MOL GROUP

2020 HALF-YEAR REPORT

2020 HALF-YEAR REPORT OF MOL GROUP

Introduction

General information

MOL Hungarian Oil and Gas Plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; website: www.molgroup.info), today announced its 2020 half-year report. This report contains consolidated, unaudited financial statements for the six months period ended 30 June 2020 as prepared by the management in accordance with International Financial Reporting Standards.

Contents

MANAGEMENT DISCUSSION AND ANALYSIS

MOL Group financial results

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	(IFRS), in HUF billion	H1 2020	H1 2019	Ch %
1,119.5	823.9	1,341.0	(39)	Net sales revenues (8)	1,943.4	2,483.4	(22)
124.1	122.8	182.8	(33)	EBITDA	246.9	325.3	(24)
124.1	**122.8**	**182.8**	**(33)**	**EBITDA excl. special items(1)**	**246.9**	**321.4**	**(23)**
191.4	**113.9**	**182.4**	**(38)**	**Clean CCS-based EBITDA (1) (2) (10)**	**305.2**	**326.4**	**(6)**
26.0	(8.1)	89.4	n.a.	Profit from operation	18.0	146.7	(88)
26.0	**12.2**	**89.4**	**(86)**	**Profit from operation excl. special items(1)**	**38.2**	**142.7**	**(73)**
93.3	**3.2**	**89.1**	**(96)**	**Clean CCS-based operating profit (1) (2) (10)**	**96.5**	**147.7**	**(35)**
(88.8)	(1.8)	(2.0)	(8)	Net financial gain / (expenses)	(90.7)	(6.2)	n.a.
(48.4)	**(41.5)**	**77.8**	**n.a.**	**Net profit attributable to equity holders of the parent**	**(90.0)**	**126.4**	**n.a.**
123.6	35.3	172.6	(80)	Operating cash flow before ch. in working capital	159.0	332.4	(52)
38.2	206.2	142.9	44	Operating cash flow	244.4	243.1	1
				EARNINGS PER SHARE			
(67.9)	(58.2)	110.6	n.a.	Basic EPS, HUF(6)	(126.2)	179.9	n.a.
(67.9)	(8.3)	110.6	n.a.	Basic EPS excl. special items, HUF (1)(6)	(76.3)	176.2	n.a.
				INDEBTEDNESS			
0.90	1.63	0.74	-	Simplified Net debt/EBITDA	1.63	0.74	-
19%	29%	19%	-	Net gearing(16)	29%	19%	-

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	(IFRS), in USD million	H1 2020	H1 2019	Ch %
3,646	2,587	4,665	(45)	Net sales revenues(3)(8)	6,233	8,746	(29)
408	384	635	(40)	EBITDA(3)	792	1,145	(31)
408	**384**	**635**	**(40)**	**EBITDA excl. special items(1) (3)**	**792**	**1,131**	**(30)**
622	**353**	**634**	**(44)**	**Clean CCS-based EBITDA (1) (2) (3) (10)**	**975**	**1,148**	**(15)**
90	(29)	310	n.a.	Profit from operation(3)	61	515	(88)
90	**36**	**310**	**(88)**	**Profit from operation excl. special items(1) (3)**	**126**	**501**	**(75)**
304	**5**	**309**	**(98)**	**Clean CCS-based operating profit (1) (2) (3) (10)**	**309**	**519**	**(41)**
(288)	(9)	(7)	29	Net financial gain / (expenses) (3)	(297)	(22)	n.a.
(152)	**(142)**	**270**	**n.a.**	**Net profit attributable to equity holders of the parent(3)**	**(294)**	**444**	**n.a.**
404	117	600	(81)	Operating cash flow before ch. in working capital(3)	521	1,171	(56)
129	642	501	28	Operating cash flow(3)	771	859	(10)
				EARNINGS PER SHARE			
(0.2)	(0.2)	0.4	n.a.	Basic EPS, USD (3)(6)	(0.4)	0.6	n.a.
(0.2)	(0.0)	0.4	n.a.	Basic EPS excl. special items, USD(1)(3)(6)	(0.3)	0.6	n.a.

(1) Special items of operating profit, EBITDA are detailed in Appendix II. and IV.
(2) (3) (6) (8) (10) (17) Please see Appendix XI.

Financial highlights

- Clean CCS EBITDA declined by 44% in Q2 2020 to USD 353mn, bringing H1 Clean CCS EBITDA to USD 975mn, 15% lower YoY
- Simplified FCF remained positive in Q2 and was almost unchanged in H1 at USD 356mn, as sustain capex was cut back as a reaction to the pandemic and the subsequent economic crisis; all segments generated positive simplified FCF in H1 2020
- Upstream EBITDA declined to USD 112mn in Q2, affected by collapsing oil and gas prices
- Downstream Clean CCS EBITDA also fell materially to USD 110mn in Q2, as refinery margins turned negative from mid-May
- Consumer Services EBITDA was nearly flat in local currency terms (-6% in USD-terms at USD 111mn) as cost savings almost fully offset the pandemic-related fallout of fuel and non-fuel margins
- Net Debt/EBITDA rose to 1.63x and gearing to 29% to reflect the completion of the USD 1.5bn ACG transaction; positive FCF and a sizeable NWC release mitigated the increase in net debt
- A new 2020 EBITDA guidance of USD 1.7-1.9bn was established, reflecting challenging trading conditions likely prevailing in H2. The 2020 capex guidance of up to USD 1.5bn was confirmed, implying sustained simplified FCF generation in 2020.

Operational highlights

- Oil & gas production increased by 6% QoQ in Q2 2020 to 117.3 mboepd, as the contribution of ACG more than offset lower volumes in the UK and Pakistan
- MOL, as an operator, made a gas and condensate discovery in the TAL Block, Pakistan, where the Mamikhel South-1 exploratory well flowed gas and condensate at a rate of 6,516 boepd (16.12 MMscf/d and 3,240 bpd, respectively) upon testing
- The polyol project reached 65% overall completion at the end of Q2. All major prefabricated equipment have reached the site and the transportation of all oversize equipment via river/sea have been completed.

Zsolt Hernádi, MOL Chairman & CEO, comments:

"MOL faced unprecedented challenges in the second quarter of 2020, from significant health and safety risks stemming from the pandemic, to major operational issues in running our plants during the lockdown, whilst making sure we preserved our financial strength. While the virus has not been defeated yet, I am proud to say that we have so far successfully tackled these challenges. The bulk majority of our employees are safe and in good health, we ensured a reliable supply to our customers in all of our markets, even at the very depth of the crisis, and we managed to generate a small positive simplified FCF in the quarter. This is a testament to the quality of the people and the agility of our business model in MOL. And this also gives me confidence that we will continue to successfully navigate through even the most difficult periods and emerge as a stronger entity."

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	EBITDA Excluding Special Items (HUF bn)[1]	H1 2020	H1 2019	Ch %
56.4	35.5	77.4	(54)	Upstream	91.9	156.7	(41)
23.8	45.5	76.5	(40)	Downstream	69.3	109.9	(37)
91.1	36.6	76.2	(52)	CCS-based Downstream EBITDA [2]	127.6	114.8	11
21.9	14.3	6.6	115	Gas Midstream	36.2	25.0	45
27.0	35.3	33.8	4	Consumer Services	62.3	58.7	6
(11.5)	(16.3)	(11.7)	39	Corporate and other	(27.8)	(25.9)	7
6.5	8.5	0.1	n.a.	Intersegment transfers [9]	14.9	(3.0)	n.a.
191.4	**113.9**	**182.4**	**(38)**	**Clean CCS-based EBITDA [2] [10]**	**305.2**	**326.4**	**(6)**
124.1	**122.8**	**182.8**	**(33)**	**Total EBITDA Excluding Special Items**	**246.9**	**321.4**	**(23)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	EBITDA Excluding Special Items (USD mn)[1]	H1 2020	H1 2019	Ch %
185	112	269	(58)	Upstream	297	553	(46)
81	142	266	(47)	Downstream	223	385	(42)
295	110	265	(58)	CCS-based Downstream EBITDA [2]	405	403	1
71	45	23	93	Gas Midstream	116	89	31
88	111	118	(5)	Consumer Services	199	207	(4)
(37)	(52)	(41)	27	Corporate and other	(89)	(91)	(2)
21	26	0	n.a.	Intersegment transfers [9]	47	(11)	n.a.
622	**353**	**634**	**(44)**	**Clean CCS-based EBITDA [2] [10]**	**975**	**1,148**	**(15)**
408	**384**	**635**	**(40)**	**Total EBITDA Excluding Special Items**	**792**	**1,131**	**(30)**

(1) Special items of operating profit, EBITDA are detailed in Appendix II. and IV.
(2) (9) (10) Please see Appendix XI.

- **Upstream** EBITDA excluding special items more than halved year-on-year to HUF 36bn in Q2 2020. H1 EBITDA for the segment amounted to HUF 92bn, 41% lower versus the previous year. The segment was hit by significantly lower oil and gas prices in 2020 compared to 2019, which more than offset the strong cost discipline and the positive effect of higher production helped by ACG.
- **Downstream** delivered HUF 37bn Clean CCS EBITDA in Q2 2020 52% less year-on-year. H1 Clean CCS EBITDA for the segment amounted to HUF 128bn, 11% higher than a year ago, still supported by the strong performance in the first quarter and helped by a low base.
- **Consumer Services** EBITDA rose 4% year-on-year to HUF 35bn in Q2 2020, despite COVID-19 and lower fuel and non-fuel margins which were offset by lower OPEX. EBITDA grew by 6% in H1 2020 year-on-year and amounted to HUF 62bn.
- **Gas Midstream** EBITDA more than doubled year-on-year, and amounted to HUF 14bn in Q2 2020, and to HUF 36bn in H1 2020, which is 45% higher than a year ago, due to higher capacity bookings and lower OPEX.
- **Corporate and other** delivered an EBITDA of HUF -16bn in Q2 2020 and the negative contribution stood at HUF 28bn in H1, 7% larger year-on-year.
- **CAPEX** spending reached HUF 704bn (USD 2,120mn) in the first half of the year, more than doubling from a year ago. Organic capex included HUF 83bn (USD 262mn) spent on transformational projects in H1 (the largest item remained the new polyol plant with USD 101mn, while USD 22mn was spent on the Rijeka DCU) Inorganic CAPEX rose to HUF 489bn (USD 1.5bn) as the ACG acquisition was completed on 16 April, with a total consideration was USD 1.5bn.
- **Operating cash flow** before working capital changes declined substantially year-on-year in H1 2020, more than halving to HUF 159bn. Net working capital release supported cash flows in H1 2020, as the seasonal build in Q1 was followed by a huge decline in net working capital in Q2 also to reflect the lower price environment. As a result, operating cash flow after net working capital rose by 1% year-on-year to HUF 247bn in H1 2020.
- **Net debt** increased in H1 2020 to HUF 987bn and so did both Net Debt/EBITDA (to 1.63x) and net gearing (to 29%) on the back of the completion of the USD 1.5bn ACG acquisition in Q2.

Upstream

Q1 2020	Q2 2020	Q2 2019 Restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2020	H1 2019 Restated	Ch %
56.4	35.5	77.4	(54)	EBITDA	91.9	160.7	(43)
56.4	**35.5**	**77.4**	**(54)**	**EBITDA excl. spec. items[1]**	**91.9**	**156.7**	**(41)**
15.8	(40.6)	32.3	n.a.	Operating profit/(loss)	(24.8)	75.9	n.a.
15.8	**(20.4)**	**32.3**	**n.a.**	**Operating profit/(loss) excl. spec. items[1]**	**(4.6)**	**71.9**	**n.a.**
23.7	**22.6**	**23.9**	**(6)**	**CAPEX and investments**	**46.3**	**48.0**	**(3)**
11.0	2.8	7.2	(61)	o/w exploration CAPEX	13.8	12.9	7

Q1 2020	Q2 2020	Q2 2019 Restated	YoY Ch %	Hydrocarbon Production (mboepd)	H1 2020	H1 2019 Restated	Ch %
48.1	**60.1**	**47.8**	**26**	**Crude oil production[4]**	**54.1**	**48.3**	**12**
9.7	9.8	12.6	(22)	Hungary	9.8	12.9	(24)
11.1	11.0	12.3	(11)	Croatia	11.1	12.3	(10)
3.9	3.7	3.1	18	Kurdistan Region of Iraq	3.8	3.0	27
20.3	16.2	16.7	(3)	United Kingdom	18.3	17.0	8
0.7	0.7	0.7	0	Pakistan	0.7	0.7	2
n.a.	16.3	n.a.	n.a.	Azerbaijan	8.2	n.a.	n.a.
2.4	2.3	2.4	(5)	Other International	2.3	2.4	(2)
47.8	**43.3**	**48.1**	**(10)**	**Natural gas production**	**45.5**	**49.3**	**(8)**
23.5	22.5	22.7	(1)	Hungary	23.0	23.1	(1)
16.8	16.0	18.4	(13)	Croatia	16.4	19.0	(14)
5.2	4.9	6.2	(22)	*o/w. Croatia offshore*	5.1	6.6	(24)
1.3	0.6	0.9	(34)	United Kingdom	1.0	1.1	(16)
6.2	4.2	6.0	(31)	Pakistan	5.2	6.0	(14)
5.6	**5.5**	**6.5**	**(15)**	**Condensate[5]**	**5.5**	**6.5**	**(15)**
2.9	3.4	3.6	(4)	Hungary	3.2	3.6	(11)
1.2	1.1	1.3	(14)	Croatia	1.2	1.3	(14)
1.4	0.9	1.6	(42)	Pakistan	1.2	1.6	(26)
101.5	**108.8**	**102.4**	**6**	**Average hydrocarbon production of fully consolidated companies**	**105.1**	**104.1**	**1**
4.6	4.4	4.9	(12)	Russia (Baitex)	4.5	5.0	(10)
4.5	4.2	4.5	(7)	Kurdistan Region of Iraq (Pearl Petroleum)*	4.3	4.6	(5)
9.1	**8.5**	**9.4**	**(9)**	**Average hydrocarbon production of joint ventures and associated companies**	**8.8**	**9.5**	**(7)**
110.6	**117.3**	**111.8**	**5**	**Group level average hydrocarbon production**	**114.0**	**113.6**	**0**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Main external macro factors	H1 2020	H1 2019	Ch %
50.3	29.2	68.8	(58)	Brent dated (USD/bbl)	39.7	66.0	(40)
307.5	319.6	287.4	11	HUF/USD average	313.6	283.7	11

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Average realised hydrocarbon price	H1 2020	H1 2019	Ch %
49.6	29.4	64.8	(55)	Crude oil and condensate price (USD/bbl)	38.2	61.7	(38)
23.7	15.2	27.2	(44)	Average realised gas price (USD/boe)	19.8	30.1	(34)
37.9	**24.2**	**48.2**	**(50)**	**Total hydrocarbon price (USD/boe)**	**30.8**	**47.8**	**(36)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Production cost	H1 2020	H1 2019	Ch %
7.0	**6.1**	**7.0**	**(13)**	**Average unit OPEX of fully consolidated companies**	**6.5**	**6.7**	**(3)**
2.1	2.2	2.3	(4)	Average unit OPEX of joint ventures and associated companies	2.1	2.0	7
6.4	5.7	6.4	(11)	Group level average unit OPEX (USD/boe)	6.0	6.1	(2)

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV
(4) (5) Please see Appendix XI.
** gas and condensate production sales*

Second quarter 2020 results

EBITDA, excluding special items, amounted to HUF 35.5bn in Q2 2020 with a decrease of HUF 20.9bn (or 37%) compared to previous quarter and a 54% decrease on Q2 2019.

(-) Average realized hydrocarbon prices declined by 36% (or by 13.7 USD/boe) to 24.2 USD/boe in Q2 2020 compared to the previous quarter. This was driven by a 41% decrease in realized crude prices and a 36% decrease in realized gas prices.

(+) Group-level average direct production cost, excluding DD&A, decreased by 11%, to 5.7 USD/boe, primarily influenced by favourable low unit cost ACG barrels.

(+) Average daily hydrocarbon production grew by 6.7 mboepd (or 6%) over the previous quarter to 117.3 mboepd in Q2 2020. Higher volumes were driven by the addition of Azerbaijan's ACG field to the portfolio, which compensated for the production decrease in Pakistan (coronavirus impact on refinery throughput) and the UK (Catcher unplanned outage).

First half 2020 results

EBITDA, excluding special items, amounted to HUF 91.9 bn in H1 2020, a decrease of 41% versus the previous year. The Upstream segment remains a strong cash-flow generating pillar of the Group.

(-) A 36% overall decrease in the average realised hydrocarbon prices, compared to H1 2019: lower Brent quotations resulted in a 38% decrease in the realised crude oil and condensate prices, while realised gas prices also fell by 34% over same period of the previous year.

(+) Group-level average direct production cost, excluding DD&A, decreased by 1.5% to 6.0 USD/boe against the same period last year, demonstrating cost discipline despite lower volumes, and the beneficial effect of added ACG production.

(+) Average daily hydrocarbon production increased by 0.4 mboepd (or 0.3%) to 114.0 mboepd in H1 2020 compared to H1 2019, driven by higher production volumes in Kurdistan Region of Iraq and the addition of Azerbaijan's ACG field, which was partially offset by lower volumes in the CEE region driven by continued natural decline, and coronavirus-related effects in Pakistan.

EBIT, excluding special items, turned negative in both Q2 and H1 2020, as it was also affected by HUF 20.2 bn impairment charges added to Depreciation, Depletion & Amortization (DD&A) on the back of revised (lower) long-term oil price assumptions. Furthermore, due to the same reasons, HUF 15.3bn impairment were booked to Income from associates (on JVs/Associates).

Upstream operating update and business development

In H1 2020 Upstream CAPEX amounted to HUF 46 bn, moderately decreasing by 3.4% year-on-year, primarily due to tighter spending on exploration activities in Norway, and development activities in the CEE region and the UK. However, this effect was offset by the addition of development focused capital expenditure in Azerbaijan. Nearly two thirds of the total Upstream CAPEX are spent in the CEE and in Azerbaijan combined (HUF 31 bn).

H1 2020 HUF bn	Hungary	Croatia	Kurdistan Region of Iraq	Pakistan	United Kingdom	Norway	Azerbaijan	Other	Total - H1 2020	Total - H1 2019
Exploration	6.5	0.7	0.0	0.8	0.0	5.7	0.0	0.2	13.9	12.9
Development	6.1	2.8	2.6	0.0	2.9	0.0	11.0	2.4	27.8	27.4
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.1	2.5	0.2	0.1	0.6	0.1	0.1	0.0	4.6	7.7
Total - H1 2020	13.8	5.9	2.8	0.9	3.5	5.8	11.1	2.6	46.3	
Total - H1 2019	12.9	8.8	4.2	0.6	9.3	7.7	n.a.	4.4		48.0

Hungary

Hungarian production amounted to 36.0 mboepd in H1 2020, 9.2% below the same period of last year. Production decrease is attributable to natural decline of mature fields in Hungary. To offset this negative impact, internal actions such as surface optimization and production intensification were executed.

Exploration

- The intensive shallow gas exploration work program continued and remained highly successful in H1 with the drillings of Tör-6, Hbagos-K-2, Mh-22 and Pf-K-1 wells, which resulted in four gas discoveries from shallow reservoirs. Drilling of the fifth well (Hbagos-K-3) has been completed, data evaluation is ongoing.
- Drilling of Tótkomlós unconventional vertical pilot well was finished, data evaluation started.
- The drilling of Sülysáp-ÉK-1 and Do-Ny-1 wells finished, data evaluation confirmed sub-commercial quantity of hydrocarbon discovery.

Field Development

- The drilling and well tests of two wells, Földes-24 and Bike-33, were successfully completed, tie-in was done, and production started. Preparations of two further wells are ongoing.
- Mezősas Ph-2 debottlenecking constructions are ongoing.

Production Optimization

- Production optimization program was continued in H1 to maintain production rates and as a result, 34 well workovers were executed in the period.

Croatia

Production in Croatia was 28.6 mboepd in H1, 12% lower than in H1 2019. Natural decline and increased water cut across main onshore and offshore oil and gas fields were the reasons for the lower level of production, partially mitigated by new onshore gas field Vukanovec.

Exploration

- Production Sharing Agreements were signed for the three blocks awarded in the 2nd and 3rd Croatia Onshore Bidding Round, Drava-03, SZH-01 and DI-14.
- Within the frame of Drava-02 exploration program, well testing preliminaries of Jankovac-1 well and preparations for future drillings are ongoing. The work program for 2020 has been approved by the Croatian Hydrocarbon Agency.

Production optimization

- Enhanced Oil Recovery project is ongoing in numerous wells in Žutica and Ivanić fields.
- 12 onshore well workovers were performed during H1.

Romania

Exploration

- EX-1: First exploration well was drilled, completed and abandoned.
- EX-5: Activities aimed at delivering remaining committed work program are ongoing.
- EX-6: Permitting activities regarding the work program are under way.

WE region

UK

- Production in H1 reached 19.2 mboepd, which is 6.2% higher than in the same period last year, attributable to the pipeline replacement completed at Scolty/Crathes and production being back online from Q3 2019, gains curbed by lower volumes on Catcher due to unplanned shutdowns.
- Infill drilling in Catcher area currently taking place.
- Decision was made that production will not restart on Broom field, after incident on board of host platform in Q4 2019.

Norway

Exploration

- Oil and gas discovery has been announced on MOL operated well PL820S. Preliminary discovery shows recoverable resources between 12-71 mmboe, with light oil at API 40 gravity. Further evaluations are in progress to determine the path forward. Preparation of appraisal program proposal has been initiated.
- New offshore 3D seismic acquisition has been completed over the PL820 license.
- Planning of new well on the operated license PL617 is progressing.

MEA region

Kurdistan Region of Iraq

Shaikan

- Production reached 3.8 mboepd in H1, 27% higher than in the same period in 2019, which is mainly a result of improved operational efficiencies and well operations.
- Drilling of well SH-13 has been suspended because of the coronavirus pandemic.
- With the results of SH-9, and engagements with the MNR, further work on updating the Field Development Plan is taking place.

Pearl

- 2020 H1 average production reached 4.3 mboepd, 4.9% lower than in 2019 H1, mainly due to short-term LPG loading issues related to in-country transportation restrictions and depression of domestic market during the pandemic.
- Two Force Majeure have been declared to the expansion project of Khor Mor gas plant: a) inability to undertake local early works, and b) associated domestic gas sales agreement, due to the pandemic situation.
- A Force Majeure has been declared on the Exploration Drilling of two committed wells, one in Block 19, the other in Block 20, due to the shut-down in the local energy sector in Kurdistan during the pandemic.

Pakistan

Production reached 7.0 mboepd during H1 2020, which is 15% lower than in the same period in 2019. The coronavirus pandemic, and consequently restricted refinery intake were the causes of the drop in production volume.

Exploration activities continued in TAL, Margala, Karak and DG Khan Blocks:

- Acquisition of 3D seismic in TAL Block, and 2D seismic in Margala block both concluded.
- The Mamikhel South-1 exploratory well made a gas and condensate discovery (the 10th in the TAL block and the 13th in Pakistan). The well reached a total depth of 4,939m and flowed gas and condensate upon testing from the Lockhart and Hangu formation.
- Preparatory works on two non-operated exploration projects continued, and pre-spud civil construction works are under way for wells Surghar X-1 in Karak, and DGK-1 in DG Khan Blocks.
- License extensions had been secured: by two years in both TAL and Karak Blocks, and by one year in Margala Block.

Field Development also continued:

- Preparations of various studies (LPG extraction from Central Processing Facility gas, Maramzai Field simulation, Manzalai Second Compression, Halini Reservoir simulation) are in progress.
- Contracting for Design and Engineering works for Maramzai Compression Project is ongoing.
- Strategy for converting Makori-3 well into produced water disposal well has been finalized.

Egypt

- Egypt production stood at 1.8 mboepd, the same level as in H1 2019.
- In 100% INA operated concession East Yidma, previously drilled new well had a visible positive impact on production. Regular maintenance activities were conducted.
- As part of the Field Development program, five oil producing development wells were drilled, and one further was spudded on the non-operated concession North Bahariya.

Angola

- Production in Angola stood at 0.5 mboepd, which is 10% less than in the same period last year.
- Repairs and maintenance activities were performed across Block 3/05, while re-evaluation studies of Punja development project are in progress.

Oman

- Approval of Ministry of Oil and Gas was obtained to allow the transfer of committed well to joint venture partner HCF's block, and relinquish Block 66. Process of relinquishment is ongoing.

CIS region

Azerbaijan

- The transaction of acquiring a stake in the Azerbaijan ACG field and BTC pipeline was closed mid-April 2020, production entitlement is being received since.
- Average daily entitlement production amounted to 19.6 mbpd for the period from deal closing to 30th June, whereas the average of the entire H1 2020 is 8.2 mbpd for MOL. The May-June production has been impacted by the commitment of the Republic of Azerbaijan to decrease its oil production, in line with OPEC+ curtailments.
- Drilling program activities are in progress.
- Operator BP remains committed to delivering Azeri Central East (ACE) project.

Russia

Production in Russia was 4.5 mboepd in H1, 9.6% lower than in the same period in 2019 due to baseline decline, and the reduction of the work-program in response to the industry crisis. At the same time, the decline has been slowing as production optimization initiatives are being taken.

Field Development

- Reduced drilling program has been fully delivered, with 5 new wells (of which 3 horizontal) drilled in H1.
- WWO program is ongoing, 38 well workovers were performed since the beginning of the year.
- New Field Development Plan is currently being prepared for expected H2 2020 submission to the State Reserves Committee.

Pipelines construction and Oil Treatment Plant reconstruction works are progressing, although at a reduced pace.

Kazakhstan

Exploration

- Inability to secure approvals to operate in National Reserve Area gave rise to the cancellation of 135 sq. km of 2D seismic.
- Integrated Fedorovskiy Block prospects review was initiated, tender conducted, and winning contractor announced.

Field development

- Production Contract Amendment #5 of Work Program successfully passed all internal, Kazakh Ministry of Energy and Ministry of Economics reviews, and is recommended for signing upon incorporation of proposed technical changes.
- Front End Engineering Design Tender Package is being finalized.

DOWNSTREAM

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Segment IFRS results (HUF bn)	H1 2020	H1 2019 Restated	Ch %
23.8	45.5	76.5	(40)	EBITDA	69.3	109.9	(37)
23.8	**45.5**	**76.5**	**(40)**	**EBITDA excl. spec. items(1)**	**69.3**	**109.9**	**(37)**
91.1	**36.6**	**76.2**	**(52)**	**Clean CCS-based EBITDA(1) (2)**	**127.6**	**114.8**	**11**
15.8	29.8	30.2	(1)	o/w Petrochemicals(1) (2)	45.6	56.4	(19)
(11.1)	9.5	47.0	(80)	Operating profit/(loss) reported	(1.7)	50.3	n.a.
(11.1)	**9.5**	**47.0**	**(80)**	**Operating profit/(loss) excl. spec. items(1)**	**(1.7)**	**50.3**	**n.a.**
56.1	**0.5**	**46.6**	**(99)**	**Clean CCS-based operating profit/(loss)(1) (2)**	**56.6**	**55.3**	**2**
51.7	**60.2**	**103.9**	**(42)**	**CAPEX**	**111.9**	**150.0**	**(25)**
MOL Group Without INA							
68.8	40.9	87.9	(54)	EBITDA excl. spec. items(1)	109.7	123.6	(11)
93.8	**35.4**	**84.4**	**(58)**	**Clean CCS-based EBITDA(1) (2)**	**129.1**	**126.2**	**2**
15.8	29.8	30.2	(1)	o/w Petrochemicals clean CCS-based EBITDA(1) (2)	45.6	56.4	(19)
40.9	11.9	63.7	(81)	Operating profit/(loss) excl. spec. items(1)	52.9	74.4	(29)
65.9	**6.4**	**60.1**	**(89)**	**Clean CCS-based operating profit/(loss)(1) (2)**	**72.3**	**77.0**	**(6)**
INA Group							
(45.0)	4.7	(11.4)	n.a.	EBITDA excl. spec. items(1)	(40.3)	(13.8)	193
(2.7)	**1.2**	**(8.2)**	**n.a.**	**Clean CCS-based EBITDA(1) (2)**	**(1.5)**	**(11.4)**	**(87)**
(52.1)	(2.4)	(16.7)	(85)	Operating profit/(loss) excl. spec. items(1)	(54.5)	(24.1)	126
(9.7)	**(5.9)**	**(13.5)**	**(56)**	**Clean CCS-based operating profit/(loss)(1) (2)**	**(15.7)**	**(21.7)**	**(28)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Refinery margin	H1 2020	H1 2019	Ch %
6.3	**2.7**	**3.5**	**(23)**	**Total MOL Group refinery margin (USD/bbl)**	**4.5**	**3.3**	**35**
6.9	3.2	4.5	(29)	Complex refinery margin (MOL+Slovnaft) (USD/bbl)	5.0	4.1	22
384	431	422	2	NEW MOL Group petrochemicals margin (EUR/t)	407	419	(3)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	External refined product and petrochemical sales by country (kt)	H1 2020	H1 2019 Restated	Ch %
1,077	1,102	1,285	(14)	Hungary	2,179	2,397	(9)
425	392	491	(20)	Slovakia	816	922	(12)
432	419	559	(25)	Croatia	852	978	(13)
342	333	497	(33)	Italy	675	931	(27)
1,900	2,204	2,134	3	Other markets	4,104	4,158	(1)
4,176	**4,450**	**4,967**	**(10)**	**Total**	**8,626**	**9,386**	**(8)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	External refined and petrochemical product sales by product (kt)	H1 2020	H1 2019 Restated	Ch %
3,814	**4,078**	**4,617**	**(12)**	**Total refined products**	**7,892**	**8,651**	**(9)**
762	848	994	(15)	o/w Motor gasoline	1,610	1,867	(14)
2,259	2,295	2,672	(14)	o/w Diesel	4,554	5,003	(9)
25	111	61	82	o/w Fuel oil	136	87	56
58	153	171	(11)	o/w Bitumen	211	230	(8)
362	**372**	**350**	**6**	**Total petrochemical products**	**734**	**735**	**0**
55	54	54	0	o/w Olefin products	109	116	(6)
290	307	275	12	o/w Polymer products	597	575	4
17	11	21	(48)	o/w Butadiene products	28	44	(36)
4,176	**4,450**	**4,967**	**(10)**	**Total refined and petrochemicals products**	**8,626**	**9,386**	**(8)**

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV.
(2) (16) Please see Appendix XI.

Second quarter 2020 results

The Downstream segment delivered HUF 37bn Clean CCS EBITDA in Q2 2020, more than halving profitability quarter-on-quarter and a 52% decline year-on-year primarily due to the following:

- The deteriorating external environment in refining was the key negative driver as the Group refinery margin was down by ~1 USD/bbl with a worsening situation during the quarter. Extremely low gasoline and diesel crack spreads as well as disappearing jet fuel demand prompted significant adjustments in yield structure.
- The integrated petchem margin (IM), however, averaged at 431 EUR/t representing a 2% increase year-on-year. Sales were robust, especially in May where MOL recorded the highest ever sold volume
- The performance of Refining and Marketing (R&M) was also influenced by depressed wholesale margins as a result of growing but still limited market demand and oversupplied markets. Operating costs decreased slightly in line with lower gas prices. An 5% weakening of the HUF versus the USD also supported the overall profitability (in HUF terms).
- Refining throughput increased year on year despite the shortfall in demand thanks to the prioritization of own production over third-party purchases and no major turnaround in our refineries.

First half 2020 results

The Downstream business delivered Clean CCS EBITDA of HUF 128bn in H1 2020, 11% above the base period performance. The exceptionally good performance in the first quarter was driven by the favourable macro environment and wholesale margins capped by plummeting demand toward the end of the quarter. Such extraordinary first quarter macro led to a 1 USD+/bbl improvement in refinery margin in the first half of 2020.

On the other hand, abovementioned circumstances in the second quarter significantly limited the overall improvements year-on-year.

Market trends and sales analysis

Motor fuel consumption was down by 18% in Q2 and 9% H1 2020 year-on-year due to the lockdowns across the region as a response to the COVID-19 pandemic. MOL Group was able to somewhat mitigate the drop both year-on-year and year-to-date in its core countries.

Change in regional motor fuel demand	Market*			MOL Group sales		
Q2 2020 vs. Q2 2019 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	(18)	(12)	(13)	(15)	(9)	(11)
Slovakia	(20)	(17)	(18)	(25)	(18)	(20)
Croatia	(26)	(20)	(21)	(26)	(16)	(19)
Other	(28)	(16)	(18)	(14)	(17)	(16)
CEE 10 countries	(27)	(16)	(18)	(18)	(15)	(15)

Change in regional motor fuel demand	Market*			MOL Group sales		
H1 2020 vs. H1 2019 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	(9)	(6)	(7)	(8)	(5)	(6)
Slovakia	(12)	(11)	(11)	(15)	(10)	(11)
Croatia	(17)	(11)	(12)	(16)	(6)	(9)
Other	(16)	(7)	(9)	(7)	(10)	(9)
CEE 10 countries	(15)	(7)	(9)	(10)	(8)	(9)

**Source: Company estimates*

Downstream capital expenditures and status of key projects

CAPEX (in HUF bn)	H1 2020	H1 2019 Restated	YoY Ch %	Main projects in H1 2020
R&M CAPEX and investments	31.5	69.0	(54)	MOL: Base Oil and Wax production strategy, New Rubber Bitumen Unit i ZR, Blending alternative crudes in DR, Inter-plants pipelines replacemer Reconstruction of crude oil tanks SN: New Crude Oil tank, Catalyst SN REF, PYO storage tanks reconstructi HPP3 INA: Rijeka Refinery Upgrade Project, RNR-20 GS (General overhauls), Bitumen production
Petrochemicals CAPEX	79.8	79.6	0	MPC (MOL): Polyol Project, MPC SC1 Boiler replacement, Metathesis Pro (Olefin Conversion), PSA installations in SC1-2 SN: Ethylene Storage tanks, SN Steam Cracker Intensification, PP3 unit revamp (growth part) Opco (TVK Erőmű Term.Szolg. Kft): Power Plant extend the guaranteed
Power and other	0.6	1.4	(60)	Caatalyst project, Installation of new flue gas dampers in SN Energy. IT projects in HQ
Total	111.9	150.0	(25)	

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	CAPEX by type (in HUF bn)	H1 2020	H1 2019	Ch %
51.7	60.2	103.9	(42)	Total	111.9	150.0	(25)
38.8	43.8	62.5	(30)	Transformational CAPEX	82.6	85.0	(3)
12.9	16.4	41.5	(60)	Sustain CAPEX	29.3	65.0	(55)

CONSUMER SERVICES

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Segment IFRS results (HUF bn)	H1 2020	H1 2019	Ch %
27.2	35.2	33.8	4	EBITDA	62.3	58.7	6
27.2	**35.2**	**33.8**	**4**	**EBITDA excl. spec. items[1]**	**62.3**	**58.7**	**6**
14.5	26.1	24.8	5	Operating profit/(loss) reported	40.6	42.2	(4)
14.5	**26.1**	**24.8**	**5**	**Operating profit/(loss) excl. spec. items[1]**	**40.6**	**42.2**	**(4)**
6.0	**8.4**	**11.0**	**(23)**	**CAPEX**	**14.4**	**16.6**	**(13)**
6.0	8.4	11.0	(23)	o/w organic	14.4	16.6	(13)

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV.

Second quarter 2020 results

Consumer Services EBITDA in Q2 2020 rose by 4% year-on-year close to HUF 35bn despite the coronavirus pandemic and lower fuel and non-fuel margins due to the lockdown. Fuel and non-fuel margin losses were almost offset by cost savings and optimization. CAPEX spending was 23% down in Q2 2020 year on year, resulting in improved simplified free cash flow for the period.

First half 2020 results

Consumer Services EBITDA increased by 6% year-on-year in H1 2020 to HUF 62bn. The supporting factors were similar as described in the quarterly comparison above.

Retail fuel sales

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Total retail sales (kt)	H1 2020	H1 2019	Ch %
308	286	340	(16)	Hungary	594	643	(8)
161	155	185	(16)	Slovakia	316	348	(9)
213	203	277	(27)	Croatia	416	498	(16)
170	134	185	(28)	Romania	304	350	(13)
120	104	133	(22)	Czech Republic	224	251	(11)
89	78	102	(24)	Other	167	190	(12)
1,061	**960**	**1,222**	**(21.4)**	**Total retail sales**	**2,021**	**2,280**	**(11)**

(10) Please see Appendix XI.

Retail fuel sales volumes declined significantly by 21.4% year-on-year in Q2 2020 and decreased by 11% in H1 2020 year-on-year as a result of the region-wide lockdown during the coronavirus pandemic. MOL sales were slightly ahead of the market which resulted in market share gain for the company. The fallout of volumes has been partly offset by improving unit margins in a low pump price environment.

Non-fuel contribution

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Non-fuel indicators	H1 2020	H1 2019	Ch %
27.9%	28.5%	28.7%	(1)	Non-fuel margin share of total (%)	28.2%	28.3%	0
888	895	765	17	Number of Fresh corner sites	895	765	17

During the first half of 2020 18 new Fresh Corners were added across the network, taking the total Fresh Corners to 895 as the pandemic slowed down construction activities across the region. Non-fuel margin decreased by 11% in Q2 2020 year-on-year and 6% in H1 2020. Non-fuel margin share within the total margin was only marginally lower in Q2 versus in the same period last year.

GAS MIDSTREAM

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Segment IFRS results (HUF bn)	H1 2020	H1 2019	Ch %
21.9	14.3	6.6	115	EBITDA	36.2	25.0	45
21.9	**14.3**	**6.6**	**115**	**EBITDA excl. spec. items(1)**	**36.2**	**25.0**	**45**
18.1	10.5	3.3	223	Operating profit/(loss) reported	28.6	18.4	55
18.1	**10.5**	**3.3**	**223**	**Operating profit/(loss) reported excl. spec. items(1)**	**28.6**	**18.4**	**55**
0.8	**2.5**	**1.5**	**69**	**CAPEX and investments**	**3.3**	**1.8**	**82**
0.8	2.5	1.5	69	o/w organic	3.3	1.8	82

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV.

Second quarter and first half 2020 results

EBITDA of FGSZ Ltd. almost doubled in Q2 2020 and totaled at HUF 14.3 bn. Half-year EBITDA increased by 45% to HUF 36.2 bn compared to prior year. Both higher revenues and lower operating expenses contributed to the increasing profitability.

- Domestic transmission volumes were significantly lower in Q2 and H1 2020, as domestic gas storage (injected) volumes have decreased significantly, due to fully loaded storage capacities at the end of last year and mild weather conditions in Q1 2020. Export transmission volumes to neighbouring countries were significantly higher than a year ago, as lower gas prices boosted cross-border trading in H1 2020. Non-regulated Serbian and Bosnian transit volumes were behind prior year figures, but regulated transit mostly compensated for this decrease.
- Revenues from domestic (regulated) transmission services in Q2 rose by 67% YoY and 43% YTD. Significant changes in the capacity portfolio of system users and increased transit demand to neighbouring countries resulted in significantly higher regulated revenues, while tariff changes (effective from October 2019) slightly contributed to the increase, too.
- Revenues from non-regulated transit (to Serbia and BiH) were 28% lower in Q2 and H1 2020 as well, as a result of lower realized transmission volumes and decreased contracted prices. Part of the total volumes were transited at regulated tariffs, which contributed to the increase of regulated revenues and decreased non-regulated income.
- Operating expenses were significantly lower by 29% in Q2 2020 and 19% in H1 2020 compared to last year's figures. Natural gas costs (fuel gas consumption and network loss) decreased in line with lower transmitted volumes and significantly lower gas purchase prices. Other variable costs and fixed operating costs were also behind prior year figures, as a result of strict cost control amid the pandemic situation since March 2020.

Non-financial overview

First half 2020 sustainability highlights

- Health and Safety: The main focus of MOL Group during H1 was to secure the health and safety of its employees during the spread of coronavirus pandemic. In order to protect staff, maintain business continuity and to ensure the reliability of services, MOL Group continuously monitored the pandemic situation, deployed protecting measures across the Group, including Personal Protective Equipment (incl. masks and gloves for the workforce), alongside the installation of plexiglass protection screens across MOL Group's service stations. Compared to H1 2019 the number of Total Recordable Injuries decreased by 40% and consequently the Total Recordable Injury Rate came in at 1.02. The decline is due to the reduced presence of staff on sites, postponed activities due to lockdown restrictions, higher risk-awareness and continuously growing HSE culture. During H1, one contractor fatality occurred in Hungary when a contractor truck (transporting crude oil) ran off the road causing it to overturn. The driver of the truck died at the scene of the accident.
- People & Communities: Financial, psychological, mental support and online developmental opportunities were offered to employees to address the challenges of the pandemic. Office staff were enabled to switch to home office, whilst field staff employed at key sites who were asked to continue to work from their usual workplaces, received a pandemic allowance in four countries as an additional remuneration for their efforts. Hygiene measures such as disinfectants, distribution of masks and gloves, and COVID-19 testing were available for employees. During H1, MOL Group shifted production of its windshield washer product in its Hungarian manufacturing facility and began producing hand and surface sanitizers to offer protection against COVID-19. Production of sanitizers was expanded to manufacturing facilities in Slovakia and Croatia. MOL Group supplied hand and surface sanitizers to hospitals, primary and nursery schools, state and municipal institutions, law enforcement agencies, municipalities, organizations working with homeless people or marginalized communities. Furthermore, lung ventilators were donated to hospitals, the Red Cross and other social institutions. Fuel donations to healthcare institutions was offered, and mobility solutions were launched for healthcare staff through MOL Limo car sharing, whilst Fresh Corner cafés throughout the Group's service stations distributed coffee free of charge to medical staff. Despite the pandemic crisis, MOL Group decided not to halt the Talents of New Europe programme, wishing to ensure financial support for talented children and young people. A grant in the amount of EUR 66,000 was shared with 59 applicants in the Arts, Science and Sports category for exceptionally gifted children.
- Climate Change & Environment: Although the number of spills was higher compared to H1 2019, the released hydrocarbon volume was lower in H1 2020. Most hydrocarbon spills occurred in Upstream, of which the largest occurred in Croatia where a saltwater pipeline leaked and approximately 70m3 of hydrocarbon spilled to the environment. The root causes were mainly due to corrosion, with cleaning and re-cultivation of the polluted areas being performed. Identification and replacement of critical pipeline sections is ongoing in line with scheduled and ongoing pipeline integrity and corrosion measurement programmes.

MOL Group non-financial indicators

Q1 2020 Restated	Q2 2020	Q2 2019 Restated	YoY Ch %	Environmental & sustainability data	H1 2020	H1 2019 Restated	Ch %
1.5	1.5	1.4	5	Carbon Dioxide (CO_2) under ETS (mn t)	3.0	3.0	2
37	83	36	128	Volume of hydrocarbon content of spills (m^3) (17)	120	291	(59)
1.1	1.0	1.5	(36)	TRIR(18) – own & contractor & service station staff	1.0	1.6	(34)
0	0	0	n.a.	Fatalities – own employees (pcs)	0	0	n.a.
1	0	0	n.a.	Fatalities – contractors (onsite & offsite) (pcs)	1	1	0
2	4	4	0	Process safety events (Tier1)	6	7	(14)
25,799	25,449	26,392	(4)	Total workforce (prs)	25,449	26,392	(4)
3,463	3,218	3,202	0	Leavers (prs) (19)	3,218	3,202	0
13	13	12	4	Employee turnover rate (%) (19)	13	12	4
148	425	66	545	Donations (mn HUF)	573	234	145
16	20	20	0	Ethical reports (pcs)	39	56	(30)
3	2	2	0	Ethical misconduct (pcs)	8	11	(27)

(17) (18) (19) Please see Appendix XI.

INTEGRATED CORPORATE RISK MANAGEMENT

As operators in a high-risk industry we stay committed to professionally manage and maintain our risks within acceptable limits as per best industry practice.

The aim of MOL Group Risk Management is to keep the risks of our business within acceptable levels and support the resilience of our operations as well as the sustainability of the company. For this purpose, as an integral part of our corporate governance structure, we have developed a comprehensive Enterprise Risk Management (ERM) system which focuses on the organisation's value creation process, meaning factors critical to the success and threats related to the achievement of objectives but also occurrence of risk events causing potential impact to people, assets, environment or reputation. Within our ERM framework we identify, assess, evaluate, treat and monitor all significant risks throughout the whole Group, covering all business and functional units, geographies as well as projects, considering all time horizons.

In order to ensure an effective risk management, risks are being managed (assess, evaluate, treat) as a 1st line of defence by Risk Owners who are managers responsible for each business areas including supervising the existing mitigation and the implementation of new mitigation actions in their organisations. Group level business and functional units, specialised risk management functions, the Group Risk Management department provide oversight. The Management Committee, the Chief Executives Committee, the Board of Directors and the Supervisory Board together with their specialized committees provide supervision and assurance on the effectiveness of the group level application of the risk management framework.

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

The main risk drivers of the Group

Risks are categorized to ensure effective risk reporting and consistent responses for similar or related risks.

Market and financial risks include, but are not limited to:

- **Commodity price risk:** MOL is exposed to commodity price risk on both the purchasing side and the sales side. The main commodity risks reflect the integrated business model with downstream processing more crude than our own production and selling refined products. We monitor this risk in order to support our strong financial position and capacity to fund operations and investments. When necessary, we consider commodity hedging to eliminate risks other than 'business as usual' risks or general market price volatility.
- **Foreign exchange (FX) risk:** MOL's current FX risk management policy is to monitor the FX risk and to balance the FX exposures of the operating & investment cash flow with the financing cash flow exposures when necessary and optimal.
- **Interest rate (IR) risk:** According to risk management policy of MOL Group IR risk is continuously monitored and managed by the adequate mix of funding portfolio.
- **Credit risk:** MOL Group provides products and services to a diversified customer portfolio - both from business segment and geographical point of view – with a large number of customers representing an acceptable credit risk profile. MOL Group's risk management tracks these risks on a continuous basis and provides support to the sales processes in accordance with MOL Group's sales strategy and ability to bear risk. In order to mitigate the customer credit risk, credit insurance policies are in place Group-wide.
- **Financing/Refinancing Risk:** The financing and refinancing risk is managed by using diversified funding sources/instruments as well as having a diversified, balanced, and decently long maturity profile. Financing and refinancing activities of the Group are supported by the investment grade rating (BBB-) of the Group recently affirmed by Fitch and S&P with a stable outlook.

Operational risks include, but are not limited to:

- **Physical asset safety and equipment breakdown risk:** High asset concentration in Downstream is a significant risk driver. The potential negative effects are mitigated by comprehensive HSE activities and a group-wide insurance management program.
- **Crude oil supply risk:** Crude supply disruption is a major risk factor for the Downstream business, as it can hamper continuous operations. In order to mitigate this risk, supplies of crude oil via pipelines are diversified with regular crude cargo deliveries from the Adriatic Sea.
- **E&P reserve replacement:** higher than expected decline of E&P production and failure to replace reserves may lead to the decrease in the revenues generated by E&P segment. Upstream has been operating

optimisation programs as well as seeks for inorganic opportunities. The recent acquisition of ACG well fits the mitigation plans.

- Cyber risk: Due to digitalization and new technologies more cyber threat and vulnerability appear. Global trends show steadily growing frequency and intensity of Cyber-attacks / incidents as well as more specified Cyber Crime Groups targeting Industrial Control System's weaknesses, which may have increasing economic impact and relevance on MOL. Therefore, MOL continuously improves Cyber Security capabilities. MOL Group entities supervise their cyber security risks and develop risk mitigation furthermore assure that Cyber Security is built into all the MOL Group products and services. MOL continuously educates their employees and partners about cyber security risks and support them to act in a responsible way.
- Human Capital: as the Group's ability to implement its 2030 Strategy is dependent on the capabilities and performance of its people, management, experts and technical personnel, MOL has been operating HR frameworks to attract, develop, reward and retain talented employees. MOL promotes diversity and generational collaboration by enhancing internal knowledge transfer, strongly focusing on digital transformation, further developing innovation & feedback culture, utilizing flexible working arrangements and adjusting mobility frameworks.
- Pandemic Risk: pandemics may significantly adversely affect the Group's business environment, including price and demand on the Group's products and services, availability of contractors, subcontractors as well as raw materials, creditworthiness of credit customers and on the other side availability of the Group's key personnel could also be limited causing deterioration of the Group's business results of operations or financial condition, need to cut capital expenditures. The Group has tried and tested Crisis Management plans in place to reduce the impact of this risk.

Strategic risks include, but are not limited to:

- Regulatory risk: MOL has significant exposure to a wide range of laws, regulations, environmental and government policies that may change significantly over time. Government actions may be affected by the elevated risk of economic and, in some regions, political crisis, increasing their impact on MOL's operations.
- Country risk: The international presence of MOL Group contributes to diversification but also exposure to country specific risk at the same time. Therefore, we monitor the political risk and compliance with local regulations and international sanctions to keep country risk in our investment portfolio within acceptable limits.
- Reputation risk: MOL, as a major market player in the region, operates under special attention from a considerable number of stakeholders, and we are constantly seeking to meet our responsibilities towards them.
- Climate change risk: The transitional and physical risks associated with climate change have the potential to adversely impact MOL's current and future revenue streams, expenditures, assets and financing. MOL Group launched its 2030 Strategy as a response to the potential mid-long-term decrease in demand for fossil fuels, primarily driven by a combination of regulatory changes, electrification and digitalization of transportation, energy and fuel efficiency gains, as well as changes in consumer behaviour and advances in technology. MOL Group's transformational strategy is meant to respond to these challenges by opening new business lines, with an increasing focus on the extension of the (petro)chemical value chain. Several strategic and operational steps have been taken at both group and divisional level. For more details, refer to the Management Discussion & Analysis, and the "Future Product Portfolio" chapter of the 2019 Sustainability Report inside the MOL Group Integrated Annual Report – 2019.
- Capex Project Execution Risk are that the projects are delayed or less profitable than expected or unsuccessful for numerous reasons, including cost overruns, lower product prices, higher raw material or energy prices, equipment shortages, limited availability of contractors and execution difficulties. In order to manage such risks, dedicated team is operating to identify risks at earlier stages, plan for mitigation or avoidance by linking potential risks with schedule and budget to build realistic estimates and following it up through the project lifecycle.

Main risk management tools

As a general risk management framework, we operate an Enterprise Risk Management system.

Hedging Policy: to ensure the profitability and the financial stability of the group, financial risk management is in place to handle short-term, market related risks. Commodity price, FX and interest rate risks are measured regularly by using a complex model based on advanced statistical methods and are managed – if and when necessary - with hedging measures.

Insurance Policy: transferring of the financial consequences of our operational risks is done by insurance management, which represents an important risk mitigation tool used to cover the most relevant exposures and liabilities arising out of our operations. Insurance is managed through a joint program for the whole group to exploit considerable synergy effects.

Crisis and Business Continuity Management: following best industry practice and focusing on low probability high potential risks that could disrupt our operations, value chain and cash generation, MOL Group has implemented and is currently working to integrate a crisis management and business continuity program in order to reduce recovery times within tolerable limits for processes critical to our business.

OUTLOOK ON STRATEGIC HORIZON

2020 started as a regular year for MOL Group. Operations were smooth and most KPIs were visibly above the previous year's level and also above targets in the first 10 weeks of the year. And then everything changed. The COVID-19 pandemic and the economic crisis that came as a result created unprecedented challenges and reset priorities for everyone, including MOL. The virus exposed MOL, its employees, customers and partners to significant health and safety risks, it created unseen operational challenges during the lockdown and put MOL's financial flexibility and strength to the test too. The oil and gas industry was particularly hit hard as a combination of demand and supply-side shocks occurring at the same time.

Under these circumstances MOL managed to continue to generate positive simplified free cash flows in H1 2020 of USD 368mn despite profitability (EBITDA) deteriorating visibly YoY. MOL introduced significant operational and financial adjustments in the wake of the pandemic, including reducing capex plans by more than 25% for 2020, initiating a comprehensive opex review and delaying decision on profit distribution from 2019. These measures all targeted the same goal, to allow MOL to operate with positive free cash flow generation in order to preserve its financial health and flexibility. While the 2020 plans were rewritten, one key objection has not changed: MOL wants to maintain positive cash generation even amidst the crisis.

The crisis has had no impact on MOL's strategic projects and its intention to carry on with its long-term transition strategy, set out in the MOL 2030 program. The transformational projects (polyol, propylene splitter, delayed coker) are clearly prioritized and have been going ahead at full steam, as far as the mobility restrictions allowed. While the strategic directions remain intact, the current circumstances do necessitate a rethinking of priorities, resetting of the financial framework and updating the long term strategic and short-to-mid-term tactical and financial targets. Hence the Board initiated a strategy review and update process, the results of which will be communicated in about 6 months.

While the financial targets are now withdrawn for the next few years, pending the review process, including the underlying macro assumptions, the primary goal is unchanged: MOL aims at generating enough cash (Clean CCS EBITDA) to fund both sustain-type investments and its low-carbon energy transition, and also to reward its shareholders. At the same time, MOL wants to maintain a strong financial profile with a robust balance sheet.

In **Downstream**, we continue to execute the DS 2022 program, which defined the strategic targets for the 2020-23 period as well and which aims at completing the first round of major investment projects along the "fuel-to-petchems" transition direction and significant incremental EBITDA on the back of USD 3bn+ investments. The new polyol plant is now at 65% completion and while some small delays are likely due to the pandemic, MOL remains fully committed to complete this flagship investment according to plans. The Rijeka delayed coker project is now also in progress, after an FID made in December 2019. Efficiency improvement efforts go ahead at full steam and they gain an ever more important meaning during difficult times. The current crisis may delay some further investment decisions, but the strategy update will certainly result in launching new projects which will bring MOL closer to the long-term strategic goal of transition.

Consumer Services proved to be extremely resilient in this challenging external environment marked with lockdowns, a significant decline in mobility and hence a major drop in transport fuel demand. Consumer Services posted nearly unchanged EBITDA YoY and slightly improved simplified FCF in H1 2020 – becoming the largest FCF contributor of the group –, as cost savings and optimization measures nearly offset the inevitable fallout of fuel and non-fuel margins. This outstanding financial performance is a testament to the success of the strategic efforts we have been undertaking to transform our Consumer Services segment and gives us additional ammunition and energy to push ahead with our strategic targets. In the next few years, we will continue to invest in transforming the business into a real FMCG retailing platform and the rollout of the non-fuel concept (Fresh Corners) will go on. Digitalization of the customer interactions and the customer experience will likely gain new momentum and we will also continue to seek for new opportunities in mobility services.

Upstream's financial performance suffered materially in H1 as oil and gas prices collapsed. Yet, the business remained free cash flow positive amidst rock-bottom prices in Q2 and managed to further reduce its cash breakeven point to an around USD 25/bbl oil price in 2020. The main target remains to maintain a disciplined, highly efficient operation and to maximise cash generation from the existing reserves in the next 5 years, while attempting to mitigate natural decline and trying to keep production at around the current activity level. The acquisition of a 9.57% stake in the supergiant ACG field (and an 8.9% stake in the BTC pipeline) was successfully closed in April 2020, and one of the key projects for the coming period will be the integration of this new portfolio element. The new asset is to add around 20-30 mboepd to group production (at an oil price of USD 30-60/bbl), will lower the unit opex of the portfolio and will visibly contribute to cash generation. This acquisition was also a major step in addressing the reserve replacement challenge MOL has been facing in recent years.

MOL HUNGARIAN OIL AND GAS PLC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

30 June 2020

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Introduction

General information

MOL Hungarian Oil and Gas Public Limited Company (hereinafter referred to as MOL Plc., MOL or the parent company) was incorporated on 1 October 1991. MOL Plc. and its subsidiaries (hereinafter referred to as the Group or MOL Group) is an integrated, international oil and gas company, active in over 30 countries with a dynamic international workforce of 26,000 people and a track record of more than 100 years in the industry with its legal predecessor. MOL's exploration and production activities are supported by more than 80 years' experience in the hydrocarbon field. There are production activities in 9 countries and exploration assets in 13 countries. MOL Group operates three refineries and two petrochemicals plants under integrated supply chain management in Hungary, Slovakia and Croatia, and owns a network of more than 1,900 service stations across 10 countries in Central & South Eastern Europe.

The registered office address of the Company is 1117 – Budapest, Október huszonharmadika u. 18, Hungary.

The shares of the Company are listed on the Budapest and the Warsaw Stock Exchange. Depositary Receipts (DRs) are traded Over The Counter (OTC) market in the USA.

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting* and all applicable IFRSs that have been adopted by the European Union (EU). IFRS comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee. This report contains consolidated, reviewed financial statements for the six months period ended 30 June 2020, consolidated, audited financial statement for the year ended 31 December 2019 and consolidated, not reviewed financial statements for the six months period ended 30 June 2019 as prepared by the management in accordance with IFRS.

Contents

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Report on Review of Interim Financial Information

To the shareholders and Board of Directors of MOL Hungarian Oil and Gas Public Limited Company

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of MOL Hungarian Oil and Gas Public Limited Company and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 June 2020, the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements (interim financial information). Management of MOL Hungarian Oil and Gas Public Limited Company is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

Other matter

The interim financial information as at 30 June 2019 was not reviewed.

Szabó Gergely
Partner
Ernst & Young Könyvvizsgáló Kft.

06 August 2020
1132 Budapest, Váci út 20.

A member firm of Ernst & Young Global Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	H1 2020 Reviewed, unaudited HUF million	H1 2019 Not reviewed, unaudited HUF million
Net sales	2	1,943,399	2,483,427
Other operating income	3	55,449	7,412
Total operating income		**1,998,848**	**2,490,839**
Raw material and consumables used		1,451,985	1,947,437
Personnel expenses		134,652	137,545
Depreciation, depletion, amortisation and impairment		228,983	178,673
Other operating expenses		108,032	139,395
Change in inventory of finished goods & work in progress		82,569	(17,967)
Work performed by the enterprise and capitalised		(25,327)	(40,912)
Total operating expenses	4	**1,980,894**	**2,344,171**
Profit from operation		**17,954**	**146,668**
Finance income		80,494	42,696
Finance expense		171,151	48,856
Total finance expense, net	5	**(90,657)**	**(6,160)**
Share of after-tax results of associates and joint ventures	6	(12,336)	4,327
(Loss) / Profit before tax		**(85,039)**	**144,835**
Income tax expense	7	32,222	19,570
(Loss) / Profit for the period		**(117,261)**	**125,265**
Attributable to:			
Owners of parent		(89,956)	126,436
Non-controlling interest		(27,305)	(1,171)
Basic earnings per share attributable to owners of the parent		(126)	180
Diluted earnings per share attributable to owners of the parent		(126)	180

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	H1 2020 Reviewed, unaudited HUF million	H1 2019 Not reviewed, unaudited HUF million
(Loss) / Profit for the period		(117,261)	125,265
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations, net of tax		142,229	12,665
Net investment hedge, net of tax		(17,646)	(2,249)
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax		636	684
Cash flow hedges, net of deferred tax		(234)	565
Share of other comprehensive income of associates and joint ventures		6,577	3,213
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		131,562	14,878
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax		304	2,895
Remeasurement of post- employment benefit obligations		(7)	(452)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		297	2,443
Other comprehensive income for the period, net of tax		131,859	17,321
Total comprehensive income for the period		14,598	142,586
Attributable to:			
Equity holders of the parent		26,173	139,719
Non-controlling interest		(11,575)	2,867

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,358,789	2,685,969
Intangible assets	8	293,168	207,964
Investments in associates and joint ventures	6	217,309	206,077
Other non-current financial assets	16	153,464	137,691
Deferred tax asset		111,614	123,805
Other non-current assets	10	96,885	90,372
Total non-current assets		**4,231,229**	**3,451,878**
CURRENT ASSETS			
Inventories	11	462,651	517,060
Trade and other receivables	16, 17	545,510	610,335
Securities	16	14,602	24,275
Other current financial assets	16	34,014	104,145
Income tax receivable		49,200	30,724
Cash and cash equivalents	16	353,247	326,108
Other current assets	12	72,005	67,477
Assets classified as held for sale		291	285
Total current assets		**1,531,520**	**1,680,409**
Total assets		**5,762,749**	**5,132,287**
EQUITY	19		
Share capital		79,427	79,408
Retained earnings and other reserves		2,189,567	1,848,763
(Loss) / Profit for the year attr. to owners of parent		(89,956)	223,214
Equity attributable to owners of parent		**2,179,038**	**2,151,385**
Non-controlling interest		**288,120**	**299,984**
Total equity		**2,467,158**	**2,451,369**
NON-CURRENT LIABILITIES			
Long-term debt	16	1,087,563	582,417
Other non-current financial liabilities	16	74,489	3,138
Non-current provisions	13	596,374	545,276
Deferred tax liabilities		160,438	59,952
Other non-current liabilities	14	31,240	26,624
Total non-current liabilities		**1,950,104**	**1,217,407**
CURRENT LIABILITIES			
Short-term debt	16	268,824	326,622
Trade and other payables	16	548,208	624,164
Other current financial liabilities	16	227,291	252,606
Current provisions	13	24,453	36,052
Income tax payable		14,751	6,929
Other current liabilities	15	261,960	217,138
Total current liabilities		**1,345,487**	**1,463,511**
Total liabilities		**3,295,591**	**2,680,918**
Total equity and liabilities		**5,762,749**	**5,132,287**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Fair valuation reserve	Reserve of exchange differences on translation	Retained earnings with profit for the year attr. to owners of parent	Total reserves	Equity attr. to owners of parent	Non-controlling interests	Total equity
	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million
Opening balance 1 Jan 2019	79,298	219,389	1,792	263,604	1,430,372	1,915,157	1,994,455	315,491	2,309,946
Profit / (loss) for the year	-	-	-	-	126,436	126,436	126,436	(1,171)	125,265
Other comprehensive income / (loss) for the year	-	-	2,509	10,617	157	13,283	13,283	4,038	17,321
Total comprehensive income / (loss) for the year	-	-	2,509	10,617	126,593	139,719	139,719	2,867	142,586
Dividends	-	-	-	-	(97,366)	(97,366)	(97,366)	-	(97,366)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(28,029)	(28,029)
Equity recorded for share-based payments	123	-	-	-	1,333	1,333	1,456	-	1,456
Treasury share transactions	-	-	-	-	-	-	-	-	-
Acquisition / divestment of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-
Closing balance 30 Jun 2019 (Not reviewed, unaudited)	79,421	219,389	4,301	274,221	1,460,932	1,958,843	2,038,264	290,329	2,328,593
Opening balance 1 January, 2020	79,408	219,389	6,354	289,723	1,556,511	2,071,977	2,151,385	299,984	2,451,369
Profit / (loss) for the year	-	-	-	-	(89,956)	(89,956)	(89,956)	(27,305)	(117,261)
Other comprehensive income / (loss) for the year	-	-	1,945	107,485	6,699	116,129	116,129	15,730	131,859
Total comprehensive income / (loss) for the year	-	-	1,945	107,485	(83,257)	26,173	26,173	(11,575)	14,598
Dividends	-	-	-	-	-	-	-		-
Dividends to non-controlling interests	-	-	-	-	-	-	-	(262)	(262)
Equity recorded for share-based payments	19	-	-	-	528	528	547	-	547
Treasury share transactions	-	-	-	-	(458)	(458)	(458)	-	(458)
Acquisition / divestment of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(37)	(37)	(37)	-	(37)
Other	-	-	-	-	1,428	1,428	1,428	(27)	1,401
Closing balance 30 Jun 2020 (Reviewed, unaudited)	79,427	219,389	8,299	397,208	1,474,715	2,099,611	2,179,038	288,120	2,467,158

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	H1 2020 Reviewed, unaudited HUF million	H1 2019 Restated Not reviewed, unaudited HUF million
(Loss) / Profit before tax		(85,039)	144,835
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Depreciation, depletion, amortisation and allowances / impairments		228,983	178,679
Increase / (decrease) in provisions		(14,296)	(21,415)
Net (gain) / loss on asset disposal and divestments		(72)	(390)
Net interest expense / (income)	5	10,470	13,524
Other finance expense / (income)	5	80,187	(7,364)
Share of after-tax results of associates and joint ventures	6	12,336	(4,327)
Other adjustment item		(44,950)	34,357
Income taxes paid		(28,666)	(5,470)
Operating cash flow before changes in working capital	21	**158,953**	**332,429**
Total change in working capital o/w:		*85,496*	(89,333)
(Increase) / decrease in inventories	11	82,149	(30,610)
(Increase) / decrease in trade and other receivables	17	45,390	(182,099)
Increase / (decrease) in trade and other payables		(117,488)	55,320
Increase / (decrease) in other assets and liabilities	12, 15	75,445	68,056
Net cash provided by operating activities	21	**244,449**	**243,096**
Capital expenditures	8	(213,880)	(226,143)
Proceeds from disposal of fixed assets		934	990
Acquisition of businesses (net of cash)		(473,812)	(2,024)
Proceeds from disposal of businesses (net of cash)		172	-
(Increase) / decrease in other financial assets		96,982	(61,412)
Interest received and other finance income	5	5,675	4,251
Dividends received	5	5,486	5,199
Net cash used in investing activities	21	**(578,443)**	**(279,139)**
Issuance of long-term notes		-	-
Repayment of long-term notes		-	-
Proceeds from loans and borrowings received		989,037	401,601
Repayments of loans and borrowings		(692,120)	(426,131)
Interest paid and other financial costs	5	(9,198)	(13,947)
Dividends paid to owners of parent	19	(1)	(97,057)
Dividends paid to non-controlling interest		(266)	(302)
Transactions with non-controlling interest		(125)	-
Other changes in equity		1,427	-
Net cash used in financing activities	21	**288,754**	**(135,836)**
Currency translation differences relating to cash and cash equivalents		76,914	5,902
Increase / (decrease) in cash and cash equivalents		**31,674**	**(165,977)**
Cash and cash equivalents at the beginning of the period		326,108	383,511
Cash and cash equivalents at the end of the period		353,247	218,223
Change in Cash and cash equivalents		**27,139**	**(165,288)**
Change in Overdraft		4,535	(689)
Increase / (decrease) in cash and cash equivalents		**31,674**	**(165,977)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - ACCOUNTING INFORMATION, POLICIES AND SIGNIFICANT ESTIMATES

This section describes the basis of preparation of interim condensed consolidated financial statements, the Group's applicable accounting policies, the seasonality of operations and prior period errors and restatements. This section also provides a brief summary of new accounting standards issued by IASB but have not yet been effective.

1. Accounting information and policies

Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and accordingly are to be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019 except for the adoption of new and amended standards as set out below.

The following amendments to the accounting standards are issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC), effective from 1 January 2020:

- Amendment to IFRS 3 Business Combination
- Amendment to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- Amendment to IAS 1 and IAS 8: Definition of Material
- Amendment to References to the Conceptual Framework in IFRS Standards

The following standards issued by the IASB have not yet been effective:

- IFRS 17 Insurance Contracts including Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023 not yet endorsed by EU)
- Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2022 not yet endorsed by EU)
- Amendment to IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 January 2022 not yet endorsed by EU)
- Amendment to IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2022 not yet endorsed by EU)
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective for annual periods beginning on or after 1 January 2022 not yet endorsed by EU)
- Amendment to Annual Improvements 2018-2020 (effective for annual periods beginning on or after 1 January 2022 not yet endorsed by EU)
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020 not yet endorsed by EU)
- Amendment to IFRS 4 Insurance Contracts- deferral of IFRS 9 (effective for annual periods beginning on or after 1 January 2021 not yet endorsed by EU)

The above-mentioned new standards and amendments do not affect significantly the Group's consolidated results, financial position or disclosures.

Changes in critical accounting estimates

As of 30 June 2020, MOL Group has upgraded its reserve estimates of matured oil and gas fields in CEE. By this all reserves are determined at 2P basis consistently with industry best practice.

Restatement

In the consolidated statement of cash flow the comparative period has been restated due to HUF 9,719 million repayment on shares under repurchase obligation incorrectly presented as dividends paid to owners of parent instead of repayments of loans and borrowings.

Seasonality of operations

Certain operations of the Group, mainly in the Downstream, Consumer Services and the Gas Midstream segment are exposed to seasonality (in case of Consumer Services, holiday peak results in higher margin revenues, whereby sales of the Gas Midstream segment are higher in the winter heating season), which should be considered when analysing quarterly financial information.

Significant impact on operation

The COVID-19 pandemic and the economic crisis that came as a result created unprecedented challenges and reset priorities for everyone, including MOL. The virus exposed MOL, its employees, customers and partners to significant health and safety risks, it created unseen operational challenges during the lockdown and put MOL's financial flexibility and strength to the test too. The oil and gas industry were particularly hit hard as a combination of demand and supply-side shocks occurring at the same time.

The upstream segment was hit by significantly lower oil and gas prices in 2020 compared to 2019, which more than offset the strong cost discipline and the positive effect of higher production helped by newly acquired ACG.

RESULTS FOR THE PERIOD

This section explains the results and performance of the Group for the half financial years ended 30 June 2020 and 30 June 2019. Disclosures are following the structure of statement of profit or loss and provide information on segmental data, total operating income, total operating expense, finance result, income from associates and joint ventures. For joint ventures and associates, statement of financial position disclosures are also provided in this section.

2. Segmental information

For management purposes the Group is organised into five major operating business units: Upstream, Downstream, Consumer Services, Gas Midstream and Corporate and other segments. The business units are the basis upon which the Group reports its segment information to the management who is responsible for allocating business resources and assessing performance of the operating segments.

Six months ended 30 June 2020 (Reviewed, unaudited)	Upstream HUF million	Downstream HUF million	Consumer Services HUF million	Gas Midstream HUF million	Corporate and other HUF million	Inter-segment transfers HUF million	Total HUF million
Net Revenue							
External sales	70,952	1,140,465	670,500	47,375	14,107	-	1,943,399
Inter-segment transfers	104,858	515,445	2,622	2,678	88,377	(713,980)	-
Total revenue	**175,810**	**1,655,910**	**673,122**	**50,053**	**102,484**	**(713,980)**	**1,943,399**
Profit / (loss) from operation	(24,809)	(1,656)	40,570	28,640	(39,773)	14,982	**17,954**

Six months ended 30 June 2019 (Not reviewed, unaudited)	Upstream HUF million	Downstream HUF million	Consumer Services HUF million	Gas Midstream HUF million	Corporate and other HUF million	Inter-segment transfers HUF million	Total HUF million
Net Revenue							
External sales	94,017	1,539,236	785,325	45,003	19,846		2,483,427
Inter-segment transfers	158,453	659,003	3,055	1,682	112,152	(934,345)	-
Total revenue	**252,470**	**2,198,239**	**788,380**	**46,685**	**131,998**	**(934,345)**	**2,483,427**
Profit / (loss) from operation	75,872	50,309	42,209	18,424	(37,729)	(2,417)	**146,668**

3. Other operating income

In 2020, fair valuation gains on commodity derivatives have resulted approximately HUF 46 billion increase in other income mainly due to MOL Plc. In 2019, there has been no fair valuation gain on such transactions among other income.

4. Total operating expenses

	H1 2020 Reviewed, unaudited HUF million	H1 2019 Not reviewed, unaudited HUF million
Raw materials and consumables used	1,451,985	1,947,437
Crude oil purchased	610,771	833,929
Cost of goods purchased for resale	387,771	602,348
Non-hydrocarbon-based material	128,698	166,482
Value of material-type services used	119,131	122,271
Other raw materials	91,701	119,478
Purchased bio diesel component	49,762	45,658
Utility expenses	39,368	39,959
Value of inter-mediated services	24,783	17,312
Employee benefits expense	134,652	137,545
Wages and salaries	95,978	100,996
Social security	21,897	18,432
Other employee benefits expense	16,777	18,117
Depreciation, depletion, amortisation and impairment	228,983	178,673
Other operating expenses	108,032	139,395
Other	57,416	77,384
Contribution in strategic inventory storage	17,242	16,763
Mining royalties	14,728	25,104
Taxes and contributions	10,333	11,889
Rental cost	8,313	8,255
Change in inventory of finished goods and work in progress	82,569	(17,967)
Work performed by the enterprise and capitalised	(25,327)	(40,912)
Total operating expenses	1,980,894	2,344,171

Operating expenses are mainly driven by lower level of average Brent price and consequently raw material prices in 2020.

5. Finance result

Finance result	H1 2020 Reviewed, unaudited HUF million	H1 2019 Not reviewed, unaudited HUF million
Interest income	4,141	4,365
Dividend income	18	6,065
Foreign exchange gains	72,154	30,430
Other finance income	4,181	1,836
Total finance income	80,494	42,696
Interest expense	7,965	10,964
Unwinding of discount on provisions	6,646	6,924
Foreign exchange losses	150,599	28,848
Other finance expense	5,941	2,120
Total finance expense	171,151	48,856

Interest expense decreased due to repayment of USD bond in September 2019. Net foreign exchange result decreased as a result of massive Hungarian Forint weakening against both Euro and US Dollar compared to H1 2019.

6. Joint ventures and associates

Company name	Country	Range of activity	Ownership 2020	Contribution to net income H1 2020 Rev., unaud. HUF million	Contribution to net income H1 2019 Not rev., unaud. HUF million	Net book value of investments 30 Jun 2020 Rev., unaud. HUF million	Net book value of investments 31 Dec 2019 Audited HUF million
Investment in joint ventures							
BaiTex Llc./ MK Oil and Gas B.V.	Russia / Netherlands	Exploration and production activity / Exploration investment management	51%	(5,703)	1,307	7,695	14,388
JSR MOL Synthetic Rubber Plc.	Hungary	Production of synthetic rubber	49%	(1,637)	(586)	12,639	13,274
Rossi Biofuel Plc.	Hungary	Biofuel component production	25%	271	405	5,278	4,631
ITK Holding Plc.	Hungary	Mobility and public transport service	74%	(270)	-	1,012	1,281
Dunai Vízmű Plc.	Hungary	Water production, supply	33%	1	-	1,404	1,403
Terra Mineralna Gnojiva d.o.o.	Croatia	Investment management	50%	2,084	(745)	9,677	7,109
Ma-Coding Ltd.	Hungary	IT services	50%	-	-	-	-
Datapac Group	Slovakia	IT services	25%	(14)	-	535	-
MOL-Aspect DNY-Magyarországi Közös Szénhidrogén Kutató és Termelő Ltd.	Hungary	Exploration and production activity	50%	-	-	9	-
New Milford Development Ltd	Hungary	Property management	0%	-	-	-	36
Investment in associated companies							
Pearl Petroleum Ltd.	Kurdistan region / Iraq	Exploration of gas	10%	2,953	3,960	153,342	143,863
Ural Group Limited	Kazakhstan	Exploration and production activity	28%	(11,070)	(158)	6,620	16,713
Meroco a.s.	Slovakia	Production of bio-diesel component (FAME)	25%	14	86	1,491	1,376
Messer Slovnaft s.r.o.	Slovakia	Production of technical gases	49%	41	46	635	801
DAC ARENA a.s.	Slovakia	Facility management	28%	12	52	1,346	1,202
IN-ER Erőmű Kft.	Hungary	Power plant investment management	30%	-	(40)	-	-
BTC	Cayman Islands	Oil transportation	9%	982	-	15,626	-
Total				(12,336)	4,327	217,309	206,077

7. Taxation

a) Analysis of taxation charge for the year

Total applicable income taxes reported in the consolidated financial statements for the interim period ended 30th June 2020 include the following components:

	H1 2020 Reviewed, unaudited HUF million	H1 2019 Not reviewed, unaudited HUF million
Deferred taxes	21,935	11,128
Local trade tax and innovation fee	6,838	7,711
Current corporate income tax and industry taxes	3,449	731
Total income tax expense	32,222	19,570

Local trade tax represents an income-based tax for Hungarian entities, payable to local municipalities. Tax base is calculated by deducting material costs, cost of goods sold and remediated services from sales revenue. Tax rates vary between 0-2% dependent on the regulation of local governments where the entities carry on business activities.

Industry income taxes include tax on energy supply activities in Hungary with an effective tax rate of 19% (H1 2019: 21%) on taxable statutory profit of MOL Plc.

Upstream companies in Norway are refunded for the tax expenses of exploration activities incurred for the year.

b) Current income taxes

Change in tax rates

The following changes in corporate income tax rates effective from 1 January 2020 are taken into account:

a) change in Pakistan to 29% (2019: 30%)

c) Deferred tax assets and liabilities

Change in tax rates

The following changes in corporate income tax rates effective from 1 January 2021 are taken into account in deferred tax calculation:

a) change in the Netherlands to 21.7% (2020: 25%)

NON-FINANCIAL ASSETS AND LIABILITIES

This section describes those non-financial assets that are used, and liabilities incurred to generate the Group's performance. This section also provides disclosures on the Group's recent acquisitions and disposals.

8. Property, plants and equipment and intangible assets

a) Property, plants and equipment

During the six months ended 30th June 2020, the Group purchased assets with cost of HUF 684,745 million, compared to HUF 230,619 million in H1 2019.

The purchases both in the current and comparative period mainly related to M&A project in the Upstream segment (investment in ACG field in Azerbaijan) and Downstream segments (entering new market projects in MOL Petrochemicals).

In 2017, MOL Group started, and in 2020, continued its Polyol Project with which it intends to become a significant producer of polyether polyols, high-value intermediates for products applied in the automotive, packaging and furniture industry. Under the project, a new polyol plant will be constructed to which significant part of capital expenditures relate both in the current and comparative period. In 2020, HUF 74,205 million was capitalised in connection with the polyol project.

Impairments

During the interim period in 2020, net impairment losses of HUF 28,156 million were recognized mainly in the Upstream segment for production fields and for assets under construction.

The impairment tests of Upstream assets performed by MOL Group were performed using the following assumptions:

- Recoverable amount is calculated with the assumption of using the assets in long-term in the future.
- Discount rates: the value in use calculations take into account the time value of money, the risks specific to the asset and the rate of return that would be expected by market for an investment with similar risk, cash flow and timing profile. It is estimated from current market transactions for similar assets or from the 'weighted average cost of capital' (WACC) of a listed entity that has a single asset or portfolio of assets that are similar in terms of service potential and risks to the asset under review.
- Exploration and Production segment pre-tax WACC premise were applied plus country risk premium of the related country. Based on the above, the WACC rates used for the impairment tests in 2020 were in the range from 7.3% to 13.3%.
- Brent oil and NCG gas price assumptions applied in the value in use models: real flat 50 USD/barrel and EUR 15 MWh from 2020.

9. Business combinations

a) Acquisition of MOL Azerbaijan (formerly: Chevron Khazar, Ltd.)

On 16 April 2020, MOL Group has successfully closed the previously announced deal with Chevron Global Ventures, Ltd and Chevron BTC Pipeline, Ltd regarding the acquisition of their non-operated E&P interests in Azerbaijan, including a 9.57% stake in the Azeri-Chirag-Gunashli ("ACG") oil field, and an effective 8.9% stake in the Baku-Tbilisi-Ceyhan ("BTC") pipeline that transports the crude to the Mediterranean port of Ceyhan for a total consideration of USD 1.57bn with an effective date of 1 January 2019. With this transaction MOL Group becomes the third largest field partner in ACG, a supergiant oil field, located in the Caspian Sea, which is operated by BP and started production in 1997. This transaction is a major milestone in building MOL Group's international E&P portfolio and a significant step to deliver on the inorganic reserve replacement targets. The operator estimates total gross recoverable reserves to be approximately 3bn bbl of oil, following the license extension in September 2017 until 2049.

MOL Group applies proportion consolidated method in terms of representing MOL Azerbaijan in the consolidated financial statements and applies the equity method to present significant influence in BTC Pipeline Company according to IFRS 11 *Joint Arrangements* and IAS 28 *Investment in associates and joint ventures*, respectively.

The initial accounting for the business combination is incomplete at the time the interim financial statements are authorized for issue, as the valuation has not been finalised.

	MOL Azerbaijan Reviewed, unaudited HUF million
Non-current assets	**613,601**
Intangible assets	-
Property, plant and equipment	613,601
Investment	-
Other non-current asset	-
Deferred tax asset	-
Current assets	**36,552**
Inventories	9,002
Trade and other receivables	8,858
Other current assets	6
Cash and cash equivalents	18,686
Non-current liabilities	**(197,698)**
Non-current provisions	(28,926)
Long-term debt	-
Other financial liabilities (non-current)	(70,062)
Other non-current liability	-
Deferred tax liability	(98,710)
Current liabilities	**(47,565)**
Current provisions	-
Short-term debt	-
Trade payables	(39,364)
Taxes and contributions	(8,201)
Other current liabilities	-
MOL Group's share of net assets (9,57%)	**404,890**
Goodwill on acquisition	-
Fair value of consideration transferred	475,026
Contingent consideration	-
Less: fair value of identifiable net assets acquired	(404,890)
Goodwill on acquisition	**70,136**
Net cash outflow on acquisition of subsidiaries	
Consideration paid in cash	475,026
Less: cash and cash equivalent balances acquired	(18,686)
Net cash outflow	**456,340**

16 April 2020 - 30 June 2020 Reviewed, unaudited	Net revenue HUF million	Profit for the period HUF million
MOL Azerbaijan	8,800	3,965

b) Other acquisitions

There were two additional acquisitions during the interim period in 2020 (Tisza Solar Energy Ltd. and Datapac s. r. o.), which transactions were immaterial for the Group.

c) Update on acquisition of Aurora Kunststoffe GmbH and its subsidiaries

On 31 October 2019, MOL Group has acquired 100% shareholding of Aurora Kunststoffe GmbH. The accounting of business combination was completed by 30 June 2020 and has no material impact on provisional accounting of the business combination as at 31 December 2019.

10. Other non-current assets

	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
Advance payments for assets under construction	48,690	43,652
Obligatory level of inventory required by state legislations	46,834	45,167
Advance payments for intangible assets	652	582
Prepaid fees of long-term rental fees	400	420
Prepaid mining royalty	107	215
Other	202	336
Total	96,885	90,372

11. Inventories

Total amount of inventories decreased to HUF 462,651 million as of 30 June 2020 (HUF 517,060 million as of 31 December 2019).

The methodology of impairment calculation is based on comparison of inventory prices (crude, semi-finished products and finished products) at the end of the period and sales prices of products sold from inventories at 10 days around Balance Sheet date. When calculating impairment net realisable value is taken into account.

In the first quarter of 2020, the decrease of crude oil market price was more significant as at the same period of 2019 owing to the fact that coronavirus pandemic situation and lockdown worldwide caused a drop in general demand.

12. Other current assets

	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
Prepaid and recoverable taxes and duties (excluding income taxes)	40,848	42,688
Prepaid expenses	18,293	12,559
Advance payments	12,003	10,462
Other	861	1,768
Total	72,005	67,477

13. Provisions

Total amount of provisions as of 30 June 2020 increased compared to 31 December 2019 by HUF 39,499 million and amounted to HUF 620,827 million. The increase was mainly caused by the provision of field abandonment in MOL Azerbaijan (HUF 28,373 million) and INA (HUF 9,272 million).

14. Other non-current liabilities

	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
Government grants received	16,876	12,208
Received and deferred other subsidies	6,863	6,813
Deferred compensation for property, plant and equipment	3,999	4,157
Deferred income for apartments sold	1,346	1,287
Liabilities to government for sold apartments	835	912
Other	1,321	1,247
Total	**31,240**	**26,624**

15. Other current liabilities

	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
Taxes, contributions payable (excluding corporate tax)	179,808	138,893
Amounts due to employees	40,442	39,055
Custom fees payable	11,950	11,539
Advances from customers	11,837	12,934
Fee payable for strategic inventory storage	6,293	4,667
Other accrued incomes	5,252	5,648
Government subsidies received and accrued	1,020	963
Other	5,359	3,439
Total	**261,961**	**217,138**

Taxes, contributions payable mainly include mining royalty, contributions to social security, value added taxes and excise taxes.

FINANCIAL INSTRUMENTS, CAPITAL AND FINANCIAL RISK MANAGEMENT

This section describes the financial instruments applied to fulfil policies and procedures to manage the capital structure and the financial risks the Group is exposed to.

16. Reconciliation of financial instruments

30 Jun 2020 (Reviewed, unaudited) Carrying amount of financial instruments		Fair value through profit or loss HUF million	Derivatives used for hedging hedge acc.* HUF million	Amortised cost HUF million	Fair value through other comprehensive income HUF million	Total carrying amount HUF million
Financial assets						
Other non-current financial assets	Equity instruments	3,535	-	-	64,477	68,012
	Loans given	-	-	34,511	-	34,511
	Deposit	-	-	348	-	348
	Finance lease receivables	-	-	8,341	-	8,341
	Debt securities	-	-	-	12,947	12,947
	Commodity derivatives	5,854	-	-	-	5,854
	Other	-	-	23,451	-	23,451
Total non-current financial assets		9,389	-	66,651	77,424	153,464
Trade and other receivables		-	-	545,153	-	545,153
Finance lease receivables		-	-	357	-	357
Cash and cash equivalents		-	-	353,247	-	353,247
Debt securities		-	-	-	14,602	14,602
Other current financial assets	Commodity derivatives	24,627	-	-	-	24,627
	Loans given	-	-	3,581	-	3,581
	Deposit	-	-	58	-	58
	Finance lease receivables	-	-	569	-	569
	Other derivatives	1,136	-	-	-	1,136
	Other	198	-	3,845	-	4,043
Total current financial assets		25,961	-	906,810	14,602	947,373
Total financial assets		35,350	-	973,461	92,026	1,100,837
Financial liabilities						
Borrowings (long-term debt)		-	-	970,582	-	970,582
Finance lease liabilities		-	-	116,981	-	116,981
Other non-current financial liabilities	Foreign exchange derivatives	-	936	-	-	936
	Other derivatives	5,188	-	-	-	5,188
	Other	-	-	68,365	-	68,365
Total non-current financial liabilities		5,188	936	1,155,928	n/a.	1,162,052
Trade and other payables		-	-	548,208	-	548,208
Borrowings (short-term debt)		-	-	239,476	-	239,476
Finance lease liabilities		-	-	29,348	-	29,348
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	185,785	-	185,785
	Commodity derivatives	28,676	-	-	-	28,676
	Foreign exchange derivatives	784	-	-	-	784
	Other derivatives	5,472	-	-	-	5,472
	Other	-	-	6,574	-	6,574
Total current financial liabilities		34,932	-	1,009,391	n/a.	1,044,323
Total financial liabilities		40,120	936	2,165,319	n/a.	2,206,375

*hedge acc: under hedge accounting

31 Dec 2019 (Audited) Carrying amount of financial instruments		Fair value through profit or loss HUF million	Derivatives used for hedging hedge acc.* HUF million	Amortised cost HUF million	Fair value through other comprehensive income HUF million	Total carrying amount HUF million
Financial assets						
Other non-current financial assets	Equity instruments	1,649	-	-	63,545	65,194
	Loans given	-	-	27,941	-	27,941
	Deposit	-	-	323	-	323
	Finance lease receivables	-	-	8,694	-	8,694
	Debt securities	-	-	-	12,680	12,680
	Commodity derivatives	133	-	-	-	133
	Other	-	-	22,726	-	22,726
Total non-current financial assets		1,782	-	59,684	76,225	137,691
Trade and other receivables		-	-	610,048	-	610,048
Finance lease receivables		-	-	287	-	287
Cash and cash equivalents		-	-	326,108	-	326,108
Debt securities		14,136	-	-	10,139	24,275
Other current financial assets	Commodity derivatives	5,894	-	-	-	5,894
	Loans given	-	-	4,415	-	4,415
	Deposit	-	-	40,269	-	40,269
	Foreign exchange derivatives	-	-	556	-	556
	Other derivatives	1,053	-	-	-	1,053
	Other	-	-	51,958	-	51,958
Total current financial assets		21,083	-	1,033,641	10,139	1,064,863
Total financial assets		22,865	-	1,093,325	86,364	1,202,554
Financial liabilities						
Borrowings (long-term debt)		-	-	473,612	-	473,612
Finance lease liabilities		-	-	108,805	-	108,805
Other non-current financial liabilities	Foreign exchange derivatives	556	679	-	-	1,235
	Other	-	-	1,903	-	1,903
Total non-current financial liabilities		556	679	584,320	n/a.	585,555
Trade and other payables		-	-	624,164	-	624,164
Borrowings (short-term debt)		-	-	300,281	-	300,281
Finance lease liabilities		-	-	26,341	-	26,341
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	230,723	-	230,723
	Commodity derivatives	10,742	-	-	-	10,742
	Foreign exchange derivatives	3	-	-	-	3
	Other derivatives	4,231	-	-	-	4,231
	Other	-	-	6,907	-	6,907
Total current financial liabilities		14,976	-	1,188,416	n/a.	1,203,392
Total financial liabilities		15,532	679	1,772,736	n/a.	1,788,947

*hedge acc: under hedge accounting

17. Trade and other receivables

Decrease of trade and other receivables to HUF 545,510 million is driven by decrease in average Brent crude oil price and consequently decrease of product average quotation prices (H1 2019: HUF 675,634 million). In addition, general drop in demand is further decreased receivables.

18. Fair value hierarchy

Fair value hierarchy	30 Jun 2020 (Reviewed, unaudited)			31 Dec 2019 (Audited)		
	Level 1 Unadjusted quoted prices in active markets HUF million	Level 2 Valuation techniques based on observable market input HUF million	Total fair value HUF million	Level 1 Unadjusted quoted prices in active markets HUF million	Level 2 Valuation techniques based on observable market input HUF million	Total fair value HUF million
Financial assets						
Equity instruments	22,504	45,508	68,012	24,814	40,380	65,194
Debt securities	4,123	23,426	27,549	4,688	32,267	36,955
Commodity derivatives	-	30,481	30,481	-	6,027	6,027
Other derivatives	-	1,136	1,136	-	1,053	1,053
Other	198		198	-	-	-
Total financial assets	26,825	100,551	127,376	29,502	79,727	109,229
Financial liabilities						
Commodity derivatives	-	28,676	28,676	-	10,742	10,742
Foreign exchange derivatives	-	1,720	1,720	-	1,238	1,238
Other derivatives	-	10,660	10,660	-	4,231	4,231
Total financial liabilities	-	41,056	41,056	-	16,211	16,211

Both in 2020 and 2019, the Group does not have any instruments with fair value categorised as Level 3 (valuation techniques based on significant unobservable market input).

19. Capital management

Equity

Share capital

Changes in the number of ordinary, treasury and authorised shares:

Series "A" and "B" shares	Number of shares issued	Number of treasury shares	Shares under repurchase obligation	Number of shares outstanding	Authorised number of shares
1 Jan 2019	819,424,825	(76,733,102)	(108,315,354)	634,376,369	1,059,424,825
Share distribution for the members of the Board of Directors and participants of MRP	-	886,670	-	886,670	-
Settlement of share option agreement with MUFG Securities EMEA Plc.	-	5,648,407	(5,648,407)	-	-
Settlement of share option agreement with UniCredit Bank A.G.	-	484,582	(484,582)	-	-
Settlement of share option agreement with ING Bank N.V.	-	3,341,680	(3,341,680)	-	-
31 Dec 2019 (Audited)	819,424,825	(66,371,763)	(117,790,023)	635,263,039	1,059,424,825
Share distribution for the members of the Board of Directors and participants of MRP	-	148,800	-	148,800	-
Settlement of share option agreement with MUFG Securities EMEA Plc.	-	(10,951,702)	10,951,702	-	-
New share option agreement with Commerzbank AG		10,732,876	(10,732,876)		
30 Jun 2020 (Reviewed, unaudited)	819,424,825	(66,441,789)	(117,571,197)	635,411,839	1,059,424,825

Series "C" shares					
31 Dec 2019 (Audited)	578	(578)	-	-	578
Series "C" shares					
30 Jun 2020 (Reviewed, unaudited)	578	(578)	-	-	578

Treasury share put and call transactions

MOL Plc. has three option agreements concluded with financial institutions in respect of 77,487,189 pieces of series "A" shares ("Shares") as of 30 June 2020. Under the agreements, MOL Plc. holds American call options and the financial institutions hold European put options in respect of the shares. The expiry of both the put and call options are identical.

Counterparty	Underlying pieces of MOL ordinary shares	Strike price per share	Expiry
ING Bank N.V.	39,179,973	EUR 5.4801	23 Jun 2021
Commerzbank AG	10,732,876	EUR 5.6568	16 Jun 2021
UniCredit Bank AG	27,574,340	EUR 9.06640	14 Jun 2021

MOL agreed with ING Bank N.V. ("ING") on 17 June 2020, that the option rights in relation to 39,179,973 Shares under the share option agreement executed between ING and MOL on 26 November 2019 are cash settled on 25 June 2020. Simultaneously, MOL and ING entered into a new share purchase agreement and share option agreement, according to which MOL received American call options and ING received European put options in relation to 39,179,973 Shares, with the effective date of 25 June 2020. The maturity date of both the call and put options is 23 June 2021, and the strike price of both options is EUR 5.4801 per Share.

MOL agreed with MUFG Securities EMEA Plc. ("MUFG") that the option rights in relation to 10,951,702 Shares under the share option agreement executed between MUFG and MOL on 11 November 2019 are physically settled on 18 June 2020. MOL, MUFG and Commerzbank AG ("Commerzbank") have agreed on 16 June 2020 that MOL designates Commerzbank to take over 10,732,876 pieces of Shares from MUFG and MOL acquires 218,826 pieces of Shares from MUFG. Simultaneously, MOL and Commerzbank have entered into a share option agreement where MOL receives American call options and Commerzbank receives European put options in relation to 10,732,876 Shares with the effective date of 18 June 2020. The maturity date of both the call and put options is 16 June 2021, and the strike price of both options is EUR 5.6568 per Share.

MOL agreed with UniCredit Bank AG ("UniCredit") on 11 November 2019 that the option rights in relation to 27,089,758 Shares under the share option agreement executed between UniCredit and MOL on 14 November 2018 are cash settled on 18 November 2019. Simultaneously, MOL and UniCredit concluded a share purchase agreement and new share option agreement, according to which MOL received American call options and UniCredit received European put options in relation to 27,574,340 Shares, with the effective date of 18 November 2019. As a result of these transactions, UniCredit received 484,582 Shares. The maturity date of both the call and put options is 14 June 2021, and the strike price of both options is EUR 9.0664 per Share.

Dividend

Given that the short-term efforts focus on cash preservation and on retaining maximum flexibility and despite the original intention to continue the previous trend of increasing base dividends, the Board proposed to fully allocate the after-tax profit of 2019 to retained earnings.

OTHER FINANCIAL INFORMATION

This section includes additional financial information that are either required by the relevant accounting standards or management considers these to be material information for shareholders.

20. Commitments and contingent liabilities

a) Guarantees

The total value of guarantees undertaken to parties outside the Group is contractually HUF 219,269 million.

b) Capital and Contractual Commitments

The total value of capital commitments as of 30 June 2020 is HUF 179,578 million (HUF 283,483 million as of 31 December 2019), of which HUF 4,306 million relates to associated company, HUF 144,811 million relates to Hungarian operation and HUF 18,980 million relates to operation in Slovakia.

From operation in Hungary the most significant amounts relate to an oil handover point project in Csurgó (HUF 6,965 million), a railway network development at Tisza site (HUF 2,521 million) and a field development project in Somogy (HUF 2,109 million). Additional significant amounts relate to a project in Slovakia that aims to increase the production reliability and mitigate HSE (health, safety, environment) risks (HUF 6,224 million) and a transformers replacement project to satisfy environmental requirements (HUF 3,191 million).

As part of corporate social responsibility MOL Plc. is committed to spending HUF 10,697 million via sponsorship agreements in the next 4 years.

MOL Plc. has a take-or-pay contract with JANAF in amount of HUF 5,659 million.

c) Operating leases

Unrecognised lease commitments	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
Due within one year	1,457	1,216
Due later than one year but not later than five years	750	912
Due later than five years	539	240
Total	2,746	2,368

Out of the outstanding operating lease liabilities as of 30 June 2020 HUF 1,466 million relates to operation in Croatia, HUF 113 million relates to operation in Slovakia and HUF 80 million to operation in Hungary.

d) Authority procedures, litigation

General

None of the litigations described below have any impact on the accompanying consolidated financial statements except as explicitly noted. MOL Group entities are parties to a number of civil actions arising in the ordinary course of business. Currently, no further litigation exists that could have a material adverse effect on the financial condition, assets, results or business of the Group.

The total value of claims in litigations/arbitrations where members of the MOL Group act as defendant or respondent is HUF 49,721 million for which HUF 26,228 million provision has been made.

CREDITOR procedures (MOL Plc.)

CREDITOR GAMA s.r.o. has submitted a compensation claim against MOL Plc. in connection with the acquisition of Slovnaft a.s. shares by MOL Plc. in the amount of cca. SKK 380 million (EUR 12.6 million) plus annual interest of 14.75% . The claim was dismissed at several instances. Most recently by the Supreme Court. CREDITOR GAMA has now filed a constitutional complaint against the Supreme Court decision.

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

ICSID arbitration (MOL Plc. vs. Croatia)

MOL Plc's request for arbitration was filed with the International Centre for Settlement of Investment Disputes („ICSID") on 26 November 2013 against the Government of the Republic of Croatia (the "GoC") under the Energy Charter Treaty mainly due to the huge losses INA-INDUSTRIJA NAFTE, d.d. ("INA") has suffered in the gas business as a consequence of the breach of the agreements of 2009 by the GoC. This arbitration is about more than just seeking a remedy for the breach of the contracts in general; it is also about the abuse of regulatory power at the expense of a single actor, INA, and indirectly, MOL Plc.

CONCESSIONS (INA Group)

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

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

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

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

On 08 September 2017 INA received the judgment brought by the High Administrative Court rejecting INA's appeal against the first-instance verdict in the "Drava" case. Thus, the Decision on seizure of hydrocarbon exploration approvals in the "Drava" research area, became final. The court still did not reach decisions regarding INA's lawsuits regarding exploration areas "Sava" and "North-West Croatia".

On 06 October 2017 INA filed a Constitutional lawsuit before the Constitutional Court of the Republic of Croatia against judgments brought by the High Administrative Court and Administrative Court of the Republic of Croatia in "Drava" case, in which INA requires from Constitutional Court to annul all those judgments. The case is pending at the Constitutional Court.

On 12 July 2018, INA received decision of the High Administrative Court cancelling previous decision of the Administrative Court and Ministry of Economy decision regarding "Sava" exploration license and has returned a case in its initial state.

BELVEDERE

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

Although the outcome of this procedure is uncertain it is more likely in favour of INA than not. Notwithstanding the possible outcome, request for the damage is deemed to set too high considering three independent court experts already discussed the market price issue.

MOL Plc. and INA vs Federation of the Bosnia and Herzegovina

MOL Plc. and INA initiated arbitration against FBIH in year 2012, in front of ICC Zurich. Case was in abeyance till November 2019.

INA/MOL claim:

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

FBIH counterclaim:

According to the EP Recapitalization Agreement (RA), INA and MOL Plc. obligation was to provide for the investments in the EP. According to the text of RA, investment means to ensure necessary funds, including, without limitation, the loans, to the EP, with a purpose to renew and expand the existing network of PS, as foreseen in the Investment plan which was enclosed to the RA. Deloitte, who was engaged by the parties to the RA to confirm performance of the agreed RA provisions, confirmed the Consortium has performed its investment obligations.

OMV vs. Dana, Crescent, MOL Plc. and Pearl

On 3 April 2019, OMV Upstream International GmbH ("OMV") as Claimant commenced arbitration against Dana Gas PJSC ("Dana"), Crescent Petroleum Company International Limited ("Crescent"), MOL Hungarian Oil and Gas Public Limited Company ("MOL") and Pearl Petroleum Company Limited ("Pearl") as Respondents under the Joint Venture Agreement dated 15 May 2009 between the parties and RWE Middle East Holdings, B.V. ("RWE") (the "JVA"). On 12 April 2019, another arbitration was commenced by Dana and Crescent as Claimants, against OMV and MOL as Respondents. Later LCIA Court approved the consolidation of these arbitrations.

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

In two expert determination procedures the Experts, agreeing with MOL, determined that the FDPs did not reasonably conform with the Development Criteria set out in the Joint Venture Agreement.

MOL seeks dismissal of all Dana's and Crescent's claims

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

Dana and Crescent vs. MOL Plc.

On 14 February 2020, Dana Gas PJSC ("Dana") and Crescent Petroleum Company International Limited ("Crescent") as Claimants commenced arbitration against Hungarian Oil and Gas Public Limited Company ("MOL") as Respondent.

Dana and Crescent claim that MOL breached the Share Sale Agreement dated 15 May 2009 concluded by Dana, Crescent and MOL (the "SSA") by refusing to pay earn-out payments that they allege are due.

MOL's position is that the Claimants have no entitlement to Reserve Based Earn Out Payments, Production Based Earn Out Payments or Crude Oil Earn-Out Payments under the SSA. The facts are the same as those being adjudicated in the JVA Arbitration.

21. Notes to the consolidated statements of cash flows

Operating cash inflow before changes in working capital decreased to HUF 158,953 million in H1 2020 (H1 2019: HUF 332,429 million). This decrease is represented especially loss before tax in the period. Even so the operating cash inflow slightly increased to HUF 244,449 million considering the effect of changes in working capital (H1 2019: HUF 243,096 million).

Net cash used in investing activities increased to HUF 578,443 million in H1 2020 (H1 2019: HUF 279,139 million). This increase is represented mainly acquisition of businesses.

Net cash inflow of financing activities increased to HUF 288,754 million in H1 2020 (H1 2019: HUF 135,836 million net cash outflow) mainly due to received long-term loans.

22. Related party transactions

a) Transactions with associated companies and joint ventures

MOL Group's significant related parties are its associates, joint ventures and key management personnel. There have been no transactions with these related parties during the six months ended 30 June 2020 on terms other than those that prevail in arm's length transactions.

Main balances:

	30 Jun 2020 Reviewed, unaudited HUF million	31 Dec 2019 Audited HUF million
Trade and other receivables due from related parties	40,687	29,585
Trade and other payables due to related parties	11,851	11,302
Net sales to related parties	8,302	28,091

23. Events after the reporting period

As of 29 July 2020, the Board of Directors of Panta Distribuzione S.r.l. authorized the sale of the LPG business unit with insignificant net book value.

APPENDICES

Appendix I.

Key IFRS data by business segment

Unaudited figures (in HUF million)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Net Sales Revenues (HUF mn) [3] [8]	H1 2020	H1 2019	Ch %
102,238	73,572	125,358	(41)	Upstream	175,810	252,470	(30)
977,350	678,560	1,199,356	(43)	Downstream	1,655,910	2,198,238	(25)
29,532	20,522	17,552	17	Gas Midstream	50,053	46,685	7
372,619	300,503	435,312	(31)	Consumer Services	673,122	788,381	(15)
50,060	52,423	78,476	(33)	Corporate and other	102,484	131,998	(22)
1,531,799	**1,125,580**	**1,856,054**	**(39)**	**Total Net Sales Revenues**	**2,657,379**	**3,417,772**	**(22)**
(412,289)	(301,691)	(515,008)	(41)	Intersegment transfers	(713,980)	(934,345)	(24)
1,119,510	**823,889**	**1,341,046**	**(39)**	**Total External Net Sales Revenues**	**1,943,399**	**2,483,427**	**(22)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	EBITDA (HUF mn)	H1 2020	H1 2019	Ch %
56,415	35,501	77,378	(54)	Upstream	91,916	160,657	(43)
23,786	45,549	76,521	(40)	Downstream	69,335	109,860	(37)
21,871	14,305	6,648	115	Gas Midstream	36,176	25,001	45
27,006	35,334	33,824	4	Consumer Services	62,340	58,693	6
(11,457)	(16,307)	(11,705)	39	Corporate and other	(27,765)	(25,858)	7
6,469	8,464	98	n.a.	Intersegment transfers[9]	14,934	(3,012)	n.a.
124,090	**122,846**	**182,764**	**(33)**	**Total EBITDA**	**246,936**	**325,341**	**(24)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Depreciation (HUF mn)	H1 2020	H1 2019	Ch %
40,613	76,112	45,112	69	Upstream	116,725	84,785	38
34,923	36,067	29,560	22	Downstream	70,991	59,550	19
3,734	3,802	3,394	12	Gas Midstream	7,536	6,578	15
12,601	9,169	8,997	2	Consumer Services	21,770	16,484	32
5,923	6,085	6,554	(7)	Corporate and other	12,009	11,871	1
276	(322)	(231)	39	Intersegment transfers[9]	(48)	(595)	(92)
98,070	**130,913**	**93,386**	**40**	**Total Depreciation**	**228,983**	**178,673**	**28**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Operating Profit (HUF mn)	H1 2020	H1 2019	Ch %
15,802	(40,611)	32,265	n.a.	Upstream	(24,809)	75,872	n.a.
(11,138)	9,482	46,961	(80)	Downstream	(1,656)	50,309	n.a.
18,137	10,503	3,254	223	Gas Midstream	28,640	18,423	55
14,405	26,165	24,827	5	Consumer Services	40,570	42,209	(4)
(17,381)	(22,393)	(18,259)	23	Corporate and other	(39,773)	(37,729)	5
6,195	8,788	330	n.a.	Intersegment transfers[9]	14,982	(2,416)	n.a.
26,020	**(8,066)**	**89,378**	**n.a.**	**Total Operating Profit**	**17,954**	**146,668**	**(88)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	EBITDA Excluding Special Items (HUF mn)[1]	H1 2020	H1 2019	Ch %
56,415	35,501	77,378	(54)	Upstream	91,916	156,735	(41)
23,786	45,549	76,521	(40)	Downstream	69,335	109,860	(37)
91,057	36,574	76,196	(52)	Downstream - clean CCS-based[2]	127,632	114,832	11
21,871	14,305	6,648	115	Gas Midstream	36,176	25,001	45
27,006	35,334	33,824	4	Consumer Services	62,340	58,693	6
(11,457)	(16,307)	(11,705)	39	Corporate and other	(27,765)	(25,858)	7
6,469	8,464	98	n.a.	Intersegment transfers[9]	14,934	(3,012)	n.a.
191,361	**113,872**	**182,439**	**(38)**	**Total - clean CCS-based[2] [10]**	**305,233**	**326,391**	**(6)**
124,090	**122,846**	**182,764**	**(33)**	**Total EBITDA Excluding Special Items**	**246,936**	**321,419**	**(23)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Operating Profit Excluding Special Items (HUF mn)[1]	H1 2020	H1 2019	Ch %
15,802	(20,391)	32,265	n.a.	Upstream	(4,589)	71,950	n.a.
(11,138)	9,482	46,961	(80)	Downstream	(1,656)	50,309	n.a.
18,137	10,503	3,254	223	Gas Midstream	28,640	18,423	55
14,405	26,165	24,827	5	Consumer Services	40,570	42,209	(4)
(17,381)	(22,393)	(18,259)	23	Corporate and other	(39,773)	(37,729)	5
6,195	8,788	330	n.a.	Intersegment transfers[9]	14,982	(2,417)	n.a.
26,020	**12,154**	**89,378**	**(86)**	**Total Operating Profit Excluding Special Items**	**38,174**	**142,745**	**(73)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Capital Expenditures (HUF mn)	H1 2020	H1 2019	Ch %
23,719	528,049	23,396	n.a.	Upstream	551,768	47,955	n.a.
51,698	61,079	103,940	(41)	Downstream	112,777	150,927	(25)
779	2,475	1,465	69	Gas Midstream	3,254	1,788	82
5,981	9,511	9,798	(3)	Consumer Services	15,492	16,596	(7)
9,105	12,201	5,373	127	Corporate and other	21,306	9,850	116
(238)	(201)	(582)	(65)	Intersegment transfers[9]	(439)	(1,381)	(68)
91,045	**613,113**	**143,389**	**328**	**Total**	**704,158**	**225,735**	**212**

Intangible assets (HUF mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	150,398	79,334	90
Downstream	41,950	35,208	19
Gas Midstream	4,976	4,711	6
Consumer Services	57,562	54,121	6
Corporate and other	39,091	35,013	12
Intersegment transfers(9)	(809)	(423)	91
Total Intangible Assets	**293,168**	**207,964**	**41**

Tangible Assets (HUF mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	1,115,719	569,959	96
Downstream	1,400,058	1,297,724	8
Gas Midstream	243,490	248,354	(2)
Consumer Services	449,394	424,030	6
Corporate and other	175,745	169,774	4
Intersegment transfers(9)	(25,617)	(23,872)	7
Total Tangible Assets	**3,358,789**	**2,685,969**	**25**

Inventories (HUF mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	26,238	18,012	46
Downstream	388,326	472,701	(18)
Gas Midstream	1,708	1,815	(6)
Consumer Services	16,926	17,269	(2)
Corporate and other	36,605	29,769	23
Intersegment transfers(9)	(7,152)	(22,506)	(68)
Total Inventories	**462,651**	**517,060**	**(11)**

Trade receivables (HUF mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	24,728	26,757	(8)
Downstream	419,363	491,771	(15)
Gas Midstream	2,237	4,740	(53)
Consumer Services	10,608	18,476	(43)
Corporate and other	26,953	63,304	(57)
Intersegment transfers(9)	(24,482)	(64,207)	(62)
Total Trade receivables	**459,407**	**540,841**	**(15)**

Trade payables (HUF mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	(20,851)	(33,086)	(37)
Downstream	(350,717)	(460,686)	(24)
Gas Midstream	(3,212)	(9,442)	(66)
Consumer Services	(38,295)	(51,226)	(25)
Corporate and other	(55,250)	(89,126)	(38)
Intersegment transfers(9)	23,272	71,798	(68)
Total Trade payables	**(445,053)**	**(571,768)**	**(22)**

(1) Special items of operating profit and EBITDA are detailed in Appendix II. and IV.
(2) (8) (9) (10) Please see Appendix XI.

Appendix II.

Special items in operating profit and EBITDA

Unaudited figures (in HUF million)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Special items - operating profit (HUF mn)	H1 2020	H1 2019	Ch %
26 020	12 154	89 378	(86)	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	38 174	142 745	(73)
				Upstream			
	(20 220)		n.a.	Impairment on Upstream assets in the Group	(20 220)		n.a.
			n.a.	Kalegran switch to accrual accounting		3 922	(100)
	(20 220)		n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	(20 220)	3 922	n.a.
26 020	(8 066)	89 378	n.a.	OPERATING PROFIT	17 954	146 668	(88)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Special items - EBITDA (HUF mn)	H1 2020	H1 2019	Ch %
124 090	122 847	182 764	(33)	EBITDA EXCLUDING SPECIAL ITEMS	246 937	321 419	(23)
				Upstream			
				Kalegran switch to accrual accounting		3 922	(100)
				TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA		3 922	(100)
124 090	122 847	182 764	(33)	EBITDA	246 937	325 341	(24)

Appendix III.

Key IFRS data by business segment

Unaudited figures (in USD million)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Net Sales Revenues (USD mn)[3] [8]	H1 2020	H1 2019	Ch %
334	232	436	(47)	Upstream	565	890	(36)
3,183	2,130	4,172	(49)	Downstream	5,313	7,740	(31)
96	64	61	5	Gas Midstream	160	165	(3)
1,213	944	1,514	(38)	Consumer Services	2,158	2,776	(22)
162	165	273	(40)	Corporate and other	327	464	(30)
4,988	**3,535**	**6,457**	**(45)**	**Total Net Sales Revenues**	**8,523**	**12,036**	**(29)**
(1,342)	(948)	(1,792)	(47)	Intersegment transfers(9)	(2,290)	(3,290)	(30)
3,646	**2,588**	**4,665**	**(45)**	**Total External Net Sales Revenues**	**6,233**	**8,746**	**(29)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	EBITDA (USD mn)	H1 2020	H1 2019	Ch %
185	112	269	(58)	Upstream	297	567	(48)
81	142	266	(47)	Downstream	223	385	(42)
71	45	23	93	Gas Midstream	116	89	31
88	111	118	(5)	Consumer Services	199	207	(4)
(37)	(52)	(41)	27	Corporate and other	(89)	(91)	(2)
21	26	0	n.a.	Intersegment transfers[9]	47	(11)	n.a.
408	**384**	**635**	**(40)**	**Total EBITDA**	**792**	**1,145**	**(31)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Depreciation (USD mn)	H1 2020	H1 2019	Ch %
132	242	157	54	Upstream	373	298	25
114	113	103	10	Downstream	227	210	8
12	12	12	1	Gas Midstream	24	23	4
41	29	31	(8)	Consumer Services	70	58	20
19	19	23	(16)	Corporate and other	38	42	(8)
1	(1)	(1)	26	Intersegment transfers[9]	(0)	(2)	(94)
318	**413**	**325**	**27**	**Total Depreciation**	**732**	**629**	**16**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Operating Profit (USD mn)	H1 2020	H1 2019	Ch %
53	(129)	112	n.a.	Upstream	(76)	268	n.a.
(32)	29	163	(82)	Downstream	(4)	175	n.a.
59	33	11	190	Gas Midstream	92	65	40
47	83	86	(4)	Consumer Services	130	148	(13)
(57)	(71)	(64)	11	Corporate and other	(128)	(133)	(4)
20	27	1	n.a.	Intersegment transfers[9]	47	(9)	n.a.
90	**(29)**	**310**	**n.a.**	**Total Operating Profit**	**61**	**515**	**(88)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	EBITDA Excluding Special Items (USD mn)[1]	H1 2020	H1 2019	Ch %
185	112	269	(58)	Upstream	297	553	(46)
81	142	266	(47)	Downstream	223	385	(42)
295	110	265	(58)	Downstream - clean CCS-based[2]	405	403	1
71	45	23	93	Gas Midstream	116	89	31
88	111	118	(5)	Consumer Services	199	207	(4)
(37)	(52)	(41)	27	Corporate and other	(89)	(91)	(2)
21	26	0	n.a.	Intersegment transfers[9]	47	(11)	n.a.
622	**353**	**634**	**(44)**	**Total - clean CCS-based[2] [10]**	**975**	**1,148**	**(15)**
408	**384**	**635**	**(40)**	**Total EBITDA Excluding Special Items**	**792**	**1,131**	**(30)**

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Operating Profit Excluding Special Items (USD mn)[1]	H1 2020	H1 2019	Ch %
53	(64)	112	n.a.	Upstream	(11)	254	n.a.
(32)	29	163	(82)	Downstream	(4)	175	n.a.
59	33	11	190	Gas Midstream	92	65	40
47	83	86	(4)	Consumer Services	130	148	(13)
(57)	(71)	(64)	11	Corporate and other	(128)	(133)	(4)
20	27	1	n.a.	Intersegment transfers[9]	47	(9)	n.a.
90	36	310	(88)	Total Operating Profit Excluding Special Items	126	501	(75)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Capital Expenditures (USD mn)	H1 2020	H1 2019	Ch %
77	1,567	83	n.a.	Upstream	1,644	169	872
168	189	368	(49)	Downstream	357	536	(33)
3	5	5	4	Gas Midstream	8	6	25
19	28	38	(27)	Consumer Services	47	58	(19)
29	35	20	72	Corporate and other	65	36	81
(1)	(1)	(2)	(69)	Intersegment transfers[9]	(1)	(5)	(71)
296	1,824	513	255	Total	2,120	800	165

Intangible assets (USD mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	473	269	76
Downstream	132	119	10
Gas Midstream	16	16	(2)
Consumer Services	181	184	(1)
Corporate and other	123	119	4
Intersegment transfers(9)	(3)	(1)	78
Total Intangible Assets	**922**	**706**	**31**

Tangible Assets (USD mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	3,510	1,934	82
Downstream	4,405	4,403	0
Gas Midstream	766	843	(9)
Consumer Services	1,385	1,439	(4)
Corporate and other	582	576	1
Intersegment transfers(9)	(80)	(82)	(3)
Total Tangible Assets	**10,568**	**9,113**	**16**

Inventories (USD mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	83	61	35
Downstream	1,222	1,604	(24)
Gas Midstream	5	6	(13)
Consumer Services	53	59	(9)
Corporate and other	115	101	14
Intersegment transfers(9)	(22)	(77)	(71)
Total Inventories	**1,456**	**1,754**	**(17)**

Trade receivables (USD mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	78	91	(14)
Downstream	1,319	1,668	(21)
Gas Midstream	7	16	(56)
Consumer Services	33	63	(47)
Corporate and other	85	215	(61)
Intersegment transfers(9)	(77)	(218)	(65)
Total Trade receivables	**1,445**	**1,835**	**(21)**

Trade payables (USD mn)	30 Jun 2020	31 Dec 2019	Ch %
Upstream	(66)	(112)	(42)
Downstream	(1,103)	(1,563)	(29)
Gas Midstream	(10)	(32)	(68)
Consumer Services	(120)	(174)	(31)
Corporate and other	(174)	(302)	(43)
Intersegment transfers(9)	73	243	(70)
Total Trade payables	**(1,400)**	**(1,940)**	**(28)**

(1) Special items of operating profit and EBITDA are detailed in Appendix II. and IV.
(3) (8) (9) (10) Please see Appendix XI.

Appendix IV.

Special items in operating profit and EBITDA

Unaudited figures (in USD million)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Special items - operating profit (USD mn)	H1 2020	H1 2019	Ch %
90	36	310	(88)	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	126	501	(75)
				Upstream			
	(66)			Impairment on Upstream assets in the Group	(66)		
				Kalegran switch to accrual accounting		14	(100)
	(66)		n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	(66)	14	n.a.
90	(29)	310	n.a.	OPERATING PROFIT	61	515	(88)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Special items - EBITDA (USD mn)	H1 2020	H1 2019	Ch %
408	384	635	(40)	EBITDA EXCLUDING SPECIAL ITEMS	792	1,131	(30)
				Upstream			
			n.a.	Kalegran switch to accrual accounting		14	(100)
			n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA			n.a.
408	384	635	(40)	EBITDA	792	1,145	(31)

Appendix V.

Downstream – key segmental operating data

Refining and marketing

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	External refined product sales by product (kt)	H1 2020	H1 2019	Ch %
95	98	115	(15)	LPG[10]	193	223	(13)
0	3	0	n.a.	Naphtha	3	11	(73)
762	848	994	(15)	Motor gasoline	1 610	1 867	(14)
2 259	2 295	2 672	(14)	Diesel	4 554	5 003	(9)
130	154	93	66	Heating oils	284	217	31
79	27	169	(84)	Kerosene	106	265	(60)
25	111	61	82	Fuel oil	136	87	56
58	153	171	(11)	Bitumen	211	230	(8)
406	389	342	14	Other products	795	748	6
3 814	**4 078**	**4 617**	**(12)**	**Total refined products**	**7 892**	**8 651**	**(9)**
588	600	617	(3)	Petrochemical feedstock transfer	1 188	1 214	(2)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Refinery processing (kt)	H1 2020	H1 2019	Ch %
129	146	332	(56)	Own produced crude oil	275	674	(59)
3 260	3 563	2 962	20	Imported crude oil	6 823	6 131	11
32	30	49	(39)	Condensates	62	107	(42)
669	708	765	(7)	Other feedstock	1 377	1 323	4
4 090	**4 447**	**4 108**	**8**	**Total refinery throughput**	**8 537**	**8 235**	**4**
729	429	1 229	(65)	Purchased and sold products	1 158	2 060	(44)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Refinery production (kt)	H1 2020	H1 2019	Ch %
102	122	96	27	LPG[10]	224	183	22
416	439	438	0	Naphtha	855	890	(4)
760	808	641	26	Motor gasoline	1 568	1 327	18
1 784	2 060	1 677	23	Diesel and heating oil	3 844	3 461	11
98	27	127	(79)	Kerosene	125	211	(41)
107	160	105	52	Fuel oil	267	196	36
43	115	137	(16)	Bitumen	158	189	(16)
374	312	532	(41)	Other products	686	1 015	(32)
3 684	**4 043**	**3 753**	**8**	**Total**	**7 727**	**7 472**	**3**
19	13	26	(50)	Refinery loss	32	44	(27)
386	391	329	19	Own consumption	777	719	8
4 089	**4 447**	**4 108**	**8**	**Total refinery throughput**	**8 536**	**8 235**	**4**

(11) Please see Appendix XI.

Petrochemicals

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Petrochemical sales by product group (kt)	H1 2020	H1 2019	Ch %
55	54	54	0	Olefin products	109	116	(6)
290	307	275	12	Polymer products	597	575	4
17	11	21	(48)	Butadiene products	28	44	(36)
362	372	350	6	Total outside MOL Group	734	735	0
158	169	167	1	Olefin products sales within MOL Group	327	331	(1)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Petrochemical production (kt)	H1 2020	H1 2019	Ch %
205	205	213	(4)	Ethylene	410	418	(2)
103	107	109	(2)	Propylene	210	215	(2)
201	192	208	(8)	Other products	393	414	(5)
509	504	530	(5)	Total olefin	1 013	1 047	(3)
18	9	22	(59)	Butadiene	27	44	(39)
31	14	38	(63)	Raffinate	45	75	(40)
49	23	60	(62)	Total BDEU production	72	119	(39)
63	66	65	2	LDPE	129	124	4
95	102	102	0	HDPE	197	200	(2)
133	133	136	(2)	PP	266	268	(1)
291	301	303	(1)	Total polymers	592	592	0

Appendix VI.

Consumer services – key segmental operating data

Retail

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Refined product retail sales (kt)	H1 2020	H1 2019	Ch %
279	257	333	(23)	Motor gasoline	536	608	(12)
760	684	864	(21)	Gas and heating oils	1 444	1 623	(11)
22	19	25	(24)	Other products	41	49	(16)
1 061	960	1 222	(21)	Total oil product retail sales	2 021.0	2 280.0	(11)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Refined product retail sales (kt) Gasoline	H1 2020	H1 2019	Ch %
100	93	111	(16)	Hungary	193	206	(6)
42	43	49	(12)	Slovakia	85	90	(6)
49	49	71	(31)	Croatia	98	124	(21)
36	28	42	(33)	Romania	64	77	(17)
34	29	40	(28)	Czech Republic	63	73	(14)
18	15	20	(25)	Other	33	38	(13)
279	257	333	(23)	Total gasoline product retail sales	536	608	(12)

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Refined product retail sales (kt) Diesel	H1 2020	H1 2019	Ch %
204	190	226	(16)	Hungary	394	431	(9)
117	110	134	(18)	Slovakia	227	254	(11)
158	149	199	(25)	Croatia	307	360	(15)
128	102	138	(26)	Romania	230	262	(12)
83	71	90	(21)	Czech Republic	154	172	(10)
70	62	77	(19)	Other	132	144	(8)
760	684	864	(21)	Total diesel product retail sales	1 444	1 623	(11)

MOL Group filling stations	30 Jun 2019	31 Mar 2020	30 Jun 2020
Hungary	463	468	468
Croatia	429	436	436
Italy	0	0	0
Slovakia	253	254	254
Romania	226	234	234
Bosnia and Herzegovina	106	106	106
Serbia	63	66	66
Czech Republic	304	304	304
Slovenia	54	54	54
Montenegro	11	11	11
Total	1 909	1 933	1 933

Appendix VII.

Main internal and external parameters

Q1 2020 Restated	Q2 2020	Q2 2019	YoY Ch %	Macro figures (average)	H1 2020	H1 2019	Ch %
50.1	29.2	68.8	(58)	Brent dated (USD/bbl)	40.1	66.0	(39)
48.4	31.4	68.1	(54)	Ural Blend (USD/bbl)[11]	39.9	65.8	(39)
2.2	(0.1)	0.3	n.a.	Brent Ural spread (USD/bbl)[14]	1.1	0.1	710
10.7	6.7	15.5	(57)	CEGH gas price (EUR/MWh)	8.7	17.4	(50)
466	269	681	(61)	Premium unleaded gasoline 10 ppm (USD/t)[12]	371	614	(40)
467	278	609	(54)	Gas oil – ULSD 10 ppm (USD/t)[12]	376	599	(37)
379	201	504	(60)	Naphtha (USD/t)[13]	294	488	(40)
224	145	382	(62)	Fuel oil 3.5 (USD/t)[13]	186	377	(51)
87	48	161	(70)	Crack spread – premium unleaded (USD/t)[12]	68	115	(41)
88	57	88	(35)	Crack spread – gas oil (USD/t)[12]	73	100	(27)
0	(19)	(17)	18	Crack spread – naphtha (USD/t)[13]	(9)	(11)	(19)
(155)	(76)	(139)	(45)	Crack spread – fuel oil 3.5 (USD/t)[13]	(117)	(61)	91
6.0	3.1	13.0	(76)	Crack spread – premium unleaded (USD/bbl)[12]	4.5	7.8	(42)
12.6	8.1	12.9	(37)	Crack spread – gas oil (USD/bbl)[12]	10.3	14.4	(28)
(7.5)	(6.6)	(12.2)	(46)	Crack spread – naphtha (USD/bbl)[13]	(7.0)	(11.1)	(37)
(14.7)	(6.3)	(8.5)	(25)	Crack spread – fuel oil 3.5 (USD/bbl)[13]	(10.5)	(6.4)	63
6.3	2.7	3.5	(23)	MOL Group refinery margin (USD/bbl)	4.5	3.3	35
6.9	3.2	4.5	(29)	Complex refinery margin (MOL + Slovnaft) (USD/bbl)	5.0	4.1	22
953	673	1,065	(37)	Ethylene (EUR/t)	813	1,030	(21)
381	210	451	(53)	Butadiene-naphtha spread (EUR/t)	296	450	(34)
384	431	422	2	MOL Group petrochemicals margin (EUR/t)	407	419	(3)
307.5	319.4	287.6	11	HUF/USD average	313.3	283.7	10
339.1	351.6	323.1	9	HUF/EUR average	345.2	320.6	8
45.3	46.4	43.6	6	HUF/HRK average	45.8	43.2	6
6.8	6.9	6.6	4	HRK/USD average	6.8	6.6	4
1.5	0.6	2.5	(76)	3m USD LIBOR (%)	0.6	2.6	(77)
(0.4)	(0.3)	(0.3)	(4)	3m EURIBOR (%)	(0.3)	(0.3)	(3)
0.4	1.0	0.2	428	3m BUBOR (%)	1.0	0.2	491

Q1 2020	Q2 2020	Q2 2019	YoY Ch %	Macro figures (closing)	H1 2020	H1 2019	Ch %
17.7	41.8	64.1	(35)	Brent dated closing (USD/bbl)	41.8	64.1	(35)
327.1	317.8	284.1	12	HUF/USD closing	317.8	284.1	12
359.1	356.6	323.5	10	HUF/EUR closing	356.6	323.5	10
47.1	47.1	43.7	8	HUF/HRK closing	47.1	43.7	8

(11) (12) (13) (14) (15) (16) Please see Appendix XI.

Appendix VIII.

Regulated information in 2020

Announcement date	Subject
31 Jan 2020	Number of voting rights at MOL Plc
03 Feb 2020	Transaction by a person closely associated with a person discharging managerial responsibilities
21 Feb 2020	Publication of MOL Group's Q4 and Full Year 2019 results and 2020 outlook
02 Mar 2020	Number of voting rights at MOL Plc
16 Mar 2020	Remuneration paid in 2019 to members of the Board of Directors and Supervisory Board of MOL Plc as cash and non-cash benefits
16 Mar 2020	Notice of the Board of Directors
16 Mar 2020	Announcement by the Board of Directors of MOL Plc. on the convocation of the AGM in 2020
18 Mar 2020	MOL Norge discovers oil and gas in the Norwegian North Sea
24 Mar 2020	MOL's Annual General Meeting on 16 April 2020 will not be held
24 Mar 2020	Publication of audited parent company and consolidated financial statements and others related documents
25 Mar 2020	S&P Global Ratings ("S&P") revised the outlook to stable from positive and affirmed MOL's credit rating at 'BBB-'
30 Mar 2020	Invitation and notification for the Annual General Meeting
31 Mar 2020	Number of voting rights at MOL Plc
08 Apr 2020	Publication of Annual General Meeting documents
08 Apr 2020	Operational and financial update
15 Apr 2020	Publication of MOL Group Integrated Annual Report, Data Library and GRI Reporting Table
16 Apr 2020	Successful closure of purchasing Chevron's interests in the ACG oil field and the BTC pipeline in Azerbaijan
17 Apr 2020	Announcement of MOL Plc. regarding the Annual General Meeting based on Government Decree 102/2020. (IV. 10.)
30 Apr 2020	RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS OF MOL PLC. ON BEHALF OF THE 2020 ANNUAL GENERAL MEETING CONVENED FOR 30 APRIL 2020
30 Apr 2020	MOL Consolidated and Parent Company Annual Reports and the Remuneration Policy approved by the Board of Directors on behalf of the AGM
30 Apr 2020	Corporate Governance Report in accordance with BSE Corporate Governance Recommendations
30 Apr 2020	Number of voting rights at MOL Plc
07 May 2020	MOL Group releases First Quarter 2020 Earnings Report
08 May 2020	Share distribution to the members of the Board of Directors
19 May 2020	Director/PDMR transaction
19 May 2020	MOL transferred further Treasury shares to MOL ESOP Organization
28 May 2020	Director/PDMR transaction
02 Jun 2020	Number of voting rights at MOL Plc
12 Jun 2020	John I. Charody, member of the Supervisory Board of MOL has passed away
16 Jun 2020	Settlement of the option agreement between MOL and MUFG Securities EMEA plc. and conclusion of a new option agreement with Commerzbank AG
17 Jun 2020	Settlement of the option agreement between MOL and ING Bank N.V. and conclusion of a new option agreement
18 Jun 2020	Notifications on change in voting rights
23 Jun 2020	Terms and Conditions of the share option agreements concluded with ING Bank N.V. on 17 June 2020
25 Jun 2020	Revolving credit facility increase
30 Jun 2020	Number of voting rights at MOL Plc
03 Jul 2020	Personnel change in MOL Group Downstream leadership
07 Jul 2020	Directors/PDMR transaction
14 Jul 2020	MOL has made a gas and condensate discovery in the TAL Block, Pakistan

Appendix IX.

Shareholder structure

Shareholders (%)	30 Sep 2018	31 Dec 2018	31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020	30 Jun 2020
Foreign investors (mainly institutional)	34.23	35.12	35.62	35.19	34.60	33.90	31.50	29.71
Hungarian State (MNV Zrt.)	25.24	25.24	25.24	15.24	15.20	15.20	15.20	5.24
Maecenas Corvini Foundation(7)	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Tihany Foundation(7)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00
CEZ MH B.V.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OmanOil (Budapest) Limited	7.14	7.14	7.14	7.14	7.10	7.10	7.10	7.14
OTP Bank Plc.	4.89	4.89	4.90	4.90	4.90	4.90	4.90	4.90
OTP Fund Management	1.23	1.22	1.21	1.24	1.20	1.20	1.20	1.27
ING Bank N.V.	4.12	4.44	4.48	4.42	4.40	4.90	4.80	4.78
Crescent Petroleum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UniCredit Bank AG	2.97	3.31	3.31	3.31	3.30	3.40	3.40	3.37
MUFG	0.60	0.65	0.65	0.65	0.60	1.30	1.30	0.00
Commerzbank AG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.31
Domestic institutional investors	5.89	5.65	6.15	6.54	6.80	7.10	8.50	9.28
Domestic private investors	3.92	3.22	2.86	3.28	3.60	4.00	5.10	6.62
MOL Plc. and MOL Investment Ltd. (treasury shares)	9.76	9.12	8.44	8.08	8.10	7.00	7.00	6.38

Please note that data above do not fully reflect the ownership structure in the Share Register. The registration is not mandatory. The shareholder may exercise its rights towards the company if the shareholder is registered in the Share Register.

According to the registration requests to the Share Register and the shareholders notifications, four shareholder groups had more than 5% voting rights in MOL Plc. on 30 June 2020, Hungarian State having 15.24%(7), Tihany Foundation having 10%(7), OmanOil (Budapest) Limited having 7.14% and OTP Bank Plc. (including OTP Fund Management) having 6.17% voting rights in MOL. Please note that the voting rights are calculated as the number of shares held to total shares. According to the Articles of Association no shareholder or shareholder group may exercise more than 10% of the voting rights.

Appendix X.

Changes in organization and senior management

The Board of Directors on behalf of the 2020 Annual General Meeting made the following resolutions:

- elected Dr. László Parragh as member of the Board of Directors from 1 May 2020 to 30 April 2025.
- elected Mr. Zsigmond Járai as member of the Board of Directors from 1 May 2020 to 30 April 2025.
- elected Dr. Martin Roman as member of the Board of Directors from 1 May 2020 to 30 April 2025.
- elected Dr. Péter Gottfried as member of the Supervisory Board from 1 May 2020 to 30 April 2025.

After prolific and very successful 17 years in leading MOL Group Downstream Ferenc Horváth has decided to step down as an Executive Vice President of Group Downstream and will also leave the Management Committee as of 15 July 2020. Ferenc will take on new responsibilities within MOL Group and commence the next chapter of his career as a Special Envoy to the Chairman focusing on further developing international stakeholder relations, talent management and corporate culture, utilizing his unique leadership and professional experience.

From 15 July 2020, Gabriel Szabó, previously serving as Senior Vice President of Group Logistics and CEO of Slovnaft took over the role of Executive Vice President of Group Downstream. Gabriel Szabó will remain as member of the Management Committee.

Appendix XI.

Footnote collection

Number of footnote	
(1)	Special items affected operating profit and EBITDA is detailed in Appendix II, and IV.
(2)	As of Q2 2013 our applied clean CCS methodology eliminates from EBITDA/operating profit inventory holding gain / loss (i.e.: reflecting actual cost of supply of crude oil and other major raw materials); impairment on inventories; FX gains / losses on debtors and creditors; furthermore, adjusts EBITDA/operating profit by capturing the results of underlying hedge transactions. Clean CCS figures of the base periods were modified as well according to the improved methodology.
(3)	Both the 2019 and 2020 figures have been calculated by converting the results of each month in the period on its actual monthly average HUF/USD rate.
(4)	Excluding separated condensate
(5)	Including LPG and other gas products
(6)	Basic earnings per share are calculated by decreasing the net profit for the period attributable to ordinary shareholders with the coupon paid to the owners of Perpetual Exchangeable Capital Securities and divided by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated considering the potentially dilutive effect of the conversion option embedded in the Perpetual Exchangeable Capital Securities in the number of outstanding shares and by excluding the fair valuation difference of the conversion option from the net income attributable to equity holders of the parent. The following number of shares has been used when calculating basic and diluted EPS: 703,201,947 and 709,156,786 for Q2 2019; 702,944,787 and 708,899,626 for H1 2019; 712,969,052 and 712,969,052 for Q1 2020; 713,026,090 and 713,026,090 for Q2 2020 and 712,997,571 and 712,997,571 for H1 2020, respectively.
(7)	On 5 June 2019 81,942,946 pieces of Series „A" MOL ordinary shares were transferred to the Maecenas Universitatis Corvini Foundation's trust management, according to the Act XXX of 2019 on the Maecenas Universitatis Corvini Foundation and the asset transfer to the Maecenas Universitatis Corvini Foundation and the Corvinus University of Budapest ("MUC Act"). On 17 June 2020 81,942,946 pieces of Series „A" MOL ordinary shares were transferred to the Tihany Foundation, for the implementation of Section 3 (2) of Act XXVI of 2020 on the support of the talent management program of the Mathias Corvinus Collegium and the educational activities of the Maecenas Universitatis Corvini Foundation. Following the two transactions, MNV Zrt., acting on behalf of the state, continues to directly exercise ownership rights over the state-owned shares with a 5.24% influence, while it also has 10% indirect influence via the shares transferred to the Maecenas Universitatis Corvini Foundation's trust management.
(8)	Net external sales revenues and operating profit includes the profit arising both from sales to third parties and transfers to the other business segments.
(9)	This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third-party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third-party sale has taken place. Unrealised profits arise principally in respect of transfers from Upstream to Downstream.
(10)	LPG and pentanes
(11)	CIF Med parity
(12)	FOB Rotterdam parity
(13)	FOB Med parity
(14)	Brent dated price vs. average Ural MED and Ural ROTT prices
(15)	As of Q2 2013 Integrated petrochemical margin captures MOL Petrochemicals and Slovnaft Petrochemicals numbers, as well. Integrated petrochemical margin of the base periods were modified as well according to the improved methodology.
(16)	Net gearing: net debt divided by net debt plus shareholders' equity including non-controlling interests
(17)	Excluding spills related to road accidents
(18)	Total recordable injury rate – number of Medical treatment cases, Restricted work cases and Lost-time injuries (including fatalities) per 1 million man-hours worked
(19)	Annual rolling figures to allow comparison with 'total workforce' figures

Statement of responsibility

Undersigned, authorised representatives of MOL Hungarian Oil and Gas Public Limited Company (MOL Plc.) the issuer of MOL ordinary shares, hereby declare that MOL Plc. takes full responsibility for the announced interim consolidated financial statement (in accordance with International Financial reporting Standards) of 2020 half-year results, which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards, and give a true and fair view of the assets, liabilities, financial position, and profit and loss of MOL Plc. and its consolidated companies.
Moreover, we declare that the Management Discussion and Analysis presents a fair review of the position, development and performance of MOL Plc. and its consolidated companies together with a description of principal risks and uncertainties regarding the next six months of the financial year.

Budapest, 6 August 2020.

MOL Magyar Olaj- és Gázipari Nyilvánosan Működő Részvénytársaság

József Simola

Group Chief Financial Officer

Dr. Ákos Székely

Senior Vice President
Group Financial Planning and Reporting