MOLGROUP

Press release

MOL Group Q3 results: resilient performance despite heavy-handed government takes

- **MOL reached a USD 976mn clean CCS EBITDA in Q3 2023, with strong Consumer Services performance counterbalancing the effects of the market environment returning to normal conditions and challenges posed by regulation to Upstream and Downstream**
- **Windfall taxes across the CEE region continue to take a heavy toll on results, amounting to half of clean CCS EBITDA in the first three quarters of 2023, or USD 1,061mn since the beginning of the year 2023 until the end of Q3 2023**
- **Downstream Clean CCS EBITDA came in at USD 469mn in Q3 2023, a 37% decrease compared to the same period in 2022, as a result of higher refining margins, narrowing gap between the market price of Brent and Ural crude and the negative contribution from the petrochemicals segment**
- **Upstream EBITDA stood at USD 195mn in Q3 2023, almost doubling compared to Q2 2023, courtesy of lower windfall tax duties in the third quarter, despite a slight decrease in production**
- **Consumer Services EBITDA delivered strong results during the driving season, with EBITDA reaching USD 250mn in the third quarter of 2023, on the back of organic and inorganic effects**
- **MOL raises its full year 2023 EBITDA guidance to approximately USD 2.8bn from the previous USD 2.5bn**

Budapest, 10 November 2023 – **MOL Group today announced its financial results for Q3 2023, down by 33% compared to the same period last year to USD 976mn in Q3 2023. Government takes remain an important driver of the results, amounting to half of clean CCS EBITDA during the first three quarters of 2023, including a new CO2 tax introduced in Hungary retrospectively from 1 January, 2023. Downstream and Upstream remained under pressure by market conditions, mitigated by strong results delivered by Consumer Services. As a result, clean CCS EBITDA in the period between Q1 and Q3 2023 arrived at USD 2.1bn allowing MOL to raise its full year 2023 clean CCS EBITDA guidance to approximately USD 2.8bn from the previous USD 2.5bn.**

Chairman-CEO Zsolt Hernádi commented the results:

"I am proud that we have been able to maintain good performance despite the heavy regulatory environment and market pressures. This quarter we were able to mitigate the effects of negative external conditions with our improving refinery margins and strong consumer demand for our fuel products. We are able to raise our EBITDA guidance as we remain optimistic that our crisis-resilient, integrated business model and efficient operation will counterbalance the volatile market and regulatory conditions. We are also committed to continue our transformation journey as well live up to the elevated expectations with regards to our role in the supply security of Central and Eastern European region."

Upstream EBITDA in Q3 2023 increased by 97% compared to the previous quarter, reaching USD 195mn, courtesy of a lower windfall tax duty as USD 122mn worth of tax contribution was recognised in Q2. Furthermore, royalty rates in Hungary are set to decrease from 1 September 2023, with a positive impact expected on Q4 2023 results and beyond. Hydrocarbon production in Q3 2023 decreased slightly due to temporary events, arriving at 90.1 mboepd on average during the first three quarters, with the 2023 production guidance remaining at approximately 90 mboepd for 2023.

Downstream Clean CCS EBITDA recovered against the previous quarter due to supporting refinery margins and the impact of lower windfall taxes, amounting to USD 469mn in Q3 2023. Nevertheless, the result represents a 37% decrease compared to the same period last year as a result of higher refinery margins, the narrowing of the Brent-

Ural spread and the negative contribution from petchem. Windfall taxation in Central and Eastern European countries continued to hit the segment's profitability in during the third quarter of 2023 with the freshly introduced CO2 tax in Hungary, while petrochemical market environment remained unfavourable and contributed negatively to CCS EBITDA.

Consumer Services delivered encouraging results, with EBITDA amounting to USD 250mn in Q3 2023, a 107% increase compared to the same period last year. Besides easing price cap regulations and supporting fuel margins, the result came predominantly on the back of inorganic effects driven by the expansion of MOL's networks in Poland and Slovenia, adding almost 400 million litres to sold volumes during the third quarter of 2023. The result was also supported by strong consumer demand, the further expansion of non-fuel contribution, as well as the success of our MOL Move loyalty program, reaching over 1 million registrations in Hungary and over 700 thousand in Poland.

About MOL Group

MOL Group is an international, integrated oil, gas, petrochemicals and consumer retail company, headquartered in Budapest, Hungary. It is active in over 30 countries with a dynamic international workforce of 25,000 people and a track record of more than 100 years. MOL Group operates three refineries and two petrochemical plants under integrated supply chain-management in Hungary, Slovakia and Croatia, and owns a network of more than 2400 service stations across 10 countries in Central & South-Eastern Europe. MOL's exploration and production activities are supported by more than 85 years' experience in the field of hydrocarbons and 30 years in the injection of CO2. At the moment, there are production activities in 7 countries and assets in 10 countries.

MOL is committed to transform its traditional fossil-fuel-based operations into a low-carbon, sustainable business model and aspires to become net carbon neutral by 2050 while shaping the low-carbon circular economy in Central-and Eastern Europe.

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