

MOL GROUP

2019 HALF-YEAR REPORT

2019 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 2019 half-year report. This report contains consolidated, unaudited financial statements for the six months period ended 30 June 2019 as prepared by the management in accordance with International Financial Reporting Standards.

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MANAGEMENT DISCUSSION AND ANALYSIS

MOL Group financial results

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	(IFRS), in HUF billion	H1 2019	H1 2018	Ch %
1,142.4	1,341.0	1,333.7	1	Net sales revenues ⁽⁸⁾	2,483.4	2,335.7	6
142.6	182.8	209.7	(13)	EBITDA	325.3	364.0	(11)
138.7	182.8	205.2	(11)	EBITDA excl. special items⁽¹⁾	321.4	359.5	(11)
144.0	182.4	178.5	2	Clean CCS-based EBITDA⁽¹⁾⁽²⁾⁽¹⁰⁾	326.4	336.6	(3)
57.3	89.4	119.4	(25)	Profit from operation	146.7	188.0	(22)
53.4	89.4	114.9	(22)	Profit from operation excl. special items⁽¹⁾	142.7	183.5	(22)
58.7	89.1	88.2	1	Clean CCS-based operating profit⁽¹⁾⁽²⁾⁽¹⁰⁾	147.7	160.7	(8)
(4.2)	(2.0)	(24.3)	(92)	Net financial gain / (expenses)	(6.2)	(26.1)	(76)
48.6	77.8	72.9	7	Net profit attributable to equity holders of the parent	126.4	133.2	(5)
159.8	172.6	211.9	(19)	Operating cash flow before ch. in working capital	332.4	352.2	(6)
100.2	142.9	228.7	(38)	Operating cash flow	243.1	279.2	(13)
EARNINGS PER SHARE							
69.2	110.6	104.6	6	Basic EPS, HUF ⁽⁶⁾	179.9	191.0	(6)
65.6	110.6	98.1	13	Basic EPS excl. special items, HUF ⁽¹⁾⁽⁶⁾	176.2	184.6	(5)
INDEBTEDNESS							
0.57	0.74	0.57	-	Simplified Net debt/EBITDA	0.74	0.57	-
15%	19%	15%	-	Net gearing ⁽¹⁶⁾	19%	15%	-

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	(IFRS), in USD million	H1 2019	H1 2018	Ch %
4,081	4,665	5,007	(7)	Net sales revenues ⁽³⁾⁽⁸⁾	8,746	8,967	(2)
509	635	783	(19)	EBITDA ⁽³⁾	1,145	1,393	(18)
495	635	766	(17)	EBITDA excl. special items⁽¹⁾⁽³⁾	1,131	1,376	(18)
514	634	668	(5)	Clean CCS-based EBITDA⁽¹⁾⁽²⁾⁽³⁾⁽¹⁰⁾	1,148	1,293	(11)
205	310	445	(30)	Profit from operation ⁽³⁾	515	716	(28)
191	310	427	(27)	Profit from operation excl. special items⁽¹⁾⁽³⁾	501	699	(28)
210	309	329	(6)	Clean CCS-based operating profit⁽¹⁾⁽²⁾⁽³⁾⁽¹⁰⁾	519	616	(16)
(15)	(7)	(90)	(92)	Net financial gain / (expenses) ⁽³⁾	(22)	(97)	(78)
174	270	274	(1)	Net profit attributable to equity holders of the parent⁽³⁾	444	512	(13)
571	600	790	(24)	Operating cash flow before ch. in working capital ⁽³⁾	1,171	1,345	(13)
358	501	862	(42)	Operating cash flow ⁽³⁾	859	1,062	(19)
EARNINGS PER SHARE							
0.2	0.4	0.4	(2)	Basic EPS, USD ⁽³⁾⁽⁶⁾	0.6	0.7	(14)
0.2	0.4	0.4	4	Basic EPS excl. special items, USD ⁽¹⁾⁽³⁾⁽⁶⁾	0.6	0.7	(13)

(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 5% YoY in Q2 2019 to USD 634mn, bringing H1 EBITDA to USD 1.15bn, exactly half of the full-year 2019 guidance
- ▶ Simplified FCF fell YoY, but remained positive at USD 128mn in Q2 and USD 358mn in H1, as transformational projects accelerate
- ▶ Upstream EBITDA declined YoY to USD 269mn in Q2, due to lower oil and gas prices and some non-recurring expenses
- ▶ Downstream Clean CCS EBITDA was nearly flat YoY at USD 265mn in Q2 despite the significantly weaker refining environment
- ▶ Consumer Services EBITDA grew 13% in Q2 YoY in local currency terms, as the dynamic non-fuel and fuel margin growth remains intact, but EBITDA growth slowed in USD-terms in Q2 (+6% YoY to USD 118mn)
- ▶ Net Debt/EBITDA and gearing rose slightly in Q2 to 0.74x and 19%, respectively, reflecting the dividend payment at the end of June and a build in NWC
- ▶ Full-year 2019 EBITDA (around USD 2.3bn) and capex (USD 1.9-2.1bn) guidance remains unchanged; after H1 MOL remains well on track to meet or beat the full-year guidance

Operating highlights

- ▶ Oil & gas production edged down in Q2 2019 to 111.8 mboepd (-3% QoQ) on the natural decline in CEE, but was still higher YoY (+2%); production averaged at 113.6 mboepd in 2019 ytd, up 4% YoY, and comfortably above the unchanged „around 110 mboepd” guidance
- ▶ Motor fuel demand continued to expand by around 3% in the relevant CEE region
- ▶ The implementation of the flagship polyol project is on track and on schedule with around USD 380mn spent to date
- ▶ FGSZ (MOL Gas Midstream) agreed to acquire the Slovak-Hungarian natural gas interconnector system for HUF 38bn, thus creating a single gas Transmission System Operator (TSO) in the country

Zsolt Hernádi, MOL Chairman & CEO, comments:

„Our resilient, integrated business model allowed us to deliver USD 1.15bn EBITDA in the first half of 2019, only slightly behind last year's outstanding level, despite lower oil prices and much weaker refinery margins. We thus remain well on track to meet or beat our full-year guidance of USD 2.3bn Clean CCS EBITDA. We continued to generate positive simplified free cash flow even at a time when we spent nearly USD 300mn on strategic transformational projects, including the new polyol plant, which is progressing in line with plans and schedule.”

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	EBITDA Excluding Special Items (HUF bn) ⁽¹⁾	H1 2019	H1 2018	Ch %
79.4	77.4	86.9	(11)	Upstream	156.7	159.4	(2)
33.3	76.5	100.0	(23)	Downstream	109.9	151.3	(27)
38.6	76.2	73.3	4	CCS-based Downstream EBITDA ⁽²⁾	114.8	128.4	(11)
18.4	6.6	8.2	(19)	Gas Midstream	25.0	29.8	(16)
24.9	33.8	29.7	14	Consumer Services	58.7	50.2	17
(14.2)	(11.7)	(11.1)	6	Corporate and other	(25.9)	(18.7)	38
(3.1)	0.1	(8.5)	n.a.	Intersegment transfers ⁽⁹⁾	(3.0)	(12.5)	(76)
144.0	182.4	178.5	2	Clean CCS-based EBITDA ⁽²⁾⁽¹⁰⁾	326.4	336.6	(3)
138.7	182.8	205.2	(11)	Total EBITDA Excluding Special Items	321.4	359.5	(11)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	EBITDA Excluding Special Items (USD mn) ⁽¹⁾	H1 2019	H1 2018	Ch %
283	269	325	(17)	Upstream	553	612	(10)
119	266	372	(29)	Downstream	385	575	(33)
138	265	274	(3)	CCS-based Downstream EBITDA ⁽²⁾	403	492	(18)
66	23	31	(25)	Gas Midstream	89	116	(24)
89	118	111	6	Consumer Services	207	192	7
(51)	(41)	(42)	(2)	Corporate and other	(91)	(72)	27
(11)	0	(32)	n.a.	Intersegment transfers ⁽⁹⁾	(11)	(47)	(77)
514	634	668	(5)	Clean CCS-based EBITDA ⁽²⁾⁽¹⁰⁾	1,148	1,293	(11)
495	635	766	(17)	Total EBITDA Excluding Special Items	1,131	1,376	(18)

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

(2) (9) (10) Please see Appendix XI.

- ▶ The **Upstream** segment posted a HUF 77bn EBITDA excluding special items in Q2 2019, decreasing slightly (-3%) quarter-on-quarter and 11% lower year-on-year. H1 EBITDA for the segment amounted to HUF 157bn, 2% lower versus the previous year. The segment was negatively affected by lower oil and gas prices and non-recurring items in 2019 compared to 2018, (both YoY and YTD comparison) which offset the positive effect of higher production.
- ▶ The **Downstream** segment delivered HUF 76bn Clean CCS EBITDA in Q2 2019 doubling quarter-on-quarter and increasing by 4% year-on-year. H1 EBITDA for the segment amounted HUF 115bn, 11% lower than a year ago primarily affected by the negative macro development with a more than 2 USD/bbl deterioration of the Group refinery margin.
- ▶ **Consumer Services** EBITDA rose 14% year-on-year to HUF 34bn in Q2 2019, maintaining the double-digit growth increasingly driven by the non-fuel contribution, but also helped by rising motor fuel demand in CEE. EBITDA expanded by 17% in H1 2018 year-on-year and amounted to HUF 59bn.
- ▶ **Gas Midstream** brought in HUF 6.6bn EBITDA in Q2 2019, 19% lower year-on-year primarily due to lower domestic tariffs and rising operating costs on the back of increased transmission volumes. EBITDA generation was 16% lower in H1 2019 at HUF 25bn.
- ▶ **Corporate and other** segment delivered an EBITDA of HUF -12bn in Q2 2019 and the negative contribution stood at HUF 26bn in H1, 38% larger year-on-year.
- ▶ **CAPEX** spending reached HUF 226bn (USD 793mn) in the first half of the year, more than doubling from a year ago. Organic capex included around USD 300mn spent on transformational projects in H1 (the largest ones being the new polyol plant, the propylene splitter and investments in alternative crude processing), while sustain capex also rose nearly 40% YoY in H1 from a very low base, also boosted by capex during the Rijeka refinery turnaround and by higher exploration and development spending in Upstream.
- ▶ **Operating cash flow** before working capital changes decreased by 6% in H1 2019 to HUF 332bn. The build in net working capital during the period was slightly larger than a year ago, thus net cash provided by operating activities decreased by 13% year-on-year to HUF 243bn.
- ▶ **Net debt** increased in H1 2019 to HUF 536bn and so did both Net Debt/EBITDA (to 0.74x) and net gearing (to 19%) as MOL paid out dividends at the end of June.

Upstream

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Segment IFRS results (HUF bn)	H1 2019	H1 2018	Ch %
83.3	77.4	86.9	(11)	EBITDA	160.7	159.4	1
79.4	77.4	86.9	(11)	EBITDA excl. spec. items⁽¹⁾	156.7	159.4	(2)
43.6	32.3	37.4	(14)	Operating profit/(loss)	75.9	65.2	16
39.7	32.3	37.4	(14)	Operating profit/(loss) excl. spec. items⁽¹⁾	71.9	65.2	10
24.0	23.9	17.0	41	CAPEX and investments	48.0	35.1	36
5.7	7.3	3.3	117	o/w exploration CAPEX	13.0	9.7	34

Q1 2019	Q2 2019	Q2 2018 Restated	YoY Ch %	Hydrocarbon Production (mboepd)	H1 2019	H1 2018 Restated	Ch %
48.7	47.8	43.8	9	Crude oil production⁽⁴⁾	48.3	42.0	15
13.2	12.6	13.0	(3)	Hungary	12.9	12.9	0
12.4	12.3	12.5	(1)	Croatia	12.3	12.3	1
0.0	0.0	0.0	n.a.	Russia	0.0	0.0	n.a.
2.9	3.1	3.4	(7)	Kurdistan Region of Iraq	3.0	3.3	(10)
17.2	16.7	11.8	42	United Kingdom	17.0	10.3	65
0.7	0.7	1.0	(38)	Pakistan	0.7	1.1	(37)
2.3	2.4	2.2	14	Other International	2.4	2.1	15
50.5	48.1	50.7	(5)	Natural gas production	49.3	52.7	(6)
23.5	22.7	24.5	(7)	Hungary	23.1	25.4	(9)
19.7	18.4	19.0	(3)	Croatia	19.0	19.8	(4)
7.0	6.2	6.4	(3)	o/w. Croatia offshore	6.6	6.7	(2)
1.3	0.9	1.1	(14)	United Kingdom	1.1	1.3	(11)
6.0	6.0	6.1	0	Pakistan	6.0	6.2	(3)
6.6	6.5	6.7	(3)	Condensate⁽⁵⁾	6.5	6.7	(3)
3.6	3.6	3.7	(2)	Hungary	3.6	3.6	0
1.4	1.3	1.5	(14)	Croatia	1.3	1.6	(14)
1.6	1.6	1.5	8	Pakistan	1.6	1.6	2
105.8	102.4	101.2	1	Average hydrocarbon production of fully consolidated companies	104.1	101.4	3
5.0	4.9	5.7	(13)	Russia (Baitex)	5.0	5.8	(15)
4.7	4.5	2.4	83	Kurdistan Region of Iraq (Pearl Petroleum)*	4.6	2.5	86
9.7	9.4	8.1	16	Average hydrocarbon production of joint ventures and associated companies	9.5	8.3	15
115.5	111.8	109.3	2	Group level average hydrocarbon production	113.6	109.6	4

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Main external macro factors	H1 2019	H1 2018	Ch %
63.2	68.8	74.4	(7)	Brent dated (USD/bbl)	66.0	70.6	(6)
280.0	287.4	265.9	8	HUF/USD average	283.7	259.5	9

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Average realised hydrocarbon price	H1 2019	H1 2018	Ch %
58.8	64.8	66.8	(3)	Crude oil and condensate price (USD/bbl)	61.7	63.9	(3)
33.0	27.2	35.0	(22)	Average realised gas price (USD/boe)	30.1	35.3	(15)
47.5	48.2	51.3	(6)	Total hydrocarbon price (USD/boe)	47.8	49.3	(3)

			YoY Ch %	Production cost			Ch %
6.4	7.0	6.8	3	Average unit OPEX of fully consolidated companies	6.7	6.8	(1)
1.7	2.3	1.7	40	Average unit OPEX of joint ventures and associated companies	2.0	1.6	22
5.8	6.4	6.1	4	Group level average unit OPEX (USD/boe)	6.1	6.2	(1)

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

(4) (5) Please see Appendix XI.

* értékesített gáz- és kondenzátum termelés

Second quarter 2019 results

EBITDA, excluding special items, amounted to HUF 77.4bn in Q2 2019 with a slight decrease of HUF 2bn (or 2.5%) compared to previous quarter and a 11% decrease on Q2 2018.

(+) Average realised hydrocarbon prices increased by 1.5% (or by 0.7 USD/boe) to 48.2 USD/boe in Q2 2019 compared to the previous quarter. This was driven by a 10% increase in realised crude prices and a 17.6% decrease in realised gas prices.

(-) Average daily hydrocarbon production decreased by 3.7 mboepd (or 3%) QoQ to 111.8 mboepd in Q2 2019. Lower volumes were driven by natural decline and annual turnaround in the CEE region and by planned turnaround on Scott in UK.

(-) Group-level average direct production cost, excluding DD&A, increased by 10%, to 6.4 USD/boe, primarily influenced by lower production volume and higher maintenance cost.

First half 2019 results

EBITDA, excluding special items, amounted to HUF 156.7bn in H1 2019, a decrease of 2% versus the previous year. The Upstream segment remains a strong cash-flow generating pillar of the Group.

(-) A 3.4% overall decrease YoY in the average realised hydrocarbon prices: lower Brent quotations resulted in a 3% decrease in the realised crude oil and condensate prices, while realised gas prices also fell by 15% YoY.

(+) Average daily hydrocarbon production increased by 4 mboepd (or 4%) to 113.6 mboepd in H1 2019 compared to H1 2018, driven by higher production volumes in Kurdistan Region of Iraq and UK, which was partially offset by lower volumes in the CEE region driven by continued natural decline.

(+) Group-level average direct production cost, excluding DD&A, decreased slightly by 1% to 6.1 USD/boe YoY, demonstrating cost discipline.

Upstream operating update and business development

In H1 2019 Upstream CAPEX amounted to HUF 48bn, increasing by 37% YoY, primarily due to increased spending on exploration activities in Norway and development activities in UK and Kurdistan Region of Iraq. Nearly half of the total Upstream CAPEX is spent in the CEE (HUF 22 bn).

H1 2019	Hungary	Croatia	Kurdistan Region of Iraq	Pakistan	United Kingdom	Norway	Other	Total - H1 2019	Total - H1 2018
HUF bn									
Exploration	2.7	0.3	0.0	0.0	0.0	7.7	2.3	13.0	9.7
Development	9.1	3.9	4.1	0.6	7.6	0.0	2.1	27.4	21.7
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.1	4.6	0.1	0.0	1.7	0.0	0.0	7.6	3.8
Total - H1 2019	12.9	8.8	4.2	0.6	9.3	7.7	4.4	48.0	
Total - H1 2018	13.2	10.3	0.5	0.9	5.9	2.9	1.5		35.1

Hungary

Hungarian production reached 39.6 mboepd in H1 2019, which is 5.5% below the same period of last year. The decrease in production is attributable to natural decline of mature fields in Hungary. To offset this negative impact, surface optimization and well intensification actions were executed.

Exploration

- ▶ The intensive work program continued in H1 which resulted in three gas discoveries from shallow reservoirs. These wells (Mezőhegyes-Ny-9, Kaszaper-2 and Mezőhegyes-DK-4) are currently being tied-in. In partnership with Vermillion, well Mezőhegyes-21 was drilled and is currently being evaluated.
- ▶ Evaluation of two wells drilled in 2018 has finished. Zsáka-DK-1 was identified as dry, while Komádi-Ny-5 is an oil discovery and is currently being tied-in.

Field Development

- ▶ Drilling activity of Sas-Ny-26 and Sas-Ny-27 wells was successfully executed and is proceeded to preparation of surface related construction works. The evaluation of Szeged-8A is currently ongoing.

- ▶ Phase 1-2 of Somogy Field Development program was completed with successful tie-in of four wells into Babócsa main gathering station.
- ▶ Kőrös-6 well has been tied-in.
- ▶ Extended well test program of Gomba D-1 and Gomba D-2 is currently ongoing.

Production Optimization

- ▶ Production optimization program intensified in H1 to maintain production rates and as a result, 27 well workovers were executed during the period.

Croatia

The country's production was 32.7 mboepd in H1, 3% lower than in H1 2018. Lower production of mature onshore gas and oil fields is attributable to natural decline, that was only partially offset by increased production of offshore Adriatic assets due to purchase of ENI stake in 2018.

Exploration

- ▶ INA participated in the 2nd Onshore Bidding Round in June.
- ▶ Within the frame of Drava-02 exploration program, Severovci-1 was declared as a gas discovery, in addition to that, permitting procedure for a new well Jankovac-1 is already in progress.
- ▶ Permitting procedure for Selnica-1 East is ongoing.

Production optimization

- ▶ Artificial Lift Optimization project is ongoing on Ivanić oil field, 4 sucker-rod pumps were replaced by Electric Submersible pumps.
- ▶ 22 well workovers were performed during H1.

Egypt

- ▶ Egypt production stood at 1.8 mboepd which is 20% higher than in H1 2018.
- ▶ In 100% INA operated concession East Yidma, exploration well Rizk-2D has been drilled and is currently being tested.
- ▶ As part of Field Development program, six development wells were drilled on non-operated concession on North Bahariya, and three on Ras Qattara.

Angola

- ▶ Production in Angola stood at 0.6 mboepd, which is 10% less than in the same period last year.
- ▶ Well drilling studies are in progress in Angola, Final Concept for Punja development project has been selected.

Pakistan

Production reached 8.3 mboepd during H1 2019, which is 7% lower than in the same period in 2018.

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

- ▶ Acquisition of 3D seismic in TAL Block and 2D seismic in Margala block is on track.
- ▶ Preparations for drilling of Mamikheil South-1 exploratory well is ongoing.
- ▶ In non-operated DG Khan Block, 2D seismic data processing & interpretation was completed in Q1.
- ▶ Preparatory work on two non-operated exploration projects, well Surghar X-1 in Karak and well DGK-1 in DG Khan Blocks, are in progress.

Field Development continued in TAL Block:

- ▶ Drilling of Makori Deep-2 well commenced on 1 May 2019 and is progressing ahead of the schedule.
- ▶ Flowline and Wellhead Surface facilities at Mardankheil-03 well and Produced Water Pipeline project stand completed.

UK

- ▶ Production in H1 reached 18.1 mboepd, which is 56% higher than in the same period last year as a result of excellent Catcher performance and improved performance of all other assets.
- ▶ Production is sustained 10% above the original nameplate capacity on Catcher.
- ▶ Scolty/Crathes replacement insulated pipeline was installed and is on schedule for first oil in late Q3 2019. Crathes production is maintained at constrained rates through the existing pipeline.
- ▶ Scott annual shutdown was completed. Performance is better than expected driven by high uptime and accelerated reinstatement of water injection.

Russia

Production stood at 5.0 mboepd in H1, 15% lower than in the same period in 2018 due to baseline decline. At the same time, the decline has been slowing during the period.

Field Development

- ▶ Drilling program is successfully ongoing with 7 new wells drilled in H1, including the first horizontal well.
- ▶ WWO program is ongoing with 32 performed Well Workovers since the beginning of the year.
- ▶ To further offset the baseline decline, Reservoir Pressure Maintenance program is progressing according to schedule with 7 wells that were converted to injection.

Kazakhstan

Exploration

- ▶ Seismic Tender has been conducted and the contract has been signed for acquisition of 135 sq. km of 3D seismic on Yanvartsevsky Prospect of Fedorovsky Block.

Field development

- ▶ Design Institute (KaspiyMunaiGas) provided draft version of Rozhkovskoye Field Development Program and it is currently being reviewed by Partners.
- ▶ Preparation of Engineering Procurement Construction Commissioning Tender is ongoing.

Norway

Exploration

- ▶ MOL Norge is pursuing a core area-based exploration strategy focusing on 3 areas in the Norwegian North Sea (Central Graben South, South Viking Graben and Northern North Sea). The current license portfolio consists of 16 licenses, of which eight are operated.
- ▶ The Company drilled its second operated well in the Central Graben South Area, on PL539, and participated as a non-operating partner in the drilling on licence PL814 in the Southern Viking Graben area (Operator Aker BP). Both exploration wells were drilled without any HSE incidents. They were classified as dry.
- ▶ Farm-down process was completed in Q2 2019, which resulted in Wintershall becoming a partner at PL539, PL617 and PL771 licenses. MOL Norge retained operatorship in case of all these licenses.
- ▶ MOL Norge was awarded one license as partner in the APA 2018 Licensing Round on PL968.

Kurdistan Region of Iraq

Shaikan

- ▶ Production reached 3.0 mboepd in H1, 10% lower than in H1 2018 which is mainly caused by the extended shut-down of Shaikan-1B well during its workover.
- ▶ Both SH-1B and SH-3 wells were successfully recompleted with larger tubing completions and both are producing on target.
- ▶ Shaikan Field development project- raising production capacity to 55 mboepd by 2020- is ongoing. Well SH-12 (ex-SH-H), the first new well for several years, was spudded and is currently drilling as scheduled.
- ▶ Payments from the KRG are being received on a regular basis.

Pearl

- ▶ 2019 H1 average production reached 4.6 mboepd, 86% higher than in 2018 H1.

Oman

- ▶ Preparation for the third exploration well in Block 66 is in progress. Civil work has almost completed, and the planned spud date is expected for early Q3 2019.

Romania

Exploration

- ▶ EX-1: Work program continues with seismic acquisition campaign. Over 400 sq. km was completed YTD.
- ▶ EX-5: Geological&Geophysical work is ongoing.
- ▶ EX-6: Waiting for the decision of The National Agency for Mineral Resources concerning Exploration Period extension.

DOWNSTREAM

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Segment IFRS results (HUF bn)	H1 2019	H1 2018	Ch %
33.3	76.5	104.5	(27)	EBITDA	109.9	155.8	(29)
33.3	76.5	100.0	(23)	EBITDA excl. spec. items⁽¹⁾	109.9	151.3	(27)
38.6	76.2	73.3	4	Clean CCS-based EBITDA⁽¹⁾⁽²⁾	114.8	128.4	(11)
26.2	30.2	26.2	15	o/w Petrochemicals ⁽¹⁾⁽²⁾	56.4	55.9	1
3.3	47.0	78.1	(40)	Operating profit/(loss) reported	50.3	103.8	(52)
3.3	47.0	73.6	(36)	Operating profit/(loss) excl. spec. items⁽¹⁾	50.3	99.2	(49)
8.6	46.6	46.9	(1)	Clean CCS-based operating profit/(loss)⁽¹⁾⁽²⁾	55.3	76.4	(28)
47.0	103.9	29.6	251	CAPEX	150.9	44.4	240
MOL Group Without INA							
35.7	87.9	84.7	4	EBITDA excl. spec. items ⁽¹⁾	123.6	145.3	(15)
41.8	84.4	70.4	20	Clean CCS-based EBITDA⁽¹⁾⁽²⁾	126.2	134.7	(6)
26.2	30.2	26.2	15	o/w Petrochemicals clean CCS-based EBITDA ⁽¹⁾⁽²⁾	56.4	55.9	1
10.7	63.7	63.0	1	Operating profit/(loss) excl. spec. items ⁽¹⁾	74.4	102.1	(27)
16.9	60.1	48.7	23	Clean CCS-based operating profit/(loss)⁽¹⁾⁽²⁾	77.0	91.5	(16)
INA Group							
(2.4)	(11.4)	15.2	n.a.	EBITDA excl. spec. items ⁽¹⁾	(13.8)	6.0	n.a.
(3.2)	(8.2)	2.8	n.a.	Clean CCS-based EBITDA⁽¹⁾⁽²⁾	(11.4)	(6.3)	81
(7.4)	(16.7)	10.6	n.a.	Operating profit/(loss) excl. spec. items ⁽¹⁾	(24.1)	(2.8)	748
(8.2)	(13.5)	(1.8)	630	Clean CCS-based operating profit/(loss)⁽¹⁾⁽²⁾	(21.7)	(15.2)	43
Refinery margin							
Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Refinery margin	H1 2019	H1 2018	Ch %
3.1	3.5	5.5	(36)	Total MOL Group refinery margin (USD/bbl)	3.3	5.4	(38)
3.8	4.5	6.5	(31)	Complex refinery margin (MOL+Slovnaft) (USD/bbl)	4.1	6.3	(35)
415	422	368	15	NEW MOL Group petrochemicals margin (EUR/t)	419	403	4
External refined product and petrochemical sales by country (kt)							
Q1 2019 Restated	Q2 2019	Q2 2018	YoY Ch %	External refined product and petrochemical sales by country (kt)	H1 2019	H1 2018	Ch %
1,112	1,285	1,279	1	Hungary	2,397	2,314	4
431	494	469	5	Slovakia	924	867	7
411	552	495	11	Croatia	963	881	9
441	503	587	(14)	Italy	943	1,009	(7)
2,050	2,194	2,524	(13)	Other markets	4,244	4,478	(5)
4,444	5,028	5,354	(6)	Total	9,472	9,550	(1)
External refined and petrochemical product sales by product (kt)							
Q1 2019 Restated	Q2 2019	Q2 2018	YoY Ch %	External refined and petrochemical product sales by product (kt)	H1 2019	H1 2018	Ch %
4,060	4,678	4,973	(6)	Total refined products	8,738	8,803	(1)
873	994	1,028	(3)	o/w Motor gasoline	1,867	1,796	4
2,366	2,746	2,808	(2)	o/w Diesel	5,112	4,998	2
26	62	174	(64)	o/w Fuel oil	88	257	(66)
60	171	174	(2)	o/w Bitumen	231	214	8
385	350	381	(8)	Total petrochemicals products	735	747	(2)
62	54	59	(8)	o/w Olefin products	116	117	(1)
300	275	299	(8)	o/w Polymer products	575	594	(3)
23	21	23	(9)	o/w Butadiene products	44	36	22
4,444	5,028	5,354	(6)	Total refined and petrochemicals products	9,472	9,550	(1)

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

(2) (16) Please see Appendix XI.

Second quarter 2019 results

The Downstream segment delivered HUF 76bn Clean CCS EBITDA in Q2 2019, doubling profitability quarter-on-quarter and delivering a small increase year-on-year.

The Downstream performance was HUF 3bn or 4% higher in Q2 2019 year-on-year primarily due to:

- ▶ The deteriorating external environment in refining as the Group refinery margin was down by 2 USD/bbl driven by the depressed Brent-Ural spread. The integrated petchem margin (IM), however, averaged at 422 EUR/t representing a 15% increase year-on-year.
- ▶ The performance of Refining and Marketing (R&M) on the other hand was supported by expanding wholesale margins as a result of the Druzhba outage capping regional product output. Operating costs also decreased slightly in line with decreasing gas prices. An 8% weakening of the HUF versus the USD also supported the overall profitability (in HUF terms).
- ▶ Refining throughput was substantially down due to the turnaround in the Bratislava refinery and the Rijeka shutdown still affected the second quarter. The volumetric shortfall was partly offset by running the Százhalombatta refinery at full capacity, utilizing inventories and increasing third party purchases.

First half 2019 results

The Downstream business delivered Clean CCS EBITDA of HUF 115bn in H1 2019, 11% below the base period's strong performance. Similar factors shaped profitability in the first half than in the second quarter, namely the negative macro development of a more than 2 USD/bbl deterioration of the refinery margin.

Market trends and sales analysis

Motor fuel consumption continued to grow in CEE and was up by 3% in Q2 and H1 2019 year-on-year. Demand growth has been stronger in Hungary and Croatia both year-on-year and year-to-date.

Change in regional motor fuel demand	Market*			MOL Group sales		
	Q2 2019 vs. Q2 2018 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel
Hungary	4	4	4	2	(2)	(1)
Slovakia	3	1	2	6	7	7
Croatia	1	7	6	20	12	14
Other	2	3	2	(17)	1	(3)
CEE 10 countries	2	3	3	(3)	2	1

Change in regional motor fuel demand	Market*			MOL Group sales		
	H1 2019 vs. H1 2018 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel
Hungary	4	4	4	4	2	3
Slovakia	2	1	1	7	10	9
Croatia	0	7	6	14	14	14
Other	2	3	3	(14)	2	(1)
CEE 10 countries	2	3	3	(2)	5	3

*Source: Company estimates

Downstream capital expenditures and status of key projects

CAPEX (in bn HUF)	H1 2019	H1 2018	YoY Ch %	Main projects in H1 2019
R&M CAPEX and investments	70.0	27.1	158	MOL: Blending alternative crude, new Rubber bitumen unit, new LPG-amine absorber SN: New crude oil tank, catalyst replacement, periodical maintenance INA: Propane-propylene splitter, Platforming 2 modernization, turnaround, new column on CDU
Petrochemicals CAPEX	79.6	15.9	401	MOL: Polyol, SC1 Boiler replacement, SC1 Lifetime extension SN: Ethylene Storage Tank, low NOx burners for boiler, periodical maintenance
Power and other	1.4	1.3	5	
Total	150.9	44.4	240	

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	CAPEX by type (in HUF bn)	H1 2019	H1 2018	Ch %
47.0	103.9	29.6	251	Total	150.9	44.4	240
20.0	52.1	2.7	n.a.	Strategic projects	72.1	8.8	720
27.0	51.8	26.9	93	Normalized CAPEX	78.9	35.6	122

CONSUMER SERVICES

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Segment IFRS results (HUF bn)	H1 2019	H1 2018	Ch %
24.9	33.8	29.7	14	EBITDA	58.7	50.2	17
24.9	33.8	29.7	14	EBITDA excl. spec. items⁽¹⁾	58.7	50.2	17
17.4	24.8	23.5	6	Operating profit/(loss) reported	42.2	37.9	11
17.4	24.8	23.5	6	Operating profit/(loss) excl. spec. items⁽¹⁾	42.2	37.9	11
5.6	11.0	13.2	(16)	CAPEX	16.6	18.2	(9)
5.6	11.0	13.2	(16)	o/w organic	16.6	18.2	(9)

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

Second quarter 2019 results

Consumer Services EBITDA in Q2 2019 rose by 14% year-on-year close to HUF 34bn. The segment continued its double-digit growth on the back of continued dynamic expansion of both non-fuel and fuel margins and the continued growth of the fuel markets, supported by the strong economic growth of the CEE region. Moreover IFRS 16 implementation had a slight positive effect on the results (USD 3.6mn in Q2 and 7mn in H1 2019).

Higher operational expenses had a downward effect on the results, driven by the increasing volumes and the regional wage pressure.

First half 2019 results

Consumer Services EBITDA grew by 17% year-on-year in H1 2019. The supporting factors were similar as described in the quarterly comparison above.

Retail fuel sales

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Total retail sales (kt)	H1 2019	H1 2018	Ch %
303	340	329	3	Hungary	643	608	6
163	185	176	5	Slovakia	348	329	6
221	277	277	0	Croatia	498	486	2
165	185	181	2	Romania	350	344	2
118	133	129	3	Czech Republic	251	246	2
88	102	92	11	Other	190	170	12
1,058	1,222	1,184	3	Total retail sales	2,280	2,183	4

(10) Please see Appendix XI.

Retail fuel sales continued to rise on the back of fuel market demand growth in the as CEE as well as some network expansion. Like-for-like sales in the first half year (adjusting for the impact of changes in the network) were up by 3% against the corresponding period of last year.

Non-fuel contribution

Q1 2019	Q2 2019	Q2 2018	Non-fuel indicators	H1 2019	H1 2018
27.7%	28.7%	27.5%	Non-fuel margin	28.3%	26.9%
705	765	555	Number of Fresh corner sites	765	555

Accelerated non-fuel concept rollout continued: 78 new Fresh Corners were added across the network during the first half of 2019, taking the total Fresh Corners to 765. Non-fuel margin continued to increase at a higher pace than fuel margin, increasing its share of the total margin against the same period last year.

GAS MIDSTREAM

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Segment IFRS results (HUF bn)	H1 2019	H1 2018	Ch %
18.4	6.6	8.2	(19)	EBITDA	25.0	29.8	(16)
18.4	6.6	8.2	(19)	EBITDA excl. spec. items⁽¹⁾	25.0	29.8	(16)
15.2	3.3	4.7	(31)	Operating profit/(loss) reported	18.4	23.3	(21)
15.2	3.3	4.7	(31)	Operating profit/(loss) reported excl. spec. items⁽¹⁾	18.4	23.3	(21)
0.3	1.5	1.5	(3)	CAPEX and investments	1.8	2.0	(13)
0.3	1.5	1.5	(3)	o/w organic	1.8	2.0	(13)

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

Second quarter and first half 2019 results

FGSZ Ltd. posted HUF 6.6 bn EBITDA in Q2 2019, behind last year's result by 19%, primarily due to lower domestic tariffs. Half-year EBITDA contribution decreased by 16% to HUF 25 bn.

- ▶ Domestic transmission volumes increased by 39% in Q2 and 18% in H1 2019 as domestic gas storage injection was much more intensive. Export transmission volumes to Romania, Croatia and Ukraine were also significantly higher than a year ago (109% increase in Q2 and 81% increase in H1 2019). Non-regulated Serbian and Bosnian transit volumes were behind prior year figures by 10% in Q2 and 7% in H1.
- ▶ Revenues from domestic and regulated transmission services in Q2 2019 fell 14% YoY and were 12% lower YTD in the first half of 2019. Demand for short-term capacity products increased compared to prior year - in line with higher transmission volumes - but this was more than offset by the negative effect of unfavourable tariff changes (which came into effect from 01 October 2018).
- ▶ Revenues from non-regulated transit was 7% lower in Q2 2019 YoY, as a result of lower realised transmission volumes, but remained flat in H1 2019.
- ▶ Operating costs remained flat in Q2 YoY and increased by 12% in the first six month of 2019 compared to the same period of last year. Natural gas costs (fuel gas consumption and network loss) of the transmission system increased in line with higher transmitted volumes.

Non-financial overview

First half 2019 sustainability highlights

The sustainability focus areas in MOL Group are Climate Change, Environment, Health & Safety, Human Capital, Communities and Ethics & Governance. This section presents the achievements and accomplishments from some selected areas.

- ▶ **Environment:** During H1 2019, MOL Group's "Green Fund" was launched again, supporting investment projects with significant environmental benefits. 15 applicant project proposals were competing for the financial resources, of which 6 will receive financial support for project completion. The final projects shortlisted and entitled to financial resources included a photovoltaic energy project, LED lighting, installation of heat pumps, wastewater treatment plant revamp and facility for converting non-hazardous kitchen waste into fertilizer. This financing tool is part of the MOL Group 2020 SD Action Plan.
MOL Romania began offering collection points for waste batteries and small e-waste (accumulators, light bulbs and other small electrical waste) at its 210 stations across the country. Furthermore, cooking oil collection was extended to all three INA regions, further promoting circular economy through recycling whilst potentially increasing store footfall.
- ▶ **Human Capital:** During H1 2019, MOL Group's governance model was reviewed to better support 2030 strategic goals. Divisional set-up was enhanced in the governance model in order to underline roles and responsibilities, further speed up the decision-making processes, ensure better alignment between businesses and functional units and increase customer focus. Main governance documents and platforms were reviewed which contribute to increased employee engagement and customer satisfaction.
- ▶ **Health and Safety:** MOL Group Occupational Health & Safety established a new set of Life Saving Rules to further improve safe working behaviour. Furthermore, the revised Life Saving Rules additionally included the Safe Driving Rule as a result of the increase in the number of severe road accidents during 2018.
- ▶ **Communities.** Slovnaft began to publish air quality data in the surroundings of the refinery, being the first industrial entity in Slovakia that makes air quality data available to the public. This step is a response to the requests of communities living in the vicinity of the refinery, providing them with a platform for the monitoring of substances in real time as part of the "Good Neighbour" program.
- ▶ **Ethics & Governance:** with the publication of the 2018 Annual Report in Q2, MOL Group's sustainability transparency reached an all-time high with the disclosure of more than 500 individual data points covering around 100 KPIs across all six focus areas.

MOL Group non-financial indicators

Q1 2019 Restated	Q2 2019 Restated	Q2 2018 Restated	YoY Ch %	Environmental & sustainability data	H1 2019	H1 2018 Restated	Ch %
1.6	1.4	1.6	(13)	Carbon Dioxide (CO ₂) under ETS (mn t)	3.0	3.2	(8)
255	16	6	156	Volume of hydrocarbon content of spills (m ³) ⁽¹⁷⁾	271	11	n.a.
1.5	1.6	1.7	(5)	TRIR ⁽¹⁸⁾ – own & contractor & service station staff	1.6	1.7	(10)
0	0	1	(100)	Fatalities – own employees (pcs)	0	1	(100)
1	0	2	(100)	Fatalities – contractors (onsite & offsite) (pcs)	1	2	(50)
2	4	2	100	Process safety events (Tier1)	6	6	0
26,391	26,392	26,255	1	Total workforce (prs)	26,392	26,255	1
3,113	3,202	2,921	10	Leavers (prs) ⁽¹⁹⁾	3,202	2,921	10
12	12	11	9	Employee turnover rate (%) ⁽¹⁹⁾	12	11	10
168	66	133	(50)	Donations (mn HUF)	234	215	9
36	20	38	(47)	Ethical reports (pcs)	56	66	(15)
9	2	9	(78)	Ethical misconduct (pcs)	11	20	(45)

(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 uncertainties of the business environment within acceptable levels, support stable and sustainable operations and the future growth as well as the resilience of the company.

MOL Group has developed a comprehensive Enterprise Risk Management (ERM) framework as an integral part of its corporate governance structure which considers the organisation's exposure to uncertainty regarding value creation, meaning factors critical to the success and threats related to the achievement of objectives, also occurrence of incidents causing potential threat to people, assets, environment or reputation.

Within the ERM framework we identify, assess, evaluate, treat and monitor all significant risks throughout the whole Group, covering all group-level business and functional units, MOL Group companies as well as projects.

The risk management methodology applied by MOL is based on international standards and best practices.

In order to ensure effective risk management, risks are managed (assess, evaluate, treat) by risk owners, who are managers responsible for supervising the existing control framework and implementation of defined risk mitigation actions in the respective organisations. Group level business and functional units, specialised risk management functions and Group Risk Management department provide oversight on the risk assessments, evaluations, mitigations. The highest governing bodies of MOL such as the Management Committee, the Chief Executives' Committee and the Board of Directors, as well as its Committees provide oversight and assurance on the comprehensive and group level application of the risk management framework.

We consider risks on all time horizon. We have identified major long-term risks that may significantly impact the MOL Group 2030 strategic objectives and detailed analysis and the related mitigation plans have been prepared. These risks include: E&P reserves sustainability, physical asset risk, market volatility, execution of strategic projects, Consumer Services transformation, (geo)political and regulatory risk, human capital deficit.

At the same time, mid-term risks related to our business plans are assessed and managed over the full lifetime of assets, performed at business segment level and coordinated by the group-level risk management team.

The short-term risk profile of the company is regularly reviewed with the focus on the 1-year budget of MOL Group.

Regular 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 risk management is considered by the Management Committee, Chief Executives' Committee as well as the Board of Directors and its respective Committees.

The main risk drivers of the Group

Risks are categorised 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 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.

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 currently diversified with regular crude cargo deliveries from the Adriatic Sea
- ▶ **Cyber risk:** Cyber risk needs attention and effective management to ensure the company is able to monitor, detect and respond to cyber threats. MOL has adapted and changed the way it deals with cyber defence and cyber threats (people, process and technology): a clear vision and strategy has been set up to manage cyber incidents with end-to-end ownership and accountability.

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 exposure 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 effects of climate change have the potential to adversely impact MOL's current operations. As a response, MOL Group launched its 2030 Strategy as a response to the potentially decreasing demand for fossil fuels on the long term, primarily driven by a combination of new stricter regulations, 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 meant to respond to these challenges by opening towards new innovative business lines and with increased investment in the petrochemical value chain. Several measures have already been taken at group and divisional level in the past, and actions are ongoing. For more details, go to the Notes on Sustainability Performance.

Main risk management tools

Risk Management tools applied by the Group are based on international standards and industry best practice. Enterprise Risk Management is a framework covering all business units and functional units, which ensures identification and analysis of risks that threaten the achievement of company objectives and the Group's financial performance and that those risks are kept within acceptable level by taking mitigation actions as needed.

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 necessary - with hedging measures.

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.

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 been operating a Crisis and Continuity Management program and constantly improving it in order to reduce recovery times within tolerable limits for processes critical to our business.

OUTLOOK ON STRATEGIC HORIZON

MOL Group continued to deliver strong financial and operating results in H1 2019, only slightly behind the very strong year-ago numbers despite a much more challenging operating environment. Clean CCS EBITDA reached USD 1.15bn, 11% lower YoY, at a time when refinery margins were more than USD 2/bbl lower and both oil and gas prices declined. The strong internal performance ensures that after the first six months of the year MOL remains well on track to again meet or beat its USD 2.3bn annual Clean CCS EBITDA guidance for 2019. Capex nearly doubled YoY in H1 2019 to USD 0.8bn, as the strategic transformational projects are being implemented. Yet, the company continued to generate positive simplified free cash flow in this period.

The mid-term financial framework, which MOL published in 2018 for the years 2019-23, remains unchanged. With our mid-term base macro framework (oil price at USD 50-70/bbl and normalized downstream margins), MOL shall be able to generate enough cash (Clean CCS EBITDA of USD 2.2-2.4bn in 2019-21 rising to USD 2.4-2.6bn in 2022-2023) to fund all cash outflows including both sustain-type investments and the transformational projects outlined in the long-term strategy, and also rising base dividends. This will allow MOL to maintain a strong financial profile with a robust balance sheet, which may support inorganic reserves replacement steps.

Strong financial delivery continues to go hand in hand with business transformation, as the implementation of the MOL 2030 strategy remains in focus and has been progressing well in each business segments.

In **Downstream**, we continue to execute the DS 2022 program, which defined the strategic targets for the first 5 years of the long-term strategy and aims at delivering at least USD 500mn incremental EBITDA on the back of USD 2.3bn investments. The new polyol plant stands out as the flagship investment project of this period and construction has so far been progressing in line with plans. At least three other final investment decisions are also expected to be made in 2019 on somewhat smaller projects, yet all of them of strategic importance. INA has also been working on its own Downstream New Course program to change its downstream business model. Among weaker crack spreads and tighter labour markets, efficiency must remain part of the everyday life in Downstream. Accordingly, the segment continues to have ambitious plans to achieve further substantial efficiency improvements in 2019 (over USD 50mn) and in the coming years.

In **Consumer Services**, we continued to work on and invest in transforming the business into a real FMCG retailing platform. The accelerated non-fuel concept rollout continued in 2019 and 78 new Fresh Corners were added to the network as part of our site reconstruction program, bringing their total numbers to 765 by the end of H1. These investments have already had visible impact on operations and financials, as non-fuel margin growth continued to outpace fuel margin expansion, raising the non-fuel margin contribution to above 28% in H1 2019. The car sharing platform, LIMO, has further expanded its fleet and operating area in Budapest, while preparations are ongoing for new market entry in other CEE cities. Consumer Services also continued to deliver strong financial results with remarkable EBITDA growth and improving free cash flow generation, implying that the mid-term target of exceeding USD 500mn EBITDA is well within reach. At the same time the transformation will continue by building proficient FMCG capabilities and by venturing towards new business models by penetrating the FMCG value chain (e.g. coffee, water) and by diversifying our sales channels (e.g. downtown Fresh Corner coffee shop). Digitalizing our business, our processes, improving customer experience and incrementally investing in mobility services also remain high on our agenda in the coming years.

Upstream remained the largest EBITDA and free cash flow contributor of the Group, adding nearly USD 400mn simplified free cash flow in H1 2019 alone. Having restructured, rebalanced and stabilized the business in 2016-17, MOL now owns a robust, highly profitable and massively cash generative portfolio. Production has been running comfortably above the full-year guidance of 110 mboepd, primarily due to the outstanding performance of Catcher in the UK North Sea, which is producing 10% above the original nameplate capacity with 99% uptime. We continue to believe that our portfolio will be able to sustain production above 100 mboepd until 2023. At the same time costs remain under control with our commitment to keep lifting costs below USD 7/boe in the next 5 years. At the same time, challenges remain, and focus has been increasingly shifting toward inorganic reserve replacement steps. Organic opportunities are limited in the current portfolio, while our mid-term ambition to reach 100% reserves replacement remain unchanged.

MOL HUNGARIAN OIL AND GAS PLC.

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

30 June 2019

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 40 countries with a dynamic international workforce of 25,000 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 75 years' experience in the hydrocarbon field. There are production activities in 8 countries and exploration assets in 13 countries. MOL Group operates four refineries and two petrochemicals plants under integrated supply chain management in Hungary, Slovakia and Croatia, and owns a network of 2,000 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 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.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Q1 2019	Q2 2019	Q2 2018		H1 2019	H1 2018
HUF million	HUF million	HUF million	Notes	HUF million	HUF million
1,142,381	1,341,046	1,333,718	Net sales	2,483,427	2,335,686
3,286	4,126	9,292	Other operating income	7,412	15,840
1,145,667	1,345,172	1,343,010	Total operating income	2,490,839	2,351,526
874,013	1,073,424	1,027,629	Raw material and consumables used	1,947,437	1,805,876
66,574	70,971	65,936	Personnel expenses	137,545	126,542
85,287	93,386	90,323	Depreciation, depletion, amortisation and impairment	178,673	175,963
70,830	68,565	72,966	Other operating expenses	139,395	122,403
8,245	(26,212)	(16,297)	Change in inventory of finished goods & work in progress	(17,967)	(37,085)
(16,572)	(24,340)	(16,942)	Work performed by the enterprise and capitalised	(40,912)	(30,216)
1,088,377	1,255,794	1,223,615	Total operating expenses	2,344,171	2,163,483
57,290	89,378	119,395	Profit from operation	146,668	188,043
22,048	20,648	22,693	Finance income	42,696	46,947
26,212	22,644	46,985	Finance expense	48,856	73,095
(4,164)	(1,996)	(24,292)	Total finance expense, net	(6,160)	(26,148)
900	3,427	5,359	Share of after tax results of associates and joint ventures	4,327	6,483
54,026	90,809	100,462	Profit before tax	144,835	168,378
6,924	12,646	20,836	Income tax expense	19,570	30,157
47,102	78,163	79,626	Profit for the period	125,265	138,221
Attributable to:					
48,641	77,795	72,935	Owners of parent	126,436	133,197
(1,539)	368	6,691	Non-controlling interest	(1,171)	5,024
69	111	105	Basic earnings per share attributable to owners of the parent	180	191
69	111	105	Diluted earnings per share attributable to owners of the parent	180	191

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Q1 2019	Q2 2019	Q2 2018		H1 2019	H1 2018
HUF million	HUF million	HUF million	Notes	HUF million	HUF million
47,102	78,163	79,626	Profit for the period	125,265	138,221
			<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
			Exchange differences on translating foreign operations, net of tax	12,665	100,709
(652)	13,317	91,099			
(2,455)	206	(17,847)	Net investment hedge, net of tax	(2,249)	(16,268)
			Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	684	(597)
552	132	(477)			
(61)	626	(676)	Cash flow hedges, net of deferred tax	565	(99)
			Share of other comprehensive income of associates and joint ventures	3,213	6,161
3,400	(187)	7,925			
784	14,094	80,024	Net other comprehensive income to be reclassified to profit or loss in subsequent periods	14,878	89,906
			<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
			Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	2,895	36
1,227	1,668	(1,336)			
(189)	(263)	59	Remeasurement of post employment benefit obligations	(452)	(146)
			Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	2,443	(110)
1,038	1,405	(1,277)			
1,822	15,499	78,747	Other comprehensive income for the period, net of tax	17,321	89,796
48,924	93,662	158,373	Total comprehensive income for the period	142,586	228,017
			Attributable to:		
50,765	88,954	135,052	Equity holders of the parent	139,719	203,033
(1,841)	4,708	23,321	Non-controlling interest	2,867	24,984

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 Jun 2019	31 Dec 2018
	Notes	HUF million	HUF million
NON-CURRENT ASSETS			
Property, plant and equipment	1, 7	2,417,925	2,274,271
Intangible assets	7	189,670	195,446
Investments in associated companies and joint ventures	5	210,066	198,449
Other non-current financial assets	10	127,898	122,463
Deferred tax asset		129,954	136,312
Other non-current assets		86,229	89,255
Total non-current assets		3,161,742	3,016,196
CURRENT ASSETS			
Inventories		523,535	492,727
Trade and other receivables	10, 11	675,634	588,620
Securities	10	21,210	2,571
Other current financial assets	10	64,912	32,134
Income tax receivable		28,182	28,829
Cash and cash equivalents	10	218,223	383,511
Other current assets	8	71,950	66,815
Assets classified as held for sale		444	178
Total current assets		1,604,090	1,595,385
Total assets		4,765,832	4,611,581
EQUITY			
Share capital	13	79,421	79,298
Reserves		1,832,407	1,613,960
Profit for the year attr. to owners of parent		126,436	301,197
Equity attributable to owners of parent		2,038,264	1,994,455
Non-controlling interest		290,329	315,491
Total equity		2,328,593	2,309,946
NON-CURRENT LIABILITIES			
Long-term debt	10	410,596	354,880
Other non-current financial liabilities	10	3,507	4,476
Provisions - long term		481,601	474,440
Deferred tax liabilities		55,852	51,403
Other non-current liabilities		22,688	23,498
Total non-current liabilities		974,244	908,697
CURRENT LIABILITIES			
Short-term debt	10	365,327	345,396
Trade and other payables	10	567,009	573,220
Other current financial liabilities	10	223,666	229,070
Provisions - short term		18,488	36,809
Income tax payable		2,545	601
Other current liabilities	9	285,960	207,842
Total current liabilities		1,462,995	1,392,938
Total equity and liabilities		4,765,832	4,611,581

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HUF million	Share premium HUF million	Fair valuation reserve HUF million	Reserve of exchange differences on translation HUF million	Retained earnings with profit for the year attr. to owners of parent HUF million	Total reserves HUF million	Equity attr. to owners of parent HUF million	Non-controlling interests HUF million	Total equity HUF million
Opening balance 1 Jan 2018	79,279	219,389	3,811	224,795	1,215,782	1,663,777	1,743,056	314,817	2,057,873
Profit for the period	-	-	-	-	133,197	133,197	133,197	5,024	138,221
Other comprehensive income for the period	-	-	(49)	64,762	5,123	69,836	69,836	19,960	89,796
Total comprehensive income for the period	-	-	(49)	64,762	138,320	203,033	203,033	24,984	228,017
Dividends	-	-	-	-	(86,249)	(86,249)	(86,249)	-	(86,249)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(19,264)	(19,264)
Equity recorded for share-based payments	19	-	-	-	648	648	667	-	667
Treasury share transactions	-	-	-	-	-	-	-	-	-
Acquisition / divestment of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(6,057)	(6,057)	(6,057)	6,057	-
Closing balance 30 Jun 2018	79,298	219,389	3,762	289,557	1,262,444	1,775,152	1,854,450	326,594	2,181,044
						-	-		-
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 for the year	-	-	-	-	126,436	126,436	126,436	(1,171)	125,265
Other comprehensive income for the period	-	-	2,509	10,617	157	13,283	13,283	4,038	17,321
Total comprehensive income for the period	-	-	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	79,421	219,389	4,301	274,221	1,460,932	1,958,843	2,038,264	290,329	2,328,593

CONSOLIDATED STATEMENT OF CASH FLOW

Q1 2019	Q2 2019	Q2 2018		H1 2019	H1 2018
HUF million	HUF million	HUF million	Notes	HUF million	HUF million
54,026	90,809	100,462	Profit before tax	144,835	168,378
			<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
85,287	93,392	90,180	Depreciation, depletion, amortisation and allowances / impairments	178,679	176,126
(1,016)	(20,399)	(9,574)	Increase / (decrease) in provisions	(21,415)	(10,162)
(142)	(248)	(116)	Net (gain) / loss on asset disposal and divestments	(390)	(518)
6,969	6,555	6,568	Net interest expense / (income)	13,524	13,018
(2,806)	(4,558)	17,724	Other finance expense / (income)	(7,364)	13,130
(900)	(3,427)	(5,359)	Share of after tax results of associates and joint ventures	(4,327)	(6,483)
18,094	16,263	15,174	Other non-cash item	34,357	14,684
278	(5,748)	(3,146)	Income taxes paid	(5,470)	(15,956)
159,790	172,639	211,913	Operating cash flow before changes in working capital	332,429	352,217
(59,578)	(29,755)	16,828	<i>Total change in working capital o/w:</i>	(89,333)	(73,029)
(37,674)	7,064	29,982	(Increase) / decrease in inventories	(30,610)	(31,446)
(81,392)	(100,707)	(120,653)	(Increase) / decrease in trade and other receivables	(182,099)	(189,625)
24,173	31,147	83,610	Increase / (decrease) in trade and other payables	55,320	85,758
35,315	32,741	23,889	Increase / (decrease) in other assets and liabilities	68,056	62,284
100,212	142,884	228,741	Net cash provided by operating activities	243,096	279,188
(99,830)	(126,313)	(64,280)	Capital expenditures	(226,143)	(122,951)
289	701	229	Proceeds from disposal of fixed assets	990	582
(60)	(1,964)	(808)	Acquisition of businesses (net of cash)	(2,024)	(808)
-	-	22,087	Proceeds from disposal of businesses (net of cash)	-	22,087
(57,630)	(3,782)	9,522	(Increase) / decrease in other financial assets	(61,412)	16,789
2,284	1,968	1,929	Interest received and other finance income	4,252	2,603
1,599	3,599	9,973	Dividends received	5,198	10,988
(153,348)	(125,791)	(21,348)	Net cash used in investing activities	(279,139)	(70,710)
-	-	-	Issuance of long-term notes	-	-
-	-	-	Repayment of long-term notes	-	-
156,352	245,249	151,309	Proceeds from loans and borrowings received	401,601	314,760
(195,219)	(221,193)	(151,081)	Repayments of loans and borrowings	(416,412)	(355,912)
(5,805)	(8,142)	(7,053)	Interest paid and other financial costs	(13,947)	(14,988)
-	(106,776)	(86,222)	Dividends paid to owners of parent	(106,776)	(86,222)
(5)	(297)	(889)	Dividends paid to non-controlling interest	(302)	(896)
-	-	-	Transactions with non-controlling interest	-	-
(44,677)	(91,159)	(93,936)	Net cash used in financing activities	(135,836)	(143,258)
5,789	113	13,581	Currency translation differences relating to cash and cash equivalents	5,902	3,860
(92,024)	(73,953)	127,038	Increase / (decrease) in cash and cash equivalents	(165,977)	69,080
383,511	292,390	144,670	Cash and cash equivalents at the beginning of the period	383,511	202,041
292,390	218,223	268,708	Cash and cash equivalents at the end of the period	218,223	268,708
(91,121)	(74,167)	124,038	Change in Cash and cash equivalents	(165,288)	66,667
(903)	214	3,000	Change in Overdraft	(689)	2,413
(92,024)	(73,953)	127,038	Increase / (decrease) in cash and cash equivalents	(165,977)	69,080

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

This section describes the basis of preparation of interim 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 2019 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 2018.

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 2018 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 2019:

- ▶ IFRS 16 Leases
- ▶ Amendment to IFRS 9 Financial Instruments on prepayment features with negative compensation and modification of financial liabilities
- ▶ Amendment to IAS 19 Employee Benefits on plan amendments, curtailments or settlements
- ▶ Amendment to IAS 28 Investments in Associates and Joint Ventures on long-term interest in associates and joint ventures
- ▶ IFRIC 23 Uncertainty over Income Tax Treatments
- ▶ Annual improvements 2015–2017 Cycle

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

- ▶ Amendment to IFRS 3 Business Combination (effective for annual periods beginning on or after 1 January 2020, not yet endorsed by EU)
- ▶ Amendments to IAS 1 – Presentation of Financial Statement and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material (effective for annual periods beginning on or after 1 January 2020, not yet endorsed by EU)
- ▶ IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)

The above-mentioned new standards and amendments do not affect significantly the Group's consolidated results, financial position or disclosures except for IFRS 16 Leases. The impact of the adoption of IFRS 16 Leases and the new accounting policies are disclosed below.

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.

Changes in accounting policies

MOL Group has adopted IFRS 16 Leases retrospectively, but comparative information presented for 2018 reporting period has not been restated, as permitted under the specific transitional provisions in the standard.

a) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises the right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

The Group presents right-of-use assets from leases in 'Property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns. The recognised right-of-use assets relate to the following types of assets:

	Rights HUF million	Land and building and related rights HUF million	Machinery and equipment HUF million	Other machinery and equipment HUF million	Total HUF million
At 31 Dec 2018					
Net book value of finance leases (IAS 17)	16	983	7,943	39,380	48,322
Period ended 30 Jun 2019					
Additions and capitalisations due to new regulation (IFRS 16)	-	50,003	16,247	19,220	85,470
Depreciation for the period	(2)	(3,328)	(3,146)	(7,717)	(14,193)
Impairment, termination	-	(2,912)	(7)	(240)	(3,159)
Closing net book value	14	44,746	21,037	50,643	116,440

Following the adoption of IFRS 16, MOL Group has presented lease liabilities within loans and borrowings, please refer to Note 10.

The Group has classified:

- cash payments for the principal portion of lease payments as financing activities
- cash payments for the interest portion of lease payments as financing activities
- payments for leases of low value assets, short-term lease payments and variable lease payments not included in the measurement of lease liability within operating activities.

i) Significant accounting policies

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease liability is initially measured at the present value of the remaining lease payments, and subsequently increased by the interest cost (calculated by the lessee's incremental borrowing rate) and decreased by the lease payments. Leased asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise those assets which value, when new, do not exceed USD 5,000.

ii) Transition

On adoption of IFRS 16, the MOL Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17 Leases. These lease liabilities were measured at the present value of the remaining lease payments, discounted with incremental borrowing rate as of 1 January 2019. The lease assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

MOL Group has used the following practical expedients permitted by the standard in applying IFRS 16 for the first time:

- reliance on previous assessments on whether contract is, or contains a lease
- the accounting for operating leases with a remaining lease term of less than 1 year as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs from measuring of the right-of-use asset at the date of initial application, and
- the use of hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

iii) Significant accounting estimates and judgements

The Group has applied judgement to determine the lease term for some lease contracts that include renewal or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and leased assets recognised.

b) As a lessor

The accounting policies applicable to the Group as a lessor are not materially different from the previous rules.

MOL Group is not required to make any adjustments on transition to IFRS 16.

RESULTS FOR THE PERIOD

This section explains the results and performance of the Group for the half financial years ended 30 June 2019 and 30 June 2018. 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 2019	Upstream HUF million	Downstream HUF million	Consumer Services HUF million	Gas Midstream HUF million	Corporate and other HUF million	Intersegment transfers HUF million	Total HUF million
Net Revenue							
External sales	94,017	1,539,236	785,325	45,003	19,846		2,483,427
Intersegment 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

Six months ended 30 June 2018	Upstream HUF million	Downstream HUF million	Consumer Services HUF million	Gas Midstream HUF million	Corporate and other HUF million	Intersegment transfers HUF million	Total HUF million
Net Revenue							
External sales	102,163	1,451,609	719,465	46,298	16,151		2,335,686
Intersegment transfers	144,525	612,403	2,537	2,333	86,908	(848,706)	-
Total revenue	246,688	2,064,012	722,002	48,631	103,059	(848,706)	2,335,686
Profit / (loss) from operation	65,229	103,755	37,922	23,326	(30,743)	(11,446)	188,043

3. Total operating expenses

	H1 2019	H1 2018
	HUF million	HUF million
Raw material and consumables used	1,947,437	1,805,876
Crude oil purchased	833,929	903,634
Cost of goods purchased for resale	602,348	404,016
Non-hydrocarbon based material	166,481	173,430
Value of material-type services used	139,584	131,305
Purchased bio diesel component	45,658	38,022
Utility expenses	39,959	35,972
Other raw materials	119,478	119,497
Employee benefits expense	137,545	126,542
Wages and salaries	100,996	95,424
Social security	18,431	17,367
Other personnel expenses	18,118	13,751
Depreciation, depletion, amortisation and impairment	178,673	175,963
Other operating expenses	139,395	122,403
Mining royalties	25,104	24,639
Rental cost	8,255	16,354
Contribution in strategic inventory storage	16,763	15,902
Taxes and contributions	11,889	8,102
Other	77,384	57,406
Change in inventory of finished goods & work in progress	(17,967)	(37,085)
Work performed by the enterprise and capitalised	(40,912)	(30,216)
Total operating expenses	2,344,171	2,163,483

Operating expenses are mainly driven by higher average Brent price and consequently raw material prices in 2019.

4. Finance result

	H1 2019	H1 2018
	HUF million	HUF million
Finance result		
Interest income	4,365	1,826
Dividend income	6,065	6,514
Foreign exchange gains	30,430	36,855
Other finance income	1,836	1,752
Total finance income	42,696	46,947
Interest expense	10,964	10,338
Unwinding of discount on provisions	6,924	4,506
Foreign exchange losses	28,848	55,888
Other finance expense	2,120	2,363
Total finance expense	48,856	73,095
Net finance expense	6,160	26,148

Interest income increased due to the increasing USD deposit rate on higher proportion of USD deposits. Net foreign exchange result increased as a result of modest Hungarian Forint weakening against both Euro and US Dollar compared to H1 2018 and net investment hedge impact.

5. Joint ventures and associates

Company name	Country	Range of activity	Ownership	Contribution to net income		Net book value of investments	
				H1 2019	H1 2018	30 Jun 2019	31 Dec 2018
				HUF million	HUF million	HUF million	HUF million
Investment in joint ventures							
BaiTex Llc / MK Oil and Gas B.V.	Russia / Netherlands	Exploration and production activity / Exploration investment management	51%	1,307	1,538	22,510	19,027
JSR MOL Synthetic Rubber Zrt.	Hungary	Production of synthetic rubber	49%	(586)	(294)	13,277	11,968
Rossi Biofuel Zrt.	Hungary	Biofuel component production	25%	405	155	3,777	4,402
Dunai Vízmű Zrt.	Hungary	Water production, supply	33%	-	-	1,400	1,400
ITK Holding Zrt.	Hungary	Mobility and public transport service	74%	-	-	1,605	1,604
MA-Coding Kft.	Hungary	IT services	50%	-	-	2	-
New Milford Development Kft.	Hungary	Property management	50%	-	-	36	-
Petrokemija d.d. / Terra Mineralna Gnojiva d.o.o.	Croatia	Production of mineral fertiliser / Investment management	50%	(745)	-	5,795	-
Investment in associated companies							
Pearl Petroleum Ltd.	Kurdistan region / Iraq	Exploration of natural gas	10%	3,960	3,274	140,173	138,717
MET Holding AG. (MET)	Switzerland	Natural gas trading	40%	-	1,943	-	-
Ural Group Limited (Expl)	Kazakhstan	Exploration and production activity	28%	(158)	(110)	18,029	17,987
Meroco a.s.	Slovakia	Production of bio-diesel component (FAME)	25%	86	11	1,443	1,346
Messer Slovnaft s.r.o	Slovakia	Production of technical gases	49%	46	(34)	736	757
DAC ARENA a.s.	Slovakia	Facility management	28%	52	-	1,283	1,202
IN-ER Erőmű Kft.*	Hungary	Power plant management	30%	(40)	-	-	39
Total				4,327	6,483	210,066	198,449

*under liquidation

6. Taxation

Total applicable income taxes reported in the consolidated financial statements for the interim period ended 30th June 2019 include the following components:

Q1 2019	Q2 2019	Q2 2018		H1 2019	H1 2018
HUF million	HUF million	HUF million		HUF million	HUF million
3,167	4,544	4,177	Local trade tax and innovation fee	7,711	7,396
(922)	(4,086)	(313)	Industry tax	(5,008)	(1,991)
3,552	2,187	8,216	Current corporate income tax	5,739	11,158
1,127	10,001	8,756	Deferred taxes	11,128	13,594
6,924	12,646	20,836	Total income tax expense / (benefit)	19,570	30,157

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 1-2% 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 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.

Change in tax rates

The following changes in corporate income tax rates effective from 1 January 2019 are taken into account:

- a) change in Luxemburg to 17% (2018: 18%)
- b) change in corporate income tax and resource tax in Norway to 22% and to 56% respectively (2018: 23% and 55% respectively)

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.

7. Property, plants and equipment and intangible assets

a) Property, plants and equipment

During the six months ended 30th June 2019, the Group purchased assets with cost of HUF 230,619 million, compared to HUF 109,225 million in H1 2018.

The purchases both in the current and comparative period mainly related to capital expenditures in the Upstream (exploration projects in Croatia, Norway, Egypt and in concession companies in Hungary and field development projects in UK North Sea area, Croatia, Iraq and Hungary) and Downstream segments (entering new market projects in MOL Petrochemicals).

In 2017, MOL Group started, and in 2019, 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.

As a result of MOL Group's adoption of IFRS 16 Leases effective from 1 January 2019, right-of-use assets from leases are presented in 'Property, plant and equipment', please refer to Note 1.

8. Other current assets

	30 Jun 2019	31 Dec 2018
	HUF million	HUF million
Prepaid and recoverable taxes and duties (excluding income taxes)	38,433	50,855
Prepaid expenses	16,178	8,025
Advance payments	10,391	7,029
Dividend receivables	6,333	-
Other	615	906
Total	71,950	66,815

9. Other current liabilities

	30 Jun 2019	31 Dec 2018
	HUF million	HUF million
Taxes, contributions payable (excluding corporate tax)	188,561	134,595
Amounts due to employees	29,729	40,188
Dividend payable	28,918	-
Advances from customers	11,363	11,004
Custom fees payable	11,211	10,198
Other accrued incomes	5,324	3,564
Fee payable for strategic inventory storage	4,710	4,513
Government subsidies received and accrued	1,102	1,087
Strategic capacity booking fee	265	265
Other	4,777	2,428
Total	285,960	207,842

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.

10. Reconciliation of financial instruments

30 June 2019		Fair value through profit or loss	Derivatives used for hedging	Amortised cost	Fair value through other comprehensive income	Total carrying amount
Carrying amount of financial instruments		HUF million	hedge acc.* HUF million	HUF million	HUF million	HUF million
Financial assets						
	Equity instruments	-	-	-	61,826	61,826
	Loans given	-	-	22,310	-	22,310
Other non-current financial assets	Deposit	-	-	316	-	316
	Finance lease receivables	-	-	771	-	771
	Debt securities	-	-	-	20,772	20,772
	Commodity derivatives	101	-	-	-	101
	Other	-	-	21,802	-	21,802
Total non-current financial assets		101	-	45,199	82,598	127,898
	Trade and other receivables	-	-	675,490	-	675,490
	Finance lease receivables	-	-	144	-	144
	Cash and cash equivalents	-	-	218,223	-	218,223
	Debt securities	11,231	-	-	9,979	21,210
Other current financial assets	Commodity derivatives	6,167	-	-	-	6,167
	Loans given	-	-	2,022	-	2,022
	Deposit	-	-	41,633	-	41,633
	Foreign exchange derivatives	3	-	-	-	3
	Other derivatives	2,846	-	-	-	2,846
	Other	1,345	-	10,896	-	12,241
Total current financial assets		21,592	-	948,408	9,979	979,979
Total financial assets		21,693	-	993,607	92,577	1,107,877
Financial liabilities						
	Borrowings (Long-term debt)	-	-	295,615	-	295,615
	Finance lease liabilities	-	-	114,981	-	114,981
Other non-current financial liabilities	Foreign exchange derivatives	302	1,687	-	-	1,989
	Other	-	-	1,518	-	1,518
Total non-current financial liabilities		302	1,687	412,114	n/a.	414,103
	Trade and other payables	-	-	567,009	-	567,009
	Borrowings (short-term debt)	-	-	341,672	-	341,672
	Finance lease liabilities	-	-	23,655	-	23,655
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	200,974	-	200,974
	Commodity derivatives	11,272	-	-	-	11,272
	Foreign exchange derivatives	38	-	-	-	38
	Other derivatives	5,956	-	-	-	5,956
	Other	-	-	5,426	-	5,426
Total current financial liabilities		17,266	-	1,138,736	n/a.	1,156,002
Total financial liabilities		17,568	1,687	1,550,850	n/a.	1,570,105

*hedge acc: under hedge accounting

31 December 2018		Fair value through profit or loss	Derivatives used for hedging	Amortised cost	Fair value through other comprehensive income	Total carrying amount
Carrying amount of financial instruments		HUF million	HUF million	HUF million	HUF million	HUF million
Financial assets						
	Equity instruments	-	-	-	64,430	64,430
Other non-current financial assets	Loans given	-	-	20,360	-	20,360
	Deposit	-	-	315	-	315
	Finance lease receivables	-	-	733	-	733
	Other	1,218	-	21,370	14,037	36,625
Total non-current financial assets		1,218	-	42,778	78,467	122,463
	Trade and other receivables	-	-	588,309	-	588,309
	Finance lease receivables	-	-	311	-	311
	Cash and cash equivalents	-	-	383,511	-	383,511
	Debt securities	-	-	-	2,571	2,571
Other current financial assets	Commodity derivatives	18,536	-	-	-	18,536
	Loans given	-	-	1,889	-	1,889
	Deposit	-	-	5,489	-	5,489
	Foreign exchange derivatives	6	-	-	-	6
	Other derivatives	2,828	-	-	-	2,828
	Other	-	-	3,386	-	3,386
Total current financial assets		21,370	-	982,895	2,571	1,006,836
Total financial assets		22,588	-	1,025,673	81,038	1,129,299
Financial liabilities						
	Borrowings (Long-term debt)	-	-	296,498	-	296,498
	Finance lease liabilities	-	-	58,382	-	58,382
Other non-current financial liabilities	Foreign exchange derivatives	677	2,308	-	-	2,985
	Other	-	-	1,491	-	1,491
Total non-current financial liabilities		677	2,308	356,371	n/a.	359,356
	Trade and other payables	-	-	573,220	-	573,220
	Borrowings (short-term debt)	-	-	333,320	-	333,320
	Finance lease liabilities	-	-	12,076	-	12,076
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	208,599	-	208,599
	Commodity derivatives	8,769	-	-	-	8,769
	Foreign exchange derivatives	-	-	-	-	0
	Other derivatives	6,090	-	-	-	6,090
	Other	-	-	5,612	-	5,612
Total current financial liabilities		14,859	-	1,132,827	n/a.	1,147,686
Total financial liabilities		15,536	2,308	1,489,198	n/a.	1,507,042

*hedge acc: under hedge accounting

11. Trade and other receivables

Increase of trade and other receivables to HUF 675,634 million is driven by increase in average Brent crude oil price and consequently increase of product average quotation prices (H1 2018: HUF 588,620 million). In addition, seasonally more intense sales resulted in higher sales and receivables balances in the Group's Downstream segment.

12. Fair value hierarchy

Fair value hierarchy	30 Jun 2019			31 Dec 2018		
	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	22,661	39,165	61,826	18,664	45,766	64,430
Debt securities	19,912	22,070	41,982	2,517	14,091	16,608
Commodity derivatives	-	6,268	6,268	-	19,754	19,754
Foreign exchange derivatives	-	3	3	-	6	6
Other derivatives	-	2,846	2,846	-	2,828	2,828
Other	1,345	-	1,345	-	-	-
Total financial assets	43,918	70,352	114,270	21,181	82,445	103,626
Financial liabilities						
Commodity derivatives	-	11,272	11,272	-	8,769	8,769
Foreign exchange derivatives	-	2,027	2,027	-	2,985	2,985
Other derivatives	-	5,956	5,956	-	6,090	6,090
Total financial liabilities	-	19,255	19,255	-	17,844	17,844

Both in 2019 and 2018, the Group does not have any instruments with fair value categorised as Level 3 (valuation techniques based on significant unobservable market input).

13. Capital management

a) 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
31 Dec 2018	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	-	987,862	-	987,862	-
30 June 2019	819,424,825	(75,745,240)	(108,315,354)	635,364,231	1,059,424,825
Series "C" shares					
31 Dec 2018	578	(578)	-	-	578
Series "C" shares	-	-	-	-	-
30 June 2019	578	(578)	-	-	578

Treasury share put and call transactions

MOL Plc. has some option agreements concluded with financial institutions in respect of 68,231,346 pieces of series "A" shares. 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 and are one year from the date of the agreement.

Counterparty	Underlying pieces of MOL ordinary shares	Strike price per share	Expiry
ING Bank N.V.	35,838,293	EUR 9.40988	26-Nov-2019
MUFG Securities EMEA Plc.	5,303,295	EUR 9.0559	11-Nov-2019
UniCredit Bank AG	27,089,758	EUR 8.78882	14-Nov-2019

Dividend

The shareholders at the Annual General Meeting in April 2019 approved to pay HUF 107,284 million dividend in respect of 2018, which equals to HUF 142.4 dividend per share.

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.

14. Commitments and contingent liabilities

a) Guarantees

The total value of guarantees undertaken to parties outside the Group is contractually HUF 169,572 million.

b) Capital and Contractual Commitments

The total value of capital commitments as of 30 June 2019 is HUF 368,556 million (HUF 378,908 million as of 31 December 2018), of which HUF 7,015 million relates to associated company, HUF 324,627 million relates to Hungarian operation and HUF 16,184 million relates to operation in Slovakia. The most significant amounts relate to a Polyol project in MOL Petrochemicals (284,199 million) which 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 period. Additional significant amounts relate to a project in Slovakia that aims to increase the crude oil storage capacity in Slovnaft refinery (HUF 5,230 million), reconstruction work of water network (HUF 4,109 million) and blending alternative crudes at Danube Refinery in Hungary (HUF 3,592 million).

c) Operating leases

	30 Jun 2019 HUF million	31 Dec 2018 HUF million
Operating lease commitments		
Due within one year	1,719	14,539
Due later than one year but not later than five years	1,362	38,599
Due later than five years	148	39,242
Total	3,229	92,380

Out of the outstanding operating lease liabilities as of 30 June 2019 HUF 2,226 million relates to operation in Croatia, HUF 117 million relates to operation in Slovakia and HUF 66 million to operation in Hungary.

Decrease in operating lease commitments mainly due to adoption of IFRS 16 Leases effective from 1 January 2019. Most leases are presented in 'Property, plant and equipment', please refer to Note 1.

15. Notes to the consolidated statements of cash flows

Operating cash inflow before changes in working capital decreased to HUF 332,429 million in H1 2019 (H1 2018: HUF 352,217 million). Even so the operating cash inflow decreased to HUF 243,096 million considering the effect of changes in working capital (H1 2018: HUF 279,188 million).

Net cash used in investing activities increased to HUF 279,139 million in H1 2019 (H1 2018: HUF 70,710 million). This increase is represented mainly capital expenditures and increase in other financial assets.

Net cash outflow of financing activities decreased to HUF 135,836 million in H1 2019 (H1 2018: HUF 143,258 million).

16. 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 2019 on terms other than those that prevail in arm's length transactions.

Main balances:

	H1 2019 HUF million	H1 2018 HUF million
Trade and other receivables due from related parties	1,227	1,900
Loans given to related parties	15,048	11,328
Trade payables due to related parties	6,480	6,688
Net sales to related parties	2,238	12,167

17. Events after the reporting period

No significant post - balance sheet event occurred.

APPENDICES

Appendix I.

Key IFRS data by business segment

Unaudited figures (in HUF million)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Net Sales Revenues (HUF mn) ^{(3) (8)}	H1 2019	H1 2018	Ch %
127,111	125,358	130,905	(4)	Upstream	252,470	246,688	2
998,883	1,199,356	1,195,121	0	Downstream	2,198,238	2,064,013	7
29,133	17,552	17,821	(2)	Gas Midstream	46,685	48,631	(4)
353,068	435,312	405,748	7	Consumer Services	788,381	722,002	9
53,522	78,476	58,798	33	Corporate and other	131,998	103,058	28
1,561,717	1,856,054	1,808,393	3	Total Net Sales Revenues	3,417,772	3,184,392	7
1,142,381	1,341,046	1,333,718	1	Total External Net Sales Revenues	2,483,427	2,335,686	6

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	EBITDA (HUF mn)	H1 2019	H1 2018	Ch %
83,280	77,378	86,897	(11)	Upstream	160,657	159,407	1
33,339	76,521	104,460	(27)	Downstream	109,860	155,806	(29)
18,353	6,648	8,201	(19)	Gas Midstream	25,001	29,771	(16)
24,869	33,824	29,722	14	Consumer Services	58,693	50,168	17
(14,152)	(11,705)	(11,057)	6	Corporate and other	(25,858)	(18,692)	38
(3,112)	98	(8,505)	n.a.	Intersegment transfers ⁽⁹⁾	(3,012)	(12,454)	(76)
142,577	182,764	209,718	(13)	Total EBITDA	325,341	364,006	(11)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Depreciation (HUF mn)	H1 2019	H1 2018	Ch %
39,673	45,112	49,493	(9)	Upstream	84,785	94,178	(10)
29,990	29,560	26,356	12	Downstream	59,550	52,051	14
3,184	3,394	3,469	(2)	Gas Midstream	6,578	6,445	2
7,487	8,997	6,206	45	Consumer Services	16,484	12,247	35
5,318	6,554	5,169	27	Corporate and other	11,871	12,051	(1)
(365)	(231)	(369)	(37)	Intersegment transfers ⁽⁹⁾	(595)	(1,009)	(41)
85,287	93,386	90,324	3	Total Depreciation	178,673	175,963	2

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Operating Profit (HUF mn)	H1 2019	H1 2018	Ch %
43,607	32,265	37,404	(14)	Upstream	75,872	65,229	16
3,349	46,961	78,105	(40)	Downstream	50,309	103,755	(52)
15,169	3,254	4,732	(31)	Gas Midstream	18,423	23,325	(21)
17,381	24,827	23,516	6	Consumer Services	42,209	37,921	11
(19,470)	(18,259)	(16,226)	13	Corporate and other	(37,729)	(30,743)	23
(2,746)	330	(8,137)	n.a.	Intersegment transfers ⁽⁹⁾	(2,416)	(11,444)	(79)
57,290	89,378	119,394	(25)	Total Operating Profit	146,668	188,043	(22)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	EBITDA Excluding Special Items (HUF mn) ⁽¹⁾	H1 2019	H1 2018	Ch %
79,358	77,378	86,897	(11)	Upstream	156,735	159,407	(2)
33,339	76,521	99,950	(23)	Downstream	109,860	151,296	(27)
38,636	76,196	73,253	4	Downstream - clean CCS-based ⁽²⁾	114,832	128,424	(11)
18,353	6,648	8,201	(19)	Gas Midstream	25,001	29,771	(16)
24,869	33,824	29,722	14	Consumer Services	58,693	50,168	17
(14,152)	(11,705)	(11,057)	6	Corporate and other	(25,858)	(18,692)	38
(3,112)	98	(8,505)	n.a.	Intersegment transfers ⁽⁹⁾	(3,012)	(12,454)	(76)
143,952	182,439	178,511	2	Total - clean CCS-based^{(2) (10)}	326,391	336,624	(3)
138,655	182,764	205,208	(11)	Total EBITDA Excluding Special Items	321,419	359,496	(11)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Operating Profit Excluding Special Items (HUF mn) ⁽⁹⁾	H1 2019	H1 2018	Ch %
39,685	32,265	37,404	(14)	Upstream	71,950	65,229	10
3,349	46,961	73,594	(36)	Downstream	50,309	99,245	(49)
15,169	3,254	4,732	(31)	Gas Midstream	18,423	23,325	(21)
17,381	24,827	23,516	6	Consumer Services	42,209	37,921	11
(19,470)	(18,259)	(16,226)	13	Corporate and other	(37,729)	(30,743)	23
(2,746)	330	(8,136)	n.a.	Intersegment transfers ⁽⁹⁾	(2,417)	(11,445)	(79)
53,368	89,378	114,884	(22)	Total Operating Profit Excluding Special Items	142,745	183,532	(22)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Capital Expenditures (HUF mn)	H1 2019	H1 2018	Ch %
24,559	23,396	17,316	35	Upstream	47,955	35,459	35
46,988	103,940	29,632	251	Downstream	150,927	44,368	240
323	1,465	1,510	(3)	Gas Midstream	1,788	2,050	(13)
6,798	9,798	13,521	(28)	Consumer Services	16,596	18,571	(11)
4,477	5,373	4,274	26	Corporate and other	9,850	6,835	44
(799)	(582)	(605)	(4)	Intersegment transfers ⁽⁹⁾	(1,381)	(983)	40
82,346	143,389	65,649	118	Total	225,735	106,300	112

Intangible assets (HUF mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	73,110	70,135	4
Downstream	30,108	39,125	(23)
Gas Midstream	4,544	6,042	(25)
Consumer Services	52,566	51,972	1
Corporate and other	29,731	28,559	4
Intersegment transfers ⁽⁹⁾	(389)	(387)	0
Total Intangible Assets	189,670	195,446	(3)

Tangible Assets (HUF mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	551,948	585,581	(6)
Downstream	1,124,538	982,305	14
Gas Midstream	206,680	210,079	(2)
Consumer Services	400,904	368,000	9
Corporate and other	155,744	148,372	5
Intersegment transfers ⁽⁹⁾	(21,889)	(20,066)	9
Total Tangible Assets	2,417,925	2,274,271	6

Inventories (HUF mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	17,379	17,337	0
Downstream	482,236	450,477	7
Gas Midstream	1,806	2,327	(22)
Consumer Services	15,998	14,543	10
Corporate and other	30,845	31,815	(3)
Intersegment transfers ⁽⁹⁾	(24,729)	(23,772)	4
Total Inventories	523,535	492,727	6

Trade receivables (HUF mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	17,160	18,603	(8)
Downstream	554,124	499,744	11
Gas Midstream	2,783	8,267	(66)
Consumer Services	12,243	11,683	5
Corporate and other	43,516	53,090	(18)
Intersegment transfers ⁽⁹⁾	(39,885)	(61,075)	(35)
Total Trade receivables	589,941	530,312	11

Trade payables (HUF mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	(27,257)	(36,755)	(26)
Downstream	(425,124)	(391,962)	8
Gas Midstream	(5,284)	(9,034)	(42)
Consumer Services	(40,115)	(50,427)	(20)
Corporate and other	(58,440)	(80,273)	(27)
Intersegment transfers ⁽⁹⁾	49,743	58,495	(15)
Total Trade payables	(506,477)	(509,956)	(1)

(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 2019	Q2 2019	Q2 2018	YoY Ch %	Special items - operating profit (HUF mn)	H1 2019	H1 2018
53,368	89,378	114,884	(22)	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	142,745	183,532
3,922			n.a.	Upstream	3,922	
3,922			n.a.	Kalegran switch to accrual accounting	3,922	
		4,510	(100)	Downstream		4,510
		4,510	(100)	Penalty from LDPE 4 constructor Slovnaft		4,510
3,922		4,510	(100)	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	3,922	4,510
57,290	89,378	119,394	(25)	OPERATING PROFIT	146,668	188,043

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Special items - EBITDA (HUF mn)	H1 2019	H1 2018
138,655	182,764	205,208	(11)	EBITDA EXCLUDING SPECIAL ITEMS	321,419	359,496
3,922			n.a.	Upstream	3,922	
3,922			n.a.	Kalegran switch to accrual accounting	3,922	
		4,510	(100)	Downstream		4,510
		4,510	(100)	Penalty from LDPE 4 constructor Slovnaft		4,510
3,922		4,510	(100)	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	3,922	4,510
142,577	182,764	209,718	(13)	EBITDA	325,341	364,006

Appendix III.

Key IFRS data by business segment

Unaudited figures (in USD million)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Net Sales Revenues (USD mn) ^{(9) (8)}	H1 2019	H1 2018	Ch %
454	436	491	(11)	Upstream	890	949	(6)
3,568	4,172	4,486	(7)	Downstream	7,740	7,920	(2)
104	61	67	(9)	Gas Midstream	165	189	(13)
1,261	1,514	1,524	(1)	Consumer Services	2,776	2,774	0
191	273	221	24	Corporate and other	464	396	17
5,579	6,457	6,789	(5)	Total Net Sales Revenues	12,036	12,227	(2)
4,081	4,665	5,007	(7)	Total External Net Sales Revenues	8,746	8,967	(2)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	EBITDA (USD mn)	H1 2019	H1 2018	Ch %
297	269	325	(17)	Upstream	567	612	(7)
119	266	389	(32)	Downstream	385	592	(35)
66	23	31	(25)	Gas Midstream	89	116	(24)
89	118	111	6	Consumer Services	207	192	7
(51)	(41)	(42)	(2)	Corporate and other	(91)	(72)	27
(11)	0	(32)	n.a.	Intersegment transfers ⁽⁹⁾	(11)	(47)	(77)
509	635	783	(19)	Total EBITDA	1,145	1,393	(18)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Depreciation (USD mn)	H1 2019	H1 2018	Ch %
142	157	185	(15)	Upstream	298	362	(18)
107	103	99	4	Downstream	210	201	5
11	12	13	(10)	Gas Midstream	23	25	(7)
27	31	23	34	Consumer Services	58	47	23
19	23	19	17	Corporate and other	42	47	(10)
(1)	(1)	(1)	(43)	Intersegment transfers ⁽⁹⁾	(2)	(4)	(46)
305	325	339	(4)	Total Depreciation	629	677	(7)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Operating Profit (USD mn)	H1 2019	H1 2018	Ch %
156	112	140	(20)	Upstream	268	250	7
12	163	290	(44)	Downstream	175	391	(55)
54	11	18	(36)	Gas Midstream	65	91	(28)
62	86	88	(2)	Consumer Services	148	145	2
(70)	(64)	(61)	4	Corporate and other	(133)	(119)	12
(10)	1	(30)	n.a.	Intersegment transfers ⁽⁹⁾	(9)	(43)	(80)
205	310	444	(30)	Total Operating Profit	515	716	(28)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	EBITDA Excluding Special Items (USD mn) ⁽¹⁾	H1 2019	H1 2018	Ch %
283	269	325	(17)	Upstream	553	612	(10)
119	266	372	(29)	Downstream	385	575	(33)
138	265	274	(3)	Downstream - clean CCS-based ⁽²⁾	403	492	(18)
66	23	31	(25)	Gas Midstream	89	116	(24)
89	118	111	6	Consumer Services	207	192	7
(51)	(41)	(42)	(2)	Corporate and other	(91)	(72)	27
(11)	0	(32)	n.a.	Intersegment transfers ⁽⁹⁾	(11)	(47)	(77)
514	634	668	(5)	Total - clean CCS-based^{(2) (10)}	1,148	1,293	(11)
495	635	766	(17)	Total EBITDA Excluding Special Items	1,131	1,376	(18)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Operating Profit Excluding Special Items (USD mn) ⁽¹⁾	H1 2019	H1 2018	Ch %
142	112	140	(20)	Upstream	254	250	2
12	163	273	(40)	Downstream	175	375	(53)
54	11	18	(36)	Gas Midstream	65	91	(28)
62	86	88	(2)	Consumer Services	148	145	2
(70)	(64)	(61)	4	Corporate and other	(133)	(119)	12
(10)	1	(30)	n.a.	Intersegment transfers ⁽⁹⁾	(9)	(43)	(80)
191	310	427	(27)	Total Operating Profit Excluding Special Items	501	699	(28)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Capital Expenditures (USD mn)	H1 2019	H1 2018	Ch %
86	83	64	31	Upstream	169	136	25
168	361	110	228	Downstream	529	168	214
1	5	6	(10)	Gas Midstream	6	8	(20)
20	38	49	(22)	Consumer Services	58	69	(16)
15	20	16	24	Corporate and other	36	26	37
(3)	(2)	(2)	(10)	Intersegment transfers ⁽⁹⁾	(5)	(4)	30
287	506	243	108	Total	793	403	97

Intangible assets (USD mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	257	250	3
Downstream	106	139	(24)
Gas Midstream	16	22	(26)
Consumer Services	185	185	0
Corporate and other	105	102	3
Intersegment transfers ⁽⁹⁾	(1)	(2)	(42)
Total Intangible Assets	668	696	(4)

Tangible Assets (USD mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	1,943	2,084	(7)
Downstream	3,959	3,496	13
Gas Midstream	728	748	(3)
Consumer Services	1,411	1,310	8
Corporate and other	548	528	4
Intersegment transfers ⁽⁹⁾	(78)	(71)	9
Total Tangible Assets	8,511	8,095	5

Inventories (USD mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	61	62	(1)
Downstream	1,698	1,603	6
Gas Midstream	6	8	(23)
Consumer Services	56	52	9
Corporate and other	109	113	(4)
Intersegment transfers ⁽⁹⁾	(87)	(84)	4
Total Inventories	1,843	1,754	5

Trade receivables (USD mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	60	66	(9)
Downstream	1,951	1,779	10
Gas Midstream	10	29	(67)
Consumer Services	43	42	4
Corporate and other	153	189	(19)
Intersegment transfers ⁽⁹⁾	(140)	(217)	(35)
Total Trade receivables	2,077	1,888	10

Trade payables (USD mn)	30 Jun 2019	31 Dec 2018	Ch %
Upstream	(96)	(131)	(27)
Downstream	(1,496)	(1,395)	7
Gas Midstream	(19)	(32)	(42)
Consumer Services	(141)	(179)	(21)
Corporate and other	(206)	(286)	(28)
Intersegment transfers ⁽⁹⁾	175	208	(16)
Total Trade payables	(1,783)	(1,815)	(2)

(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 2019	Q2 2019	Q2 2018	YoY Ch %	Special items - operating profit (USD mn)	H1 2019	H1 2018	Ch %
191	310	427	(27)	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	501	699	(28)
14			n.a.	Upstream	14		n.a.
14			n.a.	Kalegran switch to accrual accounting	14		n.a.
		17	(100)	Downstream		17	(100)
		17	n.a.	Penalty from LDPE 4 constructor Slovnaft		17	n.a.
14		17	(100)	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	14	17	(17)
205	310	444	(30)	OPERATING PROFIT	515	716	(28)

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Special items - EBITDA (USD mn)	H1 2019	H1 2018	Ch %
495	635	766	(17)	EBITDA EXCLUDING SPECIAL ITEMS	1,131	1,376	(18)
14			n.a.	Upstream	14		n.a.
14			n.a.	Kalegran switch to accrual accounting	14		n.a.
		17	(100)	Downstream		17	(100)
		17	n.a.	Penalty from LDPE 4 contractor Slovnaft		17	n.a.
14		17	(100)	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	14	17	(17)
509	635	783	(19)	EBITDA	1,145	1,393	(18)

Appendix V.

Downstream – key segmental operating data

Refining and marketing

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	External refined product sales by product (kt)	H1 2019	H1 2018	Ch %
86	91	119	(24)	LPG ⁽¹⁾	177	208	(15)
11	2	3	(33)	Naphtha	13	4	225
873	994	1,028	(3)	Motor gasoline	1,867	1,796	4
2,366	2,746	2,808	(2)	Diesel	5,112	4,998	2
133	106	107	(1)	Heating oils	239	268	(11)
96	169	159	6	Kerosene	265	250	6
26	62	174	(64)	Fuel oil	88	257	(66)
60	171	174	(2)	Bitumen	231	214	8
409	337	401	(16)	Other products	746	808	(8)
4,060	4,678	4,973	(6)	Total refined products	8,738	8,803	(1)
597	617	623	(1)	Petrochemical feedstock transfer	1,214	1,221	(1)

Q1 2019 Restated	Q2 2019	Q2 2018 Restated	YoY Ch %	Refinery processing (kt)	H1 2019	H1 2018 Restated	Ch %
342	332	350	(5)	Own produced crude oil	674	576	17
3,169	2,962	3,675	(19)	Imported crude oil	6,131	6,903	(11)
53	44	42	5	Condensates	97	92	5
561	722	838	(14)	Other feedstock	1,283	1,446	(11)
4,125	4,060	4,905	(17)	Total refinery throughput	8,185	9,017	(9)
836	1,288	829	55	Purchased and sold products	2,124	1,374	55

Q1 2019 Restated	Q2 2019	Q2 2018 Restated	YoY Ch %	Refinery production (kt)	H1 2019	H1 2018 Restated	Ch %
87	96	130	(26)	LPG ⁽¹⁾	183	235	(22)
456	438	392	12	Naphtha	894	809	11
680	636	925	(31)	Motor gasoline	1,316	1,578	(17)
1,784	1,633	2,111	(23)	Diesel and heating oil	3,417	3,809	(10)
84	127	156	(19)	Kerosene	211	256	(18)
91	105	244	(57)	Fuel oil	196	384	(49)
52	135	137	(1)	Bitumen	187	186	1
483	542	357	52	Other products	1,025	897	14
3,717	3,712	4,452	(17)	Total	7,429	8,154	(9)
18	26	22	18	Refinery loss	44	44	0
390	322	431	(25)	Own consumption	712	819	(13)
4,125	4,060	4,905	(17)	Total refinery throughput	8,185	9,017	(9)

(1) Please see Appendix XI.

Petrochemicals

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Petrochemical sales by product group (kt)	H1 2019	H1 2018	Ch %
62	54	59	(8)	Olefin products	116	117	(1)
300	275	299	(8)	Polymer products	575	594	(3)
23	21	23	(9)	Butadiene products	44	36	22
385	350	381	(8)	Total outside MOL Group	735	747	(2)
164	167	169	(1)	Olefin products sales within MOL Group	331	327	1

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Petrochemical production (kt)	H1 2019	H1 2018	Ch %
205	213	212	0	Ethylene	418	424	(1)
106	109	110	(1)	Propylene	215	219	(2)
206	208	214	(3)	Other products	414	400	3
517	530	536	(1)	Total olefin	1,047	1,043	0
22	22	25	(12)	Butadiene	44	36	22
37	38	40	(5)	Raffinate	75	58	29
59	60	65	(8)	Total BDEU production	119	94	27
59	65	68	(4)	LDPE	124	129	(4)
98	102	100	2	HDPE	200	203	(1)
132	136	137	(1)	PP	268	269	0
289	303	305	(1)	Total polymers	592	601	(1)

Appendix VI.

Consumer services – key segmental operating data

Retail

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Refined product retail sales (kt)	H1 2019	H1 2018	Ch %
275	333	329	1	Motor gasoline	608	599	
759	864	829	4	Gas and heating oils	1,623	1,535	
24	25	25	0	Other products	49	48	
1,058	1,222	1,184	3	Total oil product retail sales	2,280.0	2,183.0	

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Refined product retail sales (kt) Gasoline	H1 2019	H1 2018	Ch %
95	111	109	2	Hungary	206	199	
41	49	46	7	Slovakia	90	85	
53	71	73	(3)	Croatia	124	127	(2)
35	42	42	0	Romania	77	78	(1)
33	40	40	0	Czech Republic	73	74	(1)
18	20	19	5	Other	38	36	
275	333	329	1	Total gasoline product retail sales	608	599	

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Refined product retail sales (kt) Diesel	H1 2019	H1 2018	Ch %
205	226	217	4	Hungary	431	403	
120	134	128	5	Slovakia	254	240	
161	199	196	2	Croatia	360	345	
124	138	133	4	Romania	262	254	
82	90	86	5	Czech Republic	172	165	
67	77	69	12	Other	144	128	11
759	864	829	4	Total diesel product retail sales	1,623	1,535	

MOL Group filling stations	30 Jun 2018	31 Mar 2019	30 Jun 2019
Hungary	467	462	463
Croatia	428	429	429
Italy	0	0	0
Slovakia	253	253	253
Romania	214	221	226
Bosnia and Herzegovina	104	105	106
Serbia	61	63	63
Czech Republic	306	305	304
Slovenia	52	54	54
Montenegro	2	6	11
Total	1,887	1,898	1,909

Appendix VII.

Main internal and external parameters

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Macro figures (average)	H1 2019	H1 2018	Ch %
63.2	68.8	74.4	(7)	Brent dated (USD/bbl)	66.0	70.6	(7)
63.5	68.1	72.7	(6)	Ural Blend (USD/bbl) ⁽¹¹⁾	65.8	68.9	(5)
(0.0)	0.3	2.0	(85)	Brent Ural spread (USD/bbl) ⁽¹⁴⁾	0.1	1.8	(93)
548	681	712	(4)	Premium unleaded gasoline 10 ppm (USD/t) ⁽¹²⁾	614	678	(9)
589	609	658	(8)	Gas oil – ULSD 10 ppm (USD/t) ⁽¹²⁾	599	625	(4)
473	504	618	(18)	Naphtha (USD/t) ⁽¹³⁾	488	585	(17)
372	382	401	(5)	Fuel oil 3.5 (USD/t) ⁽¹³⁾	377	376	0
70	161	150	8	Crack spread – premium unleaded (USD/t) ⁽¹²⁾	115	144	(20)
111	88	96	(8)	Crack spread – gas oil (USD/t) ⁽¹²⁾	100	91	10
(5)	(17)	56	n.a.	Crack spread – naphtha (USD/t) ⁽¹³⁾	(11)	51	n.a.
(106)	(139)	(161)	(14)	Crack spread – fuel oil 3.5 (USD/t) ⁽¹³⁾	(61)	(157)	(61)
2.6	13.0	11.1	17	Crack spread – premium unleaded (USD/bbl) ⁽¹²⁾	0.7	10.0	(93)
15.9	12.9	14.0	(8)	Crack spread – gas oil (USD/bbl) ⁽¹²⁾	15.6	12.9	21
(10.1)	(12.2)	(4.9)	148	Crack spread – naphtha (USD/bbl) ⁽¹³⁾	(10.8)	(5.2)	106
(4.4)	(8.5)	(10.9)	(22)	Crack spread – fuel oil 3.5 (USD/bbl) ⁽¹³⁾	(5.7)	(11.9)	(52)
3.1	3.5	5.5	(36)	MOL Group refinery margin (USD/bbl)	3.3	5.4	(38)
3.8	4.5	6.5	(31)	Complex refinery margin (MOL + Slovnaft) (USD/bbl)	4.1	6.3	(35)
1,132	1,190	1,100	8	Ethylene (EUR/t)	1,162	1,084	7
449	451	518	(13)	Butadiene-naphtha spread (EUR/t)	450	439	3
415	422	368		NEW MOL Group petrochemicals margin (EUR/t)	419	403	4
458	450	376	20	OLD Integrated petrochemical margin (EUR/t) ⁽¹⁵⁾	454	416	9
280.0	287.6	266.3	8	HUF/USD average	283.7	259.7	9
318.1	323.1	317.1	2	HUF/EUR average	320.6	314.1	2
42.9	43.6	42.9	2	HUF/HRK average	43.2	42.3	2
6.5	6.6	6.2	6	HRK/USD average	6.6	6.1	7
2.7	2.5	2.3	7	3m USD LIBOR (%)	2.6	2.1	22
(0.3)	(0.3)	(0.3)	(3)	3m EURIBOR (%)	(0.3)	(0.3)	(4)
0.1	0.2	0.1	88	3m BUBOR (%)	0.2	0.1	165

Q1 2019	Q2 2019	Q2 2018	YoY Ch %	Macro figures (closing)	H1 2019	H1 2018	Ch %
68.0	64.1	77.9	(18)	Brent dated closing (USD/bbl)	64.1	77.9	(18)
286.1	284.1	282.1	1	HUF/USD closing	284.1	282.1	1
320.8	323.5	328.6	(2)	HUF/EUR closing	323.5	328.6	(2)
43.2	43.7	44.5	(2)	HUF/HRK closing	43.7	44.5	(2)
6.6	6.5	6.3	2	HRK/USD closing	6.5	6.3	2
3,278	3,152	2,722	16	MOL share price closing (HUF)	3,152	2,722	16

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

Appendix VIII.

Regulated information in 2019

Announcement date	Subject
2 January 2019	Number of voting rights at MOL Plc
10 January 2019	MOL transferred further Treasury shares to MOL ESOP Organization
14 January 2019	Director/PDMR transaction
31 January 2019	Number of voting rights at MOL Plc
6 February 2019	Change in the number of Treasury shares of MOL
8 February 2019	Organizational and personnel changes
22 February 2019	Publication of MOL Group's Q4 and Full Year 2018 results and 2019 outlook
28 February 2019	Number of voting rights at MOL Plc
11 March 2019	Remuneration paid in 2018 to members of the Board of Directors and to members of the Supervisory Board as cash and non-cash benefits
11 March 2019	Announcement by The Board of Directors of MOL Plc. on the convocation of the Company's Ordinary General Meeting in 2019
14 March 2019	Decision of the Board of Directors regarding the 2019 Annual General Meeting
20 March 2019	Publication of Annual General Meeting documents
22 March 2019	Director/PDMR transaction
27 March 2019	Director/PDMR transaction
28 March 2019	Director/PDMR transaction
1 April 2019	Number of voting rights at MOL Plc
4 April 2019	Director/PDMR transaction
11 April 2019	Resolutions of the Annual General Meeting of MOL held on 11 April 2019
11 April 2019	MOL Plc. Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations
11 April 2019	MOL Consolidated and Parent Company Annual Reports approved by the AGM
15 April 2019	MOL transferred further Treasury shares to MOL ESOP Organization
30 April 2019	Number of voting rights at MOL Plc
3 May 2019	MOL Group releases First Quarter 2019 Earnings Report
3 May 2019	Share distribution to the members of the Board of Directors
13 May 2019	Change in the number of treasury shares of MOL
14 May 2019	Director/PDMR transaction
27 May 2019	Notification on change in voting rights
29 May 2019	Director/PDMR transaction
30 May 2019	MOL Plc announcement regarding the distribution of dividend for the financial year of 2018
3 June 2019	Number of voting rights at MOL Plc
3 June 2019	MOL is to pay HUF 142.44 dividend per share
7 June 2019	Notification of change in voting rights
17 June 2019	Amendment of strike price under the share option agreement between MOL Plc and MUFG Securities EMEA plc.
27 June 2019	Amendment of strike price under the share option agreement between MOL Plc. and ING Bank N.V.
27 June 2019	Amendment of the strike price under the share option agreement between MOL Plc. and UniCredit Bank A.G.
28 June 2019	FGSZ agreed to purchase the Slovakian-Hungarian gas interconnector
1 July 2019	Number of voting rights at MOL Plc
10 July 2019	Change in the number of Treasury shares of MOL
30 July 2019	Extension of credit facility agreement
1 August 2019	Number of voting rights at MOL Plc

Appendix IX.

Shareholder structure

Shareholders (%)	30 Sep 2017	31 Dec 2017	31 Mar 2018	30 Jun 2018	30 Sep 2018	31 Dec 2018	31 Mar 2019	30 Jun 2019
Foreign investors (mainly institutional)	35.29	35.02	34.57	33.91	34.23	35.12	35.62	35.19
Hungarian State (MNV Zrt. Pension Reform and Debt Reduction Fund)	25.24	25.24	25.24	25.24	25.24	25.24	25.24	15.24
Maecenas Corvini 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	7.14	7.14	7.14	7.14
OTP Bank Plc.	4.89	4.89	4.89	4.89	4.89	4.89	4.90	4.90
OTP Fund Management	1.20	1.21	1.23	1.24	1.23	1.22	1.21	1.24
ING Bank N.V.	4.75	4.12	4.12	4.12	4.12	4.44	4.48	4.42
Crescent Petroleum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UniCredit Bank AG	3.57	2.97	2.97	2.97	2.97	3.31	3.31	3.31
MUFG	0.00	0.60	0.60	0.60	0.60	0.65	0.65	0.65
Domestic institutional investors	5.48	5.50	5.56	5.94	5.89	5.65	6.15	6.54
Domestic private investors	3.14	3.39	3.75	4.18	3.92	3.22	2.86	3.28
MOL Plc. and MOL Investment Ltd. (treasury shares)	9.29	9.92	9.92	9.76	9.76	9.12	8.44	8.08

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, three shareholder groups had more than 5% voting rights in MOL Plc. on 30 June 2019, Hungarian State having 25.24%⁽⁷⁾, OmanOil (Budapest) Limited having 7.14% and OTP Bank Plc. (including OTP Fund Management) having 6.14% 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 Annual General Meeting on 11 April 2019 made the following resolutions:

- ▶ elected Dr. Sándor Csányi to be a member of the Board of Directors from 30 April 2019 to 29 April 2024.
- ▶ elected Dr. Anthony Radev to be a member of the Board of Directors from 30 April 2019 to 29 April 2024.
- ▶ elected Dr. János Martonyi to be a member of the Board of Directors from 30 April 2019 to 29 April 2024.
- ▶ elected Mr. Talal Al Awfi to be a member of the Board of Directors from 30 April 2019 to 29 April 2024.
- ▶ elected Dr. Anett Pandurics as member of the Supervisory Board and the Audit Committee from 30 April 2019 to 29 April 2024.

The Board of Directors approved the following organizational changes and changes related to the Executive Board:

- ▶ Effective 1st February 2019 the Executive Board, the company's main operative decision making body, ceased to exist in its former form and this role has been taken over by the Chief Executive Committee. The members of the newly formed governing body shall be the three executive board members: Mr. Zsolt Hernádi (Chairman and Chief Executive Officer), Mr. József Molnár (Group Chief Executive Officer) and Dr. Oszkár Világi (Group Chief Innovation Officer).

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 2018 and 2019 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: 697,296,195 and 697,296,203 for Q2 2018; 699,786,471 and 699,786,479 for FY 2018; 702,607,713 and 702,607,721 for Q1 2019 and 702,704,189 and 702,704,197 for Q2 2019, respectively.
(7)	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"), 81.942.946 pieces of series „A" MOL ordinary shares were transferred to the Foundation's trust management on 5 June 2019. Following the above transaction, MNV Zrt., acting on behalf of the state, continues to directly exercise ownership rights over the state-owned shares with a 15.24% influence, while it also has 10% indirect influence via the shares transferred to the Foundation's trust management (the Foundation is obliged to exercise its voting rights in relation to the shares transferred to its trust management in accordance with the provisions of 3.§ (5) and 3.§ (6) sections of the MUC Act).
(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, authorized 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 2019 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, 2 August 2019.



József Simola
Group Chief Financial Officer



Dr. Ákos Székely
Senior Vice President
Group Financial Planning and Reporting