

# FREE MARKET ROADSHOW

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# TURNING THE CHANGING LANDSCAPE INTO AN OPPORTUNITY

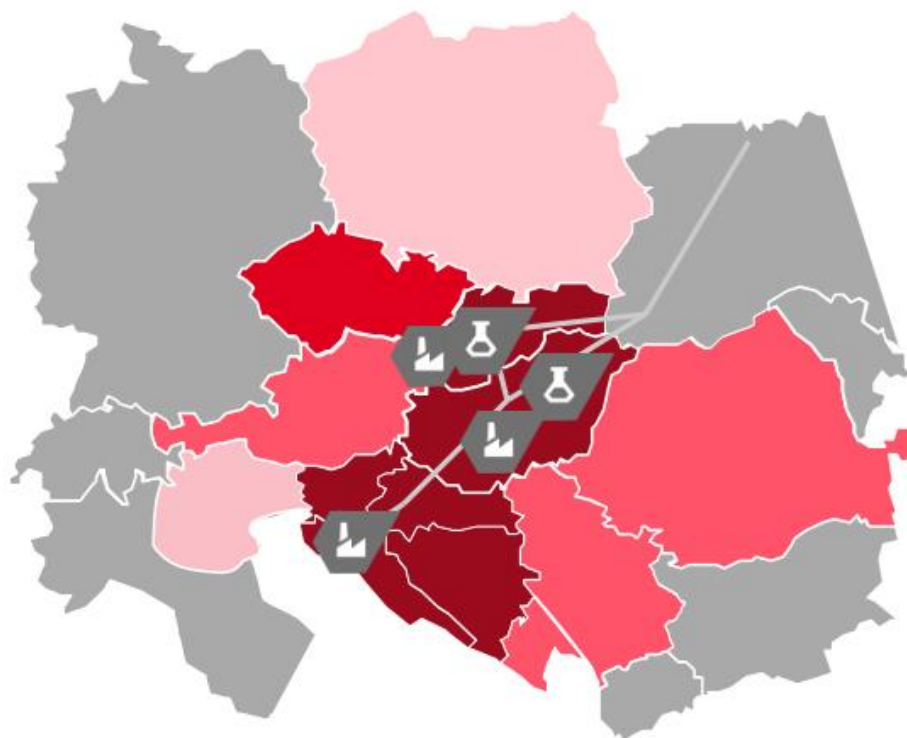
WHILST HARVEST MARKET POTENTIAL

## DEMAND INCREASE

- ▶ Regional fuel markets stagnating / slightly growing in the coming ~10 years
- ▶ Diesel peaking later than gasoline

## SUPPLY SECURITY

- ▶ Ensuring alternative crude routes via crude diversification program
- ▶ HC Logistics investment ideas: pipelines, depots



## SUPPLY DECREASE

- ▶ EU sanctions due to the Russian invasion of Ukraine
- ▶ EU ban on import of oil products of Russian origin, and export of products produced from Russian crude oil

## NEW OPPORTUNITIES AND CHALLENGES

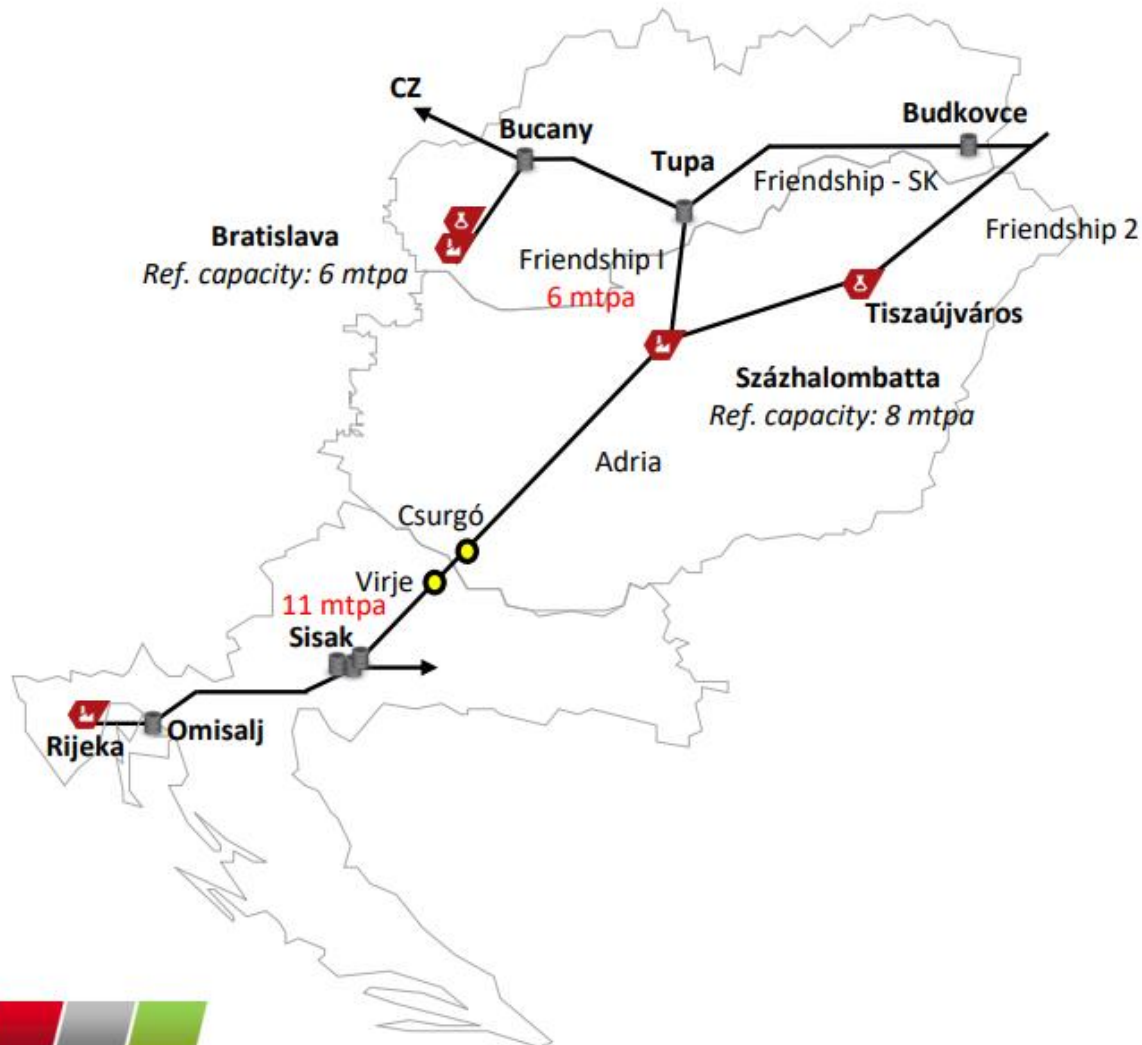
- ▶ Market trends showing west to east push: Germany to CEE, CEE to Ukraine and Balkan region



# ADRIA PIPELINE PROVIDES ALTERNATIVE CRUDE SUPPLY

USD 500-700MN INVESTMENT WOULD BE NEEDED FOR FULL DIVERSIFICATION

## ALTERNATIVE CRUDE SUPPLY ROUTE THROUGH THE ADRIA



## COMMENTS

- ▶ We have spent USD 170 mn on the development of the Danube Refinery pre-war
- ▶ We have mapped what further investments are needed, and we are progressing according to the schedule with the transition of the refinery in Bratislava as well as in Százhalombatta.
- ▶ Adria pipeline technically capable of supplying ~80% of landlocked refineries' crude intake
- ▶ Investments in the magnitude of USD 500-700mn targeting crude blending, treatment and refinery debottlenecking would significantly increase MOL's ability to further diversify from Ural oil

# HISTORIC SHIPMENT OF AZERI LIGHT CRUDE OIL FROM ACG FIELD IN AZERBAIJAN, IN WHICH MOL IS THE THIRD LARGEST SHAREHOLDER



**Seavelvet tanker carrying 90,000 tons**



# CRUDE DIVERSITY PROJECTS TO INCREASE OUR FLEXIBILITY

CRUDE DIVERSIFICATION PROGRAM LAUNCHED TO EASE THE PRESSURE ON SUPPLY SECURITY CAUSED

## WHY?

- ▶ Supply security became extremely important in the region due to the Russian – Ukraine war
- ▶ MOL Group must comply with EU sanctions
- ▶ Ensure continuous security of product supply in the region, and manage risks

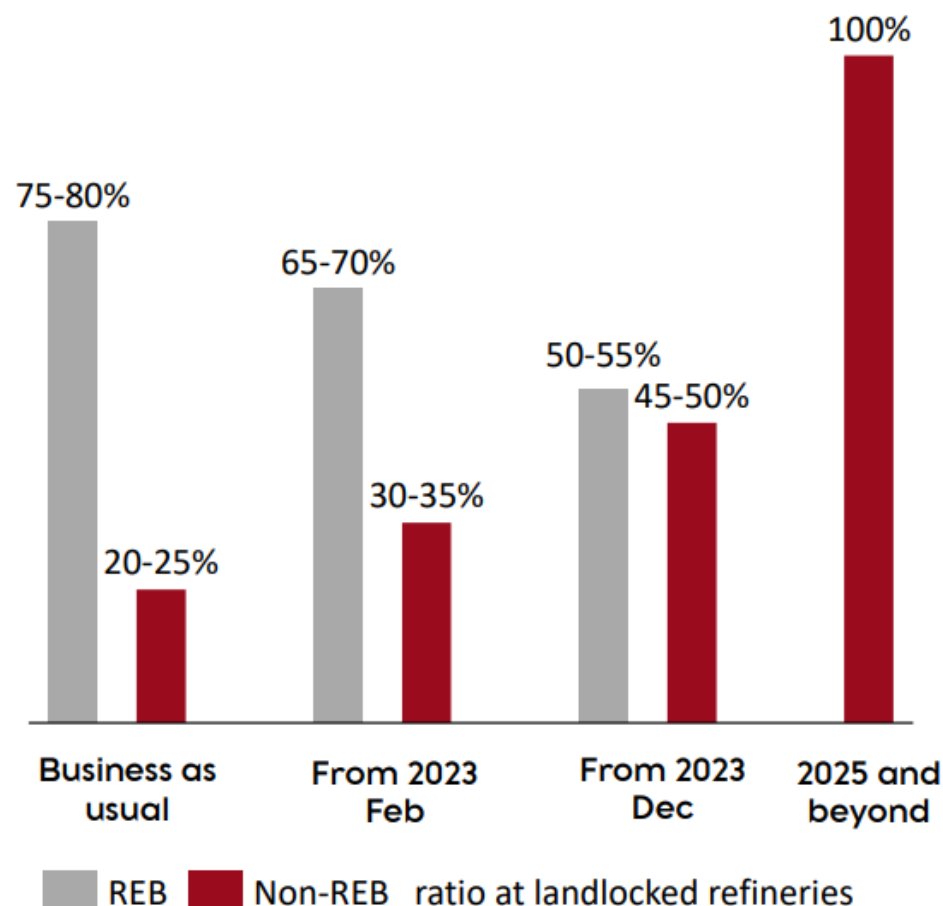
## WHAT?

- ▶ Diversify source of crude oil supply
- ▶ Valuating options to reduce or eliminate dependence on Russian crude imports
- ▶ Non-Russian crude processing ratios according to EU sanctions

## HOW?

- ▶ Maintain current capacities, with wider crude selection
- ▶ Evaluation of 27 projects has been started in June 2022
- ▶ Project preparation documents approved in 2022
- ▶ Staged execution

## DEVELOPING TECHNICAL CAPABILITIES TO INCREASE POTENTIAL NON-RUSSIAN CRUDE PROCESSING



## SOLIDARITY TAX 70%

- ▶ Unfair, discriminatory and damaging to the interests of Slovakia
- ▶ The EU set the solidarity contribution rate at the level of at least 33% of excess profits. The rate of 70% cannot therefore be considered adequate. Such a rate puts the domestic refinery at an extreme disadvantage from the point of view of its international competitiveness, also because from 60 to 90% of the revenue from the sale of various products, which should also be subject to special taxation, comes from sales abroad.
- ▶ For comparison, the rate at the level of 40% is applied to the Austrian refinery in Schwechat for a period of 1.5 years - from 1/7/2022 to the end of 2023. The Austrian refinery can reduce this rate to the recommended minimum of 33% if it proves that it has made green investments



# SYNTHETIC FUEL

- ▶ E-GASOLINE, E-DIESEL, E-JET, E-METHANOL
- ▶ WE BELIEVE IN MORE TYPES OF FUEL, NOT ONLY SYNTHETIC
- ▶ In Slovakia we sell 1,5 bn litres of fuel
- ▶ To replace such an amount with synthetic fuel would require 14 GW electricity (nuclear/renewable)
- ▶ Current capacity of nuclear electricity in Slovakia is 3GW
- ▶ 1 block in Mochovce is 500MW
- ▶ So we need 28 extra nuclear blocks 😊

