

# HUNGARIAN HYDROCARBON STOCKPILING ASSOCIATION

## BUDGET FOR THE YEAR 2021

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

Approved by: Board of Directors, HUSA, November 18, 2020

General Meeting, HUSA, December 18, 2020

## BUSINESS POLICY OF THE HUNGARIAN HYDROCARBON STOCKPILING ASSOCIATION

The Hungarian Hydrocarbon Stockpiling Association (hereinafter referred to as “**Association**” or “**HUSA**”) strives 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**”, together also referred to as “**Stockpiling Acts**”) exercising the rights granted by the aforementioned acts.

As regards the above obligations, the major tasks of the Association are as follows:

- definition of the stockpiling obligation,
- adjustment of the 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 companies owned by 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. Fundamentally, principals on stock financing loans and other external sources are reimbursed only when stocks are sold or external sources are refinanced. Meanwhile, the Association continuously seeks to reduce its debt level with early repayments, thus improving the coverage of its loans. The Association funds its operations from own proceeds, as contribution fee revenues and income from other sources 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 as well as the operating expenses of the Association’s work organisation. The Association constantly endeavours to perform the above duties in a cost-efficient manner, in addition to optimising storage, financing and operating costs as well as contribution fee revenues.

The Association pursues its operations in line with 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 out 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. The Association 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 exchange 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 seeks to attain the most favourable conditions possible. Furthermore, the Association is committed to the optimisation of risks and costs on the financial and capital markets.

As of December 19, 2019, the Association was classified into the government sector with the release of the Finance Minister’s relevant communiqué 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,

include the Association's borrowing as a result of the call for tenders published to refinance maturing stock financing loans.

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 and participates in the Annual Coordinating Meeting of Entity Stockholders (ACOMES).

## BUDGET FOR THE YEAR 2021

The primary obligation of the Association is to execute 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 legislation.

In order to fulfil the aforementioned requirements, the main responsibilities of the Association for 2021 are as follows:

- Define and meet the stockpiling obligation for 2021 in line with the statutory requirements, adjust the volume of stocks to the specified level of stockpiling obligation.
- Ensure the mandatory stock replacements prescribed by the relevant provision of law, carry out the stock replacements postponed in 2020, provide the qualitative and quantitative maintenance of the 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 for the refinancing of maturing loans. Improve the coverage of the debt level.
- Determine the 2021 level of contribution fees by product group in a manner that secures a balanced budget as well as the Association's long-term and stable operations.

### 1. Stockpiling Obligation

#### 1.1. Oil Section

##### 1.1.1. *Expected Stockpiling Obligation for Crude Oil and Petroleum Products in 2021*

Under the effective Oil Stockpiling Act, the final deadline for determining the 90 days' stockpiling obligation for crude oil and petroleum products for 2021 is March 31, 2021. Nevertheless, in order to put forward a well-founded budget, it is necessary to forecast the expected stockpiling obligation at present as well as anticipate whether the volume of available strategic stocks is to meet the minimum stock level stipulated by the legislation in force.

The projection of the stockpiling obligation carries an extraordinary level of uncertainty due to the economic impacts of the coronavirus (COVID-19). The stockpiling obligation was estimated based on available data on net imports and domestic fuel consumption recorded in the first seven months of 2020 with the assumption that the rest of the year will not witness an oil market recovery, either. Pursuant to the amendment of the Oil Stockpiling Act, which entered into force on December 20, 2019, a choice is provided in the calculation of the stockpiling obligation as to reduce the quantity of imported refinery feedstocks by 4%, by the average value of the domestic naphtha yield or by the actual volume of domestic naphtha consumption. Under point 2.3. of Annex 1 to the Oil Stockpiling Act, the decision pertains to the competence of the Association's Board of Directors. In compliance with the decision of the Board of Directors, the actual volume of domestic naphtha consumption, entailing the lowest level of obligation, is applied for the definition of the stockpiling obligation. On the basis thereof, the level of stockpiling obligation is expected to equal to 1 134 ktoe for the period between April 1, 2021 and March 31, 2022.

The stockpiling obligation for 2021 estimated accordingly is demonstrated in Table 1 below.

*Table 1*  
*Estimated Stockpiling Obligation for 2021*

2020	Volume (kt of crude oil equivalent)
Annual net imports	4 608.0
Daily net imports	12.6
<b>90 days' net imports</b>	<b>1 134.0</b>

### 1.1.2. Volume of Stocks

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

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

As a result of the above calculation, the volume of emergency stocks expressed in crude oil equivalent is projected to account for 1 355.5 kt by January 1, 2021.

*Table 2*  
*Expected Volume of Stocks on January 1, 2021*

	Gross stocks (kt)	Net stocks (kt of crude oil equivalent)
Crude oil	589.5	509.3
Petroleum products	783.5	846.2
<b>Total</b>	<b>1 373.0</b>	<b>1 355.5</b>

According to Table 2, the opening level of stocks in 2021 is anticipated to be equivalent of 107 days' net imports ( $1\,355.5/12.62 = 107$ ) for the stockpiling period between April 1, 2021 and March 31, 2022. Based on the decision of the Board of Directors<sup>1</sup> in consideration of the uncertainties attributable to the future economic impacts of the COVID-19 pandemic, for the present the Association plans with the currently existing, unchanged volume of strategic stocks in its 2021 Budget. Pursuant to Section (3) of Article 3 of the Oil Stockpiling Act, petroleum products must constitute at least one-third of the emergency stocks. The Association creates 43% of the strategic stocks in crude oil and 57% in petroleum products (motor gasoline and gas oil), thus fully meeting its legal

<sup>1</sup> Point b) of Decision No 6/2020 (30/09/2020) of the Board of Directors stipulates: "The Board of Directors requests the Directorate to inform the Board of Directors in the second half of 2021 about the potential opportunities to reduce the volume of strategic crude oil and petroleum product stocks in view of first half 2021 data, taking into account the proportion of emergency crude oil and petroleum product stocks."

obligation. The ratio of motor gasoline to gas oil within petroleum products is 1/3-2/3, which corresponds to the domestic fuel consumption rates.

The amendment of the Oil Stockpiling Act, which took effect on January 1, 2020, created the possibility of kerosene stockpiling, hence the range of stockpiled products was extended with kerosene and the opportunity to reclaim contribution fee payments on kerosene was eliminated. Taking into account that the available volume of strategic stocks of crude oil and petroleum products is expected to significantly exceed the stockpiling obligation, in 2021 the Association plans to procure 2 kt of kerosene stock to the extent of available storage capacity, simultaneously selling the same volume of crude oil (2.5 kt) calculated in ktOE equivalent. Consequently, the volume of emergency stocks of crude oil and petroleum products expressed in ktOE equivalent is to remain unchanged, while the proceeds from crude oil disposal provide coverage for the procurement of the kerosene stock.

## 1.2. Gas Section

Decree No 13/2015 (31/03/2015) of the Ministry of National Development 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 strategic natural gas stock at 15 374 000 MWh (~1 450 mcm) as of August 1, 2019. The Association has the volume of emergency natural gas stock prescribed by the Decree at its disposal. In its 2021 Budget, HUSA does not anticipate changes to the level of the stockpiling obligation for strategic natural gas specified by the Decree.

## 2. Financing Plan

In Point 3 of Decision No 3/2019 (13/12/2019), the General Meeting of the Association authorised the Directorate to take out loans for stock financing within the limit of maximum EUR 528 Mn (hereinafter referred to as “EUR”), to which the Association’s current debt level corresponds.

The Association expects the opening value of its debt level in 2021 to decrease to EUR 511.0 Mn if in December 2020 the General Meeting of HUSA decides on utilising the Association’s 2019 budget reserve<sup>2</sup> of EUR 17.0 Mn for the prepayment of the Association’s existing loans on the next rollover date of December 31, 2020.

In 2021, the Association does not require additional borrowing, as in line with Chapter 1, which presents the fulfilment of the stockpiling obligation in detail, HUSA does not intend to execute stock procurements funded from external sources in either Section.

For the refinancing of the EUR 209 Mn credit line reaching maturity at the end of June 2021, the Association is to publish a call for tenders.

In June 2021, the debt level may reduce in case the Association utilises the amount of the 2020 budget reserve for the early repayment of its loans. According to currently available data, this sum corresponds to ~EUR 32.5 Mn, however, experience from previous years proves that these figures are marked by considerable uncertainty. In light of factual data, the General Meeting is to decide on the utilisation of the above mentioned amounts upon approval of the 2020 Annual Report in May 2021. Upon the compilation of the Financing plan, we assumed the General Meeting’s approval to allocate the 2020 budget reserve for the prepayment of loans, which is projected to result in a closing debt level of EUR 478.5 Mn<sup>3</sup> by the end of 2021.

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<sup>2</sup> The 2019 budget reserve of the Oil Section is HUF 3 641.8 Mn, whereas the 2019 budget reserve of the Gas Section corresponds to HUF 2 536.3 Mn.

<sup>3</sup> The sum of HUF 7 Bn (which equals to approximately EUR 19 Mn depending on the exchange rate) appropriated under a separate heading in the 2021 Budget plan can be used for early loan repayment on the rollover date of the first quarter at the earliest, that is, March 31, 2022, as contribution fee revenues for 2021 are to flow in at the end of January 2022. However,

### 3. Storage Costs, Operating Expenses and Other Costs

In 2021, the Association's net expenditures are budgeted to total HUF 30 696.7 Mn, of which the expenses of the Oil Section are anticipated to make up HUF 16 296.2 Mn, whereas the expenses of the Gas Section are forecasted to reach HUF 14 400.5 Mn.

Expenditures include net storage and stock maintenance costs (HUF 28 310.3 Mn), net financing costs (HUF 1 691.4 Mn) and the Association's operating expenses (HUF 695 Mn) explained in detail below.

#### 3.1. Storage and Stock Maintenance Costs

In the Oil Section, emergency crude oil and petroleum product stocks are stored within the framework of long-term custody agreements, which also guarantee the safe storage of stocks throughout 2021. As of January 2021, in order to optimise the placement of stocks, reduce the expenses of stock replacements and conduct tank revisions flawlessly, the Association is to utilise the new 20 tcm storage capacity to be handed over at the Vámosgyörk storage facility of HEXUM Tartálpark Plc. In the course of 2020, the replacement of a significant volume of stocks was postponed, the expenses thereof burdening the 2021 Budget. As a consequence, the storage and stock maintenance costs of the Oil Section, comprising the indexation of storage fees apart from the above items, are expected to total HUF 15 399.5 Mn in 2021.

In the Gas Section, strategic stocks are stored in the framework of custody agreements, relating to altogether 1 450 mcm natural gas, concluded with MMBF Natural Gas Storage Plc (hereinafter referred to as "MMBF"), in the Szőreg-1 underground gas storage facility of MMBF. Thanks to the considerable discount in storage fees obtained in spring 2020, the Association estimates the storage costs of the emergency natural gas reserve to account for HUF 13 117.2 Mn in 2021.

From the secondary disposal of interruptible injection and withdrawal capacities booked in the gas storage facility, the Association predicts proceeds of HUF 206.4 Mn<sup>4</sup>.

Total net storage and stock maintenance costs (less revenues) in the two Sections are budgeted to HUF 28 310.3 Mn.

#### 3.2. Financing Costs

In 2021, the financing costs of the Oil Section are forecasted to add up to HUF 556.2 Mn. Interest revenues derived from the fixed term deposits of the temporary surplus of liquid assets are budgeted to make up HUF 7 Mn, thus bringing the net financing costs (less revenues) of the Oil Section to HUF 549.2 Mn.

In the Gas Section, interest costs are expected to total HUF 1 150.2 Mn in 2021. Interest revenues from the fixed term deposits of the temporary surplus of liquid assets are estimated to account for HUF 8 Mn, hence net financing costs (less revenues) in the Gas Section equal to HUF 1 142.2 Mn.

In 2021, net financing costs in the two Sections are projected to total HUF 1 691.4 Mn.

#### 3.3. Operating Expenses

In 2021, the Association's allocated budget for operating expenses is HUF 695 Mn, which corresponds to the amount approved in the amended 2020 Budget.

The structure of costs, which is significantly modified compared to the previous year's budget, reflects the restructuring of the Association. Personnel expenses are lower owing to the outsourcing of financial, procurement

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this amount is to form part of the 2022 Financing plan, therefore it is solely indicated as supplementary information in the present document.

<sup>4</sup> Calculated with the annual average EUR/HUF exchange rate projected for 2021.

and human resources tasks, whereas the value of services used rose simultaneously. In 2021, the Association plans the further development of the Member Registration Information Technology System (TIR) as well as the renewal of its information technology assets, the expenses thereof appear under the heading "Procurement and disposal of tangible assets".

Operating expenses continue to account for approximately 2% of total costs.

*Table 3*  
*Major Elements of Operating Expenses (HUF Mn)*

	2020	2021
	plan	plan
Material and material type costs	5.5	8.0
Personnel expenses	450.0	415.0
Services used	220.5	250.0
Other costs	8.0	6.0
Other expenditures	1.0	1.0
Procurement and disposal of tangible assets	10.0	15.0
<b>Total</b>	<b>695.0</b>	<b>695.0</b>

#### 4. Revenues, Level of Contribution Fees

In the projection of funding needs, the primary objectives were to secure a balanced budget for 2021 as well as ensure the Association's long-term and stable operations.

In compliance with the budgetary amendments introduced as of 2018, the budget reserves of the previous year and the dividend income of the current year are utilised to make early loan repayments. Accordingly, the Association's net contribution fee revenues must provide coverage for net stockpiling costs (storage and financing costs) as well as operating expenses.

Therefore, a total coverage of HUF 16 296.2 Mn is required for net expenditures in the Oil Section and HUF 14 400.5 Mn in the Gas Section, respectively.

In the Oil Section, the Association's contribution fee revenues are determined by the forecasted volume of annual fuel consumption in 2021. Meanwhile, in the Gas Section, contribution fee revenues depend on the estimated level of annual gas consumption in 2021.

##### 4.1 Oil Section

In the 2021 Budget, in terms of fuel consumption, which serves as a basis for contribution fee revenues, the budget working committee consented the forecast of 4 530 kt (5.584 billion litres<sub>15</sub>) in total, of which gas oil consumption constitutes 3 340 kt (3.976 billion litres<sub>15</sub>) with gasoline consumption accounting for 1 190 kt (1.608 billion litres<sub>15</sub>).

As for petroleum products, kerosene and fuel oil consumption were the most adversely affected by the COVID-19 pandemic. Industry players do not predict fast recovery in demand in the course of 2021. On the fuel oil market, annual consumption is estimated to total 2 kt, whereas the annual consumption of JET A1 is anticipated to amount to 110 kt (139 million litres<sub>15</sub>) in 2021.



## 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>5</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 expected to total 102.8 million MWh (9.7 bcm<sup>6</sup>) in 2021. The effect of the COVID-19 pandemic on the natural gas market is subject to heightened levels of uncertainty as the economic consequences of the restrictions imposed in response to the pandemic reached Hungary at the end of the heating period in March 2020. According to the expectations of market players, the proportion of household natural gas consumption within the total consumption may increase due to changes in consumer habits triggered by the pandemic.

Natural gas consumption less 39.2 million MWh (3.7 bcm) household consumption projected by the budget working committee, which serves as a basis for net contribution fee revenues, is estimated to account for 63.6 million MWh (6.0 bcm).

## 4.3 Level of Unit Contribution Fees

As of 2018, the Association's major objective is to revamp its finances as well as maintain a stable budget position in consideration of risk factors in order to ensure predictable operations and level of contribution fees in the long term, meanwhile gradually improving the coverage of its loans with prepayments. Accordingly, the level of contribution fees in both Sections is established in order that the Association's stockpiling costs (storage, stock maintenance and financing costs) and operating expenses budgeted for the given year are covered from contribution fees derived in the same year.

In the two Sections, expenditures in 2021 are to be covered from proceeds calculated on the basis of the 2021 consumption forecasts beside the level of contribution fees unchanged, which enable the Association to prepay loans of HUF 7 Bn with the budget reserve providing adequate financing stability and liquidity. Therefore, the effective level of unit contribution fees by product group is not modified in either Section.

In 2021, gross contribution fee revenues in the Oil Section, budgeted with the consumption figures indicated in 4.1 and the level of contribution fees unchanged, are projected to total HUF 22 418.9 Mn. Reduced with estimated recoveries by member companies (HUF 30.7 Mn), they correspond to net contribution fee revenues of HUF 22 388.2 Mn.

In the Gas Section, total gross revenues calculated with the consumption data forecasted for 2021 and the currently effective level of contribution fee make up HUF 26 432.1 Mn. Reduced with estimated refunds on household consumption in the sum of HUF 10 082.4 Mn, they result in net revenues of HUF 16 349.7 Mn.

In 2021, the Association's net contribution fee revenues from the two Sections are expected to total HUF 38 737.9 Mn.

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<sup>5</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>6</sup> For conversions from MWh into bcm, the conversion rate of 10.6 was applied based on the average calorific value of 34.5 as well as the conversion factor of 3.2494 effective for the 2H quality natural gas group in accordance with the Order of Natural Gas Quality Accounting at the Entry and Exit Points of the Natural Gas Transmission System for the gas year 2019/2020.

Table 4  
Unit Contribution Fees Effective as of January, 1, 2021

Product group	CN code	Contribution fees		
		up to 31/12/2020	as of 01/01/2021	
Gasoline type fuel	2710 12 31	4 145	4 145	HUF / 1000 litre <sub>15</sub>
	2710 12 41			
	2710 12 45			
	2710 12 49			
	2710 12 51			
	2710 12 59			
	2710 12 70			
Kerosene	2710 19 21	2 232	2 232	HUF / 1000 litre <sub>15</sub>
Gas oil	2710 19 43	3 883	3 883	HUF / 1000 litre <sub>15</sub>
	2710 19 46			
	2710 19 47			
	2710 19 48			
	2710 20 11			
	2710 20 15			
	2710 20 17			
Fuel oil	2710 19 62	2 303	2 303	HUF / ton
	2710 19 64			
	2710 19 68			
	2710 20 31			
	2710 20 35			
	2710 20 39			
Natural gas	2711	257.07	257.07	HUF / MWh

In consideration of the above, the 2021 Budget contains HUF 592.0 Mn budget reserve in the Oil Section and HUF 449.2 Mn in the Gas Section, adding up to HUF 1 041.2 Mn.

#### 5. Budget Implementation: Risks and Considerations

The budget was prepared based on the information available in the budgeting period (October 2020). The assumptions taken into account comprise 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, therefore they also carry a certain degree of uncertainty by nature, which is further enhanced by the unpredictable economic consequences of the spread of the COVID-19 pandemic.

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

The cost structures of the 2020 and 2021 Budgets are demonstrated in the following table.

*Table 5*  
*Cost Structure of HUSA*

	2020	2021
Storage fees, stock maintenance costs	91%	92%
Financing costs	7%	6%
Operating expenses, asset procurement	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

One of the major budgetary risks in the two Sections is posed by consumption forecasts, which are only preliminary estimations essentially determined based on one presumed scenario of the COVID-19 pandemic. Nevertheless, it is extremely difficult to predict at present. In 2021, actual consumption depends predominantly on the impacts of the second and third waves of the pandemic.

In the Oil Section, the anticipated budget surplus of HUF 592.0 Mn provides coverage up to approximately 150 million litres lower fuel consumption than projected.

In the Gas Section, the projected budget reserve of HUF 449.2 Mn is sufficient for roughly 150 mcm gap in natural gas consumption.

In case the shortfall of the expected level of consumption exceeds the aforementioned volumes, the budget must be amended. However, this will not necessarily entail an increase in the level of contribution fees, solely the reallocation of funds raised for the prepayment of loans will be required.

The other risk factor influencing the stability of the Association's finances in 2021 is a drop in the global market price of crude oil involving a decrease in the wholesale prices of gasoline and gas oil, which in turn weaken the coverage of the Association's loans. Nonetheless, the above risk factor can be significantly mitigated with the prepayment of loans scheduled in the 2021 Financing plan, thus enabling the Association to maintain a favourable risk rating.

Budapest, December 3, 2020

**List of Appendixes:**

- Appendix 1: Oil and Gas Inventory Plan for 2021
- Appendix 2: Expected Level of Stock Financing Loans for 2021
- Appendix 3: HUSA Participations in Affiliated Companies
- Appendix 4: Planning Assumptions
- Appendix 5: Summary Tables of the 2021 Budget

## Inventory Plan

2021

### Oil Section

	Gross opening stocks (01/01/2021)(kt)	Change within the year (kt)	Closing stocks (31/12/2021)		
			Gross stocks (kt)	Net stocks (kt)	Net stocks (ktoe)
Crude oil	589.5	-2.5	587.0	528.3	507.2
Petroleum products	783.5	2.0	785.5	706.9	848.3
<i>Gasoline</i>	268.9	0.0	268.9	242.0	290.4
<i>Gas oil</i>	514.6	0.0	514.6	463.1	555.7
<i>Kerosene</i>	0.0	2.0	2.0	1.8	2.2
<b>Total</b>	<b>1 373.0</b>	<b>-0.5</b>	<b>1 372.5</b>	<b>1 235.2</b>	<b>1 355.5</b>

### Gas Section

	Opening stock (01/01/2021)	Change within the year (stock disposal)	Change within the year (stock procurement)	Closing stock (31/12/2021)
Natural gas (kWh)	15 374 000 000	0	0	15 374 000 000

EXPECTED LEVEL OF STOCK FINANCING LOANS FOR 2021

Values and items	Loans EUR Mn	Loans HUF Mn
Opening value on 01/01/2021	511.0	186 515
Prepayment of loans from expected 2020 reserve	-32.5	-11 863
Loans maturing on 30/06/2021	-209.0	-76 285
Refinancing of maturing loans	209.0	76 285
<b>Closing value on 31/12/2021</b>	<b>478.5</b>	<b>174 653</b>

## HUSA Participations in Affiliated Companies

*Expected for December 31, 2020*

<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 2021 Budget

	Period	Unit	Value
Gas oil consumption <sup>1</sup>	2021	million litre <sub>15</sub>	3 976
		kt	3 340
Gasoline consumption <sup>1</sup>	2021	million litre <sub>15</sub>	1 608
		kt	1 190
Fuel oil consumption <sup>1</sup>	2021	million litre <sub>15</sub>	-
		kt	2
JET A1 consumption <sup>1</sup>	2021	million litre <sub>15</sub>	139
		kt	110
Natural gas consumption <sup>1</sup>	2021	bcm	6.0
		thous MWh	63 600.0
EUR/HUF exchange rate	Annual average for 2021	HUF	365
3-month EURIBOR rate	Annual average for 2021	%	0
Consumer price index <sup>2</sup>	2020	%	103.5
Producer price index <sup>2</sup>	2020	%	103.4

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

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

**BUDGET SUMMARY 2021**

**OIL SECTION**

data: HUF Mn

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Gross contribution fee revenues	HUF Mn	1 542.1	1 590.6	1 781.3	1 831.3	1 876.4	1 895.9	2 088.8	2 032.6	2 027.4	2 089.4	1 931.9	1 731.2	22 418.9
Contribution fee refunds	HUF Mn	-2.1	-2.2	-2.4	-2.5	-2.5	-2.6	-2.9	-2.8	-2.8	-2.9	-2.7	-2.3	-30.7
<b>NET CONTRIBUTION FEE REVENUES</b>	<b>HUF Mn</b>	<b>1 540.0</b>	<b>1 588.4</b>	<b>1 778.9</b>	<b>1 828.8</b>	<b>1 873.9</b>	<b>1 893.3</b>	<b>2 085.9</b>	<b>2 029.8</b>	<b>2 024.6</b>	<b>2 086.5</b>	<b>1 929.2</b>	<b>1 728.9</b>	<b>22 388.2</b>
Storage and cost maintenance costs	HUF Mn	-1 192.1	-1 066.5	-1 418.7	-1 281.3	-1 261.0	-1 190.9	-1 164.4	-1 164.4	-1 260.8	-1 607.4	-1 527.1	-1 264.9	-15 399.5
Interest due, other costs	HUF Mn	0.0	0.0	-138.3	0.0	0.0	-138.3	0.0	0.0	-139.8	0.0	0.0	-139.8	-556.2
Income from capacity disposal	HUF Mn	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	HUF Mn	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	7.0
<b>NET STOCKPILING COSTS</b>	<b>HUF Mn</b>	<b>-1 191.5</b>	<b>-1 065.9</b>	<b>-1 556.4</b>	<b>-1 280.7</b>	<b>-1 260.4</b>	<b>-1 328.6</b>	<b>-1 163.8</b>	<b>-1 163.8</b>	<b>-1 400.0</b>	<b>-1 606.8</b>	<b>-1 526.5</b>	<b>-1 404.1</b>	<b>-15 948.7</b>
<b>OPERATING EXPENSES OF HUSA</b>	<b>HUF Mn</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-347.5</b>
<b>TOTAL NET EXPENDITURES</b>	<b>HUF Mn</b>	<b>-1 220.5</b>	<b>-1 094.9</b>	<b>-1 585.4</b>	<b>-1 309.7</b>	<b>-1 289.4</b>	<b>-1 357.6</b>	<b>-1 192.8</b>	<b>-1 192.8</b>	<b>-1 429.0</b>	<b>-1 635.8</b>	<b>-1 555.5</b>	<b>-1 433.1</b>	<b>-16 296.2</b>
<b>LOAN REPAYMENT</b>	<b>HUF Mn</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-5 500.0</b>	<b>-5 500.0</b>
<b>BUDGET RESULT</b>	<b>HUF Mn</b>	<b>319.5</b>	<b>493.5</b>	<b>193.5</b>	<b>519.1</b>	<b>584.5</b>	<b>535.7</b>	<b>893.1</b>	<b>837.0</b>	<b>595.6</b>	<b>450.7</b>	<b>373.7</b>	<b>-5 204.2</b>	<b>592.0</b>



**BUDGET SUMMARY 2021**  
**GAS SECTION**

data: HUF Mn

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Gross contribution fee revenues	HUF Mn	2 961.3	3 001.1	3 243.2	2 537.2	2 154.5	1 712.8	1 569.4	1 553.3	1 462.5	1 768.2	1 883.4	2 585.2	26 432.1
Contribution fee refunds	HUF Mn	-1 172.6	-1 171.6	-1 345.0	-1 005.2	-905.4	-653.3	-599.9	-557.6	-501.1	-574.7	-686.6	-909.4	-10 082.4
<b>NET CONTRIBUTION FEE REVENUES</b>	<b>HUF Mn</b>	<b>1 788.7</b>	<b>1 829.5</b>	<b>1 898.2</b>	<b>1 532.0</b>	<b>1 249.1</b>	<b>1 059.5</b>	<b>969.5</b>	<b>995.7</b>	<b>961.4</b>	<b>1 193.5</b>	<b>1 196.8</b>	<b>1 675.8</b>	<b>16 349.7</b>
Storage and stock maintenance costs	HUF Mn	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-1 093.1	-13 117.2
Interest due, other costs	HUF Mn	0.0	0.0	-286.0	0.0	0.0	-286.0	0.0	0.0	-289.1	0.0	0.0	-289.1	-1 150.2
Interest received	HUF Mn	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	8.0
<b>NET STOCKPILING COSTS</b>	<b>HUF Mn</b>	<b>-1 066.8</b>	<b>-1 066.8</b>	<b>-1 352.8</b>	<b>-1 078.0</b>	<b>-1 078.0</b>	<b>-1 364.0</b>	<b>-1 078.0</b>	<b>-1 078.0</b>	<b>-1 367.1</b>	<b>-1 078.0</b>	<b>-1 078.0</b>	<b>-1 367.1</b>	<b>-14 053.0</b>
<b>OPERATING EXPENSES OF HUSA</b>	<b>HUF Mn</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-29.0</b>	<b>-347.5</b>
<b>TOTAL NET EXPENDITURES</b>	<b>HUF Mn</b>	<b>-1 095.8</b>	<b>-1 095.8</b>	<b>-1 381.8</b>	<b>-1 107.0</b>	<b>-1 107.0</b>	<b>-1 393.0</b>	<b>-1 107.0</b>	<b>-1 107.0</b>	<b>-1 396.1</b>	<b>-1 107.0</b>	<b>-1 107.0</b>	<b>-1 396.1</b>	<b>-14 400.5</b>
<b>LOAN REPAYMENT</b>	<b>HUF Mn</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1 500.0</b>	<b>-1 500.0</b>
<b>BUDGET RESULT</b>	<b>HUF Mn</b>	<b>692.9</b>	<b>733.7</b>	<b>516.4</b>	<b>425.0</b>	<b>142.1</b>	<b>-333.5</b>	<b>-137.5</b>	<b>-111.3</b>	<b>-434.7</b>	<b>86.5</b>	<b>89.8</b>	<b>-1 220.3</b>	<b>449.2</b>

**BUDGET SUMMARY 2021**

data: HUF Mn

	<b>CRUDE OIL</b>	<b>NATURAL GAS</b>	<b>TOTAL</b>
Gross contribution fee revenues	22 418.9	26 432.1	48 851.0
Contribution fee refunds	-30.7	-10 082.4	-10 113.1
<b>NET CONTRIBUTION FEE REVENUES</b>	<b>22 388.2</b>	<b>16 349.7</b>	<b>38 737.9</b>
Storage and stock maintenance costs	-15 399.5	-13 117.2	-28 516.7
Interest due, other costs	-556.2	-1 150.2	-1 706.4
Proceeds from capacity disposal	0.0	206.4	206.4
Interest received	7.0	8.0	15.0
<b>NET STOCKPILING COSTS</b>	<b>-15 948.7</b>	<b>-14 053.0</b>	<b>-30 001.7</b>
<b>OPERATING EXPENSES OF HUSA</b>	<b>-347.5</b>	<b>-347.5</b>	<b>-695.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>-16 296.2</b>	<b>-14 400.5</b>	<b>-30 696.7</b>
<b>LOAN REPAYMENT</b>	<b>-5 500.0</b>	<b>-1 500.0</b>	<b>-7 000.0</b>
<b>BUDGET RESULT</b>	<b>592.0</b>	<b>449.2</b>	<b>1 041.2</b>