

# HUNGARIAN HYDROCARBON STOCKPILING ASSOCIATION

## BUDGET FOR THE YEAR 2023

Prepared by: Directorate, Hungarian Hydrocarbon Stockpiling Association (HUSA)

Approved by: Board of Directors, HUSA, November 23, 2022

General Meeting, HUSA, December 16, 2022

## BUSINESS POLICY OF THE HUNGARIAN HYDROCARBON STOCKPILING ASSOCIATION

The Hungarian Hydrocarbon Stockpiling Association (hereinafter referred to as "**Association**" or "**HUSA**") seeks to ensure the proper fulfilment of the responsibilities laid down in Act XXIII of 2013 on the emergency stockpiling of imported crude oil and petroleum products (hereinafter referred to as "**Oil Stockpiling Act**") as well as Act XXVI of 2006 on the emergency stockpiling of natural gas (hereinafter referred to as "**Gas Stockpiling Act**", jointly referred to as "**Stockpiling Acts**") exercising the rights granted by the aforementioned acts.

In terms of the above obligations, the major duties of the Association are as follows:

- definition of the strategic stockpiling obligation,
- adjustment of the emergency stock levels in accordance with the stockpiling obligation,
- safe storage of stocks, quantitative and qualitative maintenance of the goods stored in the storage facilities rented from the companies in the ownership of the Association as well as from other companies, regular control of qualitative parameters.

The Association holds the stocks in storage facilities rented from its own companies as well as from other companies. The procurement of products to be stored is financed from external sources. Essentially, HUSA must reimburse the principals of the stock financing loans and other sources only when the stocks are sold and the external sources are refinanced. Nonetheless, the Association constantly strives to maintain a favourable credit rating by optimising its debt level. The Association funds its operations from own proceeds as contribution fee revenues are utilised to cover storage costs, stock maintenance costs arising from the qualitative and quantitative preservation of the stocks, interests on loans and other sources of finance in addition to the operating expenses of the Association's work organisation. HUSA continuously endeavours to perform the aforementioned tasks in a cost-efficient manner, besides optimising storage, financing and operating costs as well as contribution fee revenues.

The Association pursues its operations according to the following principles:

- transparency,
- competitive neutrality,
- non-interference in the market,
- awarding of service, supply and loan agreements via competitive tendering.

The Association conducts exclusively the activities set forth in the Stockpiling Acts, defined in detail in the Association's Statutes (hereinafter referred to as "**Statutes**"), and performs all tasks closely related thereto.

The Association's procurements and disposals, including the fulfilment of storage space requirements and the use of other services, are executed in the framework of open or restricted competitive tenders or equivalent procedures. HUSA is not subject to Act CXLIII of 2015 on Public Procurement. In order to secure the optimal price level of procurements and disposals and meet the annual budget estimates, the Association may conclude derivative, forward and option contracts on the commodity exchanges and on the financial markets in case it is necessary and possible.

The Association raises external sources of finance required for its operations from banks and other financial services companies via competitive tendering and strives to attain the most favourable conditions possible. Moreover, HUSA is committed to the optimisation of risks and costs on the financial and capital markets.

On December 19, 2019, the Association was classified into the government sector with the Finance Minister's relevant communiqué released in the Official Bulletin, which entails the obligation of regular data disclosure on the one hand, as well as prescribes the Finance Minister's prior consent to the Association's debt creating transactions on the other hand. The latter, cases requiring prior consent from the Finance Minister, also include

the Association's borrowing activities as a result of the call for tenders published in order to refinance the stock financing loans which reach maturity.

The Association cooperates with the international organisations involved or engaged in the strategic stockpiling of hydrocarbon energy sources, primarily with the competent bodies of the International Energy Agency (IEA) and those of the European Commission. It plays an active role in joint consultations and harmonisation efforts with foreign partner institutions as well as participates in the Annual Coordinating Meeting of Entity Stockholders (ACOMES).

## BUDGET FOR THE YEAR 2023

The primary obligation of the Association is to implement the procurement, disposal, safe storage, quantitative and qualitative preservation and maintenance of the emergency stocks of crude oil, petroleum products and natural gas in compliance with the effective Stockpiling Acts.

In order to fulfil the above requirements, the major duties of the Association for 2023 are as follows:

- Perform the stock replenishment obligation for 2022 stock releases by the statutory deadline of April 1, 2023.
- Define and meet the stockpiling obligation in accordance with the statutory requirements, adjust the volume of stocks to the specified level of the stockpiling obligation.
- Maintain the volume and quality of the stored stocks.
- Guarantee the safe storage of stocks at the lowest possible cost level.
- Elaborate and implement a financing plan on the procurement of funds required to finance stock purchases and to refinance maturing loans.
- Determine the 2023 level of contribution fees by product group in a manner that secures a balanced budget beside the Association's long-term and stable operations.

### 1. Stockpiling obligation

#### 1.1. Oil Section

##### **1.1.1. Replenishment of the stocks released in the course of 2022, fulfilment of the stockpiling obligation**

Throughout 2022, the Government released 155 kt of Diesel stock in order to ensure the uninterrupted domestic fuel supply.<sup>1</sup> Pursuant to the relevant government decree, the Association began to replenish the inventories this year, nonetheless, the replenishment of 115 kt of Diesel is to be completed in the first quarter of 2023. Given that the stocks were sold at the regulated price and the Association can execute the replenishment via competitive tendering at a market price exceeding the regulated price, the revenue from the stock release is not fully sufficient to finance the replenishment. In addition to the higher replenishment price, the Association must temporarily finance the VAT on the volume to be procured, therefore, it must take out a loan of EUR 130 Mn.

Due to the replenishment of the released Diesel inventories, the volume of strategic stocks is to correspond to the volume of 85 stock days in consideration of net imports in 2021. Consequently, the Association must procure an additional volume of 5 stock days so as to meet the stockpiling obligation for the period between July 1, 2022 and June 30, 2023. On account of the current futures prices, HUSA must borrow further EUR 100 Mn to finance the aforementioned purchase.

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<sup>1</sup>Joining the collective stock release of the International Energy Agency in March-May 2022, the Association sold 108 kt of crude oil stock, which entailed no stock replenishment obligation as the stock disposal was implemented from the inventories in excess of the 90 days' stock volume. 29 million litres of Diesel and 18 million litres of gasoline were released by HUSA for OMV Hungária Kft. in June-July 2022. Pursuant to the effective legislation, OMV Hungária Kft. is obliged to replenish the above volumes by the end of 2022. Accordingly, this transaction is irrelevant to the Association's 2023 Budget.

### 1.1.2. Volume of stocks

Pursuant to the Oil Stockpiling Act, in line with the Directive and the regulations of the International Energy Agency, solely mobile stocks, which can be withdrawn from the storage tanks by traditional methods, are authorised as fulfilment of the stockpiling obligation, and

- a) the gross volume of strategic stocks must be reduced by 10% for calculation purposes, whilst
- b) conversions into crude oil equivalent are based on multipliers of 0.96 for crude oil and 1.2 for petroleum products, respectively.

As calculated above, the volume of emergency stocks expressed in crude oil equivalent is expected to make up 1 115.3 kt on January 1, 2023 rising to 1 309.3 kt by March 31, 2023 as a result of the stock replenishments and stock procurements detailed in 1.1.1.

*Table 1*  
*Expected volume of stocks*

	<i>January 1, 2023</i>		<i>March 31, 2023</i>	
	Gross volume (kt)	Net volume (kt of crude oil equivalent)	Gross volume (kt)	Net volume (kt of crude oil equivalent)
Crude oil	447.0	386.2	492.0	425.1
Petroleum products	675.1	729.1	818.7	884.2
<b>Total</b>	<b>1 122.1</b>	<b>1 115.3</b>	<b>1 310.7</b>	<b>1 309.3</b>
Daily average net imports	-	14.49	-	14.49
<b>Number of stock days</b>	-	<b>77</b>	-	<b>90</b>

According to Table 1, the level of the emergency stocks is estimated to account for 90 days' net imports as of April 1, 2023 in consideration of the data on net imports in 2021.

Under Section (3) of Article 3 of the Oil Stockpiling Act, petroleum products must constitute minimum one-third of the strategic stocks. Subsequent to the stock replenishments and stock procurements, the Association is to store 38% of the emergency stocks in crude oil and 62% in petroleum products (motor gasoline, Diesel and kerosene), hence fully satisfying the legal requirements. Within petroleum products, the ratio of motor gasoline to Diesel is 1/3-2/3, which corresponds to the domestic fuel consumption ratios.

### 1.1.3. Expected stockpiling obligation

The global energy crisis, which hit this year, along with the regulated price imposed in the domestic fuel market are to have a serious impact on next year's stockpiling obligation, too. However, at present, the projection of the factors influencing the stockholding obligation, such as the volume of net imports of crude oil and petroleum products, fuel consumption, the volume of naphtha consumption and the changes in inventories carry several uncertainties.

- According to the official figures of the Hungarian Energy and Public Utility Regulatory Authority, in the first seven months of 2022, the net imports of crude oil grew to a remarkable extent due to the embargo on Russian oil imposed by the European Union. Meanwhile, the net imports of petroleum products declined significantly year-on-year thanks to the fuel price cap.
- As a result of the price regulation, fuel consumption increased considerably in the first months of 2022, nevertheless, continuous narrowing in the scope of eligibility to refuel at the regulated price along with the purchase restrictions introduced at the filling-stations led to a substantial drop in consumption.

- The dramatic increase in natural gas prices could trigger a surplus demand in the gas oil and fuel oil markets already this year in the user segment where natural gas can be substituted with oil products.
- Another factor with a remarkable influence on the stockpiling obligation is naphtha consumption, which witnessed a significant decline in the first seven months of the year due to reduced production in the chemical industry as well as ongoing maintenance works in the sector.
- The stockholding obligation is also affected by the changes in commercial stocks. Based on actual data from the first seven months of the year, the stock level of petroleum products is forecast to remain unchanged, whereas the figures indicate a marked growth in the volume of crude oil inventories.

With regard to the number of uncertainty factors described above, for the time being the Association does not anticipate changes to the levels of the strategic crude oil and petroleum product stocks in the course of 2023, apart from the aforementioned stock replenishments and stock procurements.

### **1.1.2. Gas Section**

Decree No. 59/2021 (15/12/2021) of the Ministry for Innovation and Technology on the extent of the emergency natural gas reserve (hereinafter referred to as "**Decree**") effective in the budget planning period, set the mandatory level of the strategic natural gas stock at 12 723 644 MWh (~ 1200 mcm) as of November 1, 2022. The Association has the volume of emergency natural gas stock prescribed by the Decree at its disposal. In its 2023 Budget, HUSA does not project changes to the level of the stockpiling obligation for strategic natural gas stipulated by the Decree.

## 2. Financing plan

In Point b) of Resolution No. 1/2021 (17/12/2021) amended on May 25 as well as on August 5, 2022, the General Meeting of the Association authorised the Directorate to take out loans for stock financing within the maximum limit of EUR 1 015 Mn. The current debt level of the Association corresponds to EUR 1 000 Mn, which remains below the aforementioned limit.

For the rest of the year, the Association does not plan to borrow additional funds or make early repayments, therefore, it calculates with an opening debt level of EUR 1 000 Mn in its 2023 Financing plan.

In 2023, HUSA expects to borrow EUR 230 Mn in the Oil Section, which is equivalent of the additional gross financing needs (including VAT) required for the replenishment of the Diesel stocks released in the course of 2022 and for the fulfilment of the stockholding obligation.

Following the reimbursement of the VAT on the procurement of natural gas in 2022 and Diesel in 2023, HUSA expects to prepay loans of EUR 102 Mn on the interest rollover date in June 2023.

The Association is to publish a call for tenders for the refinancing of the EUR 323.5 Mn credit line reaching maturity at the end of June 2023.<sup>2</sup>

Accordingly, the closing amount of the debt level is expected to total EUR 1 128 Mn at the end of 2023.

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<sup>2</sup>The portion of the current debt level reaching maturity at the end of 2023 corresponds to EUR 323.5 Mn.

### 3. Storage costs, operating expenses and other costs

In 2023, the Association's net expenditures are projected to total HUF 44 628.7 Mn, of which the expenses of the Oil Section are forecast to make up HUF 21 711.9 Mn, whereas the expenditures of the Gas Section are estimated at HUF 22 916.8 Mn.

Expenditures comprise net storage costs and stock maintenance costs (HUF 28 571.2 Mn), net financing costs (HUF 15 127.5 Mn) as well as the Association's operating expenses (HUF 930 Mn) as detailed below.

#### 3.1. Storage and stock maintenance costs

In the **Oil Section**, strategic crude oil and petroleum product inventories are stored within the framework of long-term custody agreements, which continue to secure the availability of stocks throughout 2023. Stock maintenance costs include the expenses of the mandatory stock replacements prescribed by the Oil Stockpiling Act. In 2023, the Association does not plan to execute stock replacements as products subject to stock replenishment in 2023 were sold in the course of 2022 as a result of the stock releases.

In 2023, storage and stock maintenance costs in the Oil Section, including the indexation of storage fees, are projected to total HUF 17 462.8 Mn.

In the **Gas Section**, emergency stocks are held in the framework of a long-term custody agreement concluded with HEXUM Földgáz Zrt., in its underground gas storage facility registered as Szőreg-1. Pursuant to the custody agreement, the custody fee remains unchanged for 2023, with storage fees expected to total HUF 11 196.0 Mn as in the previous year.

Proceeds from the secondary disposal of interruptible injection and withdrawal capacities booked in the gas storage facility are forecast to make up HUF 87.6 Mn.<sup>3</sup>

Total net storage and stock maintenance costs (less revenues) in the two Sections are estimated at HUF 28 571.2 Mn.

#### 3.2. Financing costs

In 2023, the financing costs of the **Oil Section** are anticipated to total HUF 3 995.9 Mn. Interest revenues derived from the fixed term deposits of the temporary surplus of liquid assets are estimated at HUF 211.8 Mn, hence bringing the net financing costs (less revenues) of the Oil Section to HUF 3 784.1 Mn.

In the **Gas Section**, interest costs are expected to add up to HUF 11 383.4 Mn in 2023. Interest revenues from the fixed term deposits of the temporary surplus of liquid assets are forecast to reach HUF 40 Mn, accordingly, net financing costs (less revenues) in the Gas Section correspond to HUF 11 343.4 Mn.

Net financing costs in the two Sections are expected to add up to HUF 15 127.5 Mn in 2023.

#### 3.3. Operating expenses

In 2023, the Association's allocated budget for operating expenses is equivalent of HUF 930 Mn in contrast with the sum of HUF 750 Mn approved in the 2022 Budget.

Material costs are to increase by HUF 10 Mn, which is attributable to the rise in utility costs. Personnel expenses are to grow by HUF 130 Mn due to the allocated salary increment of 10 % and the representation expenses of the

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<sup>3</sup> Calculated with the annual average EUR/HUF exchange rate projected for 2023.

event planned for the 30<sup>th</sup> anniversary of the Association. The projected value of services used is up by HUF 32 Mn as service providers are expected to pass on the inflationary impact to customers in their service fees. In terms of other costs comprising fundamentally banking fees and insurance premiums, the Association forecasts an increase of HUF 3 Mn. In 2023, the planned value of other expenditures corresponds to the sum approved in the 2022 Budget. The amount of HUF 25 Mn indicated under procurement and disposal of tangible assets is appropriated for the further development of the Member Registration Information Technology System (TIR) on the one hand, as well as for the information technology transformations necessitated by the organisational changes of the recent years and for the replacement of outdated hardware devices on the other hand.

*Table 2*  
*Major elements of operating expenses (HUF Mn)*

	<b>2022 plan</b>	<b>2023 plan</b>
Material and material type costs	3.0	13.0
Personnel expenses	450.0	580.0
Services used	270.0	302.0
Other costs	6.0	9.0
Other expenditures	1.0	1.0
Procurement and disposal of tangible assets	20.0	25.0
<b>Total</b>	<b>750.0</b>	<b>930.0</b>

#### 4. Revenues, level of contribution fees

In the forecast of funding needs, the primary objectives were to secure a balanced budget for 2023 as well as ensure the Association's stable operations. In view of the current economic trends (Russo-Ukrainian war, rising interest rate context, volatile exchange rates, recession fears), the Association's 2023 budget plan was compiled with a higher projected budget balance instead of the "+0 budget philosophy".

In the Oil Section, the Association's contribution fee revenues are determined by the projected volume of annual fuel consumption in 2023. Meanwhile, in the Gas Section, contribution fee revenues depend on the estimated level of annual natural gas consumption in 2023.

##### 4.1 Oil Section

In the 2023 Budget, in terms of fuel consumption serving as the basis for contribution fee revenues, the budget working committee approved the forecast of 5 243 kt (6.467 billion litres<sub>15</sub>) in total, of which Diesel consumption corresponds to 3 843 kt (4.575 billion litres<sub>15</sub>), with gasoline consumption amounting to 1 400 kt (1.892 billion litres<sub>15</sub>).

According to industry players' estimates, air traffic continues to recover from the COVID-19 pandemic, with further growth in kerosene consumption throughout 2023. The ratio of fuel oil within the total fuel consumption is negligible as this product category is predicted to witness stagnation. The annual consumption of JET-A1 is expected to account for 270 kt (342 million litres<sub>15</sub>), whereas on the fuel oil market annual consumption is anticipated to total 2 kt in 2023.

##### 4.2 Gas Section

Two factors must be taken into consideration for the projection of contribution fee revenues in the Gas Section. Firstly, member companies of the Association are entitled to reclaim contribution fee payments on household consumption<sup>4</sup>. Secondly, the majority of actual natural gas consumption figures only appear in the contribution fee declarations with a delay of two to three months as natural gas sales are declared upon the fulfilment dates of VAT payments.

In the Gas Section, based on analyses by industry players and experts, annual natural gas consumption is predicted to total 89.04 million MWh (8.4 bcm<sup>5</sup>) in 2023. Natural gas consumption less 33.92 MWh (3.2 bcm) household consumption anticipated by the budget working committee, which serves as the basis for net contribution fee revenues, is estimated at 55.12 million MWh (5.2 bcm).

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<sup>4</sup> Pursuant to Section (8) of Article 8 of the Gas Stockpiling Act, universal service providers are eligible to reclaim contribution fee payments on household natural gas consumption as of 2013.

<sup>5</sup> For conversions from million MWh into bcm, the conversion rate of 10.6 was applied.

#### **4.3 Level of unit contribution fees**

In line with the decision made by the General Meeting of the Association, the level of contribution fees in the two Sections are established so that the Association's stockpiling costs (storage, stock maintenance and financing costs), operating expenses and other costs estimated for the given year are covered from contribution fee revenues derived in the same year, simultaneously creating a higher budget reserve with regard to the significant risks on the expenditure side and the extraordinary uncertainty around the factors impacting consumption.

With consumption projected to stagnate and decline in 2023, revenues calculated with the unchanged level of the 2022 contribution fees will not ensure coverage for the increased expenditures of either Section in 2023. As a consequence, the level of unit contribution fees must be raised in both Sections as of January 1, 2023.

In the **Oil Section**, the level of contribution fees for gasoline and Diesel is modified to HUF 4/litre<sub>15</sub>, whereas in terms of kerosene and fuel oil it is increased to HUF 3/litre<sub>15</sub>. Budgeted with the aforementioned rates, gross revenues for 2023 total HUF 26 900.4 Mn, less the projected sum of contribution fee reclaims by member companies (HUF 44.5 Mn) equals to net revenues of HUF 26 855.9 Mn.

In the **Gas Section**, the level of the unit contribution fee is raised from the currently effective HUF 179.95 MWh (HUF 1.91/ m<sup>3</sup>) to HUF 471.7/ MWh (HUF 5.00/m<sup>3</sup>). Gross revenues calculated with the above rate correspond to HUF 39 095.2 Mn. Reduced with the projected refunds on household consumption in the sum of HUF 14 875.1 Mn, they result in net revenues of HUF 24 220.1 Mn.

In 2023, the Association's net contribution fee revenues from the two Sections total HUF 51 076.0 Mn.

Table 3

Unit contribution fees effective as of January 1, 2023

Product group	CN code	Contribution fees		
		up to 31/12/2022	as of 01/01/2023	
Gasoline type fuels	2710 12 31	1 990	4 000	HUF / 1000 litres <sub>15</sub>
	2710 12 41			
	2710 12 45			
	2710 12 49			
	2710 12 50			
	2710 12 70			
Kerosene	2710 19 21	2 232	3 000	HUF / 1000 litres <sub>15</sub>
Gas oil	2710 19 43	1 864	4 000	HUF / 1000 litres <sub>15</sub>
	2710 19 46			
	2710 19 47			
	2710 19 48			
	2710 20 11			
	2710 20 16			
	2710 20 19			
Fuel oil	2710 19 62	2 303	3 000	HUF / ton
	2710 19 66			
	2710 19 67			
	2710 20 32			
	2710 20 38			
Natural gas	2711	179.95	471.70	HUF / MWh

In consideration of the above, the 2023 Budget comprises HUF 5 144.0 Mn budget reserve in the Oil Section and HUF 1 303.3 Mn in the Gas Section, which adds up to HUF 6 447.3 Mn.

## 5. Budget implementation: risks and considerations

The annual budget was compiled based on the information available in the budgeting period (October 2022). The assumptions taken into consideration contain the parameters applied by oil and gas companies, defined in the budget working committee, as well as forecasts of the National Bank of Hungary and the financing banks, accordingly, they also carry inherent uncertainty.

In the cost structure of the budget, storage fees account for the major part. Financing costs, essentially determined by the debt level, the interest rate context, the average interest premiums and the EUR/HUF exchange rate, constitute the second largest proportion. The third part is composed of operating expenses.

The cost structures of the 2022 and 2023 Budgets are indicated in the table below:

Table 4

Cost structure of HUSA

	2022	2023
Storage fees, stock maintenance costs	94%	64%
Financing costs	3%	34%
Operating expenses, asset procurements	3%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The major budgetary risks are posed by the three-month EURIBOR rate, the EUR/HUF exchange rate and the divergence in the fuel and natural gas consumption from the projections. The impact of the changes in the above factors on the evolution of the budget is demonstrated in the following table.

Table 5

Sensitivity analysis

Changes in input parameters	Changes in budget result (HUF Mn)
3-month EURIBOR rate +/-10 bps	-/+ 485.9
EUR/HUF exchange rate +/-10	-/+ 366.2
Fuel consumption +/-1 million litres	+/- 400.0
Natural gas consumption +/- 100 mcm	+/- 500.0

The Association's planned budget reserve for 2023 also provides adequate coverage in the event of adverse developments in the above factors.

Budapest, November 15, 2022

## **LIST OF APPENDIXES**

1. Oil and gas inventory plan 2023
2. Projected level of stock financing loans for 2023
3. HUSA participations in affiliated companies
4. Planning assumptions
5. Summary tables of the 2023 Budget

## Inventory Plan

2023

### Oil Section

	Gross opening stocks (01/01/2023)(kt)	Change within the year (kt)	Closing stocks (31/12/2023)		
			Gross stocks (kt)	Net stocks (kt)	Net stocks (ktoe)
Crude oil	447.0	45.0	492.0	442.8	425.1
Petroleum products	670.1	148.6	818.7	736.8	884.2
<i>Gasoline</i>	268.6	0.0	268.6	241.7	290.0
<i>Gas oil</i>	399.5	148.6	548.1	493.3	592.0
<i>Kerosene</i>	2.0	0.0	2.0	1.8	2.2
<b>Total</b>	<b>1 117.1</b>	<b>193.6</b>	<b>1 310.7</b>	<b>1 179.6</b>	<b>1 309.3</b>

### Gas Section

	Opening stock (01/01/2023)	Change within the year (stock disposal)	Change within the year (stock procurement)	Closing stock (31/12/2023)
Natural gas (kWh)	12 723 644 000	0	0	12 723 644 000

**PROJECTED LEVEL OF STOCK FINANCING LOANS FOR 2023**

<b>Values and items</b>	<b>Loans EUR Mn</b>	<b>Loans HUF Mn</b>
Opening value on 01/01/2023	<b>1 000.0</b>	420 000
New borrowing for stock procurements	230.0	96 600
Prepayment of loans from VAT refunds	-102.0	-42 840
Loans reaching maturity on 30/06/2023	-323.5	-135 870
Refinancing of loans reaching maturity	323.5	135 870
<b>Closing value on 31/12/2023</b>	<b>1 128.0</b>	473 760

## HUSA Participations in Affiliated Companies

*Expected for January 1, 2023*

<b>Company name</b>	<b>HUSA participation (%)</b>	<b>Investment value (HUF Mn)</b>
HEXUM Holding Zrt.	100.0	58 920
Terméktároló Zrt.	25.9	8
<b>Total</b>		<b>58 928</b>

## Planning Assumptions

### for the 2023 Budget

	Period	Unit	Value
Gas oil consumption <sup>1</sup>	2023	million litres <sub>15</sub>	4 575
		kt	3 843
Gasoline consumption <sup>1</sup>	2023	million litres <sub>15</sub>	1 892
		kt	1 400
Fuel oil consumption <sup>1</sup>	2023	million litres <sub>15</sub>	-
		kt	2
JET-A1 - consumption <sup>1</sup>	2023	million litres <sub>15</sub>	342
		kt	270
Natural gas consumption <sup>1</sup>	2023	bcm	5.2
		thous MWh	55 120
EUR/HUF exchange rate	Annual average for 2023	HUF	420
EUR/HUF exchange rate	Closing rate for 2023	HUF	420
USD/HUF exchange rate	Annual average for 2023	HUF	420
1-month EURIBOR rate	Annual average for 2023	%	2.3
3-month EURIBOR rate	Annual average for 2023	%	2.5
1-month BUBOR rate	Annual average for 2023	%	12.5
Consumer price index <sup>2</sup>	2022	%	114
Producer price index <sup>2</sup>	2022	%	135
Quoted price of gasoline (FOB Rott Prem Unl)	2023	USD/t	950
Quoted price of gas oil (FOB Rott Diesel 10ppm)	Q1 2023	USD/t	980
	Q2 2023	USD/t	910
	2023	USD/t	900
Quoted price of Brent dtd	Q1 2023	USD/bbl	90
	Q2 2023	USD/bbl	86
	2023	USD/bbl	84

<sup>1</sup> Consumption subject to contribution fee payment pursuant to the Stockpiling Acts

<sup>2</sup> Indicators required for the indexation of custody fees

**BUDGET SUMMARY 2023**

**OIL SECTION**

data: HUF Mn

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Gross contribution fee revenues	MHUF	1 893.1	1 929.0	2 175.8	2 152.3	2 302.0	2 318.1	2 500.5	2 435.2	2 385.5	2 520.6	2 261.6	2 026.7	26 900.4
Contribution fee refunds	MHUF	-3.1	-3.2	-3.6	-3.6	-3.8	-3.8	-4.2	-4.0	-4.0	-4.2	-3.7	-3.3	-44.5
<b>NET CONTRIBUTION FEE REVENUES</b>	<b>MHUF</b>	<b>1 890.0</b>	<b>1 925.8</b>	<b>2 172.2</b>	<b>2 148.7</b>	<b>2 298.2</b>	<b>2 314.3</b>	<b>2 496.3</b>	<b>2 431.2</b>	<b>2 381.5</b>	<b>2 516.4</b>	<b>2 257.9</b>	<b>2 023.4</b>	<b>26 855.9</b>
Storage and stock maintenance costs	MHUF	-1 483.0	-1 340.2	-1 483.0	-1 435.4	-1 483.0	-1 435.4	-1 483.0	-1 483.0	-1 435.4	-1 483.0	-1 435.4	-1 483.0	-17462.8
Interest due, other costs	MHUF	0.0	0.0	-813.6	0.0	0.0	-1 140.1	0.0	0.0	-1 050.9	0.0	0.0	-991.2	-3 995.9
Income from capacity disposal	MHUF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest received	MHUF	4.2	4.2	4.2	4.2	4.2	4.2	19.9	27.5	26.4	34.7	41.2	37.1	211.8
<b>NET STOCKPILING COSTS</b>	<b>MHUF</b>	<b>-1 478.8</b>	<b>-1 336.0</b>	<b>-2 292.5</b>	<b>-1 431.2</b>	<b>-1 478.8</b>	<b>-2 571.4</b>	<b>-1 463.1</b>	<b>-1 455.5</b>	<b>-2 460.0</b>	<b>-1 448.3</b>	<b>-1 394.2</b>	<b>-2 437.1</b>	<b>-21 246.9</b>
<b>OPERATING EXPENSES OF HUSA</b>	<b>MHUF</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-465.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>MHUF</b>	<b>-1 517.6</b>	<b>-1 374.8</b>	<b>-2 331.2</b>	<b>-1 470.0</b>	<b>-1 517.6</b>	<b>-2 610.1</b>	<b>-1 501.8</b>	<b>-1 494.2</b>	<b>-2 498.7</b>	<b>-1 487.1</b>	<b>-1 432.9</b>	<b>-2 475.8</b>	<b>-21 711.9</b>
<b>BUDGET RESULT</b>	<b>MHUF</b>	<b>372.4</b>	<b>551.0</b>	<b>-159.0</b>	<b>678.7</b>	<b>780.6</b>	<b>-295.8</b>	<b>994.5</b>	<b>937.0</b>	<b>-117.2</b>	<b>1 029.3</b>	<b>825.0</b>	<b>-452.4</b>	<b>5 144.0</b>

**BUDGET SUMMARY 2023**  
**GAS SECTION**

data: HUF Mn

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Gross contribution fee revenues	MHUF	2 834.1	3 287.2	4 761.1	4 201.8	3 867.2	2 806.8	2 509.0	2 461.2	2 223.6	2 450.2	3 389.2	4 303.8	39 095.2
Contribution fee refunds	MHUF	-1 048.5	-1 355.9	-1 896.3	-1 630.4	-1 558.4	-992.0	-894.4	-916.8	-835.2	-830.4	-1 283.2	-1 633.6	-14 875.1
<b>NET CONTRIBUTION FEE REVENUES</b>	<b>MHUF</b>	<b>1 785.6</b>	<b>1 931.3</b>	<b>2 864.8</b>	<b>2 571.4</b>	<b>2 308.8</b>	<b>1 814.8</b>	<b>1 614.6</b>	<b>1 544.4</b>	<b>1 388.4</b>	<b>1 619.8</b>	<b>2 106.0</b>	<b>2 670.2</b>	<b>24 220.1</b>
Storage and stock maintenance costs	MHUF	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-933.0	-11 196.0
Interest due, other costs	MHUF	0.0	0.0	-2 892.1	0.0	0.0	-2 809.8	0.0	0.0	-2 840.7	0.0	0.0	-2 840.7	-11 383.4
Income from capacity disposal	MHUF	19.6	19.6	19.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	87.6
Interest received	MHUF	2.1	2.1	2.1	2.1	2.1	2.1	2.1	3.1	4.1	5.1	6.1	7.1	40.0
<b>NET STOCKPILING COSTS</b>	<b>MHUF</b>	<b>-911.3</b>	<b>-911.3</b>	<b>-3 803.4</b>	<b>-927.7</b>	<b>-927.7</b>	<b>-3 737.6</b>	<b>-927.7</b>	<b>-926.7</b>	<b>-3 766.4</b>	<b>-924.7</b>	<b>-923.7</b>	<b>-3 763.4</b>	<b>-22 451.8</b>
<b>OPERATING EXPENSES OF HUSA</b>	<b>MHUF</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-38.8</b>	<b>-465.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>MHUF</b>	<b>-950.1</b>	<b>-950.1</b>	<b>-3 842.1</b>	<b>-966.5</b>	<b>-966.5</b>	<b>-3 776.3</b>	<b>-966.5</b>	<b>-965.5</b>	<b>-3 805.2</b>	<b>-963.5</b>	<b>-962.5</b>	<b>-3 802.2</b>	<b>-22 916.8</b>
<b>BUDGET RESULT</b>	<b>MHUF</b>	<b>835.5</b>	<b>981.2</b>	<b>-977.3</b>	<b>1 604.9</b>	<b>1 342.3</b>	<b>-1 961.5</b>	<b>648.1</b>	<b>578.9</b>	<b>-2 416.8</b>	<b>656.3</b>	<b>1 143.5</b>	<b>-1 132.0</b>	<b>1 303.3</b>

**BUDGET SUMMARY 2023**

data: HUF Mn

	<b>CRUDE OIL</b>	<b>NATURAL GAS</b>	<b>TOTAL</b>
Gross contribution fee revenues	26 900.4	39 095.2	65 995.6
Contribution fee refunds	-44.5	-14 875.1	-14 919.6
<b>NET CONTRIBUTION FEE REVENUES</b>	<b>26 855.9</b>	<b>24 220.1</b>	<b>51 076.0</b>
Storage and stock maintenance costs	-17 462.8	-11 196.0	-28 658.8
Interest due, other costs	-3 995.9	-11 383.4	-15 379.3
Income from capacity disposal	0.0	87.6	87.6
Interest received	211.8	40.0	251.8
<b>NET STOCKPILING COSTS</b>	<b>-21 246.9</b>	<b>-22 451.8</b>	<b>-43 698.7</b>
<b>OPERATING EXPENSES OF HUSA</b>	<b>-465.0</b>	<b>-465.0</b>	<b>-930.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>-21 711.9</b>	<b>-22 916.8</b>	<b>-44 628.7</b>
<b>BUDGET RESULT</b>	<b>5 144.0</b>	<b>1 303.3</b>	<b>6 447.3</b>