



## 1. General information

**Name of business entity:** Hungarian Hydrocarbon Stockpiling Association (hereinafter referred to as “Association” or “HUSA”)

**Abbreviated company name:** HUSA

Website of the company: [www.husa.hu](http://www.husa.hu)

Registered seat: 2151 Fót, Fehérkő utca 7.

Year of establishment: 1993

Start of operations: 1993

Form of business organisation: other incorporated entity

Founder's assets (at the time of establishment): HUF 0

Owners: not applicable

Method of accounting: double entry book-keeping

Balance sheet: type “A”, balance sheet date (fiscal year=calendar year): 31 December

Closing date of balance sheet: January 31, 2024

Profit and loss statement: type “A”, nature of expense method

Currency of the annual report: HUF

Core activities: Implementation of the strategic stockpiling activities defined in *Act XXIII of 2013 on the emergency stockpiling of imported crude oil and petroleum products* (hereinafter referred to as “**Oil Stockpiling Act**”) and in *Act XXVI of 2006 on the emergency stockpiling of natural gas* (hereinafter referred to as “**Gas Stockpiling Act**”).

Dividend: not applicable due to the Association's legal position and purpose of operations.

Name and address of the person authorised to sign the annual report:

Dr. Béla Attila Bártfai

1014 Budapest, Bécsi kapu tér 7. 1. em. 6 a.

## 2. Rules of accounting, Accounting policy

- 2.1. The Association keeps its books and records in compliance with *Act C of 2000 on Accounting* (hereinafter referred to as “**Accounting Act**”), in accordance with the discrepancies laid down in the Oil Stockpiling Act.

The Association possesses the regulations prescribed and required for its operations including the Statutes consolidated with amendments, the Organisational and Operational Rules, the Cost Accounting Standards as part of the Accounting Policy, in addition to the Rules on Valuation and Inventory as well as the Cash Management Regulations, which form appendices to the Accounting Policy.

- 2.2. Section (1) of Article 32 of the Oil Stockpiling Act prescribes the preparation of an annual report irrespective of the balance sheet total, the amount of the net revenue and the Association's participations in other companies. Pursuant to Article 10 of the Accounting Act, the Association is not obligated to compile a consolidated annual report, independent of the fact that it holds 100% participation in HEXUM Holding Zrt., since HUSA is not classified as enterprise, but as other incorporated entity, defined in a separate provision of law as set forth in point 4 q) of Section (1) of Article 3 of the Accounting Act. Accordingly, the Association also prepared annual reports in the previous years, with a content conforming to the principles of Article 15 of the Accounting Act. Under Section (1) of Article 37 of the Oil Stockpiling Act, a detailed business report on the fulfilment of the annual budget containing data and text is also compiled in relation to the annual report.
- 2.3. Pursuant to point 11.4.2 of the Association's Statutes, the amount of the profit before taxation, which corresponds to the profit after taxation, enters the capital reserve, as no tax liability is incurred with regard to the fact that the Association is not subject to corporate tax in compliance with Section (1) of Article 13 of the Oil Stockpiling Act.
- 2.4. The valuation procedures applied in the preparation of the annual report comply with the provisions of the Accounting Act as well as with the requirements prescribed in the Rules on Valuation, which constitutes an appendix to the Association's Accounting Policy.

In the balance sheet, intangible assets and tangible assets are recorded at a value corresponding to the difference between ordinary and extraordinary depreciation booked in consideration of the acquisition value and the residual value, whereas non-current financial assets are indicated at historical cost.

Depreciation is accounted for on a monthly basis.

For the valuation of inventories, the Association records its stocks at settlement price. The value of petroleum products presented in the balance sheet equals to the aggregate sum of the settlement price, its related price difference, the impairment and reversal of impairment on the balance sheet date. As of 2018, a new methodology was created for the valuation of inventories. The Oil Stockpiling Act and the Statutes prescribe the mandatory refreshment of stockpiled petroleum products every six years. With regard to this unique feature, on the balance sheet date, in the year-end valuation of crude oil and petroleum product stocks, the market price is determined based on the average of the quoted price of the current year and the quoted prices of the preceding five years in order to support the calculation of impairment. Impairment is calculated for the total volume of each type of stock.

As regards the disposal of the natural gas stockpile, under the provisions of the Gas Stockpiling Act, the volume of natural gas to be sold, the method of disposal as well as the value of the stock based on which the price of natural gas is determined and cannot be sold at a lower price, are stipulated by

ministerial decree. The value of the established stock must correspond to the average acquisition value at the minimum. Impairment calculation for the natural gas reserve is not applicable.

Receivables and liabilities are inspected and reconciled, their valuation complies with the Accounting Act. Receivables must be recorded in the balance sheet at historical cost, which implies the book value reduced with bad debts (point 10 of Section (4) of Article 3 of the Accounting Act) and impairment (Sections (1)-(2) of Article 55 of the Accounting Act), increased with the reversal of impairment (Section (3) of Article 55 of the Accounting Act).

The Association's major liabilities are constituted by foreign exchange denominated loans disbursed by financial institutions. In the balance sheet, foreign exchange denominated loans are presented in the disbursed amount as well as in the sum reduced with repayments, converted to Hungarian forint in accordance with Section (2) of Article 60 of the Accounting Act.

The value of cash and cash equivalents is supported with bank statements. In the balance sheet, the value of bank deposits must be recorded corresponding to the value stated in the bank statement of the forint denominated deposit held at the financial institutions on the balance sheet date of the fiscal year, whereas the value of foreign exchange deposited on a foreign exchange account must be indicated corresponding to the value in the bank statement converted to forint in compliance with Section (2) of Article 60 of the Accounting Act.

The Association opted for the official exchange rate of the National Bank of Hungary for the balance sheet date valuation of its foreign exchange deposited on the foreign exchange account as well as for the valuation of its receivables and liabilities arising in foreign exchange (the most significant thereof are foreign exchange denominated loans).

- 2.5. Extraordinary items are defined in the Accounting policy of the Association as follows:  
Items related to economic events, which occur outside the usual business operations, in case their value (each item separately) reaches or exceeds 5% of total revenues, total costs and expenditures in the given fiscal year.
- 2.6. An error revealed by audit or self-revision is classified as an error of significant value by the Association in case in the year the error was observed, the aggregate sum of the absolute value of increase-decrease in the profit and loss and equity (irrespective of positive or negative sign) caused by the errors and consequences of errors established during inspections relevant to the same year exceed 2% of the balance sheet total of the inspected fiscal year. In 2023, no error of significant value was detected.
- 2.7. The balance sheet of the Association is prepared in version "A" in line with Annex 1 to the Accounting Act. Meanwhile, the Profit and Loss Statement is compiled with nature of expense method in version "A" in compliance with Annex 2 to the Accounting Act, with crude oil and natural gas contribution fee revenues indicated separately under the heading "Other income". Under Section (3) of Article 32 of the Oil Stockpiling Act, in its internal accounting the Association keeps separate accounts of assets and liabilities, revenues and expenditures in relation to crude oil and petroleum product stockpiling, to natural gas stockpiling as well as to non-stockholding activities and presents the aforementioned figures in the Supplementary Notes to the Annual Report.
- 2.8. Pursuant to point 5.6 of the Statutes, a permanent auditor is appointed by the Association. Based on the approval of the General Meeting of the Association, audits are conducted by Gábor Gulyás (certified member of the Budapest Organisation of the Chamber of Hungarian Auditors, registration number: 007293, membership identity card number: 008751), registered auditor of International Consulting Team Audit Kft. (registered seat: 1117 Budapest, Fehérvári út 50-52., chamber registration number: 004122, company registration number: 01-09-998752). The annual fee of the audit is HUF

3 100 000 net. As of May 1, 2020, the Association commissioned HEXUM Finance Kft. (registered seat: 2151 Fót, Fehérkő utca 7., company registration number: 13-09-204819) to supervise and manage the duties of accounting services and prepare the annual report. The person responsible for the supervision and management of tasks within the scope of accounting services at HEXUM Finance Kft. is as follows:

Krisztina Kelenvölgyi (1119 Budapest, Etele út 27. 7/23.)  
Head of Accounting and Taxation at HEXUM Finance Kft.  
Registration number: 006205

### 3. Details and explanations of the Balance Sheet and the Profit and Loss Statement

#### 3.1. Changes in intangible assets and tangible assets (HUF Mn)

	Gross value	Depreciation	Net value
<b>Total opening value 01/01/2023</b>	<b>167</b>	<b>108</b>	<b>59</b>
<b>I. Intangible assets</b>			
<i>Concessions, licences and similar rights</i>			
- Opening value 01/01/2023	35	34	1
- Increase	0	1	
- Decrease	0	1	
- Closing value 31/12/2023	35	34	1
<i>Intellectual property products</i>			
- Opening value 01/01/2023	82	40	42
- Increase	13	17	
- Decrease	0	0	
- Closing value 31/12/2023	95	57	38
<b>II. Tangible assets</b>			
<i>Other fixtures and fittings, tools and equipment, vehicles</i>			
- Opening value 01/01/2023	48	34	14
- Increase		4	
- Decrease - disposal	1	1	
- Closing value 31/12/2023	47	37	10
<i>Assets in course of construction</i>			
- Opening value 01/01/2023	2	0	2
- Increase	12	0	
- Decrease - activation	14	0	
- Closing value 31/12/2023	0	0	0
<b>Total closing value 31/12/2023</b>	<b>177</b>	<b>128</b>	<b>49</b>

All depreciation accounted for in 2022 and 2023 was ordinary straight-line depreciation.

#### 3.2. The Association's participations

In 2019, the Association acquired the 51% share package of MFB Fejlesztési Bank Zárkörűen Működő Részvénytársaság (hereinafter referred to as “**MFB**”) in MMBF Földgáztároló Zártkörűen Működő Részvénytársaság (hereinafter referred to as “**MMBF**”). Moreover, PETROTÁR Kft., PETROTÁR-PÉT INVEST Kft. and ÁMEI Zrt. were fully acquired by OPAL Szolgáltató Zrt., which is in the sole ownership of HUSA. As a result of the above acquisitions, a corporate group of significant size was formed. Since the Association did not possess storage companies at the time of its foundation, neither the Oil Stockpiling Act nor the Statutes contained regulations in terms of control and exercise of ownership rights over the subsidiaries. Therefore, the establishment of the new corporate group required the

formation of a corporate governance structure, which lays the foundations for control over the corporate group in addition to defining the regulations for the Association's exercise of founder's rights over the subsidiaries, adjusting to the best practice in corporate governance and to the changed economic environment. Furthermore, the creation of a new operating system that ensures the fulfilment of the Association's stockholding responsibilities, besides adequately separating its duties from the business activities conducted by the subsidiaries was justified. In December 2019, a new corporate governance concept conforming to the national and international general, business and corporate law practices was approved by the General Meeting of the Association in agreement with the Board of Directors. Accordingly, on February 5, 2020, HEXUM Holding Zrt. (registered seat: 2151 Fót, Fehérkő utca 7.) was founded by the Association with a capital stock of HUF 70 Mn.

The Association transferred its participation in OPAL Szolgáltató Zrt. as an in-kind contribution to HEXUM Holding Zrt. at a market value of HUF 20 640 Mn on June 30, 2020. The Association's participation in MMBF was transferred to HEXUM Holding Zrt. as an in-kind contribution at a market value of HUF 38 210 Mn on November 30, 2020. The market value of both in-kind contributions was established based on company valuations prepared by an independent international consultant. Subsequent to the in-kind contributions, the name of OPAL Szolgáltató Zrt. was changed to HEXUM Tartálypark Zrt., whereas that of MMBF was altered to HEXUM Földgáz Zrt.

The core activity of HEXUM Holding Zrt. is asset management. Furthermore, it provides procurement, human resources management, management as well as legal services at corporate group level.

The Association holds 25.9% participation in Terméktároló Zártkörűen Működő Részvénytársaság (registered seat: 2440 Százhalombatta, Olajmunkás utca 2.). Terméktároló Zrt. was founded in 1996, its majority owner is MOL Plc with 74.1% of the votes. The core activity of the company comprises the storage and stockpiling of petroleum products.

The headings related to participations contain the items below:

<b>Participation (Company name)</b>	<b>Book value of participation 31/12/2023 (HUF Mn)</b>	<b>Ownership ratio</b>	<b>Remark</b>
HEXUM Holding Zrt.	58 920	100.0%	Subsidiary
<b>Long-term participation in affiliated company</b>	<b>58 920</b>		
TERMÉKTÁROLÓ Zrt.	8	25.9%	Associated company
<b>Long-term major participating interest</b>	<b>8</b>		
<b>Total</b>	<b>58 928</b>		

The equity of the affiliates on December 31, 2023 is demonstrated in the following table:

Company (HUF Mn)	Equity	Share capital	Capital reserve	Retained earnings	Tied-up reserve	Valuation reserve	Profit after taxation
HEXUM Holding Zrt.	61 941	58 920	0	2 947	0	0	74
TERMÉKTÁROLÓ Zrt.	706	32	0	0	0	0	674

### 3.3. Inventories

Book value of inventories on December 31, 2023:

Product	Unit	Stored volume	Book value of stock (HUF Mn)	Proportion according to stock value (%)
Crude oil	ton	578 555	80 612	5.74
Gasoline RON 95	15°C litre	361 913 205	54 960	3.92
Gas oil EN 590	15°C litre	574 854 434	116 857	8.32
JET -A1	15°C litre	2 511 950	388	0.03
<b>Petroleum products</b>			<b>252 817</b>	<b>18.01</b>
Natural gas	kWh	20 604 155 000	1 150 563	81.99
<b>Natural gas</b>			<b>1 150 563</b>	
<b>Total stocks</b>			<b>1 403 380</b>	<b>100.0</b>

In the first quarter of 2023, in addition to the statutory petroleum product stock replacements, the Association executed the replenishment of 184 million litres of Diesel released in August 2022, by the deadline set in relevant Government Decree No. 280/2022 (30/07/2022) as well as procured 82 kt of crude oil in order to fulfil the 90 days' stockholding obligation.

As regards the Gas Section, in August 2023, the Association replenished 19 987.226 MWh emergency natural gas sold under the procedure of providing natural gas service of last resort in December 2022, thus raising the volume of the strategic natural gas reserve to the statutory level of 12 723 644 MWh.

In the course of 2023, the volume of the special natural gas reserve remained unchanged. Pursuant to Government Decree No. 101/2023 (29/03/2023), the Government extended the maintenance of the special gas stock until April 1, 2024 for the first time. On January 31, 2024, Government Decree No. 15/2024 (31/01/2024) on the amendment of Government Decree No. 260/2022 (21/07/2022) was issued to modify the deadline for the maintenance of the special natural gas reserve by another year, that is, until April 1, 2025.



Changes in inventories in the current year - impairment (HUF Mn)

Product	Crude oil	Gasoline RON 95	Gas oil EN 590	JET-A1	Natural gas	Total
<b>Opening book value 01/01/2023</b>	<b>87 151</b>	<b>44 178</b>	<b>58 529</b>	<b>376</b>	<b>1 150 249</b>	<b>1 340 483</b>
Historical cost	87 151	45 227	68 696	388	1 150 249	1 351 711
Impairment	0	-1 049	-10 167	-12	0	-11 228
<b>Decrease in the current year</b>						
Historical cost	40 779	3 978	17 524	0	0	62 281
Impairment *	0	93	2 593	0	0	2 686
Reversal of impairment	0	0	0	0	0	0
<b>Increase in the current year</b>						
Historical cost	34 240	13 711	79 013	0	314	127 278
Impairment	0	0	-5 754	0	0	-5 754
Reversal of impairment	0	956	0	12	0	968
<b>Closing book value 31/12/2023</b>	<b>80 612</b>	<b>54 960</b>	<b>116 857</b>	<b>388</b>	<b>1 150 563</b>	<b>1 403 380</b>
Historical cost	80 612	54 960	130 185	388	1 150 563	1 416 708
Impairment	0	0	-13 328	0	0	-13 328

\* Derecognition of impairment related to disposal.

- 3.4. On the balance sheet date of December 31, 2022, the Association held HUF 1 238 Mn outstanding trade receivables from natural gas disposal and HUF 4 574 Mn from crude oil sales. In 2023, outstanding trade receivables from gas oil sales amounted to HUF 9 846 Mn.

Both in the base year and in the current year, the heading "Receivables from affiliated companies" contains credit note invoices for provision of services issued by HEXUM Finance Kft. and HEXUM Holding Zrt., which were outstanding on the balance sheet date. It also includes the reclassification of HEXUM Tartálypark Zrt.'s December contribution fee payments in both years.

- 3.5. **Other receivables (HUF Mn):**

Description	31/12/2022	31/12/2023
Value added tax	15 664	2 083
Crude oil contribution fees*	1 063	2 344
booked impairment	-1	-2
Natural gas contribution fees*	4 058	4 881
booked impairment	-461	-506
Deferred technical VAT advances	58	517
Receivables from employees	8	5
Other receivables	4	2
<b>Other receivables</b>	<b>20 393</b>	<b>9 324</b>

\*Historical cost of contribution fees, does not include impairment

In terms of other receivables, VAT receivable decreased significantly compared to the previous year. The higher inventory in 2022 was related to stock replenishments as well as to the procurement of the special natural gas reserve. In 2023, only stock replenishments connected to "normal" business operations were conducted.

As regards contribution fees, impairment was booked in the case of the following partners:  
(HUF Mn)

Company name	Historical cost of receivables 31/12/2023	Registered impairment 31/12/2023
ENERGOTT Kft.	263	263
Duna Cent Kft. "In.Liq."	22	22
Alfa-Nova Kft. "In.Liq."	40	40
JAS Zrt. "In.Liq."	20	20
ISD-Power Kft	161	161
KBM Hungária Kft.	2	2
<b>Total</b>	<b>508</b>	<b>508</b>

All of the above companies are currently under liquidation proceedings. Their contribution fee debts are fully overdue, for which the proofs of claim by financial creditors were duly filed to the liquidator by the specified deadline. The Association does not expect the outstanding debts to be settled. A total impairment loss of HUF 83 Mn was recognised for the receivables in the current year, applying a rate of 100% by December 31, 2023.

3.6. **Accrued and deferred assets (HUF Mn):**

Description	31/12/2022	31/12/2023
Default interest	243	31
Compensation	9	0
<b>Accrued income</b>	<b>252</b>	<b>31</b>
Fees related to loans	273	0
Rental fee	4	3
Other	1	1
<b>Accrued expenses</b>	<b>278</b>	<b>4</b>
<b>Accrued and deferred assets</b>	<b>530</b>	<b>35</b>

3.7. **The movements of equity are indicated in the table below:**

Capital element	Opening	Increase	Transfer	Closing
Share capital	-	-	-	-
Share capital unpaid	-	-	-	-
Capital reserve	215 050	-	36 619	251 669
Retained earnings	-	-	-	-
Tied-up reserve	-	-	-	-
Valuation reserve	-	-	-	-
Profit after taxation	36 619	73 818	-36 619	73 818
<b>Equity</b>	<b>251 669</b>	<b>73 818</b>	<b>-</b>	<b>325 487</b>

- 3.8. In 2023, the Association created a provision of HUF 8 Mn for the projected liability of seniority benefits plus contributions arising between 2024 and 2026. No further future obligations or costs requiring the creation of provision are expected by the Association. Pursuant to the relevant legislation, the Association has no such mandatory tasks in relation to environmental protection that would necessitate the creation of provision. Furthermore, the Association has neither hazardous waste nor noxious substance in its possession, and holds no tangible assets directly intended for environmental protection.

- 3.9. The Association ensures the fulfilment of its statutory stockholding obligation prescribed in the Oil Stockpiling Act by taking out stock financing loans.

In compliance with the government decree on the special natural gas reserve, in 2022, the Association concluded a syndicated loan agreement with the participation of 10 banks in order to secure the necessary financial resources for the establishment of the special natural gas stock. In the course of 2023, the financing of the special reserves was modified, as a loan of EUR 500 Mn was taken out from the Government Debt Management Agency in order to redeem part of the consortium loan.

The proportion of loans according to maturity on December 31, 2023:

Currency	Short-term maturity	Maturing in over 1 year			Total
	Within 1 year	Within 2 years	Within 3 years	Within 4 years	
EUR million	2 452.9	202.0	170.5	183.5	3 008.9
HUF million	938 938	77 322	65 264	70 240	1 151 764

3.10. **Charges related to loans**

On June 15, 2015, the Association entered into a pledge and security agreement with the loan providing banks as a security for the loan agreements connected to the financing of the emergency stocks. In the aforementioned agreement, in connection with the stockpiling activities of the Association, lien was established and registered on the insurance revenues from insurance contracts concluded by the storage companies that are in contractual relations with the Association, on the one hand, and on the proceeds derived from the disposal of stocks not prescribed by legislation, on the other hand.

3.11. **Off balance sheet liabilities**

The Association held no off-balance liabilities on December 31, 2023. Previously the suretyship related to the investment loan contract of HEXUM Tartálpark Zrt. ceased upon the repayment of the loan on October 30, 2023.

- 3.12. On December 31, 2023, outstanding trade payables totalled HUF 11 749 Mn, of which short-term liabilities to affiliated companies include HUF 894 Mn to HEXUM Tartálpark Zrt., providing storage services as well as HUF 25 Mn to HEXUM Laboratóriumok Zrt., which renders quality control services. Short-term liabilities to companies linked by virtue of major participating interests comprise outstanding trade payables to Terméktároló Zrt., which provides storage services. Trade payables to external partners amounted to HUF 10 396 Mn, the major part thereof (HUF 10 325 Mn) consists of supplier invoices from MOL Plc. related to stock purchases and custody fees. The latter heading represents a significant decrease compared to the previous year, which is predominantly attributable to the fact that the liabilities towards MOL Plc. and OMV Ltd. resulting from the procurement of petroleum products were lower in volume or did not arise.

The decrease in short-term liabilities to affiliated companies was mainly caused by the fact that the interim dividend (HUF 1 000 Mn) received from HEXUM Holding Zrt. in 2022 was consented and settled in the current year as part of the approved dividend.

3.13. **Other short-term liabilities (HUF Mn):**

Description	31/12/2022	31/12/2023
Taxes and contributions	13	15
Natural gas and crude oil contribution fees	1	366
<b>Other short-term liabilities in total</b>	<b>14</b>	<b>381</b>

The amount of the natural gas and crude oil contribution fee refunds is recorded by the Association in the category of other short-term liabilities.

3.14. **Accruals and deferred income (HUF Mn):**

Description	31/12/2022	31/12/2023
Subsidy received	0	12 624
<b>Accrued and deferred income</b>	<b>0</b>	<b>12 624</b>
Fees of loan agreements related to natural gas reserves	1 043	1 297
Interests payable	136	70
Auditing fees	2	2
Storage fees of natural gas reserves	565	0
Bank charges	8	0
Other	1	1
<b>Deferred costs and expenses</b>	<b>1 755</b>	<b>1 370</b>
<b>Accruals and deferred income</b>	<b>1 755</b>	<b>13 994</b>

The increase in accruals and deferred income can be primarily attributed to the subsidy granted by the Overhead Protection Fund. Out of the HUF 31 Bn received from the Overhead Protection Fund in 2023, the amount "unused" by December 31, 2023 was recorded.

3.15. **Net sales revenue according to core activities (HUF Mn):**

Description	01/01/2022- 31/12/2022	01/01/2023- 31/12/2023
Proceeds from disposal of stocks	180 954	63 160
Of which: Gas oil	89 617	14 949
Gasoline	27 479	4 089
Crude oil	23 755	44 122
Emergency natural gas	40 103	0
Disposal of booked capacities	1 704	235
Proceeds from other disposals	7	7
<b>Net sales revenue</b>	<b>182 665</b>	<b>63 402</b>

In terms of crude oil and petroleum products, the year 2023 contains proceeds derived from “routine” stock replacements, whereas the data for 2022 comprise revenues from the disposal of products during stock releases as well as sales from the emergency natural gas reserve at the beginning of 2022.

3.16. **Other income (HUF Mn):**

Description	01/01/2022- 31/12/2022	01/01/2023- 31/12/2023
Crude oil contribution fees	8 907	27 475
Natural gas contribution fees	18 087	61 598
Subsidy received	0	18 376
Reversal of impairment	3 383	968
Other	11	2
<b>Other income in total</b>	<b>30 388</b>	<b>108 419</b>

Crude oil and natural gas membership contribution fees increased compared to the base year. In the two Sections, fees were raised as of January 1, 2023. The Gas Section witnessed a further hike as of April 1, 2023 in order to ensure that planned revenues provide coverage for planned expenditures. In addition, contribution fee payments were temporarily suspended in the Oil Section for a period of time in 2022.

The portion of the HUF 31 Bn subsidy granted by the Overhead Protection Fund utilised by December 31, 2023 is recorded under the heading “Received subsidies”.

The heading “Reversal of impairment” indicates the reversal of impairment of stocks (see point 3.3 on Inventories).

**3.17. The major proportion of the value of services used is constituted by the storage costs of stocks (HUF Mn)**

Description	01/01/2022- 31/12/2022	01/01/2023- 31/12/2023
Storage costs of stocks	27 605	32 036
Of which: Storage costs of oil stocks	13 447	15 762
Storage costs of natural gas reserves	14 158	16 274
Other services used	594	1 177
<b>Value of services used</b>	<b>28 199</b>	<b>33 213</b>

**3.18. Personnel expenses**

The average statistical headcount of the Association is 8.61 persons. In the course of 2023, staff was paid HUF 285 Mn in wages and received fringe benefits worth HUF 4 Mn.

In 2023, no employee loans were disbursed. On December 31, 2023, employee loans totalled HUF 32 Mn.

All employees fall into the white collar category.

Members of the Board of Directors and the Supervisory Board of the Association received HUF 135 Mn in honorariums. They were disbursed no guarantees, loans or advance payments.

Employee benefits booked in the current year totalled HUF 80 Mn.

Altogether HUF 51 Mn social contribution tax was accounted for on the total wage bill.

**3.19. Extraordinary revenues, costs and expenditures:**

In the fiscal years of 2022 and 2023, no extraordinary revenues, costs or expenditures occurred.

#### 4. Cash-flow statement

##### Change in cash and cash equivalents resulting from ordinary activities (HUF Mn)

		01/01/2022- 31/12/2022	01/01/2023- 31/12/2023
<b>I. Cash flow from operations</b>		<b>-992 368</b>	<b>-71 187</b>
1.a	Profit before taxation	36 619	73 818
	Of which: financial subsidies received for operations	0	0
	Dividends received	-281	-4 796
	Subsidy received	0	-18 376
	Unrealised exchange rate difference	-4 396	-40 506
1 b.	Adjustments to profit before taxation	-4 677	-63 678
1.	Adjusted profit before taxation	31 942	10 140
2.	Accounted depreciation	24	22
3.	Accounted impairment and reversal	5 007	4 869
4.	Difference of provisions created and used	0	8
5.	Profit and loss on disposal of non-current assets	0	0
6.	Change in trade payables	26 664	-26 004
7.	Change in other short-term liabilities	-556	367
8.	Change in accruals and deferred income	275	-385
9.	Change in trade receivables	5 086	-4 034
10.	Change in current assets (w/o trade receivables, cash)	-1 061 588	-56 665
11.	Change in accrued and deferred assets	778	495
12.	Income taxes paid	0	0
13.	Dividends paid, participations	0	0

##### Change in cash and cash equivalents resulting from investing activities (HUF Mn)

		01/01/2022- 31/12/2022	01/01/2023- 31/12/2023
<b>II. Cash flow from investing activities</b>		<b>1 275</b>	<b>3 755</b>
14.	Procurement of non-current assets	-17	-12
15.	Disposal of non-current assets	0	0
16.	Repayments, elimination, redemption of long-term loans and bank deposits	-10	-29
17.	Long-term loans and bank deposits	21	0
18.	Dividends received, participations	1 281	3 796

**Change in cash and cash equivalents resulting from financing activities (HUF Mn)**

		<b>01/01/2022- 31/12/2022</b>	<b>01/01/2023- 31/12/2023</b>
<b>III. Cash flow from financing activities</b>		<b>1 041 297</b>	<b>17 686</b>
19.	Proceeds from equity issuance, increase of share capital	0	0
20.	Proceeds from issuance of bonds and debt securities	0	0
21.	Borrowings	1 047 454	300 883
22.	Cash and cash equivalents received definitely	0	31 000
23.	Repurchase of equity, decrease of share capital	0	0
24.	Repayments of bonds and debt securities	0	0
25.	Repayments of borrowings	-6 157	-314 197
26.	Cash and cash equivalents transferred definitely	0	0

**Change in cash and cash equivalents (lines I.+II.+III.)**

		<b>01/01/2022- 31/12/2022</b>	<b>01/01/2023- 31/12/2023</b>
<b>IV. Change in cash and cash equivalents</b>		<b>50 204</b>	<b>-49 746</b>
27.	Currency translation of foreign exchange denominated cash and cash equivalents	-3	53
<b>V. Change in cash and cash equivalents according to balance sheet</b>		<b>50 201</b>	<b>-49 693</b>



## 5. Indicators of assets, financial position and revenues

### 5.1. Assets of the company

#### 5.1.1. Changes in the asset structure

Description	31/12/2022 HUF Mn	31/12/2023 HUF Mn	Proportion (%)		Change (%)
			2022	2023	2023/2022
Non-current assets	59 040	59 003	3.94	3.93	-0.06
Current assets	1 438 152	1 444 345	96.02	96.07	0.43
Accrued and deferred assets	530	35	0.04	0.00	-93.40
Total assets	1 497 722	1 503 383	100.00	100.00	0.38

#### 5.1.2. Changes in the liability structure

Description	31/12/2022 HUF Mn	31/12/2023 HUF Mn	Proportion (%)		Change (%)
			2022	2023	2023/2022
Equity (capital reserve)	251 669	325 487	16.80	21.65	29.33
Provisions	0	8	0.00	0.00	-
Liabilities	1 244 298	1 163 894	83.08	77.42	-6.46
Accruals and deferred income	1 755	13 994	0.12	0.93	697.38
Total liabilities	1 497 722	1 503 383	100.00	100.00	0.38

### 5.2. Indicators of assets

#### 5.2.1. Equity ratio

$$\frac{\text{Equity}}{\text{Total assets}} = \frac{251\,669}{1\,497\,722} = 0.17 \quad \frac{325\,487}{1\,503\,383} = 0.22$$

#### 5.2.2. Borrowed capital ratio

$$\frac{\text{Borrowed capital}}{\text{Total assets}} = \frac{1\,246\,053}{1\,497\,722} = 0.83 \quad \frac{1\,177\,896}{1\,503\,383} = 0.78$$

#### 5.2.3. Leverage ratio

$$\frac{\text{Borrowed capital}}{\text{Equity}} = \frac{1\,246\,053}{251\,669} = 4.95 \quad \frac{1\,177\,896}{325\,487} = 3.62$$

The Association was established with „0” founder's assets. Its assets are financed from short-term and medium-term loans.

#### 5.2.4. Coverage of non-current assets

	31/12/2022		31/12/2023
Equity+Long-term liabilities	522 438	= 8.85	538 313 = 9.12
Non-current assets	59 040		59 003

#### 5.2.5. Working capital

	31/12/2022		31/12/2023
Current assets – Current liabilities	464 623	= 1.85	493 277 = 1.52
Equity	251 669		325 487

### 5.3. Financial liquidity ratios

#### 5.3.1. Liquidity ratio

	31/12/2022		31/12/2023
Current assets	1 438 152	= 1.48	1 444 345 = 1.52
Current liabilities	973 529		951 068

A ratio higher than 1 indicates a good liquidity position.

#### 5.3.2. Long-term debt ratio

	31/12/2022		31/12/2023
Total debt	1 205 531	= 2.31	1 151 764 = 2.14
Long-term liabilities+Equity	522 438		538 313

### 5.4. Profitability indices

The calculation of profitability indices is practically irrelevant due to the non-profit nature of the Association.

## 6. Balance Sheet and Profit and Loss Statement of the Oil and Gas Sections

### BALANCE SHEET "A" Assets

HUF Mn

Line no.	Description of item	Oil Section 31/12/2023	Gas Section 31/12/2023	Total 31/12/2023
1	<b>A. Non-current assets</b>	20 721	38 282	59 003
2	I. INTANGIBLE ASSETS	20	19	39
3	1. Capitalised value of formation/ restructuring expenses			
4	2. Capitalised value of research and development			
5	3. Concessions, licences and similar rights	1	0	1
6	4. Intellectual property products	19	19	38
7	5. Goodwill			
8	6. Advance payments on intangible assets			
9	7. Adjusted value of intangible assets			
10	II. TANGIBLE ASSETS	5	5	10
11	1. Land and buildings and rights to immovables			
12	2. Plant and machinery, vehicles			
13	3. Other fixtures and fittings, tools and equipment, vehicles	5	5	10
14	4. Breeding stock			
15	5. Assets in course of construction			
16	6. Advance payments on tangible assets in course of construction			
17	7. Adjusted value of tangible assets			
18	III. NON-CURRENT FINANCIAL ASSETS	20 696	38 258	58 954
19	1. Long-term participations in affiliated companies	20 675	38 245	58 920
20	2. Long-term loans to affiliated companies			
21	3. Long-term major participating interests	8	0	8
22	4. Long-term loans to companies linked by virtue of major participating interests			
23	5. Other long-term participations			
24	6. Long-term loans to other companies linked by virtue of participating interests			
25	7. Other long-term loans	13	13	26
26	8. Long-term debt securities			
27	9. Adjusted value of non-current financial assets			
28	10. Valuation margin of non-current financial assets			

## BALANCE SHEET "A" Assets

HUF Mn

Line no.	Description of item	Oil Section 31/12/2023	Gas Section 31/12/2023	Total 31/12/2023
29	<b>B. Current assets</b>	271 308	1 173 037	1 444 345
30	I. INVENTORIES	252 817	1 150 563	1 403 380
31	1. Raw materials and consumables			
32	2. Work in progress and intermediate goods			
33	3. Rearing animals, hogs and other livestock			
34	4. Finished products			
35	5. Goods	252 817	1 150 563	1 403 380
36	6. Advance payments on inventories			
37	II. RECEIVABLES	13 438	5 789	19 227
38	1. Trade receivables	9 846	0	9 846
39	2. Receivables from affiliated companies	50	7	57
40	3. Receivables from companies linked by virtue of major participating interests			
41	4. Receivables from other companies linked by virtue of participating interests			
42	5. Bills receivable			
43	6. Other receivables	3 542	5 782	9 324
44	7. Valuation margin of receivables			
45	8. Positive valuation margin of derivative instruments			
46	III. SECURITIES	0	0	0
47	1. Participations in affiliated companies			
48	2. Major participating interests			
49	3. Other participating interests			
50	4. Own shares and own partnership shares			
51	5. Debt securities held for trading			
52	6. Valuation margin of securities			
53	IV. CASH AND CASH EQUIVALENTS	5 053	16 685	21 738
54	1. Cash in hand, checks			
55	2. Cash at bank	5 053	16 685	21 738
56	<b>C. Accrued and deferred assets</b>	8	27	35
57	1. Accrued income	5	26	31
58	2. Accrued expenses	3	1	4
59	3. Deferred expenses			
60	<b>Total assets</b>	<b>292 037</b>	<b>1 211 346</b>	<b>1 503 383</b>

## BALANCE SHEET "A" Liabilities

HUF Mn

Line no.	Description of item	Oil Section 31/12/2023	Gas Section 31/12/2023	Total 31/12/2023
61	<b>D. Equity</b>	141 602	183 885	325 487
62	I. SHARE CAPITAL			
63	Of which: ownership shares repurchased at nominal value			
64	II. SHARE CAPITAL UNPAID (-)			
65	III. CAPITAL RESERVE	125 835	125 834	251 669
66	IV. RETAINED EARNINGS			
67	V. TIED-UP RESERVE			
68	VI. VALUATION RESERVE			
69	1. Valuation reserve for adjustments			
70	2. Fair value reserve			
71	VII. PROFIT AFTER TAXATION	15 767	58 051	73 818
72	<b>E. Provisions</b>	4	4	8
73	1. Provisions for contingent liabilities	4	4	8
74	2. Provisions for future expenses			
75	3. Other provisions			
76	<b>F. Liabilities</b>	72 803	1 091 091	1 163 894
77	I. SUBORDINATED LIABILITIES	0	0	0
78	1. Subordinated liabilities to affiliated companies			
79	2. Subordinated liabilities to companies linked by virtue of major participating interests			
80	3. Subordinated liabilities to other companies linked by virtue of participating interests			
81	4. Subordinated liabilities to other economic entities			
82	II. LONG-TERM LIABILITIES	34 052	178 774	212 826
83	1. Long-term loans			
84	2. Convertible and equity bonds			
85	3. Debenture loans			
86	4. Investment and development credits			
87	5. Other long-term credits	34 052	178 774	212 826
88	6. Long-term liabilities to affiliated companies			
89	7. Long-term liabilities to companies linked by virtue of major participating interests			
90	8. Long-term liabilities to other companies linked by virtue of participating interests			
91	9. Other long-term liabilities			

## BALANCE SHEET "A" Liabilities

HUF Mn

Line no.	Description of item	Oil Section 31/12/2023	Gas Section 31/12/2023	Total 31/12/2023
92	III. CURRENT LIABILITIES	38 751	912 317	951 068
93	1. Short-term loans			
94	Of which: convertible and equity bonds			
95	2. Short-term credits	27 009	911 929	938 938
96	3. Advances received from customers			
97	4. Trade payables	10 381	15	10 396
98	5. Bills payable			
99	6. Short-term liabilities to affiliated companies	919	0	919
100	7. Short-term liabilities to companies linked by virtue of major participating interests	434	0	434
101	8. Short-term liabilities to other companies linked by virtue of participating interests			
102	9. Other short-term liabilities	8	373	381
103	10. Valuation margin of liabilities			
104	11. Negative valuation margin of derivative instruments			
105	<b>G. Accruals and deferred income</b>	60	13 934	13 994
106	1. Accrued and deferred income		12 624	12 624
107	2. Deferred costs and expenses	60	1 310	1 370
108	3. Deferred income			
109	<b>Total liabilities</b>	<b>214 469</b>	<b>1 288 914</b>	<b>1 503 383</b>

**PROFIT AND LOSS STATEMENT "A"**

(nature of expense method)

HUF Mn

Line no.	Description of item	Oil Section 01/01/2023- 31/12/2023	Gas Section 01/01/2023- 31/12/2023	Total 01/01/2023- 31/12/2023
1	01. Net domestic sales	63 164	238	63 402
2	02. Net external sales			
3	<b>I. Total net sales (01+02)</b>	63 164	238	63 402
4	03. Variation in inventories of finished goods and in work in progress			
5	04. Own work capitalised			
6	<b>II. Work performed by the company for its own purposes and capitalised (±03+04)</b>	0		0
7	<b>III. Other income</b>	28 444	79 975	108 419
8	Of which: impairment loss reversed	968	0	968
9	Contribution fees, Oil Section	27 475	0	27 475
10	Contribution fees, Gas Section	0	61 598	61 598
11	05. Raw materials and consumables	3	2	5
12	06. Value of services used	15 923	17 290	33 213
13	07. Cost of other services	99	99	198
14	08. Cost of goods sold	59 595	0	59 595
15	09. Value of services sold (mediated)	3	4	7
16	<b>IV. Material costs (05+06+07+08+09)</b>	75 623	17 395	93 018
17	10. Wages and salaries	210	210	420
18	11. Other personnel expenses	40	40	80
19	12. Contributions on wages and salaries	25	26	51
20	<b>V. Personnel expenses (10+11+12)</b>	275	276	551
21	<b>VI. Depreciation</b>	11	11	22
22	<b>VII. Other expenditures</b>	6 292	87	6 379
23	Of which: impairment loss	5 755	82	5 837
24	<b>A. PROFIT AND LOSS OF OPERATING ACTIVITIES (I±II+III-IV-V-VI-VII)</b>	9 407	62 444	71 851

**PROFIT AND LOSS STATEMENT "A"**

(nature of expense method)

HUF Mn

Line no.	Description of item	Oil Section 01/01/2023- 31/12/2023	Gas Section 01/01/2023- 31/12/2023	Total 01/01/2023- 31/12/2023
25	13. Dividends and profit-sharing receivable	2 546	2 250	4 796
26	Of which: from affiliated companies	2 250	2 250	4 500
27	14. Income from participating interests, foreign exchange gains			
28	Of which: from affiliated companies			
29	15. Income from non-current financial investments (equity shares, loans), foreign exchange gains			
30	Of which: from affiliated companies			
31	16. Other interests receivable and similar income	1 021	544	1 565
32	Of which: from affiliated companies			
33	17. Other finance income	16 247	38 321	54 568
34	Of which: valuation margin			
35	<b>VIII. Total finance income (13+14+15+16+17)</b>	<b>19 814</b>	<b>41 115</b>	<b>60 929</b>
36	18. Expenses and foreign exchange losses on participating interests			
37	Of which: to affiliated companies			
38	19. Expenses on non-current financial assets (equity shares, loans), foreign exchange losses			
39	Of which: to affiliated companies			
40	20. Interests (paid) payable and similar charges	13 042	42 931	55 973
41	Of which: to affiliated companies			
42	21. Losses on shares, securities, long-term loans and bank deposits			
43	22. Other finance expenses	412	2 577	2 989
44	Of which: valuation margin			
45	<b>IX. Total finance expenses (18+19+20+21+22)</b>	<b>13 454</b>	<b>45 508</b>	<b>58 962</b>
46	<b>B. FINANCE RESULT (VII-IX)</b>	<b>6 360</b>	<b>-4 393</b>	<b>1 967</b>
47	<b>C. PROFIT BEFORE TAXATION (±A±B)</b>	<b>15 767</b>	<b>58 051</b>	<b>73 818</b>
48	<b>X. Tax liability</b>			
49	<b>D. PROFIT AFTER TAXATION (±C-X)</b>	<b>15 767</b>	<b>58 051</b>	<b>73 818</b>
50	<b>E. Profit after taxation deposited in capital reserve</b>	<b>15 767</b>	<b>58 051</b>	<b>73 818</b>



## 7. Events after the reporting period

Pursuant to Government Decree No 260/2022 (21/07/2022) on the establishment of the special natural gas reserve, the Government of Hungary mandated the Association to establish a special natural gas stock in addition to the emergency natural gas reserve, to the extent of its available financial resources. In compliance with the decree, the Association established and stockpiled the special natural gas reserve, which it was expected to maintain until April 1, 2024. Nevertheless, with Government Decree No 15/2024 (31/01/2024) on the amendment of Government Decree No 260/2022 (21/07/2022) on the establishment of the special natural gas reserve, the Government modified the deadline for maintaining the special natural gas reserve to April 1, 2025. Accordingly, the Association initiated negotiations with the bank consortium financing the special natural gas reserve as well as with the Government Debt Management Agency about extending the maturity date of the loan agreement by one year until April 30, 2025. Furthermore, the Association commenced talks on the amendment of the service contract with the natural gas trader designated by the decree for stockpiling the reserve. The amended loan agreements and the service contract were signed by the end of April 2024.

Budapest, May 8, 2024

Dr. Béla Attila Bártfai  
CEO

Zsuzsanna Dávid  
Deputy CEO