018 he was elected Vice President of FIFA and in February 2019 Vice President of UEFA.

Mr. Talal Al-Awfi

Mr. Talal Al-Awfi studied Business and Finance (BSc) in addition to his master's degree in Marketing (MSc) from Salford University, United Kingdom. Currently he is the Chief Commercial Officer at OQ (formerly OOC ORPIC Group). He has over 20 years of experience in oil, gas and petrochemical marketing and trading. He has held several key positions in both the government and private sectors, including the CEO of Oman Trading International, OQ's global trading arm (formerly OOC ORPIC Group). He has been an active Board member of several companies covering diverse fields in the oil industry in the past and present.

Mr. Zsigmond Járai

Mr. Járai has been working as a financial expert for many years. He has held various managerial positions in commercial banks both in Hungary and abroad. He was serving as Chairman of Budapest Stock Exchange from 1996 to 1998. Between 1998 and 2000, he held the position of the Minister of Finance, and subsequently became the Chairman of the National Bank of Hungary from 2001 until 2007. As the founder of CIG Pannonia Life Insurance Ltd. in 2007, he was the Chairman of the Supervisory Board between 2007 and 2013. Since 2010, he has also been the Chairman of the Supervisory Board of the National Bank of Hungary.

Dr. János Martonyi

Prof János Martonyi finished his second term as Minister for Foreign Affairs of Hungary in 2014. From 1999 to 2009 he was a Professor and Head of the Institute for Private International Law and International Trade Law at the University of Szeged. Between 1994 and 1998 he was teaching at the College of Europe in Brugge and Natolin and the Central European University (Budapest). From 1994 to 1998 as well as from 2002 to 2009 he was managing partner at the law firm Baker & McKenzie, Budapest. He was government commissioner in charge of privatisation in 1989-1990; he served as State Secretary in the Ministry of International Economic Relations in 1990-1991, as State Secretary at the Ministry of Foreign Affairs in 1991-1994 and Foreign Minister in 1998-2002.

He is a member of the European Academy of Sciences and Arts, he is an international arbitrator and member of the Panel of Arbitrators of ICSID (International Centre for Settlement of Investment Disputes), and author of numerous studies, articles and essays in the field of international trade law, competition policy and law, European integration and international politics.

Mr. József Molnár

From 1978 to 2001, Mr. Molnár held various management positions at BorsodChem Plc., including Head of the Pricing Department from 1982 to 1987 and Head of the Controlling Department from 1987 to 1991. Between 1991 and 2001, as Chief Financial Officer and first deputy to the Chief Executive Officer, he contributed to the crisis management and reorganisation of the company, and later to creating the company's vision and fulfilling its subsequent privatisation. He played a key role in the stock exchange listing of BorsodChem shares. He was Chief Executive Officer of TVK between 2001 and 2003, Group Planning & Controlling Director from 2003, and from 2004 until his appointment as Group Chief Executive Officer in May 2011, he was Group Chief Financial Officer of MOL. Within MOL Group, he was a board member of Slovnaft between 2004 and 2008, and board member of TVK between 2001 and 2011.

Dr. László Parragh

Since 1989, Dr. László Parragh has been the Chairman of Parragh Trade and Holding Ltd and, since 1993, he has also been a member of the Presidium of the Confederation of Hungarian Employers and Industrialists (MGYOSZ) and was Vice President between 1994 and 2000. He was a member of the Advisory Committee for Economic Affairs of the Prime Minister between 1998 and 2002 and since 2000, Dr. Parragh has also been President of the Hungarian Chamber of Commerce and Industry. Between 2003 and 2010, he was Vice President of Győr-Sopron-Ebenfurth Railways Co. Plc (**GYSEV**) and since 2009, he has been Chairman of KAVOSZ Venture Development Plc. In MOL, since 2010 he has been a member of the Board of Directors, since 2014 he has been the Chairman of the Sustainable Development Committee, and since 2014 he has been a member of the Finance and Risk Management Committee. Between 2003 to 2011, he was Chairman of the Economic and Social Council and since 2011 he has been Chairman of the National Economic and Social Council. Between 2002 to 2010 he was a member of the Board of Directors at MEHIB Ltd, at EXIM Bank Plc and at GYESEV. Between 2010 to 2011 he was a member of the Board of Directors of MALÉV. Since 2003 he has been Chairman of the Supervisory Board of KA-VOSZ Financial Services Trading Close Co. He has also been member of the State Reform Committee and member of the Board of Directors of MKB Bank since 2014. He is Honorary Professor of the University of West Hungary and the Budapest Business School, where he is also a member of the Economic Council. He is President of the National Economic and Social Council's Economic side. In December 2017, the town of Sopron awarded him honorary citizenship.

Dr. Anthony Radev

Dr. Anthony Radev was a Director of McKinsey & Company (**McKinsey**) for over 22 years. Joining the Firm in 1991 in Germany, he was one of the founding partners of the Eastern European branch in 1993. He personally opened the McKinsey offices in Budapest (1995), Zagreb (2003), Sofia (2005) and Bucharest (2008). He also led the Eastern European offices of McKinsey's financial institutions practice. With McKinsey, Anthony has completed a vast number of engagements in almost all sectors of the economy and the public sector, from financial institutions through service, to manufacturing industries. He is the founding director of the School for Executive Education and Development (**SEED**) Business School in Budapest. Since its founding in 2014, SEED has developed into a high performing complex business education institution. He is a citizen of Hungary, Germany and Bulgaria.

Dr. Martin Roman

Martin Roman started his professional career as a sales director of the Czech branch of Wolf Bergstrasse. In 1994, he became CEO of Janka Radotín, where he was appointed Chairman of the Board after the entry of a strategic partner, the US company LENNOX. Between 2000 and 2004, he restructured a traditional Czech mechanical engineering company, becoming Chairman and Chief Executive Officer of the new ŠKODA HOLDING AS. From February 2004 until mid-September 2011, Mr. Roman was the Chairman of the Board and CEO of ČEZ AS (**ČEZ**). From mid-September 2011 until October 2013, Mr. Roman was Chairman of the Supervisory Board of ČEZ. Besides his board membership of MOL, he served as a member of the Supervisory Board of the Prague Stock Exchange between 2005 and 2015, as a member of the Supervisory Board of Czech Railways between 2007 and 2009 and as Vice President of the Confederation of Industry and Transport of the Czech Republic from 2007 to 2011. From 2010 until May 2014, he was a member of the Supervisory Board of the Vienna Insurance Group. In addition, Mr. Roman is a member of governing or supervisory bodies in several foundations and academic institutions. He is a Czech citizen.

Dr. Oszkár Világi

Mr. Világi graduated from the Faculty of Law at the Comenius University of Bratislava in 1985 and achieved the academic title of D.C.L. During 1990 to 1992, he was a member of the Czechoslovak Parliament in Prague. In 1994, he was one of the founders of the Central European Foundation, of which he is, as at the date of this Prospectus, a member of the Board of Directors. From 1996, he participated in the governing bodies of several Slovak companies. He has been the legal advisor for several foreign investors in big restructuring projects of Slovak industry (U.S. Steel, Orange Sovensko, OTP Bank Plc, MOL). Since 2002 he has been a member of the strategic partnership and integration team of Slovnaft and MOL. Before becoming a member of the Board of Directors in Slovnaft in 2005, he was member of its Supervisory Board. In March 2006, Mr. Világi was appointed as CEO of Slovnaft. In April 2010, he became Member of the EB of MOL. He is the President of the Slovak-Hungarian Chamber of Business and Industry founded in 2012 and a member of the Slovak Chamber of Business and Industry. He became a member of the Board of Trustees at the Selye János University Komarno in November 2010 and since 2015 he is a member of the Board of Trustees at the Comenius University in Bratislava.

Supervisory Board

Mr. Zoltán Áldott

Between 1990 and 1991, Zoltán Áldott was an associate at Creditum Financial Consulting Ltd. Afterwards, between 1992 and 1995, he held various positions at Eurocorp Financial Consulting Ltd. From 1995 to 1997, he was the manager of MOL's Privatisation Department and from 1997 until 1999, he was Director of Capital Markets. In 1999, Mr. Áldott served as Director of Strategy and Business Development. From November 2000, he acted as Chief Strategy Officer and then, since June 2001, as Group Chief Strategy Officer. He was the Group E&P Executive Vice President of MOL between September 2004 and June 2011. Zoltán Áldott acted as the President of INA's Management Board between 1 April 2010 and 31 May 2018. From 2001 to 2018 May he was a member of the MOL EB. As the Chairman of the Supervisory Board he is a permanent invitee to Board of Directors, Remuneration and Risk Management Committee and Sustainable Development Committee meetings.

Dr. Attila Chikán

Since 1968 Professor Chikán has been working for Corvinus University of Budapest and its legal predecessors. Between 1989 and 1998, he was Head of the Business Economics Department. Between 2000 and 2002 he was Chairman of the Council of Economic Advisors of the Prime Minister. Between 2000 and 2003, he was Rector of Budapest University of Economic Sciences. Since then, Dr. Chikán has been Director of Competitiveness Research Centre of the University. He is a full Member of the Hungarian Academy of Sciences and Foreign Member of the Royal Swedish Academy of Engineering. He is an Honorary Doctor of Lappeenranta University of Technology (Finland) and Babes-Bolyai University (Romania) and member of the Board of Trustees of Central European University. He holds several positions in Hungarian and international professional organisations and membership in Editorial Boards of international journals. He is also Chairman of the supervisory board and Chairman of the Audit Committee of Richter Gedeon Plc.

Dr. Norbert Szivek

Dr. Norbert Szivek is a law school graduate who pursued his studies in Germany and then graduated in Hungary. After working in the Hungarian public sector for a while, he continued his career at a company which is well-known for its real estate investments, where he oversaw the newly established energy division. The next step in his career was the foundation of his own asset management company. From February 2015 he was the CEO and member of the Board of Directors at the Hungarian National Asset Management Inc. for three and a half years. Amongst others, he was Vice President of the Hungarian Post and member of the Board of Directors of Panrusgáz Gas Trading Plc., MVM Hungarian Electricity Ltd., Hungarian Hydrocarbon Stockpiling Association and the Hungarian Post Lzd. and, of Gedeon Richter Plc. Currently he is a member of the Budapest Stock Exchange Advisory Committee and he also fulfils advisory duties requested by the Hungarian asset management minister. Mr. Norbert Szivek's mandate as member of the Supervisory Board expired on 28 April 2020.

Mr. Ivan Mikloš

Ivan Mikloš is former Deputy Prime Minister and Minister of Finance of the Slovak Republic (2002-2006, 2010-2012), Deputy Prime Minister for Economy (1998-2002), and Minister of Privatisation (1991-1992). He co-founded and led an economic think-tank MESA10 (1992-1998). During 2006-2010 and 2012-2016 he was a Member of Parliament. In 2014 he was appointed again as a President of MESA10 and became a member of the International Advisory Board of National Reform Council of Ukraine and platform VoxUkraine. Until April 2016 he served as a Chief Advisor to the Minister of Finance of Ukraine and as an Advisor to the Minister of Economic Development and Trade of Ukraine. Since April 2016 he serves as a Chief Economic Advisor to the Prime Minister of Ukraine. He is also Chairman of the Strategic Advisory Group for Support of Ukrainian Reforms and Co-founder of the Ukrainian economic think-thank Centre for Economic Strategy.

Ivan Mikloš was one of the leading figures of economic transformation in Slovakia. Ivan Mikloš significantly contributed to the entry of the Slovak Republic into the OECD and started an extensive and effective tax reform. He led the government agenda on economic restructuring and fiscal consolidation. The second Dzurinda´s government (2002-2006) gained a very reformist reputation thanks to severe austerity measures and a comprehensive programme of structural reforms (tax, social sector, pension, healthcare, public finance, labour market) backed by Ivan Mikloš. Thanks to these reforms Slovakia was able to join Eurozone in 2009. In 2004 he was awarded by Euromoney the best Minister of Finance of the Year and the top business reformer by the World Bank´s Doing Business report. Ivan Mikloš is the author of the "Book of Reforms" (2005), "Rewriting the Rule" (2001) and of dozens of studies and articles in the expert and popular press.

From November 2019 he holds the position of an Economic Advisor to the newly appointed Prime Minister of Ukraine. He is a Chairman of the Strategic Advisory Group for Support of Ukrainian Reforms and Co-Founder of the Ukrainian economic think tank Centre for Economic Strategy.

Mr. Vladimir Kestler

Mr. Kestler graduated from the University of Economics (Bratislava) in 1986. From 1987, he worked for the OMNIA export trading group. From 1997, he was a member of the international "Young Presidents Organization". From 2000, he was Managing Director and Chairman of the Board of Directors of OMNIA a.s. In 2007 he became Chairman of the Board of Directors of Omnia Holding SE and a member of Faculty of Management's Scientific Board at the University of Economics (Bratislava). In 2010, he was appointed as Honorary Consul-General of Sweden and since April 2010 has been Vice President of the Slovakian Industry Association. In 2011 he was awarded a PhD degree by the Company Management Department of the University of Economics (Bratislava). From 2012 he was a member of the Government Council for exports and investment and trade development. In 2013 he became a member of the Governing Board of the University of Economics in Bratislava and a member of the Governing Board member of SARIO - Slovak Agency for Investment. In 2014 he was appointed as Chairman of the Supervisory Board of EOSA, Agency for oil reserves and petroleum products of the SR. He is Vice President of the Republic Union of Employers and he is a Member of the Supervisory Board of SOPK - Slovak Chamber of Commerce and Industry. From 2017 he was appointed as a Member of the Central European Energy Investment Task Force within the European Investment Bank and is advisor to the Vice-President of the European Investment Bank.

Ms. Ilona Dávid

Ms. Ilona Dávid earned her diploma in economic sciences at the Budapest College of Finance and Accounting, and then a postgraduate economist degree at the Department of Management and Organisation of the Western Transdanubian University. She started her professional career at SPAR retail Hungarian company and was later appointed as the Director of Finance and Accounting of Dunaferr Danube Ironworks (steel producing factory). She then worked as the Financial Director of Lukoil Hungary. From 2005 she was the Head of Accounting of the Hungarian State Railways Plc.(*Magyar Államvasutak Zrt.* in Hungarian) (**MÁV**). From 2010 she was working as the Chairman-CEO of GYSEV. Since May 2012 she has been the Chairman-CEO of MÁV while still fulfilling her duties at GYSEV. She has been Chairman-CEO of Volánbusz Zrt. and DAKK Zrt. since August 2018. She became Managing Director of VOLÁN Buszpark Ltd. in September 2018, then following the integration of the five regional transportation center, she was elected Chairman-CEO of the newly formed Volánbusz Zrt. since October 2019. Besides her director responsibilities she is also the Chairman of the Association of Strategic and Public Services Corporations (*STRATOSZ*).

For her role in strengthening international railway relations she received the Golden Chariot award, which is one of the highest possible recognitions by the Russian Parliament and Ministry of Transportation. Her active participation in the renewal and continuous managing of the domestic railway system led to the award of the medal of civil division by the Order of Merit of the Republic of Hungary in August 2014. In 2015 she received a golden medal from the Public Services Honours.

Dr. András Lánczi

Since 1991 Prof. Dr. Lánczi is a full-time university professor in several Hungarian and European universities. His primary expertise is political philosophy, the history of ideas of the Hungarian political thinking, furthermore the modern theories of democracy. Prof. Dr. Lánczi's significant scholarships include: 1995-1997 Open Society Project thematic leader; 1997-1998 Fulbright researcher in United States of America; 1999-2003 Széchenyi Professor Scholarship; and 2003 Bibó István Prize.

Dr. Anett Pandurics

Dr. Anett Pandurics is the CEO and Chairman of the Board of Directors of the Hungarian Post Insurance and Life Insurance Ltd. She holds degrees from the Faculty of Business Administration of Budapest University of Economic Sciences and a PhD from Corvinus University in the field of strategic management. She is the President of Association of Hungarian Insurance Companies (*Magyar Biztosítók Szövetsége*, *MABISZ*), a member of the Board of Richter Gedeon Nyrt. She has been granted with numerous awards, including the Pro Universitas Prize, the Pro Scientia Medal and the Muzsay Géza Insurance Award.

Mr. Péter Gottfried

Mr. Gottfried earned his degree at the Budapest University of Economic Sciences. Later he became Chief of Section at the Directorate General for International Economic Organisations and Tariff-policy at Ministry of Trade. He also worked as a Hungarian Representative to the United Nations' Economic Organisations in Switzerland and to the European Council in Brussels. From 1995 to 1996 he was President of the Office of European Affairs at the Ministry of Industry and Trade. Between 1996 and

2005 he held various positions in the Ministry of Foreign Affairs then he served as deputy Secretary of State at the Prime Minister's Office. From 2007 to 2010 he worked as Permanent Representative of Hungary to the OECD in Paris. Since 2015, Mr. Gottfried is the Chief Advisor of the Prime Minister on European policy. Mr. Gottfried has regular appearances and contributions in the media and he also teaches several lectures at Hungarian and foreign universities, furthermore, regularly presents in various international conferences, among others, on the World Economic Forum.

Ms. Piroska Bognár

Ms. Bognár started working for MOL's predecessor, Hungarian Hydrocarbon Institute. She has been appointed as an officer of the trade union since 1995. She earned a degree from Human Management from the University of Pécs besides work. She was elected as the Executive Chairman of the MOL Trade Union of Chemists, where her main responsibilities were to manage the organising and financial matters. From 2002 to 2007 she was member of the Supervisory Board of MOL. She was elected as the Chairman of MOL Trade Union of Chemists in 2007 and holds this office as at the date of this Prospectus.

Dr. Sándor Puskás

Dr. Puskás has been employed by MOL as a Petroleum Engineer, M.Sc., since 1985. Currently he holds a Technology Project Senior Engineer position at the MOL Group Oilfield Chemicals and Technologies organisation. He has 34 years of experience as a field production engineer, field production head, research and development engineer, and as an R&D project manager in crude oil production and in oil field R&D.Dr. Puskás holds a Dipl. Eng. degree in petroleum engineering from Moscow State Gubkin Oil and Gas University and a Dr. Univ. degree in colloid chemistry from the József Attila University Szeged, Hungary. He holds a postgraduate degree in research and development management and human management from the Management Development Centre of the Budapest University of Economic Sciences and State Administration. Between 2005 and 2011, Dr. Puskás was a member and the chairman of the Audit Committee of Tempo Health Fund. He is the author and co-author of several domestic and international technical papers. He is member of the Hungarian Mining and Metallurgical Society and the Energy Management Scientific Association. He is member of the MOL Trade Union of Production Workers. He is a member of the Assembly of Delegates of TEMPO Health Fund.

Mr. András Tóth

Mr. Toth has been employed by MOL as a Chemist-technician since 1984. Throughout his employment he has held various positions (Outside Operator, Inside Operator, Shift Leader) at the Danube Refinery in Százhalombatta, Hungary. Currently he is an operator training simulator trainer. He is the shop steward of the MOL Oil Industry Trade Union.

Mr. István Tibor Ördög

Mr. Ördög has been employed as a graduate MSc chartered chemist in the quality control laboratory of the Szeged mining unit since 1994, and he has obtained a gas processing expert position in the Algyő gas processing plant, while also completing a chromatographic engineer degree in the Technical University of Budapest. He then became the manager of the E&P Segment laboratories for seven and a half years supporting the entire E&P Segment value chain. During the subsequent four years he worked at various mid-level management positions in the E&P Segment and supported the work of the MOL Group's E&P Segment Executive Vice President. He was a member of the Board of Directors of Rotary Zrt. and the shareholders' representative at Drilltransz Zrt. He was appointed as the manager of new technologies and research and development of the E&P Segment from 2011 until 2013, and later he has continued his career as a senior expert in the research and development organisation of the E&P Segment. He is currently working as technology transfer senior expert in the Group oilfield chemicals and technologies organisation. He was a member of the European Works Council for 3 years and has been a member of the Miners Trade Union since 1994. He is the member of the Society of Petroleum Engineers, Hungarian Branch since 2001. He is an author and co-author of several domestic and international scientific papers and presentation.

Mr. Csaba Szabó

Mr. Szabó has been a member of the Supervisory Board since 12 April 2018, delegated by the employees, and the Deputy Chairman of the MOL Chemist Union since 2012. He has been a member of the MOL Works Council since 2013 and has been the Deputy Chairman of MOL's works council since March 2018. From 2013, he has also been a member of MOL's European Works Council and from 2018 he has been a member of MOL's Aid Committee.

Member of Committees (not listed above)

Ms. Zdravka Demeter Bubalo

Ms. Demeter Bubalo is a human resources executive with more than 20 years of proven cross-industry experience in the finance, FMCG and oil and gas sectors working in multinational environment and for large organizations. With a strong background in finance and other functional lines, she holds a proven track record of leading human resources in development and delivery of strategic impact to organizations by successful transformation of core business needs into implementable and measurable human resources action plans.

Her core areas of expertise include: human resources transformation, human resources strategy development and implementation, organisational performance enhancement, talent acquisition through "outside-in" approach and extensive experience in restructuring in oil and gas. Ms. Demeter Bubalo holds an economics degree and an MSc in organisational sciences from University of Zagreb (Croatia). She also has a degree in Management Excellence from IMD (Switzerland). Ms. Demeter Bubalo is an internal coach certified by CCE International Coach Federation and she also holds a brokerage licence.

Mr. Sándor Fasimon

From 1991 Mr. Fasimon held various management positions at the Mineralimpex Zrt (**Mineralimpex**) the Hungarian foreign trade company for oil and mining products. Between 1996 and 1997, he served as Head of the Tripoli (Libya) Hungarian Commercial Section. From 1998 to 2003 Mr. Fasimon worked for MOL as Supply Director in the field of crude oil and crude oil products and from 2002 he acted as Managing Director of Moltrade-Mineralimpex Co. Ltd. Between 2003 and 2006, he was the Managing Director of the Natural Gas Division of MOL. From 2006 to 2009, he acted as the General Director of MOL-Russ LLc. Between 2009 and 2011, he worked as Senior Vice President of the Supply & Trading Segmentand, from 1 June 2011, as Group E&P Executive Vice President. Mr. Fasimon was MOL Hungary's Chief Operating Officer from 2012 to 2018.

Dr. Berislav Gašo

Dr. Gašo joined MOL Group in January 2010 when he became Executive Director for Corporate Services at INA. From September 2012 he served as Senior Vice President of Controlling, Accounting and Tax at MOL Group Finance. In May 2015, Dr. Gašo was promoted to Chief Operating Officer of the MOL Group's E&P Segment. Since December 2016 he has been the Group E&P Executive Vice President and a member of the MOL Group's Management Committee. Before joining MOL Group he spent five years in the petroleum practice of McKinsey&Company where he left as a junior partner. Dr. Gašo holds degrees in mechanical engineering and business administration.

Mr. Ferenc Horváth

From 1984 to 1991, Mr. Horváth worked for Mineralimpex in the fields of crude oil and natural gas imports and crude oil product exports. Between 1991 and 1997, he was the Managing Director of Allcom Trading Co., the Hungarian Mineralimpex-Phibro Energy joint-venture, dealing with the European trading of crude oil and crude oil products. He joined MOL. in 1998 as Director of the LPG business unit, and worked from January 2001 onwards as Sales Director, being responsible for the sales of MOL's entire product range (including petrol, diesel, petroleum products, bitumen, LPG, lubricants, and so on). Between 2002 and 2003, he was Commercial Director and his activities have broadened with the purchase of crude oil and raw materials necessary for the refining of crude oil. He was member of the Board of Directors of TVK Plc. between 1 May 2011 and 15 April 2015. Mr. Horváth resigned from his last position - Group Downstream Executive Vice President on 15 July 2020.

Mr. Péter Ratatics

Péter Ratatics currently holds the position of Group Consumer Services Executive Vice President of the MOL Goup and Chief Operating Officer of MOL Hungary. He graduated from Corvinus University of Budapest, Faculty of Finance specialization in capital markets. In 2007 Mr. Ratatics started his career as a gas trading and business development expert in MOL, then in 2009 he was appointed Head of the EB Advisory team. Between 2009 and 2010 he also acted as Head of Organizational Development and Process Management and in 2010-2011 as Head of Management Services. From 2011 he worked as a Vice President of the Corporate Centre and he was responsible for the human resources department.

In 2015 and 2016 he was responsible for the MOL Group's procurement, investment and communication activities as Senior Vice President of the Corporate Centre (which includes the MOL Group's Corporate Human Resources, Group Corporate Services and Group Corporate Communication departments). He was a member of INA's Management Board between 2011 and 2018. He was appointed as Vice-Chairman of the Supervisory Board of FGSZ (Natural Gas Transmission) in 2012, Vice-Chairman of the Supervisory Board of IES in 2013, CEO of MOL Fleet Holding Kft. in 2017, CEO of MOL Ingatlankezelő Kft. and CEO of MOL Ingatlan Holding Kft. in 2018.

Mr. József Simola

From 1991 to 1992 Mr. Simola was employed as an SAP expert at General Electric – Tungsram. He subsequently joined Arthur Andersen as an auditor and consultant. In 1996, he continued his career at Boston Consulting Group, where he held various managerial positions in Hungary, Germany and Australia. Mr. Simola joined MOL in 2003 and has been a member of the EB since April 2006. He was also appointed as Corporate Centre Executive Vice President of MOL between 2006 and 2011. Mr. Simola has held the title of Group Chief Financial Officer since 1 May 2011 and is also a member of the Supervisory Board of INA d.d.

Mr. Gabriel Szabó

Gabriel Szabó graduated from the Faculty of Business Administration in Košice at the Bratislava University of Economics in 1999. He started his career in Slovnaft in 2001. From 2012, Gabriel has been the Vice President of Downstream at Slovnaft. In December 2016 he was appointed Chief Executive Officer of Slovnaft and since 2019 he was double-heading also the MOL Group Logistics Senior Vice President position and became a member of MOL Group´s Management Committee. In July 2020, Gabriel Szabó was appointed Group Downstream Executive Vice President of the MOL Group in Budapest and Deputy Chairman of the Board of Directors of Slovnaft, responsible for the management and development of activities in refineries and petrochemical plants in three countries (Slovnaft in Slovakia, MOL in Hungary and INA in Croatia), as well as for the distribution and sale of refinery and petrochemical products in 11 countries in CEE.

Mr. Marek Senkovič

Mr. Senkovič graduated from the Faculty of Commerce of the University of Economics in Bratislava in 1997. He is a manager with strong micro and macro-economic background and deep knowledge of the energy industry. From 1997 to 2005 he held different positions in investment banking and was the member of the Supervisory Board of Istrobanka Slovakia. In 2006 he started his career at Slovnaft. From 2006 to 2018 he was a Chief economist, in 2018 he was appointed as the CFO of Slovnaft and in July 2020 he was appointed as the CEO and Head of Downstream in Slovnaft. In addition to these roles Mr. Senkovič also represents the Slovakian domestic oil companies in the Board of Directors of the Slovakian Emergency Oil Stocks Agency.

EMPLOYEES

The Group's 2019 closing headcount was 26,032 employees. The management of people is fair and stable, the Group is not currently subject to any collective labour disputes. The biggest entities, MOL, Slovnaft and INA (and majority of subsidiaries in these three countries) are covered by collective agreements. The Group's management has a good working relationship with the trade unions, there are regular meetings and open and constructive communication from both sides regarding all relevant employee actions.

The Group aims to ensure its employees' health and safety in gradually increasing number of company's wellbeing (including health and safety, health promotion, medical care and numerous further benefits) by the following:

- compliance with occupational health and safety related local legal requirements is set as minimum for the Group;
- the Group has implemented HSE policies and training, their application is strictly monitored;
- the Group has implemented mandatory fitness for duty medical examinations for employees on an annual basis (or more frequently depending on the hazards associated with the positions of individuals and its assessment);
- the Group has implemented the mandatory and recommended practices of safe working including transportation on roads;
- the Group provides personal protective equipment against hazards associated with the positions of individuals which comply with the highest and latest international standards;
- the Group has plans for pandemic health issues, healthcare for employees, emergency responses and crisis management;
- the Group continuously launches single and/or multi-year occupational health and safety related programmes;
- the Group continuously launches different health promotion programmes, offered to employees either free of charge or at a significant discount, being continuously renewed and extended (the first multi-year programme offered in some of the Group's companies was STEP – "Take a STEP for your health", which started with different types of health screenings and health promotion – sport and other – programmes);
- every employee has the benefit of accident insurance;

- in some countries, employees are covered by private health insurance for outpatient care and further screening possibilities as part of the employer care; and
- in several countries, a wide range of wellbeing programmes are available for employees covering besides health, their financial consciousness, specific life situations and work life balance (e.g flexible working).

As a response to the COVID-19 pandemic lockdowns in the countries where the Group operates, all of the Group's employees whose roles enabled this were asked to work remotely during this period while keeping only a safety headcount for operating the businesses on-site. In the countries where lockdown measures have been eased or lifted the return of the employees to the offices and sites was spread out in stages to enhance safety. As at the date of this Prospectus, the Group has specific measures in place aiming to provide safe working conditions, which include alternating workweeks, one employee per office seating, social distancing rules in the canteens and increased health and safety regulations, including measuring the temperature of employees, a mandatory face-covering policy and providing hand sanitiser in all offices and corridors. COVID-19 tests were, and are, being performed in line with the relevant country's COVID-19 status and approach. Specific testing rules also apply to private travels of employees, and vendors must also comply with specific safety measures. All costs associated with the safety and healthcare equipment used on the sites and in offices are covered by the MOL Group.

GLOSSARY

2P

Proved Reserves (1P) plus Probable Reserves (2P).

Used to map the subsurface structure of rock formations.

ALS (Artificial Lifting System)

A method used to lower the producing bottomhole pressure on the formation to obtain a higher production rate from the well. This can be done with a positive-displacement downhole pump, such as a beam pump or a progressive cavity pump, to lower the flowing pressure at the pump intake. It also can be done with a downhole centrifugal pump, which could be a part of an electrical submersible pump system. A lower bottomhole flowing pressure and higher flow rate can be achieved with gas lift in which the density of the fluid in the tubing is lowered and expanding gas helps to lift the fluids. Artificial lift can be used to generate flow from a well in which no flow is occurring or used to increase the flow from a well to produce at a higher rate. Most oil wells require artificial lift at some point in the life of the field, and gas wells may also benefit from artificial lift to produce at a high water cut.

Aliphatics

Aliphatics are any chemical compounds belonging to the organic class in which the atoms are connected by single, double, or triple bonds to form nonaromatic structures. One of the major structural groups of organic molecules, the aliphatic compounds include the alkanes, alkenes, and alkynes and substances derived from them.

API gravity

API gravity is short for American Petroleum Institute gravity, an inverse measure that is used to determine the weight of petroleum liquids in comparison to water. In general oils with API gravity of 40 – 45 generate the highest market prices. Any oils with API gravity of 45 or over have shorter molecular chains which are less desirable to refineries.

Aromatics

Aromatics, so called because of their distinctive perfumed smell, are substances derived from crude oil. Aromatics are hydrocarbons, organic compounds that consist exclusively of the elements carbon and hydrogen.

Barrel

Unit of measurement applied in the oil sector – one ton of crude oil is almost the equivalent of 7-7.5 barrels (conversion rate applied to crude oil grades in Hungary is 7.55 bbl/ton.)

bbl

Barrel of oil.

Billion boe

Billion barrel of crude oil equivalent.

boe (barrel of crude oil equivalent)

Volume equivalent obtained after conversion of the heating value of gas to crude oil on the basis of its thermal quantity. In its practical application, 1 boe is, in general, 6,000 cubic feet (about 170 normal m^3) of gas.

bpd

barrels per day.

Brent

Brent crude is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide. This grade is described as light because of its relatively low density, and sweet because of its low sulphur content.

Brent Ural spread

Brent is sweet light crude that is used as a benchmark when pricing more than 2/3 of the world crude oils. The Urals are the Russian blends which are generally heavy and sourer, therefore they are perceived as having a lower quality versus Brent and therefore are sold with a discount. The Brent Ural spread refers to the price difference between the two types of crudes.

Butadiene

Butadiene is a colourless, non-corrosive gas that condenses to a liquid at minus 4.5℃ and has a mild aromatic odour. Butadiene is produced commercially by extractive distillation from crude butylene concentration stream, a by-product of ethylene and propylene production. There are no consumer uses of butadiene. Butadiene is used primarily as a chemical intermediate and as a monomer in the manufacture of polymers such as synthetic rubbers or elastomers, including styrene-butadiene rubber , polybutadiene rubber , polychloroprene (also known as neoprene) and nitrile rubber . However, the major use of butadiene is in the production of tires. Butadiene is consumed in the manufacture of polymers, latexes, and plastics.

Catalytic reforming

Catalytic reforming is a chemical process used to convert petroleum refinery naphthas distilled from crude oil (typically having low octane ratings) into high-octane liquid products called reformates, which are premium blending stocks for high-octane gasoline.

CCS

Current cost of supplies.

CEE or **Central and Eastern Europe**

A geographical area which includes the following countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Republic of North Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Turkey.

Coker

A **coker** or **coker unit** is an oil refinery processing unit that converts the residual oil from the vacuum distillation column or the atmospheric distillation column into low molecular weight hydrocarbon gases, naphtha, light and heavy gas oils, and petroleum coke. The process thermally cracks the long chain hydrocarbon molecules in the residual oil feed into shorter chain molecules leaving behind the excess carbon in the form of petroleum coke.

Condensate

Liquid hydrocarbons of very light crude oil composition that occur as a gas under subsurface reservoir conditions (high temperature and high pressure) and condense into a liquid upon production and surface conditions.

Crack spread

The difference between product's international quoted price and the actual market crude oil price.

Cracking

Collective noun for operations and technologies aimed at the production of a mixture of lighter hydrocarbons (having a lower boiling point) by cracking longer carbon chains (through splitting carbon bonds) of heavier hydrocarbon molecules. Cracking can be purely a thermal process as well as catalytic (in this case, the cracking process is promoted by using catalysts). One of the most important methods of modern mineral oil processing is a cracking process, promoted by using catalysts, at a temperature of 480°C to 540°C, during which hard distillates and distillate residues are used to produce 'high grade' motor oil, while other malleable gases arise.

Dated Brent

Platts Dated Brent is the world's leading benchmark assessment of the value of physical, light North Sea crude oil. It refers to physical cargoes of crude oil in the North Sea that have been assigned specific delivery dates. It is used as a benchmark pricing reference for transactions involving crude, refined products and other commodities.

Desulphurisation

Removal and processing of sulphur, hydrogen sulphide, carbonyl sulphide, mercaptans, and carbon dioxide. the process of removing sulphur and carbon dioxide during the production operations of oil and natural gas, natural gas processing, LNG transport, and crude oil refining and transportation.

Feedstock

Any raw material.

Field development

The process of implementing underground and overground facilities necessary for the recovery of hydrocarbon reserves.

FOB (Free on Board) Rotterdam

Free on Board is a shipment term used to indicate whether the seller or the buyer is liable for goods that are damaged or destroyed during shipping. The buyer is at risk and takes ownership of goods once the seller ships the product at the vessel in Rotterdam.

Fuel oil

Fuel oil or heavy oil is a fraction obtained from petroleum distillation, either as a distillate or a residue. Heavy oils from the oil refining process, used as fuel for power stations, industry, marine boilers etc.

Gasoil

European designation for No. 2 heating oil and diesel fuel.

GDP

Gross Domestic Product.

HDPE

High-density polyethylene.

HSE

Health, Safety and Environment.

IFRS 3

IFRS 3 business combinations outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

JET-A1

Kerosene-type; quality kerosene product used primarily as fuel for commercial turbojet and turboprop aircraft engines.

Kbpd

Thousand Barrels Per Day

kt

Kilo tons (1000 tons), measuring unit.

Lead

A potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.

LDPE

Low-density polyethylene. LDPE4 is the name one of the units in Bratislava refinery.

LNG (Liquefied Natural Gas)

Liquefied Natural Gas, Natural gas that is liquefied through cooling for more efficient and cost effective transportation purposes.

LPG (Liquefied Propane Gas)

Hydrocarbon gas compound mainly consisting of propane and butane, liquefied under high pressure, which is sold in cylinders for household purposes. The motoric usage of LPG has recently increased. This fuel is known as “autogas”.

LTI (Lost Time Injury)

A personal injury which results in the injured being unfit for work at least one shift following the day of the injury. Fatality is also considered as LTI. This measurement applies to MOL employees, the employees of contractors and fuel station staff.

LTIF (Lost Time Injury Frequency)

The number of LTIs per 1 million hours worked. This measurement applies MOL employees, employees of contractors and fuel station staff.

Maleic anhydride

Maleic anhydride is an organic compound with the formula C2H2(CO)2O. It is the acid anhydride of maleic acid. It is a colorless or white solid with an acrid odor. It is produced industrially on a large scale for applications in coatings and polymers.

mboepd

Thousand barrels of oil equivalent per day.

Middle distillate

A general classification of fuels that includes heating oil, diesel fuel and kerosene.

MMbpd

Million barrels per day.

MMboe

Million barrels of crude oil equivalent.

Monomers

Basic compounds of polyolefins (plastics, rubbers) and basic elements (links) of polyolefin chains in high-molecular-weight materials. Nowadays, the most important monomers, the basic petrochemicals, are short-chained olefins (ethylene, propylene, and butadiene) along with their simple derivatives, and the simplest aromatic compound: benzene. Primary sources of all these monomers are the olefin plants.

mtpa

Million tons per annum.

Naphtha

Naphtha is a flammable liquid made from distilling petroleum. It looks like gasoline. Naphtha is used to dilute heavy oil to help move it through pipelines, to make high-octane gas, to make lighter fluid, and even to clean metal. Naphtha is a liquid hydrocarbon mixture that is extremely flammable and volatile. It is most usually desulphurised and then catalytically reformed, which re-arranges or re-structures the hydrocarbon molecules in the naphtha as well as breaking some of the molecules into smaller molecules to produce a high-octane component of gasoline (or petrol).

NCI (Nelson Complexity Index)

The Nelson Complexity Index, developed by Wilbur Nelson in 1960, is a measure of the secondary conversion capacity of a petroleum refinery relative to the primary distillation capacity.

Net unrisked prospective resources

The Group's share of those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Norwegian Continental Shelf

Comprises the seabed and subsoil of the submarine areas that extend beyond Norway's territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin. Norway exercises over its continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources (in accordance with the United Nations Convention on the Law of the Sea).

Oil plays

A prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.

Olefin

This is the collective noun for open-chained hydrocarbons including unsaturated double carbon-carbon bond(s). The simplest representatives of these compounds, ethylene and propylene, are basic petrochemicals. The most important asset in olefin production is the steam cracker (olefin plant), which converts naphtha, chemical gasoil and other light hydrocarbons to key products such as ethylene and propylene by cracking and dehydrogenation.

Own staff spill

Unintended and/or uncontrolled release of hydrocarbons to the environment that may occur on the Group's premises and/or a release originated from an asset of the Group, excluding spills related to road accidents and contractor and third party activities.

Pentane

Pentane is an organic compound with the formula C5H12, an alkane with five carbon atoms. Pentanes are components of some fuels and are employed as specialty solvents in the laboratory.

Polyethylene

This is a kind of thermoplastic produced by polymerisation of ethylene. Currently, polyethylene has the largest share among commodity plastics. Parametres (such as pressure, temperature, applied additives and catalysts) of industrial processes relating to the production of polyethylene show significant differences, and consequently a wide range of products with different characteristics can be produced. All of them can be classified into two groups according to their density: LDPE and HDPE. There are significant differences at the molecular level: LDPE shows inordinate structure, a mixture of heavilybranched components resulting in softer, more flexible material, while HDPE is a denser, harder and stronger (with higher-tensile strength) plastic due to its more structured hydrocarbon chains.

Polyolefins

This is a collective noun for thermoplastics produced by polymerisation (polyaddition) of olefin monomers (e.g. ethylene and propylene). The most important commodity plastics, polyethylene and polypropylene, belong to this class.

The Group's polyolefin products are unimodal and bimodal HDPE, LDPE and polypropylene (homo-, random- and copolymers and PP).

Polyethylenes are used for blown film (e.g. plastic bottles) as well as for undergarments for wetsuits. Polyolefin elastomer polyethylene is used as a main ingredient in moulded flexible foam technology such as is used in the fabrication of self-skinned footwear, seat cushions, armrests and spa pillows.

Polypropylene (PP)

A thermoplastic produced by polymerisation of propylene. It has a significant – and increasing – share among commodity plastics. Parametres (such as pressure, temperature, applied additives and catalysts) of industrial processes relating to PP production show significant differences, and consequently a wide range of products with different characteristics can be produced. The addition of ethylene into the polymerisation process as a co-monomer leads to PP copolymers. PP can be used in a wide variety of applications. It has good resistance to heat and low water absorption.

Possible Reserves

Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of 2P plus Possible (**3P**) Reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10 per cent. probability that the actual quantities recovered will equal or exceed the 3P estimate.

Premium unleaded

Gasoline containing a reduced amount of tetraethyl lead, in order to reduce environmental pollution.

Prospect

A potential accumulation that is sufficiently well defined to represent a viable drilling target.

PPM

PPM is a measure of the concentration of a substance in a liquid, used where low levels of concentration are significant. The PPM value is equivalent to the absolute fractional amount multiplied by one million. For example, 10 PPM equals 10 kilograms of a substance for a million kilograms (one kiloton) of a liquid.

Probable Reserve

Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated 2P. In this context, when probabilistic methods are used, there should be at least a 50 per cent. probability that the actual quantities recovered will equal or exceed the 2P estimate.

Production Sharing Agreement

Agreement for sharing the production of an oil field or a gas field between a government and investors who hold the production licence for the field.

Prospective Resource

Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.

Proved Reserve

Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 per cent. probability that the quantities actually recovered will equal or exceed the estimate.

PSE (Process Safety Event)

Any unintended release of material or energy (e.g. fire, explosion, implosion, LOPC) from production, distribution, storage or utility processes.

Refinery complexity – NCI

Refinery complexity is a measure of the white product yield that can be achieved from one barrel of crude oil. The more complex the refinery, the higher the white product yield is from the same quality crude oil. One of the best measures for complexity is the NCI, which calculates complexity from a range of refinery plants and from the ratio of their capacity to distillation capacity.

Reserve

Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.

Rubber Bitumen

Rubber bitumen is a binder material used in the road construction industry and is produced from bitumen. More specifically, it is derived from rubber crumbs from scrap tires and from small volumes of other raw materials. According to the related ASTM-D 6114 standard the minimum rubber content of the product should be 15per cent.

A binder in hot mix bitumen and chip seal applications that results from the proper addition of crumb rubber to hot bitumen and then left in a heated state to react. Bitumen: A tar-like substance found in many crude oils and a substance obtained by oil refining. Bitumen is semi solid at normal temperatures. It is used for surfacing or paving roads and waterproofing roofs.

Sour blends

Sour crude oils. Crude oils that have a high content of sulphur.

SPE

Society of Petroleum Engineers, a not-for-profit professional organisation whose object is to collect, disseminate and exchange technical knowledge concerning the exploration, development and production of oil and gas resources.

SSBR

Solution Styrene-Butadiene Rubber, form of synthetic rubber.

Steam Cracker (olefin plant)

Technology for the production of key basic petrochemical products (olefins such as ethylene and propylene and aromatics such as benzene, toluene and xylene), on the basis of thermal decomposition (cracking) and dehydrogenation of petrochemical feedstocks (naphtha and chemical gasoil) produced by the refineries or lighter saturated hydrocarbons (ethane, propane and butane), in each case in the presence of steam. The main products of the process (ethylene and propylene) are the raw materials of polyethylene and polypropylene production, while the by-products can be widely used in the organic chemical industry, plastics and rubber production or as gasoline-blending components.

Sulphur

Sulphur is a non-metallic chemical element belonging to the oxygen group (Group 16 [VIa] of the periodic table), one of the most reactive of the elements. Pure sulphur is a tasteless, odourless, brittle solid that is pale yellow in colour, a poor conductor of electricity, and insoluble in water. It reacts with all metals except gold and platinum, forming sulphides; it also forms compounds with several non-metallic elements.

Transit

Gas transmission through a pipeline, which crosses the border of one member of the EEA with its starting or end-point being outside the EEA.

TRIR (Total Reportable Incident Rate)

The number of TRI per 1 million hours worked. This measurement applies to MOL employees, employees of contractors and fuel station staff.

Urals

Urals oil is a reference oil brand used as a basis for pricing of the Russian export oil mixture. It is a mix of heavy sour oil of Urals and the Volga region with light oil of Western Siberia. Other reference oils are Brent, West Texas Intermediate and Dubai.

Visbreaker

A visbreaker is a processing unit in an oil refinery with the purpose of reducing the quantity of residual oil produced in the distillation of crude oil and to increase the yield of more valuable middle distillates (heating oil and diesel) by the refinery. A visbreaker thermally cracks large hydrocarbon molecules in the oil by heating in a furnace to reduce its viscosity and to produce small quantities of light hydrocarbons (LPG and gasoline). The process name of "visbreaker" refers to the fact that the process reduces (i.e. breaks) the viscosity of the residual oil. The process is non-catalytic.

White products

Liquid light and middle distillates (gasolines, gas oils and jet fuel/kerosene) produced from crude oil processing.

TAXATION

Hungarian Taxation

The following is a general discussion of certain Hungarian tax consequences of the acquisition, ownership and disposition of Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Hungary currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive effect.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country in which they are tax-resident. The acquisition of the Notes by non-Hungarian tax-resident Noteholders or the payment of interest under the Notes may trigger additional tax payments in the country of tax residence of the Noteholder, which is not covered by this summary but is where the provisions of the treaties on the avoidance of double taxation should be taken into consideration.

Taxation of non-Hungarian tax-resident Noteholders other than individuals

Non-Hungarian tax-resident Noteholders other than individuals are not subject to Hungarian withholding tax on interest received in respect of the Notes if such interest is not attributable to any Hungarian permanent establishment of such Noteholders.

Profits realised by non-Hungarian tax-resident Noteholders other than individuals in the form of interest or as capital gains on the sale of the Notes are not subject to corporate income tax in Hungary provided that the acquisition, ownership and disposition of the Notes are not attributable to any Hungarian permanent establishment of such Noteholders.

Taxation of individual non-Hungarian tax-resident Noteholders

Individual non-Hungarian tax-resident Noteholders are subject to tax in Hungary only with respect to their Hungarian source income or income that is otherwise taxable in Hungary if an international treaty or reciprocity so requires. Interest received with respect to the Notes is regarded as Hungarian source income if MOL who is obliged to pay the interest is Hungarian tax-resident or a non-Hungarian resident individual Noteholder has a permanent establishment in Hungary which is affected by the payment. In general, such income is subject to 15 per cent. personal income tax and may also be subject to healthcare contribution and social security contribution, to be withheld by the payer of the interest. However, a treaty on the avoidance of double taxation may fully exempt Noteholders from withholding tax or may reduce the applicable withholding tax rate. The payer of the interest can apply the treaty benefits only on the basis of a tax residency certificate provided to the payer by the individual before the interest payment.

An individual non-Hungarian tax-resident Noteholder that has no permanent establishment in Hungary affected by the gain, realising capital gain with respect to the Notes, is not subject to withholding tax in Hungary since such income is not considered to be Hungarian source income.

Taxation of Hungarian tax-resident Noteholders other than individuals

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax, Hungarian resident, non-individual taxpayers are subject to full, all-inclusive corporate income tax liability. Resident entities are those established in Hungary. Foreign persons having their place of management in Hungary are also considered to be Hungarian resident taxpayers. Taxable income is based on the pre-tax profit as shown in the financial statements and adjusted by certain increasing and decreasing items set forth by tax legislation. Taxable profits include all types of income realised during the financial year, such as interest income and income from capital gains. Taxable profits of Hungarian tax resident Noteholders other than individuals are subject to a corporate income tax rate of 9 per cent.

Taxation of individual Hungarian tax-resident Noteholders

Individual Hungarian tax-resident Noteholders are subject to tax on their worldwide income. Interest received and capital gains realised with respect to debt securities, such as the Notes, are subject to 15 per cent. personal income tax and may also be subject to healthcare contribution and social security contribution, which must be withheld by the payer of the interest.

Individual Hungarian tax residents are in general persons: (i) who are citizens of only Hungary; (ii) whose stay in Hungary exceeds 183 days within a calendar year; (iii) who only have a permanent domicile (*állandó lakóhely*) in Hungary; or (iv) persons not covered by points (i)-(iii) whose centre of vital interests (*létérdekek központja*) is in Hungary.

SUBSCRIPTION AND SALE

BNP Paribas, Erste Group Bank AG, SMBC Nikko Capital Markets Limited and UniCredit Bank AG as global coordinators and joint bookrunners (the **Global Coordinators**) and OTP Bank Plc. and Raiffeisen Bank International AG as joint bookrunners (together with the Global Coordinators, the **Joint Bookrunners**) and Commerzbank Aktiengesellschaft, KBC Bank NV and Mizuho Securities Europe GmbH as co-managers (the **Co-Managers** and together with the Joint Bookrunners, the **Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 6 October 2020, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.081 per cent. of the principal amount of Notes, less commissions. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered and sold outside the United States by the Managers in accordance with Regulation S and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended, the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Dubai International Financial Centre

The Notes have not been offered and will not be offered to any person in the Dubai International Financial Centre unless such offer is:

(a) an exempt offer in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (**DFSA**) rulebook; and

(b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Hong Kong

Each Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes other than:

  (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or

  (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) of Hong Kong (the **Companies Ordinance**) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Hungary

No approval of this Prospectus has been sought or obtained from the National Bank of Hungary in respect of the Notes, its summary has not and will not be translated into Hungarian. No application has been filed nor has any permission been obtained for accepting, nor has any other arrangement for trading the Notes on any regulated market in Hungary been made. Accordingly, any person making or intending to make any offer of Notes within Hungary which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Issuer or any of the Managers to have a prospectus for such offer approved by the National Bank of Hungary. Further to the above, in the event the Notes were to be offered in Hungary, the Prospectus must be made available to the potential investors at least seven days before the relevant issue date and the Issuer agrees to notify the National Bank of Hungary within 15 days following the completion of any such offering.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and the Commissione Nazionale per le Società e la Borsa (**CONSOB**) Regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**);

(ii) comply with any other applicable laws and regulations imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the **SFA**). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Manager has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering or sale of securities.

Belgium

Each Manager has represented and agreed that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

No action has been taken by the Issuer or any of the Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations, and all offers and sales of Notes by it will be made on the same terms.

The Managers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Managers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to MOL and its affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of MOL or its respective affiliates. The Managers and their affiliates may receive allocations of the Notes. The Managers and their respective affiliates may, in the future, act as hedge counterparties to MOL consistent with its customary risk management policies. Typically, such

Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Authorisation

The issue of Notes has been duly authorised by a resolution of the Board of Directors of the Issuer dated 28 September 2020.

Listing of Notes

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market; however, no assurance can be given that such application will be accepted. It is expected that admission of the Notes to the Official List and to trading on the Euronext Dublin Regulated Market will be granted on the Issue Date, subject only to the issue of the Notes.

The expenses in connection with the admission of the Notes to the Official List and to trading on the Euronext Dublin Regulated Market are expected to amount to approximately EUR 7,500.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents and the documents incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" above) will be available for inspection on the Issuer's website at www.molgroup.info:

(a) the constitutional documents (with an English translation thereof) of the Issuer;

(b) the Agency Agreement, the Trust Deed and the forms of the Global Notes and the Notes in definitive form;

(c) a copy of this Prospectus, any supplements to this Prospectus and any documents incorporated herein or therein by reference.

In addition, copies of this Prospectus and each document incorporated by reference are available on the website of Euronext Dublin at www.ise.ie. Any supplements to this Prospectus will also be made available on the website of Euronext Dublin at www.ise.ie.

Validity of Prospectus

This Prospectus will be valid until the Issue Date. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS2232045463 and the Common Code is 223204546.

The address of Euroclear is 1 Boulevard Du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg.

Significant or Material Change

There has been no significant change in the financial performance or position of the Group since 30 June 2020 and no material adverse change in the prospects of the Group since 31 December 2019 save as disclosed in:

(a) the 2020 Interim Financial Statements (see "*Documents Incorporated by Reference*" above);

(b) the risk factors entitled "*Pandemics such as the COVID-19 pandemic may have a material adverse effect on the Group's business results of operations or financial condition*" and "*The Group may encounter difficulties in financing its capital expenditure plans*" beginning on pages 16 and 25 of this Prospectus respectively;

(c) the "*Description of the Macroeconomic situation and the Oil and Gas Industry*" beginning on page 55 of this Prospectus; and

(d) the sections entitled "*Overview of the first half 2020 results*", "*Strategy*" "*Overview of the E&P Segment's results in the first half of 2020*", "*Overview of the Consumer Services Segment's results in the first half of 2020*", "*Overview of the Gas Midstream Segment's results in the first half of 2020*" and "*Employees*" of the "*Description of the Issuer*" beginning on pages 64, 69, 86, 96, 98 and 131 of this Prospectus respectively.

Solvency of the Issuer

There are no recent events particular to the Issuer or the Group which are material to an evaluation of the Issuer's or the Group's solvency.

Litigation

Save as disclosed in the section entitled "*Litigation*" beginning on page 111 of this Prospectus, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Independent Auditors

The consolidated financial statements of MOL Hungarian Oil and Gas Public Limited Company and its subsidiaries as of 31 December 2019 and 2018 and for the years then ended incorporated by reference in this Prospectus, have been audited by Ernst & Young Kft., independent auditors, as stated in their reports incorporated by reference herein.

The consolidated financial statements of MOL Hungarian Oil and Gas Public Limited Company and its subsidiaries as of 30 June 2020 and for the six month period then ended incorporated by reference in this Prospectus, have been reviewed by Ernst & Young Kft., independent auditors, as stated in their review report incorporated by reference herein.

Ernst & Young Kft. of Váci út 20, 1132 Budapest, Hungary are members of *Magyar Könyvvizsgálói Kamara* (the Chamber of Hungarian Auditors) and have no material interest in the Issuer.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Euronext Dublin Regulated Market.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to this issue of Notes.

Managers transacting with the Issuer

The Managers and their respective affiliates may have engaged in transactions with the Issuer in the ordinary course of their banking business and the Managers may have performed various investment banking, financial advisory and other services for the Issuer, for which they receive customary fees, and the Managers and their respective affiliates may provide such services in the future.

Ratings

The ratings of the Notes are set out on page 10 of this Prospectus. The applicable ratings of each of the relevant credit rating agencies have the following meanings:

(a) An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. The "-" sign shows the relative standing of the rating within the "BBB" category.

(b) "BBB" ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. The modifier "-" has been appended to this rating to denote relative status within the "BBB" category.

The information at paragraphs (a) and (b) above has been extracted from the websites of S&P (in the case of paragraph (a)) and Fitch (in the case of paragraph (b)). The Issuer confirms that such information has been accurately reproduced and that, so far as they are aware and are able to ascertain from information published by S&P and Fitch respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

REGISTERED OFFICE OF THE ISSUER

MOL Hungarian Oil and Gas Public Limited Company
Október huszonharmadika u.18
1117 Budapest
Hungary

GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Erste Group Bank AG
Am Belvedere 1
1100 Vienna
Austria

SMBC Nikko Capital Markets Limited
One New Change
London EC4M 9AF
United Kingdom

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

JOINT BOOKRUNNERS

OTP Bank Plc.
Babér utca 9.
H-1131 Budapest
Hungary

Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna
Austria

CO-MANAGERS

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

KBC Bank NV
Havenlaan 2
B-1080 Brussels
Belgium

Mizuho Securities Europe GmbH
Taunustor 1
60310 Frankfurt am Main
Federal Republic of Germany

TRUSTEE
Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
E14 5LB
United Kingdom

PRINCIPAL PAYING AGENT

Citibank N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Europe A.G.
Reuterweg 16
Frankfurt am Main D-60323
Germany

LEGAL ADVISERS

To the Issuer as to English law
Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

To the Issuer as to Hungarian law
Lengyel Allen & Overy Ügyvédi Iroda
Madách Trade Center
Madách Imre út 13-14
1075 Budapest
Hungary

To the Managers and the Trustee as to English law
Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London E1 6PW
United Kingdom

To the Managers and the Trustee as to Hungarian law
Andrékó Ferenczi Kinstellar Ügyvédi Iroda
Széchenyi rakpart 3
1054 Budapest
Hungary

INDEPENDENT AUDITORS TO THE ISSUER

Ernst & Young Könyvvizsgáló Kft.
Váci út 20
1132 Budapest
Hungary

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2
Ireland

Ref.: 0031980-0000080 UKO2: 1185160599.71