MOLGROUP 2030

ENTER TOMORROW

MOL GROUP

INVESTOR PRESENTATION

March 2018

PRESENTATION MANUAL

LINKS ( )ARE AVAILABLE THROUGHOUT THE PRESENTATION THAT DIRECT YOU TO MORE INFORMATION ON THE SELECTED TOPIC.

A NAVIGATION BAR ON THE TOP OF EACH SLIDE IS ALSO AVAILABLE, WITH THE FOLLOWING BUTTONS:

HOME: GO TO THE SUMMARY SLIDE

HELP: GO TO PRESENTATION MANUAL

BACK: GO TO PREVIOUS SLIDE

FORWARD: GO TO THE NEXT SLIDE

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MOL GROUP IN BRIEF

INTEGRATED CENTRAL EUROPEAN MID-CAP OIL & GAS COMPANY

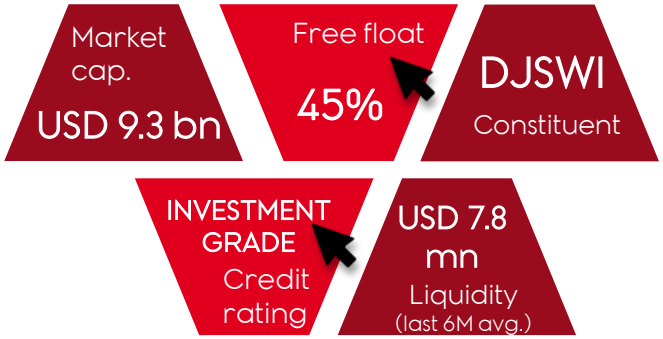
CORE ACTIVITIES

CLEAN CCS EBITDA BY SEGMENTS IN 2017 (USD MN)

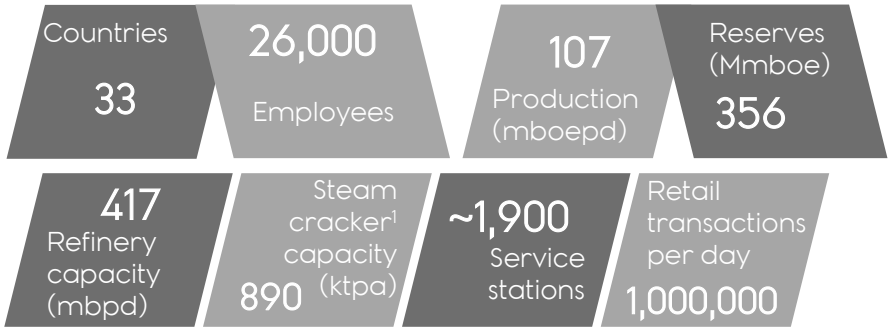
UPSTREAM	DOWNSTREAM	CONSUMER	GAS
854	1,178	358	223

KEY FIGURES

CAPITAL MARKETS



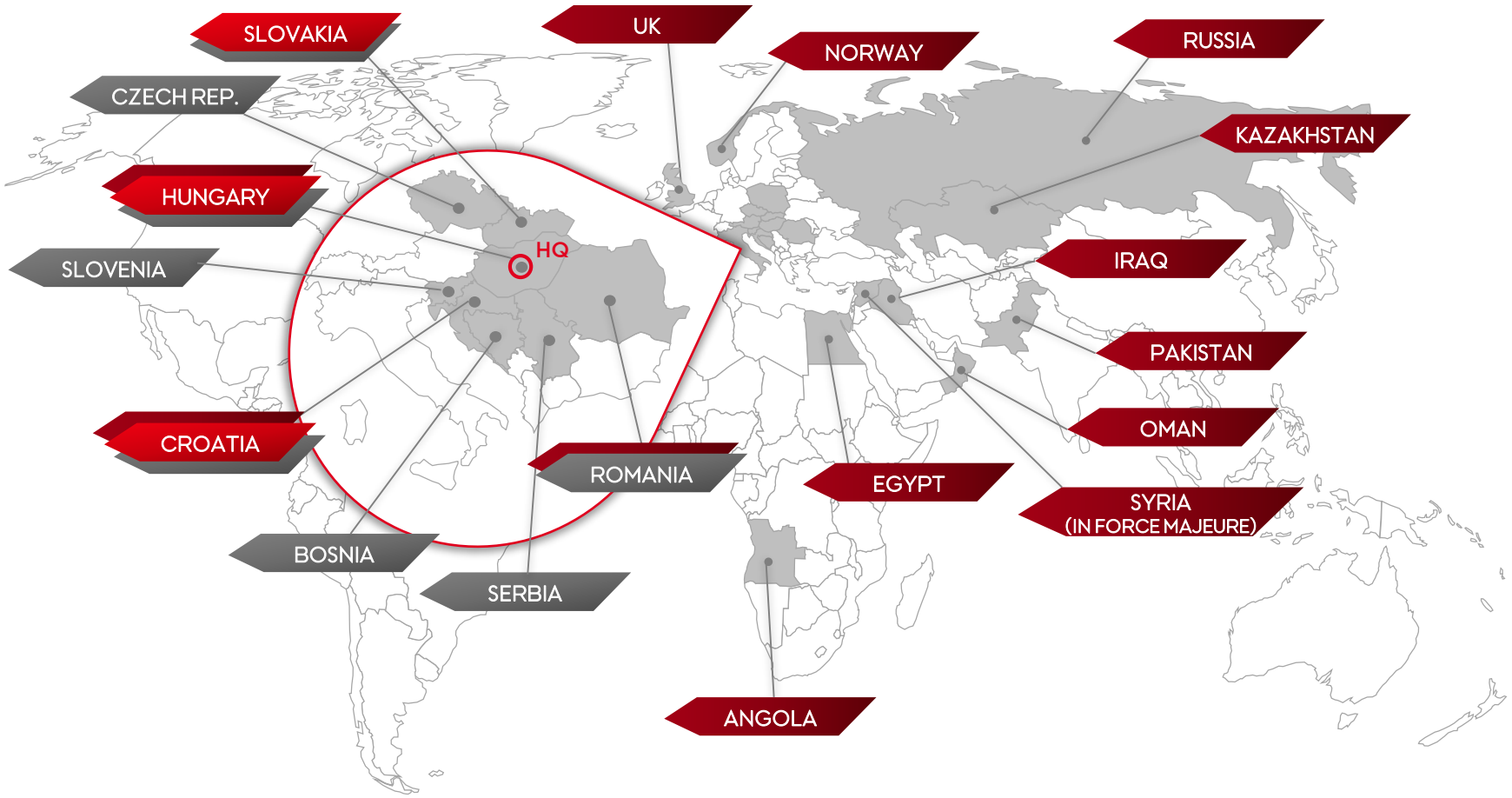
BUSINESS / ASSETS



(1) Ethylene

MOL GROUP GEOGRAPHY

CEE-BASED INTEGRATED OPERATIONS AND INTERNATIONAL UPSTREAM



AGENDA

- THE MOL GROUP EQUITY STORY
- SUPPORTING SLIDES
  - Q4 2017 RECAP (LINK TO Q4 & FY 2017 RESULTS)
  - DOWNSTREAM
  - CONSUMER SERVICES
  - EXPLORATION AND PRODUCTION
  - FINANCIALS, GOVERNANCE AND OTHERS

THE MOL GROUP EQUITY STORY

DELIVERING TODAY, TRANSFORMING FOR TOMORROW

- Efficiency & Safety: systematic focus on efficiency and safety in each business
- Integration: deeply integrated business model provides remarkable cash flow stability
- Resilience: high-quality, low-cost asset base, breaking even at the bottom of the cycle
- MOL 2030: transforming MOL for „beyond the fuel age"

- Downstream: cash engine to drive „fuel to chemicals" transformation and growth
- Consumer Services: leading fuel retailer to drive the revolution of transportation
- E&P: highly value accretive barrels to fund inorganic reserve replacement
- Gas Midstream: stable, non-cyclical cash flows
- Financials: robust financial framework supports strategic transformation
- Sustainable: sole regional member of DJSWI, adapting to a low carbon world

DOWNSTREAM: CASH ENGINE TO DRIVE „FUEL TO CHEMICALS" TRANSFORMATION AND GROWTH

DELIVERING TODAY

- High-quality, low-cost asset base
- Market leading position in Central Europe with long-standing customer relations
- Strong captive markets and a deeply integrated refining-chemicals-distribution value chain
- Proven efficiency track record: almost USD 1bn EBITDA uplift since 2011
- Outstanding margin capture with double-digit unit EBITDA (USD/bbl)

TRANSFORMING FOR TOMORROW

- Enhancing flexibility in refining by reducing motor fuel yield from 70%+ to 50% by 2030 mostly through increasing feedstock transfer to chemicals
- Investing USD 4.5bn by 2030 to grow in chemicals by moving deeper along the value chain
- DS2022: the first milestone in the transformational journey

CONSUMER SERVICES: LEADING FUEL RETAILER TO DRIVE THE REVOLUTION OF TRANSPORTATION

DELIVERING TODAY

- Leading CEE fuel retailer with ~1,900 sites, market leader in 4 countries
- Exploiting the fuel market potential in CEE
- Non-fuel increasingly a growth driver due to new store concept: Fresh Corner

TRANSFORMING FOR TOMORROW

- MOL 2030: transforming fuel retailing into a consumer services hub and pioneering the transportation revolution in CEE
- Digital: for a personalized and convenient customer experience
- Beyond non-fuel: mobility services
- By 2021: growing EBITDA to USD 450mn with rising share of non-fuel

E&P: HIGHLY VALUE ACCRETIVE BARRELS TO FUND INORGANIC RESERVE REPLACEMENT

DELIVERING TODAY

- Existing 2P reserves generate substantial value and FCF even below USD 50/bbl oil price
- Exploration & Production adjusted to be fit and to prosper at the bottom of the cycle
- Proven capabilities to operate mature, onshore assets in a cost-efficient way
- Production likely to decline beyond 2020 if no reserves are added inorganically

TRANSFORMING FOR TOMORROW

- MOL 2030: transforming to a sustainable international Upstream portfolio
- Targeting 100% reserve replacement
- Existing barrels deliver USD 2bn+ FCF in 2017-21, which can comfortably fund inorganic reserve replacement

GAS MIDSTREAM: STABLE, NON-CYCLICAL CASH FLOW

DELIVERING TODAY

- Stable FCF generation in domestic transmission
- Profitable international transit business spanning 6 regional countries
- Recent years saw significant pipeline and trade infrastructure developments as well as efficiency improvements

TRANSFORMING FOR TOMORROW

- European gas market trends (increasing liquidity and interconnectedness) to bring opportunities and upside

ROBUST FINANCIAL FRAMEWORK SUPPORTS STRATEGIC TRANSFORMATION

DELIVERING TODAY

- 2017: a year of very strong EBITDA and free cash flow delivery
- USD 2.0-2.2bn annual Clean CCS EBITDA under normalized assumptions
- Existing assets require around USD 1.0-1.1bn „sustain" capex annually
- Simplified FCF (EBITDA less „sustain" capex) comfortably covers all cash outflow
- Robust balance sheet with ample financial headroom
- Credit metrics to be commensurate with investment grade credit rating
- Steadily growing cash base dividend per share, complemented by special dividends

TRANSFORMING FOR TOMORROW

- MOL 2030 financial framework: existing assets generate sufficient free cash flow to fund transformational/strategic capex and rising dividends
- MOL 2030 works with or without INA; good asset fit, but with declining importance

SUSTAINABLE: SOLE REGIONAL MEMBER OF DJSWI, ADAPTING TO A LOW CARBON WORLD

DELIVERING TODAY

- Sustainable Development Committee integral part of the Board of Directors
- Minimize environmental footprint in line with climate change policy
- Only CEE corporation member of the Dow Jones Sustainability World Index
- Strong sustainability scores across leading ESG research/rating providers

TRANSFORMING FOR TOMORROW

- MOL 2030: transforming MOL to adapt to a low carbon, plastics sensitive world
- SD 2020: maintain an international leading position in corporate sustainability performance with targets for both E&P and Downstream

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SUSTAINALYTICS

CDP
DRIVING SUSTAINABLE ECONOMIES

MSCI
2016 Constituent MSCI Global SRI Indexes

FTSE4Good

MOL 2030: TRACKING PROGRESS TOWARDS 2021

	TARGET	2017 STATUS	
DOWNSTREAM	EFFICIENCY	NXDSP SLIGHTLY BEHIND TARGET; NEW TARGETS SET IN DS2022	✗
	ENTER NEW CHEMICAL PRODUCT LINE(S)	ALL POLYOL TECHNOLOGY LICENSE AGREEMENTS SIGNED	✓
CONSUMERS	EBITDA 2021: USD 450MN	FY 2017 EBITDA: USD 358MN, +17% YOY	✓
	RISING NON-FUEL CONTRIBUTION	24% SHARE IN 2017 (OF TOTAL MARGIN)	✓
E&P	STABLE PRODUCTION, STRONG FCF IN 2017-19	FY 2017: 107 MBOEPD, USD 14/BOE FCF	✓
	INORGANIC RESERVE REPLACEMENT	IN PROGRESS	~
FINANCIALS	USD 2.0-2.2BN EBITDA; USD 1.0-1.1BN SIMPLIFIED FCF (AVG.P.A.)	FY 2017: EBITDA USD 2.45BN, SIMPLIFIED FCF USD 1.40BN	✓
	RISING DIVIDEND PER SHARE	9% INCREASE IN BASE DPS IN 2018 + 50% TOP-UP AS SPECIAL DIVIDEND[1]	✓
SUSTAINABLE	TOP 15% O&G INDUSTRY	DJSWI INCLUSION (TOP 12%)	✓

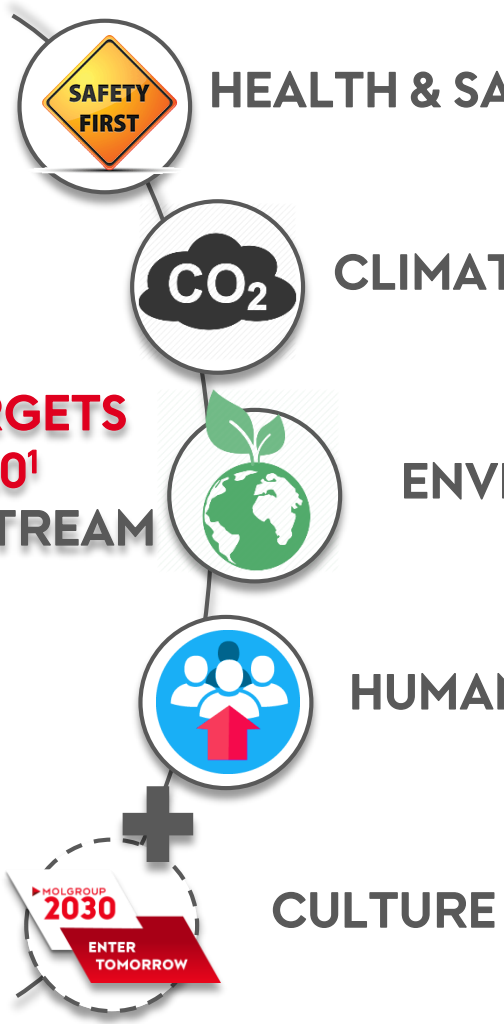
(1) As proposed by the Board and yet to be approved by the 2018 AGM

DOWNSTREAM

TOP 15% IN SUSTAINABILITY

A COMMITMENT TO THE INTEGRATION OF ECONOMIC, ENVIRONMENTAL AND SOCIAL FACTORS INTO EVERYDAY OPERATIONS

SD TARGETS 2020[1] DOWNSTREAM



HEALTH & SAFETY

Zero Lost-time injury frequency (LTIF) (own and on-site contractors) and fatalities

CLIMATE CHANGE

Decrease direct and indirect GHG emissions by 200 kt[1] through energy efficiency initiatives

ENVIRONMENT

Reduce NOx & SOx emissions by 15%.
Adapt to and **expand** in an increasingly plastics sensitive world

HUMAN CAPITAL

Increase employee **engagement** and develop technical Career Ladder in Downstream

CULTURE

Bring about **cultural change**, with focus on: valuing people, collaboration and serving customers

(1) Versus 2014; (2) Tons in CO2 equivalent
(2) A European Strategy for Plastics in a Circular Economy

INTEGRATED DOWNSTREAM MODEL IN CEE

11 COUNTRIES

PRODUCTION UNITS

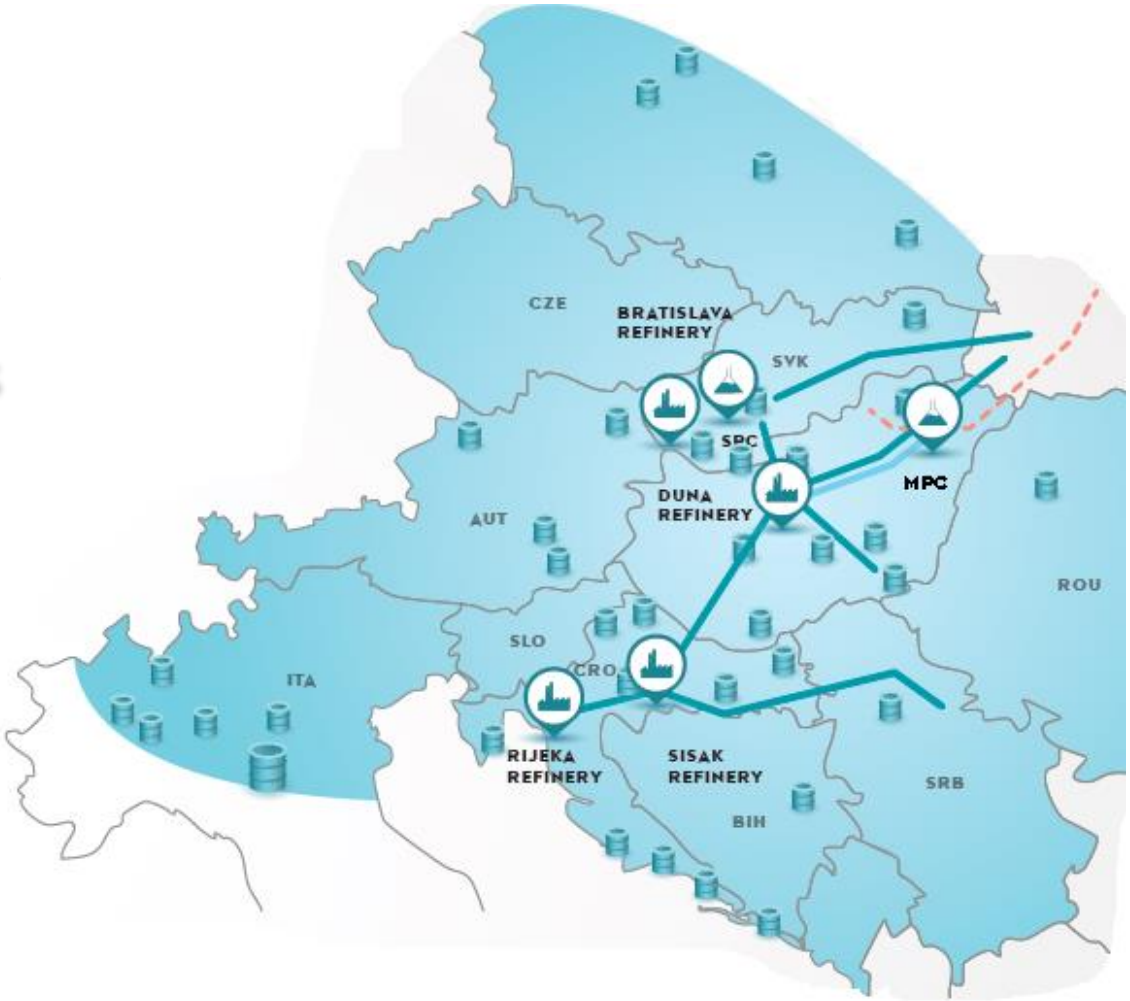
6

SALES OF **18** mtpa
REFINED PRODUCTS

AND **1.25** mtpa
PETROCHEMICALS

EMPLOYEES

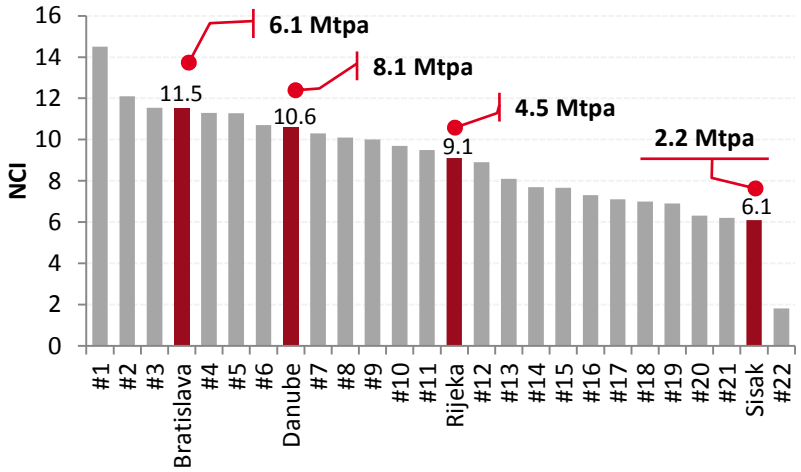
9,500



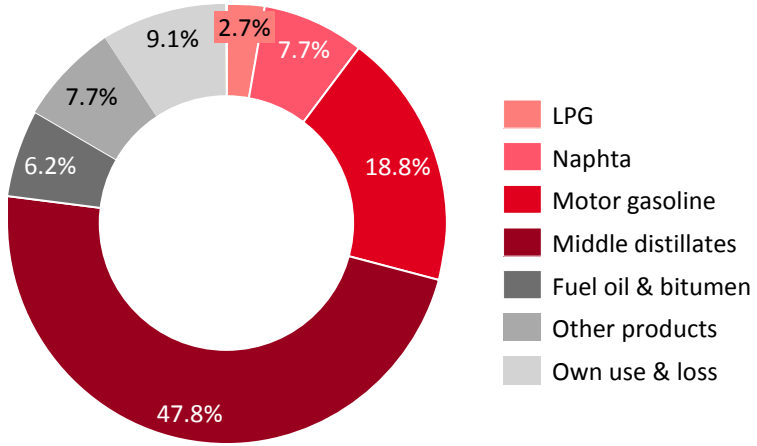
HIGH QUALITY CORE REFINING ASSETS

COMPLEX REFINERIES WITH VERY HIGH WHITE PRODUCT YIELD

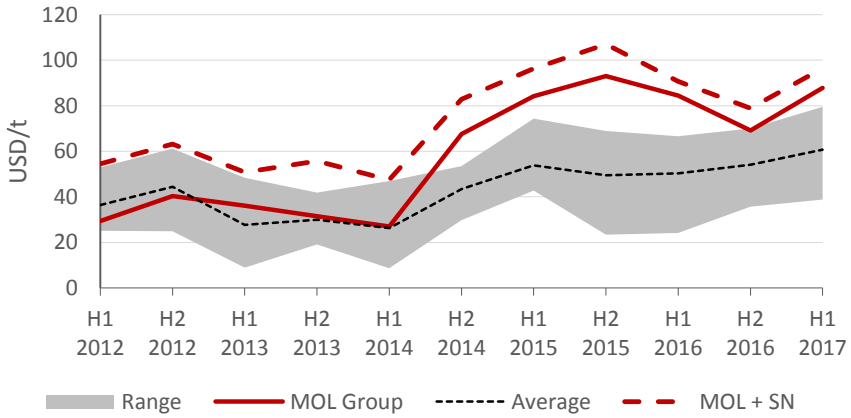
REFINERY NELSON COMPLEXITY OF PEERS[1]



GROUP REFINERY YIELD, 2017 (%)



CLEAN CCS-BASED DS UNIT EBITDA[2] (USD/T)



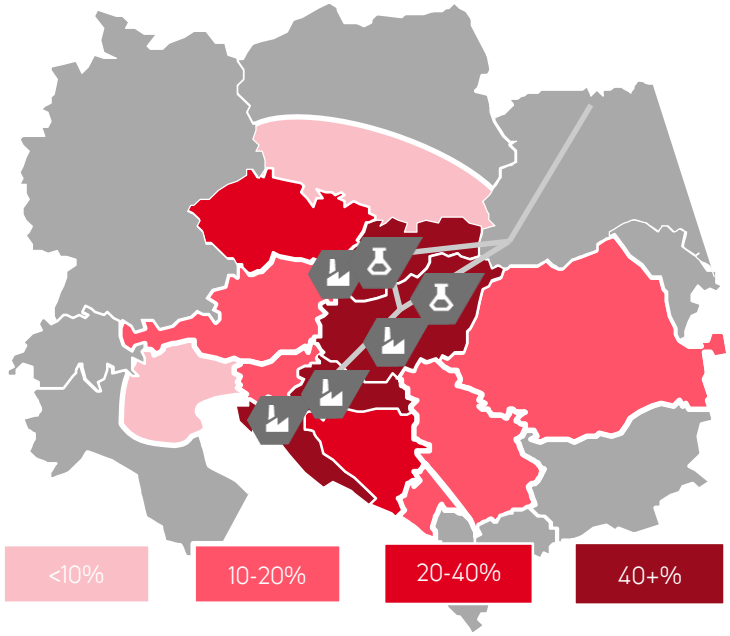
- High complexity provides high motor fuel yields, including substantial middle distillate (diesel) output – in line with CEE market demand...
- ... and material petchem feedstock, enhancing integration

(1) Peer group consists of OMV, PKN, Lotos, Neste, Tupras, Galp, Motor Oil, Hellenic Petroleum, NIS
(2) Unit EBITDA range is based on volume sold and includes ELPE, Lotos, OMV, PKN, Tupras

DEEP DOWNSTREAM INTEGRATION

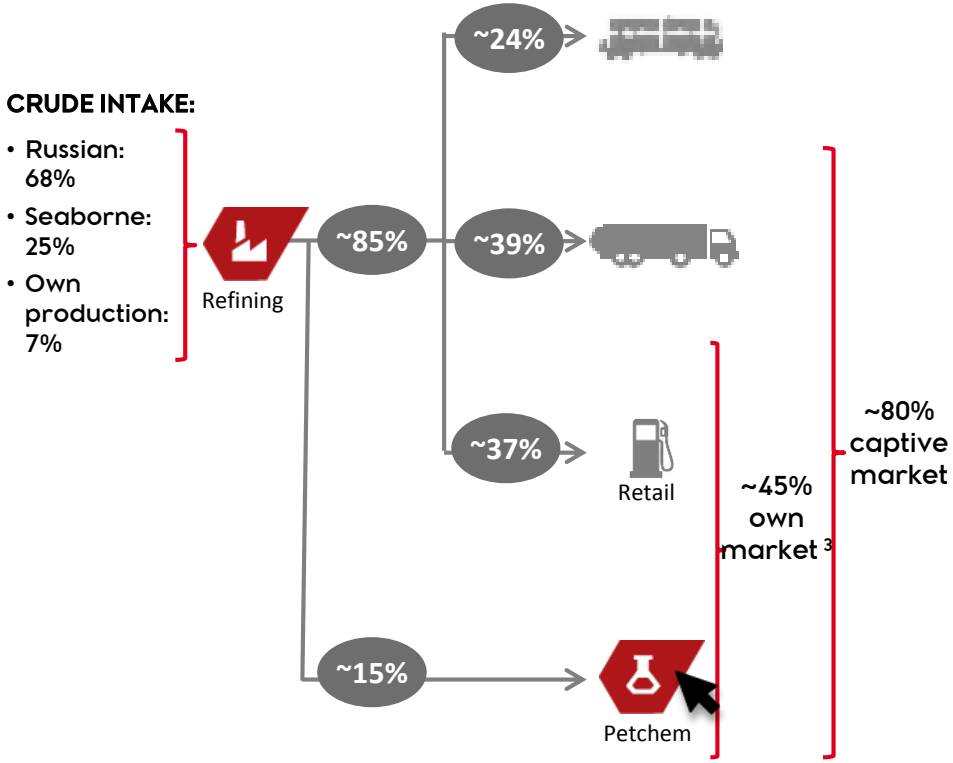
MARKET LEADING POSITION WITH STRONG CUSTOMER RELATIONS IN CEE

MARKET SHARE (%)[1]



- Deeply integrated portfolio of downstream assets
- Complex and flexible core refineries
- Very strong land-locked market presence
- Retail network fully within refinery supply radius
- Enhanced access to alternative crude supply

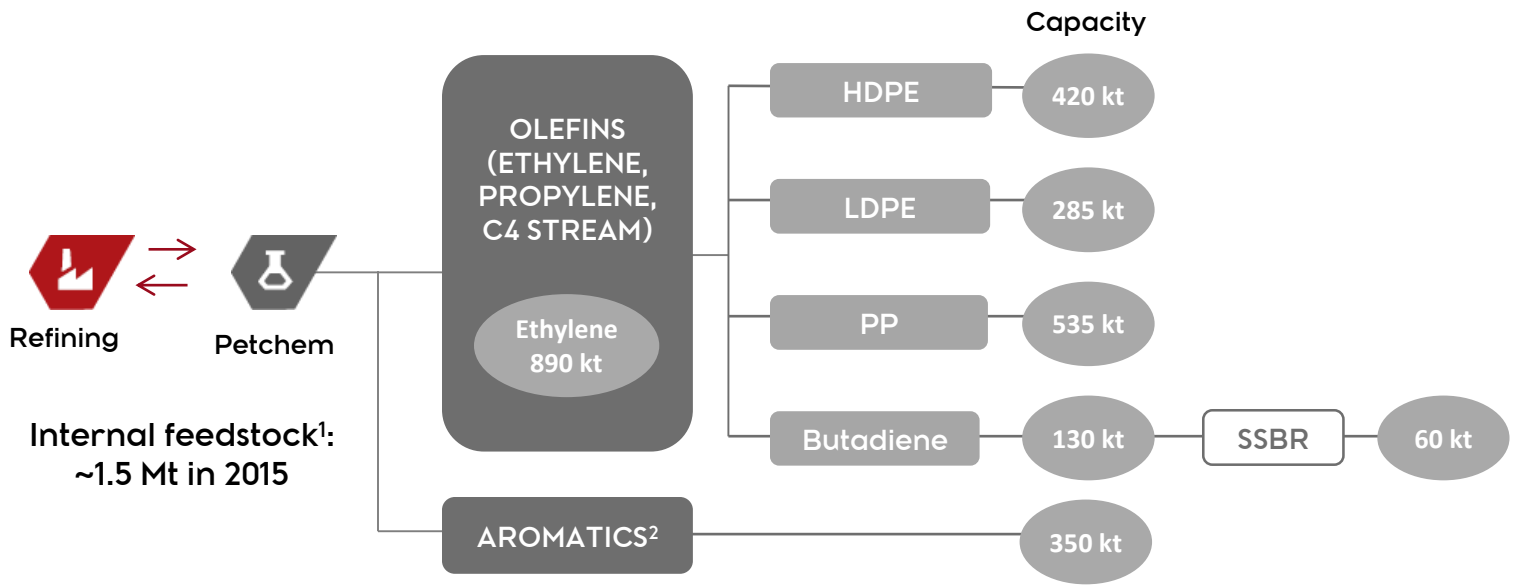
DOWNSTREAM INTEGRATION (FUELS)[2]



(1) Estimation for 2016 FY; (2) Including motor fuels, heating oil & naphtha of landlocked refineries
(3) Own market is calculated as sales to own petchem and own retail over own production

PETROCHEMICALS IN MOL'S INTEGRATED DOWNSTREAM VALUE CHAIN

MOL PETROCHEMICAL VALUE CHAIN



- LDPE4: 220 ktpa unit replaced three old ones in Bratislava in 2016
- Butadiene: 130 ktpa unit commissioned in 2016
- SSBR: 60 ktpa unit is under construction (49% MOL stake)

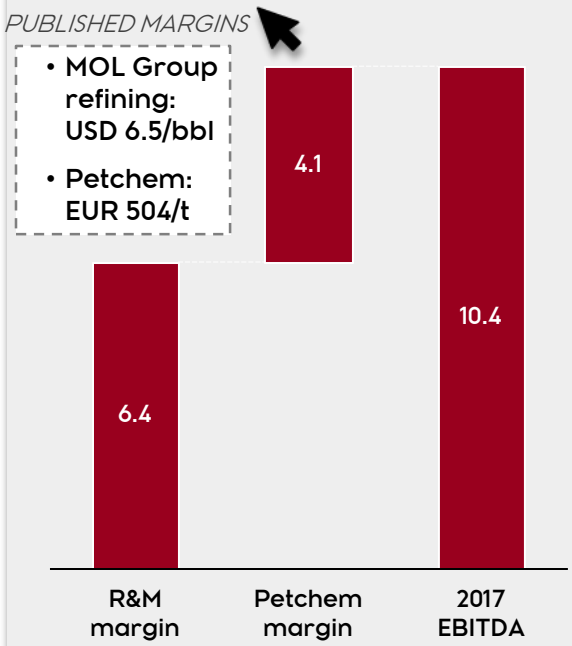
(1) Considering steam cracker feedstock (naphtha & LPG) from Danube & Bratislava refineries only
(2) Considering 2015 production

DOWNSTREAM: OUTSTANDING MARGIN CAPTURE

CREATES AMPLE HEADROOM TO ABSORB EXTERNAL SHOCKS

FACT

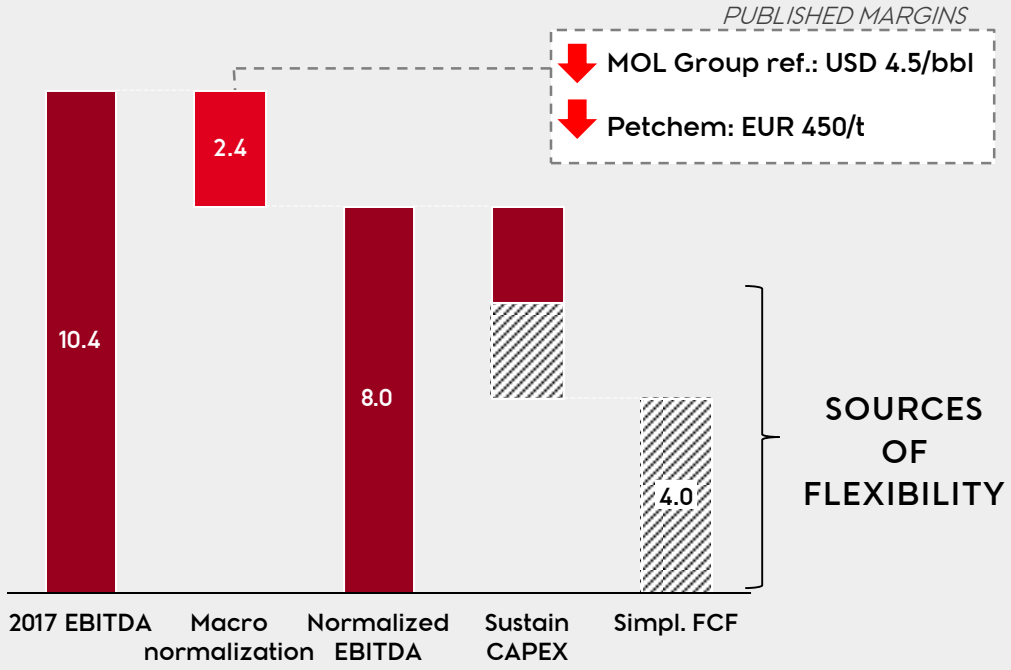
AS-IS: 2017 MARGIN, EBITDA (USD/BBL)



Outstanding margin capture...

SENSITIVITY

EBITDA, CAPEX AND FCF IN MID-CYCLE MACRO (USD/BBL)



...creates sufficient headroom (c. USD 6/bbl) to stay FCF positive even at the very bottom of the cycle (e.g. at USD 1/bbl ref. margin, EUR 100/t petchem margin)

PROVEN EFFICIENCY TRACK RECORD

GRADUALLY INCREASING FOCUS ON GROWTH AND TRANSFORMATION

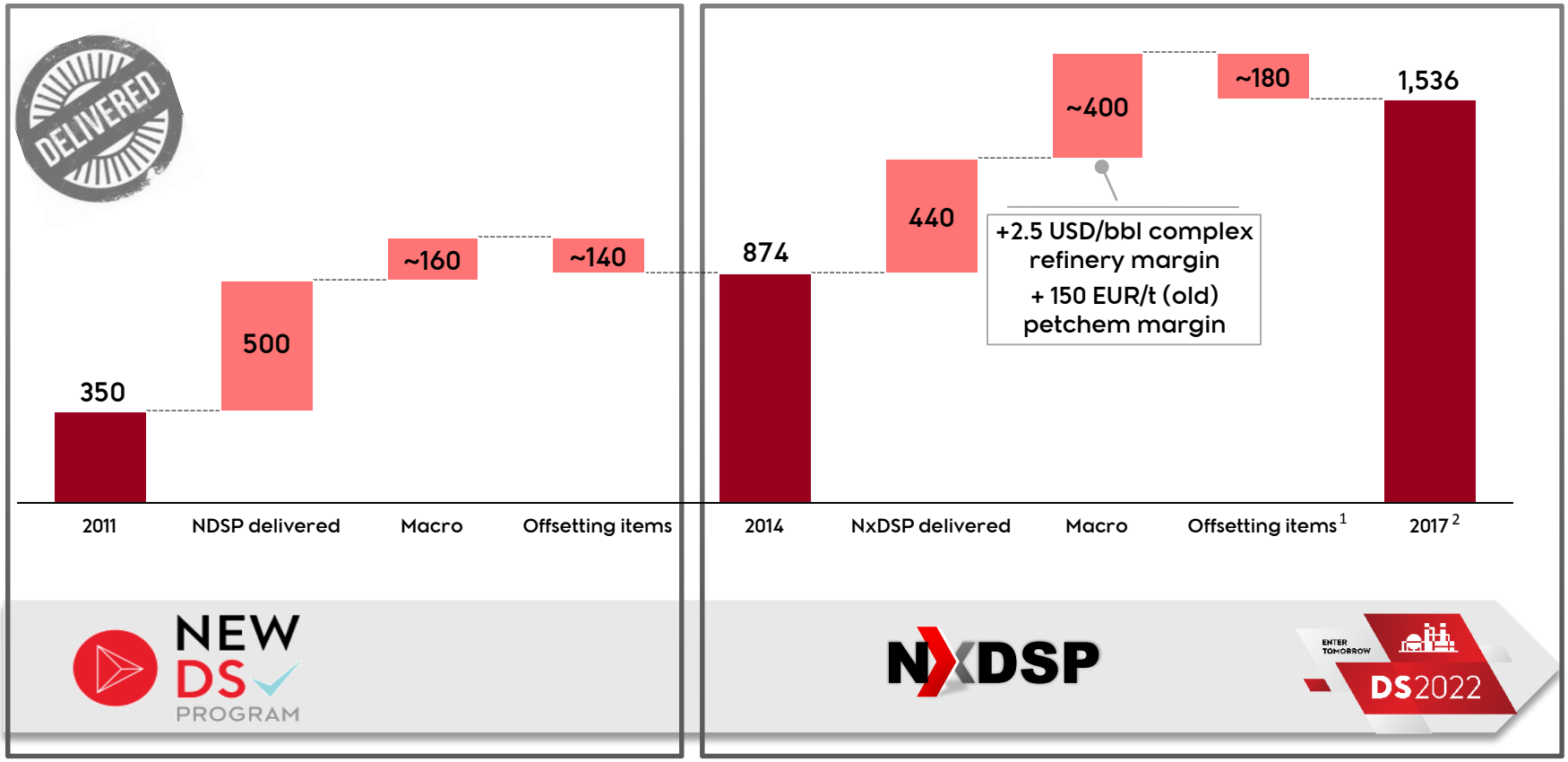
	PROGRAM SCOPE				FINANCIALS		
NEW DS PROGRAM	3 years program	200+ Actions	0 Enabler[1] actions	0 Operational[2] actions	0 Large projects[3]	500 USD mn EBITDA[4]	150 USD mn CAPEX
NXDSP	3 years program	300+ Actions	0 Enabler[1] actions	0 Operational[2] actions	8 Large projects[3]	500 USD mn EBITDA[4]	1,200 USD mn CAPEX
ENTER TOMORROW DS2022	5 years program	~450 Actions	190 Enabler[1] actions	140 Operational[2] actions	12 Large projects[3]	500 USD mn EBITDA	2,100 USD mn CAPEX

(1) Soft actions or very early stage ideas with progress tracking
(2) Actions with measured hard operational KPIs , but non-quantified financial impact
(3) USD >10 mn CAPEX
(4) Including Retail

QUADRUPLING EBITDA IN 6 YEARS

SUPPORTED BY TWO WAVES OF EFFICIENCY PROGRAMS (AND A STRONG MACRO)

CLEAN CCS EBITDA EVOLUTION (USD MN)



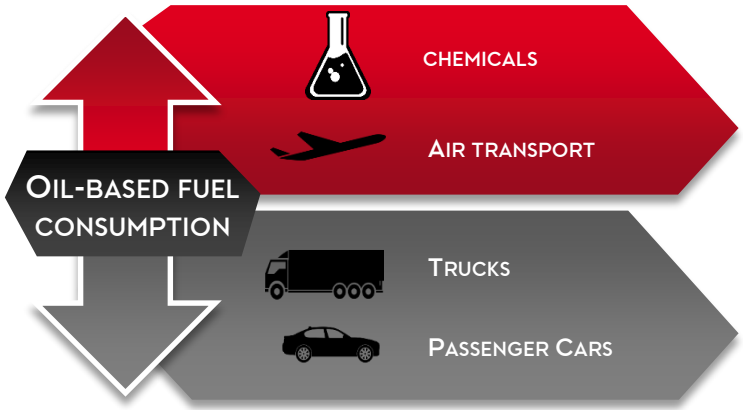
(1) Mainly lower wholesale margins in a high refinery margin environment and OPEX creep
(2) Incl. consumers / retail to ensure comparability with 2014 base

TRANSFORMING TO „BEYOND THE FUEL AGE"

FOSSIL FUEL DOMINANCE TO DIMINISH BY 2030, BUT DEMAND STILL SUBSTANTIAL

ASSUMPTIONS

- Fossil fuel demand likely to decline by 2030, but will still remain material
- Alternative fuels and (petro)chemical markets likely to grow
- Increasing demand for sustainable plastics solutions



MOL 2030

MOLGROUP 2030 ENTER TOMORROW

TRANSFORM...

...FUEL TO CHEMICALS

- Increase share of non-motor fuel products
- Extend the chemicals value chain
- Integration of plastics recycling

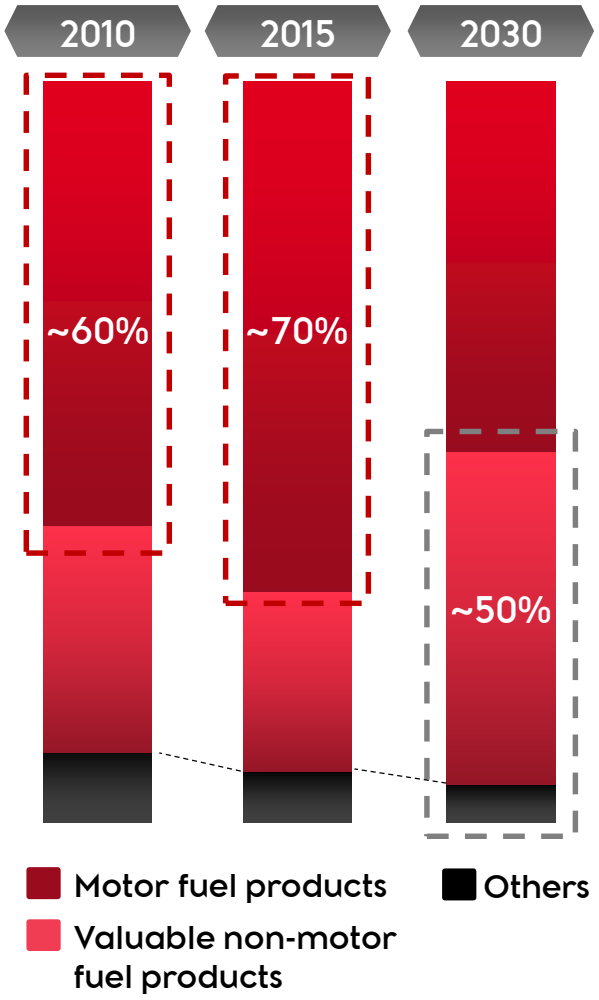
...RETAIL TO CONSUMER SERVICES

- To provide a broad range of products and services for people „on the move"

50% VALUABLE NON-FUEL PRODUCTION BY 2030

TRANSFORMATION AWAY FROM MOTOR FUELS

GROUP REFINERIES' YIELD



STRATEGIC PRIORITIES

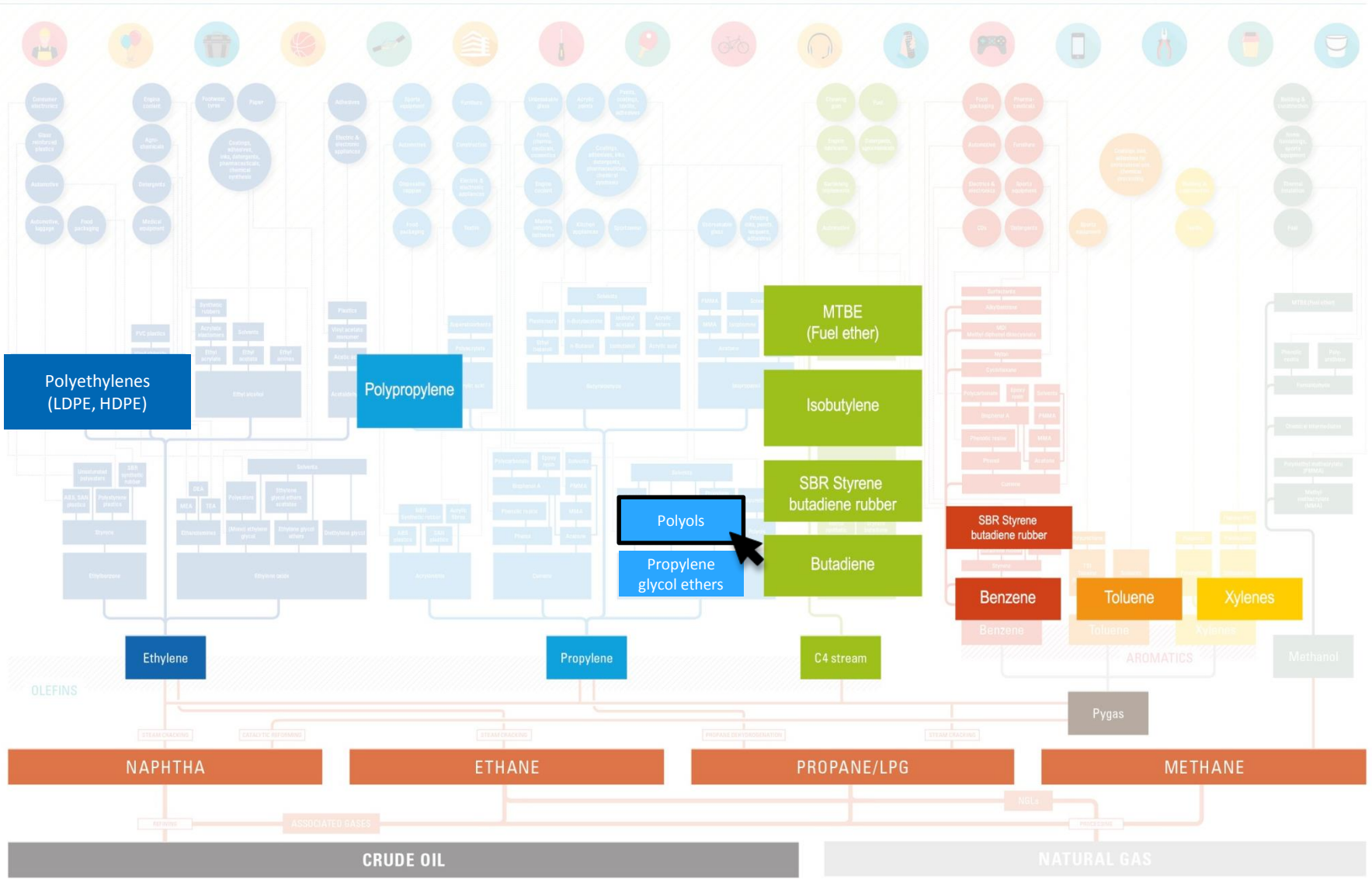
1. Benefit from profitable products (jet, base oils, LPG)
2. Increase petchem feedstock up to 3 mtpa
3. Increase production of other chemicals (e.g. aromatics)

ACTIONS

ENTER TOMORROW DS2022

First round of actions defined in DS2022 program

SEVERAL OPTIONS TO EXPAND ALONG THE VALUE CHAIN

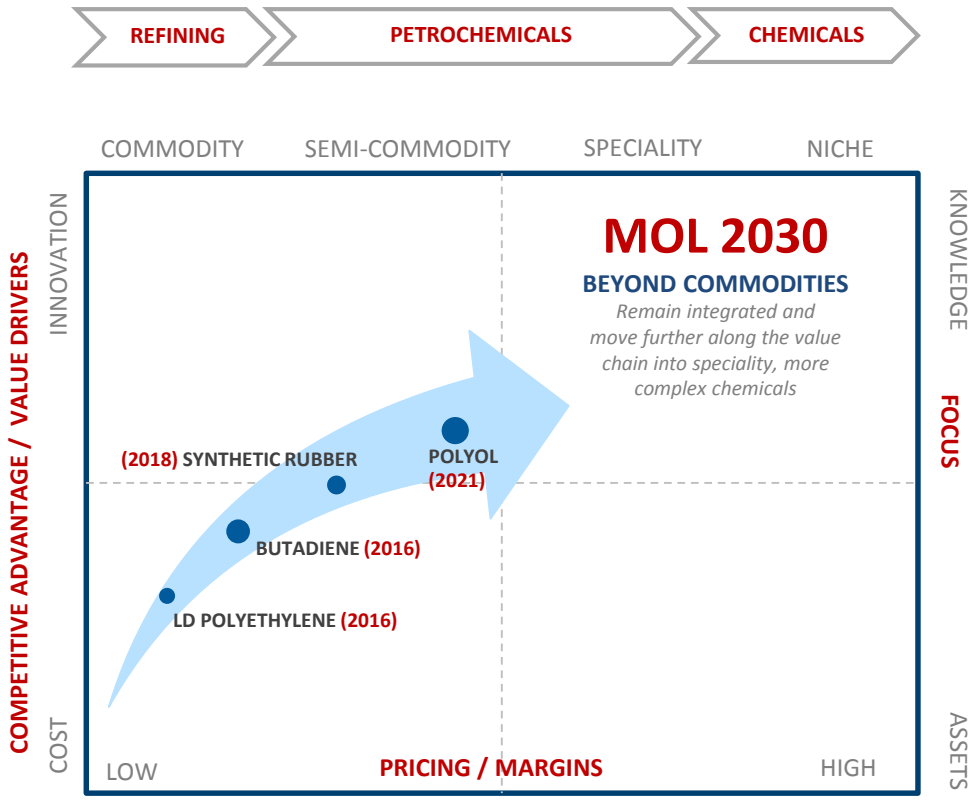


source: www.petrochemistry.eu

POLYOL: A NEW MARKET ENTRY

MOVING TOWARDS HIGHER VALUE-ADDED (PETRO)CHEMICALS

(PETRO)CHEMICAL TRANSFORMATIONAL JOURNEY

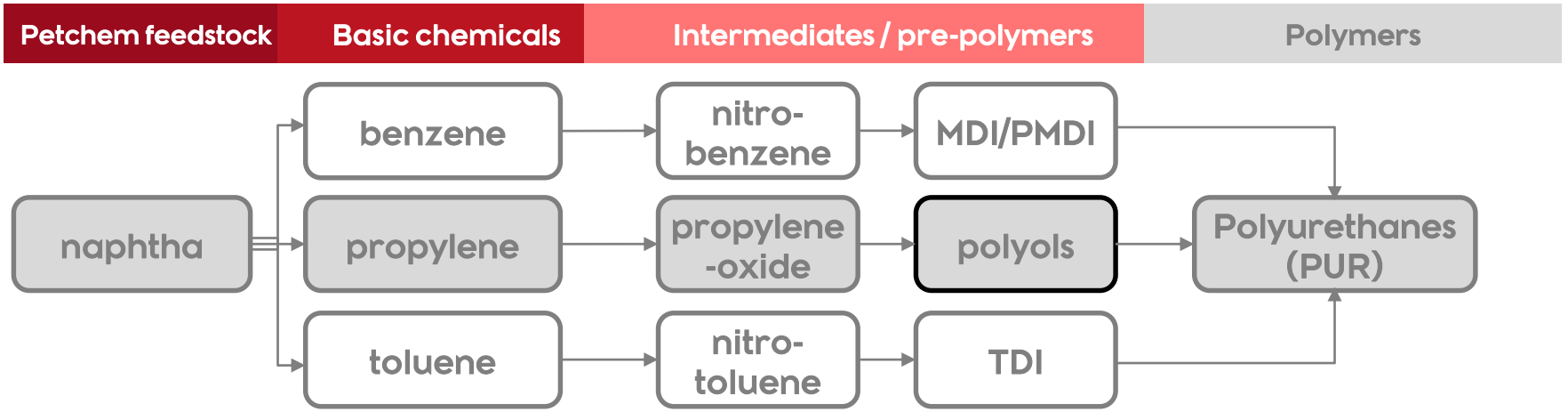


CRITERIA FOR SEGMENT CHOICE

- Crude oil (naphtha) based chemistry and feedstock integration
- Attractive end-user markets (Demand)
- Limited regional competition (Supply)
- Advanced technology, high entry barrier
- Leverage on well-established customer relationship in CEE (capture inland premium)

NAPHTHA-BASED PROPYLENE CHEMISTRY

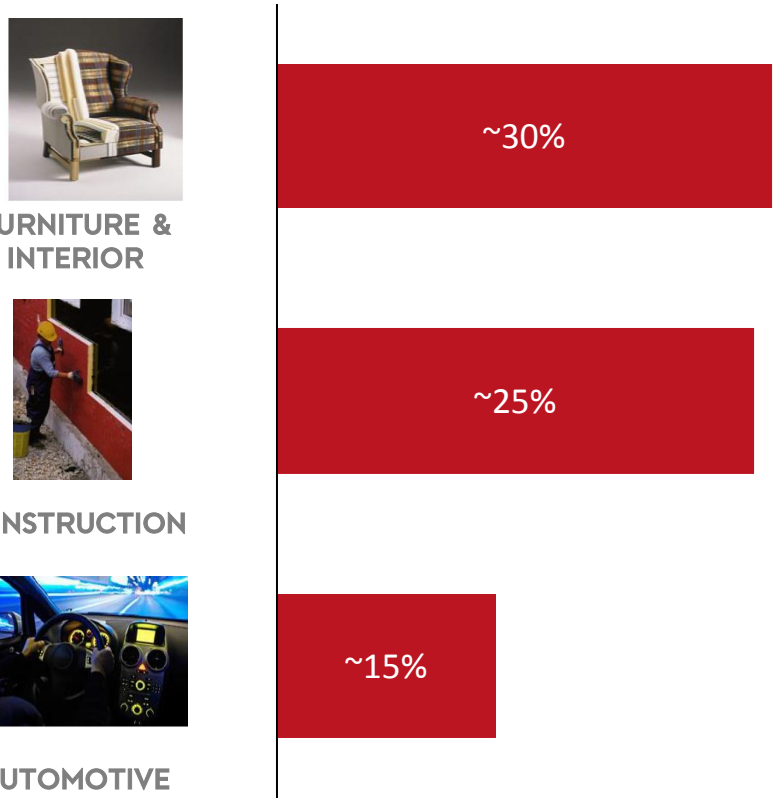
ENTERING THE POLYURETHANES VALUE CHAIN



ATTRACTIVE END-USER MARKETS

WIDESPREAD APPLICATION OF POLYOL AS PUR COMPONENT DRIVES DEMAND

GLOBAL POLYURETHANE DEMAND BY INDUSTRY



GROWTH DRIVERS

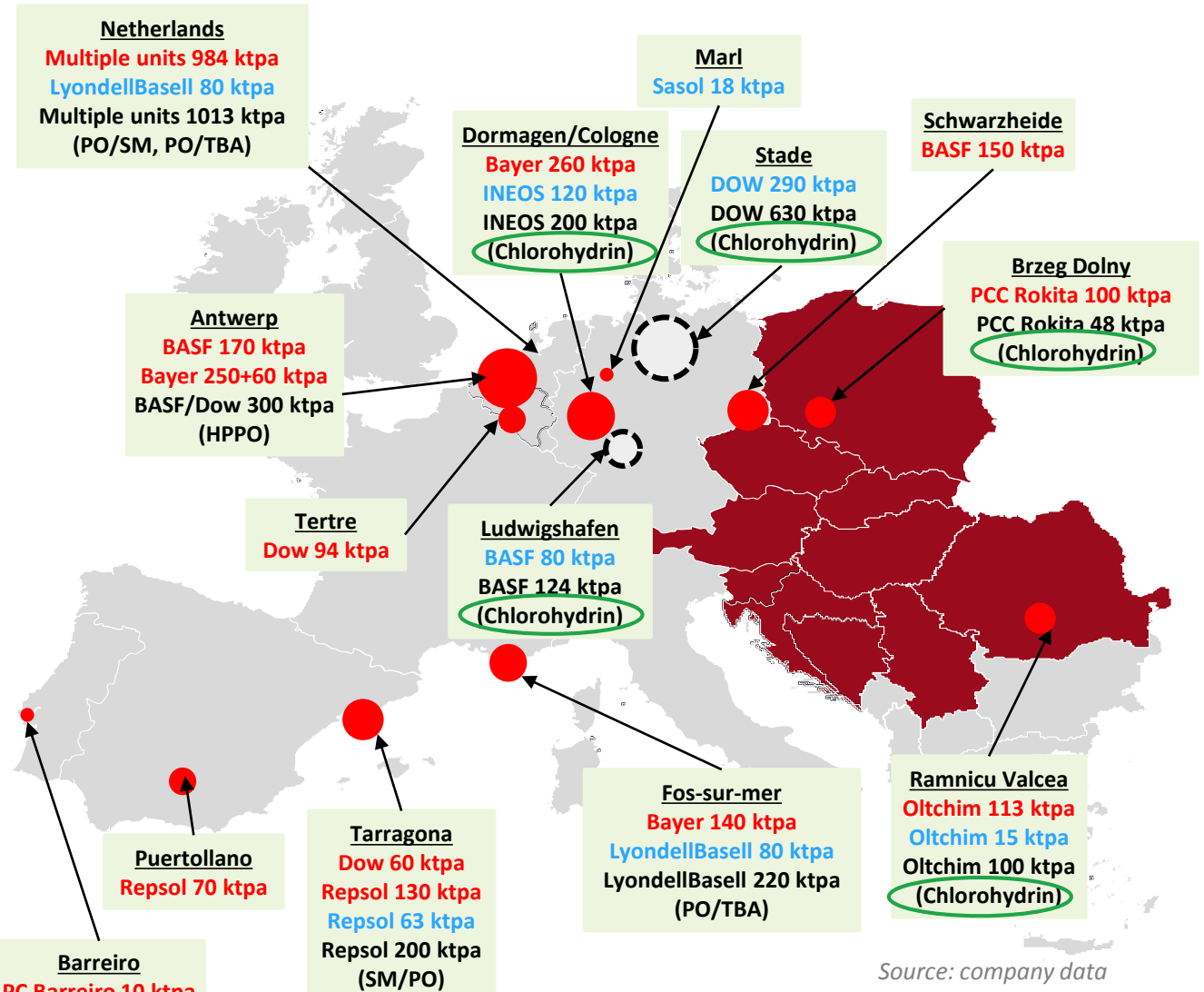
- Improving access to „essentials of life", increasing comfort needs
- Improving life expectancy and population growth

- Improving energy efficiency in construction
- Polyurethanes (PUR) have outstanding insulation characteristics, 50–70% less material required to reach same insulation value

- Lighter weight vehicles to reduce fuel consumption
- PP/PUR represent 50%+ of total plastic used in car manufacturing
- Average plastic content of a midrange car grew fivefold since the 1970s (to up to 200kg), including ca. 20-25kg polyol today

LIMITED REGIONAL COMPETITION

MOL TO BECOME THE SOLE INTEGRATED REGIONAL POLYOL PRODUCER

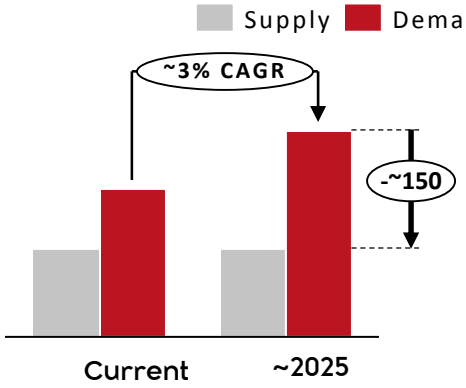


Source: company data

Legend:
LOCATION
POLYOL UNIT
PG UNIT
PO UNIT (TECHNOLOGY)

Bubble size shows the size of the plant

CE POLYOL MARKET



~200 kt CE consumption represent ~15% of total European demand

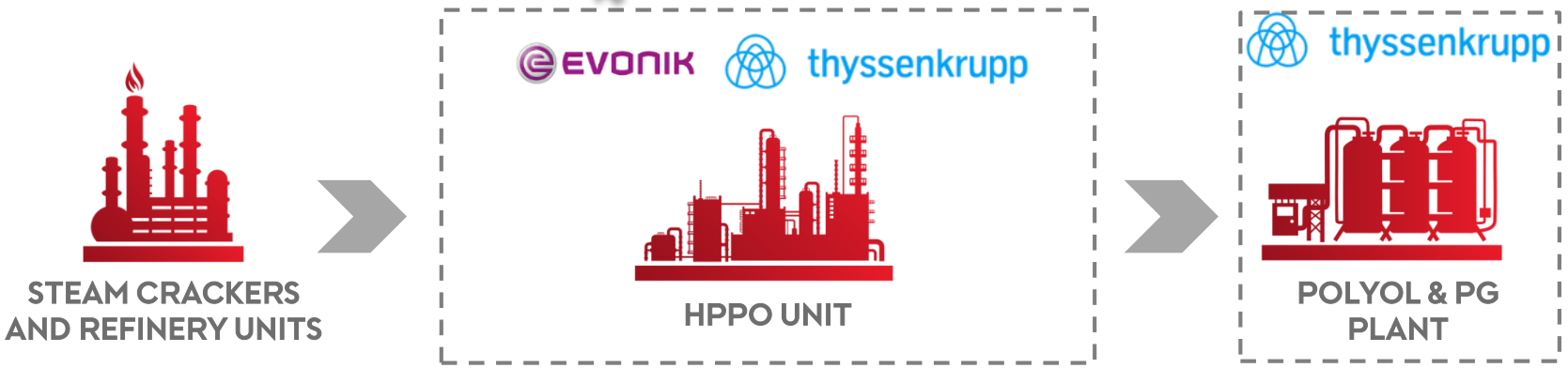
No ongoing capacity addition project in Europe

ALL TECHNOLOGY LICENSES SECURED

TEAMING UP WITH WORLD-CLASS PARTNERS

WHAT HAS BEEN REACHED?

- Key contracts of HPPO technology licenses signed with Evonik and thyssenkrupp,
- Unit to be built in Tiszaújváros, Hungary
- Fluor Corporation selected as project management consultant (PMC)
- Selected licensor for polyether polyol and propylene glycol (PG) technology (thyssenkrupp)
- The European Commission endorsed EUR 131mn regional investment aid for the project, further improving economics of the project



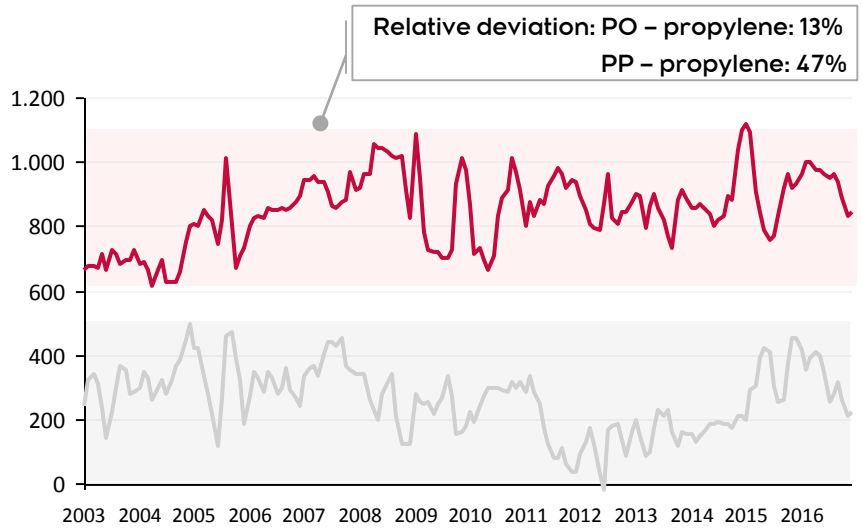
KEY PROJECT DEVELOPMENTS & NEXT STEPS

- Unit capacity step-up (from 150 kt/pa to 200 kt/pa) to achieve better economies of scale
- Additional PG production capability provides optionality and better overall margin capture
- FID is expected in 2018 with a construction timeline of 2018-21
- Cost estimate (around USD 1bn) unchanged

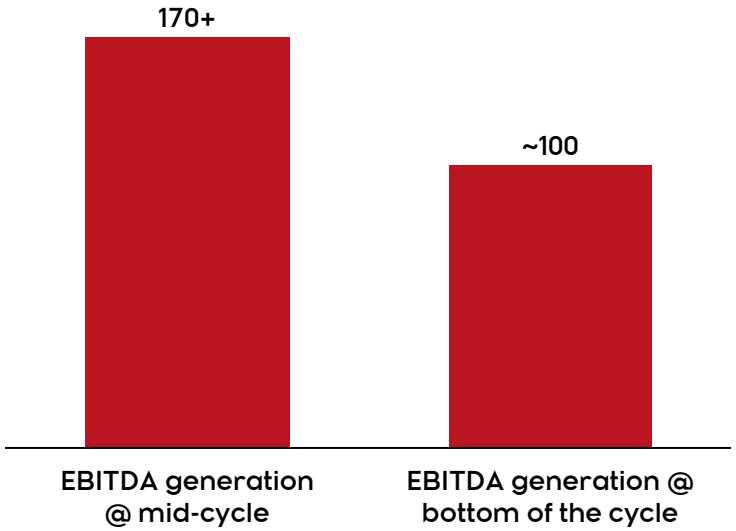
A HIGH MARGIN SEMI-COMMODITY PRODUCT

WITH AN EXPECTED USD 170MN+ MID-CYCLE EBITDA CONTRIBUTION

PROPYLENE VS. POLYOL SPREADS[1] (USD/T)



POLYOL PLANT EBITDA & SENSITIVITY (USD MN)

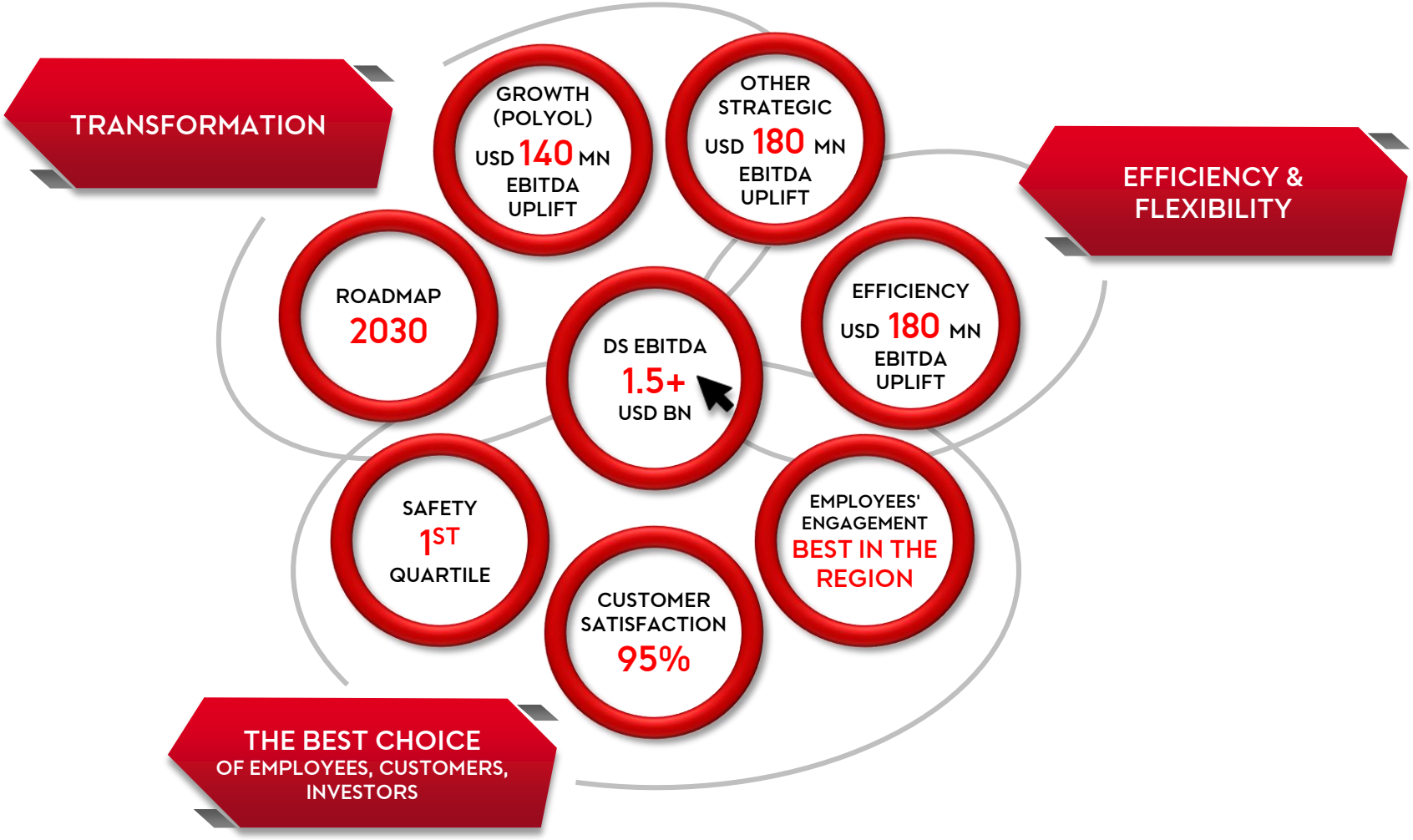


- Moving from commodity (polypropylene) to semi-commodity (polyol): a 600-700 USD/t step-up in average margin capture
- CE producers enjoy 50+ EUR/t transportation cost advantage vs coastal NW-European producers

- Nominal payback is 10-12 years assuming bottom of the cycle margin environment
- Propylene glycol production provides optionality in lower than mid-cycle margin environment

(1) Monthly nominal quotations

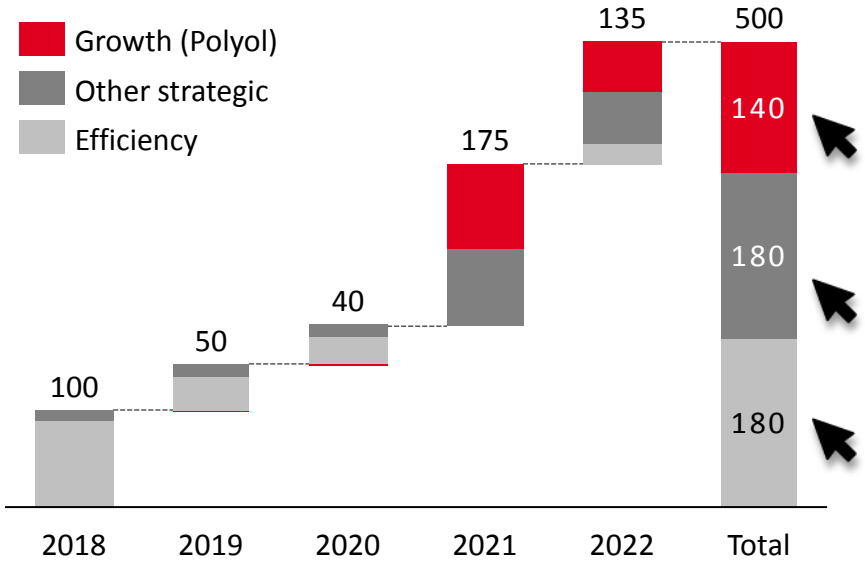
DS2022: A MAJOR MILESTONE TOWARDS MOL 2030



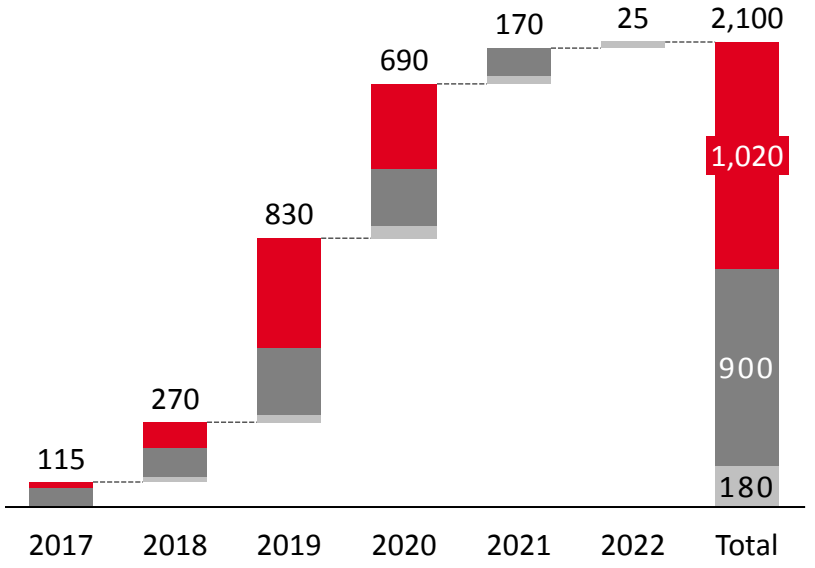
USD 500MN INCREMENTAL EBITDA BY 2022

FROM TRANSFORMATIONAL PROJECTS AND EFFICIENCY (USD 2.1BN TOTAL CAPEX)

INCREMENTAL EBITDA CONTRIBUTION (USD MN)



CAPEX SPENDING (USD MN)



- **Polyol** plant will reach full capacity in 2023 with an estimated USD 170mn yearly EBITDA contribution
- **Other strategic projects**
  - Include INA Delayed Coker, which accounts for 50%+ of capex
  - Steam crackers debottlenecking projects are in early phase of discussion, hence not included yet in DS2022. These projects may add to DS2022 scope in the coming years.
- **Efficiency**: Partly reversing the effect of offsetting items seen in 2016-17; targeting improvement in asset availability and market position and strong focus on energy efficiency
- DS2022 aims for continuation of superior margin delivery, which fully offsets macro normalization

OTHER STRATEGIC (BROWNFIELD) PROJECTS

LARGE, TRANSFORMATIONAL INVESTMENTS ALONG 2030 STRATEGIC GOALS

11 projects

USD **900** mn CAPEX

USD **180** mn EBITDA uplift

Minimum **15**% return (IRR) threshold

MOLGROUP 2030 ENTER TOMORROW *GOALS*

ENTER TOMORROW DS2022 *EXAMPLES*

Enhancing flexibility & Debottlenecking

- HCK revamp in Bratislava refinery
  Start up: 2019
- FCC revamp in Duna refinery
  Start up: 2021
- INA delayed coker
  Start up: 2021
- Maleic Anhydride unit extension
  Start up: 2021

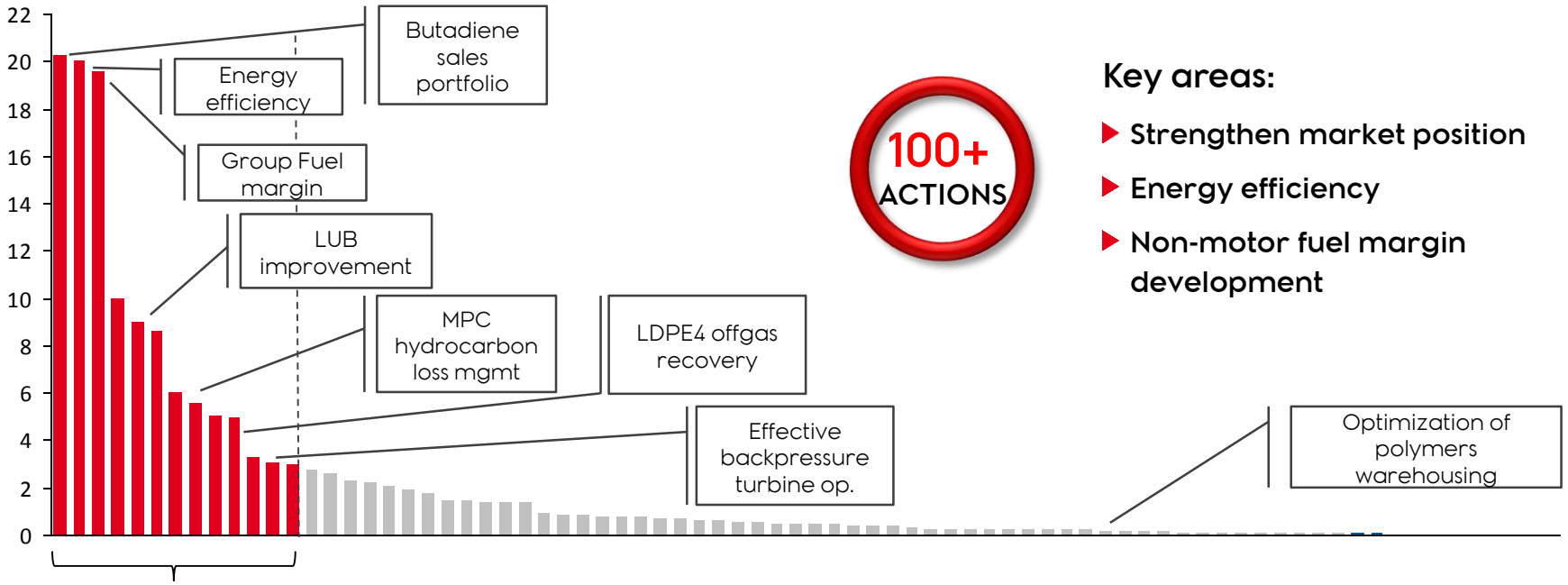
Crude diversification

- Crude blending system in Duna
  Start up: 2018
- New crude oil tanks in Bratislava
  Start up: 2020

EFFICIENCY: USD 180MN EBITDA UPLIFT

MOSTLY COMING FROM IMPROVED ENERGY EFFICIENCY AND NON-FUEL FOCUS

INCREMENTAL EBITDA CONTRIBUTION BY ACTION (USD MN)



Key areas:

- Strengthen market position
- Energy efficiency
- Non-motor fuel margin development

CRUDE DIVERSIFICATION

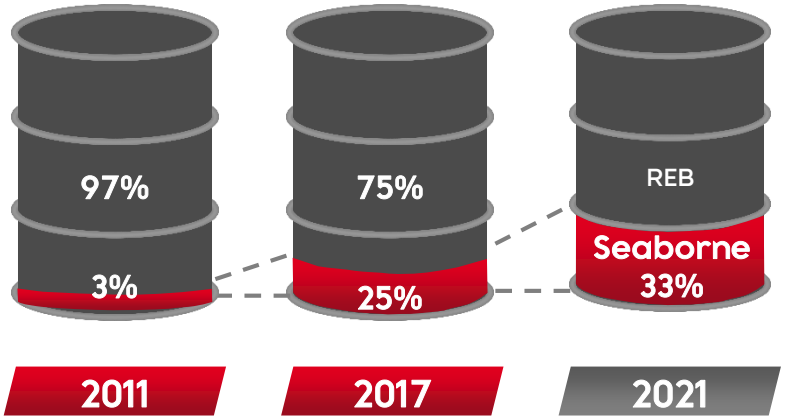
TARGETING 33% SEABORNE SUPPLY BY 2021

ADRIATIC PIPELINE ACCESS ESTABLISHED

Increased pipeline capacity: 6Mtpa = SN

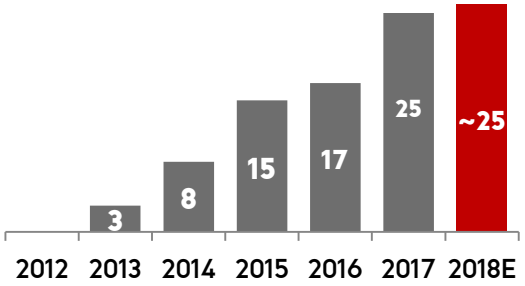
Increased pipeline capacity: 14Mtpa = MOL+SN

CRUDE DIVERSIFICATION[1]



ENHANCING FEEDSTOCK FLEXIBILITY

Number of purchased cargos* through Adria pipeline for landlocked refineries



- Majority of the crude intake remains Ural, however, the number of tested crudes in the complex refineries is on the rise
- Targeting further increasing seaborne crude oil supply to 33% with widening crude basket to reach 50 types by 2021
- Following the successful rehabilitation and expansion of the Friendship 1 pipeline, seaborne crude oil delivery to Slovnaft was launched in 2016
- Opportunistic approach based on continuous optimization - capturing benefits of fluctuating crude spreads

* One cargo is equivalent of 80kt crude; (1) Group level, including INA

CONSUMER SERVICES

A LEADING REGIONAL NETWORK

MARKET LEADING
IN 60% OF THE NETWORK

TOP 3
IN 90% OF THE NETWORK

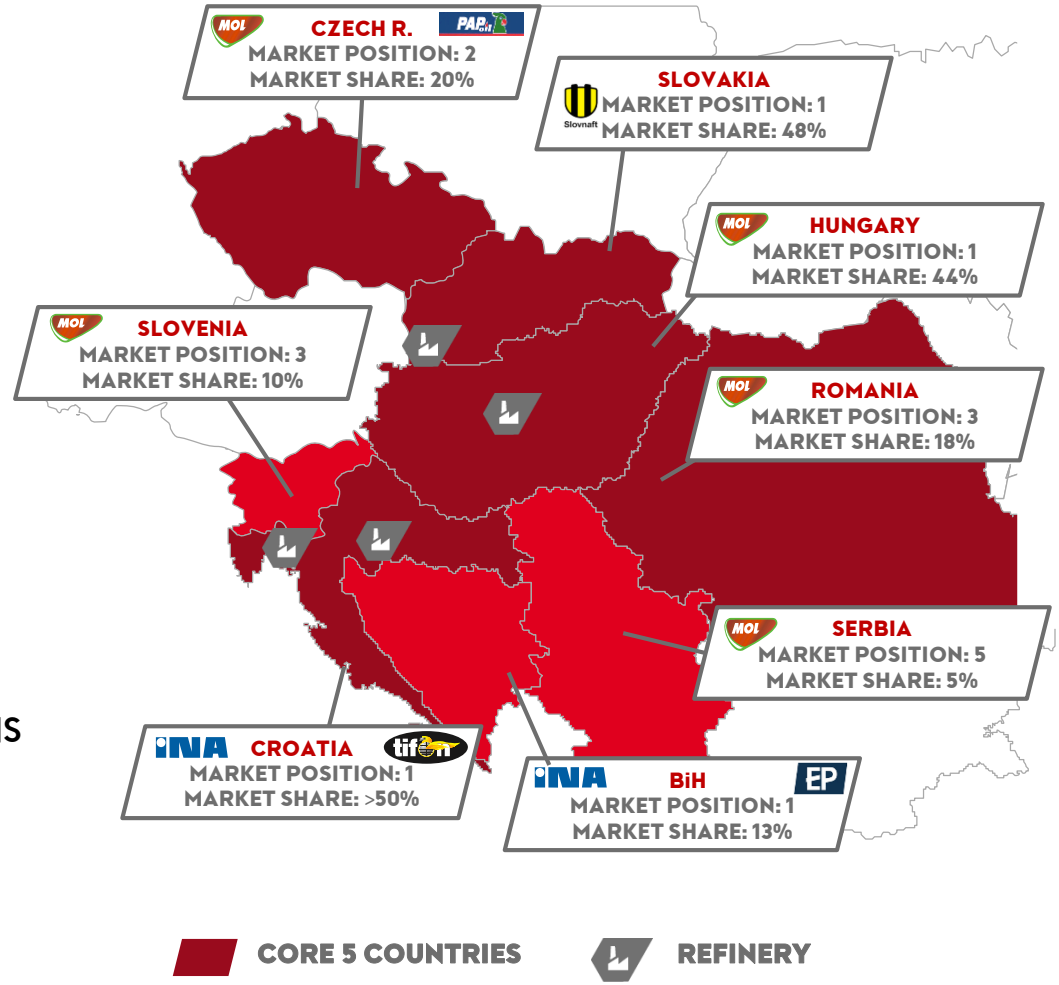
9 COUNTRIES[1]

6 WELL ESTABLISHED BRANDS

~1,900

MOSTLY COCO / COCA SERVICE STATIONS

~1 MN TRANSACTIONS / DAY

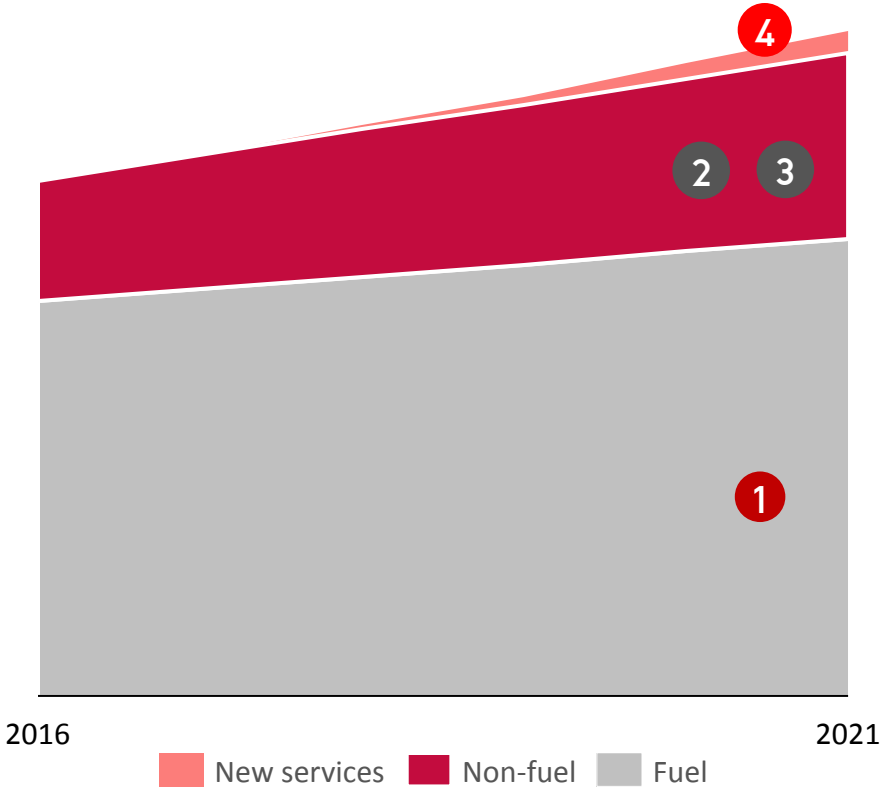


(1) Montenegro (1 station) is not included in the map
Market share sources: Hu, Ro, Sk, Cz – local oil associations, Slo, Cro, Srb, BiH – own estimate

2021 STRATEGIC PRIORITIES

EXPLOIT POTENTIAL IN FUEL, ACCELERATE SHIFT TOWARDS NON-FUEL

MARGIN DEVELOPMENT



EBITDA to increase to USD 450mn by 2021

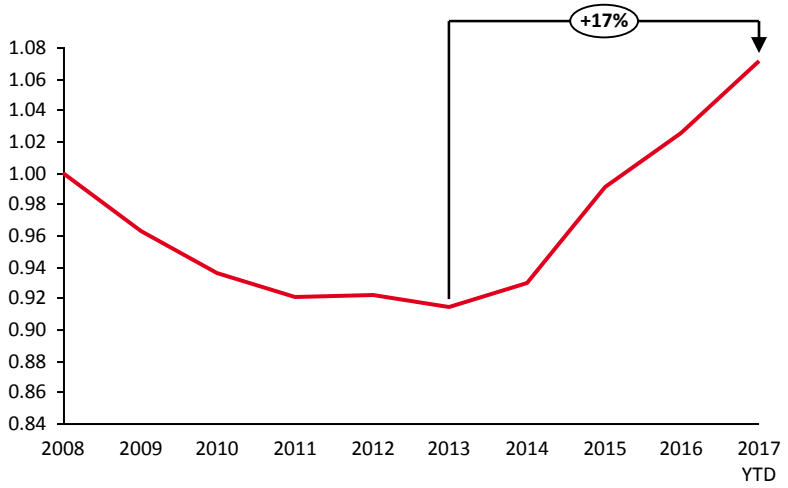
GROWTH STRATEGY TO 2021

1. Exploiting the fuel potential: growing fuel sales and taking advantage of market upside throughout the CEE
2. Non-fuel increasingly a growth driver: Optimize/customize store format and improve services through non-fuel concept roll-out
3. Go online and digital: for a personalized and convenient customer experience
4. Beyond non-fuel: Create new mobility services platform including e-mobility, car-sharing, fleet management

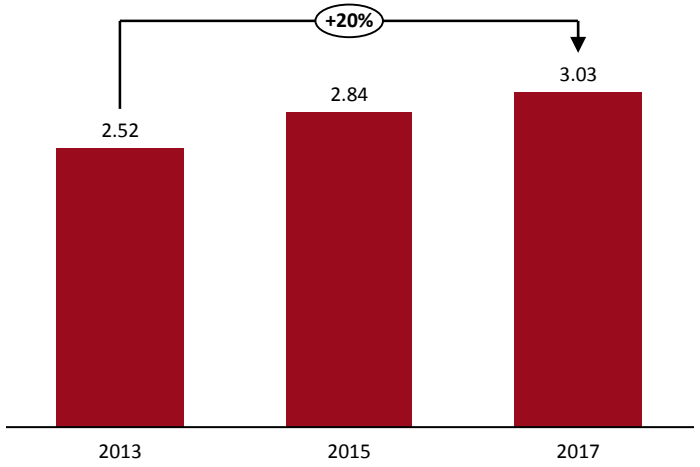
EXPLOITING THE FUEL POTENTIAL

FUEL SALES ON THE RISE MOSTLY DRIVEN BY RISING CEE FUEL CONSUMPTION

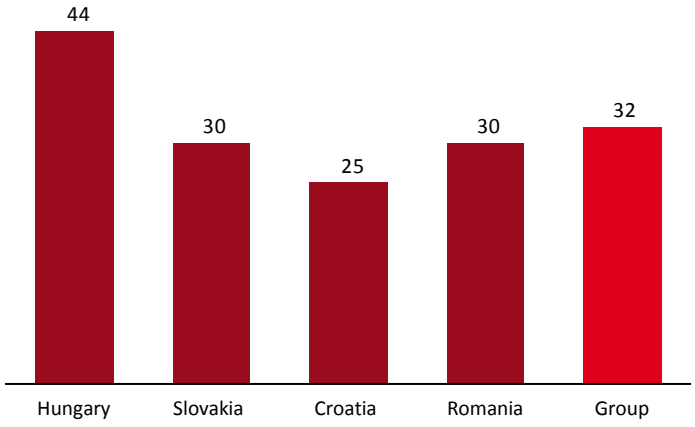
CEE[1] MOTOR FUEL DEMAND (2008 = 100%)



FUEL THROUGHPUT PER SITE (MN L/SITE)



FLEET CARD SALES vs TOTAL (2017, %)



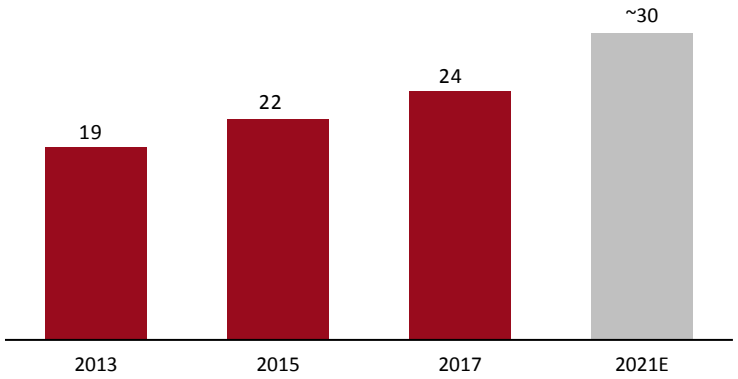
COMMENTS

- Fuel remains the main EBITDA contributor providing 75% of total gross margin
- Rising fuel consumption and constantly optimized network drive rise in throughput
- Fleet card sales a massive captive customer base in CEE and a good base for the consumer services transformation

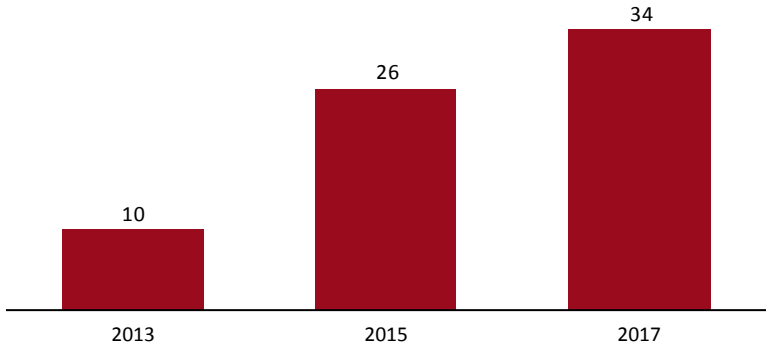
NON-FUEL INCREASINGLY A GROWTH DRIVER

CONCEPTUAL CHANGE, COCO/A OPERATING MODEL SUPPORT GROWTH

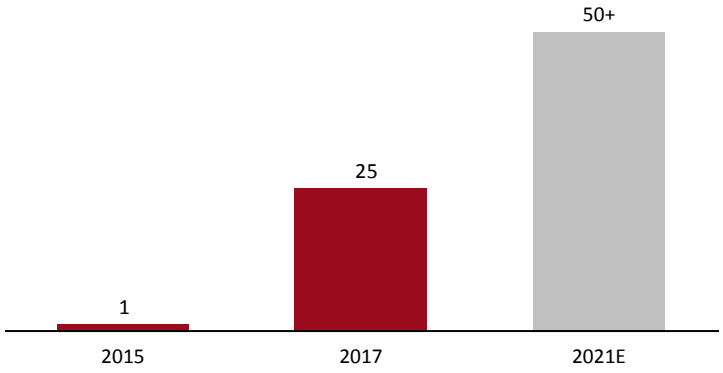
NON-FUEL TO TOTAL GROSS MARGIN (%)



NON-FUEL SHARE OF TOTAL MARGIN GROWTH (%)

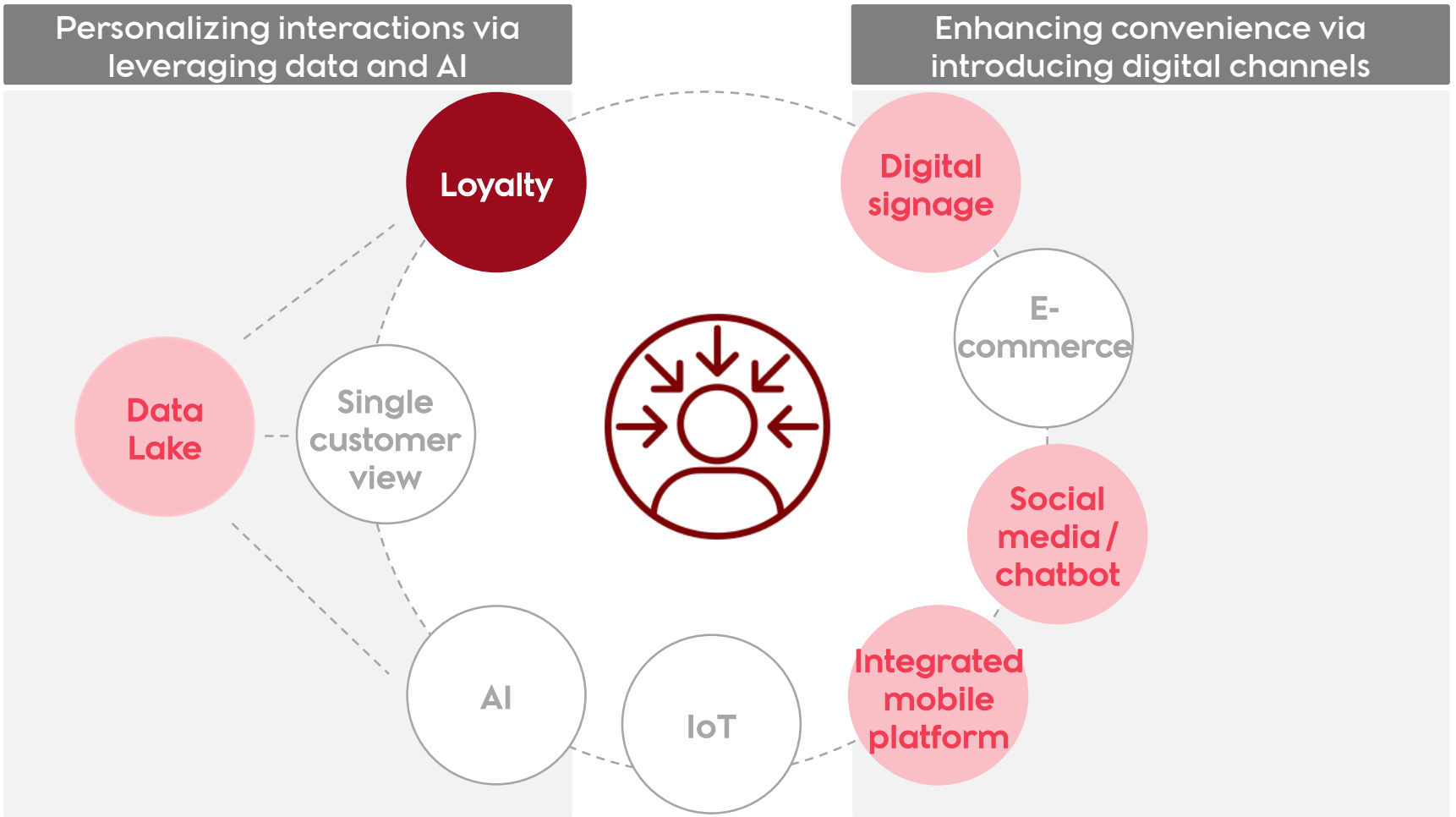


NEWORK TRANSFORMATION (% OF RECONSTRUCTED SITES)



- Focus on own convenience brand encompassing coffee, fresh food, everyday groceries through FRESH CORNER concept
- Average store size on reconstructed sites: ~90 sqm
- Total 2017 coffee servings: 41mn (1.3 coffee/sec)
- Average investment: 200-250k EUR/site

DIGITAL: FOR A PERSONALIZED AND CONVENIENT CUSTOMER EXPERIENCE & IMPROVED OPERATIONS



Legend: Existing | Being implemented | Concept development

BEYOND NON-FUEL: MOBILITY SERVICES

BUILDING BLOCKS OF DEVELOPING MOBILITY SOLUTIONS

- MOL LIMO: Innovative car-sharing platform in Budapest launched in Jan 2018 with 300 (o/w 100 EV) cars
- 10k+ users in first two weeks

Car sharing

Leading mobility solutions

- Scalable CAPEX in mobility related activities, below EUR 100mn by 2021
- EBITDA break-even targeted within 2 years following concept roll-out

E-mobility

- MOL is part of a 45% EU funded consortium aiming at installing 250+ EV chargers in the CEE

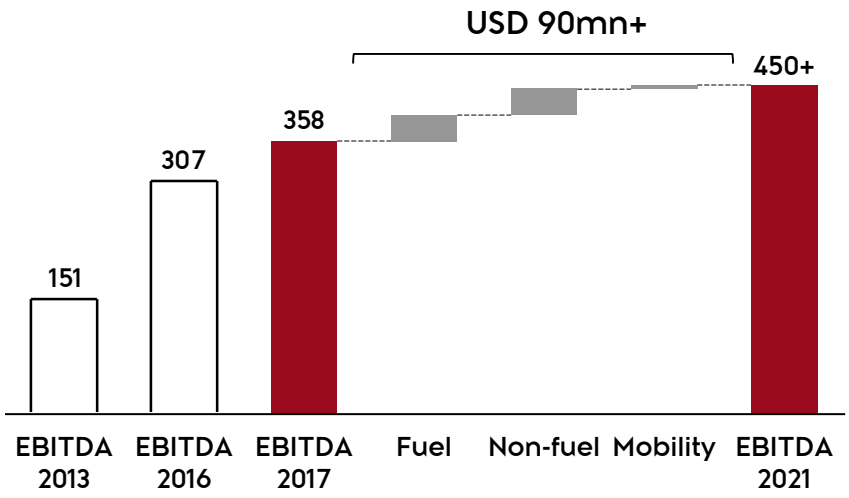
Fleet management

- Own fleet management platform commissioned in H2 2017 with ~1000 cars

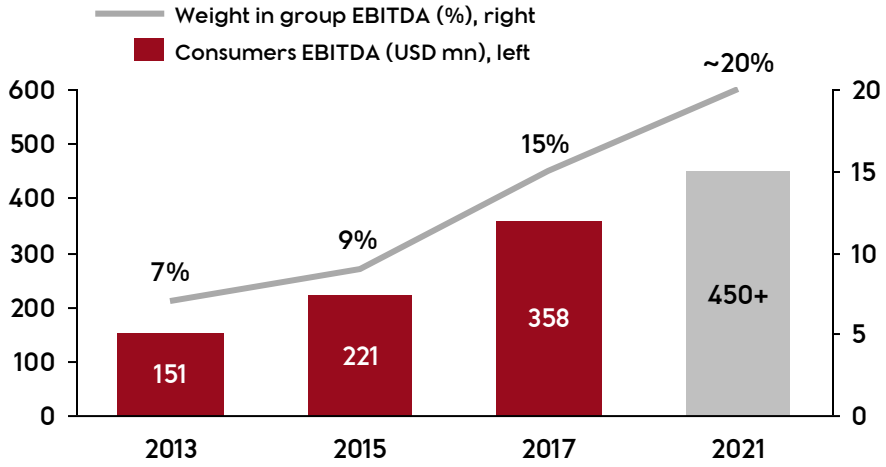
CONSUMERS TO DELIVER USD 450MN BY 2021

AND A TOTAL FREE CASH FLOW OF OVER USD 1BN OVER 2017-21

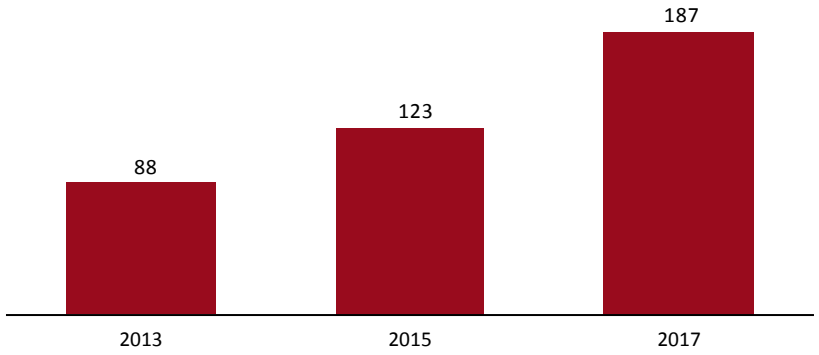
BUILDING BLOCKS OF CONSUMERS EBITDA UPLIFT BY 2021 (USD MN)



EBITDA TRANSFORMATION 2013-2021 (USD MN)



EBITDA PER SITE (USD TH PER SITE)



- Consumer Services' share in group EBITDA more than doubled since 2013 and is set to continue to grow to ~20% by 2021
- Consumer cash-flows typically trade at much higher multiples (~10 EV/EBITDA) vs integrated oils (~5-6 EV/EBITDA)

EXPLORATION AND PRODUCTION

TOP 15% IN SUSTAINABILITY

A COMMITMENT TO THE INTEGRATION OF ECONOMIC, ENVIRONMENTAL AND SOCIAL FACTORS INTO EVERYDAY OPERATIONS

SD TARGETS 2020[1] UPSTREAM

HEALTH & SAFETY

We operate **safely** or we don't operate.

Implement actions aiming at **zero** incidents and zero fatalities[2]

CLIMATE CHANGE

Decrease GHG emissions from flaring by ~35%

ENVIRONMENT

Reduce the number of spills (over 1 cubic meter) by 30%

HUMAN CAPITAL

Increase employee engagement and further develop and utilize technical Career Ladder in upstream

(1) Versus 2014; (2) Lost-time injury frequency, own and on-site contractors (2) Tons in CO2 equivalent

PRODUCTION IN 8 COUNTRIES

CEE TOTAL
Croatia, Hungary
Reserves: 237 MMboe
Production: 78.0 mboepd

o/w CEE offshore
Reserves: 9.4 MMboe
Production: 7.7 mboepd

UK, NORTH SEA
Reserves: 22.2 MMboe
Production: 6.2 mboepd

RUSSIA
Reserves: 47.2 MMboe
Production: 6.2 mboepd

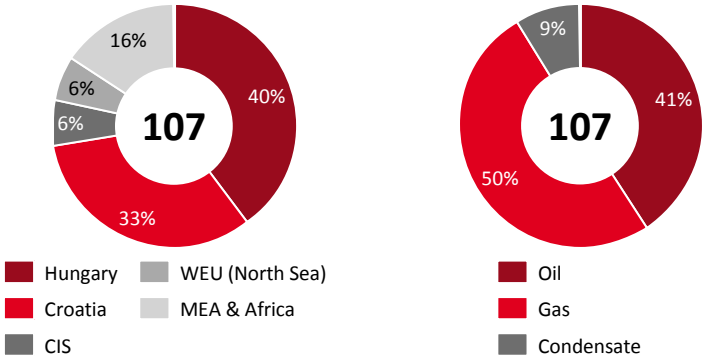
KAZAKHSTAN
Reserves: 23.5 MMboe

PAKISTAN
Reserves: 9.4 MMboe
Production: 8.5 mboepd

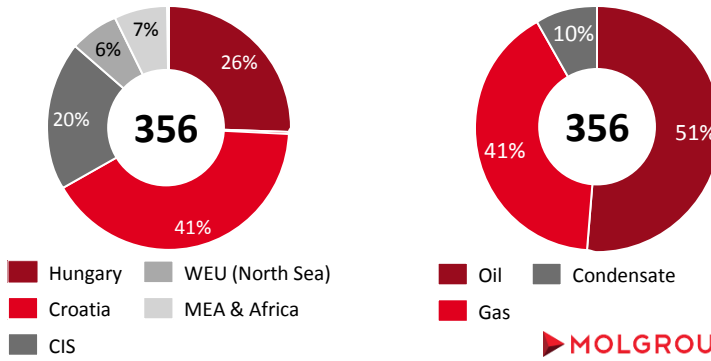
OTHER INTERNATIONAL
Egypt, Angola, Kurdistan Region of Iraq, Syria
Reserves: 55 MMboe
Production: 8.4 mboepd

MORE INFORMATION: EXPLORATION & PRODUCTION UPDATE 2018

PRODUCTION BY COUNTRIES AND PRODUCTS (MBOEPD; 2017)



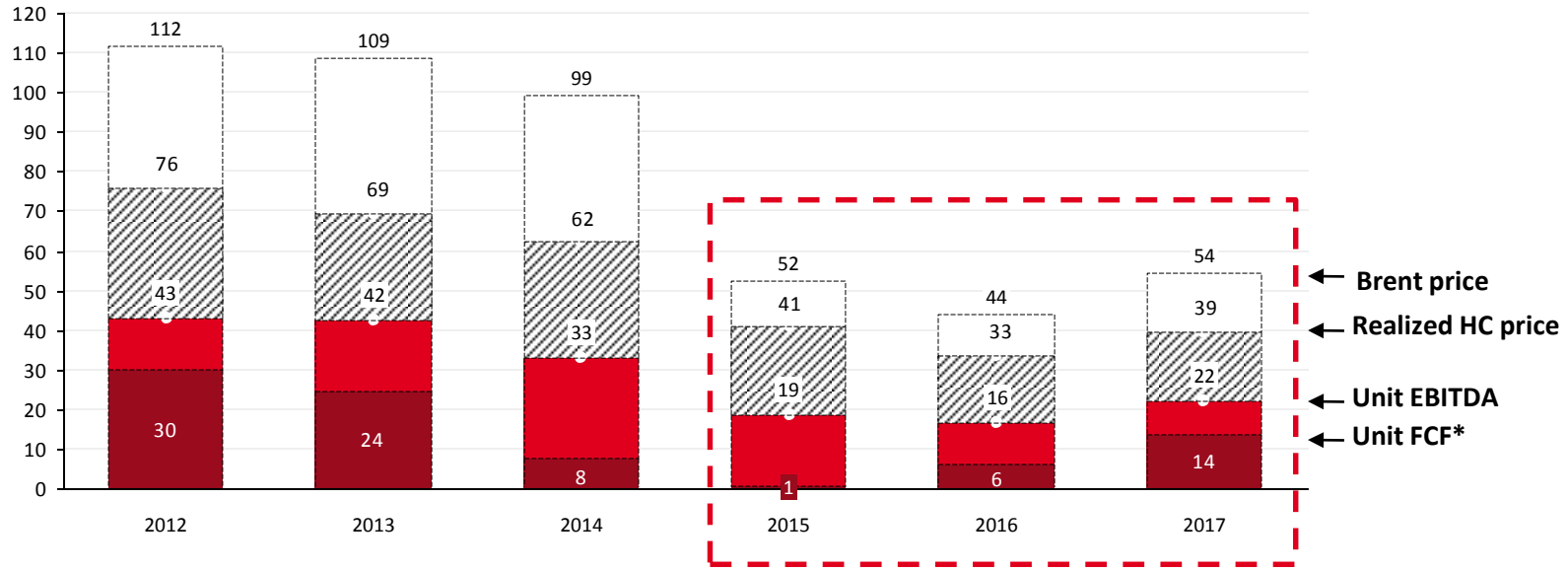
RESERVES BREAKDOWN BY COUNTRIES AND PRODUCTS (MMBOE; 2017)



Note: Group production figures include consolidated assets, JVs (Baitex in Russia, 6.3mboepd) and associates (Pearl in the KRI, 2.3mboepd)

CREATING VALUE BELOW 50 USD/BBL OIL PRICE

ANNUAL PRICE REALIZATION, EBITDA, FCF (USD/boe)



- Proven track record of generating value even at low oil prices in 2016-2017
- Substantial efficiency improvement delivered across the value chain and across the portfolio
- Very competitive unit costs (lifting costs below USD 7/boe) to be sustainable for years to come
- Heavily scrutinized and rationalized capital program

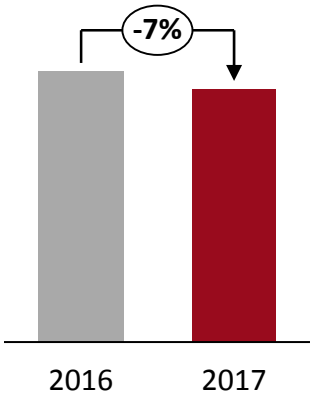
* Based on: Simplified FCF = EBITDA Excl. Special Items – Organic CAPEX

E&P ADJUSTED TO BE FIT

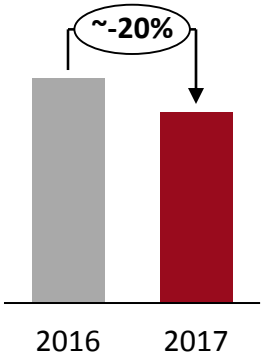
AND TO PROSPER AT THE BOTTOM OF THE CYCLE

OPERATIONAL EFFICIENCY, PRODUCTION OPTIMIZATION IN FOCUS

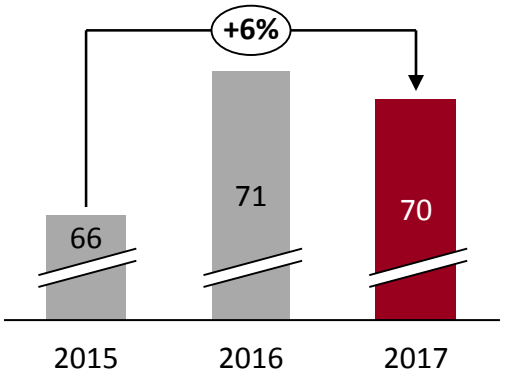
G&A EXPENSES (USD MN)



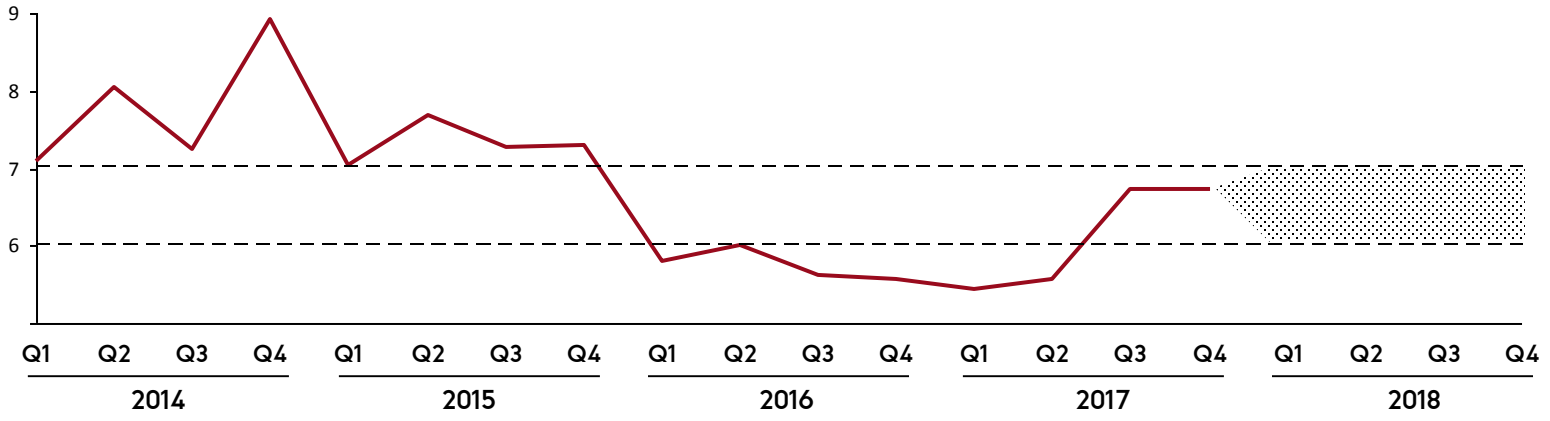
AVERAGE WELL COST IN HUNGARY (USD/M)



CEE ONSHORE PRODUCTION (MBOEPD)



GROUP DIRECT UNIT OPEX[1] (USD/BOE)

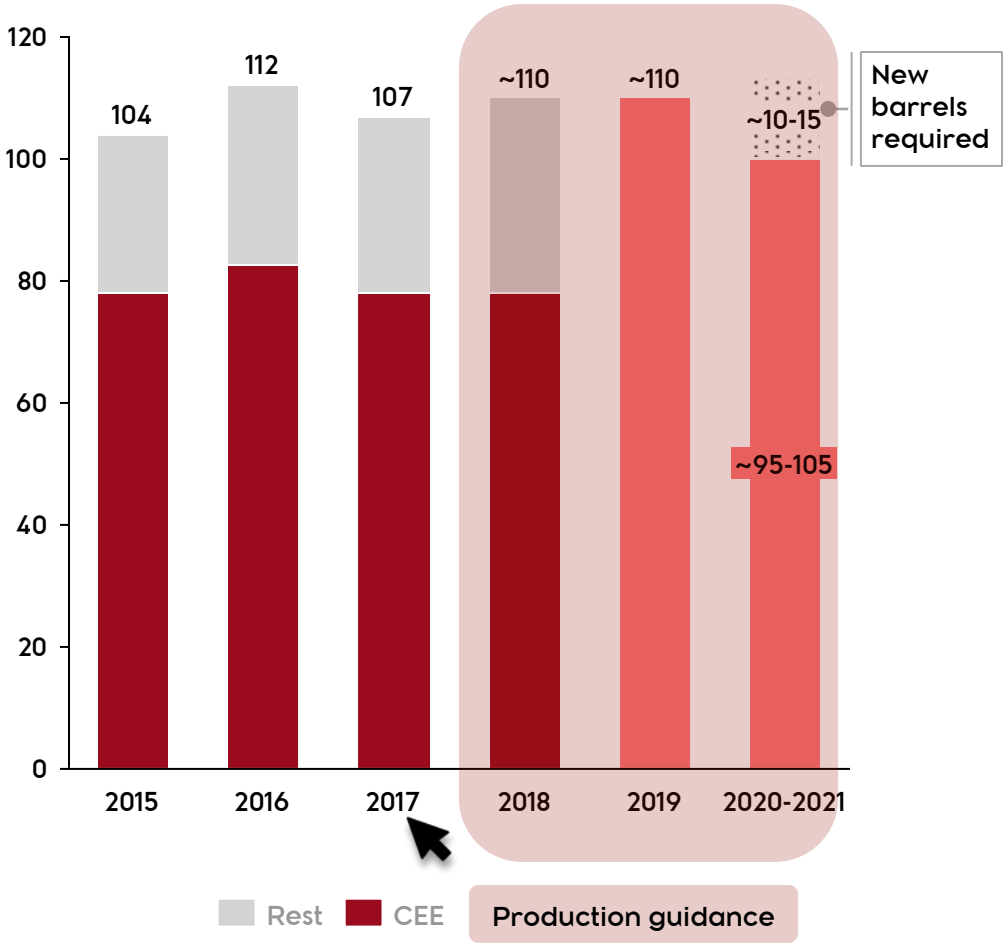


(1) Incl. JVs and associates

PRODUCTION AT ~110 MBOEPD UNTIL 2019

LIKELY TO DECLINE BEYOND 2020 IF NO RESERVES ADDED INORGANICALLY

MID-TERM PRODUCTION PROFILE (MBOEPD)



KEY MESSAGES

Stable contribution from CEE

- Impact of successful production optimization and EOR
- Pursue transfer of undeveloped reserves and EOR opportunities

Capturing value from international projects

- Continue field development in TAL (PAK) and Baitugan (RUS)
- Development and infill projects to contribute to production growth in the UK

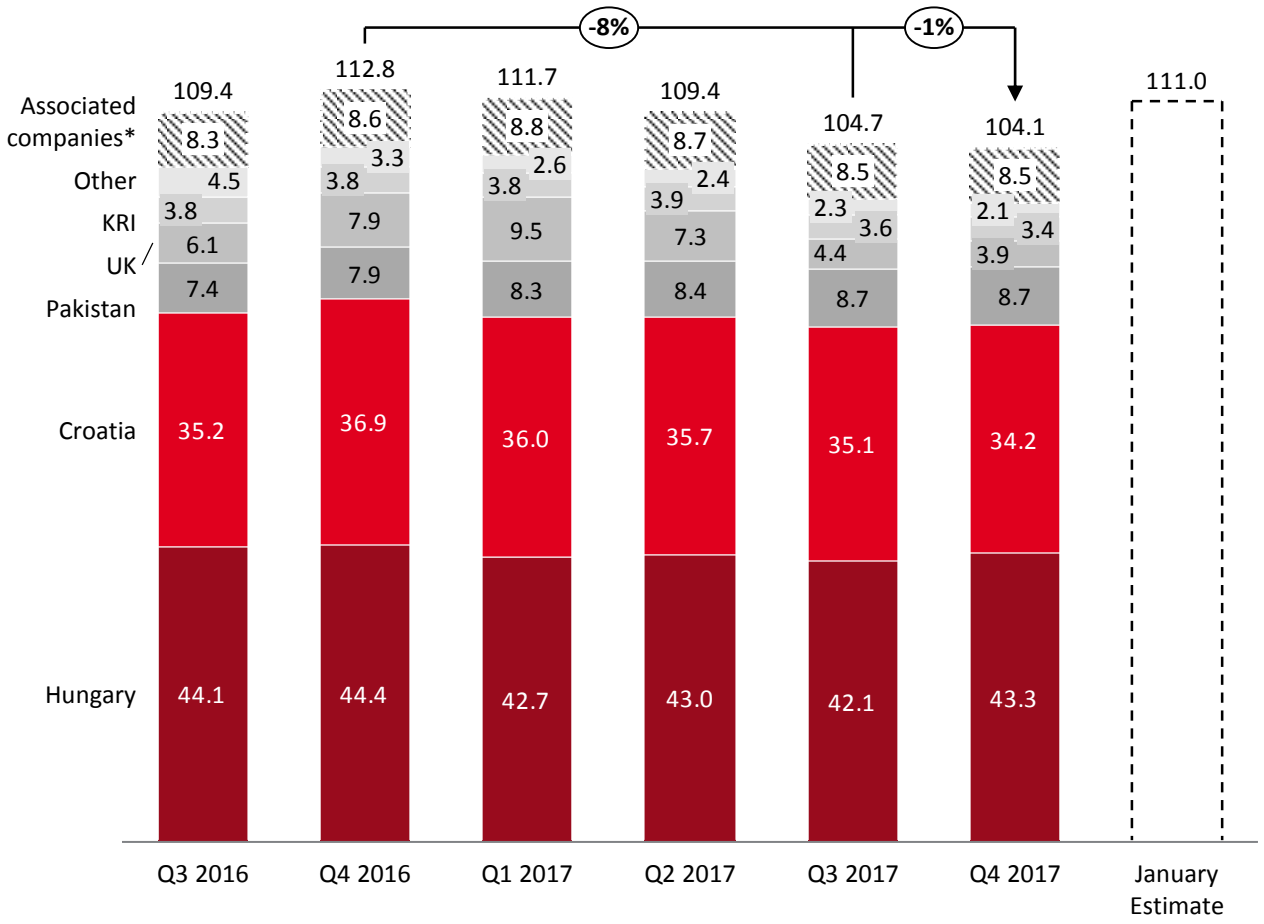
Inorganic steps are required to achieve 100% reserves replacement

Note: figures include consolidated assets, JVs and associates

FLAT PRODUCTION IN Q4 2017

STRONG REBOUND IN JANUARY ON CATCHER START-UP, FORTIES RESUMPTION

QUARTERLY PRODUCTION BY COUNTRY (mboepd)



COMMENTS

2017:

- 107.4 mboepd average production slightly below plan on weaker UK contribution

Q4 2017 QoQ:

- No material changes

Q4 2017 YoY:

- CEE : -3.8 mboepd (o/w -2.0 mboepd off-shore on natural decline)
- UK: -4.0 mboepd on Scolty & Crathes, Forties shutdown
- Growth in Pakistan (+0.8 mboepd)

January production:

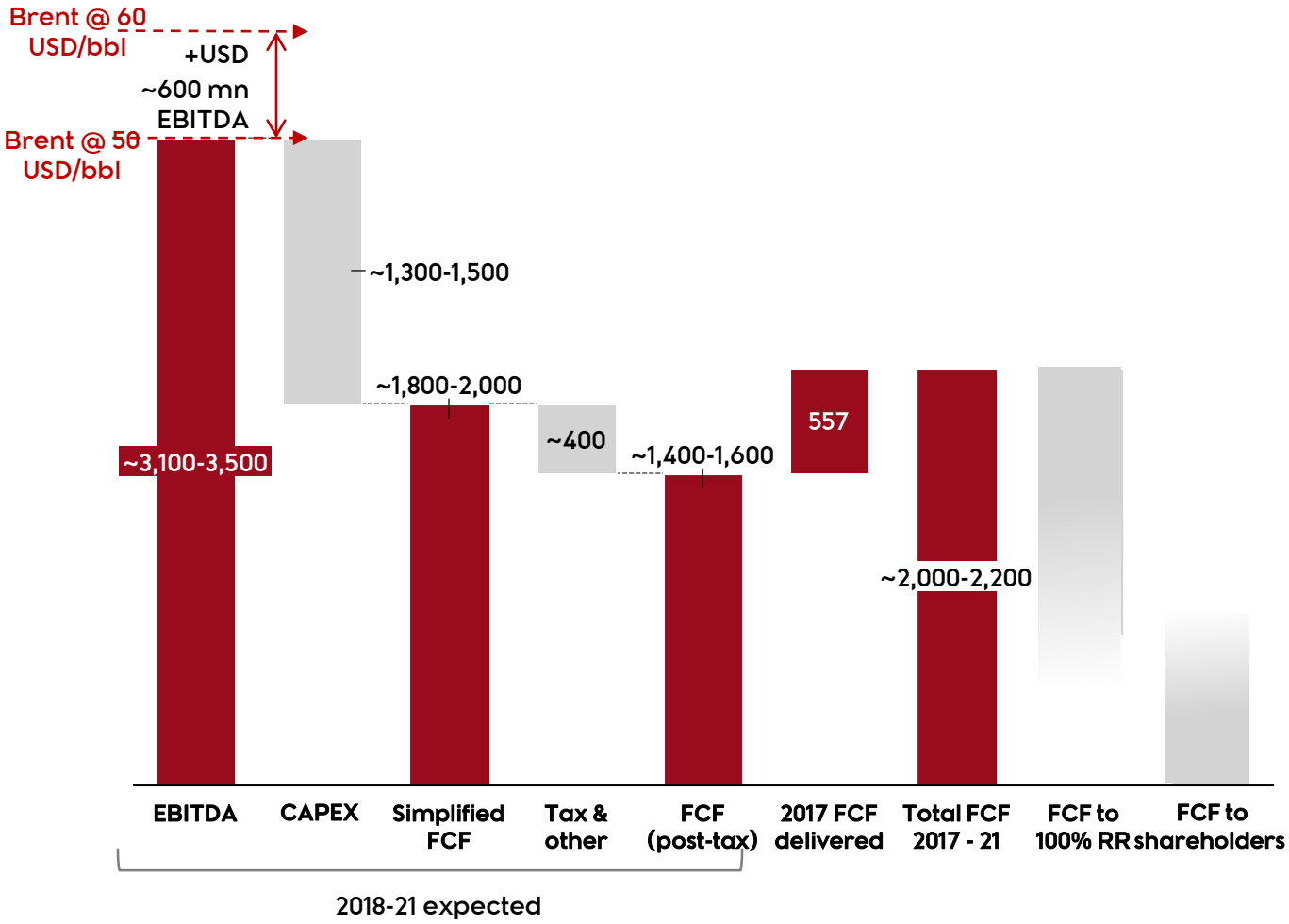
- Volumes jumped on Catcher start-up, Forties resumption

* Associated companies include Baitex (Russia) and Pearl (KRI); Q4 2017 production of Baitex was 6 mboepd, Pearl 2.5 mboepd

EXISTING ASSETS DELIVER USD 2BN+ FCF IN 2017-21

AND CAN COMFORTABLY FUND INORGANIC RESERVE REPLACEMENT

EBITDA, CAPEX AND FCF EXPECTATIONS (2017-21, USD MN)



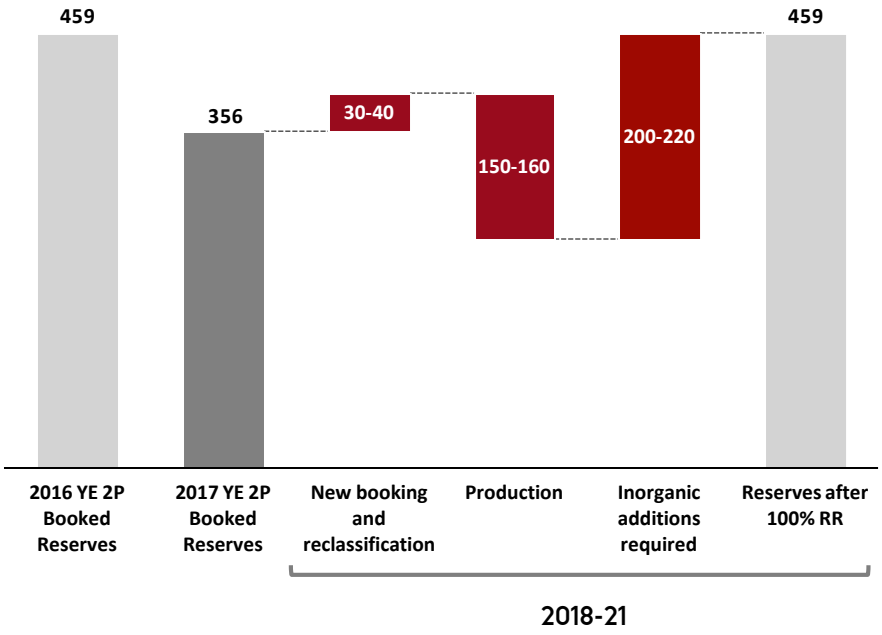
KEY MESSAGES

- Existing assets would generate USD 2bn+ post-tax FCF in 2017-21 at USD 50/bbl oil price
- This shall comfortably cover 100% reserve replacement...
- ...and leave cash for rewarding shareholders
- Any USD 10/bbl upward move in crude price provides material FCF upside

TARGETING 100% RESERVE REPLACEMENT

TO TRANSFORM TO A SUSTAINABLE INTERNATIONAL UPSTREAM PORTFOLIO

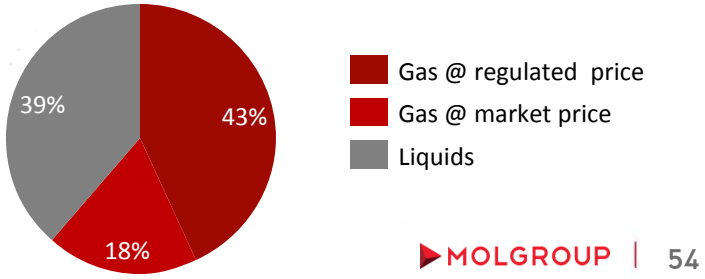
RESERVES GAP IN 2016-21 (MMBOE)



- MOL 2030 targets 100% reserve replacement
- Limited organic reserve replacement nessecitates substantial inorganic moves
- Focus on the existing hubs and adjacent areas
- Preference for late-stage development or producing assets
- Proven excellence in operated gas production

MOL'S E&P FOOTPRINT – CORE REGIONS

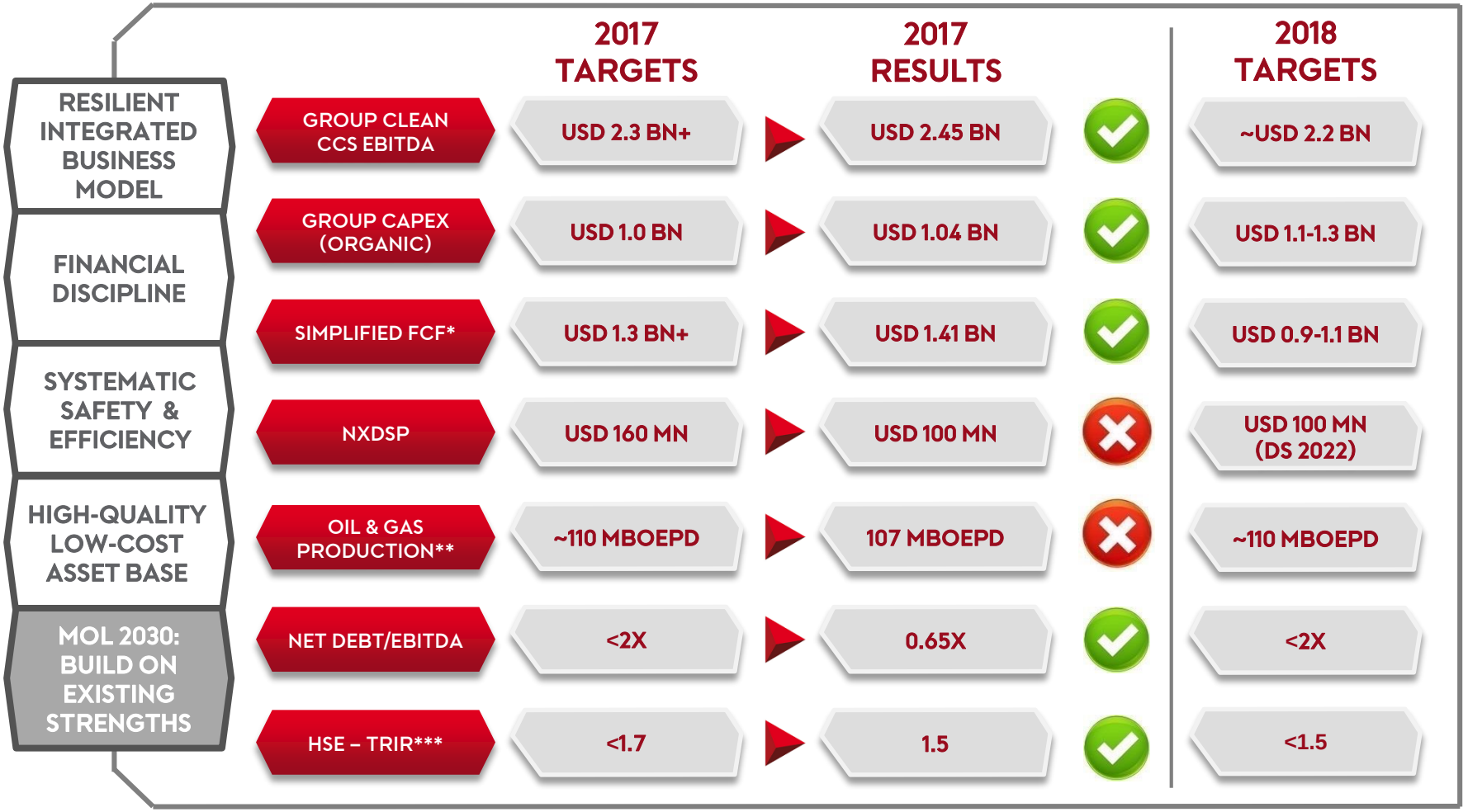
BREAKDOWN OF OPERATED PRODUCTION



FINANCIALS, GOVERNANCE AND OTHERS

OUTSTANDING FCF GENERATION IN 2017

WITH THE ESSENTIAL FUNDAMENTAL BUILDING BLOCKS IN PLACE

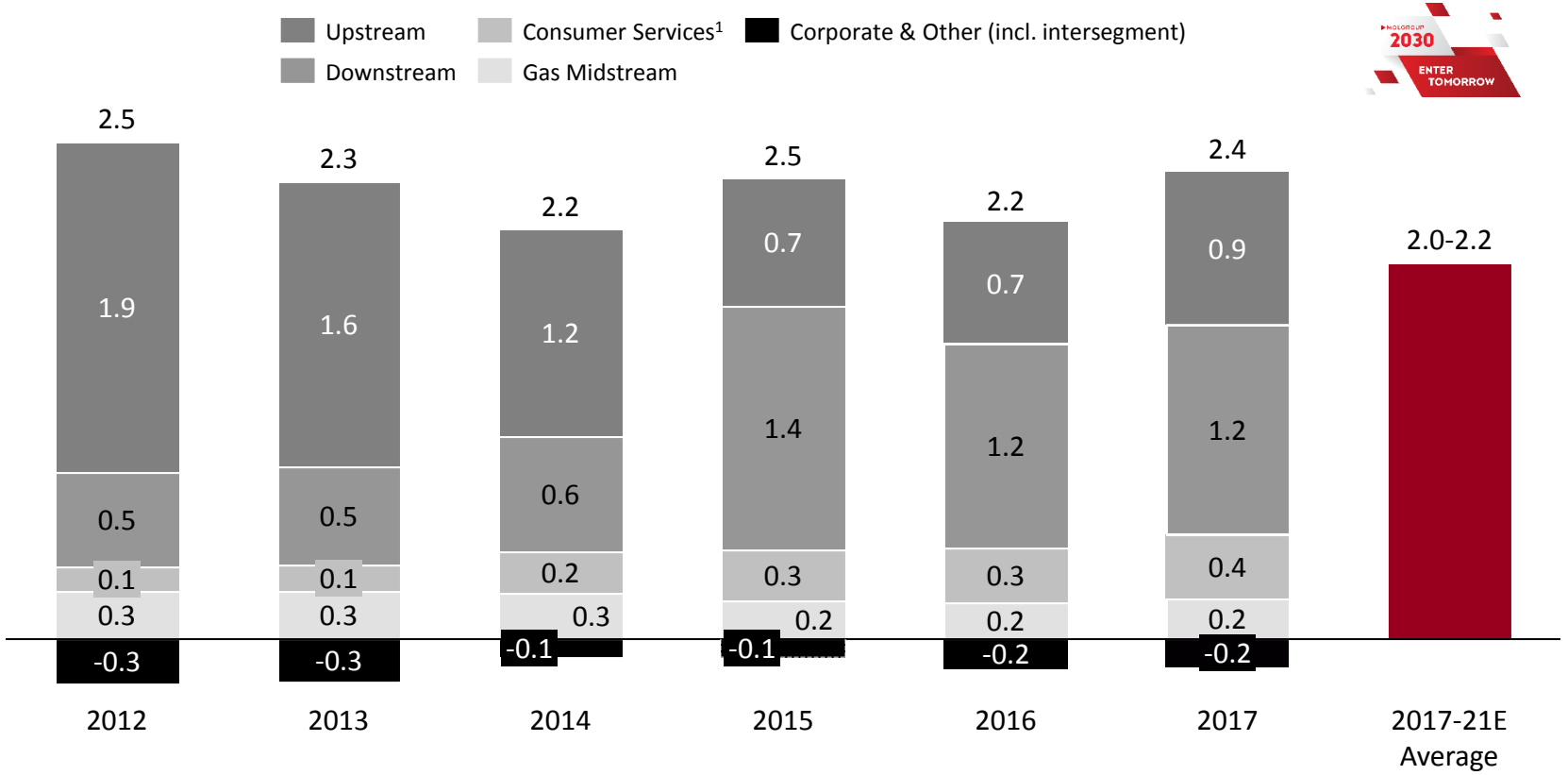


* Clean CCS EBITDA less organic capex
** Including JVs and associates
*** Total Recordable Injury Rate

ROBUST, RESILIENT CASH GENERATION

2017: A YEAR OF VERY STRONG DELIVERY

CLEAN-CCS EBITDA (USD BN)

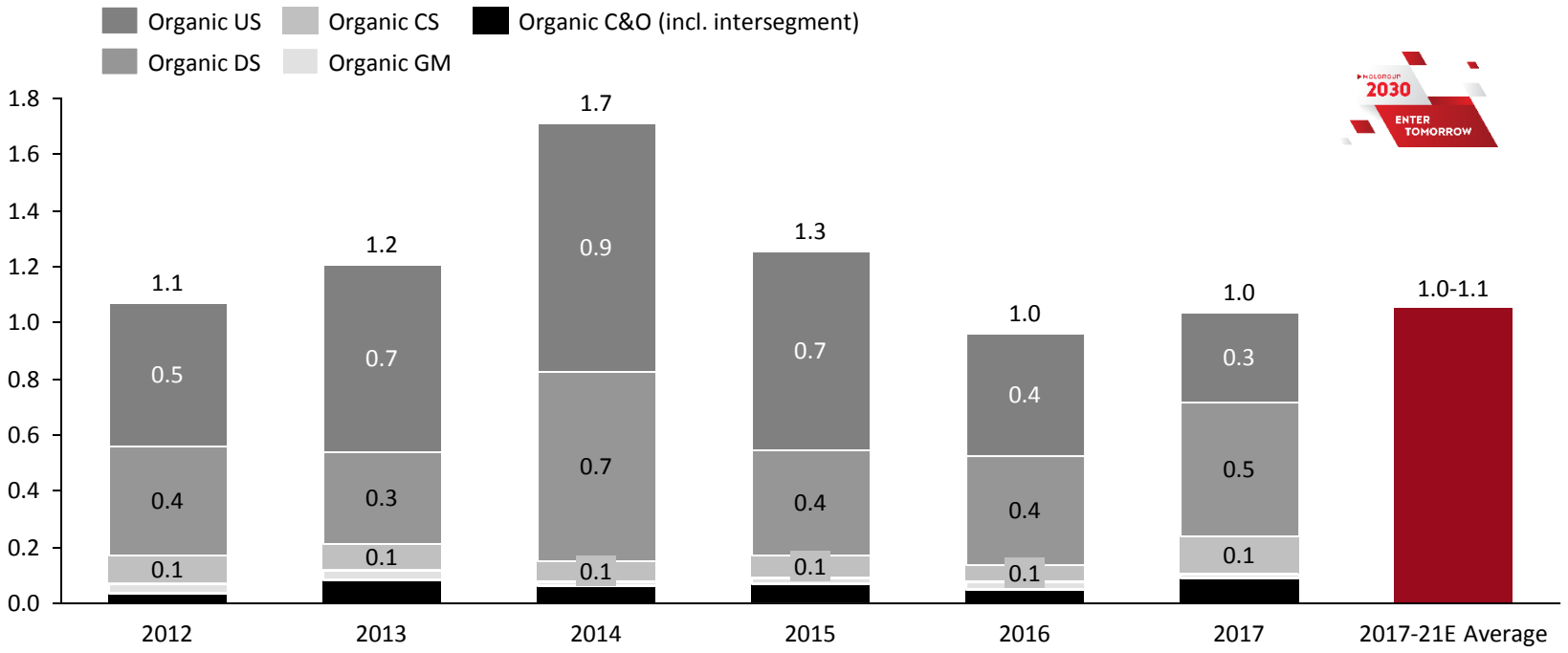


- Robust EBITDA and cash generation to sustain in 2017-21E on the back of the existing asset base

[1] Segment established in 2017; until 2016 the segment includes Retail EBITDA

STRONG „SUSTAIN" CAPEX DISCIPLINE

SUSTAIN CAPEX (USD BN)[1]



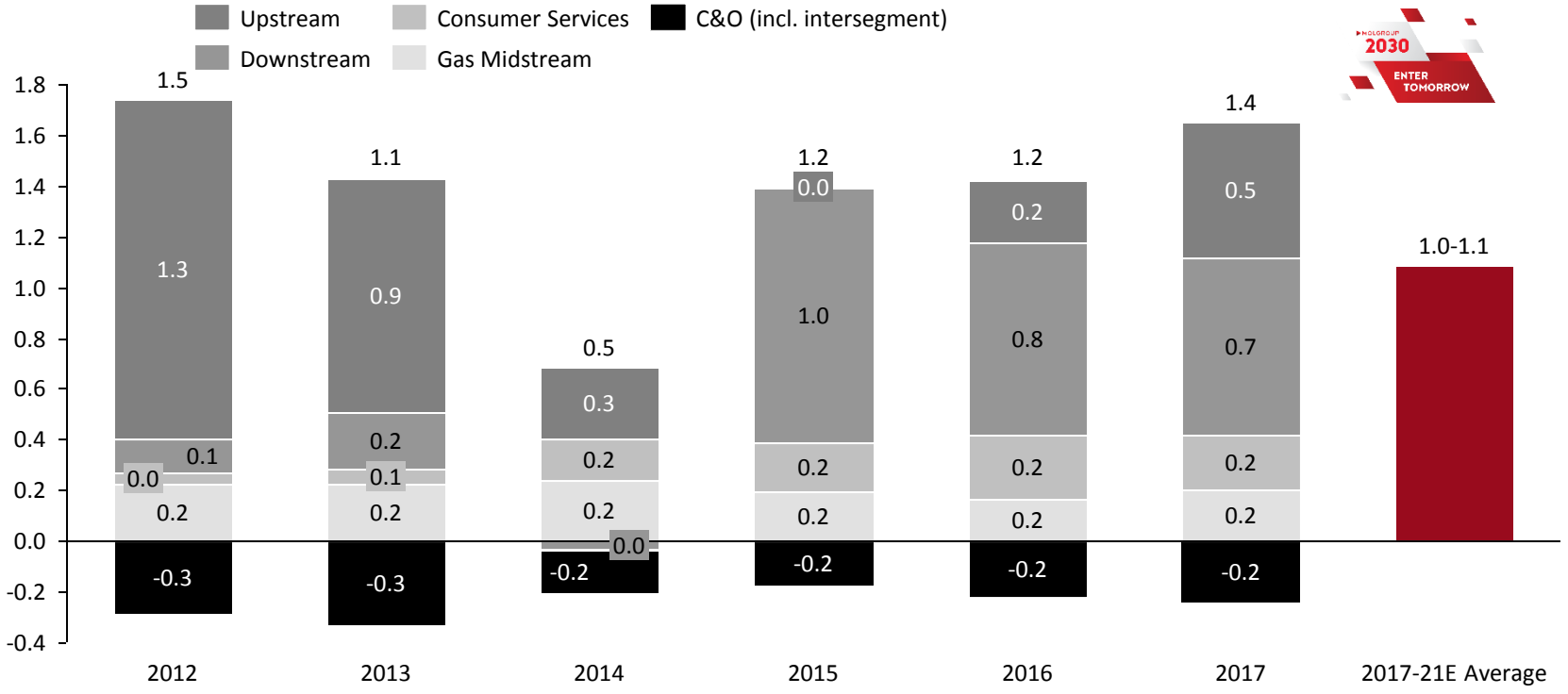
- USD 1.0-1.1bn sustain CAPEX annually on average in 2017-21 with continued strong discipline
- E&P spending plans realigned to reflect new oil price reality and the benefit of cost deflation

(1) Fact & guidance represent total organic spending of MOL Group

SUBSTANTIAL SIMPLIFIED FREE CASH FLOWS

ACROSS THE CYCLE AND ACROSS ALL BUSINESS SEGMENTS

SIMPLIFIED FREE CASH FLOW[1] (USD BN)

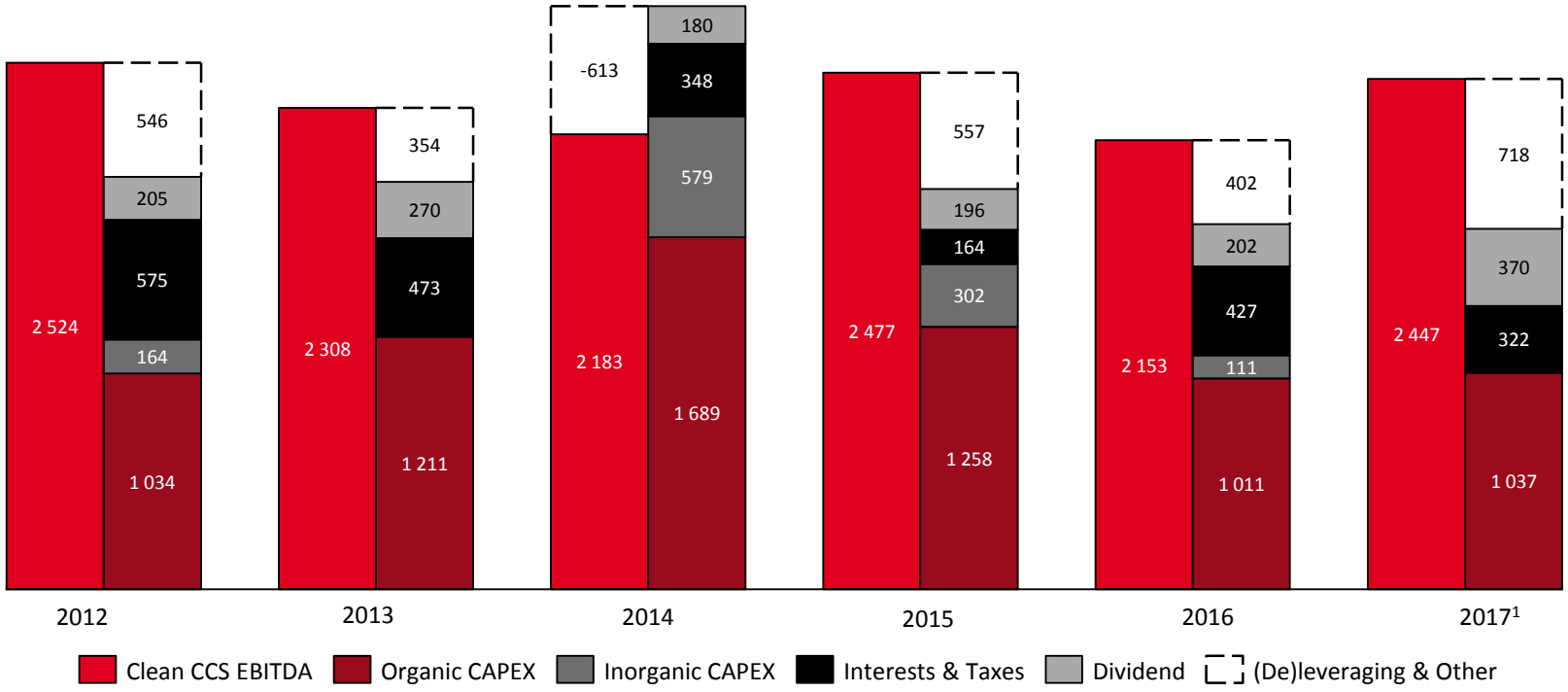


▶ Simplified FCF (EBITDA less „sustain" capex) comfortably covers all cash outflow

(1) Simplified Free Cash Flow = Clean CCS EBITDA – Organic CAPEX (excluding transformational spending)

SOURCES AND APPLICATIONS OF CASH

SOURCES AND APPLICATIONS OF CASH, 2012-17 (USD MN)



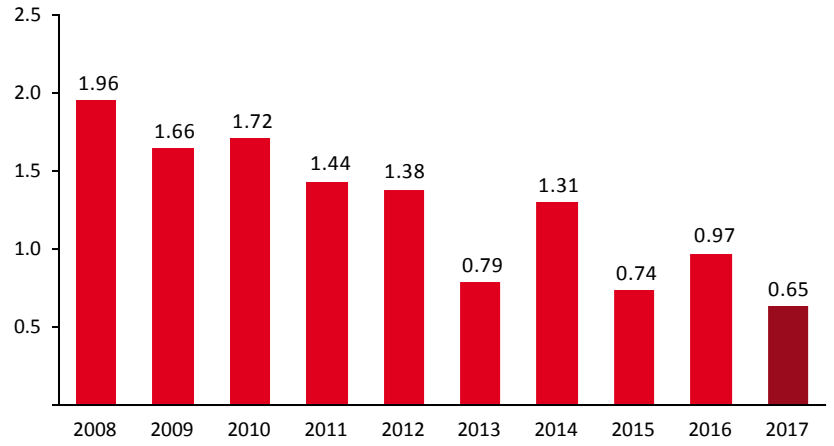
- EBITDA/CAPEX gap should comfortably cover taxes, cost of funding, rising dividends and small-size M&A...
- ...and would also contribute to funding the upcoming transformational projects

(1) Dividend from FY 2017 profits as proposed by the Board, yet to be approved by the 2018 AGM

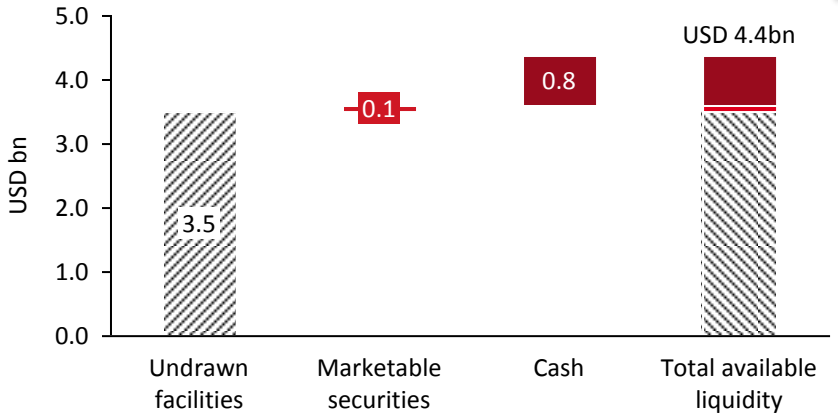
ROBUST BALANCE SHEET, AMPLE HEADROOM

REMAIN A PRIORITY IN „MOL 2030"

NET DEBT TO EBITDA (X)



AVAILABLE LIQUIDITY (31.12.2017)



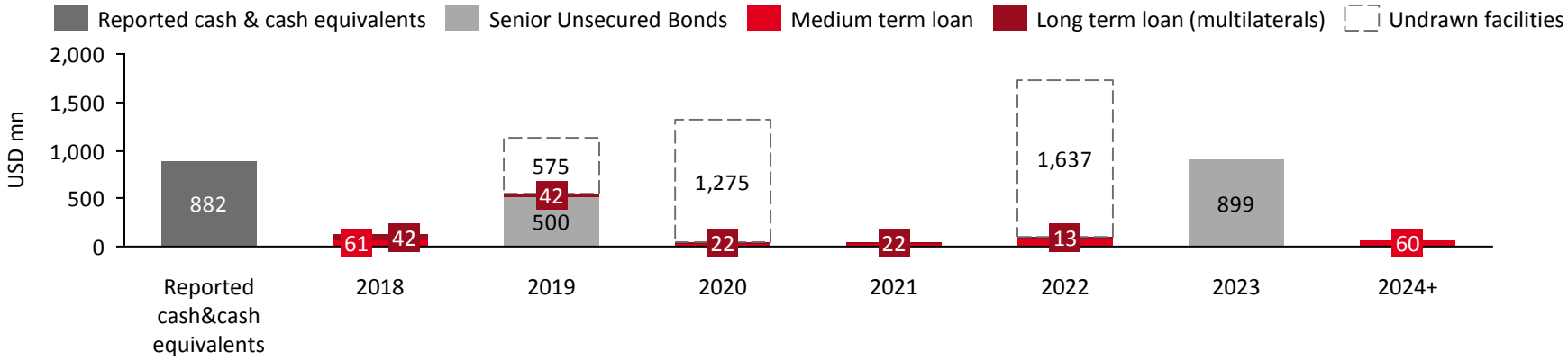
MOL 2030

- Net debt/EBITDA to be in 1.0-2.0x tolerance range on a forward-looking basis under „normal" circumstances (covenant threshold at significantly higher levels)
- Credit metrics to remain commensurate with investment grade credit rating
- Higher/lower leverage may be tolerated temporarily and/or for strategic reasons, but would trigger action plan to bring it back to target range
- Maintaining strong liquidity and comfortable financial headroom remain priority

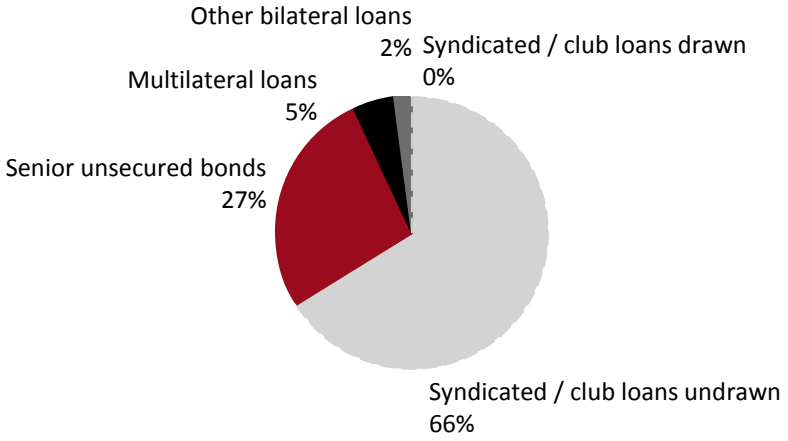
AMPLE FINANCIAL HEADROOM

FROM DIVERSIFIED FUNDING SOURCES

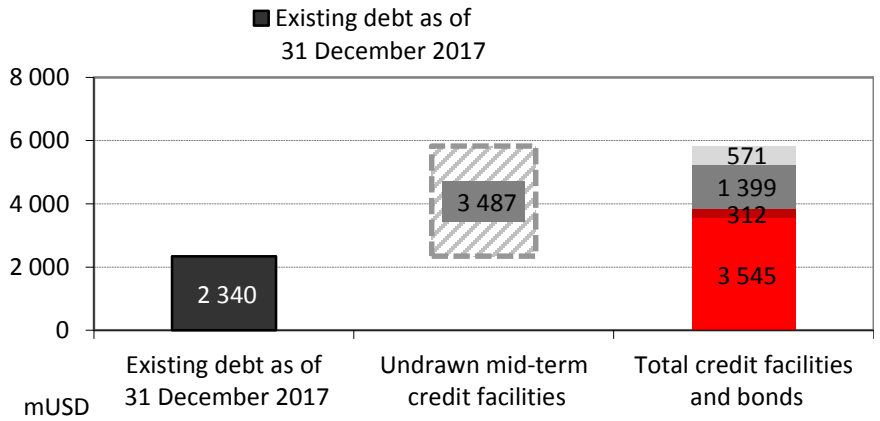
AVERAGE MATURITY OF 3.67 YEARS



MID- AND LONG-TERM COMMITTED FUNDING PORTFOLIO



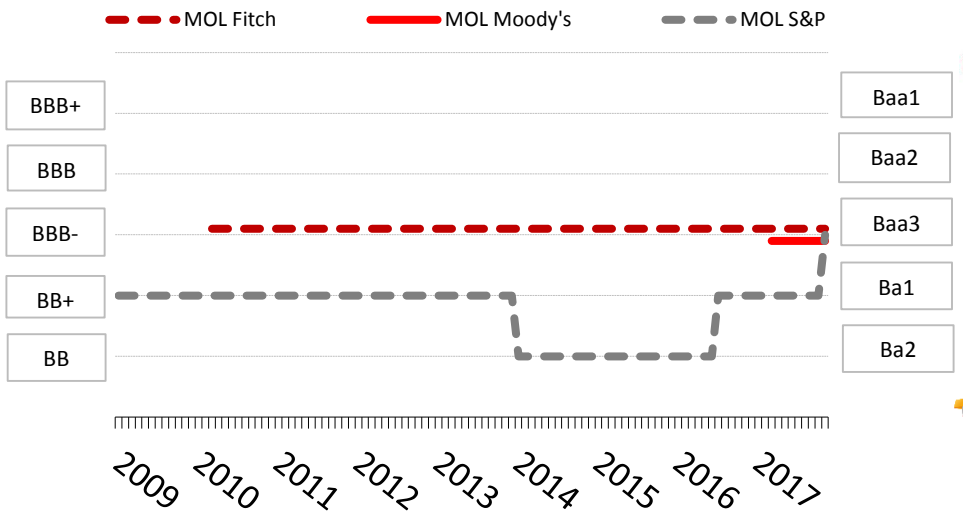
DRAWN VERSUS UNDRAWN FACILITIES (31.12.2017)



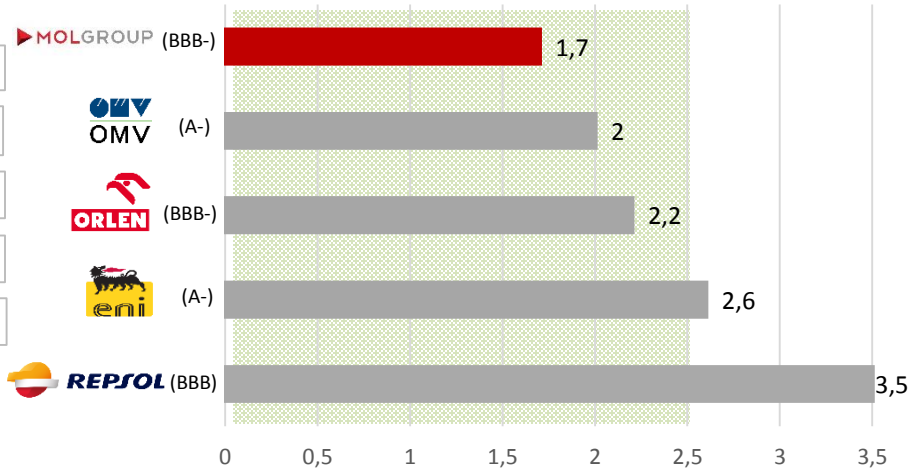
FULL INVESTMENT GRADE RATING ACHIEVED

FOLLOWING S&P UPGRADE IN NOVEMBER 2017

HISTORICAL FOREIGN LONG TERM RATINGS



FFO ADJUSTED NET LEVERAGE (3Y AVG. 2014-2016)



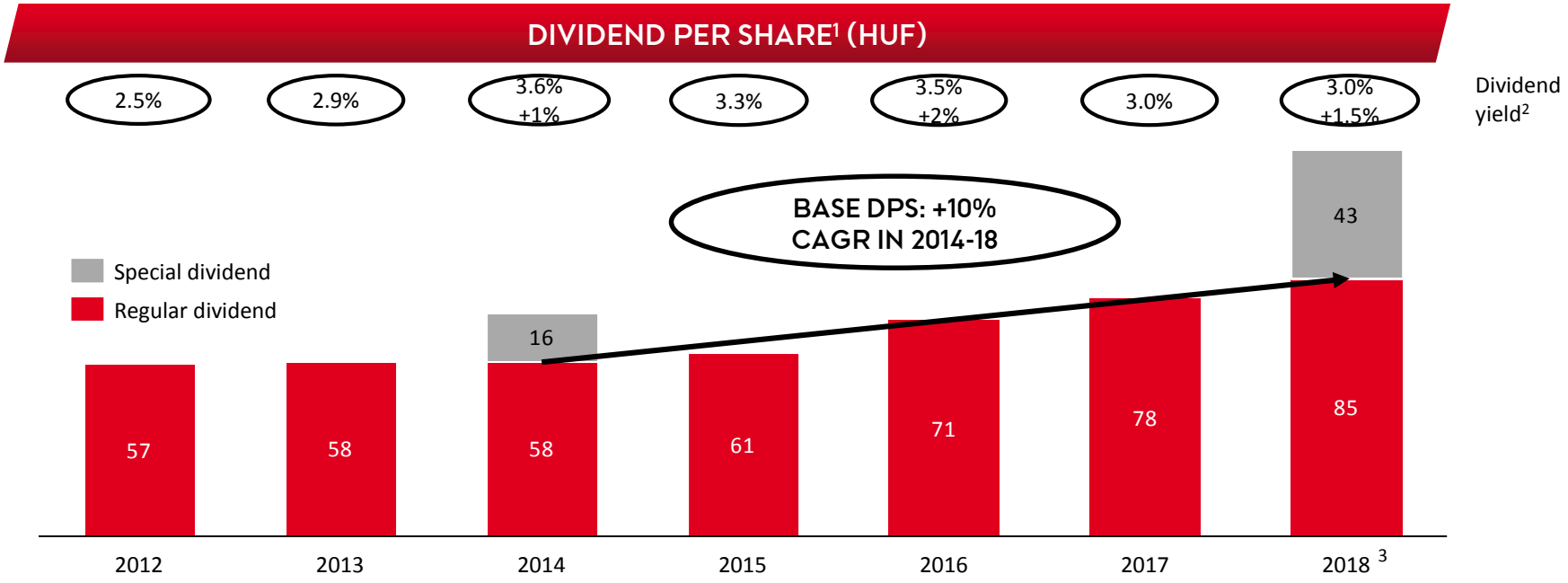
Source: www.fitchratings.com

- Standard & Poor's upgraded to BBB- investment grade (stable outlook) on 15 November 2017
- BBB- (stable outlook) affirmed by Fitch Ratings on 26 October 2017
- New Moody's Baa3 investment grade rating received in March 2017
- MOL's strong financials are visible even among better rated peers

Note: S&P has been rating MOL since 2005, Fitch since 2010 and Moody's since March 2017

INCREASING DISTRIBUTION TO SHAREHOLDERS

STEADILY RISING BASE DPS, COMPLEMENTED BY SPECIAL DIVIDEND IN 2018



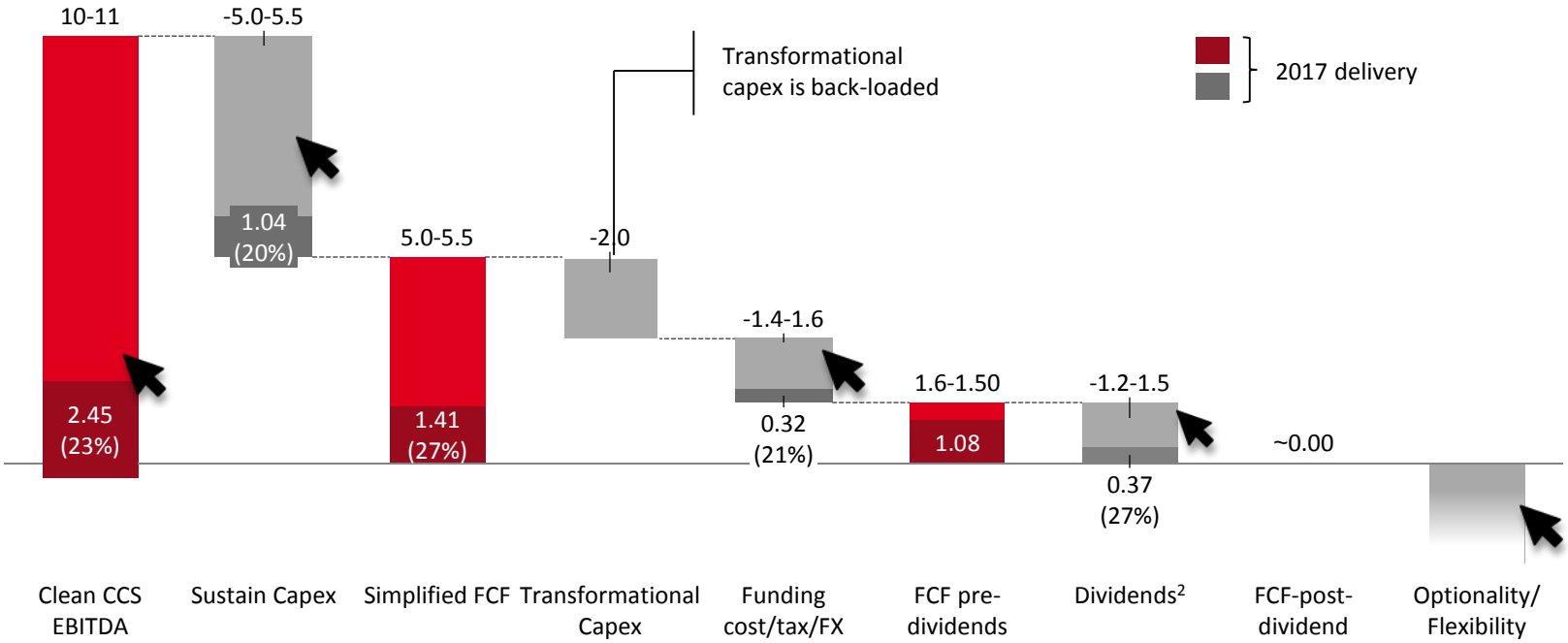
- Cash dividend is the primary distribution channel to shareholders
- Primary target is to steadily increase base dividend per share (+10% CARG in 2014-2018)
- Special dividend payment to share excess free cash flows with shareholders when balance sheet, forward-looking capex plans allow for it (e.g. in 2014 and 2018)
- Annual review of the status and the potential use of treasury shares to continue

(1) Restated to reflect post share split values;
(2) Calculated with publication date (AGM) share prices;
(3) As proposed by the Board, yet to be approved by the AGM on 12 April 2018

FCF TO COVER STRATEGIC CAPEX IN 2017-21

AND TO CREATE HEADROOM FOR ADDITIONAL TRANSFORMATIONAL SPENDING

NEXT 5-YEAR CASH FLOW GENERATION AMBITIONS, 2017-21 (USD BN)[1]



- Simplified FCF in the next 5 years shall fully cover transformational capex, dividends
- E&P reserves replacement can be funded from FCF and the strong balance sheet
- 2017: first year brings very strong FCF delivery, implying upside to the 5-year financial framework

(1) Excluding changes in working capital
(2) Dividends are set and approved in HUF-terms

MOL 2030 WORKS WITH OR WITHOUT INA

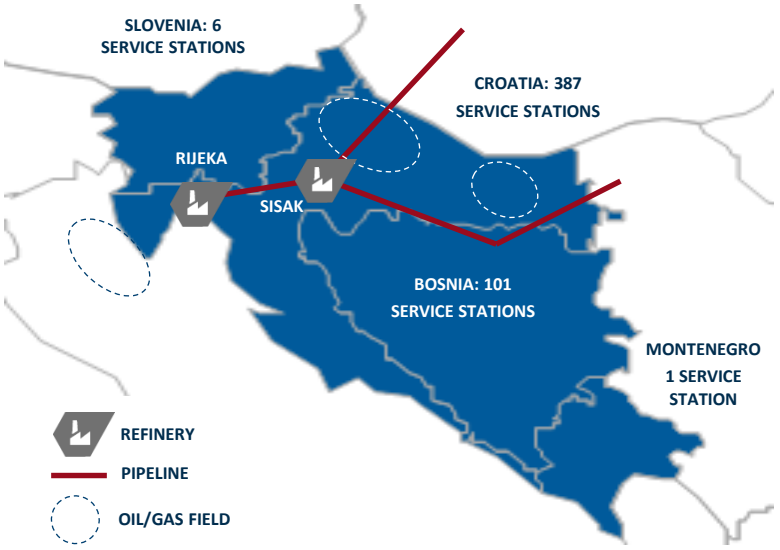
FOCUS ON SECURING RETURN ON INVESTMENT

REALITIES AND PRIORITIES

- MOL 2030 strategy can be and will be executed with or without INA
- Good geographical fit and untapped efficiency upside in downstream
  - Construction of Rijeka Delayed Coker
  - Conversion of Sisak Refinery
- Yet, the relative importance of INA has declined within MOL Group
- Priority: to maximise the value of MOL's investment in INA:
  - Keeping/operating INA on market-based terms and with a MOL-controlling position or
  - Selling/monetizing the investment
- Legal proceedings continue; first arbitration in favour of MOL (all Croatian claims rejected)

STRONG REGIONAL ASSET BASE

- Low-cost E&P in Croatia* (both onshore and off-shore)
- Coastal refinery (Rijeka)
- Extensive retail network

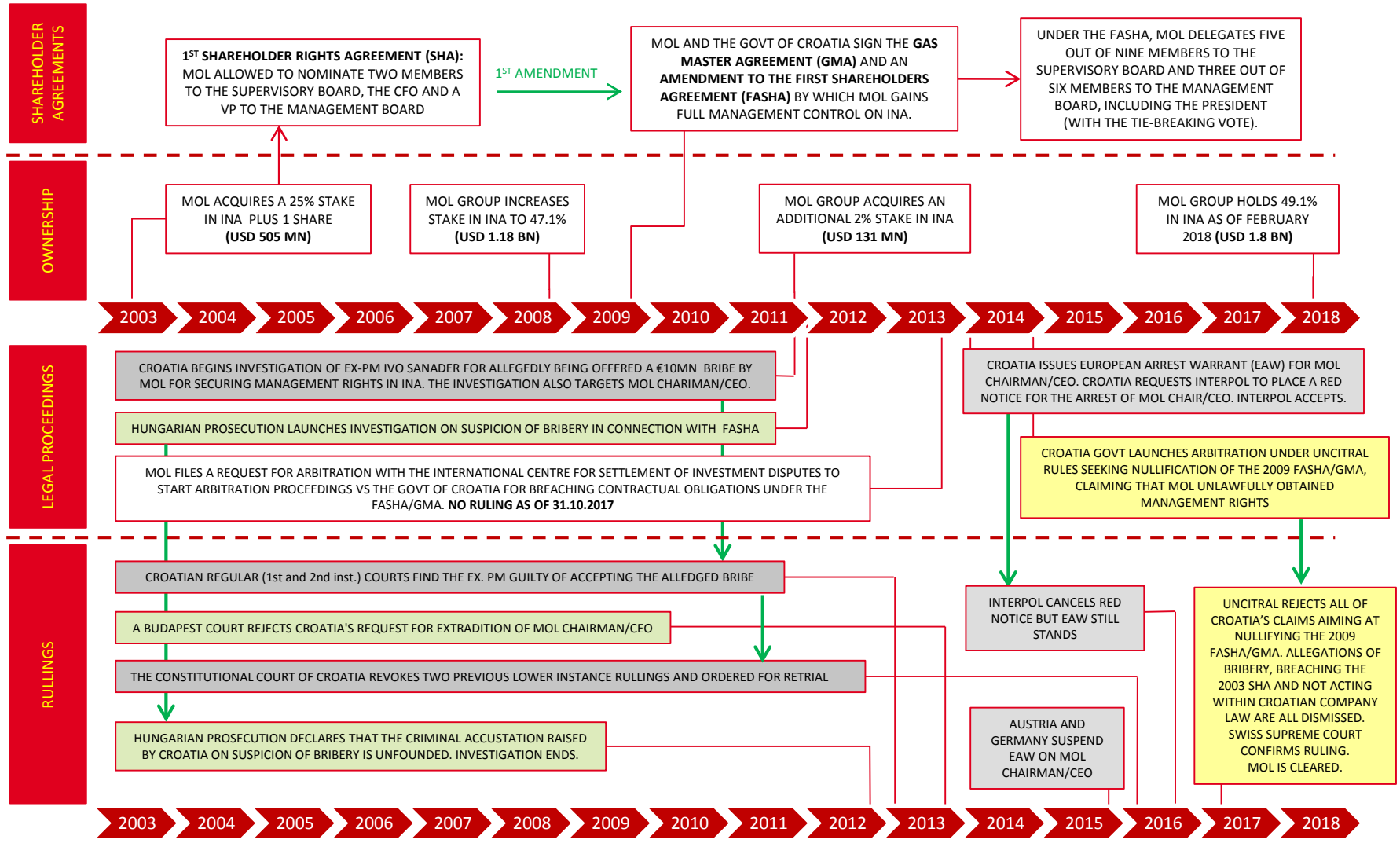


More information on the history of MOL & INA

*E&P activities primarily within Croatia, with international activities in Angola/Egypt (*activities in Syria are currently suspended due to force majeure proclaimed in Feb 2012*)

THE HISTORY OF INA & MOL, 2003-2018

STORYLINE



MOL-CROATIA ARBITRATION STATUS

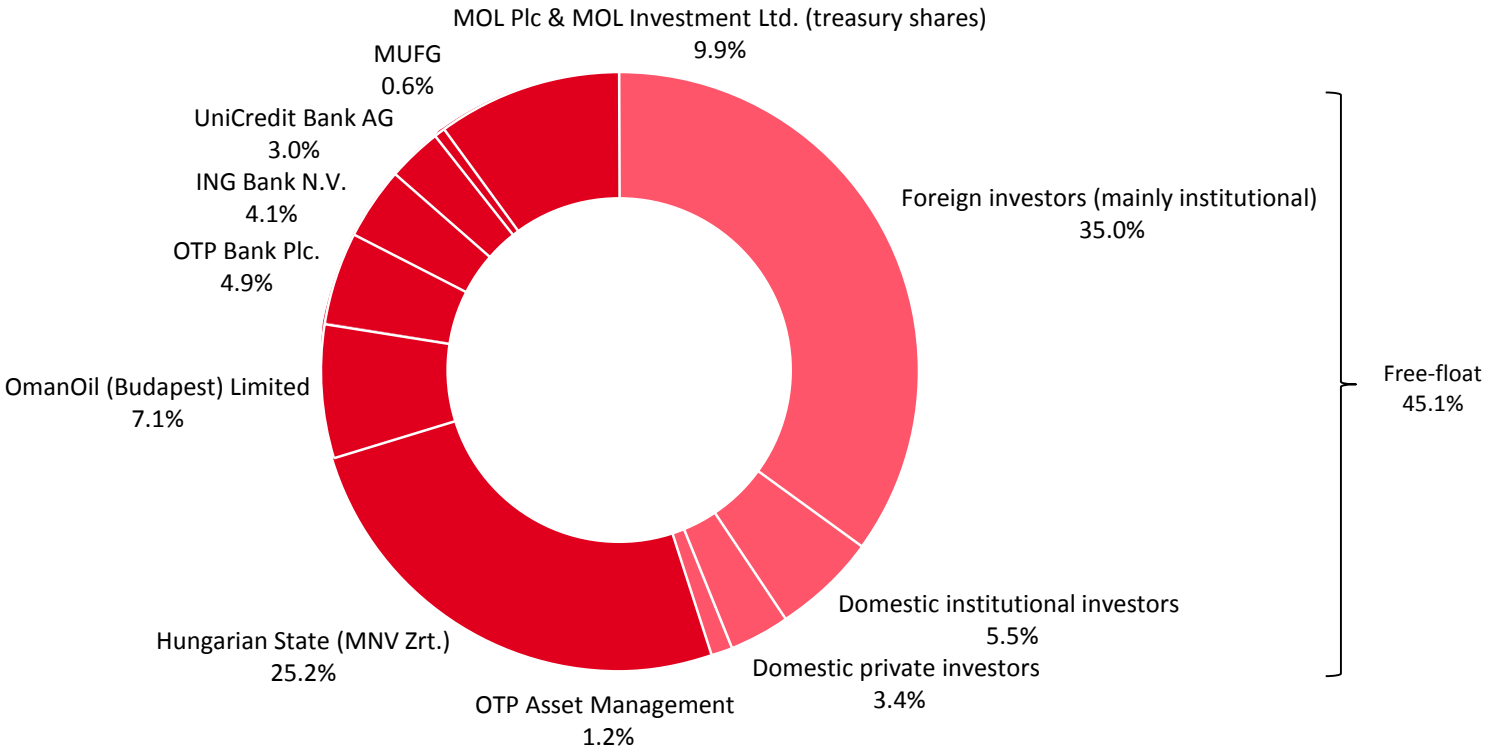
	UNCITRAL ARBITRATION (CROATIA VS. MOL)	ICSID ARBITRATION (MOL VS. CROATIA)
INITIATED BY	GOVERNMENT OF CROATIA	MOL
WHEN	17 JANUARY 2014	26 NOVEMBER 2013
FORUM	PCA (PERMANENT COURT OF ARBITRATION), GENEVA UNDER UNCITRAL (UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW) RULES	ICSID (INTERNATIONAL SETTLEMENT OF INVESTMENT DISPUTES), WASHINGTON
THE CLAIM	THE MAIN ALLEGATION OF THE GoC[2] WAS THAT CHAIRMAN OF MOL HAD BRIBED CRO'S FORMER PM DR. IVO SANADER TO GAIN MANAGEMENT CONTROL OVER INA THROUGH AMENDING THE 2003 SHAREHOLDERS AGREEMENT AND SIGNING AN OTHER AGREEMENT RELATING TO INA'S GAS BUSINESS IN 2009. THEREFORE IT REQUESTED NULIFICATION OF THESE AGREEMENTS ON VARIOUS BASIS.	REMEDY FOR SUBSTIANTIAL LOSSES INA SUFFERED IN THE GAS BUSINESS AS A CONSEQUENCE OF THE BREACH OF THE 2009 AGREEMENTS[1] BY THE GoC[2]. THE PROCEEDING IS ALSO ABOUT ABUSE OF REGULATORY POWER AT THE EXPENSE OF A SINGLE ACTOR, INA, AND INDIRECTLY, MOL.
STATUS	FINAL AWARD (IN MOL'S FAVOUR) ON 23 DECEMBER 2016, THE UNCITRAL TRIBUNAL REJECTED ALL OF CROATIA'S CLAIMS BASED ON BRIBERY, CORPORATE GOVERNANCE AND MOL'S ALLEGED BREACHES OF THE 2003 SHAREHOLDERS AGREEMENT.	ONGOING

(1) 2009 Agreements refers to FASHA (First Amendment to the Shareholders Agreement), GMA (Gas Master Agreement) and FAGMA (First Amendment to the Gas Master Agreement)
(2) The Government of Croatia

SIMPLER SHAREHOLDER STRUCTURE[1]

HIGHER FREE FLOAT AND LIQUIDITY

- The 8-for-1 stock split was successfully executed in September 2017
- CEZ exit (selling 7.4% stake in MOL) in March 2017 was a major boost to free float and liquidity

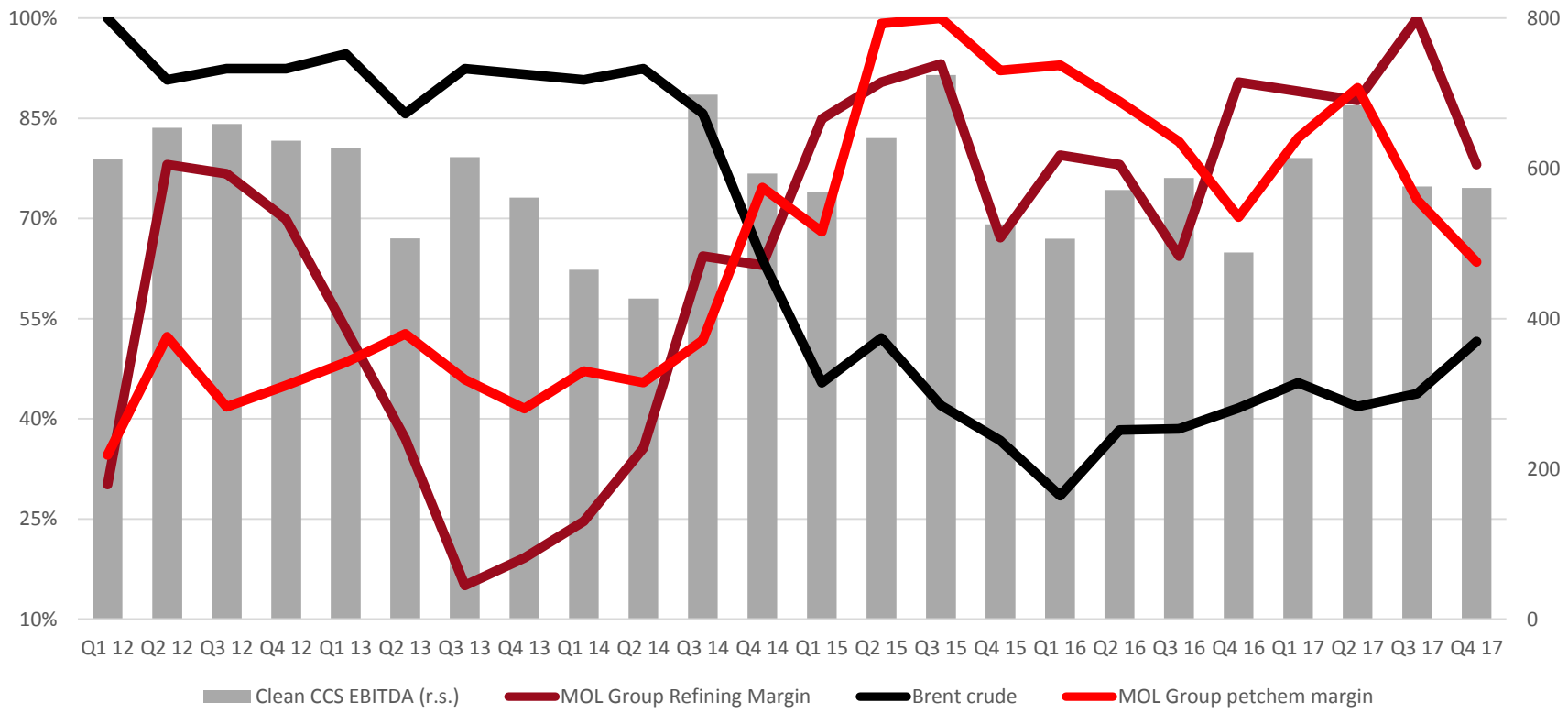


(1) Shareholders structure as of 31 December 2017

SOLID, CONSISTENT EBITDA GENERATION

RESILIENT INTEGRATED BUSINESS MODEL IN A HIGHLY VOLATILE ENVIRONMENT

EXTERNAL ENVIRONMENT* VS MOL CLEAN CCS EBITDA (USD MN)



* The quarterly % values of the Refinery Margin, Petchem Margin and Brent price are measured against their respective maximum values (100%) in the period of Q1 2012 – Q4 2017
100% equals to the following values:
MOL Group Refining Margin: 7.3 USD/bbl; MOL Group Petchrochemicals margin: 654 EUR/t; Brent crude: 119 USD

KEY ITEMS OF TAXATION

CORPORATE INCOME TAX (CIT) RATES CUT IN CORE OPERATING COUNTRIES

HUNGARY

- CIT tax remains at 9%
- Profit based 'Robin Hood' with an implied tax rate of 21%
  - Only energy related part of the profit affected (~66%), nameplate tax rate is 31%
  - Only the Hungarian operation of certain companies are affected (i.e: MOL Plc., while gas transmission (FGSZ) or petrochemicals (MOL Petrochemicals) are not subject to the tax)
- Gross margin-based Local Trade Tax (2%) and Innovation Fee (0.3%)

CROATIA & SLOVAKIA

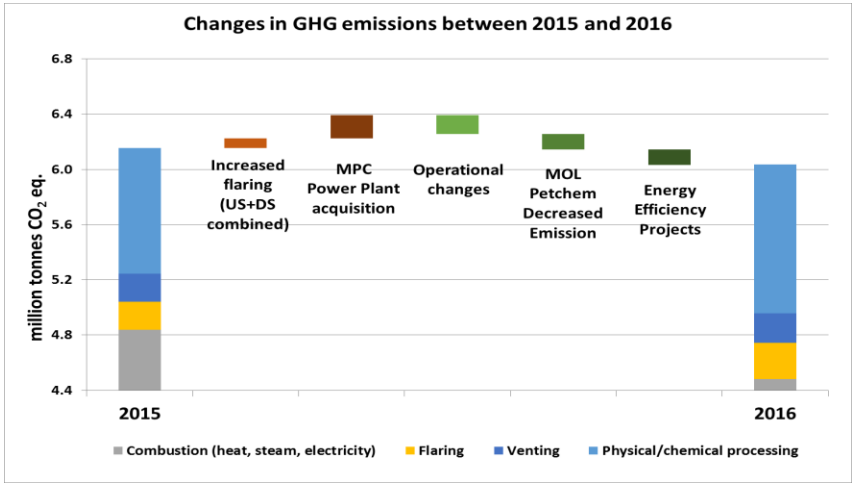
- CIT rate at 18% in Croatia and 21% in Slovakia

HUF bn	2013	2014	2015	2016	2017
Local Trade Tax and Innovation Fee	14	13	15	14	15
Corporate Income Tax (incl. RH tax)	20	17	23	37	29
Total cash taxes	34	30	38	51	44

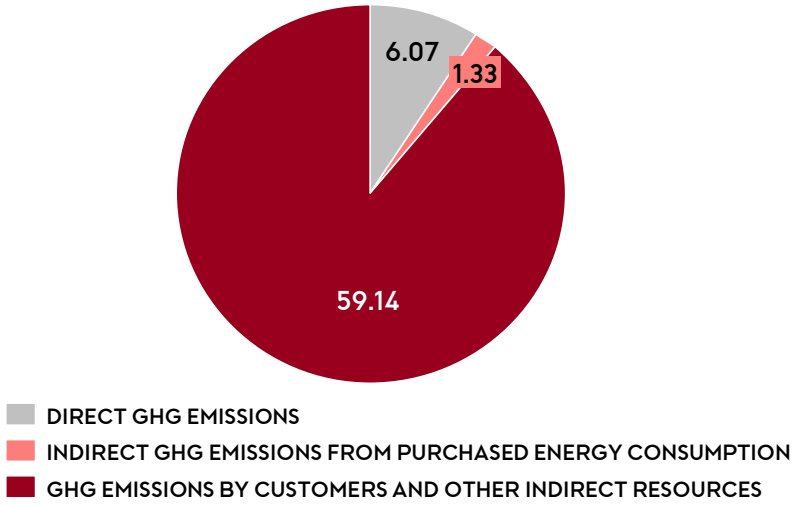
MOL GROUP CARBON FOOTPRINT

TARGETING REDUCTIONS BY 2020; 2030 STRATEGY TO CONTRIBUTE

GHG CHANGES 2015-16



CARBON FOOTPRINT 2016 (MT CO_2 EMISSION)



2020 REDUCTION TARGETS*

- 35% reduction of flaring in upstream
- 3% reduction in combined Group scope 1 & 2 GHG emissions

2030 EXPECTED FOOTPRINT

- MOL 2030 transformation to "beyond fuel age" likely to result in a reduction of Scope 3 GHG emissions**

*2014 baseline excl. M&A / ** The expansion into new (petro)chemical lines to increase the share of non-motor fuel production by 2030 will likely result in the overall reduction of MOL's Scope 3 GHG Emissions.

STRONG ESG RATINGS

LEADING POSITIONS ACROSS LEADING ESG[1] RESEARCH/RATING HOUSES

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MSCI

SUSTAINALYTICS

Bloomberg

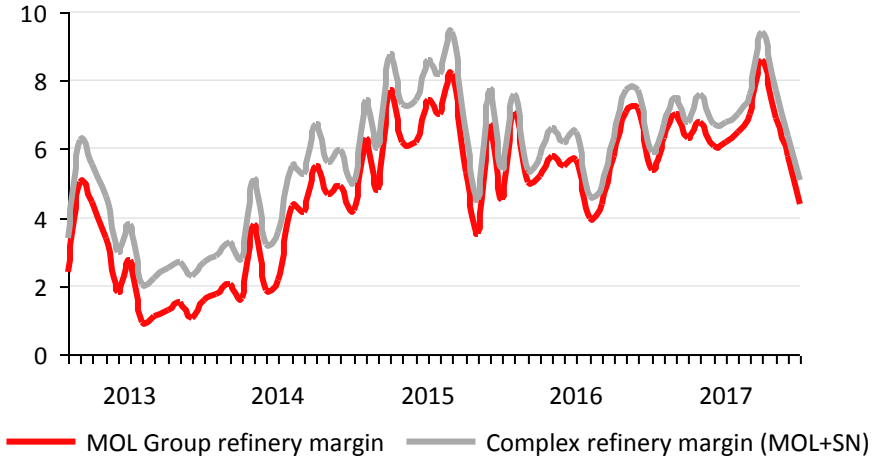
RELATIVE RATING[2] VS INDUSTRY PEERS	TOP 12%	TOP 22%	TOP 2%[3]	
MOL SCORE	69	AA	83	68[4]
ENVIRONMENTAL	71	7.2	84 (LEADER)	74
SOCIAL	78	6	84 (LEADER)	63
GOVERNANCE	60	3.5	80 (OUTPERFORMER)	63

- Continuous monitoring of and response to ESG research/rating agency and investor disclosure requests, targeting industry best practice
- Consistently strong(er) environmental and social scores across all players, while somewhat weaker, but improving corporate governance scores

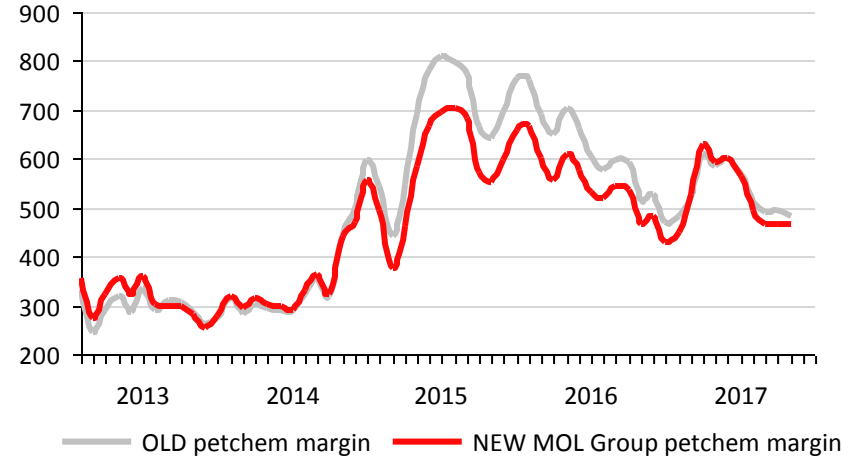
(1) ESG = Environmental, Social and Governance / (2) Latest Available Score
(3) An Overall ESG Score of 83 puts MOL 3rd out of 127 industry peers, landing a 98th Percentile spot with classification "*Outperformer*". As of February 7th 2018.
(4) ESG Disclosure Score reflecting the level of disclosure

MOL GROUP REFINERY AND PETCHEM MARGINS

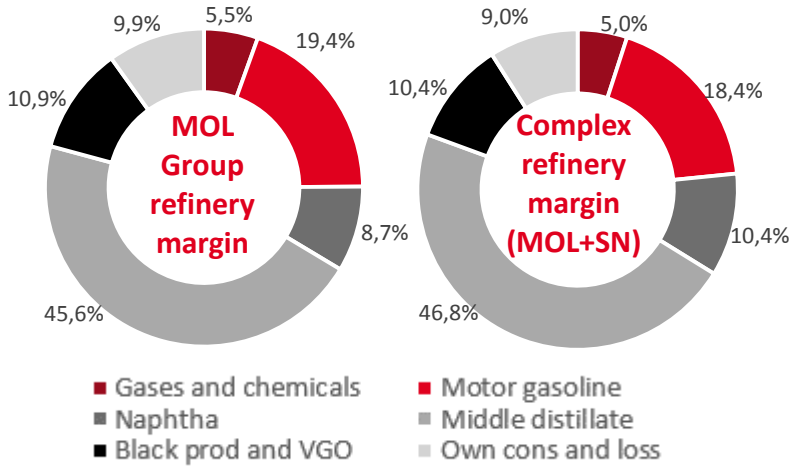
VARIABLE REFINERY MARGINS[1] (USD/bbl)



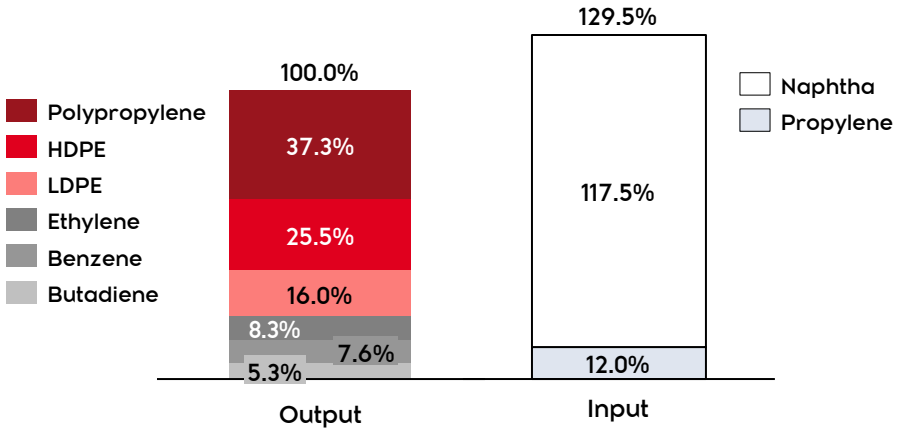
PETROCHEMICALS MARGIN (EUR/t)



IMPLIED YIELDS



IMPLIED YIELDS AND FEEDSTOCK



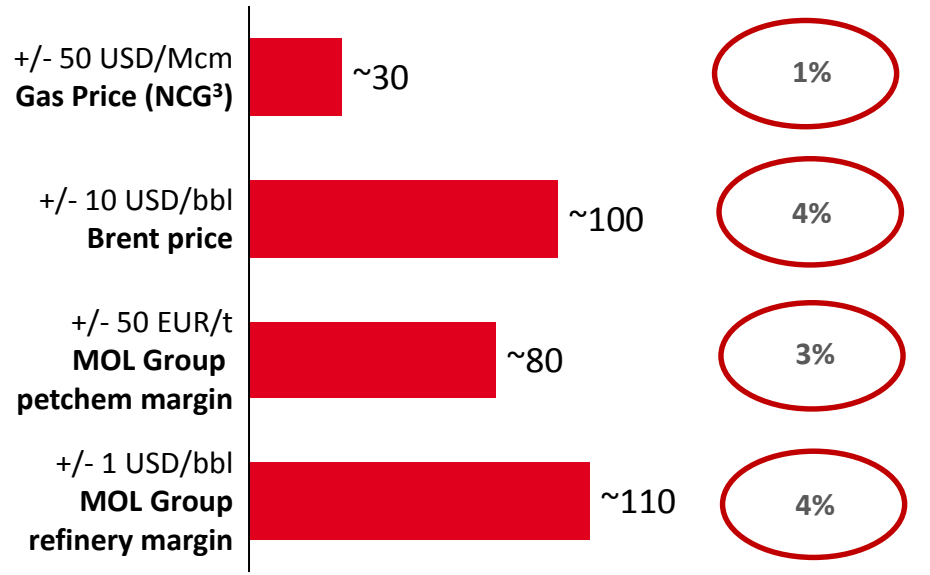
(1) Based on weighted Solomon refinery yields, contains cost of purchased energy

MACRO ASSUMPTIONS

KEY MACRO ASSUMPTIONS

	2015	2016	2017	5Y AVG	2018-21E
Brent crude (USD/bbl)	52	44	54	72	40-60
MOL Group refinery margin (USD/bbl)	6.1	5.7	6.5	4.8	4.0-5.0
NEW MOL Group petchem margin (EUR/t)[1]	588	543	504	460	400-500

EBITDA SENSITIVITY TO KEY EXTERNAL DRIVERS



NB:
- Sensitivity calculated for the 2018
- Gas price sensitivity is the net impact of E&P sensitivity (around USD 50m) and an offsetting Downstream sensitivity
- Crude price sensitivity is the net impact of Upstream sensitivity (including all liquids sensitivity and also the oil price-linked gas production sensitivity) and an offsetting Downstream sensitivity

[1] Introduced in January 2018
[2] Ceteris paribus for current assets assuming full re-pricing of portfolio; all other premises and volumes remain unchanged
[3] Largest German trading point for natural gas (operated by NetConnect Germany)

TOP MANAGEMENT INCENTIVE SCHEMES

FOR MOL GROUP EB MEMBERS, MORE THAN 2/3 OF TOTAL REMUNERATION IS VARIABLE AND PERFORMANCE DRIVEN

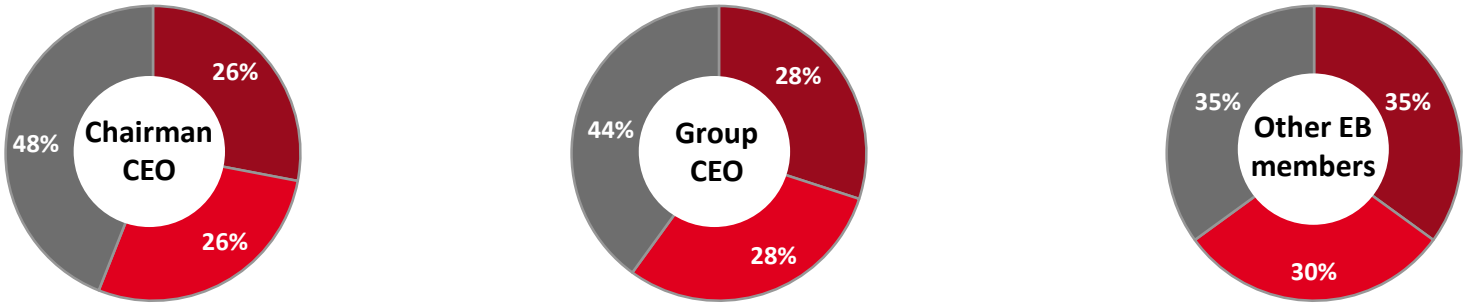
SHORT-TERM INCENTIVES

- Bonus opportunity between 0.85x and 1x of annual base salary, depending on the level
- Payout linked to yearly performance based on financial, operational and individual measures, including but not limited to:
  - Group Level target: Clean CCS EBITDA, CAPEX utilization, TRIR
  - Divisional targets: Clean CCS EBITDA, CAPEX utilization, OPEX, non-financial targets etc.

LONG-TERM INCENTIVES

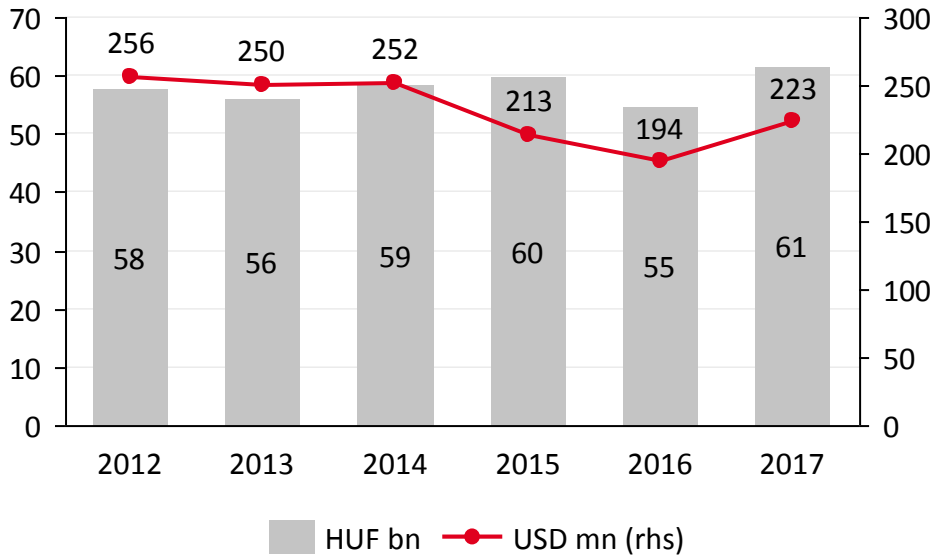
- Long-term incentive (LTI) scheme consists of two elements: Absolute share value based (previous stock option plan) and Relative market index based (previously Performance Share Plan) plans
- LTI payout is linked to long-term share price performance, both nominal and relative
- Absolute share value plan: a plan with 2 year lock-up period in which shares are granted on a past strike price. Any payout being the difference between strike price and actual spot price
- Relative index based plan: measures MOL share price vs CETOP and DJ Emerging Market Titans Oil&Gas 30 Index over 3 years
- Benchmark choice: MOL competes regionally (CEE) for investor flows, as well as with the global emerging market O&G sector
- Purpose: Incentivize and reward executives for providing competitive returns to shareholders relative to the regional and global O&G markets
- As of 2017, target amounts and actual payout for both LTI pillars will be based on physical MOL shares in order to further strengthen the alignment between the interest of our shareholders and MOL management.

REMUNERATION MIX



GAS MIDSTREAM: STABLE, NON-CYCLICAL CASH FLOW

GAS MIDSTREAM EBITDA (HUF BN, USD MN)



FACTS & FIGURES

- Domestic natural gas transmission system operator
- Regulated business (asset base and return) with continuous regulatory scrutiny
- Nearly 6,000km pipeline system in Hungary
- Transit to Serbia, Bosnia-Herzegovina
- Interconnectors to Croatia, Romania, Slovakia, Ukraine

DISCLAIMER

"This presentation and the associated slides and discussion contain forward-looking statements. These statements are naturally subject to uncertainty and changes in circumstances. Those forward-looking statements may include, but are not limited to, those regarding capital employed, capital expenditure, cash flows, costs, savings, debt, demand, depreciation, disposals, dividends, earnings, efficiency, gearing, growth, improvements, investments, margins, performance, prices, production, productivity, profits, reserves, returns, sales, share buy backs, special and exceptional items, strategy, synergies, tax rates, trends, value, volumes, and the effects of MOL merger and acquisition activities. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to developments in government regulations, foreign exchange rates, crude oil and gas prices, crack spreads, political stability, economic growth and the completion of ongoing transactions. Many of these factors are beyond the Company's ability to control or predict. Given these and other uncertainties, you are cautioned not to place undue reliance on any of the forward-looking statements contained herein or otherwise. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements (which speak only as of the date hereof) to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as maybe required under applicable securities laws.

Statements and data contained in this presentation and the associated slides and discussions, which relate to the performance of MOL in this and future years, represent plans, targets or projections."

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