MVM Energetika Zártkörűen Működő Részvénytársaság
(incorporated with limited liability under the laws of Hungary)

BASE PROSPECTUS

HUF 100,000,000,000 Bond Programme

Under this HUF 100,000,000,000 Bond Programme (the "**Programme**"), MVM Energetika Zártkörűen Működő Részvénytársaság (the "**Issuer**") may from time to time issue bonds (the "**Bonds**") denominated in HUF as agreed between the Issuer and the relevant Dealer (as defined below). The Issuer and its subsidiaries together referred to as the "**MVM Group**".

The maximum aggregate nominal amount of all Bonds from time to time outstanding under the Programme will not exceed HUF 100,000,000,000. The Bonds may be distributed by one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Bonds being (or intended to be) distributed by more than one Dealer, be to all Dealers agreeing to distribute such Bonds.

An investment in Bonds issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" below.

This Base Prospectus has been approved as a base prospectus by Magyar Nemzeti Bank, the central bank of Hungary (the "**MNB**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") in its resolution H-KE-III-253/2025. dated 23 April 2025. The MNB only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The MNB's approval does not extend to verifying the accuracy of the information included in this Base Prospectus. Approval by the MNB should not be considered as an endorsement of either of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds. The Issuer draws the attention of all investors that due to the fact the Issuer is exclusively liable for all information contained in the Base Prospectus an investment in the Bonds qualifies particularly risky (in Hungarian "*kiemelten kockázatos*") from the investors' perspective.

Application may be made to the Budapest Stock Exchange ("**BSE**") for Bonds issued under the Programme to be admitted to trading on the regulated market of the BSE which is a regulated market for the purposes of Directive 2014/65/EU, as amended, on markets in financial instruments ("**MiFID II**"). References in this Base Prospectus to Bonds being listed (and all related references) shall mean that such Bonds have been listed and admitted to trading on the BSE's regulated market. Under the Programme the Issuer may also issue unlisted Bonds and/or Bonds not admitted to trading on any market. In case of the unlisted Bonds and/or Bonds not admitted to trading on any market, the Issuer has prepared this Base Prospectus on a voluntarily basis under Article 4(1) of the Prospectus Regulation.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date, that is, until 23 April 2026. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Bonds which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Bonds, interest payable in respect of Bonds, the issue price of Bonds and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Bonds*") of Bonds will be set out in the applicable Final Terms which will be delivered to MNB and, where listed, to the BSE.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act.

The Issuer has been rated Baa2 by Moody's Deutschland GmbH ("**Moody's**"), BBB by Fitch Ratings Ireland Limited ("**Fitch**") and BBB- by S&P Global Ratings Europe Limited ("**S&P**"). Each of Moody's, Fitch and S&P is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Moody's, Fitch and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

Bonds issued under the Programme may be rated or unrated by one or more of the rating agencies referred to above. Where a Tranche of Bonds is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Bonds will be calculated by reference to Budapest Interbank Offered Rate ("**BUBOR**") as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of BUBOR (the European Money Markets Institute) is not included in the ESMA register of administrators under the EU Benchmarks Regulation.

Arrangers

MBH Befektetési Bank Zrt. **Equilor Befektetési Zrt.**

Dealers

Equilor Befektetési Zrt. **ERSTE Bank Hungary Zrt.**

MBH Befektetési Bank Zrt. **Raiffeisen Bank Zrt.**

The date of this Base Prospectus is 17 April 2025.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Bonds issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Bonds issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

This Base Prospectus is to be read in conjunction with all information which is deemed to be incorporated in it by reference (see "*Documents incorporated by reference*"). This Base Prospectus shall be read and construed on the basis that those information is incorporated and form part of this Base Prospectus. Other than in relation to the information which is deemed to be incorporated by reference (see "*Documents incorporated by reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by MNB.

Certain information under the heading "*Information about the Issuer and the MVM Group*" has been extracted from third party sources referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the third party sources referred to therein, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Bonds issued under the Programme other than as contained in this Base Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Dealers.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the Programme and the offering of any Bonds issued under the Programme. Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Base Prospectus.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Arrangers or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Bonds constitutes an offer or invitation by or on behalf of any Issuer, any of the Arrangers or the Dealers to any person to subscribe for or to purchase any Bonds.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers and the Dealers expressly do not undertake to review the financial

condition or affairs of the Issuer during the life of the Programme or to advise any investor in Bonds issued under the Programme of any information coming to their attention.

For a description of certain restrictions on offers, sales and deliveries of any Bonds and on distribution of this Base Prospectus and other offering material relating to any Bonds, see "*Subscription and Sale*".

IMPORTANT – EEA RETAIL INVESTORS –The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Bonds may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Bonds is a manufacturer in respect of such Bonds, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF BONDS GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit a public offering of any Bonds or distribution of this Base Prospectus in any jurisdiction (other than in Hungary) where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Bonds in the United States, see "*Subscription and Sale*".

SUITABILITY OF INVESTMENT

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “seeks”, “may”, “will”, “should” and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled “*Risk Factors*” and “*Information about the Issuer and the MVM Group*” and other sections of this Base Prospectus. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;

- the performance of the markets in Hungary and the wider Central and Eastern European region in which the Issuer operates;

- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;

- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and

- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

CERTAIN DEFINED TERMS AND CONVENTIONS

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Bonds*" or any other section of this Base Prospectus. In this Base Prospectus, unless otherwise specified, references to:

a) the "**MVM Group**" are to the Issuer and its subsidiaries;

b) a "**Member State**"are references to a Member State of the European Economic Area;

c) "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended;

d) "**USD**", "**U.S.$**", "**$**" or "**dollars**" are to the lawful currency of the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (the "**United States**" or "**U.S**.");

e) "**HUF**" or "**Hungarian forint**" are the lawful currency of Hungary; and

f) "**billions**" are to thousands of millions.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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I. OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Bonds, the applicable Final Terms.

*This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the "**Delegated Regulation**") and must be read as an introduction to this Base Prospectus. Any decision to invest in the Bonds should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.*

Words and expressions defined in the "Terms and Conditions of the Bonds" below or elsewhere in this Base Prospectus have the same meanings in this overview.

The Issuer:	MVM Energetika Zártkörűen Működő Részvénytársaság
Description:	Hungarian Bond Programme
Programme Size:	Up to HUF 100,000,000,000 outstanding at any time.
Arrangers:	MBH Befektetési Bank Zrt. and EQUILOR Befektetési Zrt.
Dealers:	MBH Befektetési Bank Zrt., EQUILOR Befektetési Zrt., Erste Bank Hungary Zrt. and Raiffeisen Bank Zrt.
Agent:	MBH Befektetési Bank Zrt.
Distribution:	Bonds may be distributed by way of private or public placement and in each case by subscription or auction process.
Use of Proceeds:	An amount equal to the net proceeds from the issue of Bonds will be used for general corporate or for "green" purposes as described in the "*Use of Proceeds*" section. If specified otherwise in the relevant Final Terms, the net proceeds from the issue of the relevant Bonds will be used as so specified.
Fixed Rate Bonds:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Dealers.
Floating Rate Bonds:	Floating Rate Bonds will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms. Interest on Floating Rate Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Bonds.

Status of the Bonds:	The Bonds will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Form of Bonds:	The Bonds will be issued in registered form as described in "*Form of the Bonds*".
Denomination:	The Bonds will be issued in denominations of Hungarian forint in the amount equivalent to at least €100,000 at the relevant issue date.
Maturities:	The Bonds will have such maturities as may be agreed between the Issuer and the relevant Dealer.
Issue Price:	Bonds may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Investor Put:	The Bonds may be redeemed at the option of the Bondholder, see Condition 6.3 (*Redemption at the option of the Bondholders (Investor Put)*).
Negative Pledge:	The Bonds will have the benefit of a negative pledge as described in Condition 3 (*Negative Pledge*).
Cross Default:	The Bonds will have the benefit of a cross acceleration provision as described in Condition 9 (Events of Default).
Optional Redemption:	The Bonds may be redeemed at the option of the Issuer, in whole or in part, as described under Condition 6.2 (*Redemption at the option of the Issuer).*
Redemption for tax reasons:	In the event of certain tax changes, the Issuer may redeem the Bonds in whole, but not in part, at any time at an amount equal to their principal amount, together with interest accrued to the date fixed for redemption, as more fully provided in Condition 6.5 (*Redemption for tax reasons*).
Rating:	The Issuer has been rated Baa2 by Moody's, BBB by Fitch and BBB- by S&P. Bonds issued under the Programme may be rated or unrated.
Taxation:	All payments of principal and interest in respect of the Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Hungary unless such withholding or deduction is required by law. See further Condition 7 (*Taxation*).
Governing Law:	The Bonds issued under the Programme will be governed by Hungarian law.
Listing and Trading:	Bonds issued under the Programme may be listed and admitted to trading on the Budapest Stock Exchange or may be issued on an unlisted basis.

Clearing System:	KELER Központi Értéktár Zrt. (registered address: Rákóczi út 70-72., 1074 Budapest, Hungary; "**KELER**")
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of offering material (see "*Subscription and Sale*").
Risk Factors:	Investing in the Bonds involves certain risks. See "*Risk Factors*".

II. RISK FACTORS

In purchasing Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer have identified in this Base Prospectus a number of factors which could materially adversely affect their respective businesses and ability to make payments due. The Issuer presents the relevant risk factors in the section below, limiting them only to risks which are specific to the Issuer and to the securities and which are material for taking an informed investment decision, as corroborated by the content of this Base Prospectus.

In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFILL ITS OBLIGATIONS UNDER THE BONDS ISSUED UNDER THE PROGRAMME

1. FINANCIAL, MARKET, COMMODITY, FOREIGN CURRENCY, INTEREST RATE, LIQUIDITY AND OTHER FINANCING RISKS RELATING TO THE MVM GROUP

1.1 The Issuer and the MVM Group are exposed to financial and market risks (high risk)

In the normal course of their business, the Issuer and the MVM Group are exposed to various types of financial and market risks. The Issuer operates a comprehensive risk management system in order to mitigate these risks, however, to the extent that these risks cannot be hedged, or the hedging contracts concluded by the Issuer fail to adequately mitigate the exposure, it may suffer significant losses which could have a material adverse effect on the business, results of operations and financial condition of the MVM Group. Furthermore, the hedging strategy itself could also have an adverse effect on the MVM Group's business, results of operations and financial condition. The MVM Group is hedging its exposures in both over-the-counter ("**OTC**") and regulated markets where margining mechanisms ensure the mitigation and limitation of credit risk. As a result, in cases of high price volatility and highly hedged notional amounts the increased margin financing requirements could potentially result in liquidity stress for MVM Group, where additional funding is limited or only available at an elevated cost. The types of financial risks the Issuer is exposed to are set out below.

1.2 The Issuer and the MVM Group are exposed to commodity risks (high risk)

As at the date of this Base Prospectus, the MVM Group's wholesale activity extends to 20 countries in Europe. As a result, the MVM Group and its customers are exposed to price fluctuations in the wholesale energy markets (electricity and gas) as well as in the carbon dioxide ("**CO_2**") emission allowances market and green certificates markets. These fluctuations have been particularly significant in the context of major tensions and volatility in the energy markets in recent years and such fluctuations may reoccur in the future. Any shortage of supply or lack of liquidity could limit the MVM Group's ability to close the MVM Group's exposure to risk in the energy market quickly and the same could apply to its customers which may increase the risk of the MVM Group's customers not being able to fulfil their obligations to the MVM Group in a timely manner. In addition, these markets are still largely not integrated, mostly as a result of the scarcity of

cross-border interconnections, and may experience significant increases or decreases in price movements and liquidity strains that are difficult to predict.

Commodity prices (and, in particular, the price of natural gas, electricity, CO_2 emission allowances and steel) have historically been volatile and there is no guarantee that prices will remain within projected levels which might pose profit and loss risks for the MVM Group. In particular, market prices rose after the outbreak of the Russian-Ukrainian war and although the significant volatility experienced in the period after such outbreak has since decreased the possibility of renewed market tensions has not diminished. Commodity risk typically arises in relation to the core business activity of the MVM Group when the price structure of sales differs from the price structure at which the MVM Group is able to secure the supply of the necessary commodity inputs for its electricity and gas generation and distribution business, including CO_2 emission costs. In the event of changes in the price at which the MVM Group is able to purchase natural gas and/or generate electricity, there may be a delay before the MVM Group is able to recover those increased costs through higher electricity and gas prices due to the regulated and contracted prices at which the MVM Group sells electricity and natural gas to end consumers. Since the acquisition of the Shah Deniz gas field in Azerbaijan, the MVM Group is also exposed to outright price risk of various natural gas and oil products.

Due to the increased geopolitical risks of the past period, risks regarding security of supply have increased significantly, particularly in the natural gas segment. In the case of gas shortages, the MVM Group would be affected in several ways as the MVM Group's activities cover several elements of the gas value chain in Hungary, where it is a wholesale natural gas distributor and retailer, underground storage operator, and electricity and heat producer, as well as an operator in the residential supply market. In the case of a complete halt of Russian gas imports, Hungary could rely on domestic production, gas imports from Austria, liquefied natural gas ("**LNG**") from the Krk terminal in Croatia and stored natural gas. Furthermore, as of the date of this Base Prospectus there are ongoing negotiations for the procurement of Azerbaijani and Turkish gas sources as well.

Although the MVM Group has a dedicated risk management team and risk management procedures in place to mitigate commodity and credit risks, there are certain risks that can only be partially hedged and/or hedged on a proxy basis. In addition, due to market liquidity and the limited range of tradable derivative instruments, certain commodity exposures can be managed only with respect to certain time periods. Although the MVM Group aims to fully hedge its market exposures, it may not always be possible for the MVM Group to fully mitigate the costs of delay in changes to regulated or contracted electricity and gas prices for sales of electricity and gas by the MVM Group where the MVM Group is otherwise experiencing significant changes in its costs for the generation and supply of electricity and natural gas. Where other electricity and gas providers are not able to manage any such mismatches in electricity and natural gas costs and sale prices, the MVM Group may further be required to act as a "*supplier of last resort*" due to its strategic importance in the Hungarian energy sector. The MVM Group does not have a special role as a "*supplier of last resort*" in case of liquidation of individual service providers. Like any other energy trading company, the MVM Group can make an offer to the Hungarian Energy and Public Utility Regulatory Authority ("**MEKH**") to take over the portfolio of the insolvent service provider. The portfolio goes to the bidder who offers the highest price. If there is no bid for the portfolio, then MEKH designates one or more energy trading companies to supply the portfolio. The MVM Group may incur operational challenges if it is designated by MEKH to supply the portfolios of insolvent service providers. Similar issues arising from significant changes in electricity and natural gas prices could also apply to the customers of the MVM Group. Accordingly, any significant changes in commodity prices could have a material adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

1.3 The Issuer and the MVM Group are exposed to foreign currency risks (high risk)

The MVM Group is exposed to significant transactional foreign currency risk, given that the functional currency of most of MVM Group's companies is HUF and the MVM Group's commodity trades (including, but not limited to electricity, natural gas and LNG transactions, nuclear fuel procurement, structural steel purchases (for the construction branch)), organised market operations, network devices procurement and certain construction market related activities are undertaken in foreign currencies principally denominated in EUR or USD. Currency risk arises on both supplier and buyer sides of the transactions, which, in accordance with the MVM Group's risk management policy, is initially addressed by considering natural hedge opportunities in order to optimise active market transaction requirements. Notwithstanding any hedging activities undertaken by the MVM Group, movements in foreign exchange rates could have an adverse effect on the MVM Group's business, prospects, financial condition and results of operations. The MVM Group is exposed to macroeconomic risk related to foreign currency risk, namely supply and demand and regional competitiveness are constantly impacted by changes in foreign currency rates, that could have an adverse impact on the MVM Group's business and profitability. A significant portion of the assets and liabilities of the MVM Group are held in foreign currencies (mostly in EUR) and this exposes the MVM Group to significant risk from exchange rate fluctuations, as this can alter the value of such assets and liabilities. Foreign currency rate fluctuations also affect supply and demand for the MVM Group and its regional competitiveness, which are key factors for its business and profitability. This creates macroeconomic risk for the MVM Group from changes in foreign currency rates.

1.4 The Issuer and the MVM Group are exposed to interest rate risks (high risk)

The MVM Group is exposed to the impact of changes in interest rates in relation to its business operations and the financial transactions it has entered into. With the exception of certain project financing transactions, it is the Issuer who provides the necessary financing to the members of the MVM Group in the form of parent company loans. Such parent company loans are mostly linked to floating rate interest rate benchmarks. Accordingly, members of the MVM Group are exposed to risks related to changes in such floating rate interest rate benchmarks, although such risks may be managed by entering into interest rate related derivative transactions. In addition to the funding needs of the individual members of the MVM Group, the Issuer is required to obtain external financing in order to maintain the overall liquidity of the MVM Group. Accordingly, the Issuer is also exposed to risks related to the changes in the underlying floating rate interest rate benchmarks. The Russian invasion of Ukraine and the subsequent implementation of sanctions on Russia have resulted in broad-based inflation and several major central banks have raised interest rates including the MNB. As of the date of this Base Prospectus, both inflation pressure and interest rate levels have fallen significantly, but the possibility of a resurgence of inflation and a rise in interest rates remains a risk. The MVM Group is exposed to macroeconomic risk related to interest rate risk, namely supply and demand for the MVM Group and its regional competitiveness are constantly impacted by changes in interest rate levels and the shape of the interest rate yield curve in terms of the differences between short-term and long-term interest rates. Movements in interest rates could, therefore, have an adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

1.5 The Issuer is exposed to risks arising from restricted access to capital markets and bank financing (medium risk)

The MVM Group's ability to obtain external financing and the cost of such financing are dependent upon numerous factors, including general economic and market conditions in Hungary and internationally, government regulations, international interest rates, credit availability from banks or other lenders, investor confidence in the MVM Group, the success of the MVM Group's business and restrictions contained in its

existing debt agreements. The risk appetite of each of the banks providing funding to the Issuer or the MVM Group may vary in the future according to changes in financing policies for certain industries or business activities, which may pose refinancing risks to the Issuer and the MVM Group. There can be no assurance that external financing or refinancing, either on a short-term or a long-term basis, will be available or, if available, that such financing will be obtainable on terms that are not onerous to the MVM Group. Any inability of the MVM Group to obtain financing on favourable terms could have an adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

1.5.1 Changes in the level and sources of liquidity available to the MVM Group may adversely affect the MVM Group's results of operations and financial condition (medium risk)

The measures taken by the MVM Group to maintain liquidity may not be sufficient at all times, in which case the MVM Group may not be able to meet its payment commitments (including under the Bonds) or only be able to do so on unfavourable conditions. Potential liquidity stress can arise from margining obligations in connection with hedging transactions, which can cause serious liquidity stress for the MVM Group due to the volatility in commodity price movements of the past period. Should the MVM Group be obliged to incur extra costs to meet its financial commitments, this may materially and adversely affect the MVM Group's competitiveness, results of operations and financial condition or, in the worst case scenario, threaten the MVM Group's future as a going concern and may, ultimately, lead to insolvency.

1.5.2 The Issuer is exposed to risks arising from changes in credit ratings (medium risk)

The Issuer's creditworthiness is assessed by the rating agencies Moody's, Fitch and S&P. The Issuer's ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend in part on the Issuer's credit ratings. The Issuer's ability to maintain its current credit ratings is dependent on a number of factors, some of which may be beyond its control. In addition, as the Hungarian state is the Issuer's sole shareholder any decision by a rating agency to downgrade Hungary's sovereign rating or place Hungary on ratings watch may have an adverse effect on the credit ratings of the Issuer.

In the event that the Issuer's credit ratings are downgraded by Moody's, Fitch or S&P or are adversely effected by changes in the sovereign ratings of the Hungarian state, the Issuer may not be able to raise additional finance on terms similar to its existing finance or at all, its ability to access credit and bond markets and other forms of financing (or refinancing) could be limited and any adverse changes in an applicable credit rating could adversely affect the trading price of the Bonds. This could have a material adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

1.5.3 Certain of the MVM Group's debt facilities contain restrictive covenants, which could limit their operations (medium risk)

Certain of the MVM Group's debt facilities relating to the long-term financial indebtedness of the MVM Group contain restrictive covenants (including negative pledge clauses, material change clauses and change of ownership clauses and covenants requiring the maintenance of specific financial ratios) that must be complied with by the Issuer and the other companies of the MVM Group. A breach of any of these covenants which is not waived by the lenders could materially and adversely affect the MVM Group's business, prospects, financial condition or results of operations. In addition, these covenants may restrict the MVM Group's ability to acquire or dispose of assets or incur further debt. Should the MVM Group need, in the future, to renegotiate any restrictive covenants or obtain a waiver in respect of any breach of such a covenant, no assurance can be given that it will be successful. Any failure to renegotiate such covenants could restrict the MVM Group's ability to raise financing in the future which could have a material adverse effect on its business, financial condition, results of operations and cash flows. In addition, any breach of such covenants

which is not waived by the lenders could result in the relevant financing being accelerated and potentially trigger cross default provisions under the MVM Group's other financing arrangements, which may have a material adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

2. RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE ISSUER AND THE MVM GROUP

The MVM Group is a vertically integrated energy group. Its core activities include: (i) electricity generation from nuclear, fossil and renewable energy resources; (ii) sale and distribution of electricity to retail and wholesale customers; (iii) sale and distribution of natural gas to retail and wholesale customers; (iv) the storage of natural gas; (v) the operation of certain electricity and natural gas facilities; and (vi) the ownership and operation of the Hungarian electricity transmission grid, and a portion of the Hungarian electricity and natural gas distribution grid. In addition to its above core activities, the MVM Group is also engaged in the provision of certain information technology ("**IT**") services, networks and shared services as the demand for digital transformation is increasingly affecting the energy sector. Although the majority of the MVM Group's activities are carried out in Hungary, the MVM Group is also active in various European and Asian countries. Due to the complex nature of the MVM Group's activities, the MVM Group's business and operations are subject to various risks, including, but not limited to the risks set out below.

2.1 Non-compliance with anti-corruption, anti-bribery, economic and trade sanctions, and where applicable anti-money laundering and counter-terrorism financing could expose the MVM Group to legal liability and negatively affect its reputation and business, financial condition, results of operations and prospects (high risk)

The MVM Group is subject to compliance risks with respect to applicable laws and regulations concerning anti-corruption and anti-bribery, economic and trade sanctions, and where applicable counter-terrorism financing and anti-money laundering. Non-compliance with any such laws and regulations could expose the MVM Group to investigations, criminal and/or civil liability, in particular the breach of financing agreements, and substantial fines, the occurrence of any of which would have a material adverse effect on the MVM Group's reputation, business, financial condition, results of operations and prospects. Although the MVM Group has implemented policies with respect to such matters, there can be no assurance that such policies will always be effective or prevent the MVM Group from being exposed to violations of such laws and regulations. In particular, rapidly changing U.S., UK, European and other international economic or financial sanctions are often broad in scope and have in the past been imposed on companies engaging in certain types of transactions with specified countries, companies or individuals. Neither the MVM Group nor any of its affiliates is currently the target of any economic or financial sanctions administered by the United States, the United Kingdom, the European Union ("**EU**"), or any other sanctions authority. In the United States, the U.S. Department of Treasury's Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**") administers the most economic and financial sanctions. Certain of OFAC's regulations restrict the ability of U.S. persons to invest in, or otherwise engage in business with, directly or indirectly, certain individuals, entities, regions, and countries (together, "**U.S. Sanctions Targets**"). As the MVM Group is not a U.S. Sanctions Target, OFAC regulations do not prohibit U.S. persons from investing in, or otherwise engaging in business with the MVM Group. However, investors investing in the MVM Group may incur the risk of indirect contact with Sanctions Targets to the extent that the MVM Group, directly or indirectly, engages in business with, or operations in, Sanctions Targets.

The war in Ukraine has led to an unprecedented expansion of sanction programs by the United States, the EU and the United Kingdom, among others, against Russia, Belarus, the Crimea Region of Ukraine as well as other non-government controlled areas of Ukraine, the so-called Donetsk People's Republic and the so-

called Luhansk People's Republic. These broad-sweeping sanctions included, inter alia, blocking sanctions against state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication payment system) and certain Russian businesses in addition to blocking sanctions against Russian and Belarusian individuals and of Russia's foreign currency reserves. In 2014, the United States had already imposed sanctions on certain Russian persons and entities, including certain sanctions restrictions on, but not a complete ban on doing business with, PJSC Gazprom (a Russian state-owned oil and gas company restricted under U.S. sanctions from transfers of products and technologies relating to certain types of oil exploration and production projects). The MVM Group has long-term natural gas supply agreements from with Gazprom Export LLC (a wholly owned subsidiary of PJSC Gazprom), for 4.5 billion m^3 per annum, exporter of considerable volumes of natural gas to Hungary and the Southeast Europe region. The overall natural gas procurement portfolio of the MVM Group has reached approximately ~11-13 billion m^3 per annum cooperating with the largest regional wholesale suppliers and traders, facilitating the MVM Group's regional expansion strategy. The MVM Group seeks further diversification through cooperation with established producers and suppliers from Azerbaijan, Turkey, and other countries in the region. The business arrangements between the MVM Group and Gazprom Export LLC are not subject to any U.S., UK or EU Sectoral Sanctions. Although financing of Gazprom Export LLC (as a wholly-owned subsidiary of PJSC Gazprom) is prohibited pursuant to the applicable U.S. sanctions, the business relation between the MVM Group and Gazprom Export LLC does not include such activities. PJSC Gazprom and Gazprom Export LLC are not designated in any UK sanction list. In addition, while the UK has designated several individuals connected to certain Russian entities, including PJSC Gazprom and its subsidiaries, on its sanctions list, these sanctions specifically target asset freezes for those particular individuals, not the broader organisation. Although Gazprom Export LLC is not targeted with broader U.S. sanctions or those issued either by the EU or the United Kingdom, the scope of these sanction restrictions could potentially change in the future and these business arrangements could create sanctions risk in the future. The MVM Group has made significant efforts to diversify its natural gas sources in case of any disruptions or reductions in the gas flows from Russia.

In accordance with the Russian legislation on sanctions (i.e. Decree No. 172 of the President of the Russian Federation), foreign buyers of Russian gas were required to use special accounts, so-called "*K accounts*" at Gazprombank to pay for the import of Russian gas supplies. The MVM Group had decided to follow this procedure of payment on a temporary basis and without prejudice to its contractual rights, which the MVM Group believes does not constitute a unilateral modification of the supply contract and invoices have continued to be issued in euro. As part of this payment procedure, the MVM Group had had to open two currency "*K accounts*" (one denominated in euros and the other denominated in rubles) at the Russian Gazprombank. The MVM Group deposited the invoice balance expressed in euros in the euro denominated K account and then the euro amount was converted by Gazprombank into rubles at the Moscow Stock Exchange through a clearing agent. The conversion process was fully automated and the MVM Group had no active part in the ensuing processes and procedures. Following the currency conversion, rubles were deposited in the ruble denominated K account and Gazprom Export LLC was paid through this latter K account. The MVM Group considers that this conversion did not constitute the management of assets or reserves of the Russian Central Bank or a form of financing for Gazprombank or other entities subject to EU sanctions, and that the opening of these K accounts took place without prejudice to any of its contractual rights. Furthermore, in line with the indications of the European Commission, MVM Group declared to Gazprom Export LLC that the fulfilment of its contractual obligations was considered completed with the transfer in euros and therefore, all costs and risks deriving from the conversion procedure were borne by Gazprom Export LLC. The decision to follow the requirements of this procedure of payment was taken after a careful assessment of the risks of possible violation of the sanction's regime by the MVM Group, as well as all the risks related to the duty to implement fairly the respective contractual obligations of the parties. On 21 November 2024, OFAC has implemented sanctions against Gazprombank which prohibit the using of the bank to facilitate any banking activity for foreign buyers, including for the purpose of making payments for

natural gas. Soon after, on 5 December 2024, a new presidential decree (i.e. Decree No. 1033 of the President of the Russian Federation) was signed in Russia, which suspended the "*K accounts*" and made other, but from a buyer's payment perspective less supportive, changes to the then prevailing gas payment regime thus leaving the foreign buyers in a distress as regards the fulfilment of their gas payment obligations. Realising that, on 19 December 2024 and on 28 March 2025, new presidential decrees (i.e. Decree No. 1080 of the President of the Russian Federation and Decree No. 186 of the President of the Russian Federation) introduced further changes to the payment methods allowing gas payments to be made through any Russian banks in rubles. Following the introduction of the new Russian legislation and the exemption from sanctions, the MVM Group makes payment to Gazprom Export LLC through the Russian subsidiary of a European bank.

The MVM Group has adopted the necessary measures to ensure that its activities are carried out in accordance with the applicable sanction rules, ensuring continuous monitoring of the evolution in the sanction framework and adapting its activities on an ongoing basis to the applicable restrictions. However, there can be no assurance that the sanctions regime will not change in a way that could adversely affect the MVM Group's ability to perform its payment obligations or expose it to legal or reputational risks.

In addition to the above the MVM Paksi Atomerőmű Zrt. power plant is supplied by JSC TVEL, part of the Russian Rosatom Group, however the import of nuclear fuel has not been affected by the applicable sanctions to date. The European Power Services Zrt. ("**EPS**") - a company registered in Hungary - is a joint venture of the Issuer and Rosatom Service JSC, which primarily provides development and maintenance services for the safe operation of power plant systems and equipment in Hungary and abroad. The implemented activities of EPS are exempt from sanctions since they are related to the importation of the respective nuclear fuel and related products necessary for the establishment, operation, maintenance, fuel supply, and retreatment and safety of civil nuclear capabilities, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development. The MVM Group continuously monitors the activities of EPS to ensure that they remain compliant with the applicable sanctions at all times. However, there can be no assurance that the applicable sanctions laws will not be expanded in the future to apply to the importation of nuclear fuel, which would adversely affect MVM Paksi Atomerőmű Zrt., and could in turn have a material adverse effect on the business, results of operations, financial condition or prospects of the MVM Group.

MVM EGI Zrt. ("**MVM EGI**") supplies cooling systems and technologies to industrial and energy partners, with Russia being one of the company's key markets. Since the export of the products of MVM EGI has been directly affected by the EU sanctions package, the Russian projects of MVM EGI have been suspended. MVM EGI has been continuously terminating contracts previously concluded and suspended as a result of sanctions on Russia. MVM EGI indirectly exported products with the licence issued by the Hungarian export control authority to Syria, which activity terminated last year. However, there can be no assurance that the applicable sanctions laws will not be expanded in the future to apply to such activities and could in turn have a material adverse effect on the business, results of operations, financial condition or prospects of the MVM Group.

MVM Group started to close and wind-up its representative office in Moscow last year, such procedure is still ongoing. The representative office was for relationship management purposes only. The representative office did not conduct any business activities and had no decision making authority. The closing activities of the MVM Group's representative office in Moscow does not currently have any sanctions implications, as it does not currently carry out business activities, and the natural gas and nuclear energy cooperation activities it still undertakes until the final closing are for civil nuclear purposes, which are not subject to sanctions. The MVM Group does not have any dealings with any sanctions designated individuals and the MVM Group does not have business partners, which are subject to or the targets of any sanctions other than where the dealings or transactions with such parties are not in violation of any sanctions applicable to the MVM Group (including where the dealings or transactions are in accordance with an applicable license from the Hungarian export control authority).

As outlined above, the MVM Group is compliant with applicable sanctions, and is operating in accordance with such regulations. The MVM Group has investigation processes for the implementation of corrective and disciplinary actions and the MVM Group has in place comprehensive third-party screening mechanisms to help reduce overall risk on the organisation. A sanctions screening tool had been implemented by the MVM Group, which enables the screening and continuous monitoring of its business partners at a group level, and these tools address sanctions, financial crimes and also regulatory issues. MVM Group is developing on further improvements in regulatory and screening solutions with a focus on prevention. However, failure to detect such issues may result in a violation of the applicable sanctions laws, which could in turn have an adverse effect on the MVM Group's business, results of operations, financial condition or prospects.

2.2 The MVM Group is vulnerable to any changes in market and customer demand for electricity and natural gas (medium risk)

In the ordinary course of its business, the MVM Group is exposed to the risk of a reduction in demand for electricity and natural gas, which may occur as a result of any global financial and economic uncertainty. The deterioration of macroeconomic conditions globally, in Europe or in Hungary may decrease consumption and industrial production. Electricity and natural gas consumption is strongly affected by the level of economic activity in Europe, which, in turn, depends, among other things, on the macroeconomic situation in Europe and worldwide.

Accordingly, any decline in overall economic activity due to economic uncertainty (including such as that experienced as a result of the coronavirus pandemic ("**COVID-19**"), the Russian-Ukrainian war and other geopolitical tensions, as well as any sharp rise in natural gas and electricity prices) may lead to a drop in demand for the MVM Group's electricity and natural gas, which could lead to lower sales and erosion of the MVM Group's profit margins, resulting in a material adverse effect on the MVM Group's business, results of operations, financial condition and prospects.

2.2.1 The MVM Group is exposed to risks arising from failures, breakdowns, planned or unplanned outages as well as natural disasters or sabotage at the MVM Group's power plants or in its transmission, telecommunication, storage and distribution infrastructure (medium risk)

The power plants, transmission, storage, distribution infrastructure, mining facilities and information and telecommunication systems controlling these facilities could be subject to failure, breakdowns, unplanned outages, capacity limitations, system loss, breaches of security or physical damage due to natural disasters (such as storms, floods, fire or earthquakes), sabotage, terrorism, computer viruses, fuel interruptions, shortage of workforce due to pandemics and other causes. With respect to nuclear reactors, any nuclear accident or failure at a nuclear power plant could result in significant losses due to, among other things, a potential shut-down of the nuclear facility and the resulting loss of generation capacity, remedial and replacement expenses and negative publicity from such an accident or failure. Any such failures, breakdowns or accidents could also result in injuries to and loss of life by employees and contractors of the MVM Group as well as the wider community in the case of any nuclear accident or failure, which, in addition to the above risks, could also subject the MVM Group to ongoing investigations and requirements to take remedial action. The Issuer cannot give any assurance that accidents will not occur or that the preventive measures taken by the MVM Group will be fully effective in all cases, particularly in relation to external events that are not within human control, such as fires, floods, earthquakes and other natural disasters.

Any physical damage to the facilities may be costly to repair and the Issuer may not have insurance coverage for all potential losses or the insurance claims may be subject to challenge or delay. As a result, any failure, breakdown or unplanned outages at the Issuer's power plants or any failure or interruption of the Issuer's

distribution infrastructure could have a material adverse effect on the MVM Group's reputation, business, results of operations and financial condition.

In addition, some of the power plants may need to be temporarily shut down and the MVM Group may incur expenses in connection with inspections, maintenance or repair works in addition to those that are currently undertaken, including any additional works or procedures that the respective governmental authorities may require to be undertaken as part of their investigations.

Due to the complexity of operating nuclear and other power stations, it is not possible to eliminate the risk of unplanned outages and the Issuer cannot predict the timing or impact of these outages with certainty. The MVM Group's emergency response, disaster recovery and crisis management measures may not give effective protection from these events. Any service disruption may cause a loss in electricity generation, customer dissatisfaction and may lead to liability for damages, the imposition of penalties and other unforeseen costs and expenses, which could have a material adverse effect on the MVM Group's reputation, business, results of operations and financial condition.

2.2.2 The MVM Group may become liable for increased decommissioning costs (medium risk)

The MVM Group makes financial provisions for liabilities relating to the decommissioning and recultivation of the MVM Group's coal based power plants, lignite coal mines, tailings ponds (in Hungarian: "*zagytározó"*), natural gas underground storage facilities, low and medium activity, liquid radioactive waste and remediation intervention of the soil and groundwater contamination in the area of the former gas powered Óbudai Gázgyár power plant, and any related infrastructure. However, there are significant uncertainties in determining the likely costs of the decommissioning and recultivation and, as a result, there is no assurance that the current or any future provisions are or will be sufficient. Additional investment may be required, either as a result of change in applicable law or otherwise. Any significant increase in the actual or estimated decommissioning and recultivation costs that the MVM Group incurs may adversely affect the MVM Group's business, prospects, financial condition and results of operations. See also "*Risk of an increase in the cost of disposing of radioactive waste and decommission of the Paks NPP*".

2.2.3 Equipment and components of power plants and the distribution infrastructure of the MVM Group are subject to gradual deterioration over time (medium risk)

The continuous operations of the power plants and distribution infrastructure, as well as natural processes, such as erosion and corrosion, have an impact on the condition of some of the MVM Group's equipment and components. The impact of such operations and processes tends to increase with the age of the respective equipment and its components. Although the MVM Group seeks to implement regular inspections and maintenance practices, including proactively repairing or replacing equipment and components before they fail, as well as renewing its portfolio in a timely manner, no assurance can be given that these efforts will lead to optimal results. Accordingly, there is a risk that equipment and component deterioration could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.2.4 The MVM Group's ability to supply electricity and natural gas is strongly dependent upon the transmission, distribution and storage systems and it is reliant on third parties in relation to the operation of such systems (medium risk)

The transmission of electricity from the power plants to distribution networks and the storage and transportation of natural gas is dependent on the infrastructure of the transmission and storage systems in the countries in which the MVM Group operates. The Issuer only has partial control or might not have any control over the operation of these systems and must, therefore, rely on independent third-party transmission

system operators. Any failure of the transmission or storage systems in the countries in which the MVM Group operates, including as a result of natural disasters, insufficient maintenance or inadequate development, or for market or regulatory related reasons, could prevent the MVM Group from distributing natural gas or electricity, in each case to end-consumers, which in turn could have a material adverse effect on the MVM Group's reputation, business, results of operations and financial condition.

2.2.5 The Issuer and the MVM Group are exposed to the risk of changes in energy policy, including the risk that the MVM Group may not be able to operate its power plants and other production facilities for a period which is at least equal to the current expected lifespan of such plants and facilities (medium risk)

Hungarian energy policy objectives are in line with the EU's common market and decarbonisation goals and the key energy policy objectives of the EU are considered to be stable and clear. Hungary also has a substantially decarbonised energy sector and has commenced the process for the discontinuation of the use of coal. In addition, Hungary has set ambitious RES-E (renewable energy share in electricity) goals which are in-line with EU policy and benefit from financial support of the EU.

The use of coal and other fossil fuels as well as nuclear energy has been the subject of continuous debate by national governments and institutions of the EU in recent years. In 2024, the EU adopted a new regulation on the reform of the electricity market design which allows nuclear power plants to be included in certain support schemes subject to the approval of the EU Commission and facilitates for natural gas power plants to take part in capacity mechanism. However, new proposals and plans for the gradual decrease and even complete termination of the use of fossil fuel would have a major effect on the MVM Group's ability to operate its power plants and other production facilities until the end of their designated lifespan, and may have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

Therefore, while the risk of a significant imminent change in the EU's energy policy priorities or those of an EU Member State is considered to be relatively low, it cannot be excluded that in the context of increased environmental concerns in relation to carbonisation and the need for decarbonisation to take place as quickly as possible, any future change in the EU's energy policy or the energy policy of any of those countries in which the MVM Group operates, may have an effect on the long term profitability of the MVM Group and may conflict with the interests of the MVM Group or Bondholders.

In addition, it cannot be excluded that as a result of more stringent regulations than the regulations currently in force, certain power plants will need to comply with stricter emission limits, which may limit their operations. Therefore, the MVM Group cannot give any assurance that the affected power plants or other production facilities would be able to be modernised in time to comply with any emission limits that may become applicable in the future. In that event, no assurance can be given that the relevant administrative authorities will grant the operator any necessary (temporary) exemptions from exceeding the applicable emission limits. Any resulting limit on the operations of the power plants of the MVM Group could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.2.6 Changes in the Hungarian energy regulatory regime, and in tariff regulations in particular, could affect the MVM Group's results of operations and financial condition (medium risk)

The MVM Group has a key position in the provision of universal natural gas and power services in Hungary, particularly in respect of the supply of customers eligible for universal services by the universal service providers and the supply of the universal service providers.

The Hungarian state provides significant support via the Utility Protection Mechanism to the MVM Group, which compensates the MVM Group with the difference between the capped residential prices and the recognized costs. The provision of universal services by the MVM Group was compensated by the Hungarian government with approximately HUF 516 billion in 2022 and approximately HUF 1,002 billion in 2023, and approximately HUF 435 billion in the first half of 2024. In 2023, the subsidy scheme has been also extended to compensate system usage fees for the electricity DSOs, but no payment was made under this title during 2024. Changes in the Utility Protection Mechanism may adversely affect the MVM Group's business, prospects, financial conditions and results of operations.

Furthermore, the MVM Group has positions in the Hungarian district heating segment. Accordingly, the MVM Group is affected by Act LIV of 2013, which specifies maximum tariff levels with respect to the prices which might be paid by natural gas and power universal service customers and district heating customers in Hungary. Although from August 2022 artificially low universal service prices are applied only for a fixed yearly amount for all customers. It cannot be excluded that these maximum tariff levels may in the future result in the MVM Group being unable to (i) preserve its fair return on the capital invested in these segments; or (ii) realise revenues in these segments in an amount which would cover the MVM Group's supply costs. If the MVM Group is unable to increase the electricity or natural gas tariff rates it charges customers in order to cover increases in operating costs, capital investment requirements or the compensation from the state budget insufficient, this could have an adverse effect on the MVM Group's business, prospects, financial condition and results of operations. Changes in current maximum tariff levels may also adversely affect the MVM Group's business, prospects, financial conditions and results of operations.

A new 4-year tariff regulation cycle is commencing in 2025, impacting all network tariffs, including MAVIR's transmission tariff, MVM's DSO network tariffs (for both electricity and natural gas), and natural gas storage tariffs. The most notable change in the methodology for the cycle is the shift in the Regulatory Asset Base (RAB) calculation, which has been based on accounting value rather than depreciated replacement value. Consequently, the Weighted Average Cost of Capital (WACC) will be calculated on a nominal basis, replacing the previously used real value. This new approach to calculating the cost of capital and annual depreciation is expected to have a negative impact on the returns of previously activated assets.

The Hungarian government has significantly eased the restrictions on the establishment of wind turbines and wind farms by reducing the size of the buffer zone from the boundary of an area designated for construction from 12 kilometres to 700 meters. This regulatory change was introduced by Government Decree 650/2023. (XII. 28.) and aimed to promote the development of wind energy and support the country's climate and energy goals. The Government upheld this regulation in Government Decree 280/2024. (IX. 30.), adding an additional requirement of 40 kilometres and 15 kilometres buffer zones from specific military installations. The previous regulation, Government Decree 277/2016. (IX. 15.), had effectively banned new wind projects since 2016 by imposing a very large buffer zone that excluded most of the suitable locations for wind power generation. However, there is no assurance that the current or future governments will maintain the regulatory conditions for the establishment of wind farms, or that they will not impose new or additional requirements, or limitations. Although administrative burden of establishing new wind power plants has been eliminated, process of connection to the network is under transformation now. The planned, more centralised process aims to accelerate the connection of new power plants but priority rules might be introduced.

The Hungarian state has promoted the development of renewable energy generation facilities, mainly based on photovoltaics, through two measures in the past few years: (i) the mandatory off-take system (the "**KÁT**" system) and (ii) the contract for difference system (the "**METÁR**" system). Recent regulatory changes under Government Decree 7/2025. (I.31), have suspended inflation-based indexation of mandatory off-take prices until the end of the state of emergency or 2029, with an option for producers to transition to the free market where indexation under the premium support system remains. This regulation may have negative effect on

the revenues of the MVM's concerned power plants. The Hungarian government has the authority to amend or terminate the KÁT and METÁR systems or introduce other new regulations that may affect the MVM Group's activities such as renewable energy generation, network access or public service obligations (including services of general interest). Any changes in law or regulation that reduce or eliminate the income of or compensation guarantees for the MVM Group's activities could have a material adverse effect on its financial position. The MVM Group cannot predict the timing, scope or impact of any such changes, nor can it ensure that it will be able to adapt its business model, strategy or operations to mitigate the effects of any such changes. Any adverse changes in the regulatory environment could have a material adverse effect on the Issuer's business, prospects, financial conditions and results of operations.

2.2.7 Risks related to the evolution in the legislative and regulatory framework for energy generation and efficiency, and the electricity network, natural gas, coal, nuclear, district heating, waste and clean transportation sectors poses a risk to the Issuer and MVM Group (medium risk)

The MVM Group operates in the energy generation and efficiency, and the electricity network, natural gas, coal, nuclear, district heating, waste and clean transportation sectors, which are subject to complex and evolving legislative and regulatory frameworks at the national, regional and international levels. These frameworks may impose significant obligations, restrictions, costs, liabilities, penalties or incentives on the Issuer and MVM Group, or affect their competitive position, market access, profitability, operational flexibility, environmental performance, social responsibility or reputation. The MVM Group may also face uncertainties, delays, disputes or challenges in obtaining, maintaining, complying with or renewing the necessary permits or licenses, or in adapting to changes in the applicable laws, regulations, standards, policies, guidelines or interpretations thereof. Any changes in the legislative and regulatory framework for the energy generation and efficiency, and the electricity network, natural gas, coal, nuclear, district heating, waste and clean transportation sectors, or any failure by the MVM Group to comply with the existing or future requirements, could have a material adverse effect on the Issuer and MVM Group's business, financial condition, results of operations, cash flows, prospects or ability of the Issuer to fulfil its obligations under the Bonds.

2.2.8 The risk management and internal controls of the Issuer and the MVM Group may not prevent or detect compliance risks, which could result in investigations by authorities, fines, damage claims, payment claims, the termination of relationships with customers or suppliers and even governmental exclusion from businesses (blacklisting) as well as reputational damage. Further, MVM Group's internal controls could fail to detect business risks in time or at all. (medium risk)

The Issuer and the MVM Group are subject to various laws and regulations in the jurisdictions where they operate, such as anti-corruption, anti-money laundering, data protection, environmental, health and safety, tax and competition laws. Compliance with these laws and regulations (where applicable) requires the Issuer and the MVM Group to implement and maintain effective risk management and internal control systems, policies and procedures. However, these systems, policies and procedures may not be sufficient to prevent or detect violations of laws or regulations by the employees, agents, contractors, partners or third parties of the Issuer or the MVM Group, or to identify and mitigate business risks that could adversely affect the Issuer's or the MVM Group's operations, financial condition, reputation or ability to access capital markets. The Issuer and the MVM Group may also face increased compliance costs and complexity due to changes in laws and regulations or their interpretation or enforcement.

If the Issuer or the MVM Group fails to comply with applicable laws or regulations, or if any of their risk management or internal control systems, policies or procedures prove to be inadequate or ineffective, the Issuer or the MVM Group could be subject to investigations, audits, inquiries, sanctions, fines, penalties,

damages, claims, litigation, reputational harm, loss of customers or suppliers, termination of contracts or licenses, or exclusion from certain markets. Any of these outcomes could have a material adverse effect on business, results of operations, financial condition or prospects of the Issuer or the MVM Group.

2.3 Competition risk in the markets in which the MVM Group operates (medium risk)

The energy markets in the majority of countries in which the MVM Group operates are fully liberalised or in the final stages of liberalisation. As a result of this liberalisation, new competitors may enter many of the markets in which the MVM Group is present. In relation to electricity, the Issuer competes in both the retail electricity market and the wholesale electricity market. In a liberalised market, all suppliers have the right to offer electricity and all customers have the right to choose their electricity supplier. No assurance can therefore be given that customers will select any member of the MVM Group or that the MVM Group's customers will not change their suppliers. Such competition risks are also applicable to the wholesale and retail gas markets.

If existing customers or potential new customers purchase electricity or natural gas from other suppliers, the revenues and the market share of the MVM Group might decrease. The Issuer's ability to develop its business and improve its financial results may be constrained by new competition and it may not be possible to offset the financial effects of decreases in production and sales of electricity or natural gas through efficiency improvements, or expansion into new business areas or markets. As a result, any increase in competition in the markets in which the MVM Group members operate could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.3.1 The MVM Group's future performance depends on the efficiency of its operations and the ability to develop and deploy new technologies and new products (medium risk)

The MVM Group's ability to remain efficient, to develop and adapt to new technology, to seek profitable renewable energy and other low-carbon energy solutions, are key success factors for the future of its business. Hungary has a rapidly growing renewable energy sector, consisting mainly of solar power, which has an ever increasing power system balancing need. MAVIR ZRt. ("**MAVIR**") (the Hungarian electricity transmission system operator ("**TSO**") is part of the MVM Group and responsible for procuring balancing energy from the balancing market. The costs for procuring balancing energy are covered by TSO tariffs which include (among many other factors) the forecasted balancing costs of the system for the actual year. Grid development is also a priority matter. MAVIR has a yearly grid development plan supervised by MEKH, which contains the grid development policies, grid development strategies, including a 15 year plan for the transmission system and a 10 year plan for the distribution system. MAVIR and the Hungarian government have plans to widen the balancing market with new participants (for example consumers via aggregators, energy storage and virtual power plants). The Issuer has a key role in the existing balancing market and aims to be a key player on the new areas as well, however there is the possibility that the MVM Group may not be able to implement the necessary changes due to any deficiencies that may arise in its existing capabilities or as a result of external competition or should the costs of implementing new technologies be underestimated. Any of these factors may have an adverse effect on the achievement by the MVM Group of its future business goals.

2.3.2 The MVM Group is exposed to changes in the way emission allowances are allocated, as well as volatility in the market prices of emission allowances that need to be acquired (medium risk)

The MVM Group's operations are subject to legislation aimed at reducing emissions of CO_2 and other greenhouse gases. Until the end of 2012, CO_2 emissions were allocated for free to the energy sector. However, this changed substantially in 2013. From 2013 onwards, as dictated by the European Union Emissions

Trading Scheme ("**EU ETS**"), emission allowances are to be purchased in the market or through auctions. Following gradual implementation between 2013 and 2019, the MVM Group has been required to purchase its allowances through the market or auctions since 2019. The MVM Group is required to buy emission allowances on the market or through auctions, because the emission allowances allocated to it do not cover 100 per cent. of the MVM Group's annual greenhouse gas emissions. In December 2022, the European Parliament and Council concluded negotiations around the revision of the EU ETS. The sectors covered by the scheme will now have to reduce their emissions by 62 per cent. by 2030 (from a 2005 baseline). This is a significant increase from the 43 per cent. reduction ambition adopted in 2021. In case of an increase in the price of emission allowances, the respective costs for the MVM Group may increase significantly, which could have a material adverse effect on the business, results of operations and financial conditions of the MVM Group. The sector-level emission reduction should be performed through several public and private measures that may have different effects on each company, including the MVM Group within the sector.

Different principles apply to the EU ETS regarding the generation of heat. In compliance with Article 10a of the revised EU ETS Directive, district heating combined heat and power plants receive free allowances for heat supply from 2013 to 2030. However, in 2020, free allocation in the heat sector was to cover a maximum of 30 per cent. of the emissions produced by the respective entity and to decrease gradually to 0 per cent. Accordingly, the MVM Group is vulnerable to risks relating to volatility in the price of CO_2 emission allowances. To mitigate this volatility risk, a hedging strategy of acquiring a certain volume of emission allowances along with electricity sales has been implemented. Nevertheless, in the event of potential decreases in the price of emission allowances, this hedging strategy itself could have a material adverse effect on the MVM Group's business, results of operations and financial condition.

In relation to Phase IV of the EU ETS, all Member States had submitted ahead of the 30 September 2019 deadline, the necessary data for calculating the level of allocation to be granted to each installation and for updating the benchmark values to be applied in the period 2021-2025. The European Commission ("**EC**") published its decision on the national allocation tables for the free allocation of emission allowances for 2021-2025 on 31 July 2021, after which the distribution of free allowances in 2021 could take place. On 29 June 2021, the EC adopted the decision instructing the Central Administrator of the European Union Transaction Log to enter the national allocation tables of the Member States into the European Union Transaction Log. Based on this decision, Member States will follow their respective national procedures for the issuance of free allowances.

Within Phase IV of the EU ETS (2021 - 2030), the overall number of emission allowances is scheduled to decline at an annual rate of 2.20 per cent. from 2021 onwards. However, energy intensive sectors with a high risk of relocation outside of the EU (e.g. the mining of hard coal, extraction of crude petroleum and manufacturing of cement) are to be allocated free allowances until 2030. A continuous decrease in the allocation of emission allowances across the EU, a greater decrease in the allocation of emission allowances within Phase III and Phase IV of the EU ETS, and any increase in the price of CO_2 emission allowances, may result in a substantial increase in the variable power generation costs. In this event, the price of electricity offered by the MVM Group may become less competitive, which could have a material adverse effect on the MVM Group's business, results of operations and financial condition.

The implementation of the EU ETS2 is anticipated to commence on 1 January 2027. Under the EU ETS2 regulation, a CO_2 emission trading scheme will be introduced. In this scheme, emitters will not be required to purchase CO_2 emission allowances for their energy consumption; instead, this obligation will fall on their supply undertakings. Since the Issuer is the only market participant at the Hungarian natural gas universal service market, ETS2 may increase the cost of this supply activity and might cause decrease in consumption of natural gas which could have a material adverse effect on the MVM Group's business, results of operations and financial condition.

2.4 Risk of an increase in the cost of disposing of radioactive waste and decommission of the Paks NPP (medium risk)

According to Act CXVI of 1996 on Atomic Energy, the execution of the six-decade long national programme on radioactive waste and spent fuel management and decommissioning of nuclear facilities is the responsibility of the Hungarian state. To finance these activities (including the decommissioning of the Paks Nuclear Power Plant ("**Paks NPP**")) the Central Nuclear Financial Fund ("**CNFF**") was established in 1998. Each fiscal year, until the end of its lifespan which is currently scheduled for 2057, the Paks NPP is obliged to pay into the CNFF an amount determined by the Act on the State Budget on the basis of an annually updated cost estimate carried out by the national radioactive waste management organisation (PURAM).

In order to maintain the value of the assets held by the CNFF, the Hungarian government makes annual subsidy payments into the CNFF. The amount of the subsidy is calculated based on the previous year's average value of the assets held by the CNFF, as multiplied by the previous year's consumer price index published by the Central Statistical Office increased by three percentage points.

The MVM Group may become liable for increased decommissioning costs or be required to keep additional amounts as restricted funds for the decommissioning of the Paks NPP. Accordingly, future increases in the costs of the disposal of nuclear waste from and for the decommissioning of the Paks NPP, and in the amounts payable by the Paks NPP into the CNFF could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.5 The Issuer may not be able to successfully implement its key strategies (medium risk)

The energy markets continue their transition from conventional energy sources to renewables and decentralised energy. The MVM Group faces many risks that could adversely affect its ability to implement its key strategies. Such risks include changes in legal and regulatory frameworks, increases in generation, emission and distribution costs, future developments affecting the electricity infrastructure within the markets in which the MVM Group operates, technological changes, customer needs, competition in the markets in which the MVM Group operates, political and economic developments affecting Europe and the reliability and creditworthiness of the MVM Group's partners and customers. Any failure in the implementation of the Issuer's strategy could have a material adverse effect on the business, prospects, results of operations and financial condition of the MVM Group.

2.6 Information security risks (medium risk)

The MVM Group depends on its IT and data processing systems for the efficient operation of its business, including the management of relationships with customers and other parties, and a significant malfunction or disruption in the operation of its systems could disrupt the MVM Group's business and adversely impact its ability to carry out its activities. Such systems are susceptible to malfunctions and interruptions caused by equipment damage, power outages and a range of other hardware, software and network problems. Breakdowns and interruptions in the IT systems could jeopardise the MVM Group's operations, causing errors in the execution of transactions, inefficient processes, loss of customers, production breakdowns and other business interruptions.

In addition to supporting its operations, the MVM Group uses its information systems to collect and store confidential and sensitive data, including information about its business, clients and employees. As the MVM Group's technology continues to evolve, it is anticipated that the systems of the MVM Group will increasingly use remote communication features that are sensitive to both wilful and unintentional security breaches. The organisational complexity of the MVM Group exposes the MVM Group's assets to the risk of

cyber-attacks, or threats of intentional disruption, which are increasing in terms of sophistication and frequency.

Although the MVM Group has adopted measures for managing these risks, the MVM Group may be subject to cyber-attacks and other security threats to its IT systems. In such circumstances and in case the implemented controls and counter-measures fail to provide an adequate response to the relevant IT security risks, the MVM Group may be unable to continue to conduct its business in an effective manner, or to prevent or respond promptly and adequately or to mitigate the adverse effects of breakdowns or interruptions in its IT infrastructure, with possible adverse effects on its reputation, financial condition, assets, business and results of operations.

2.7 The MVM Group is exposed to risks associated with the disruptions in the supply of nuclear fuel, gas or other raw materials, or an unexpected increase in their cost (medium risk)

In the ordinary course of its business, the MVM Group is exposed to the risk of disruptions in the supply of nuclear fuel, natural gas or other raw materials, and of increases in their cost. The MVM Group's generation operations depend on obtaining deliveries of adequate supplies of raw materials on a timely basis and are therefore vulnerable to changes in the supply of raw materials, including nuclear fuel and natural gas. Any significant shortages or interruption in the supply of raw materials or increases in their costs could disrupt the generation operations and increase the cost of raw materials, which could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.8 The Issuer's revenues and results of operations are subject to climatic conditions and seasonal variations (medium risk)

Electricity, natural gas and heat consumption is seasonal and is mainly affected by climatic conditions. In Central and South East Europe, electricity consumption is generally higher during the cold winter months but can also depend on temperatures during the summer months where, for example, this results in an increased use of air conditioning. However, when winters are warmer than expected, demand for gas, heat and power is typically lower than forecasted. Electricity generation may also depend on climatic conditions, such as droughts or heat waves, which may limit generation due to the requirements to observe certain temperature limits for rivers, requirements in connection with the cooling of power plants, or speed and direction of winds or sunshine for the generation of renewable energy. Consequently, the MVM Group's income reflects the seasonal character of the demand for electricity and natural gas and may be adversely affected by significant variations in climatic conditions. The MVM Group may need to compensate for a reduction in the availability of electricity generated by using other sources with a higher generation cost or by being required to access the wholesale markets at higher prices, which could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.8.1 The MVM Group is vulnerable to any increases in the levels of doubtful receivables as a result of poor economic conditions (medium risk)

Although the MVM Group has established robust processes to take legal action against its defaulting customers in order to seek to recover amounts outstanding, the timing and amount of such recovery is uncertain. In the event of an economic downturn or significant volatility in commodity and energy prices, any material increase in doubtful receivables, increased delays in payment times or write-offs could have a material effect on the MVM Group's business, results of operations, financial condition and prospects.

2.8.2 A default by any of the MVM Group's counterparties (including its partners, contractors, sub-contractors and suppliers) may affect the MVM Group's financial condition (medium risk)

MVM Group companies enter into contracts with a range of counterparties, including contractors, sub-contractors, architects, engineers, operators, other service providers, suppliers and customers and, accordingly, the MVM Group is subject to the risk that a counterparty will be unable or unwilling to honour its contractual obligations and that any guarantee or performance bond in respect of such obligations will also not be honoured.

The MVM Group's counterparties may default on their obligations for any number of reasons, including but not limited to as a result of their bankruptcy, a lack of liquidity or operational failure. Such counterparty risk is more acute in difficult market conditions where there is an enhanced risk of default by counterparties. Any default by the MVM Group's counterparties may affect the cost and completion of its projects, the quality of its work and the supply of certain critical products or services to its customers. It may also expose the MVM Group to reputational risk, business continuity risk and the loss of important contracts. In addition, the MVM Group may be required to pay contractual penalties or find alternative counterparties. Any such setbacks may result in delays in the completion of the MVM Group's projects and other unforeseen costs, which could have a material adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

2.8.3 The Issuer's insurance coverage may not be adequate (medium risk)

The Issuer and other members of the MVM Group have limited property and machinery insurance for their significant assets. No assurance can be given that the Issuer's business will not be adversely affected by the costs of accidents or other unexpected occurrences at the MVM Group's facilities for which insurance coverage is not available, has not been obtained or is not sufficient, which could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.8.4 Any failure to implement projects which require a material investment on the MVM Group's behalf may adversely affect the MVM Group's business, prospects, financial condition or results of operations (medium risk)

As part of its business activities, the MVM Group regularly initiates and participates in various project financing transactions. The success of these project financing transactions depends, among other things, on business specific external factors such as government policies, market trends, volatile natural gas and energy prices and changing regional supply and demand. A failure to implement any project which requires a material investment on the MVM Group's behalf may have an adverse effect on the MVM Group's business, prospects, financial condition or results of operations.

2.9 Risks associated with the planned two new nuclear power plant units at Paks (medium risk)

There is an ongoing "Paks II" project the principal goal of which is the construction of two new nuclear power plant units in the city of Paks where the MVM Group's nuclear power plant is currently operating. These two new nuclear power plants are expected to be constructed and commissioned by mid-2030s. The Paks II project is completely independent from the Issuer and the MVM Group. As at the date of this Base Prospectus, it is not possible to assess the impact that the implementation of the Paks II project may have on the electricity market in Hungary and the operation of Paks NPP. The investment in Paks II might also result in temporary falls in production or decreases in production at the existing Paks NPP power plant blocks. Nevertheless, it is likely that the completion of the Paks II project (as well as any delays or failures related to the completion of the project) will have a significant effect on the Hungarian electricity market and may

result in constraints on the operation of power plants and the availability of expert personnel. Accordingly, as at the date of this Base Prospectus it is not possible for the MVM Group to assess the impact of the installation and the operation of the two new nuclear power plant units on the Issuer's and MVM Group's market position in the Hungarian electricity market. Without prejudice to the above, the implementation of the Paks II project could have an adverse effect on the business, results of operations and financial condition of the MVM Group.

2.9.1 Challenging operational environments and other uncertainties could impact drilling and production activities (medium risk)

The MVM Group's activities require high levels of investment and are sometimes conducted in challenging environments. The physical characteristics of a natural gas field, and the cost of drilling, completing or operating wells are often uncertain. The MVM Group may be required to curtail, delay or cancel drilling operations or stop production because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements.

2.9.2 The MVM Group is subject to various litigation and regulatory proceedings and cannot give any assurances as to the outcome of such proceedings or the sufficiency of the MVM Group's provisions (medium risk)

In the normal course of their business, members of the MVM Group and their directors, officers and employees are subject to numerous civil and administrative proceedings. Provisions for contingent liabilities relating to any proceedings are allocated and calculated on the basis of the advice of the MVM Group's internal and external legal advisers. The Issuer has not recorded provisions in respect of all legal, regulatory and administrative proceedings to which it or its directors, officers and employees are a party or in which it or its directors, officers and employees may become a party. In particular, no provisions have been made in cases in which the outcome is unquantifiable or which the Issuer currently expects to be ruled in its favour. As a result, no assurance can be given that the recorded provisions will be adequate to cover all amounts payable by the Issuer in connection with such proceedings. The failure to sufficiently quantify provisions or to assess the likely outcome of any proceedings against the Issuer or any member of the MVM Group or any of its directors, officers and employees could have a material adverse effect on the MVM Group's business, results of operations and financial condition.

In addition, while the MVM Group maintains internal monitoring systems, it may be unable to detect or prevent certain crimes including, among other things, bribery, corruption, environmental violations, violations of rules regarding health and safety in the workplace committed by its directors, officers, employees or agents, which could lead to civil, criminal and administrative liability for the MVM Group (including in the form of pecuniary sanctions and operational bans), as well damage to its reputation.

2.9.3 The MVM Group may not successfully manage the risks associated with expanding its operations and integrating newly acquired subsidiaries (medium risk)

The MVM Group has concluded mergers and acquisitions since its foundation and the Issuer continues to evaluate potential investment opportunities and may decide to further extend the MVM Group's operations both in the existing domestic and foreign markets. Expansion to new markets may also be possible, especially to reduce energy dependency. The Issuer and the MVM Group may pursue acquisitions of businesses or assets that are complementary to their existing activities, or that offer strategic or operational advantages, or that provide access to new markets or technologies.

In expanding its operations and doing business on an international level, many inherent risks may be faced, such as unexpected changes in regulatory requirements; changes in the levels of government support for new technologies, including the development of electricity generation technologies from renewable energy sources, default by joint venture partners; trade barriers, including import and export controls, tariffs, customs and duties; difficulties in staffing and managing foreign operations; longer payment cycles and problems in collecting accounts receivable; political instability, expropriation, nationalisation, war and other political risks; fluctuations in currency exchange rates; foreign exchange controls which restrict or prohibit repatriation of funds; technology export and import restrictions or prohibitions; and potentially adverse tax consequences. Any failure to manage the risks or liabilities associated with expanding its operations or with the acquired businesses or assets could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

In addition, although due diligence reviews have been undertaken in relation to the Issuer's acquisitions, such reviews may not reveal all existing or potential risks and liabilities and no assurance can be given that the acquisitions are not or will not become subject to liabilities of which the Issuer is unaware. While warranties and indemnities are generally obtained where practical and appropriate, the Issuer cannot give any assurance that it will be able to enforce its contractual or other rights against the relevant sellers or that any warranties and indemnities would be adequate to cover potential liabilities. The acquisition of businesses or assets with risks or liabilities of which the Issuer is or may be unaware, or which it does not correctly assess or assume, or against which full legal protection has not been obtained, could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

No assurance can be given that the Issuer or any other member of the MVM Group will successfully integrate its previous acquisitions in an efficient and effective manner or that it will be able to identify, consummate and integrate future acquisitions. The failure to integrate acquisitions and to manage any of the risks and costs associated with such integration, could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.9.4 The MVM Group is subject to the risk of having its future expansion limited more than its competitors (medium risk)

Due to the MVM Group's market-leading position in Hungary, it may be particularly exposed to the risk of lawsuits or proceedings on the grounds of alleged non-compliance with competition, anti-trust and non-discrimination rules, and such lawsuits and proceedings could be decided against the Issuer's interests, which could have a material adverse effect on its business, results of operations and financial condition. In order to enhance competition, the competent authorities or certain governments or the EU could also take decisions contrary to the Issuer's interests. Such decisions could limit the MVM Group's expansion and growth and, thus, have a material adverse effect on its business, results of operations and financial condition.

2.10 Risks connected with pandemics (medium risk)

The economies of the countries in which the MVM Group operates have been negatively affected by the COVID-19 pandemic and might, in the future, be negatively affected by any other outbreak of any contagious disease with human-to-human airborne or contact propagation effects, such as the COVID-19 pandemic. The Issuer can provide no assurance in relation to any outbreak of any contagious disease in the areas in which MVM Group operates or as to what the related impact on its business may be.

The potential impacts of any contagious disease which may result in a global, regional or other economic recession, are uncertain and difficult to assess. The MVM Group cannot give any assurance that any contagious disease or pandemic will not arise in the future. Any such event, and any response of any

government or society to any potential pandemic, may have a material adverse effect on the business, cash-flows, results of operations and financial condition of the Issuer or any other members of the MVM Group.

2.11 Health, safety and environment risks (medium risk)

The MVM Group is subject to various environmental, health and safety laws and regulations governing, among other things: the generation, storage, handling, release, use, disposal and transportation of waste or hazardous and radioactive material; the emission and discharge of hazardous material into the ground, air or water; the decommissioning and decontamination of its facilities; and the health and safety of the public and the employees. EU regulators and regulators in countries in which the MVM Group operates administer these laws and regulations. The MVM Group is also required to obtain environmental and safety permits from various governmental authorities for its operations. Certain permits require periodic renewal or review of their conditions as well as continuous monitoring and reporting of compliance with their conditions and the Issuer cannot give any assurance that such permits will be able to be renewed or that material changes to the permits requiring significant expenditures will not be imposed. Violations of these laws, regulations or permits could result in plant shut-downs, fines or legal proceedings being commenced against the respective members of the MVM Group or other sanctions, in addition to negative publicity and significant damage to reputation. Other liabilities under environmental laws, including the clean-up of radioactive or hazardous substances, can also be extremely costly to discharge. Environmental and health and safety laws are complex, change frequently and have tended to become more stringent over time.

Any environmental damage occurring as a result of the operation of the MVM Group's facilities (including any historic environmental damage which occurred in the past) may result in a disruption of the MVM Group's services or cause reputational harm, and significant liability could be imposed on the MVM Group for damages, clean-up costs and penalties and/or compensation as a result.

The costs of complying with current and future environmental and health and safety laws and the liabilities arising from past or future releases of, or exposure to, radioactive or hazardous substances, could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.12 Risk of strikes or other labour disruptions at the MVM Group's facilities (low risk)

A substantial number of the employees of the MVM Group members are represented by labour unions. Although strikes or work stoppages have not yet had significant effects on the MVM Group's operation, no assurance can be given that any strikes, threats of strikes, or other resistance or work stoppages affecting the MVM Group's facilities will not occur in the future, impairing the Issuer's ability to implement further measures to reduce costs and improve production efficiencies in furtherance of its strategy, which could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

2.12.1 MVM Group is subject to public procurement laws (low risk)

Some members of the MVM Group are subject to Act CXLIII of 2015 on Public Procurement (the "**Hungarian Public Procurement Act**"). For those subsidiaries that are subject to the Hungarian Public Procurement Act, either all procurements exceeding a certain threshold or those procurements closely related to the provision of public utilities are required to be conducted pursuant to public procurement laws. In addition, certain procurements (e.g. procurement of IT hardware, equipment and services, telecommunication services, marketing and communications, public relations, advertising, organisational development services and human resources) are not completely within the decision-making power of the Issuer's management, since dedicated government agencies (such as the Digital Governmental Agency Ltd. and the National Communication Office) exercise comprehensive control over such procurements of the MVM Group member

companies. Consequently, the management of the Issuer has a lower level of control over the timing of such procurement processes, and the contractual terms and conditions approved by the respective governmental agency. This might lead to protracted procurement processes or contractual terms and conditions approved by the respective governmental agency that are different from those that may have been approved by management. As a result, the MVM Group might not be able to meet in a timely manner certain procurement needs, which might have an adverse impact on the ability of the MVM Group to operate in an efficient manner and could have a material adverse effect on the business, results of operations and financial condition of the Issuer and any member of the MVM Group.

2.12.2 The MVM Group is subject to risks associated with residents' opposition (low risk)

The MVM Group currently operates in a vast geographical area. It conducts business activities that require the development of infrastructure in local areas, which in some cases can cause either criticism or partial acceptance. Accordingly, the MVM Group may be exposed to reputational and operational risks arising from delays in the execution of projects for new sites or risks that may affect the operational continuity of the MVM Group's existing sites. In addition, the MVM Group's commitment to decarbonise its energy mix could have a potential negative impact in local areas which are heavily dependent on lignite operations (extraction and energy generation) in terms of potential job losses and socio-economic development. This could ultimately lead to increased costs of decarbonisation and expose the MVM Group to reputational risks or even delay the MVM Group's achievement of the decarbonisation goals set out in its key strategies.

2.12.3 The Issuer may not be able to hire, train or retain a sufficient number of qualified staff (low risk)

Experienced and capable personnel in the energy industry (with particular regard to the nuclear industry) are in high demand and MVM Group faces significant competition in its primary markets to recruit such personnel. Consequently, when experienced employees leave the business or retire, the MVM Group may have difficulty, and incur additional costs, in replacing them. In addition, the loss of any member of the senior management team may result in a loss of organisational focus, poor execution of the operations and corporate strategy and inability to identify and execute potential strategic initiatives in the future. Failure to hire, train or retain a sufficient number of experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or to recruit skilled professional and technical staff could have a material adverse effect on the business, results of operations and financial condition of the Issuer and any member of the MVM Group.

2.12.4 The MVM Group may fail to comply with ESG Standards and expectations, while at the same time, compliance therewith may pose challenges to its business (low risk)

The MVM Group is committed to conducting its business in a responsible and sustainable manner, respecting the environmental, social and governance ("**ESG**") standards and expectations of its stakeholders, including customers, investors, regulators, employees and communities. However, the MVM Group operates in a complex and dynamic environment, where ESG standards and expectations may vary across different markets, sectors and stakeholders, and may evolve over time. The ESG regulatory landscape has undergone rapid transformations in recent years, introducing new processes such as the carbon border adjustment mechanism. The European Union's ESG regulatory landscape is also constantly changing and evolving. The MVM Group may face risks of non-compliance with applicable ESG laws, regulations, policies, standards or best practices, or of failing to meet the expectations of its stakeholders, which could result in legal, regulatory, reputational, operational or financial consequences, such as fines, sanctions, litigation, loss of contracts, customer dissatisfaction, employee turnover, negative media coverage, reduced access to capital or increased cost of capital. The MVM Group may also face challenges in implementing and maintaining

effective ESG policies, systems, processes, controls and reporting, as well as in measuring and communicating its ESG performance and impact, which could entail significant costs, resources and efforts. The MVM Group may also encounter trade-offs or conflicts between its ESG objectives and its commercial, strategic or operational objectives, which could affect its ability to pursue its growth opportunities, optimise its efficiency, profitability and competitiveness, or adapt to changing market conditions and customer demands. The MVM Group may not be able to anticipate, prevent, mitigate or manage all the ESG risks and challenges that it may face, or to capture all the ESG opportunities and benefits that it may seek, which could adversely affect its business, financial condition, results of operations and prospects.

3. RISKS RELATING TO THE SHAREHOLDING OF THE ISSUER

3.1 The Issuer's obligations under any Bonds issued under the Programme do not benefit from any direct or indirect Hungarian government guarantee or other legally enforceable government backing (medium risk)

Although the Hungarian state is the Issuer's sole shareholder, any Bonds issued under the Programme are not directly or indirectly guaranteed by the Hungarian government and do not benefit from any legally enforceable government backing. In addition, the Hungarian government is under no obligation to extend financial support to the Issuer in the future. Accordingly, the Bonds issued under the Programme are not, and should not be regarded as, obligations of the Hungarian government.

The Issuer's ability to make payments under the Bonds is solely dependent on its ability to fund such obligations from its operating cash flows and borrowings. Therefore, any decline in such operating cash flows or any difficulty in securing external funding may materially adversely affect the Issuer's ability to make payments under any Bonds issued under the Programme.

3.2 A future change in the shareholder structure of the Issuer may affect the Issuer's assessment by capital market participants (medium risk)

The Hungarian state holds 100 per cent. of the shares in the Issuer as at the date of this Base Prospectus. Although the Issuer is not aware of any decision made by the shareholder on any potential change in the shareholding structure of the Issuer, no assurance can be given that there will be no change in the future which would lead to a decrease in the Hungarian state's shareholding in the Issuer, which is to be maintained, pursuant to Annex 2 of Act CXCVI of 2011 on National Assets, at the level of at least 75 per cent. plus one vote of the shares in the Issuer.

Any future assessment of the creditworthiness of the Issuer may be negatively affected by a future change in the Issuer's shareholding structure. Therefore, there can be no assurance that the credit rating of the Issuer may be reviewed or that the Issuer may eventually be downgraded, if the Hungarian state ceases to be the Issuer's sole shareholder. The materialisation of any of the above risks could affect the Issuer's ability to make repayments on its debt instruments or otherwise have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

3.3 The Hungarian state, which owns all of the share capital of the Issuer, can control the MVM Group's policies by, amongst other things, electing all of the members of the Issuer's Board of Directors and may pursue decisions that reflect Hungarian government policy (medium risk)

As the Issuer's sole shareholder, the Hungarian state has the power, among other things, to nominate and elect all of the members of the Issuer's Board of Directors (the "**Board of Directors**"). The interests of the Hungarian government may conflict with the MVM Group's objectives as a commercial enterprise, and there

can be no assurance that the government will not take any action to further its own objectives which may be in conflict with the interests of the MVM Group or Bondholders. For example, the Hungarian government's key objective is to ensure the stable supply of electricity and gas to the country's residents and businesses at affordable costs rather than the optimisation of the MVM Group's revenue and profits. A change in the Hungarian government could also adversely impact the strategy or objectives of the MVM Group.

In addition, shareholder decisions may be made for the MVM Group different from those that would have been made without government influence. The MVM Group may also be required to implement shareholder decisions that could lead to significant expenditures by the MVM Group, including additional debt, which could have a material adverse effect on the Issuer's ratings, business, results of operations and financial condition. Changes to the members of the Issuer's Board of Directors may be made for political, rather than business, reasons and such changes could have a material adverse effect on the MVM Group's business, prospects, financial condition and results of operations.

3.4 Risks associated with a potential initial public offering (low risk)

The sole shareholder of the Issuer may decide to pursue in the future an initial public offering ("**IPO**") of its shares in the Issuer which could subject the Issuer to additional regulatory, legal, financial and operational requirements and risks, as well as increased public scrutiny and market volatility. The Issuer may also incur significant costs and divert management attention and resources in connection with the preparation and execution of an IPO, which could adversely affect its business and results of operation. The terms and timing of an IPO are uncertain and depend on various factors, such as market conditions, investor demand, valuation, regulatory approvals and other considerations. If the Issuer completes an IPO, it would result in changes to its shareholding and may result in changes in its capital structure, governance, dividend policy, financial reporting and disclosure practices, and strategic direction, which could affect its relationship with its Bondholders, customers, suppliers, employees and other stakeholders. However, there can be no assurance that the Issuer will be able to complete an IPO successfully, or at all. If the Issuer fails to complete an IPO, or if an IPO is delayed, cancelled or adversely affected by market conditions or other factors, this could negatively impact the Issuer's reputation, growth prospects and access to capital markets, as well as the market price and liquidity of the Bonds.

4. RISKS RELATING TO GEOPOLITICAL, SOCIAL AND ECONOMIC CONDITIONS

4.1 Risks associated with the development of the Russian-Ukrainian war (high risk)

Russia began an invasion of Ukraine on 24 February 2022, targeting key military and civilian facilities throughout the country. As at the date of this Base Prospectus, it is still difficult to predict the overall and full extent of the impact of the military conflict between Russia and Ukraine on the Issuer's operations. Depending on how the military conflict between Russia and Ukraine develops, the impact of this conflict could result in a wide range of possible scenarios for the MVM Group, especially as it is headquartered and a large part of its operations are conducted in Hungary which neighbours Ukraine. Although Hungary is a member country of NATO, in case of escalation of the conflict the potential physical damage to assets and the subsequent financing risk would be significant. Infrastructure of energy supply is usually a focused target of any military involved in a conflict. Therefore, in case of escalation towards western territories certain assets of the MVM Group would potentially be targets of the Russian armed forces.

As a result of the invasion, the EU, EU member states, Canada, Japan, the United Kingdom and the United States, among others, have announced and implemented sanctions on Russia and Belarus and export-control measure packages. The introduction of further sanctions could result in adverse reactions from Russia, such as disruption of natural gas supplies to the EU and the increase of the gas sale price.

In addition, the Russia-Ukraine conflict has upended energy markets, triggering price volatility and energy insecurity across the world. Countries are dynamically reshaping their energy strategies to reflect new geopolitical realities and to address the need for affordable energy. Energy prices have reached unprecedented levels since the second half of 2021 and the conflict has added to the pressure with Russia's weaponisation of energy supplies. In addition to energy prices, the prices of various raw materials and products (e.g. aluminium and steel) have also risen significantly. Increases in energy and raw material prices and rising financing costs affect the MVM Group's profitability and financing needs. Energy prices have stabilised in 2023, although they are still far above the levels seen before 2020.

Although the MVM Group has no assets in either Russia or Ukraine, and has no subsidiaries in these countries, Russia and Russian companies play a key role in Hungary's energy supply, especially in the generation of nuclear-based electricity and the supply of natural gas. The MVM Group has significant exposure to Russian gas imports as the off-taker in its long-term import contract with Gazprom, a Russian majority state-owned energy corporation. On 1 January 2025, the supply of Russian gas through Ukraine ended. Although, the MVM Group's share of the Ukrainian pipeline had been decreasing in recent years, while the significance of the TurkStream pipeline had been increasing in volume.

Furthermore, the nuclear fuel for MVM Paksi Atomerőmű Zrt. is supplied by TVEL, which is part of the Rosatom Group. The management of the Issuer is constantly monitoring the impacts on the MVM Group of the changed business and economic circumstances, and are in regular consult with the competent government bodies on behalf of the Sole Shareholder, the Hungarian state, regarding the necessary measures to ensure that the MVM Group is able to fulfil its tasks and contractual obligations even under changed circumstances. In line with the portfolio diversification pillar of the MVM Group's strategy, a new contract was signed in October 2024 with the French company Framatome SAS ("**Framatome**"). Under this agreement, Framatome will supply fuel and fuel elements to the Paks Nuclear Power Plant from 2027. This initiative aims to secure a long-term, reliable supply of nuclear fuel for the Paks Nuclear Power Plant and to diversify its fuel supply sources. Furthermore, the MVM Group is continuously seeking potential acquisition targets in and outside of the CEE region in order to reduce energy dependency and to increase the portfolio diversification of the MVM Group. In addition to the risk escalation, a prolonged war poses the risk of continued uncertainty of the major commodity, foreign exchange and debt capital markets that impact the MVM Group. Both escalation and prolongation pose a heightened risk of the discontinuation of natural gas supply from Russia, which would have material adverse impact on MVM Group's operations and financial conditions.

In order to ensure domestic electricity supply during the energy crisis and the Russian-Ukrainian war, the Hungarian government has started exploring the possibility of extending the lignite-based power production of the Mátra Power Plant. However, even in the case of a possible extension of coal-based production, the phase-out of coal and lignite-based electricity production as committed to in the current national climate plan will be met by the end of 2029, at the latest. Based on the current schedules, the new gas power plant block can be put into operation in 2028 at the earliest, and in parallel, an additional 1,500-2,000 megawatt ("**MW**") photovoltaic ("**PV**") capacity and approximately 15 MW or more of biomass or waste fired capacity in Hungary and within the MVM Group are planned for 2028. The commissioning of the new state-of-the-art facilities enables - in line with the MVM Group's decarbonisation efforts - the phase-out of lignite-based production, the more efficient use of natural gas and hydrogen, as well as the higher integration of renewables. The MVM Group's decarbonisation goals depend on several factors that are not fully under its control, such as the regulatory and policy framework. Any uncertainties, or adverse changes in these regulations and policies could affect the MVM Group's ability to achieve its planned reduction of greenhouse gas emissions and its transition to a low-carbon energy system.

On 24 May 2022 the Hungarian government terminated the state of emergency related to the COVID-19 pandemic, effective as 1 June 2022. On the same day, the Parliament amended the 51st Article of the

Fundamental Law of Hungary about the state of emergency (in Hungarian "*veszélyhelyzet*"). The amendment now allows a state of emergency to be proclaimed not only in the event of a natural or an industrial disaster, but also in the event of an armed conflict, a state of war or a humanitarian disaster in a country neighbouring Hungary. In view of this amendment and the Ukrainian-Russian war, the Hungarian government has declared a state of emergency, effective as of 25 May 2022. The state of emergency has been extended several times and remained in force as of the date of this Base Prospectus. During the state of emergency, the Hungarian government governs Hungary by decrees which as a general rule remains in effect for 15 days. After that period, each decree may be extended by the Parliament on an individual basis. The state of emergency and the government decrees may create legal uncertainty and instability for businesses, as they may face sudden changes in regulations without parliamentary oversight or judicial review, which may have an impact on the operation of the MVM Group.

4.2 Risks associated with changes in the EU's energy policy and an accelerated market shift towards renewable energy sources (medium risk)

The electricity generation industry in Europe is strongly influenced by the EU's policy to increase the share of electricity generated by renewable energy sources, which was implemented in 2008 by the EU Climate and Energy Package and amended in 2019 by a package of provisions called Clean Energy for all Europeans, also known as the Winter Package (the "**Winter Package**").

The Winter Package is a set of several directives, regulations and decisions the application of which may significantly influence the energy sector and also the MVM Group. The Winter Package aims to achieve three goals: to make energy efficiency a priority, to achieve the world leading position of EU countries in renewable energy and to provide fair conditions for consumers. The MVM Group is effectively obliged, due to economic incentives, to reflect the Winter Package within its own strategy. The Winter Package increases the required share of renewable sources from 20 per cent. in 2020 to 32 per cent. in 2030 and sets the energy efficiency target to at least 32.5 per cent. in 2030. The energy efficiency target, renewable share target and the Winter Package in general aim to achieve a low-carbon economy and to decrease emissions in accordance with EU emissions targets by 20 per cent. in 2020 and by 80 per cent. in 2050.

In late 2019, the EC presented a strategy called the European Green Deal, which, among other things, aims to lower the EU's greenhouse gas emissions by 55 per cent. from 1990 levels by 2030 (the "**Fit for 55 package**"). In 2023, the Fit for 55 package was updated when the EU Commission proposed increased ambition on renewable energy and energy efficiency in response to Russia's invasion of Ukraine and to boost Europe's energy security. In November 2023, the revised Renewable Energy Directive entered into force. This new legislation aims to increase the share of renewables in the EU's overall energy consumption, raising the binding target for 2030 to 42.5 per cent., with the ambition to reach 45 per cent. This would almost double the existing share of renewable energy in the EU. Stricter Fit for 55 targets and the related tools and goals of the EU mean foster decarbonisation and electrification. Increasing cost of carbon emission may affect all coal and natural gas related activities of the MVM Group and – parallelly – network activities may be affected by change in energy consumption (reduction in natural gas and increase in electricity).

The implementation of the targets of the Winter Package and other EU energy policies or any amendments to such targets and regulation could have a material adverse effect on the MVM Group's business, results of operations and financial condition. Support for renewable sources may decrease energy prices, limit production time, and decrease the stability of the transmission and distribution grid, the profitability of distribution services provided by the Issuer and the production quantity of the conventional power plants that the Issuer operates, and may further decrease the Issuer's market share.

The 2023 revisions of the ETS Directive introduced a new emissions trading system, ETS2, distinct from the existing EU ETS. ETS2 targets CO_2 emissions from fuel combustion in buildings, road transport, and additional sectors, primarily small industries not covered by the current EU ETS. This system supports the European Green Deal by aiding Member States in meeting their emission reduction targets under the Effort Sharing Regulation (ESR), addressing the insufficient emission reductions in these sectors to achieve the EU's 2050 climate neutrality goal. ETS2, operational from 2027, will function as a 'cap and trade' system, covering emissions upstream. Fuel suppliers, rather than end consumers, will monitor and report emissions, purchasing allowances at auctions to cover their emissions. The ETS2 cap aims to reduce emissions by 42 per cent. by 2030 compared to 2005 levels. All allowances are expected to be auctioned, with a portion of the revenues allocated to the Social Climate Fund (SCF) to support vulnerable households and micro-enterprises. Member States must use the remaining revenues for climate action and social measures, reporting on their expenditure. The MVM Group is obliged, due to economic incentives, to reflect the EU targets within its own strategy, although the direction of EU policy also presents opportunities to enter new business areas in the case of green generation, energy efficiency services, flexible grid and power generation. In addition, the MVM Group may be required to incur additional expenditure in order to meet the other related targets envisaged in the Fit for 55 package. Continued or increased support for renewable energy sources in the EU may adversely affect the MVM Group's profits from nuclear, coal-fired and gas power plants, which could have a material adverse effect on its business, results of operations and financial condition.

4.3 Risks resulting from political developments in the EU and in other countries where the Issuer has or plans to have a business presence (medium risk)

The energy markets continue their transition to decarbonisation and decentralised energy sources. One of the four pillars of the MVM Group's strategy is green transition which includes the maintenance and increase of its clean energy generation, digitalisation, infrastructure developments and the growth in new business areas to meet not just its customers' energy needs, but also to reflect the development of energy services in Europe, including the MVM Group's major markets such as Hungary and the Czech Republic (see "*Information about the Issuer and the MVM Group – The strategy of the MVM Group*"). The MVM Group operates in a highly regulated and politicised environment, both at the national and the EU level, where changes in laws, policies, tariffs, subsidies, taxes, or sanctions could have significant impacts on the MVM's Group strategy.

Any political developments in the EU, including changes in the economic policy, executive authority or composition of the EU and its institutions, may have an adverse effect on the overall economic stability of the EU and the European countries in which the MVM Group's assets and operations are located. The MVM Group cannot predict or control the occurrence or outcome of these political developments, nor can it fully mitigate their potential impact on its business. Further, any changes in the political or economic stability, as well as any political, economic, regulatory or administrative developments in the countries the MVM Group is present in and over which it has no control, could have a material adverse effect on its business, results of operations and financial condition.

4.4 Risks associated with poor economic performance in Hungary (medium risk)

The Issuer's and the MVM Group's revenues are sensitive to the performance of the Hungarian economy. As of the date of this Base Prospectus, the majority of MVM Group's property, plant and equipment was located in Hungary and the majority of net sales revenue was derived from Hungary. Changes in economic, regulatory, administrative or other policies of the Hungarian government, as well as political or economic developments in Hungary (including potential changes in Hungary's credit ratings) over which the Issuer has no control, could have a significant effect on the Hungarian economy, which in turn could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

4.5 Risks associated with the volatile economic environment (medium risk)

The global economic environment is subject to significant uncertainties and volatility, which may adversely affect market conditions and the value, liquidity and creditworthiness of the Issuer. Factors such as the COVID-19 pandemic, Russia-Ukraine conflict and other geopolitical tensions, sanctions developments, inflation, environmental issues and other events had and may continue to have a material negative impact on economic growth, financial stability and market confidence in various regions and countries. Any deterioration in the economic environment or any disruption or volatility in the financial markets may result in a default or delay in payment by the Issuer, or a downgrade or withdrawal of the ratings of the Issuer. Further, any changes in political or economic stability, as well as any political, economic, regulatory or administrative developments in the countries in which the MVM Group is present, over which it has no control, could have a material adverse effect on its business, results of operations and financial condition.

4.6 Risks associated with political developments in Hungary (medium risk)

No assurance can be given that a change in the Hungarian government would not affect the energy, economic, fiscal, and regulatory policies of Hungary. Given that the Hungarian state, as sole shareholder, can appoint members of the Issuer's Supervisory Board and Board of Directors, any future change in the Hungarian government might also have an effect on the structure and composition of the management and supervisory bodies of the Issuer and the strategy of the Issuer. Unfavourable political developments and any changes in the Issuer's strategy could have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.

4.6.1 The MVM Group faces risks relating to political, social or economic instability in some of the countries where the MVM Group operates (medium risk)

The MVM Group is active in 23 countries but the majority of its assets are in Hungary and the Czech Republic. The MVM Group's activities outside of Hungary are subject to a range of country-specific business risks, including changes to government policies or regulations in the countries in which it operates, changes in commercial practices, the imposition of monetary and other restrictions on the movement of capital for foreign corporations, economic crises, state expropriation of assets, the absence, loss or non-renewal of favourable treaties or similar agreements with foreign tax authorities and general political, social and economic instability. Such countries may also be characterised by inadequate creditors' protection due to a lack of efficient bankruptcy procedures, investment restrictions and significant exchange rate volatility. Systemic (i.e. not diversifiable) risks, referred to as "country risks", could have a material adverse effect on the MVM Group's business returns and, in order to effectively monitor them, the MVM Group regularly carries out a qualitative assessment process of the risks associated with each country where the MVM Group operates. There can be no assurance that these assessments cover all of the potential liabilities which may arise in connection with country risks. Therefore, the occurrence of an event not covered, or only partially covered, could have a material adverse effect upon the MVM Group, its business prospects, financial condition and results of operations.

Following its acquisition of innogy Česká republika a.s. ("**iCR**"), the MVM Group's revenues have also became sensitive to the performance of the Czech economy. Changes in political, social or economic developments in the Czech Republic over which the MVM Group has no control, could have a significant effect on the Czech economy, which in turn could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

In 2022, the Issuer has acquired minority stakes (33.4 per cent. of the shareholding) in Energotehnika Južna Bačka d.o.o. Novi Sad ("**EJB**") and Elektromontaža Kraljevo d.o.o. Kraljevo ("**EMK**"). Both Serbian

companies specialise in the design, construction and maintenance of electrical power utilities, overhead lines and transformer stations, heating plants, power installations, and equipment for the exploitation of renewable energy resources. With the acquisition of the above interests in EJB and EMK, as well as the joint venture of MVM CEEnergy and Srbijagas, the MVM Group has entered a non-EU market and its revenues have become sensitive to the performance of the Serbian economy. Changes in political, social or economic developments in Serbia over which the MVM Group has no control, could have a significant effect on the Serbian economy, which in turn could have a material adverse effect on the business, results of operations and financial condition of the MVM Group.

5. RISKS RELATING TO GOVERNMENTAL REGULATIONS AND LAWS

5.1 The MVM Group is subject to different regulatory regimes in all countries in which it operates, and these regimes are complex and subject to change (medium risk)

The Issuer and other members of the MVM Group are subject to the laws of various countries and jurisdictions where they operate and the laws of the EU, as well as the regulations of the regulatory agencies of the respective countries in which the MVM Group operates, with particular regard to the Hungarian Atomic Energy Authority and to the MEKH. These laws and regulations and their interpretation by the regulatory agencies affect many aspects of the MVM Group's business and, in many respects, determine the manner in which it can conduct its business activities and the fees charged or obtained for its products and services.

In particular, as an owner and operator of nuclear, coal-fired and gas power plants, renewable energy facilities, electricity transmission and distribution, gas storage and distribution, heat distribution and mining businesses, the MVM Group is subject to extensive governmental and other regulations in the markets in which it operates, including in relation to nuclear safety. The MVM Group is also considered to be the exclusive universal service provider in Hungary both in terms of natural gas and electricity services. Therefore, governmental regulations with regard to residential supply (including gas storage obligations for winter) can affect the MVM Group's operation and profitability. Any new regulation or any changes in the existing regulations or requirements of or the interpretation by the governments or regulatory authorities may require significant changes in the MVM Group's business in ways that are not predictable, with particular regard to the manner in which the MVM Group operates its nuclear assets. Any new regulations or requirements that cause the restructuring or other changes in the MVM Group's business in any way, or that affect electricity generation, transmission and distribution, gas storage and distribution or electricity and gas supply prices or related financial conditions, could have a material adverse effect on the MVM Group's business, results of operations and financial condition. In addition, the Issuer may fail to respond swiftly and appropriately to changes in applicable laws and regulations or to changes in the energy industry generally, which could have a material adverse effect on the MVM Group's business, results of operations and financial condition.

5.2 The MVM Group's activities require various administrative authorisations and licenses that may be difficult to obtain, maintain or renew or whose grant may be subject to conditions that may become significantly more stringent (medium risk)

The Issuer's and other MVM Group members' core activities of generation, transmission, distribution and supply of electricity and storage, distribution and supply of natural gas require various administrative authorisations, at local and national levels, in Hungary and in the other countries in which the MVM Group operates. The procedures for obtaining and renewing these authorisations can be protracted and complex. Obtaining these authorisations is not routine and the conditions attached to obtaining them are subject to

change and may not be predictable. As a result, the MVM Group may incur significant expenses in order to comply with the requirements associated with obtaining or renewing these authorisations (for example, the cost of preparing applications for authorisations or investments associated with installing equipment that are required before the authorisation can be issued). Delays and costs or the suspension of the MVM Group's industrial activities due to the inability to obtain, maintain, or renew authorisations, may also have a negative impact on the Issuer's business activities and profitability.

In addition, the Issuer often invests resources prior to obtaining the necessary permits and authorisations, particularly in connection with feasibility studies and environmental studies, but may have to cancel or withdraw from a project even after incurring such costs if the necessary permits or authorisations cannot be obtained. Any failure to obtain, maintain, renew or extend all the necessary administrative authorisations and licenses necessary for the operation of its business and execution of the MVM Group's strategy, could have a material adverse effect on the Issuer's business, results of operations and financial condition.

5.3 Windfall taxes may adversely affect the MVM Group's financial results and operations (medium risk)

On 24 May 2022, the Hungarian government announced a special tax on extraordinary profits in the banking and other sectors (the "**Windfall Tax**"). The Windfall Tax was levied with respect to financial years 2022, 2023 and 2024 on a temporary basis and has resulted in additional annual taxes for different sectors. The Government Decree 356/2024 (XI.21.) further extended a portion of the Windfall Taxes introduced to be payable for the financial year 2025 as well.

In the energy sector, the Windfall Tax primarily affects petroleum product manufacturers, power plants producing electricity from renewable energy sources, waste or by using co-generation. One of the subsidiaries of the MVM Group was affected by the Windfall Tax, as a rate of 65 per cent was levied on those electricity producers whose installed capacity exceeds 0.5 MW and are eligible for feed in tariff or feed in premium, but left the feed in tariff or feed in premium system, or have not signed the corresponding subsidy agreement. In this case, the Windfall Tax is calculated on the basis of the extra income that eligible producers realise on the market above the subsidised price. The income tax liability for 2022 was HUF 773 million, for 2023 was HUF 7 million with respect to the Windfall Tax obligation of this subsidiary of the MVM Group. In 2024 there was no such Windfall Tax obligation of the MVM Group.

The Government Decree 459/2022 (XI.9.) extended the application of the Windfall Tax to electricity system-level services. The tax was based on the financially realised sales revenue received as consideration for providing balancing capacity services with a tax rate of 13 per cent for 2022 and 10 per cent. for 2023. The Government Decree 206/2023. (V.31.) further extended the Windfall Tax to be payable for 2024 at the rate of 10 per cent. The MVM Group's subsidiary, MVM Partner Zrt. was affected with a tax liability of HUF 17,205 million for 2022, HUF 6,183 million for 2023 and HUF 3,451 million for 2024. Based on Section 30 (1) of the Government Decree 459/2022 (XI.9.), a portion of the Windfall Taxes introduced, including the two Windfall Taxes which have affected the MVM Group, have been repealed on 1 January 2025.

The Windfall Tax is part of a broader fiscal policy of the Hungarian government, thus the re-introduction, or the introduction of other further measures could adversely affect the MVM Group's business, financial condition and results of operations.

The Czech Republic also introduced an extraordinary windfall tax as of 1 January 2023 (the "**Czech Windfall Tax**"). The legal conditions of the Czech Windfall Tax were established by the amendment of Act No. 586/1992 Coll. on income taxes. The Czech Windfall Tax is levied on excess profits for a period of years from 2023 to 2025 and applied to companies in the sectors of energy production and trade, banking, oil industry, mining, and fossil fuel processing. The Czech Windfall Tax is 60 per cent. of the excess profits that

results from the differences between the annual tax bases in the period from 2023 to 2025 and the average of the tax bases increased by 20 per cent. in the preceding four years (i.e. from 2018 to 2021). The MVM Group's subsidiaries, innogy Energie s.r.o and MVM CEEnergy CZ s.r.o were affected by the Czech Windfall Tax with a tax liability of HUF 54,725 million for 2023 and HUF 8,228 million for 2024. The introduction of other further tax measures in the Czech Republic could adversely affect the MVM Group's business, financial condition and results of operations.

RISK FACTORS ASSOCIATED WITH THE BONDS ISSUED UNDER THE PROGRAMME

1. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE BONDS ISSUED UNDER THE PROGRAMME

1.1 If the Issuer has the right to redeem any Bonds at its option, this may limit the market value of the Bonds concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return. (medium risk)

An optional redemption feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem Bonds, the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

1.2 The regulation and reform of "benchmarks" may adversely affect the value of Bonds linked to or referencing such "benchmarks" (medium risk)

Interest rates and indices which are deemed to be "benchmarks" (including BUBOR) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Bonds referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation could have a material impact on any Bonds linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulations. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Bonds in making any investment decision with respect to any Bonds referencing a benchmark.

1.3 There can be no assurance that BUBOR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of Floating Rate Bonds (medium risk)

The Issuer has no control over the determination, calculation or publication of BUBOR. The administrator of BUBOR may make changes that could change the value of BUBOR, as the case may be, or discontinue BUBOR, and has no obligation to consider the interests of holders of Floating Rate Bonds. There can be no assurance that BUBOR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of Floating Rate Bonds.

2. RISKS RELATED TO BONDS GENERALLY

Set out below is a description of material risks relating to the Bonds generally:

2.1 **The value of the Bonds could be adversely affected by a change in Hungarian law or administrative practice (medium risk)**

The conditions of the Bonds are based on Hungarian law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Hungarian law or administrative practice after the date of this Base Prospectus and any such change could materially and adversely impact the value of any Bonds affected by it.

2.2 Risks related to the lack of Bondholder meetings (medium risk)

Investors should be aware that the terms and conditions of the Bonds issued under this Programme do not provide for the convening of Bondholder meetings. This absence of a formal mechanism for Bondholders to collectively discuss and address issues related to their investment may limit their ability to influence decisions that could affect the value of their Bonds. In the event of any significant changes or unforeseen circumstances affecting the Bonds, individual Bondholders may find it challenging to coordinate their actions or voice their concerns effectively. Consequently, this could potentially lead to a situation where Bondholders are unable to take collective action to protect their interests, which may adversely impact the value and liquidity of their investment in the Bonds.

2.3 The Bonds may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Bonds (medium risk)

All payments in respect of Bonds will be made without deduction for or on account of withholding taxes imposed by Hungary unless required by applicable law. In the event that any such deduction is made, the Issuer will not pay additional amounts to cover the amounts so deducted. Prospective investors should consult their own tax advisers in relation to tax consequences.

2.4 A Bond's purchase price may not reflect its inherent value (medium risk)

Prospective investors in the Bonds should be aware that the purchase price of a Bond does not necessarily reflect its inherent value. Any difference between a Bond's purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or accorded to the various parties involved in structuring and/or distributing the Bond. For further information prospective investors should refer to the party from whom they are purchasing the Bonds. Prospective investors may also wish to seek an independent valuation of Bonds prior to their purchase.

2.5 Holders of Bonds must rely on procedures of KELER to effect transfers and receive payments (low risk)

Bondholders must rely on the procedures of KELER to effect transfers of Bonds and receive payments in respect of Bonds. Consequently, any failure or delay in the operation of KELER's systems, or any failure by KELER to perform its obligations, could result in delays in the transfer of Bonds or the receipt of payments in respect of Bonds. Additionally, changes to KELER's procedures, rules, or regulations could adversely affect the ability of Bondholders to transfer Bonds or receive timely payments.

3. RISKS RELATED TO THE MARKET GENERALLY

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

3.1 An active secondary market in respect of the Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Bonds (high risk)

Bonds may have no established trading market when issued, and one may never develop. If a market for the Bonds does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities.

3.2 The value of Fixed Rate Bonds may be adversely affected by movements in market interest rates (medium risk)

Investment in Fixed Rate Bonds involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Bonds, this will adversely affect the value of the Fixed Rate Bonds.

3.3 Credit ratings may not reflect all the risks (low risk)

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

4. RISKS RELATED TO GREEN BONDS

4.1 The Green Bonds may not meet investor expectations or requirements (medium risk)

The Issuer may decide to issue Green Bonds as defined under "*Use of Proceeds*" below. The Issuer's intention to apply an amount equal to the net proceeds of the Green Bonds towards the financing and/or refinancing of Eligible Green Projects as defined under "*Use of Proceeds*" below. A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and determine for itself the relevance of such information for the purpose of an investment in the Green Bonds together with any other investigation it deems necessary.

It should be noted that the definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes or may be classified as, a "green", "sustainable", "social" or equivalently-labelled project or investment that may finance such project is evolving. A basis for the determination of what may constitute a sustainable project has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**").

On 21 April 2021, the European Commission approved the first delegated act and the delegated regulation supplementing the Sustainable Finance Taxonomy Regulation (the Commission Delegated Regulation (EU) 2021/2139, as amended by Commission Delegated Regulation (EU) 2023/2485. the "**EU Taxonomy Climate Delegated Act**") which was formally adopted on 4 June 2021 and applied from 1 January 2022. The EU Taxonomy Climate Delegated Act is aimed at supporting sustainable investment by making it clear which economic activities most contribute to the EU's environmental objectives. The EU Taxonomy Climate Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. The EU Taxonomy Climate Delegated Act established the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and determining whether that economic activity causes no significant harm to any of the other environmental objectives.

On 27 June 2023, the European Commission approved the second delegated regulation supplementing the Sustainable Finance Taxonomy Regulation (Commission Delegated Regulation (EU) 2023/2486, the "**EU Taxonomy Environmental Delegated Act**"). The EU Taxonomy Environmental Delegated Act was formally adopted on 21 November 2023 and applied from 1 January 2024. The EU Taxonomy Environmental Delegated Act sets out criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives. It also sets out the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Further, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**") was published in the Official Journal of the European Union on 30 November 2023. The EU Green Bond Regulation, which entered into force on 20 December 2023 with most provisions in application from 21 December 2024, introduces a voluntary label (the "**European Green Bond Standard**") for issuers of "green" use of proceeds bonds where the proceeds will be invested in economic activities aligned with the EU Sustainable Finance Taxonomy.

In light of the continuing development of legal, regulatory and market convention in the green and sustainable market, no assurance can be given that the Eligible Green Projects will meet investor expectations or requirements regarding such "green", "sustainable" or similar labels (including the Sustainable Finance Taxonomy Regulation or the EU Sustainable Finance Taxonomy). Each prospective investor should have regard to the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Green Bonds before deciding to invest. The Issuer's Green Financing Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of the Bonds towards the financing and/or refinancing of Eligible Green Projects and to report on such use of proceeds and Eligible Green Projects as described in "*Use of Proceeds*" below, there can be no assurance that any such Eligible Green Projects will be available or capable of being implemented in the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Green Projects as intended. In addition, there can be no assurance that the Eligible Green Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of the Bonds or to report on the use of proceeds or Eligible Green Projects as anticipated or a failure of a third party to issue (or the withdrawal of) an opinion or certification in connection with the Bonds or the failure of the Bonds to meet investors' expectations or requirements regarding any "green", "sustainable" or similar labels will constitute an Event of Default or breach of contract with respect to the Bonds.

Any such event or failure to apply the proceeds of any issue of Bonds for any Eligible Green Projects as mentioned in the previous paragraph and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Bonds no longer being listed or admitted to trading on any stock exchange or securities market as mentioned above may have a material adverse effect on the value of such Bonds and also potentially the value of any other Bonds which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

4.2 No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to the Green Bonds (medium risk)

ICS has issued an independent opinion, dated 30 May 2023, on the Issuer's Green Financing Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is a statement of opinion, not a statement of fact. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in the Green Bonds, including without limitation market price, marketability, investor preference, suitability or any other factors that may affect the value of the Green Bonds. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold the Green Bonds and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective

investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Base Prospectus.

4.3 The Green Bonds are not linked to the performance of the Eligible Green Projects, do not benefit from any arrangements to enhance the environmental or other performance of the Issuer or any contractual rights derived solely from the intended use of proceeds of the Bonds (medium risk)

The performance of the Green Bonds is not linked to the performance of the relevant Eligible Green Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Green Bonds and the Eligible Green Projects. Consequently, neither payments of principal and/or interest on Green Bonds nor any rights of Bondholders shall depend on the performance of the relevant Eligible Green Projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of the Green Bonds shall have no preferential rights or priority against the assets of any Eligible Green Project nor benefit from any arrangements to enhance the environmental or other performance of the Issuer.

III. REGISTRATION DOCUMENT

1. Persons Responsible, Third Party Information, Experts' Reports and Competent Authority Approval

1.1 Persons responsible for the Registration Document

This Base Prospectus and Registration Document have been prepared by the Issuer. The Issuer accepts responsibility for the content of this Base Prospectus and the Registration Document, as well as for the information contained therein.

1.2 A declaration by those responsible for the Registration Document

The Issuer hereby declares that, to the best of its knowledge and with due diligence, the information contained in this Registration Document is true and correct, accurate and reflects the facts. The Registration Document contains true and accurate data and statements and does not omit any facts or information that are significant for the informed assessment of the Bonds or the Issuer by any potential investors. Furthermore, it does not omit any circumstances that could influence the important conclusions drawn from the information. The responsibility statement, duly signed on behalf of the Issuer as the responsible person, is included in Section X of this Base Prospectus.

1.3 Information on the person involved as an expert in the preparation of the Registration Document

This Registration Document does not contain any statement or report attributed to a person acting as an expert.

1.4 Third party information

Certain information under the headings "*Information about the Issuer and the MVM Group*", "*The MVM Group's market presence*" and "*Competitive position of the Issuer*" has been extracted from third party sources referred to therein.

The source of CEE TOP 500 ranking is Compagnie française d'assurance pour le commerce extérieur (Coface), a company registered in France, (see: https://www.coface.sk/content/download/71581/file/Coface%20CEE%20Top%20500%20Ranking%202024.pdf);

The source of the statements on MVM Group's position in the Czech natural gas market is the Czech electricity and gas market operator, OTE's report (see https://www.ote-cr.cz/en/statistics/monthly-report-gas/number-of-supplier2019s-opm?date=2020-01-01);

The sources of the statements on MVM Group's position in the Hungarian gas storage and supply market are the MEKH's Parliamentary Report and its List of natural gas licensees (see https://mekh.hu/download/1/df/81000/MEKH_OGY_Besz%C3%A1mol%C3%B3_2023_web.pdf and https://www.mekh.hu/foldgaz-ipari-engedelyesek-listaja).

The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the third party sources referred to therein, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1.5 Statement of approval

This Base Prospectus (including the Registration Document) has been approved by the MNB, as competent authority under the Prospectus Regulation. The MNB only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The MNB's approval does not extend to verifying the accuracy of the information included in this Base Prospectus. Approval by the MNB should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

2. Auditors

For information on the auditors of the Issuer, see "*General Information – Auditors*".

3. Risk Factors

The description of the material risks specific to the Issuer can be found under Section II of the Base Prospectus titled "*Risk Factors*", in particular in the "*Risks relating to the business and operations of the Issuer and the MVM Group*" and "*Risks relation to the shareholding of the Issuer*".

4. Information about the Issuer and the MVM Group

4.1 Information about the Issuer and the MVM Group

The Issuer was incorporated as a private limited company (in Hungarian "*zártkörűen működő részvénytársaság*") in Hungary, registered by the Court of Registration of the Metropolitan Court of Budapest on 31 December 1991 and established for an indefinite period. The legal predecessor of the Issuer was the Hungarian Electrical Works Trust ("**MVMT**"). MVMT was established in 1963 and was responsible for the technical and economic management of the entire electricity system in Hungary.

The Issuer is registered in the companies' registry kept by the Court of Registration of the Metropolitan Court of Budapest under registration number: 01-10-041828 with its registered seat at 1031 Budapest, Szentendrei út 207-209., Hungary. The Issuer's telephone number is +36-1-304-2000 and website address is https://mvm.hu/en. The information on the website of the Issuer does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

The legal entity identifier (LEI) code of the Issuer is 529900ELI5AQ9F74PF85.

The Issuer is wholly owned by the Hungarian state and its operations are subject to Hungarian law. The main legislations under which the Issuer operates are as follows:

- Act LXXXVI of 2007 on Electricity;
- Act XL of 2008 on Natural Gas;
- Act XVIII of 2005 on District Heating Services;
- Act CXVI of 1996 on Atomic Energy;
- Act V of 2013 on the Civil Code;
- Act XXII of 2013 on Hungarian Energy and Public Utility Regulatory Authority;
- Act CL of 2016 on General Public Administration Procedures;
- Act LVII of 2015 on Energy Efficiency;
- Act LIV of 2013 on the Reduction of Tariffs;
- Act CXCVI of 2011 on National Assets;

- Act CXXII of 2009 on the More Efficient Operation of the State-Owned Companies; and
- Act CXLIII of 2015 on Public Procurement.

The Minister for Energy exercises all ownership rights on behalf of the Hungarian state. The Issuer qualifies as a public undertaking within the meaning of paragraph (1) of Article 8 of Council Regulation (EC) No 3603/93 of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b (1) of the Treaty establishing the European Community.

In 2024, MVM Group was the 2nd largest company group in Hungary, and the 6th in Central Europe on a revenue basis (this ranking covers the largest companies in the region, including the following countries: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia, Slovenia, Ukraine)[1].

MVM Group continues to consolidate its position at a regional level not only as one of the largest domestic energy providers, but also through the range of its activities, and the products and services offered by the MVM Group, as well as its contribution to the security of energy supply in Hungary and Central-Eastern Europe ("**CEE**"). The MVM Group has a presence in 23 countries and has more than 100 subsidiaries. As at 31 December 2023, the MVM Group's total non-current assets were HUF 3,213,930 million and its total assets were HUF 7,025,452 million. As at 30 June 2024, the total non-current assets of the MVM Group were HUF 3,140,245 million and the total assets were HUF 6,401,991 million. For the year ended 31 December 2023, the sales revenue of the MVM Group was HUF 5,079,039 million and EBITDA was HUF 910,481 million. For the six months ended on 30 June 2024, the sales revenue of the MVM Group was HUF 2,156,227 million and EBITDA was HUF 450,444 million.

For the six months ended 30 June 2024, MVM Group produced approximately 53 per cent. of Hungary's overall electricity generation. According to the Issuer's management, the MVM Group owns and operates the entire Hungarian electricity transmission system, as well as approximately 23 per cent. of the electricity distribution system, and holds a 100 per cent. market share of the residential supply market through universal service provision and an approximately 53 per cent. market share of Hungary's competitive electricity supply market. It also holds a nearly 46 per cent. market share for natural gas supply in Hungary to industrial consumers. As at 30 June 2024, the MVM Group had more than 19,000 employees.

[1] Coface CEE TOP 500 Companies – 2024 Edition (https://www.coface.sk/content/download/71581/file/Coface%20CEE%20Top%20500%20Ranking%202024.pdf)

The following table provides an overview of the MVM Group's key performance indicators:

		As at / the six months ended on 30 June 2024	As at / the six months ended on 30 June 2023
Electricity			
Total installed capacity	MW	4,170	4,060
Total electricity generated	GWh	9,686	9,516
Total electricity sales	GWh	18,922	19,990
Wholesale electricity sales	GWh	18,643	18,000
Retail electricity sales	GWh	13,973	16,190
Intra-group sales	GWh	-13,693	-14,200
Electricity transmitted	GWh	19,963	20,030
Electricity distributed	GWh	4,978	4,987
Natural gas			
Total natural gas sales	GWh	75,958	65,887
Wholesale natural gas sales	GWh	76,818	62,996
Retail natural gas sales	GWh	34,835	40,641
Intra-group sales	GWh	-35,695	-37,750
Natural gas distributed	GWh	14,907	16,674
Heat			
Total heat sales	TJ	1,981	2,269

4.2 History and development of the Issuer and the MVM Group

4.2.1 History

Establishment of the modern Hungarian electricity system
1945-1962

Foundation of MVMT and nuclear power plant construction
1963-1991

Privatisation and market opening
1992-2012

Active state involvement
2013-2018

Building a national 'blue chip' company
2018-2021

Becoming a national universal electricity service provider
2022 to date

1949

The Hungarian single electricity system is established.

Power plant management is standardised.

The National Electricity Dispatch Centre performing the technical tasks of system operation is established.

1951

The management of regional power distribution companies is standardised.

1963

Hungarian Electricity Works Trust ("**MVMT**") is established.

MVMT is responsible for the technical and economic management of the entire Hungarian electricity system

1966

An international agreement is concluded for the construction of the Paks nuclear power plant.

1982-1987

The units of the Paks nuclear power plant are commissioned.

1992

MVM Ltd. is established, the trust is transformed into a two-tier system of companies limited by shares.

1995

Privatisation is carried out.

2000

The networks are prepared for EU accession by the early 2000s.

The liberalisation of the electricity market begins.

2013

The natural gas business unit is established and developed.

MFGK[1] and MFGT[2] are purchased.

2017

A 50% stake is acquired in ENKSZ (later NKM[3]).

2017-18

Dynamic expansion (takeover of customer portfolios, acquisition of DÉMÁSZ and Égáz-Dégáz).

2018

The integration of the MVM Group and the NKM Group begins.

2019

NKM becomes 100% owned by MVM.

2020

MVM acquired 100% ownership of iCR.

MVM became the owner of the Hungarian subsidiary of the German energy company Enexio, together with its two Chinese subsidiaries.

MVM acquired the Mátra Power Plant.

2021

MVM acquired Tiszavíz Vízerőmű Kft. (at present MVM Vízerőmű Kft.)

ÉMÁSZ DSO acquisition completed.

Acquisition of 25% stake in E.ON Hungaria.

Acquisition of the electricity universal service customer base of ELMŰ-ÉMÁSZ.

2022

Acquisition of E.ON Áramszolgáltató Kft. - Becoming a national universal electricity service provider.

MVM Zrt. purchased 33.4% stake in Energotehnika Južna Bačka and Elektromontaža Kraljevo, two leading Serbian energy construction companies.

2023

Establishment of SERBHUNGAS d.o.o. Novi Sad – Serbian subsidiary of CEEnergy.

Acquisition of one of the biggest PV power plants in Hungary - with 100 MW installed electricity generation capacity.

2024

New strategy for the MVM Group.

Increasing PV capacity by 311 MW in 2024.

Investment beyond core markets: entering Shah Deniz off-shore natural gas field as non-operating shareholder.

Share purchase agreement for the acquisition of E.ON Romania signed in H2 2024.

1. MVM CEEnergy Zrt.
2. Magyar Földgáztároló Zrt.
3. NKM Nemzeti Közművek Zrt. (currently named as MVM Services Zrt.)

4.2.2 Recent Mergers and Acquisitions

On 14 April 2022, the MVM Group acquired a 100 per cent. direct interest in E.ON Áramszolgáltató Kft. Following this transaction, customers in Hungary eligible for universal natural gas and electricity service provision are served by the MVM Group. The transaction affected almost 2.5 million customers in Hungary.

On 3 July 2023, MVM CEEnergy established its Serbian subsidiary, SERBHUNGAS d.o.o. Novi Sad as a joint venture with Srbijagas.

MVM Zöld Generáció Zrt. has acquired solar plants in Kaposvár, Hungary, with a combined capacity of 100 MW from CMC Europe, a member of the Genertec International Group. The transaction, which closed on 7 December 2023, is considered to be one of the largest transactions in the Hungarian renewable energy sector and marks a significant milestone in the country's green transition.

On 31 January 2024. MVM Zöld Generáció Zrt. acquired the 63 MW solar power plant at Tázlár which further increased its renewable generation portfolio.

On 8 December 2023, MVM CEEnergy Zrt. acquired 50 per cent. ownership in OGD Berettyóújfalu Koncessziós Kft., and with this transaction the MVM Group has further increased its domestic natural gas upstream business.

In May 2024, MVM Zöld Generáció Zrt., has acquired additional solar power plants increasing the MVM Group's renewable capacity by a total of 248 MWp of installed capacity. The acquisition includes power plants with capacities ranging from 3 MWp to 63 MWp, situated in four different locations across Hungary.

On 30 August 2024, the MVM Group closed the transaction with Southern Gas Corridor CJSC, a state-owned entity of Azerbaijan, acquiring (i) 5 per cent. participation interest in the Production Sharing Agreement for the Shah Deniz offshore gas-condensate field located in Azerbaijan and (ii) 4 per cent. stake in Azerbaijan Gas Supply Company Limited which is the exclusive special-purpose vehicle established for the marketing and sale of the natural gas produced from the Shah Deniz gas-condensate field.

On 10 December 2024 the merger of HUPX (Hungarian Power Exchange) and ADEX Group has been closed and announced. With the merger ADEX Group became the first regional Energy Exchange for Central and South-Eastern Europe, being the power exchange of Hungary, Slovenia and Serbia.

On 23 December 2024, the Issuer and E.ON have reached an agreement for the sale and purchase of E.ON's energy retail and customer solutions business in Romania. Under the agreement, the Issuer will purchase E.ON's 68 per cent. share in E.ON Energie Romania and its 98 per cent. share in E.ON Asist Complet. E.ON Energie Romania is one of the largest gas and electricity providers in Romania, with around 3.4 million customers. E.ON Assist Complet is a regional service company providing infrastructure installation and maintenance related energy services. The transaction is expected to close in Q2-Q3 of 2025, subject to regulatory approvals.

4.3 Any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency

For information on any significant or material change to the Issuer's solvency, see "*General Information - Significant or Material Change*")

4.4 Credit ratings assigned to the Issuer

The Issuer has been rated Baa2 by Moody's, BBB by Fitch and BBB- by S&P. Each of Fitch and S&P is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such, each of Moody's, Fitch and S&P is included in the list of credit rating agencies published by ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

5. Business Overview

5.1 Description of the Issuer's business activities

5.1.1 Summary of the MVM Group's Operations

The MVM Group is a leading player in the Hungarian power generation, trade, transmission, distribution and retail markets, as well as the natural gas supply, storage, distribution and retail markets, ensuring uninterrupted supply of affordable energy to approximately 11 million customers on a point of delivery ("**PoD**") basis (as at 30 June 2024) in the CEE region (primarily in Hungary and the Czech Republic). The MVM Group is one of the largest employers in Hungary with approximately 19,000 employees in the MVM Group (including its foreign subsidiaries) as at 30 June 2024 and for the year ended 31 December 2023 its operations in Hungary contributed to approximately 2.4 per cent. of Hungary's total gross domestic product. The MVM Group plays an important role in implementing Hungary's strategic energy targets through its activities. The MVM Group's expanding portfolio covers the entire Hungarian energy sector.

For the six months ended 30 June 2024, the MVM Group accounted for approximately 53 per cent. of the total national electricity production for Hungary through the Paks NPP (approximately 42 per cent.), the Mátra Power Plant (approximately 8 per cent. which includes biomass and natural gas and approximately 86 per cent lignite), gas and other fossil fuelled power plants (approximately 0.5 per cent.) and renewable energy (approximately 2.7 per cent.).

The MVM Group owns the entire transmission system through MAVIR. MAVIR has a license valid until 2037 to operate a 4,876 km network throughout Hungary (as of 31 December 2023). MAVIR is the sole owner and operator of the Hungarian electricity transmission network and has a 100 per cent. market share. The MVM Group supplies most of the domestic power consumption of service provider through its wholesale activities and provides a significant part of the portfolio of assets, which are essential for system operation, including back-up power plant capacities. The MVM Group was responsible for approximately 23 per cent. of the distribution (by distributed energy) and 100 per cent. the residential supply of Hungary's electricity for the six months ended 30 June 2024.

The MVM Group acquired 100 per cent. of the shares in E.ON Földgáz Trade Zrt. and E.ON Földgáz Storage Zrt. in 2013. Following this transaction, the companies were renamed MVM CEEnergy Zrt. (Magyar Földgázkereskedő Zrt. between 2014 and 2021) and Magyar Földgáztároló Zrt. and became key subsidiaries of the MVM Group's natural gas division. Consequently, the MVM Group has about a 70 per cent. market share in the Hungarian natural gas storage segment according to the Issuer's management and plays an important role in wholesale natural gas markets. With the integration of NKM Nemzeti Közművek Zrt.

(currently named as MVM Services Zrt.) and its subsidiaries, the MVM Group is also responsible for approximately 46 per cent. of Hungary's gas supply to industrial consumers and supplies 100 per cent. of the residential natural gas supply through universal service providers for the six months ended 30 June 2024.

MVM Partner Zrt. ("**MVM Partner**") is a member of the MVM Group and is a leading player in the Hungarian wholesale electricity market. The electricity generated by the MVM Group is sold mainly through MVM Partner. MVM Partner trades electricity on several European exchanges and OTC markets through its Budapest headquarters and it is the key supplier of the Hungarian universal service providers in electricity via long-term framework agreements.

The MVM Group is actively expanding not only in Hungary, but other countries in the CEE and the Western Balkan regions, including Serbia and EU member states such as the Czech Republic, Croatia, Romania and Slovakia. As a sustainable energy group focused on the challenges of the future, the MVM Group's mission, keeping its customers in mind, is to provide affordable and clean energy for its customers' everyday lives.

In 2020, the MVM Group achieved a milestone in its regional expansion strategy by acquiring the sole ownership of iCR and its subsidiaries, the leading natural gas supplier for households and companies in the Czech Republic with an increasing share of the Czech electricity trading market. In 2022, the Issuer signed a share purchase agreement with the Serbian Maneks Group in connection with the purchase of a 33.4 per cent. stake in Energotehnika Južna Bačka and Elektromontaža Kraljevo, two leading Serbian energy construction companies. The transaction was successfully closed on 24 May 2022, and since then a long-term cooperation framework between the owners has been established.

Another milestone in the expansion of the MVM Group was the closing of the transaction with Southern Gas Corridor CJSC, a state-owned entity of Azerbaijan on 30 August 2024. See "*Information about the Issuer and the MVM Group – History and development of the Issuer – Recent acquisitions*".

5.1.2 Overview of the main activities, products and services of the MVM Group

The MVM Group is a key player in the domestic and regional electricity and natural gas markets. The mission of the MVM Group is to ensure affordable and clean energy for its customers, while being responsible for the security of Hungary's energy supply. The main activity of the Issuer registered in the companies' registry is asset management (holding) (6421'25; 6420'08). The additional activities of the Issuer registered in the companies' registry as of the date of this Base Prospectus are as follows:

- Wireless telecommunications activities (6120'08);
- Other financial service activities, except insurance and pension funding n.e.c. (6499'08);
- Renting and operating of own or leased real estate (6820'08);
- Installation of industrial machinery and equipment (3320'25);
- Construction of utility projects for electricity and telecommunications (4222'25);
- Plumbing, heat and air-conditioning installation (4322'25);
- Holiday and other short-stay accommodation (5520'25);
- Contract catering service activities and other food service activities (5622'25);
- Publishing of journals and periodicals (5813'25);
- Other publishing activities, except software publishing (5819'25);
- Wired, wireless, and satellite telecommunication activities (6110'25);
- Computer programming activities (6210'25);
- Computer consultancy and computer facilities management activities (6220'25);
- Other information technology and computer service activities (6290'25);

- Other credit granting (6492’25);
- Accounting, bookkeeping and auditing activities; tax consultancy (6920’25);
- Activities of head offices (7010’25);
- Business and other management consultancy activities (7020’25);
- Engineering activities and related technical consultancy (7112’25);
- Research and experimental development on natural sciences and engineering (7210’25);
- Public relations and communication activities (7330’25);
- Other education n.e.c. (8559’25); and
- General medical practice activities (8621’25).

The MVM Group’s activities cover electricity generation, the independent operation, development and maintenance of the electricity transmission system, electricity trading, natural gas upstream trading and storage, the operation, development and maintenance of regional electricity and natural gas distribution systems, the operation of power plants, district heating supply, as well as information technology, financial, accounting, engineering consulting and logistics services. The MVM Group’s vertically integrated business model enables significant synergy generation across the value chain. The main activities of the MVM Group can be categorised as follows:

1. Generation;

2. Infrastructure: transmission and distribution system operator and gas storage;

3. Wholesale;

4. Retail and customer services;

5. International business; and

6. Other activities.

Electricity generated from the MVM Group’s generation activities is largely sold within the MVM Group (to MVM Partner), predominantly on the basis of 2 to 5 year contracts except for solar and hydro generation, which is the only type of electricity generated by the MVM Group that is sold on a regulated basis. The MVM Group’s infrastructure activities involve the provision of transmission and distribution services on a regulated basis. Its wholesale and gas storage activities are also largely undertaken on a regulated basis involving the intra-group sale of contracted gas volumes for the purposes of its retail universal service activities through which electricity and gas is sold to consumers at regulated prices. Only a portion of its gas storage volumes are sold on a commercial or unregulated basis and the wholesale sale of electricity for universal service is sold on a contracted basis. The MVM Group’s retail universal service activities are also undertaken on a regulated basis.

The following table provides an overview of the EBITDA and sales revenue contribution of each of these business segments[1] in respect of the years ended on 31 December 2023 and 2022:

	As at / year ended 31 December 2023		As at / year ended 31 December 2022[2]	
	audited		*audited*	
	EBITDA	**Sales revenue**	**EBITDA**	**Sales revenue**
	(in HUF million)			
Power generation	114,145	464,206	72,968	435,976
Infrastructure	303,049	867,610	48,911	655,421
Wholesale	392,138	4,046,179	229,777	7,627,757
Retail and customer services	-37,488	2,318,329	52,559	2,005,496
International business	143,397	983,953	63,120	1,097,193
Other	25,181	208,181	22,926	180,365
Intersegment	-29,940	-3,809,419	-36,914	-4,354,426
Total	**910,481**	**5,079,039**	**453,347**	**7,647,782**

1. Business segment EBITDA and sales revenue figures represent the consolidated EBITDA and sales revenue of each business segment and do not include consolidation effects between business segments.

2. 2022 figures are restated due to reclassifications between the segments in 2023.

The following table provides an overview of the EBITDA and sales revenue contribution of each of these business segments[1] in respect of the six months ended on 30 June 2024 and 2023:

	As at / the six months ended 30 June 2024		As at / the six months ended 30 June 2023[2]	
	(unaudited)		*unaudited*	
	EBITDA	**Sales revenue**	**EBITDA**	**Sales revenue**
	(in HUF million)			
Power generation	69,898	242,110	58,626	241,498
Infrastructure	129,301	337,580	148,699	426,238
Wholesale	212,442	1,538,746	170,029	2,121,158
Retail and customer services	13,721	842,012	58,395	1,385,911
International business	19,306	449,820	82,669	553,776
Other	8,398	84,906	7,082	72,621
Intersegment	-2,622	-1,338,947	-12,482	-2,031,651
Total	**450,444**	**2,156,227**	**513,018**	**2,769,551**

1. Business segment EBITDA and sales revenue figures represent the consolidated EBITDA and sales revenue of each business segment and do not include consolidation effects between business segments.

2. Figures for the six months ended 30 June 2023 are restated due to reclassifications between the segments for the six months ended 30 June 2024.

5.1.2.1 Generation

The MVM Group's power generation activity plays a key role in the value chain of domestic electricity supply, by generating predictable, affordable, flexible and 85 per cent. carbon-free electricity as at 30 June 2024, as well as contributing significantly to the profitability of the MVM Group. The power generation of the MVM Group represented approximately 53 per cent. of total Hungarian power generation output for the six months ended 30 June 2024. As at 30 June 2024, the MVM Group's installed electricity generation capacity (in Hungary and abroad) was 4,170 MW of which 2,027 MW was nuclear, 784 MW was lignite fired, 731 MW was non-coal fossil fuelled and 629 MW was renewables.

Nuclear power plants

For more than 40 years, the Paks NPP has been generating safe, cheap and environmentally friendly electricity satisfying a significant part of the Hungarian energy demand. For the six months ended 30 June 2024, the power plant produced 7,701 gigawatt hours ("GWh") of electricity. Paks NPP represented approximately 42 per cent. of the total national electricity production. As a result of a service life extension programme, the lifespan of all four units of the Paks NPP were extended in stages between 2012 and 2017, extending their lifespan to 2032-2037. The lifespan of Paks NPP may be further extended by another 20 years and the preparation for such extension started in 2023.

The Paks NPP operates at a favourable cost level due to its low carbon intensity. (see "*Risk Factors – Risks relating to the business and operations of the Issuer and the MVM Group – Risk of an increase in the cost of disposing of radioactive waste and decommission of the Paks NPP*").

Coal-fired power plant

Having been in operation since 1969, the Mátra Power Plant is the only significant electricity generating power plant that is operating in Hungary on the basis of domestic primary energy source (lignite). With its total installed capacity of 850 MW (of which 784 MW is lignite fired) it is the second largest electricity producer in Hungary and plays an important role in certain system regulating processes. For the six months ended 30 June 2024 the power plant produced 1,371 GWh electricity

Fuel for the lignite-fired units of the power plant is delivered from its own open-pit mines from Visonta and Bükkábrány. The Mátra Power Plant has been producing renewable energy since the early 2000s, which contributes to achieving the sustainability objectives of the EU. In order to reduce its CO2 emissions, the Mátra Power Plant operates with a biomass mixed fuel in the proportion of 13 per cent for the six months ended 30 June 2024. The more efficient operation and environmentally friendly transformation of the Mátra Power Plant form part of the national strategic objectives of Hungary. The MVM Group's revenues from coal-based production was 3 per cent. in 2023, while 86 per cent. of electricity production was already carbon neutral, with such carbon neutral electricity production dominated by the MVM Group's nuclear power plant and the increasing share of renewables. The phase-out of coal is planned by the end of 2029, at the latest, with any extension of coal-based production only expected to be justified in case of security of supply needs until the combined cycle gas turbine ("CCGT") power plants become operational. However, even in the case of a possible extension of coal-based production, the phase-out of coal and lignite-based electricity production by the end of 2029 as committed to in the current national climate plan will be met. The national decarbonisation goals and the reduction of emissions requires the replacement of capacities with other technologies on an efficient basis. The MVM Group aims to ensure the smooth operation of the electricity supply system during the transition process.

Renewables

Green transition, including the development and introduction of clean technologies based on renewable energy sources (primarily solar and hydro energy), is one of the four pillars the MVM Group's strategy. The MVM Group set as a priority objective in its medium-term strategy the participation of the Issuer in the utilisation of renewable energy sources in Hungary as part of the sustainable development and environmental awareness of the MVM Group. The main activities of MVM Zöld Generáció Zrt. and its subsidiaries ("**MVM Zöld Generáció**") are renewable energy based electricity generation and sales mainly under the Feed-in-Tariff System (KÁT) operated by MAVIR. MVM Zöld Generáció has been contributing to the MVM Group's commitment to sustainable development and environmental protection since March 2008 (it was formerly named MVM Hungarowind and then renamed to MVM Zöld Generáció in March 2019).

As at 30 June 2024, the MVM Group had a significant renewable (solar, hydro, wind) power portfolio with a total installed capacity of 629 MW (solar: 555 MW, hydro: 51 MW and wind: 23 MW). The MVM Group's hydro power plants in Romania are operated through its international business segment.

In September 2021, the Ministry of Innovation and Technology approved grants of HUF 22.1 billion for the development by MVM Zöld Generáció of solar power generation projects with an overall installed capacity of approximately 151,5 MW. These grants provide for an average contribution of 37 per cent. to the budgeted costs of these projects. These grants are provided as part of the EU Cohesion Policy under which the relevant projects were completed in 2023 and such projects increased the MVM Group's portfolio by 28 PV with 15,6 MW installed capacity and by 5 PV with 133.8 MW installed capacity.

Other fossil fuel power plants

The MVM Group has 731 MW of non-coal fossil fuelled capacity in the form of installed gas turbine and distillate oil/fuel oil power plant capacity: 714 MW in Hungary and 18 MW in the Czech Republic through iCR. The operations of these power plants include the provision of ancillary services to assist in the reliable operation of the electricity system and combining power and heat.

District heating

The MVM Group owns and operates the district heating systems of the city of Oroszlány and Bokod (approximately 5,700 customers) through its subsidiary MVM Oroszlányi Távhőtermelő és Szolgáltató Zrt. ("**OTSZ**"), and also owns several combined heat and power plants both in Hungary and the Czech Republic. As of 15 October 2021, OTSZ was appointed by MEKH to take over the district heating supply activity of the city of Szolnok from a third party supplier (approximately 9,200 customers). In addition, the MVM Group has a combined heat and power ("**CHP**") power plant in Budapest (North-Buda Cogeneration Power Plant) which generates heat and electricity using an innovative heat storage system (30 MWth electric boiler). The North-Buda Cogeneration Power Plant is responsible for the supply of the Budapest district heat system to satisfy the demand of around 32,000 to 34,000 households. The MVM Group also has CHP power plants (CCGT, gas engines and boilers) in Miskolc, which provide thermal energy in all thermal districts of the city of Miskolc to around 31,800 apartments and 900 other properties.

5.1.2.2 Infrastructure: Transmission and distribution system operator and gas storage

The MVM Group operates an electricity transmission network with a length of 4,876 km in Hungary. The total length of the electricity distribution network operated by the MVM Group is 56,068 km and the total length of the natural gas distribution network operated by the MVM Group is 29,588 km (as of 31 December 2023). On 31 August 2021, the MVM Group acquired 100 per cent. of the shares of ÉMÁSZ Hálózati Kft.

("**ÉMÁSZ**"), an electricity distribution system operator company, which distributes electricity to 400 settlements in northern Hungary with an electricity distribution network of approximately 23,511 km (the company was renamed as MVM Émász Áramhálózati Kft.).

Electricity transmission and distribution tariffs are based on a price-cap methodology which is calculated in accordance with Hungarian and EU regulations, with the regulatory tariff reviewed every 4 years. The current regulatory tariff period started in 2021. The tariff setting process for each regulatory period starts with a cost review for transmission and distribution system operators. Justified revenues (comprised of the sum of operating expenses, pass-through costs, expenses for grid losses, depreciation and a return on the regulated asset base (calculated on the basis of the weighted average cost of capital)) are established as the basis for the new regulatory tariff. During each regulatory tariff period, there is also an annual indexation of the regulatory tariffs based on various measures (including a network losses price index, inflation and the national wage index).

Electricity transmission

The transmission grid in Hungary is owned by MAVIR, a subsidiary of the MVM Group. According to the Third Energy Package of the EU, MAVIR operates as an Independent Transmission Operator ("**ITO**"). The ITO model aims to ensure that the EU regulations on ownership unbundling are complied with.

MAVIR is responsible for the management, operation, modernisation and necessary enlargement of the high-voltage transmission grid. It is a primary consideration for MAVIR that market players should have access to the transmission grid under equal conditions.

The MVM Group also plays a key role on the market for ancillary services facilitating the maintenance of balance in the electricity system.

Electricity distribution

Through MVM Démász Áramhálózati Kft., the MVM Group is responsible for the distribution of electricity in Southern Hungary for its 771,606 customers. Following the acquisition of ÉMÁSZ, the MVM Group also owns and operates the electricity distribution network in the relevant settlements in northern Hungary. ÉMÁSZ carries out electricity distribution activities for 735,861 customers. According to the Issuer's management the market share of the MVM Group regarding electricity distribution was 23 per cent on 30 June 2024.

The network consists of 2,867 km of high-voltage, 22,942 km of medium-voltage and 30,259 km of low-voltage overhead lines (as of 31 December 2023).

Natural gas distribution

The MVM Group is also responsible for approximately 32 per cent. on 30 June 2024 of Hungary's natural gas distribution (through MVM Égáz-Dégáz Földgázhálózati Zrt. and MVM Főgáz Földgázhálózati Kft.). MVM Égáz-Dégáz Földgázhálózati Zrt. operates gas network in Northwest Hungary and the Southern Great Plain. Pursuant to its operating license issued by MEKH, MVM Égáz-Dégáz Földgázhálózati Zrt. carries out natural gas distribution activities for its 792,994 customers in Győr-Moson-Sopron, Vas, Komárom-Esztergom, Csongrád, Békés, Bács-Kiskun and Veszprém counties. MVM Főgáz Földgázhálózati Kft. operates gas network in the Budapest region. According to the operating license issued by MEKH, it carries out natural gas distribution activities for 777,807 customers in Budapest and in 18 settlements near Budapest. The length of the natural gas distribution network operated by MVM is 29,588 km (as of 31 December 2023).

Natural gas storage

MVM Group has the largest commercial natural gas storage company in Hungary and one of the largest in CEE and on 30 June 2024 had an approximately 70 per cent. market share of gas storage in Hungary, according to the Issuer's management. Magyar Földgáztároló Zrt. operates four underground storage facilities, which are depleted natural gas fields (gas-holding geological formations and gas fields). In addition to securing sufficient natural gas supply for the daily peak demand in winter, Magyar Földgáztároló Zrt. aims to contribute to the increasing importance of the country within the Central European region. Magyar Földgáztároló Zrt. has a total working gas capacity of 4.43 billion m^3 and a daily withdrawal capacity of 49,8 million m^3.

Other

Building on its existing assets, a secure, high-speed national telecommunications network, the MVM Group member, MVM NET Zrt., has been operating the Electronic Government Backbone network since late 2011. This core network supports the daily operation of government and municipal organisations around the country.

5.1.2.3 Wholesale

Electricity wholesale

MVM Partner is a member of the MVM Group and is the leading player in the Hungarian wholesale electricity market. Electricity generated by the MVM Group in Hungary is sold mainly through MVM Partner. MVM Partner trades electricity on several European exchanges and OTC markets through its Budapest headquarters.

Natural gas wholesale

MVM CEEnergy Zrt. ("**MVM CEEnergy**") is a leading natural gas trader in Hungary and was responsible for approximately 77 per cent of Hungary's gas supply for domestic consumption for the six months ended 30 June 2024. Domestic demand is satisfied through a portfolio of short- and long-term gas supply contracts from different sources, mainly Gazprom export LLC, other traded contracts and to a lesser extent producers

The MVM Group has made significant efforts to diversify its sources of natural gas by participating in upstream projects, screening alternative gas suppliers and delivery routes and developing LNG trading competences. In 2022, the MVM Group launched a gas extraction project in Hungary where the fourth well started operations by the end of 2023. The MVM Group also participated in the exploration and production of a new gas field in Hungary. In 2023, the MVM Group has signed new partnerships and supply agreements with the Turkish Botas Group and the Azerbaijanian SOCAR Group. In addition, MVM CEEnergy has entered into a long-term LNG supply contract for the delivery of LNG from 1 January 2021 until 30 September 2027 from the Croatian LNG terminal on the island of Krk. The capacity of the Croatian LNG terminal is expected to be doubled by 2025 with potential additional capacity bookings for the MVM Group. The MVM Group is also increasing LNG flows through alternative routes, such as Poland and Slovakia, and negotiating additional gas imports from Turkey, Azerbaijan and Qatar. These measures could provide viable alternatives to the Gazprom Export LLC supplies in case of any disruptions or reductions in the gas flows from Russia.

5.1.2.4 Retail and customer services – Universal service provider

MVM Group has leading positions in the Hungarian electricity and natural gas retail markets through its subsidiary MVM Next Energiakereskedelmi Zrt. ("**MVM Next**"), both in the regulated universal service segment and in the liberalised open market segment.

As at 30 June 2024, the MVM Group provides universal service for approximately 8.6 million customers in Hungary on a PoD basis. Following the take-over of E.ON Áramszolgáltató Kft. ("**E.ON**") on 14 April 2022 (representing approximately 2.4 million customers) the MVM Group has 100 per cent. market share of the Hungarian electricity universal service market.

The MVM Group provides 100 per cent. of the domestic natural gas universal service (17.1 terawatt-hours ("**TWh**") to 3.3 million customers for the six months ended 30 June 2024) and supplies 100 per cent. of electricity universal service (5.8 TWh of electricity were sold for the six months ended 30 June 2024 to approximately 2.9 million customers).

MVM Next also has strong positions in the liberalised Hungarian retail market. As a universal service provider, MVM Next is obliged to supply electricity and gas to its universal service customers at the applicable regulated electricity and gas prices set by the regulator.

MVM Otthon Plusz Zrt. provides customers products and services based on innovative digitalisation, convenience, energy efficiency and renewable energy sources that go beyond the role of a traditional utility company, in addition to the universal services and retail activities of MVM Next.

Through MVM Mobiliti Kft. ("**MVM Mobiliti**"), the MVM Group is the Hungarian market and technology leader in a rapidly growing e-mobility market. MVM Mobiliti operates the largest e-charging infrastructure in Hungary, through which, for the first time in Hungary, it also offers green power charging from renewable energy sources provided by the MVM Group. Its network of approximately 1,700 charging points provides full nationwide coverage for e-motorists. Moreover, through roaming agreements, MVM Mobiliti provides its customers with a unified Mobiliti service in the networks of other domestic and foreign operators, as well as supporting the operation of e-car fleets and e-car charging at home.

MVM Mobiliti has approximately 900 public EV charging stations (representing approximately 31 per cent. of all charging points). MVM Mobiliti also provides fuel for a total of 260 compressed natural gas ("**CNG**") buses and 60 waste transport vehicles in Budapest, Kaposvár, Szeged, Szolnok and Zalaegerszeg.

The MVM Group also has a significant market share in the Hungarian public lighting market, which includes non-regulated activities, such public lighting modernisation and expansion, and spatial lighting upgrades, expansion and operation.

Other services provided in this segment include residential energy generation (roof-top solar) and storage, local energy efficiency and management services, smart metering, smart city solutions and certain other supplementary products and services.

5.1.2.5 International business

It is the strategic objective of the MVM Group to be present as an investor and project company not only in Hungary, but also in the electricity markets of other countries of the CEE and other regions. The primary aim of the international investments is to strengthen the market position of the MVM Group and to increase its

shareholders value, with special regard to the requirements of power system balancing and the security of supply.

innogy Česká republika (iCR)

The MVM Group has a leading position in the Czech natural gas market following the acquisition of iCR. iCR is active in the electricity and natural gas retail business in the Czech Republic, combined with generation, wholesale, distribution and some additional non-core activities.

iCR is the incumbent operator in the Czech gas market and has a significant role in supplying 11.6 TWh of gas to approximately 1.1 million customers as at 30 June 2024 (representing approximately 30 per cent. of the Czech gas market) and is also a growing challenger in the electricity retail market, supplying 2.7 TWh to 0.6 million customers (representing approximately a 9 per cent. market share according to the Issuer's management). iCR has 18 MW of electric and 193 MW of heat production capacity.

MVM Energy Romania SA

On 1 January 2022, MVM Energy Trade Plus SRL, Aqua Energia SRL and H2O Energy SRL has been merged into MVM Future Energy Technology SRL ("**MVM Future Energy Technology**"). The company's customer base consists mainly of large and medium-sized industrial customers whose activities require a continuous supply of electricity and whose electricity consumption exceeds 100 MWh per year. In the field of gas supply, the main customer base of MVM Future Energy Technology consists of those with an annual gas consumption of 50,000 m^3 or more. MVM Group has three hydro power plants in Romania: Valea Uzului (7.5 MW), Mădăraș (1.2 MW) and Vârghiș (1.0 MW).

Serbhungas d.o.o.

MVM CEEnergy and Srbijagas, the Serbian state-owned gas company has signed an agreement in June 2023 to set up a joint venture with the aim to trade gas in Serbia and in the region. MVM CEEnergy has a majority stake in the joint venture Serbhungas d.o.o. The joint venture received its natural gas trade license in September 2023.

Energotehnika Južna Bačka and Elektromontaža Kraljevo

In 2022, the Issuer signed a share purchase agreement with the Serbian Maneks Group in connection with the purchase of a 33.4 per cent. stake in Energotehnika Južna Bačka and Elektromontaža Kraljevo, two leading Serbian energy construction companies. The transaction was successfully closed on 24 May 2022, and since then a long-term cooperation framework between the owners has been established.

MVM Upstream Kft. (owner of the stake in Azerbaijan Gas Supply Company Limited)

On 30 August 2024, the MVM Group closed the transaction with Southern Gas Corridor CJSC, a state-owned entity of Azerbaijan, acquiring (i) 5 per cent. stake in the Production Sharing Agreement for the Shah Deniz offshore gas-condensate field located in Azerbaijan and (ii) 4 per cent. stake in Azerbaijan Gas Supply Company Limited which is the exclusive special-purpose vehicle established for the marketing and sale of the natural gas produced from the Shah Deniz gas-condensate field.

5.1.2.6 Other activities

The main engineering service companies of the MVM Group are Speciális Nehézszállító Zrt. (manufacturing for external parties, operation and maintenance, transport services and specialised service activities), MVM Titán Zrt. (intra-group manufacturing), MVM XPert Zrt. (substation architecture and construction, construction of high voltage overhead line networks and railway overhead line systems, construction, reconstruction and operation of the electricity supply systems of industrial facilities and low voltage electrical distribution equipment manufacturing), MVM NUKA Zrt. (power plant and nuclear power plant maintenance, investment and construction), MVM ERBE Zrt. (engineering services, general contracting, preparation of studies, analysis and technical plans, quality control – quality supervision and technical inspectorate tasks).

IT, accounting, property management and other supporting services are also included in this segment, with the Issuer being the holding company of the MVM Group.

5.2 The MVM Group's market presence

Most important markets of the MVM Group

The MVM Group is present in 23 countries and has more than 100 subsidiaries. Within the MVM Group, the electricity wholesale activity of MVM Partner covered 20 countries in February 2025, and MVM Partner holds membership in the energy exchanges of 13 different countries.

It is the strategic objective of the MVM Group to be present as an investor and by way of project companies not only in Hungary, but also in the energy markets of other countries in the CEE region. The primary aim of the international investments is to strengthen the market position of the MVM Group and to increase shareholders value, with special regard to the requirements of power system balancing and the security of supply.

In addition to supplying natural gas to universal service providers, natural gas traders, large customers and power plants in Hungary, CEEnergy has also developed its regional sales activities through the establishment of MFGK Austria GmbH in 2014 and its Slovakian subsidiary, MVM CEEnergy Slovakia s.r.o., at the end of 2015. MFGK Austria GmbH and MVM CEEnergy Slovakia s.r.o. are present also in power retail market. MVM CEEnergy Croatia d.o.o. is an emerging and ambitious player in the Croatian natural gas market.

MFGK Austria GmbH is present in both wholesale and retail natural gas markets in Austria, supplying both residential and non-residential segments. In Slovakia MVM CEEnergy Slovakia s.r.o. (previously named MFGK Slovakia s.r.o) is present in both wholesale and retail markets supplying natural gas (and to a minor extent electricity) to its non-residential customers.

MVM CEEnergy entered the Croatian market through its subsidiary, MVM CEEnergy Croatia d.o.o., which has been utilizing its booked capacity at the Krk LNG Terminal since 1 January 2021 as its primary commercial activity.

The MVM Group completed the acquisition of iCR in 2020, which has been the first large scale international transaction for the MVM Group. The MVM Group obtained a leading position in the Czech natural gas

market as a result of the acquisition of iCR[2]. MVM CEEnergy CZ s.r.o. is MVM CEEnergy's Czech wholesaler arm primarily focusing on origination and supplying iCR.

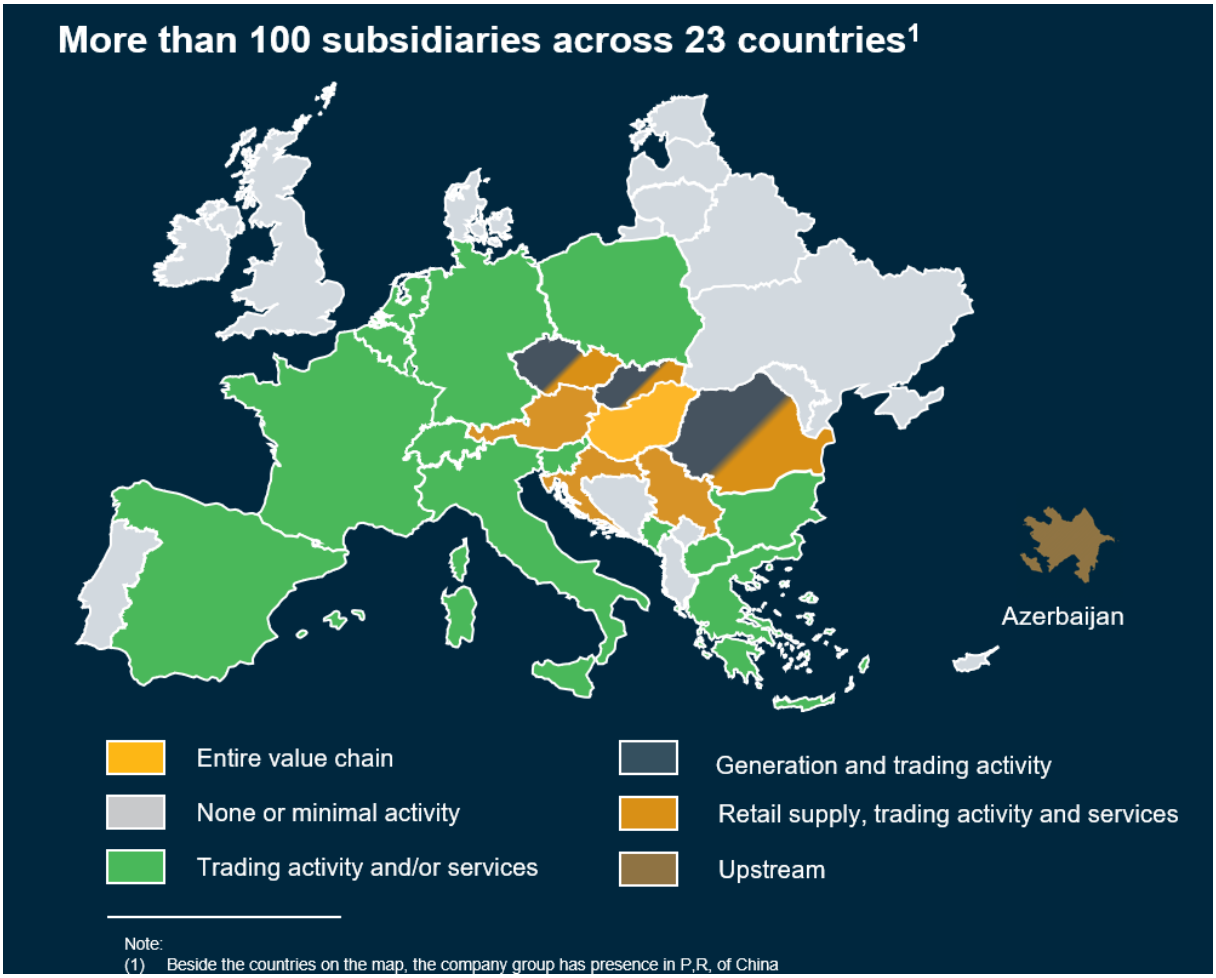
In 2023, MVM CEEnergy entered the Serbian market through the establishment of SERBHUNGAS d.o.o. Furthermore, the MVM Group operates hydropower plants (MVM Energy Romania SRL and its subsidiaries) and an energy supplying company (MVM Energy Trade Plus) in Romania. The MVM Group is committed to the development of strategic partnerships and the MVM Group has entered into cooperation with the Azeri SOCAR and Turkish BOTAS energy companies in order to increase energy source diversification and security of supply.

In addition to the above, MVM CEEnergy is actively pursuing business opportunities in Romania, Serbia and Bulgaria. To enhance supply security and diversify its portfolio, MVM CEEnergy is actively exploring alternative gas sources and supply routes. These include Black Sea offshore gas, potential pipeline imports from Turkey and Azerbaijan, as well as LNG. Additionally, the MVM Group holds long-term capacity bookings at the Krk LNG terminal until 2027.

Since the closing of the transaction with Southern Gas Corridor CJSC in Azerbaijan, see "*5. Business Overview - 5.1 Description of the Issuer's business activities - 5.1.2. Overview of the main activities, products and services of the MVM Group*", the MVM Group also has a presence in Azerbaijan. The Shah Deniz field produced around 28 billion standard cubic metres of natural gas and more than 4 million tonnes (around 35 million barrels) of crude oil in total from the Shah Deniz Alpha and Shah Deniz Bravo platforms. Natural gas volumes are sold via Azerbaijan Gas Supply Company, while crude oil sales are carried out by the participating companies for their respective entitlement quantities. The acquisition is expected to open further business opportunities and strategic partnerships for MVM Group in the Caspian region and Turkey.

[2] OTE, a.s., the Czech electricity and gas market operator, (OTE) monthly Report Gas / Number of supplier's OPM – (https://www.ote-cr.cz/en/statistics/monthly-report-gas/number-of-supplier2019s-opm?date=2020-01-01).
Note: The average number is based on monthly data.

The following map provides an overview of the different regions in which the MVM Group operates and the business activities of the MVM Group in each of those regions:



Note: Beside countries indicated on the map, the company group has presence in the People's Republic of China.

5.3 Competitive position of the Issuer

The MVM Group's competitors consist of both European integrated energy companies as well as individual operators in the different markets. In the first category, there are a number of companies which in terms of their size and background share some characteristics that are similar to the MVM Group. This category includes among others E.ON, Enel, EDF and CEZ. In the CEE region, the competitors of the MVM Group include among others HEP in Croatia, Verbund in Austria, Slovenske Elektrarné in Slovakia and Hidroelectrica and Electrica in Romania.

MAVIR has a monopoly in the Hungarian TSO market. Distribution system operators ("**DSO**") are natural local monopolies, while the universal service provider is practically an administrative monopoly. A separate accounting entity is used for the provision of universal services so that this is segregated from competitive retail energy supply. Significant industry concentration enables the MVM Group to achieve the necessary cost competitiveness and portfolio sizes to provide universal services at the required regulatory prices. There are further limited incentives for customers to switch universal service providers given that electricity and gas are supplied at regulated prices.

MVM Group has the largest commercial natural gas storage company in Hungary and one of the largest in CEE and had approximately 70 per cent. of the market share of gas storage in Hungary on 30 June 2024[3]. The MVM Group also provides 100 per cent. of the natural gas supply to universal service providers in Hungary through CEEnergy and supplies 100 per cent. of the residential natural gas supply[4].

MVM Next became the sole provider of the electricity universal service market in Hungary following the acquisition of the electricity universal service customer base of ELMŰ-ÉMÁSZ by the MVM Group in September 2021 and the merger of E.ON Áramszolgáltató Kft. in July 2024 (E.ON Áramszolgáltató Kft. was acquired by the MVM Group in April 2022). The business-to-business customers (in the electricity and gas market) have the right to choose their suppliers and competition is very high in this segment. Liberalised supply markets are competitive as they are separated by the direct supply from the generation of electricity, have no monopolised supply (customers can select their supplier) and are separated from the network operation.

5.4 The strategy of the MVM Group

5.4.1 Summary of the MVM Group's business strategy

As a state-owned energy group, the MVM Group's mid to long-term strategy is aligned with the Hungarian state's energy policy, namely with the revised draft National Energy Climate Plan ("**NECP**") of the Hungarian government submitted in August 2023. This policy seeks to guarantee the security of Hungary's energy supply, its independence through the diversification of suppliers and supply routes, and to preserve and develop the specific advantages of the Hungarian energy sector, including its significant potential for renewable energy solutions, flexibility in its generation options with the majority of its energy provided through the stable and reliable clean energy generation of its nuclear capacity, as well as cross-border capacities, and its position in the regional and European markets, while strictly complying with the requirements of European and Hungarian legislations.

[3] MEKH Parliamentary Report 2023 (https://mekh.hu/download/1/df/81000/MEKH_OGY_Besz%C3%A1mol%C3%B3_2023_web.pdf)
[4] MEKH List of natural gas licensees (https://www.mekh.hu/foldgaz-ipari-engedelyesek-listaja)

The MVM Group updated its strategy and its mid to long-term strategic goals in January 2024, covering the period through to 2035 (the "**2035 Strategy**"). The main priorities of the 2035 Strategy are ensuring energy supply security, expanding renewable and flexible capacities, while diversifying and optimising the portfolio. The Hungarian energy mix is expected to undergo significant changes by 2035, mainly due to decarbonisation and electrification. Moreover, natural gas demand is expected to stagnate and restructure internally, while electricity demand is expected to grow rapidly. The MVM Group, which has strengthened its position in the domestic and regional markets in recent years, has aligned its 2035 Strategy with these trends. By 2035, the MVM Group aims to become a leading energy and infrastructure player in the CEE, building on carbon neutral solutions. The MVM Group's strategic aim is to focus on the following three main areas to maximise growth potential and to increase revenue generation capabilities:

i) ensuring decarbonisation and flexibility by building a diversified portfolio supporting the green transition, while reducing carbon intensity;

ii) improving operational efficiency by ensuring profitable and customer-oriented operation with efficient and responsible corporate management; and

iii) developing a significant regional presence by strengthening MVM Group's regional presence along the electricity and natural gas value chains.

5.4.2 Strategic goals

The MVM Group has defined the following four strategic pillars that shape its direction and priorities under its 2035 Strategy:

1. Green Transition;

2. Portfolio diversification;

3. Customer-oriented and adaptive organization; and

4. Financial excellence.

5.4.2.1 Green transition

The MVM Group aims to develop an efficient and diversified portfolio focusing on clean energy and flexible tools that enable the integration of such portfolio. The green transition of the MVM Group includes the following strategic goals:

- *Expansion of the renewable portfolio*: MVM Group plans to initiate several projects based on various technologies to strengthen the circular economy with the goal to expand renewable capacities. As part of this strategic goal, the MVM Group's own renewable production capacity is expected to grow by 3,000 MW and its solar power generation capacity is expected to increase by 2,450 MW by 2035. The MVM Group's wind power production capacity is expected to exceed 500 MW at the regional level and its geothermal portfolio is expected to expand to 100 MW by 2035.

- *Maintenance of the existing nuclear capacity*: Paks NPP provides almost half of the domestic electricity supply. The primary goal of the Paks NPP is safe, reliable, affordable and environmentally friendly electricity generation including i) nuclear safety excellence (e.g., maintaining and improving the level of operational safety), ii) production excellence (e.g. maintaining the level of availability) and iii)

operational excellence (e.g., cost-effective provision of production capacity, ensuring competitive working conditions and ensuring social acceptance). The MVM Group is working on the extension of the operating life of Paks NPP, with a shutdown lasting approximately 1 year required for each block in 2032 and between 2034 and 2036. In addition, the MVM Group also plans to apply small modular reactor (SMR) technology (300 MW by the end of 2035).

- *Development and expansion of flexible capacities*: the MVM Group has more than 730 MW of installed gas turbine power plant nationwide and further developments and the implementation of innovative projects are planned. These developments by way of renovations or new capacity installations are intended to offset the loss of existing system reserve capacities in Hungary as these become obsolete and increasing renewable capacities. Such flexible capacity is intended to address system reserve capacity demand. The MVM Group intends to respond to the flexibility challenges of the Hungarian electricity system with complex, diversified solutions by adding 2,700 MW flexible installed capacities (including up to 1,680 MW CCGT power plant, a 500 MW energy storage system and a 650 MW pumped-storage power plant) by 2035.

- *Hydrogen technology opportunities* are assessed: the MVM Group's major focus is the implementation of a pilot hydrogen project for the production and use of hydrogen at the sites of CCGT projects.

- *Strategic restructuring of the Mátra Power Plant*: As part of the restructuring of the Mátra Power Plant and in line with the phase-out of lignite-based generation, the biomass capacity of the Mátra Power Plant was expanded and one large scale CCGT project of up to 650 MW was also initiated and the Issuer has started to prepare the implementation of a further 2x500 MW gas-fired power plant units at Tiszaújváros. In addition, the Issuer plans to further strengthen energy production abroad.

The Hungarian government had planned to phase out coal-fired electricity generation in Hungary by the end of 2029, at the latest. These plans have changed since the energy crisis which began in 2021. In order to ensure domestic electricity supply, the Hungarian government is exploring the possibility of extending the lignite-based power production of the Mátra Power Plant and is currently conducting a detailed investigation. The only reason to extend the plant's operation with its high emissions would be to ensure power supply security, or otherwise, it is not economic to operate the plant in the current price environment. In 2022, Mátra Power Plant's the lignite-based electricity production decreased by 17 per cent.

The Hungarian government adopted the NECP on 8 January 2020. The NECP was updated in October 2024. In order to achieve the objectives outlined in the NECP, the MVM Group intends to contribute to the achievement of the goals related to the use of renewable energy and become a leader in renewable electricity generation. Within the framework of its renewable energy programme, the MVM Group has started to develop projects for the implementation of significant solar powered capacity and has already completed 5 smaller and 30 other power plant investments, each with a capacity above 0.5 MW.

According to the NECP, the transformation of the lignite-fired Mátra Power Plant into low carbon dioxide emission technologies is necessary in order to eliminate coal and lignite from domestic electricity production by the end of 2029, at the latest. The Mátra Power Plant is the largest CO2 emitter in Hungary, accounting approximately 40 per cent. of the CO2 emissions of the entire energy production sector and is responsible for approximately 10 per cent of the total domestic greenhouse gas emissions. At the same time, the Mátra Power Plant is the only basic power plant in Hungary with its primary energy source extracted from the company's own mines located in Hungary. Based on the current schedules, the new gas power plant block can be put into operation in 2028 at the earliest, and in parallel, an additional PV capacity of approximately 200 MW and approximately at least 15 MW of biomass and waste-fired power plant capacity are planned.

The commissioning of the new state-of-the-art facilities enables in Hungary and within the MVM Group – in line with MVM Group's decarbonisation efforts – the phase-out of lignite-based production, the more efficient use of natural gas and the use of hydrogen, as well as the higher integration of renewables.

In order to fulfil carbon neutrality commitments and for reasons of security of supply, a CCGT power plant block with a capacity of up to 650 MW will be established at the Mátra Power Plant site in Visonta. The public procurement procedure for the selection of the engineering, procurement and construction (EPC) contractor of the power plant was launched by the Issuer in March 2023 and ended in January 2025. As a result of the public procurement procedure, the EPC contractor of the CCGT power plant block will be a consortium formed by Status Kpria Zrt.; Elsewedy Electric Power Systems Projects S.A.E. and West Hungária Bau Építőipari Szolgáltató Kft. In case of Tisza CCGT, the consortium of Calik Enerji Swiss AG and Ansaldo Energia S.p.A. has been announced as EPC contractor in February 2025. The Hungarian state and the management of the Issuer consider the construction of the CCGT power plant to be of strategic importance. CCGT projects Mátra and Tisza are expected to be commissioned in 2029, the earliest.

5.4.2.2 Portfolio diversification

The MVM Group aims to strengthen its existing positions through diversification and regional expansion. The portfolio diversification of the MVM Group includes the following:

- *Future-oriented infrastructure development*: i) supporting renewable integration with both conventional and innovative grid developments and capacity expansion plans, as well as by the installation of flexible generation and storage, which will also enable the exploitation of demand-side opportunities; ii) supporting the spread of new industrial connection needs, electric cars and heat pumps with security of supply and digitalisation developments in line with electrification trends; and iii) promoting the hydrogen accommodation capability of the Hungarian natural gas infrastructure and flexibility of the distribution network in order to reduce dependence on gas imports.

- *Maintaining and strengthening the existing commercial positions*: i) organically developing electricity wholesale positions throughout Europe with a focus on portfolio risk management options that manage price volatility; ii) developing wholesale gas positions with the aim to increase the diversification of sources and routes of gas supply and to acquire new customers on regional markets; and iii) maintaining the MVM Group's electricity and gas retail positions in the Hungarian competitive market and increasing market shares in the Czech Republic, Romania, Slovakia and Serbia.

- *Increasing digitalisation and international diversification:* i) sensor rollout to capture data, utilising telecommunication infrastructure, ii) integrated data analytics and customer platforms to leverage captured data, and iii) intelligent operations management systems to enable dynamic network intervention and flexible capacity procurement to link elements of the value chain for profitability, primarily exploiting existing shares and regional presence; iv) investing in assets and sustainable businesses that are aligned with the EU taxonomy, creating natural hedging positions with a regional dimension; v) maintaining and developing market leadership in e-mobility in Hungary and the Czech Republic, growing organically and through partnerships in the region and vi) searching for potential acquisition targets in order to reduce energy dependence and increase portfolio diversification, including targets outside of the CEE region.

5.4.2.3 Customer-oriented and adaptive organization

The MVM Group aims to optimise its portfolio and concentrate on its core activities by creating a rational company structure that fosters organisational transformation and process integration by achieving the following goals:

- *Creating an adaptive organization*: i) strengthening the internal practices that support organisational agility and innovation – especially in the area of human capital – in order to create a crisis-resistant, proactively operating organisation; ii) rationalising the group-level company portfolio by efficient classification and optimisation of the resources and processes required of an adaptive organisation and iii) investing in human resources and digitalisation required for a modern management approach and an adaptive organisation.

- *Data-driven operation and digitalisation*: implementing a digital culture change and operating model change along the entire value chain with the aim of improving efficiency and strengthening customer orientation.

- *Strengthening customer orientation*: i) segmenting customer base by customer value and reorganising customer service processes in each customer segment accordingly; ii) focusing on the renewal of customer service processes on the introduction of further digital solutions and the end-to-end digitalisation of processes; and iii) customer satisfaction.

5.4.2.4 Financial excellence

Financial excellence is an essential prerequisite for executing the MVM Group's strategic plan and this objective is pursued through the following:

- *Maintaining credit ratings*: i) to maintaining the investment grade rating(s) obtained in 2021 and 2025 despite the challenges in the energy markets; ii) maintaining the following ratios: >30 per cent. (FFO / Debt) and <2.5 (Net Debt / EBITDA) leverage ratio; and iii) continuing the diversification of the funding/investment portfolio, including a further increase in the volume of capital market funding (to a maximum of 50 per cent.).

- *Sustainable financial path*: i) the capex trajectory shall be driven particularly by carbon-neutral power generation projects, grid upgrades, regional acquisitions and security of supply considerations; ii) securing the significant investments that will be required to meet strategic goals; and iii) becoming a leading energy company in the CEE region through strategic investments and by 2035, at least 25 per cent. of the MVM Group's profits are expected to be realised outside of Hungary.

- *Competitive ESG rating*: i) the MVM Group's ESG programme reflects priorities based on four pillars: decarbonisation, resource conservation, social responsibility and alignment of its corporate governance and supply chain; and ii) a key objective of the MVM Group is to build and operate a balanced and transparent ESG framework that takes into account industry-specific factors; with the aim to continuously improve the existing ESG rating(s) through targeted ESG programmes and continuous improvement of the reporting system. As shown by the significant increase of the Issuer's ESG rating in February 2024, the Issuer has a strong commitment to improve its ESG performance and transparency, and aims to continue this trend.

5.4.3 Other strategic goals

The MVM Group's strategy also focuses on completing a range of priority infrastructure projects and achieving goals set by its shareholder to enhance its position in the national and regional energy sectors. The MVM Group's strategy for achieving these goals include the following:

- guaranteeing the security of Hungary's electricity supply;
- sustaining nuclear capacity;
- management and maintenance, and development of the electricity transmission network in Hungary;
- improving the opportunities for capital investment in the Hungarian energy sector;
- introducing and applying best management practices by attracting the best management in the sector;
- increasing the efficiency of its activities by investing in new technology-based solutions for the optimisation of product processes; and
- advancing the quality of its human capital through training and developing its current and new employees.

The economic crisis and supply security uncertainties caused by the Russian-Ukrainian war and other geopolitical events prompted comprehensive strategic changes at the level of the EU and its member states, especially as economies were still in the recovery phase from the COVID-19 pandemic.

The energy crisis prompted the Hungarian government to launch an energy action plan in July 2022 and to prepare for tapping the resources of the Recovery and Resilience Facility ("**RRF**") funds. This required a reassessment of the strategic goals of the MVM Group. The NECP focuses on safe, affordable and sustainable energy supply, including (i) a price cap on electricity and natural gas universal services and stable, and a sustainable funding and operating model for the universal service provider; (ii) development of critical energy infrastructure; (iii) diversification of energy sources; (iv) support policy tools; (v) energy efficiency and (vi) national energy sovereignty, strengthening of domestic production/generation.

The mid-term strategic goals of the MVM Group have been updated in line with the National Energy Strategy of the Hungarian government the first draft of which was completed in the second half of 2023. The key focus points are the security of supply, source diversification, increase of renewable capacities and portfolio optimisation. An investment programme is also planned for the development of power networks. The CCGT projects in Mátra and Tisza will be the cornerstones of renewable integration and energy transition. Mátra CCGT with maximum capacity of up to 650 MW by 2028 at the earliest, biomass/waste-fired capacity of at least 15 MW will be built by 2030, at the earliest, Tisza CCGT with 2x500 MW capacity will be built by 2029, at the earliest. The main objective of the latter investment is to provide the necessary balancing capacity in order to effectively integrate additional PV projects into the Hungarian energy system.

As at the date of this Base Prospectus, the MVM Group has reached the following key results for each pillar of its 2035 Strategy:

1. Green transition

- acquisition of a photovoltaic power plant in Hungary (63 MW in Tázlár);

- achieved 629 MW RES photovoltaic capacity by June 2024; and
- started to extend the operating life of Paks NPP by another 20 years.

2. Portfolio diversification

- explored and produced natural gas in successful Hungarian projects, investigated additional route and resource alternatives (SOCAR in Azerbaijan and BOTAS in Turkey), and formed strategic partnerships to allow further diversification in the future;
- improved its positions in wholesale and retail markets;
- entered the Shah Deniz offshore natural gas field in Azerbaijan as a non-operating shareholder (transaction closed in August 2024); and
- further developed its transmission and distribution network (mainly in North-Hungary).

3. Customer-oriented and adaptive organisation

- accomplished projects aimed at increasing the efficiency of the different activities of the MVM Group (including the formerly acquired E.ON electricity USP-portfolio's (approximately 2.4 million consumers) legal merge to MVM Next);
- continued integration of member companies;
- optimised technical service operations and streamlining customer service operations; and
- aligned the interests and incentives of different stakeholders within the MVM Group (corporate integration).

4. Financial excellence

- issued USD 750 million Notes in March 2024 on the international capital market;
- improved the Morningstar Sustainalytics ESG rating to 27.0;
- maintained its investment grade credit ratings by S&P Global, Moody's and Fitch Ratings;
- club loan facility refinanced and increased to HUF 150 billion;
- the proceeds of previously issued Green Bonds are fully allocated; and
- obtained grants for development in the amount of HUF 34.3 billion in the first half of 2024.

5.4.4 Sustainability goals of MVM Group

During the course of its operations, the MVM Group inevitably affects the condition of the natural and built environments. Identifying itself with the fundamental principles of sustainability, the MVM Group sets as its common goal to minimise the impacts on the environment and ecological systems, to reduce pollutant emissions, to remediate previous potential environmental damage and to reach the smallest possible environmental impact, following the principles of precaution and responsible thinking. The MVM Group aims at developing efficient environmentally friendly processes and technologies, thereby strengthening its competitiveness, market position and reputation. Using new technical accomplishments, it wants to keep developing its services and technologies by taking into account energy efficiency and environmental considerations. During its development activities and projects, the MVM Group gives priority to using state-of-the-art equipment, and aims at replacing capacities that are obsolete in terms of energy efficiency.

The MVM Group has a strong commitment to decarbonisation, including the systematic increase of the renewable energy generation portfolio and achievement of the coal phase-out in line with the implementation of the Mátra CCGT project expected to be completed by 2028 at the earliest and therefore, contributing towards the sustainable reduction of greenhouse gas emissions footprint of the MVM Group. Regarding

corporate social responsibility, the MVM Group's goals not only include innovation, talent management and leadership training, but also the patronage of language and school-based training to increase workplace engagement. With the aim of supporting the favourable economic, social and environmental links between urban, suburban and rural areas, the MVM Group seeks to help local communities. The most important player in this is the Paks NPP, which is the most significant employer in the region. Paks also organises various welfare and awareness-raising programmes in cooperation with the local governments of the region.

In May 2024, Morningstar Sustainalytics reviewed the Issuer's ESG rating, which improved to 27.0. The significant improvement in the ESG rating is positive feedback on the progress of MVM's sustainability transformation programme and supports the efficient financing of the Group.

In accordance with the above, the MVM Group undertakes:

- to support reaching the goals of the NECP in accordance with EU expectations and to support the implementation of the National Energy Strategy in the course of its energy generation;
- to continuously comply with the laws, regulations and standards (domestic and EU) applicable to its activities and expects the same from its partners;
- as a key player in the electricity industry of Hungary, to set an example for its partners and for all the market players, in its activities concerning environmental protection matters;
- to continuously monitor the impacts of its activities on the environment, to participate in the development of the best available techniques, and to aim, by using such techniques, at preventing adverse impacts and reducing risks;
- to identify, control and continuously monitor those critical activities which have significant real or potential impact on the environment;
- by constantly controlling and improving its environmental performance, to aim at energy conservation and the rationalisation of the use of natural resources;
- to carry out the recultivation of its abandoned sites, and to make them available for further utilisation;
- by publishing sustainability reports describing the environmental impacts of its activities and its achievements, to provide information to its partners and stakeholders on a regular basis;
- to improve the professional competence, the commitment to sustainable development and thus to environmental protection and the environmental awareness of its staff;
- to have continuous dialogue with stakeholders and to cooperate with public administration bodies and all authorities in order to prevent and eliminate environmental pollution and emergencies; and
- to take part in social initiatives in the field of environment and sustainability.

5.4.5 MVM Group's ESG strategy

The MVM Group places a strong emphasis on ESG aspects at the strategic level. The MVM Group has committed to various goals for sustainable development, but the most strategic ones are providing energy

that is clean and affordable, fostering economic growth, building industry, innovation and infrastructure, creating cities and communities that are sustainable, consuming and producing in a responsible way, and taking action to address climate change.

Part of the 2035 Strategy is the MVM Group's ESG strategy which includes the ESG-based sustainability framework and ESG commitments. Simultaneously, the ESG strategy is organically aligned with the MVM Group's priority Sustainable Development Goals. The MVM Group is in the process of developing the details of its updated ESG strategy, which will include clear targets, actions and indicators to measure and report on its progress and impact. As part of its ESG strategy, the MVM Group aims to reduce its greenhouse gas emissions and increase its share of carbon-neutral electricity generation from renewable and low-carbon sources.

The Issuer's CEO is directly responsible for the realization of the MVM Group's ESG strategy, approving the main ESG-related documents, and monitoring ESG-related initiatives. His work is supported by the ESG Committee. The CFO of the Issuer is the head of the ESG Committee and is in charge of ESG reporting and ensuring that ESG risks and regulations are evaluated and followed in line with the ESG strategy of the MVM Group. The ESG performance coordination department supports the CFO in this role.

The MVM Group's ESG program is based on the following three pillars, which reflect the MVM Group's most important ESG-related priorities:

1) The first pillar is "*Environmental*" and its major commitments include gradual CO_2 emissions reduction, extensive renewable energy source developments to increase clean energy generation, responsible resource management, support for energy efficiency improvements, promotion of alternative e- mobility solutions and expansion of the number of customers served. The MVM Group will also support energy efficiency improvements and promote energy savings initiatives. In addition, the MVM Group has purchased and installed liquid radioactive waste cementing technology at Paks NPP. In line with this pillar, the Issuer's electricity generation from coal-fired activities decreased to 14.4 per cent. of total electricity generation of the MVM Group in 2022 which reflects a shift away from fossil fuel-based energy sources towards more sustainable and environmentally friendly alternatives and further decreased to 12.5 per cent. in 2023.

2) The second pillar is "*Social*", and its major commitments include continuously being among the best employers and meeting the needs of current and potential employees, promoting equal opportunities in the workplace, and maintaining safety standards. The MVM Group aims to promote ESG-related discussions among professionals and stakeholders in its field and to prepare future leaders by building partnerships with educational institutions. In addition, the MVM Group supports local businesses by maintaining a procurement rate of over 90 per cent. from local entrepreneurs, and also supports local communities and initiatives through donations, non-financial support, and investments.

3) The third pillar is "*Governance*", which is based on the principle of responsible and transparent business operations. The Issuer has implemented a code of conduct and anti-corruption training for the employees. To demonstrate the Issuer's commitment to anti-corruption, the Issuer introduced anti-bribery management system operating in line with the ISO 37001 standards and have obtained (along with 7 of its subsidiaries) the ISO 37001 certificate issued by an independent, third-party auditor. As an important step of the continuous improvement of the compliance framework, the MVM Group is preparing a general anti-bribery training program, which will be mandatory for all employees on group-level. As a result, the proportion of employees who have participated in anti-bribery training is expected to increase significantly in 2023. The proportion of managers trained in an anti-corruption program is expected to

reach 100 per cent. by 2025. Overall, the Governance program aims to ensure responsible and transparent operations throughout the MVM Group, while supporting local businesses and communities.

6. Organisational Structure

6.1 MVM Group

The description of the MVM Group and the Issuer's position within the MVM Group can be found under the headings "*Information about the Issuer and the MVM Group"; "Dependence on other entities within the MVM Group"* and "*Organisational structure chart*" of the Base Prospectus.

6.2 Dependence on other entities within the MVM Group

The Issuer is the ultimate parent company of the MVM Group and therefore the Issuer is dependent on the performance of its direct and indirect subsidiaries. The MVM Group has over 100 subsidiaries. The list of the Issuer's significant subsidiaries and a brief description of their operations is set out below.

6.2.1 Significant domestic subsidiaries

MVM CEEnergy Zrt. (MVM CEEnergy)

The Issuer's management believes that MVM CEEnergy is the largest natural gas wholesale trader of the Hungarian gas market with a market share of approximately 77 per cent. compared to domestic natural gas consumption as at 30 June 2024, and it is one of the largest companies in Hungary. MVM CEEnergy is the most important partner of the MVM Next universal natural gas supplier and the Hungarian gas retail companies in serving household, small and middle-sized gas consumers and plays a significant role in the wholesale segment as partner of power plants, heat distribution companies and industrial customers. The main target of MVM CEEnergy is the security of gas supply. MVM CEEnergy is committed to the long-term, secure natural gas supply of Hungary, and satisfies the requirements of the country from different sources with its long-term supply contracts thereby ensuring its customers the advantages of a large and balanced gas supply portfolio. MVM CEEnergy grows its regional market presence through its subsidiaries. Based on Government Decree 117/2024 (V.30), the payment for natural gas owed to the contracting party under the natural gas supply contract with MVM CEEnergy cannot be seized, subjected to execution, or used as an insurance measure to secure or satisfy a third-party claim during the state of emergency.

MVM Partner Zrt. (MVM Partner)

MVM Partner is the only electricity wholesale company of the MVM Group, which is a key player in the Hungarian energy market. Since its establishment on 5 September 2002, MVM Partner has been active in trading on both domestic and foreign electricity markets. The Issuer's management believes that MVM Partner is the largest electricity wholesaler on the domestic market with a market share of approximately 53 per cent. as at 30 June 2024 and has one of the largest portfolios of generators. MVM Partner contributes in a number of ways to provide continuous electricity supply in Hungary. MVM Partner serves as the principal supplier for Hungarian universal service providers in the electricity market and also plays a significant role in regional electricity trade bordering Hungary.

MAVIR ZRt. (MAVIR)

On the basis of a TSO's license received from the MEKH, MAVIR owns and operates the entire high-voltage electricity transmission network in Hungary. MAVIR is responsible for maintaining the capacity balance of

the national energy system, balancing the deviations of the balance groups from the plans. It ensures the smooth operation and further expansion of the electric energy market and the system of balance groups helping the market, as well as equal access for system users. MAVIR is 100 per cent. owned by the Issuer.

MVM Paksi Atomerőmű Zrt. (Paks NPP)

Paks NPP generates electricity from nuclear fuel in its four reactors. As well as being the single biggest producer of energy in the Hungarian power generation industry, Paks NPP is also Hungary's only nuclear power plant and its operation is safe, economical and environmentally friendly. Due to the lifetime extension programme that was implemented by the MVM Group, the lifetime of the plant was extended by 20 years. Due to the power upgrade programme the MVM Group implemented, the power plant's capacity is now 2027 MW, which makes the Paks NPP the key player in power generation in Hungary.

MVM Next Energiakereskedelmi Zrt. (MVM Next)

MVM Next is the legal successor of NKM Áramszolgáltató Zrt. and NKM Földgázszolgáltató Zrt. and the company has been supplying energy to Hungarian retail customers within the MVM Group since 2020. The core activities of MVM Next are supplying electricity and natural gas and electricity for households and business-to-business partners. Formerly acquired E.ON Áramszolgáltató Kft. (approximately 2.4 million consumers) merged into MVM Next's IT systems on 30 June 2024. As at 30 June 2024, MVM Next provided natural gas to approximately 3.5 million customers and provides electricity to more than 5.6 million customers.

MVM Mátra Energia Zrt. (Mátra Power Plant)

Mátra Power Plant is the second largest power plant in Hungary. Mátra Power Plant is a lignite fired power plant which provided about 8 per cent. of the country's electricity production for the six months ended on 30 June 2024. Environmentally friendly transformation of the power plant is part of the national strategic objectives.

Magyar Földgáztároló Zrt.

Magyar Földgáztároló Zrt. has four underground gas storage facilities (Pusztaederics, Kardoskút, Hajdúszoboszló and Zsana), with a total storage capacity of 4.430 billion m³, a maximum withdrawal capacity of 49.8 million m³ per day and a storage capacity of 31.8 million m³ per day, thus the company covers almost 70 per cent. of the mobile capacity of the domestic storage market. Natural gas is the most important energy source in Hungary and during winter about half of Hungary's natural gas supply comes from gas storages. Accordingly, Magyar Földgáztároló Zrt. plays a key role in creating and maintaining the security of gas supply in Hungary.

MVM Démász Áramhálózati Kft.

The core business of MVM Démász Áramhálózati Kft. is electricity distribution in Csongrád, Bács-Kiskun and Békés counties, as well as in a part of Pest and Baranya counties. The activities of MVM Démász Áramhálózati Kft. include the development, construction and management of electrical networks, the safe operation of network electrical equipment, the management of meters and the liaison with regional actors, energy traders and customers.

MVM Égáz-Dégáz Földgázhálózati Zrt.

The core business of MVM Égáz-Dégáz Földgázhálózati Zrt. is the continuous, safe and efficient natural gas distribution activity in Győr-Moson-Sopron, Vas, Komárom-Esztergom, Csongrád, Békés, Bács-Kiskun, and Veszprém in line with its gas distribution operating license and in accordance with the relevant legislation and its business regulations.

MVM Émász Áramhálózati Kft.

The core business of MVM Émász Áramhálózati Kft. is electricity distribution in Nógrád, Borsod-Abaúj-Zemplén, Heves counties, as well as in a part of Pest and Jász-Nagykun-Szolnok counties. The activities of MVM Émász Áramhálózati Kft. include the development, construction and management of electricity networks, the safe operation of network electrical equipment, the management of meters and liaising with r

MVM Főgáz Földgázhálózati Kft.

The core business of MVM Főgáz Földgázhálózati Kft. is the continuous, safe and efficient natural gas distribution in Budapest and Pest county in line with its natural gas distribution operating license and in accordance with the relevant legislation and its business regulations.

MVM Upstream Kft.

On 30 August 2024, the transaction between MVM Group and the Azerbaijani state-owned Southern Gas Corridor CJSC was completed, according to which MVM Upstream Kft. acquired a 5 per cent. stake in the Shah Deniz offshore gas and condensate field production sharing agreement in Azerbaijan and purchased an additional 4 per cent. stake in Azerbaijan Gas Supply Company, a trading company established for the exclusive sale of natural gas produced from the Shah Deniz gas and condensate field.

With this acquisition, the MVM Group significantly increases its international presence, which further diversifies the MVM Group's position in the natural gas value chain. The transaction is in line with the diversification efforts of the European Union, the national energy strategy of Hungary and the strategy of MVM Group.

6.2.2 Significant international subsidiaries

innogy Česká republika a.s. (iCR)

Through its subsidiaries, iCR carries out and coordinates business activities in two main business lines in the Czech Republic. iCR provides managerial support to the whole innogy Group. The main subsidiaries of iCR are the following: innogy Energie, s.r.o. (iEnergie) and innogy Energo, s.r.o. (iEnergo). iEnergie is the largest natural gas retailer and a growing challenger in electricity retail in the Czech Republic. As the main operating entity, it accounts for over 90 per cent. of both combined revenues and EBITDA (based on 2023 data). iEnergo is the second main operating entity, engaged in production and distribution of combined heat and power and operating the largest CNG stations network in the Czech Republic.

6.2.3 Representative offices

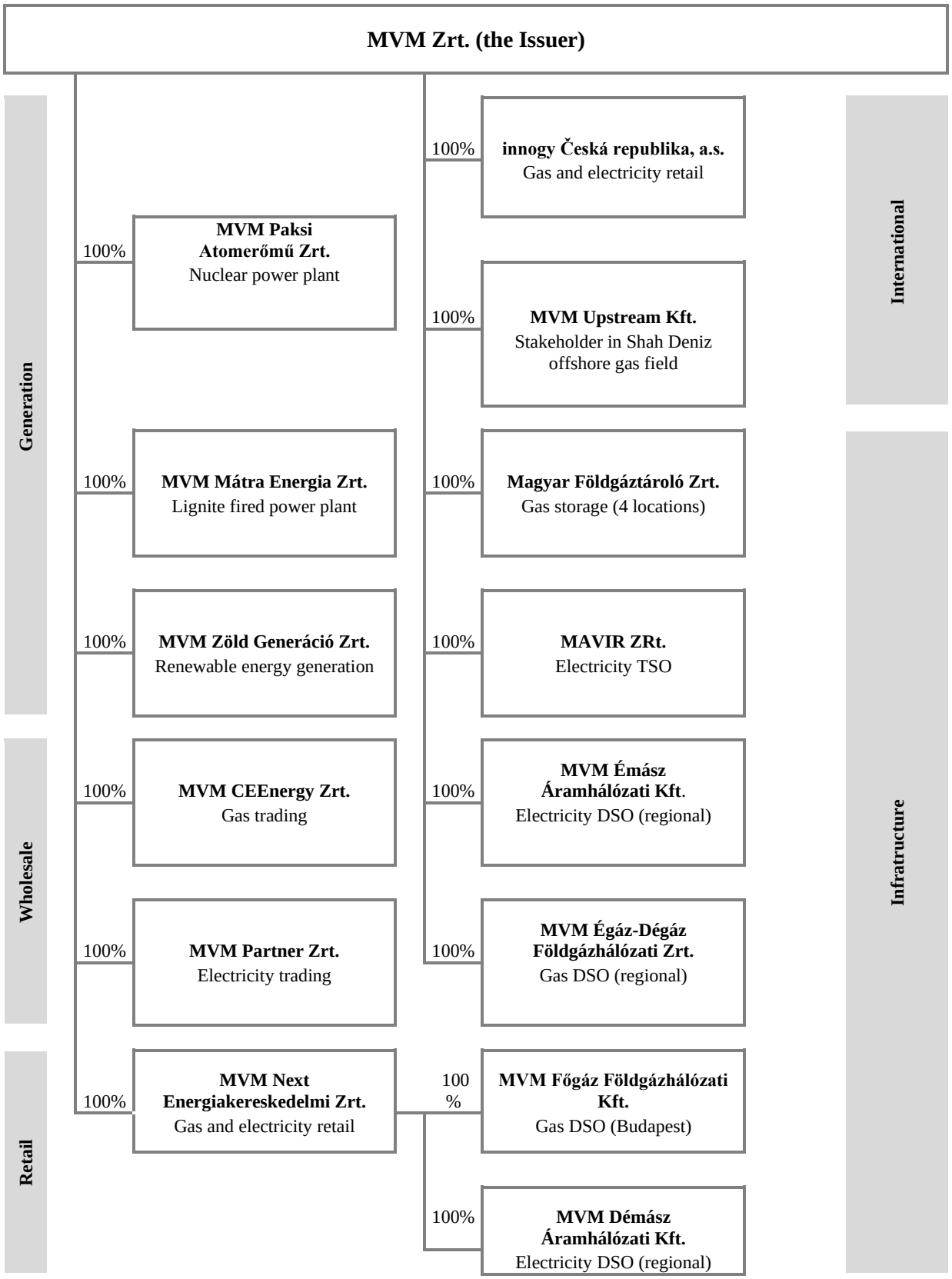
It is a high-priority goal in the medium-term strategy of the MVM Group to strengthen its international presence and visibility. To this end, the Issuer currently has foreign representative offices in Brussels and Moscow.

The Brussels representative office provides direct, decisive advocacy presence in Brussels *vis-á-vis* EU institutions and indirect presence through active engagement in advocacy organisations. In addition, the Brussels representative office builds bilateral relations with large companies and consultants who are affected by the activities of the MVM Group.

Since the Russia-Ukraine war, the Moscow representative office does not conduct any business activities, has no decision-making authority and is only responsible for maintaining the existing contracts. In 2024, the MVM Group has started the winding up of its Moscow representative office.

6.3 Organisational structure chart

The Issuer is the ultimate parent company of the MVM Group and the Issuer is, therefore, dependent on the performance of its direct and indirect subsidiaries. The MVM Group has over 100 subsidiaries. The list of the Issuer's significant subsidiaries and a brief description of their operations is set out under "*Information about the Issuer and the MVM Group – Significant Subsidiaries*". The simplified group structure of the Issuer and its significant subsidiaries is as follows:


MVM Zrt. (the Issuer)
Generation
Wholesale
Retail
International
Infratructure
100%
MVM Paksi Atomerőmű Zrt.
Nuclear power plant
100%
MVM Mátra Energia Zrt.
Lignite fired power plant
100%
MVM Zöld Generáció Zrt.
Renewable energy generation
100%
MVM CEEnergy Zrt.
Gas trading
100%
MVM Partner Zrt.
Electricity trading
100%
MVM Next Energiakereskedelmi Zrt.
Gas and electricity retail
100%
innogy Česká republika, a.s.
Gas and electricity retail
100%
MVM Upstream Kft.
Stakeholder in Shah Deniz offshore gas field
100%
Magyar Földgáztároló Zrt.
Gas storage (4 locations)
100%
MAVIR ZRt.
Electricity TSO
100%
MVM Émász Áramhálózati Kft.
Electricity DSO (regional)
100%
MVM Égáz-Dégáz Földgázhálózati Zrt.
Gas DSO (regional)
100 %
MVM Főgáz Földgázhálózati Kft.
Gas DSO (Budapest)
100%
MVM Démász Áramhálózati Kft.
Electricity DSO (regional)

7. Trend information

7.1 Trends, material adverse changes or significant changes

For information on any significant or material change to the Issuer's financial position, see "*General Information - Significant or Material Change*").

The Issuer believes that the following trends, uncertainties, demands, commitments or events are reasonably likely to have a material effect on the Issuer's and the MVM Group's prospects for at least the current financial year.

In 2024, the performance of the MVM Group was influenced by changes in the global economy, energy market developments and external as well as internal conditions determining national economies. From the perspective of both political and economic events, 2024 was a volatile year that is expected to have a significant impact on coming years. In addition to the international and Hungarian macroeconomic and regulatory environment, the energy market, regulatory changes, climate policy, technology and social impacts have a significant effect on the MVM Group, particularly as these factors interact closely with each other and with the aforementioned elements.

By the start of 2024, the dominant outlook was a climate of declining inflation and lower base rates consistent with the previous year's trends. Accordingly, the primary question for the economy at the beginning of the year was the rate of consumption growth. The original GDP growth expectations had to be revised quickly, and all the economic indicators were below expectations at the beginning of the year, thereby setting new challenges for 2025. The decline in manufacturing, construction and agriculture can be cited as reasons for the full-year performance of the MVM Group, but positive elements such as stronger services, especially accommodation and hospitality, should be highlighted. Although Hungary headed into 2025 with a high monthly inflation rate, the base rate fell significantly.

The economic and social pressures of the global energy crisis in previous years have eased in 2024, but geopolitical factors are still capable of causing hectic changes on the global economy, with the risk of further disruptions persisting. Electric energy prices have been highly volatile in 2024 as well. The fighting in Ukraine, more than two years after the Russian invasion, is now accompanied by a shift in US economic policy.

The oil and gas market stabilised somewhat, with market volatility significantly lower than in the previous two years. However, mainly due to geopolitical risks, natural gas prices have seen a steady increase, while there were no risks to security of supply thanks to the high storage levels, the uncertainty surrounding the shutdown of the Russian-Ukrainian transit channel and the adverse weather outlook led to an upwards trend in gas prices. Keen competition from Asian importers also contributed to the higher prices, while the supply-side expansion of LNG lagged behind the growing demand.

Global demand for electricity is growing steadily and forecasted to grow further in the coming years, with much of the additional demand coming from emerging economies that are expected to account for most of the overall growth. Despite the rapid expansion of clean energy, two-thirds of the growth in global energy demand was met by fossil fuels, pushing energy-related CO2 emissions to a new record high. In the coming years, electricity generated from renewable energy sources and nuclear power is expected to satisfy the excess global demand, but carbon emissions may increase slightly.

Further description of trends and the macroeconomic environment is included in each of the "*Notes*" sections of the Financial Statements (as defined below) incorporated by reference, see "*Documents incorporated by reference*".

8. Profit Forecasts or Estimates

The Issuer voluntarily does not publish any profit forecasts or estimates in this Registration Document or the Base Prospectus.

9. Administrative, Management, and Supervisory Bodies

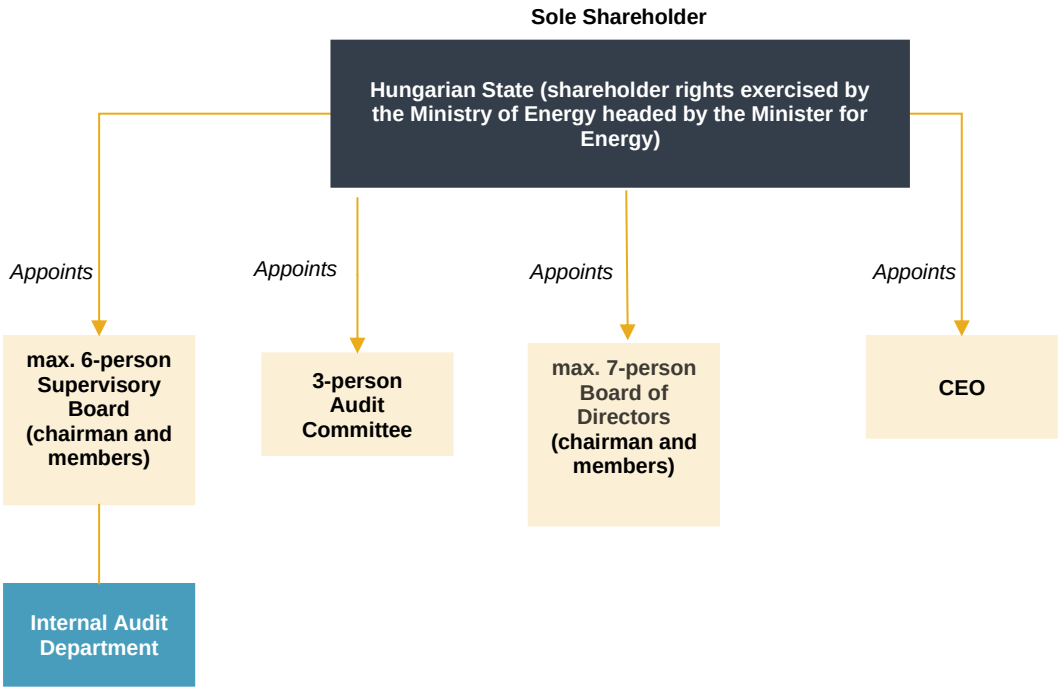
9.1 Administrative, Management, and Supervisory Bodies of the Issuer

The Issuer as the holding company of the MVM Group manages the MVM Group through the ownership or management rights it holds in the member companies of the MVM Group. This is done by the Issuer using conventional corporate governance tools (e.g. the constitutional documents, appointment and dismissal of directors and executive officers, shareholders agreements and other similar tools) and the group level regulations (policies and regulations) issued by the Issuer. In addition, the Issuer is entitled to exercise ownership rights directly in connection with some of its indirect subsidiaries on the basis of agreements entered into between the Issuer and the immediate shareholder for those subsidiaries.

The Issuer operates its integrated management system in the areas of asset management, and the management and supervision of the companies within the MVM Group. This includes management systems for quality, environmental, energy and information security ISO standards. This management system is audited each year by the Hungarian representative of the NQA Global Certification Body. The main governing document for the system is the Central Code of Management made by the different organisational units operating these four different management systems.

As a result of its state ownership, the Issuer is subject to certain additional regulations which, among others, include the requirement to disclose information related to agreements with contracting partners where the value exceeds a certain threshold, according to Act CXXII of 2009 on the more efficient operation of the state-owned companies; the requirement to disclose data of the executive officers, members of the supervisory board, executive employees (such as name, mandate, remuneration); a limit on the remuneration of the board of director's chairman and members, the supervisory board's chairman and members; and the requirement to mandate a supervisory board.

The by-laws of the Issuer (in Hungarian: "*Szervezeti és Működési Szabályzat"*) may be amended from time to time. As of the date of this Base Prospectus, the governance structure of the Issuer is the following:



The structure and operating conditions of the Issuer are contained in its Articles of Association.

The Issuer has the following corporate bodies based on its by-laws and its Articles of Association:

9.1.1. Sole shareholder

9.1.2. Board of directors

9.1.3. Supervisory board

9.1.4. Audit Committee

9.1.5. Chief Executive Officer ("**CEO**") and deputy CEOs

9.1.1 The sole shareholder

The sole shareholder of the Issuer is the Hungarian state (the "**Sole Shareholder**"). The Ministry of Energy (headed by the Minister for Energy) exercises all ownership rights and performs all obligations over the shares. The Ministry of Energy was established on 1 December 2022, previously the ownership rights were exercised by the Ministry of Innovation and Technology and before that by the Minister responsible for Hungarian National Assets. There is no shareholders' meeting of the Issuer. The rights of the shareholders' meeting are exercised by the Sole Shareholder in such a way that it decides on issues otherwise falling within the competence of the shareholders' meeting in writing and notifies the chairman of the Board of Directors and the CEO within 15 days of the adoption of resolutions in writing. The decisions become effective upon notification to the chairman of the Board of Directors and the CEO. The issues falling within the exclusive competence of the Sole Shareholder are laid down in Act V of 2013 on the Civil Code (in Hungarian: *2013. évi V. törvény a Polgári Törvénykönyvről*, the "**Civil Code**") and the Articles of Association of the Issuer. In addition to the exclusive competencies established by the law, the Articles of Association also establish several other exclusive competencies for the Sole Shareholder. These powers are mainly to tighten the control by the Sole Shareholder over the business operations of the Issuer, with special regard to the protection of

the currently dominant state ownership, which is required by Annex 2 of Act CXCVI of 2011 on National Assets to be maintained by the Sole Shareholder at the level of at least 75 per cent. plus one vote.

The Sole Shareholder has the exclusive right, among other things, to decide the manner of using any profit after tax and also the payment of dividends. The Hungarian state as shareholder has adopted a low dividend expectation from the Issuer and has prescribed a dividend payment of HUF 7.5 billion in 2021. A significant portion of the profits in previous years have been retained by the Issuer to serve as funds for further development and allow the Issuer to maintain a strong balance sheet as a solid foundation for stability and growth. After fiscal year 2022 a higher dividend of HUF 108 billion was paid in 2023. In 2023, the Sole Shareholder has paid dividend in the amount of HUF 324 billion out of which HUF 309 billion was paid in 2023 and HUF 15 billion in 2024. In 2024, the Sole Shareholder has decided about the payment of an advance dividend in the amount of HUF 126 billion. Nevertheless, it can be expected that the dividend policy will include a guideline that the maintenance of the Issuer's investment grade credit rating is a strategic priority of the MVM Group and such priority shall be taken into consideration when determining the dividend payment.

The Sole Shareholder has also consistently supported the Issuer by way of capital contributions. In 2020, the Sole Shareholder provided the Issuer with a HUF 229,740 million capital increase in support of further expansion and the achievement of the Issuer's strategic objectives. In 2021, the Issuer's share capital was increased by HUF 229,917 million in total, through a cash contribution by the Sole Shareholder of HUF 212,000 million and the in-kind contribution of MVM Vízerőmű Kft. (which was recognised in the amount of HUF 17,917 million). At the beginning of 2022 the Sole Shareholder provided the Issuer with a HUF 11,766 million capital increase through an in-kind contribution. As a result of that capital increase the Sole Shareholder became the sole shareholder of MAVIR. At the end of 2022 the Sole Shareholder provided the Issuer with a further HUF 41 billion capital increase through a cash contribution in support of further development of the Mátra Power Plant. There was no capital contribution by the Sole Shareholder in 2023 and in 2024.

9.1.2 Board of Directors

The board of directors is the management body of the Issuer, which consists of at least three and a maximum of seven members (together, the "**Board of Directors**" and each a "**Director**"). In carrying out their respective roles, the Directors are required to comply with the legal rules applicable to company directors and the conflict-of-interest rules set by the Civil Code and the Articles of Association. The chairman and members of the Board of Directors are elected and may be removed by the Sole Shareholder. The Board of Directors decides on all matters within its exclusive competence as provided by the Civil Code and the Articles of Association of the Issuer. As for the exclusive decision-making powers of the Sole Shareholder, these matters are essentially to ensure control over the business operations of the Issuer and the performance of the role of the Board of Directors relating to group-level management. As required in the Articles of Association, the Board of Directors reports to the Sole Shareholder half yearly and to the Supervisory Board on a quarterly basis.

As at the date of this Base Prospectus, members of the Board of Directors are:

Dr. Gábor Czepek (Chairman of the Board of Directors)

Dr. Gábor Czepek currently holds the position of Chairman of the Board of Directors of the Issuer and concurrently serves as the Secretary of State for the Ministry of Energy, a role he has held since 2022, and currently at the Ministry of Energy he serves as a Deputy Minister. Prior to his current responsibilities, he

gained leadership experience at companies that define the Hungarian economy and the energy market. As a jurist and statesman he also carries out high-priority government tasks. Notably, he led the Issuer as both Chairman and CEO between 2021-2022, and he also chaired the Board at MNV Zrt. and MVM Paksi Atomerőmű Zrt. During the period spanning 2018 to 2021, Mr. Czepek served as the Chief Executive Officer and Chairman of the Board at Szerencsejáték Zrt. Subsequently, he contributed to the organisation led by the Minister responsible for Hungarian National Assets, where he played a vital role in exercising ownership rights over several state-owned companies. From 2014 to 2018, as State Secretary for Public Administration at the Ministry of National Development, he supervised energy policy among other areas. Between 2010 and 2014, he served in the Ministry of Justice as Deputy State Secretary.

Balázs Benczédi

Balázs Benczédi is a financial economist (with a degree from the Finance and Accounting College of Budapest), who started his professional career in 1998 at the Hungarian branch of ING Bank N.V., where he worked until 2006 and was the head of the company's Treasury Department and a member of its board of directors. Between 2006 and 2007, he worked at Raiffeisen Bank Zrt., then between 2011 and 2021 he was the CEO of MKB-Pannónia Alapkezelő Zrt. (until previously named as Pannónia CIG Alapkezelő Zrt.), and between 2011 and 2017 he was the chairman, between 2017 and 2021 the member of the board of directors of Pannónia CIG Alapkezelő Zrt. Between 2016 and 2018, he served as a member of the board of directors of MKB Bank Zrt. Between 2018 and 2021, Mr. Benczédi was a member of the board of directors of Solus Capital Kockázati Tőkealap-kezelő Zrt. (until previously named as Primus Capital Kockázati Tőkealap-kezelő Zrt.) and between 2019 and 2020 he was the chairman of the board of directors of the company. He was a member of the supervisory board of MKB Consulting Kft. between 2019 and 2021 and a member of the board of directors of MKB Bank Nyrt. between 2020 and 2021. Since March 2022, he has been the CEO of Diófa Alapkezelő Zrt., and in January 2023 he was appointed as member of the Board of Directors of the Issuer.

László Fazekas

Mr. Fazekas has a MSc in Economics, specialising in corporate finance and graduated from Corvinus University of Budapest in 2006. He started his career at E.ON Földgáz Trade Zrt. (today MVM CEEnergy Zrt.) in 2006 and was the CFO of the company between 2015-2016, and CEO between 2016-2018. He joined the Issuer in 2018, acted as Group Controlling Director between 2018 and 2021. He was appointed as Chief Financial Officer and deputy CEO in September 2021, and in January 2023 he has been appointed as member of the Board of Directors of the Issuer.

Tamás Károly Mátrai

Mr. Mátrai is an economist and has more than 25 years' experience in the financial sector. From 1995 he worked at Keler Zrt. (the Hungarian central depository) in the financial and risk management fields. From 2008 until 2020 Mr. Mátrai was the CEO of Keler KSZF Zrt. (a leading clearing house in the CEE region). In 2020 he joined the MET Group and worked at the Romanian and Spanish subsidiaries. In the last 15 years he also taught financial and stock market subjects at several institutions of higher education. In January 2023, Mr. Mátrai was appointed as the CEO of the Issuer and as a member of the Board of Directors of the Issuer.

dr. Péter János Horváth

Dr. Péter János Horváth is a professional with a degree in oil engineering (University of Oil and Gas in Moscow), an engineering degree in foreign economics (Budapest University of Economics) and a degree of Doctor of Philosophy (PhD) in Philosophical Sciences (University of Pécs), who has been an honorary associate professor at the University of Pécs since 2015 and at the University of Dunaújváros since 2024. He started his professional career in 1986 at the Kőolajkutató Vállalat, where he worked until 1991, then between 1991 and 2005 he held management positions at MOL-Chem Kft. and MOL Nyrt. Between 2005 and 2006, Mr. Horváth was the managing director of Ural Group Limited, and between 2006 and 2010, he was a senior manager of international procurement at MOL Nyrt. Between 2010 and 2013, he was the president of the Hungarian Energy & Utilities Regulatory Agency, a position he also held between 2020 and 2023. From 2013 to 2015, Mr. Horváth was the CEO of the Issuer., between 2015 and 2016, he was the president and CEO of ENKSZ Első Nemzeti Közműszolgáltató Zrt. and between 2016 and 2017, he was an advisor to the CEO of FőGÁZ Zrt. Between 2019 and 2020, he was the CEO of Mátrai Erőmű Zrt. and in 2020 he was also an energy consultant for Opus Global Nyrt. Since 2023, Mr. Horváth is the CEO of MVM Paksi Atomerőmű Zrt. and a member of the board of directors of the Issuer and MVM Paksi Atomerőmű Zrt. and was also a member of the board of directors of the Issuer between 2013 and 2015. In terms of his other elected positions, it should be highlighted that between 2012 and 2014 he was the chairman of the board of directors of the Hungarian Hydrocarbon Stockpiling Association, he was also a member of its board of directors between 2010 and 2017 and also between 2020 and 2023. From 2015 to 2016 he was the chairman of the board of directors of FőGÁZ Zrt. and ENKSZ Első Nemzeti Közműszolgáltató Zrt., and between 2019 and 2020 he was a member of the board of directors of TIGÁZ Zrt. In 2013, Mr. Horváth was awarded the Officer's Cross of the Hungarian Order of Merit. In January 2023 Mr. Horváth has been appointed as member of the Board of Directors of the Issuer.

Róbert Barlai

Mr. Barlai started his career in the Hungarian capital markets in 1993 at a private brokerage firm. After that, he worked at the brokerage firm of Hypo Bank, then from 1999 he worked at the investment firm of Erste Bank, from where he left as head of sales & trading in 2008 to OTP Bank. At OTP, he worked as managing director, responsible for building the capital market operation of the entire banking group and building an independent group-level Treasury matrix organisation. He was also responsible for the development of custody, securities issuance, and correspondent banking. In recognition of his professional work, he had been the member of the Board of Directors of the Budapest Stock Exchange for nearly 10 years from 2009, and he was also a member of the management bodies of several OTP companies. Mr. Barlai left OTP Bank in 2019 and in 2021 he became a member of the Board of Directors of Diófa Fund Management. From 2022, he helped to develop Gránit Bank's capital markets and investment services operations for nearly 1 year as Deputy CEO. He has been a member of the Board of Directors of Equilor Investment Pr. Ltd. since August 2022 and a member of the Board of Directors of Waberer’s International Plc since April 2023. He has been appointed as the member of the Board of Directors of the Issuer with the effect from 19 May 2023. Mr. Barlai has gained significant experience in the domestic and regional capital markets. In his 30 years career he successfully leaded and launched numerous strategy developments, transformation projects, business and organisation developments.

Dr. Livia Pavlik

Dr. Lívia Pavlik is an economist. She earned her M.Sc. degree in Accounting at the Budapest University of Economics in 1993. At the same institution, in 2002, she received her Ph.D. in Management and Business Administration. In 2003, Dr. Pavlik became Certified Public Accountant and has collected extensive

experience in the business world as a CPA. She is an Associate Professor at Corvinus University of Budapest and she has been lecturing at the university as well as at the Hungarian Chamber of Auditors since 1993. In the first part of her career, Dr. Pavlik's main research area was international accounting, especially the deferred tax and financial instruments accounting based on the IFRS. Later, her research activity focused on management accounting, with special emphasis on cost accounting methods. In 2008, Dr. Pavlik began a new chapter in her professional life since she was appointed Vice-Dean for Corvinus University, where her main duties included economic affairs. Later in 2013, she became the Campus Director of Corvinus University. Between 2014-2020, she was the Chancellor of Corvinus University of Budapest. Between 2018-2022 Dr Pavlik was responsible for the model changing of Hungarian higher education system as Ministerial Commissioner. In 2020, she was appointed as the Chancellor of Semmelweis University, and presently, Dr. Pavlik is holding this position. Dr. Pavlik is the member of the following supervisory boards: Richter Gedeon Plc., MOL-PE Circular Economy Science Park Nonprofit Ltd., Hungarian University and High School Sport Alliance. As of September 2024, she is the member of the Board of Directors of the Issuer.

The business address of each member of the Issuer's Board of Directors is 1031 Budapest, Szentendrei út 207-209., Hungary.

9.1.3 Supervisory Board

The Supervisory Board is responsible to the Sole Shareholder for overseeing the management to protect the interests of the Issuer (the "**Supervisory Board**"). The Supervisory Board consists of minimum three and a maximum of six members. Its chairman and members are elected by the Sole Shareholder. The Supervisory Board is obliged to examine every proposal concerning matters falling within the Sole Shareholder's exclusive decision-making competence. In this context, the Supervisory Board is obliged to put its opinion before the Sole Shareholder.

As at the date of this Base Prospectus, members of the Supervisory Board are:

Dr. Gábor Szörényi (Chairman of the Supervisory Board)

Dr. Gábor Szörényi graduated in 1971 from the Technical University of Budapest and started his business career at the Hungarian Power Companies (MVM). He spent 23 years there working on coordination of R&D, energy system planning, power plant investment, preparation of new market structure, operation model and privatization, energy efficiency, PR and related issues. In 1979 he received a doctorate degree (Ph.D.) from the Technical University of Budapest and in 1999 a degree of Master of Business Administration (MBA) from the Brunel University London. Between 1994 and 2012, Mr. Szörényi had different positions (Deputy Director and since 2002 Director) at MEKH. During that time, he was deeply involved in several main projects connecting to the work of MEKH (including the preparation of new regulatory framework; establishing license conditions and service quality regulation; approving Grid Code and Business Conduct rules; preparation of different steps of market reforms in Hungary including Single Buyer, TPA, Hybrid Model, full open access, retail competition, and market-coupling with neighbouring markets). At the regulatory authority, he established and maintained strong cooperation with different regulatory associations, like NARUC (National Association of Regulatory Utility Commissioners), CEER (Council of European Energy Regulators). He retired from MEKH at the end of 2012. He provided advice for several energy governments and regulators in different countries like Romania, Bulgaria, Croatia, United Nations Interim Administration Mission in Kosovo, Rep. of Moldova, Kyrgyzstan, Georgia, Turkey, Cyprus, Indonesia, Sri Lanka, Rwanda and Mongolia. He also provided advice to the International Finance Corporation (World Bank Group) in 2020. Mr. Szörényi was involved in the establishment of Energy Regulators Regional Association ("**ERRA**") where he was elected as the Chairman of the ERRA between 2008 and 2012. Until

2017 he was the General Secretary of ERRA. He is still involved with ERRA through giving advice for planning of different workshops and trainings. In 2011 and 2012 he represented MEKH at the General Assembly of the CEER and in the European Union Agency for the Cooperation of Energy Regulators (ACER) Board of Regulators. He retired from MEKH in 2012. Between 2013 and 2021 he was member of the Supervisory Board of the Budapest Electricity Distribution and Supply Company. Between 2016 and 2019 he was member of the German Innogy „International Business Council - Grid & Infrastructure". From 2021 he is an advisor of the MEKH, focusing on the regulatory issues of Clean Energy Package, including new technologies and innovative solutions. The ACER appointed him for a period of five years from 18 October 2021 as alternate member of the Board of Appeal of the ACER. Mr. Szörényi became the Chair of the Supervisory Board of the Issuer on 19 August 2023.

Dr. Árpád Vidoven

Dr. Árpád Vidoven started his professional career in 1998 as a junior lawyer assisting the lawyer, Dr. István Gór-Nagy. Between 2002 and 2012 he worked as a lawyer at Gór-Nagy and Vidoven law firm. In 2013, Mr. Vidoven joined the Prime Minister's Office as chief policy adviser, where he served as Secretary of State for Public Administration from June 2014 until 2018. Between 2018 and 2019, he held the position of Secretary of State for Public Administration in the Prime Minister's Cabinet Office, and since July 2019 has been Secretary of State for Public Administration at the Ministry of Defence. In addition to the above, Mr. Vidoven was also Member of Parliament and Parliamentary notary between 1998 and 2006. As for Mr. Vidoven's corporate positions, between 2014 and 2015 he was the member of the supervisory board of Paks NPP (Paks II. Atomerőmű Zrt.) and he was the member of the Board of Directors of Paks NPP (Paks II. Atomerőmű Zrt.) between 2015 and 2022. Since 2016, he has been a member of the board of Steindl Imre Program Nonprofit Zrt. From 2021, Mr. Vidoven has been a member of the Supervisory Board of the Issuer and held the same position in MVM Services Zrt. between 2015 and 2021. Since 2022 Mr. Vidoven has been also a member of the Audit Committee of the Issuer.

Dr. Márk Ádám Janó

Dr. Márk Ádám Janó has a law degree and started his career in a law firm in 2008. Later, Mr. Janó worked for the Municipality of Budapest until 2010. He was subsequently appointed as cabinet secretary of the Parliamentary Committee on Human Rights, Minorities, Civil and Religious Affairs. From 2014, he continued his work in the Professional and Coordination Department of the Fidesz parliamentary group, first as deputy head of department, then as head of department. Since 2018, he has been appointed as state secretary for public administration at the Prime Minister's Office. From June 2017 until August 2018, he was a member of the supervisory board of NKM Mobilitás Kft. (now MVM Mobiliti Kft.), and from August 2018 until the end of June 2021, he was a member of the supervisory board of NKM Nemzeti Közművek Zt. (now MVM Services Zrt.). Dr. Márk Ádám Janó was appointed to the Supervisory Board of the Issuer at the end of May 2021. and he has been a member of the Audit Committee of the Issuer since 2022.

Dr. Sólyom Zsolt Gonda

Dr. Sólyom Zsolt Gonda has been reappointed by the Sole Shareholder as the fifth member of the Supervisory Board with the effect from 17 December 2021 (formerly, he was the member of the Supervisory Board between 15 May 2019 and 27 May 2021). Mr. Gonda is an energy specialist who also holds a degree in law. He worked as a lawyer at Díjbeszedő Rt. and Díjbeszedő Faktorház Rt. between 2003 and 2004, followed by various managerial positions in the background institutions of the legal predecessors of the Ministry of Finance. Between 2013 and 2015 he acted as a leader in the European Commission's ESCO Mining Sector Working Group. From 2015 to 2016 he headed the Public Utilities Regulation Department of the Prime

Minister's Office, and from July 2016 he was the Head of the Public Utilities Department of the Government Committee for Postal Affairs and National Financial Services, and from 2018 he headed the Public Utilities Department of the Minister without Portfolio for the Management of National Assets in the Prime Minister's Office. Between 2015 and 2017 he was the member of the Supervisory Board of KAF Központi Adatgyűjtő és Feldolgozó Zrt., and a member of the Supervisory Board of ENKSZ Első Nemzeti Közműszolgáltató Zrt. between 2017-2020. His position as the Chairman of the Supervisory Board of ENKSZ is continuous, as ENKSZ - after its corporate transformation - became NKM and then MVM Services Ltd., where he still fills the position of the Chairman of the Supervisory Board. He was also the member of the Board of Directors of EDF DÉMÁSZ Zrt. (currently: MVM Next Energiakereskedelmi Zrt.). He is currently a member of the Board of Directors of MVM Paksi Atomerőmű Zrt. and the Supervisory Board of the Issuer, member of the Board of Directors of Nemzeti Vízművek Zrt., the member of the Supervisory Board of FEAK Független Energetikai Adatközpont Zrt. and also member of the ESG Accreditation Committee. Mr. Zsolt Sólyom Gonda is currently the head of the Corporate Portfolio Department at the Ministry of Energy.

Dr. Anett Pandurics

Dr. Anett Pandurics is an economist, holding an MSc and MBA from the Budapest University of Economic Sciences and a PhD from Corvinus University of Budapest in the field of strategic management. From 1998 to 2001, dr. Pandurics was a consultant at IFUA Horváth & Partner Ltd. In first quarter of 2001, she worked as senior consultant at BPR – project leader at Debis IT Services Ltd. and then from April 2001 to 2005 she was Strategic Coordination Director at Magyar Posta Rt. In 2022, she became member of the Board of Directors at Magyar Posta Biztosító Zrt. and Magyar Posta Életbiztosító Zrt, and then later she became Chief Executive Officer and chair of the Board of Directors at these companies. Between 2013 and 2022, dr. Pandurics was the president of the Association of Hungarian Insurance Companies and since 2019, she is member of the Supervisory Board and of Audit Board of MOL Plc. and from 2022, she became the chairperson of the Audit Board of MOL Plc. In addition, she is member of the Board of Directors of Gedeon Richter Plc since April, 2018, and member (since December 2022 also the chairperson) of the Remuneration Committee. She has been granted with numerous awards, including Pro Universitas Prize, Pro Scientia Medal and Muzsay Géza Insurance Award and she is member of the editorial committee of several academic periodicals, and has been active in lecturing, teaching and mentoring. She has been a member of the Supervisory Board of the Issuer since 19 August 2023.

Regina Alexandra Vajó

Regina Alexandra Vajó graduated in Economics from the University of Miskolc in 2003. She started her professional career at the Ministry of Labour and have worked in public administration for 21 years. First, Ms. Vajó managed accounting and budget-related tasks and coordinated the financial management duties of the Central Nuclear Financial Fund. From 2019, she was responsible for the budgetary processes of the Ministry of Energy and its associated background institutions. Starting from 1 January 2023, Ms. Vajó is the Deputy State Secretary responsible for Economic Affairs at the Ministry of Energy. Additionally, since 2023, she has been a member of the NHKV National Waste Management Coordinating and Asset Management Directorate and the Supervisory Board of the Independent Energy Data Center. In addition to the above, since 2024, Ms. Vajó has been representing the Ministry of Energy in the National ESG Council regarding circular economy and waste management. In addition to her degree in economics, she is a certified public finance and business accountant and holds a qualification in tax advisory. In October 2024, Ms. Vajó was appointed as a member of the Supervisory Board of the Issuer and simultaneously as the chair of the Audit Committee of the Issuer.

The business address of each member of the Issuer's Supervisory Board is 1031 Budapest, Szentendrei út 207-209., Hungary.

9.1.4 Audit Committee

The Audit Committee was established in January 2022. The Audit Committee has three members appointed by the Sole Shareholder from the independent members of the Supervisory Board for a period equal to the period of membership of the given members at the Supervisory Board. One of the Audit Committee members shall be elected by the others to serve as the Chair of the Audit Committee.

The Audit Committee assists the Supervisory Board and the Board of Directors to oversee the financial reporting, the auditor selection and the cooperation with the auditor, as required by the Civil Code and other relevant laws. The members of the Audit Committee serve until their Supervisory Board term ends. As at the date of this Base Prospectus, members of the Audit Committee are the following persons: Regina Alexandra Vajó as the Chair of the Audit Committee, Dr. Márk Ádám Janó and Dr. Árpád Vidoven.

The business address of each member of the Issuer's Audit Committee is 1031 Budapest, Szentendrei út 207-209., Hungary.

9.1.5 The CEO and deputy CEOs

The CEO is the Chief Executive Officer of the Issuer, who, within the scope set out in the internal regulations of the Issuer, is responsible for the management of the Issuer in all areas that do not fall within the competence of the Sole Shareholder and the Board of Directors. The CEO is always a member of the Board of Directors. If the CEO is no longer a member of the Board of Directors for any reason, his or her appointment as CEO will also cease simultaneously. If the Sole Shareholder also elects the CEO of the Issuer, as the Chairman of the Board of Directors, he or she is entitled to use the title of Chair and CEO.

As at the date of this Base Prospectus, the CEO of the Issuer is Tamás Károly Mátrai.

The short resume of Mr. Mátrai has been included above.

As at the date of this Base Prospectus, the deputy CEOs are:

General Deputy CEO: József Miklós Tamáska

József Miklós Tamáska joined the MVM Group as General Deputy CEO on 15 May 2023. Mr. Tamáska has a background in consulting for international companies such as PwC Hungary, and before that he was the controlling manager of MVM CEEnergy Zrt. Mr. Tamáska has experience in developing and applying market-oriented practices and strategies in different companies in the energy sector. His broad industry expertise, management skills and decision support abilities have been key to his past achievements, where he always prioritized digitalisation and efficient corporate performance.

Deputy CEO, Chief Financial Officer: Mr. László Fazekas

The short resume of Mr. Fazekas has been included above.

Deputy CEO, Chief Customer Relations Officer: Krisztián Szabolcs Deme

Since 8 May 2023, the position of Deputy Chief Executive Officer for Customer Relations has been held by Krisztián Szabolcs Deme. Previously, Mr. Deme spent eight years at Magyar Földgáztároló Zrt. (Hungarian Gas Storage Ltd.), where he worked in the areas of trade, marketing and regulation. Prior to that, Mr. Deme held leadership positions in the IT and commercial sectors at the E.ON Hungária group. Mr. Deme is responsible for creating a modern, customer-oriented organisation at the MVM Group.

Deputy CEO, Chief Generation Officer: Csaba dr. Kiss

Since 15 May 2023, the position of Deputy Chief Executive Officer for Generation has been held by Csaba dr. Kiss. Dr. Kiss has over 30 years of international and domestic experience in the electricity industry. Since 1999, he has been the CEO of various types of power plants, including the AES Borsod Power Plant, the AES Tiszapalkonya coal/biomass-fired power plants in Hungary, and he also led the AES Ottana oil-fired power plant in Italy. He was the Director of Energy Production for the power plants of E.ON Hungary Ltd. Dr. Kiss also served as the CEO of GE Energy Ltd. and as a consultant for the CEO of Paks II. He joined the MVM Group in August 2018. He received his MBA degree in International Finance from Buckinghamshire Chilterns University College in England in 2006. Dr. Kiss obtained his Ph.D. degree in Technical Sciences from the Department of Thermodynamics at the Vienna University of Technology in 2011.

Deputy CEO, Chief Infrastructure Officer: Attila Bally

Since 15 May 2023, 15 May 2023, the position of Deputy Chief Executive Officer for Infrastructure has been held by Attila Bally. Mr. Bally started his career at MVM Partner Zrt. in August 2002. and he became the CEO in 2010, a position he held until 2016. In addition, from 2011, Mr. Bally also held the position of overseeing not only MVM Partner but also MVM NET Zrt., among others. Starting in 2017, he served as CEO of NKM Áramszolgáltató Zrt. (formerly DÉMÁSZ), and later, he added the position of CEO of NKM Földgázszolgáltató Zrt. (formerly FŐGÁZ) until 2019. These companies allowed him to gain insight into the world of distribution networks. He then took a two-year detour to OPUS Global Nyrt. and returned to the MVM Group in January 2021.

9.2 Potential conflicts of interests related to the administrative, management, and supervisory bodies of the Issuer

As at the date of this Base Prospectus, there are no conflicts of interest or potential conflicts of interest between the duties of these members of the Issuer's Board of Directors and Supervisory Board and their private interests or their other duties.

10. Major Shareholders

10.1 The sole shareholder of the Issuer

For information on the sole shareholder of the Issuer, see "*9.1.1 The sole shareholder*".

10.2 Change in control of the Issuer

As of the date of this Base Prospectus, the Issuer is not aware of any agreement or agreements, the implementation of which could lead to a change in control over the Issuer at a later date.

11. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

11.1 Key financial indicators of the Issuer

11.1.1 Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the following:

i. the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 (the "**2024 Interim Financial Statements**");

ii. the audited consolidated financial statements for the year ended 31 December 2023 (the "**2023 Financial Statements**"); and

iii. the audited consolidated financial statements for the year ended 31 December 2022 (the "**2022 Financial Statements**") (the 2024 Interim Financial Statements, the 2023 Financial Statements and the 2022 Financial Statements together, the "**Financial Statements**").

The 2023 Financial Statements and the 2022 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board as adopted by the EU. The 2024 Interim Financial Statements have been prepared based on the IAS 34 Interim financial reporting and in accordance with IFRS as adopted by the EU.

The 2024 Interim Financial Statements are unaudited. The 2023 Financial Statements and the 2022 Financial Statements have been audited without qualification by Deloitte Könyvvizsgáló és Tanácsadó Kft. ("**Deloitte**"). The auditors' reports of Deloitte on the 2023 Financial Statements and 2022 Financial Statements (the "**Auditors' Reports**") were prepared by Deloitte in accordance with the terms of the engagement letters (the "**Engagement Letters**") between the Issuer and Deloitte for the preparation of the Auditors' Reports and for the information of the shareholders of the Issuer. To the maximum extent permitted by law, Deloitte excludes all liabilities to any third party for any loss, damages, costs and expense any other party may suffer in connection with their access to, reliance on or use of the Auditors' Reports or this Base Prospectus.

11.1.2 Non-IFRS measures / Alternative Performance Measures

This Base Prospectus includes certain non-IFRS financial measures and ratios that are used by management as an additional measure of performance and are "*alternative performance measures*" (each an "**APM**") as described in the ESMA Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA Guidelines on Alternative Performance Measures - 05/10/2015 | ESMA/2015/1415) and in Recommendation No. 5/2017 (V.24.) of the National Bank of Hungary on alternative performance measures. These measures and ratios are not defined or recognised by IFRS as a measure of performance and should not be considered in isolation or as a substitute for other measures used in analysing the MVM Group's financial condition and results of operations, and the financial information for the MVM Group presented in accordance with IFRS.

The Issuer's management believes that the inclusion of these non-IFRS financial measures and ratios, and APMs, when considered in conjunction with the measures and financial information presented in accordance with IFRS is useful to investors because it provides a basis for measuring the MVM Group's financial

condition and results of operations excluding the impact of certain non-operating factors and in the form of measures and ratios commonly used by investors, analysts and other interested parties as a means of enhancing their understanding of the financial condition and results of operations of companies in the business segments in which the MVM Group operates. These measures and ratios are not subject to audit or review by any independent auditors.

These non-IFRS financial measures and ratios, and APMs are as follows and are used in this Base Prospectus as defined below:

EBITDA: calculated as the operating profit of the MVM Group for the relevant period plus any depreciation and amortisation accounted by the MVM Group for such period.

Total debt: calculated as the sum of current and non-current loans and borrowings – see Note 15 *"Loans and borrowings"* to the 2023 Financial Statements and the 2022 Financial Statements and Note 7 "*Loans and borrowings*" to the 2024 Interim Financial Statements.

Net debt: calculated as total debt *less* cash and cash equivalents.

The calculation of total debt and net debt as at 30 June 2024, 30 June 2023, 31 December 2023 and 31 December 2022 is as follows:

	As at / six months ended 30 June 2024	As at / six months ended 30 June 2023	As at / year ended 31 December 2023	As at / year ended 31 December 2022
	(unaudited)		*(audited)*	
	(in HUF million)			
Non-current loans and borrowings	1,081,268	960,782	1,333,217	1,305,358
Current loans and borrowings	135,587	158,423	329,883	150,627
Total debt	**1,216,855**	**1,119,205**	**1,663,100**	**1,455,985**
Less				
Cash and cash equivalents	384,460	207,505	245,582	407,530
Net debt	**832,395**	**911,700**	**1,417,518**	**1,048,455**

Net Debt / EBITDA: Net debt divided by EBITDA. In 2022, the MVM Group changed the definition and calculation of net debt as compared to 2021 and lease liabilities are now excluded from total debt in line with the definition of net debt set in the most of the MVM Group's loan agreements.

Free cash flow: is calculated as EBITDA less capital expenditure presented as the cost of purchasing the relevant property, plant and equipment, investment properties and additions to intangible assets (excluding CO_2 emission allowance purchases) in the consolidated movement schedules of these assets.

The MVM Group has changed the definition and calculation of capital expenditure within free cash-flow compared to 2021. Capital expenditure is presented as purchases of property, plant and equipment, investment properties and additions to intangible assets (excluding CO_2 emission allowance purchases) in the consolidated movement schedules of these assets. This definition is in line with the presentation of capital expenditure in external and internal reports, and this methodology presents fairly the activity of capital

expenditure of the MVM Group. Although the emission allowances are presented as intangible assets in the balance sheet, their use is related to operations and they are recognised under material-type expenses.

11.2 Historical financial information

11.2.1 Key financial metrics

	As at / six months ended 30 June 2024	As at / six months ended 30 June 2023	As at / year ended 31 December 2023	As at / year ended 31 December 2022
	(unaudited)		*(audited)*	
	(in HUF million)			
Sales revenue	2,156,227	2,769,551	5,079,039	7,647,782
Operating expenses	2,281,468	3,216,382	5,672,486	8,134,713
Operating profit	328,847	380,362	644,555	212,830
EBITDA	450,444	513,018	910,481	453,347
Net finance costs	-40,014	-87,950	-102,800	-99,982
Profit after tax	222,047	209,490	369,122	72,744
Total comprehensive income	362,496	-18,378	-189,612	78,783

	As at / six months ended 30 June 2024	As at / six months ended 30 June 2023	As at / year ended 31 December 2023	As at / year ended 31 December 2022
	(unaudited)		*(audited)*	
	(in HUF million)			
Non-current assets	3,140,245	3,353,419	3,213,930	3,534,964
Current assets	3,261,746	3,976,338	3,811,522	4,762,405
Total assets	**6,401,991**	**7,329,757**	**7,025,452**	**8,297,369**
Shareholders' equity	1,975,499	2,107,923	1,936,726	2,234,359
Non-current liabilities	1,632,046	1,729,390	1,945,831	2,208,238
Current Liabilities	2,794,446	3,492,444	3,142,895	3,854,772
Total equity and liabilities	**6,401,991**	**7,329,757**	**7,025,452**	**8,297,369**

The decrease in net sales revenue for the year ended 31 December 2023 compared to the year ended 31 December 2022 was mainly caused by the lower prices in the natural gas market. EBITDA increased by 101 per cent. for the year ended 31 December 2023 as compared to the year ended 31 December 2022, mainly driven by the lower transmission and distribution system operator costs, as well as the higher margins in the regional wholesale and the Czech competitive markets.

Net sales revenue decreased by 22 per cent. in the first half of 2024 compared to the first half of 2023, primarily due to lower prices in the natural gas and electricity market. EBITDA decreased from HUF 513,018 million to HUF 450,444 million in the first half of 2024 mainly driven by the lower result of the natural gas retail and Hungarian wholesale electricity markets. This was partly compensated by the higher margins in

the natural gas wholesale markets, as well as the higher margins from the generation of electricity using nuclear and renewable resources.

11.2.2 Summary of the Issuer's current, pending and future capital expenditures

MVM Group aims to realise its planned capital expenditure and development programme with special focus on future-oriented infrastructure development projects, digitalisation of utility providers, decarbonisation projects to fulfil the national climate programmes, carbon neutral energy production and measures to guarantee security of supply and to ensure a safe nuclear environment.

Maintaining and developing the MVM Group's operations at a high level plays an important role in the security of electricity supply. The main priority of the MVM Group in this regard is to ensure nuclear safety, the electricity production stability of the Paks NPP and the availability of all four of the Paks NPP's units.

The safety and security of supply is a medium-term network development objective of MAVIR. MAVIR aims to establish a network infrastructure which can develop a resilient environment for market operators and to establish system conditions which secure a continuous and reliable supply of electricity of a high quality and to meet changing market conditions.

The security of supply plays a significant role in the asset management plan of the electricity and gas networks. The aims of the asset management plan for the electricity network are: to improve the security of supply; to complete delayed investments; to replace old equipment; to improve the quality indicators required by MEKH to manage any breaches of technical limitations; and to fulfil access requirements of small sized solar and other power plants.

In order to reduce carbon dioxide emissions, the MVM Group intends to change the production capacity of Mátrai Power Plant and establish new natural gas-fired power plant blocks. In addition, the MVM Group also invests in new decarbonisation technologies, infrastructure, digitalisation, renewables and the development of the related business lines which supports the energy transition of Hungary as outlined in the energy plan of the Hungarian Government. The renewable capacity of the MVM Group has increased from 566 MW as of 31 December 2023 to 629 MW as of 30 June 2024.

11.2.3 Capital expenditure and free cash flow

The breakdown of the capital expenditure[1] of the MVM Group by business segment[2] is as follows:

	As at / six months ended 30 June 2024 (unaudited)	As at / six months ended 30 June 2023 (unaudited)	As at / year ended 31 December 2023 (unaudited)	As at / year ended 31 December 2022 (unaudited)
			(in HUF million)	
Generation	37,756	45,600	135,699	102,745
Infrastructure	67,547	61,523	188,179	183,251
Wholesale	0,057	5,688	0,437	21,955
Other segments	13,845	12,442	28,540	29,331
Total	**119,206**	**125,253**	**352,855**	**337,282**
Free cash flow[3]	331,238	387,765	557,626	116,065

1. Capital expenditure figures represent the cost of purchasing the relevant property, plant and equipment, investment properties and the additions to intangible assets (excluding CO2 emission allowance purchases) in the consolidated movement schedules of these assets.

2. Figures are restated due to reclassifications between the segments in H1 2024.

3. See "*Non-IFRS measures / Alternative Performance Measures"* for a description of the calculation of this figure

11.2.4 Overview of short term and long term funding sources

As at 31 December 2023, the shareholder's equity of MVM Group was HUF 1,936,726 million, while as at 30 June 2024 it was HUF 1,975,499 million. The total loans and borrowings (including current and non-current) of MVM Group were HUF 1,663,100 million as at 31 December 2023 and HUF 1,216,855 million as at 30 June 2024.

With the exception of certain project finance transactions, the Issuer usually acts as borrower when accessing the financial and capital markets on behalf of the MVM Group. The establishment of the Programme and the issue of Bonds thereunder represents part of the Issuer's strategy of diversifying its sources of financing and lengthening financing tenors consistent with the useful life of its assets. The Issuer has issued HUF 55 billion of Notes due 2031 in the domestic market on 1 September 2021 and EUR 500 million Notes due 2027 in the international capital markets on 18 November 2021. Subsequently, on 7 June 2023, the Issuer issued USD 750 million Green Notes and on 13 March 2024, the Issuer issued an additional USD 750 million Notes due 2031, both in the international capital markets. Total available credit lines of the MVM Group as at 31 December 2023 were HUF 2,514,006 million (out of which HUF 850,983 million was unused), while the total available credit lines as at 30 June 2024 were HUF 2,838,049 million (out of which HUF 1,625,014 million was unused.) The available credit line figures include the accrued interest payable at the end of the relevant period.

As at 31 December 2023, advances for grants amounted to HUF 75,186 million and deferrals related to grants and network development contributions amounted to HUF 162,303 million, while deferrals related to other assets was HUF 41,723 million. As at 30 June 2024, advances for grants amounted to HUF 88,557 million and deferrals related to grants and network development contributions amounted to HUF 169,779 million, while deferrals related to other assets were HUF 43,195 million.

The MVM Group treats grants received from the EU, as well as network development contributions received from consumers, as deferred income and these items are released in proportion to the depreciation of assets purchased from the grant as other operating income. As of 31 December 2023, HUF 1,159,471 million of government and EU grants were disbursed in 2023 and as at 30 June 2024 HUF 536,684 million of government and EU grant was disbursed (including HUF 34,264 million for development purposes). The most significant items of these grants are the following:

- The MVM Group is entitled to compensation for the utility cost reduction programme in line with the provisions of the Government Decree 289/2022 (VIII.5.) on the protection of utility payments ensuring the universal electricity and natural gas service under unchanged conditions during the state of emergency. The compensation is settled in accordance with the relevant legislation and the contract signed with the designated Ministry. HUF 1,002,026 million was paid to the MVM Group as a grant in 2023 as compensation for protecting the Hungarian utility payments payments and HUF 61,799 million due to the Czech price cap, of which HUF 37,107 million was recognised as deferred income at the end of 2023. In the first six months of 2024, HUF 434,700 million was disbursed to the MVM Group as

compensation for protecting the Hungarian utility payments and HUF 9,795 million for the Czech price cap.

- In 2023, the MVM Group received HUF 11,862 million as an advance grant for the development of electricity networks in its service area in 2023 under the RRF-6.1.1-21 tender called "*Ensuring a flexible and secure electricity network for integrating weather-dependent renewable energy sources in the electricity distributors area*".

- In 2023, the MVM Group received HUF 40,334 million grant for PV power plants to be built under the KEHOP tender.

- In the first half of 2024 the MVM Group received HUF 51,938 million grant as compensation for system security service.

There were no significant conditions related to the above mentioned grants which the MVM Group failed to satisfy.

The calculation of total debt and net debt as at 30 June 2024, 30 June 2023, 31 December 2023 and 31 December 2022 is as follows:

	As at / six months ended 30 June 2024	As at / six months ended 30 June 2023	As at / year ended 31 December 2023	As at / year ended 31 December 2022
	(unaudited)		*(audited)*	
	(in HUF million)			
Non-current loans and borrowings	1,081,268	960,782	1,333,217	1,305,358
Current loans and borrowings	135,587	158,423	329,883	150,627
Total debt	**1,216,855**	**1,119,205**	**1,663,100**	**1,455,985**
less				
Cash and cash equivalents	384,460	207,505	245,582	407,530
Net debt	**832,395**	**911,700**	**1,417,518**	**1,048,455**

The following table provides an overview of the MVM Group's debt position[1] as at 30 June 2024, 30 June 2023, 31 December 2023 and 31 December 2022:

	As at / six months ended 30 June 2024	As at / six months ended 30 June 2023	As at / year ended 31 December 2023	As at / year ended 31 December 2022
	(unaudited)		*(audited)*	
Total debt *(in HUF million)*	**1,216,855**	**1,119,205**	**1,663,100**	**1,455,985**
Net debt *(in HUF million)*	**832,395**	**911,700**	**1,417,518**	**1,048,455**
EBITDA *(in HUF million)*	450,444	513,018	910,481	453,347
Net debt / EBITDA *(in HUF million)*	1.848	1.777	1.557	2.313

1. See "*Non-IFRS measures / Alternative Performance Measures*" for a description of the calculation of these figures.

11.3 Legal and arbitration proceedings

Hungarian Competition Authority

The Hungarian Competition Authority ("**GVH**") launched an investigation in 2017 in relation to suspected illegal (cartel) behaviour in respect of high voltage electricity system construction projects (which is still ongoing). GVH continues to monitor the activities of the companies concerned and has been doing so since 2000. In 2019, MVM OVIT Zrt. was formally involved in the GVH investigation. As of the date of this Base Prospectus, the process is still in the investigation phase. See "*Risk Factors – Risks relating to the business and operations of the Issuer and the MVM Group - The MVM Group is subject to various litigation and regulatory proceedings and cannot give any assurances as to the outcome of such proceedings or the sufficiency of the MVM Group's provisions*".

Besides the aforementioned procedure of the GVH, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and the MVM Group.

11.4 Significant changes in the Issuer's financial position

For information on any significant or material change to the Issuer's financial position, see "*General Information - Significant or Material Change*".

11.5 Risk management

The MVM Group follows the principle of prudent operation which essentially seeks to keep risks at an acceptable level. However, in order to meet its strategic objectives, the MVM Group may face new situations where previously unforeseen risks may appear. The MVM Group, through its risk management structures seeks to systematically identify and manage any risks that may arise by operating a Risk Management Committee, which meets at least twice a year and whose permanent members are the CEO and Deputy CEOs and the Risk Management Director.

The purpose and main goal of the MVM Group's risk management structures are to support the long-term successful operation of the MVM Group by seeking to identify the risks which may affect its operations and appropriate responses. The MVM Group is not able to eliminate all risks, as certain risks are inherent in the ordinary course of its business and operation. Therefore, the main goal of the MVM Group is to create a risk environment where the expected risks do not jeopardise the implementation of its strategy and the achievement of its business goals. The risk management tools of the MVM Group focus on the tradeoff between risks and the costs of mitigating those risks, and the objective is to find the balance between tolerating and managing those risks proportionate to the nature and extent of the risks concerned. Successful risk management is considered to play a significant role and to be highly important for the growth and success of the MVM Group, as well as in maintaining its reputation.

The risk management director is responsible for setting out the risk management principles and framework for the MVM Group. The risk management directorate belongs to the organisational unit of the deputy CEO, the Chief Financial Officer. The principles, methods and processes adopted by the MVM Group as part of its risk management system are intended to ensure that risks are identified, analysed and rated by reference to the extent such risks may endanger the operation of the MVM Group and necessary action plans to address those risks are provided. The risk management director is also responsible for revising the risk management regulations and systems of the MVM Group, and if necessary to update them to reflect the market conditions under which the MVM Group may operate from time to time and the different activities of the MVM Group.

11.5.1 Risk management measures undertaken by the MVM Group

Commodity risk

The MVM Group member companies exposed to commodity risk apply the balance sheet method in order to identify, measure and regularly update their relevant financial and commodity positions (broken down by commodity type, maturity and indexing). Each financial position is determined by taking into account (i) the price structure set out in the underlying contracts entered into by the relevant subsidiary; and (ii) the balance of respective physical and financial trades. Group risk management regularly aggregates the positions of the MVM Group's subsidiaries and monitors the subsidiaries' compliance with the respective internal limits. The subsidiaries manage their commodity risk positions via physical and financial mitigation tools on various commodity exchanges and OTC markets by entering into various contractual arrangements (e.g. European Federation of Energy Traders agreements, The International Swaps and Derivatives Association master agreements and individual agreements with brokers).

Currency risk

Currency risk may arise in the form of liquidity risk (relating to the liquidity management of the respective currencies) underlying risk and balance sheet (translational) risk. The MVM Group's risk management primarily focuses on the underlying risk covering the currency risk related to the MVM Group's business operations and the currency risk arising from the financing of the MVM Group (debt currency risk, as the MVM Group finances its operations both in EUR, USD and HUF).

MVM Group companies regularly provide currency position reports that are aggregated and assessed at the MVM Group level. On the basis of such position reports, currency risks are primarily mitigated by using derivative financial instruments and by entering into hedging transactions executed by the MVM Group Treasury with active third party market participants. Such hedging transactions are then allocated to either the risk bearing subsidiary in question, or remain at the MVM Group level for debt currency risk management.

Interest rate risk

The Issuer's assessment of the overall Group-level interest rate risk is primarily based on the overall forecasted financing need of the MVM Group, with particular regard to the scheduled principal and interest payments, indexation and benchmark interest rates. Interest rate risks are primarily mitigated by using derivative financial instruments and by entering into hedging transactions executed by the MVM Group Treasury with active third party market participants. In addition, technical benchmark changes taking place on the market are also taken into account by the MVM Group Treasury.

Liquidity risk

The MVM Group's approach to liquidity risk management is to maintain a level and sources of liquidity, which is adequate for the MVM Group to meet its payment commitments over a specific period without resorting to additional sources of financing and to have a prudential liquidity buffer which is sufficient to meet unexpected cash outlays. In addition, in order to ensure the ability to meet its medium-long-term payment commitments, the MVM Group pursues a strategy aimed at diversifying its funding sources and optimising the maturity of its debt, along with employing active money market transactions to bridge liquidity gaps.

Counterparty risk

Counterparty risk is the probability that the business partner might default on its contractual obligation which may arise in credit, investment or trading transactions. The most significant counterparty risk is the risk of non-payment, when a partner of the MVM Group is unable to make the required payments at the due date, or the risk of non-performance, when a partner fails to meet its supplier obligations, so that the purchase has to be replaced at a higher price level, causing negative impact to the MVM Group's liquidity and financial results.

MVM Group applies counterparty assessment models for analysing counterparties' creditworthiness. As part of the crisis management measures taken by the MVM Group due to the high price volatility and current geopolitical environment, a stricter assessment model has been used, as a result of which, lower credit limits are approved in certain higher risk segments and more financial guarantees are required. In 2024, credit insurance has been introduced for a part of the retail portfolio in order to absorb the risk of non-payment. Another key factor is the regular monitoring of credit limits and account receivables (with particular regards to overdue invoices). If a new issue arises, prompt collection measures are taken.

Cyber security risk

MVM and MVM Informatika Zrt. ("**MVMI**", the in-house IT service provider of the MVM Group) are ISO 27001 certified and their risk management systems have been implemented accordingly. Within the MVM Group, the IT risk management guidelines are defined centrally. The MVM Group-level Security Directorate has a coordinating role in the practical application and adequacy of those systems and guidelines. MVMI operates the IT Security Operation Centre of the MVM Group. In addition, the central dispatcher service of the MVM Security Service Centre deals with incidents on a 24-hours-a-day-7-days-a-week basis and the MVM Group cooperates with the National Cyber Security Centre Hungary.

Sanctions risk

The central compliance guidelines of the MVM Group include requirements to ensure sanctions compliance, but given the volatile nature of the geopolitical landscape since 2022, the Issuer has launched projects to

develop and then refine its group-wide sanctions compliance framework. The Issuer evaluated the sanction risk of each member company of the MVM Group and put them into different categories based on their risk level in order to have an adequate picture of the sanction exposure of its member companies. The Issuer has acquired a complex automated screening tool allowing the MVM Group (integrated subsidiaries) to continuously monitor and review the standing of the MVM Group's business partners in terms of exposure to sanctions, corruption, and reputational risk. A new project is ongoing to refine the group-wide sanctions compliance framework. However, there can be no assurance that such regulations and screening mechanisms will be implemented successfully or, if implemented, that they will be effective in detecting such issues.

The MVM Group continuously monitors changes to the sanctions provisions, reviews the MVM Group's exposure and seeks to take the necessary steps to ensure compliance. The Issuer has implemented a number of measures to ensure sanctions compliance, such as the incorporation of sanction screening in the supplier rating process and the inclusion of a sanction clause in the MVM Group's general terms and conditions. Sanctions compliance is ensured by standardised "know your client" questionnaires in the large corporate commercial segment, which will be extended for the whole MVM Group. The exposures related to sanctioned regions and business partners are reviewed from time to time, not only in relation to partners but also in relation to goods being exported and imported. Sanctions compliance is a key element in its transaction planning.

11.6 Material contracts

For information on the material contracts of the Issuer, see "*General Information – Material Contracts*".

11.7 Documents available

Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Issuer at 1031 Budapest, Szentendrei út 207-209., Hungary or at https://www.mvm.hu/en/Befektetoknek/PenzugyiBeszamolok; and https://www.mvm.hu/en/Befektetoknek/Kozzetetelek for 12 months from the date of this Base Prospectus:

i) the Articles of Association of the Issuer;

ii) the Base Prospectus and the relevant Final Terms;

iii) the constitutive documents of the Issuer;

iv) the Paying Agency Agreement (as defined below); and

v) the Financial Statements.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the above website does not form part of this Base Prospectus.

IV. DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Base Prospectus:

(i) the 2024 Interim Financial Statements are available at:

https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2024/MVM-Group_Consolidated-half-year-report_2024H1.pdf

(ii) the 2023 Financial Statements are available at:

https://www.mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2023/529900ELI5AQ9F74PF85-2023-12-31-en.zip

(iii) the Auditor's Report in respect of the 2023 Financial Statements is available at:

https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2023/MVM-Group-consolidated-financial_statements_2023_auditors_report_in_electronic_format.pdf (in English); and

https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2023/MVM-Csoport-konszolidalt-beszamolo-2023-evi-konyvvizsgaloi-jelentes.pdf (in Hungarian)

(iv) the 2022 Financial Statements are available at:

https://www.mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2022/529900ELI5AQ9F74PF85_2022_12_31_en.zip

(v) the Auditor's Report in respect of the 2022 Financial Statements is available at:

https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2022/2022_MVM_Group_consolidated_financial_statements_2022_auditors_report_in_electronic_format.pdf (in English); and

https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2022/MVM_Csoport_konszolidalt_beszamolo_2022_evi_konyvvizsgaloi_jelentes.pdf (in Hungarian)

(vi) the Articles of Association of the Issuer dated 15 August 2024 is available at:

https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Kozzetetelek/MVM-ZrtArticles-of-AssociationSep-2024.pdf

The cross-reference list below sets out the sections of the relevant financial statements which are incorporated by reference in and form part of this Base Prospectus. The information incorporated by reference, that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

2024 Interim Financial Statements	
Consolidated Statement of Financial Position	Pages 3-4
Consolidated Statement of Comprehensive Income	Page 5
Consolidated Statement of Cash Flows	Pages 6-7
Consolidated Statement of Changes in Equity	Pages 8-9
Notes	Pages 10-53

2023 Financial Statements	
Consolidated Statement of Financial Position	Pages 4-5
Consolidated Statement of Comprehensive Income	Page 6
Consolidated Statement of Cash Flows	Pages 7-8
Consolidated Statement of Changes in Equity	Pages 9-10
Notes	Pages 11-188

2023 Auditors' Report	
Auditor's report	Pages 1 to 6

2022 Financial Statements	
Consolidated Statement of Financial Position	Pages 5 to 6
Consolidated Statement of Comprehensive Income	Page 7
Consolidated Statement of Cash Flows	Pages 8 to 9
Consolidated Statement of Changes in Equity	Pages 10 to 11
Notes	Pages 12 to 194

2022 Auditors' Report	
Auditor's report	Pages 1 to 8

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and unless specifically incorporated by reference into this Base Prospectus, information contained on any website referred to in this Base Prospectus does not form part of this Base Prospectus.

In addition to the above, the following information of (i) the future audited consolidated annual financial statements (including the notes thereto) of the Issuer and the independent auditor's reports thereon and (ii) the future interim consolidated financial statements (including the notes thereto) of the Issuer, and, if applicable, the independent auditor's review reports thereon set out in the cross-reference list below shall be incorporated in, and form part of, this Base Prospectus as and when it is published on https://mvm.hu/Befektetoknek/Kozzetetelek:

i. Consolidated Statement of Financial Position;
ii. Consolidated Statement of Comprehensive Income;
iii. Consolidated Statement of Cash Flow;
iv. Consolidated Statement of Changes in Equity;
v. Notes related to the relevant financial statements; and
vi. Auditors' Report (if applicable).

The information incorporated by reference in relation to future audited consolidated annual financial statements and future interim consolidated financial statements (as mentioned above) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus.

Save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any

statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

V. SECURITIES NOTES

1. Persons Responsible, Third Party Information, Experts' Reports and Competent Authority Approval

1.1 Persons responsible for the Securities Notes

This Base Prospectus and the Securities Notes have been prepared by the Issuer. The Issuer accepts responsibility for the content of this Base Prospectus and the Securities Notes, as well as for the information contained therein.

1.2 A declaration by those responsible for the Securities Notes

The Issuer hereby declares that, to the best of its knowledge and with due diligence, the information contained in this Securities Notes is true and correct, accurate and reflects the facts. The Securities Notes contains true and accurate data and statements and does not omit any facts or information that are significant for the informed assessment of the Bonds or the Issuer by any potential investors. Furthermore, it does not omit any circumstances that could influence the important conclusions drawn from the information. The responsibility statement, duly signed on behalf of the Issuer as the responsible person, is included in Section X of this Base Prospectus.

1.3 Information on the person involved as an expert in the preparation of the Securities Notes

The Securities Notes does not include any statement or report, attributed to a person as an expert.

1.4 Third party information

The Securities Notes does not include any third party information.

1.5 Statement of approval

This Base Prospectus (including the Securities Notes) has been approved by the MNB, as competent authority under the Prospectus Regulation. The MNB only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The MNB's approval does not extend to verifying the accuracy of the information included in this Base Prospectus. Approval by the MNB should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

2. Risk Factors

The description of the material risks specific to the Bonds can be found under Section II of the Base Prospectus titled "*Risk Factors*", specifically in section "*Risks related to Bonds generally*".

3. Essential Information

3.1 Interest of natural and legal persons involved in the issue

To the best of the Issuer's knowledge, all relevant interests and material conflicts of interest, including the individuals involved and the nature of these interests, have been disclosed above, and no further interests or conflicts exist.

3.2 Use of Proceeds

The net proceeds from the issue of the Bonds will be used by the Issuer for its general corporate purposes, including as specified in Part B of the relevant Final Terms.

In addition, where the Bonds are stated to be "Green" Bonds in "*Reasons for the Offer*" in Part B of the relevant Final Terms and it is stated that the proceeds from the issue of the Bonds are intended to be used for "green" purposes as described in this "*Use of Proceeds*" section ("**Green Bonds**") it is the intention of the Issuer that the net proceeds from the Green Bonds will be used as so described. If specified otherwise in the relevant Final Terms, the net proceeds from the issue of the relevant Bonds will be used as so specified.

For any Green Bonds, an amount equivalent to the net proceeds of such Green Bonds is intended to be used to finance and/or refinance Eligible Green Projects (as defined below), in whole or in part, in accordance with its Green Financing Framework (as defined below). Such financing or refinancing may be of new and/or existing Eligible Green Projects.

An amount equal to the net proceeds of the Green Bonds will be managed, using a portfolio approach, by the Issuer. The Issuer will endeavour to fully allocate the net proceeds of the Bonds in financing or refinancing the relevant Eligible Green Projects within 2 years of the issue of each Green Bonds. Pending such allocation, any unallocated proceeds will be temporarily invested by the Issuer in an amount equivalent to the unallocated proceeds at its own discretion, in accordance with its relevant internal policies, in cash, cash equivalents or liquid marketable instruments. Should an Eligible Green Project cease to satisfy the eligibility criteria described in the Green Financing Framework or be disposed of prior to the maturity of each Green Bonds, an amount equal to the proceeds initially allocated to the financing and/or refinancing of the relevant asset that has so ceased to be eligible or been disposed of is intended to be reallocated to the financing and/or financing of another Eligible Green Project within 2 years.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Green Projects to allow for allocation of a sum equal to the net proceeds of the issue of the Green Bonds in full. The Issuer has obtained a second-party opinion from ICS (the Second Party Opinion), an external ESG research, analysis and ratings provider, to confirm the 2021 Green Financing Framework's alignment with the ICMA Green Bond Principles and the 2023 LMA Green Loan Principles and the alignment of the project categories with the EU Taxonomy on a best efforts basis. The Second Party Opinion is available for viewing on the Issuer's website at https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/ESG/EN/2023/2023_0530_MVM_Green_Financing_Framework_SPO.pdf.

In addition, the Issuer intends, within one year from the date of issue of each Green Bonds and annually thereafter until the proceeds of each Green Bonds have been fully allocated, and thereafter as necessary in case of any material development, to prepare an allocation report and an impact report in respect of that issue, as further described in the Green Financing Framework (the "**Green Financing Report**"). The Green Financing Report is expected to be published on the Issuer's website, either as part of the Issuer's annual Sustainability Report or as a standalone document.

The Issuer also intends to appoint an independent auditor or verifier to provide a review or at least a limited assurance of the Green Financing Report, including on the tracking and allocation of the net proceeds of each Green Bonds and on the associated impact metrics, in accordance with the Green Financing Framework. The auditor or verifier's report will be available on the Issuer's website at https://mvm.hu/en/Befektetoknek/ESG.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Bonds and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. Any Green Bond issued under the Programme will not be compliant with the EU Green Bond Regulation and is only intended to comply with the requirements and processes in the Issuer's Green Financing Framework.

For the avoidance of doubt, neither any such opinion or certification nor the Green Financing Framework are, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Neither such opinion or certification nor the Green Financing Framework are, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Green Bonds. Any such opinion or certification is only current as at the date that opinion or certification was initially issued and the criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn.

Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Bonds. Prospective investors in the Bonds should also refer to "Risk Factors — The application of net proceeds of the Green Bonds as described in "Use and estimated net amount of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria".

In this section:

"**Eligible Green Projects**" are the projects in the eligible green categories of renewable energy, electricity networks, energy efficiency, waste management and clean transportation that meet the related eligibility criteria, all as described in the Issuer's Green Financing Framework. Eligible Green Projects may comprise of physical assets and capital expenditures related to the improvement and extension of Eligible Green Projects, as well as acquisitions of 'pure player' companies specialising in any of the above eligible green categories. Assets and expenditures related to fossil-fuel based electricity generation facilities and other fossil-fuel related infrastructure are excluded and deemed ineligible.

"**Green Financing Framework**" means the Green Financing Framework of the Issuer published by the Issuer on its website at https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/ESG/EN/2023/2023_0530_MVM_Green_Financing_Framework.pdf, including as amended, supplemented, replaced or otherwise updated from time to time.

"**ICMA Green Bond Principles**" means, at any time, the Green Bond Principles published by the International Capital Markets Association at such time, which as of the date of this Base Prospectus are the Green Bond Principles June 2021 (with June 2022 Appendix 1) (https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf).

4. Information concerning the Securities to be admitted to trading

See "*Terms and Condition of the Bonds*", "*Form of Final Terms*" and "*Form of the Bonds*" below.

VI. TERMS AND CONDITIONS OF THE BONDS

The following are the Terms and Conditions of the Bonds which will form part of each Document (as defined below). The applicable Final Terms (or the relevant provisions thereof) will form part of each Document prepared in connection with each issue. Reference should be made to "Form of Final Terms" of this Base Prospectus for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Bonds.

This Bond is one of a Series (as defined below) of Bonds issued by MVM Energetika Zártkörűen Működő Részvénytársaság (the **Issuer**). References herein to the **Bonds** shall be references to the Bonds of this Series and shall mean units of the Specified Denomination.

The final terms for this Bond (or the relevant provisions thereof) are set out in the "**Final Terms**" attached to this Bond which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Bond. References to the **applicable Final Terms** are, unless otherwise stated, to the Final Terms (or the relevant provisions thereof) attached to this Bond. Words and expressions used in the applicable Final Terms shall have the same meanings where used in the Terms and Conditions of the Bonds unless the context otherwise requires or unless otherwise stated. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

Any reference to **Bondholders**, **bondholders**, **Holders** or **holders** in relation to any Bonds shall mean the holders of the Bonds. As used herein, **Tranche** means Bonds which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

1. Type, Form, Kind and Title

1.1 Type

The Bonds are transferable, dematerialised registered debt securities created in accordance with Act CXX of 2001 on Capital Markets (the **Capital Markets Act**) and 285/2001 (XII. 26.) Government Decree on Bonds.

1.2 Form

The Bonds are in dematerialised registered form. The Issuer will, in accordance with the Capital Markets Act, issue and deposit with the clearing system. KELER Központi Értéktár Zrt. or its legal successor (**KELER**) a document (in Hungarian: "*Dematerializált Okirat*"; the **Document**), which does not qualify as a security, with the particulars of this Series of Bonds. In the event that further Bonds are issued in accordance with Condition 13 (*Further Issues*) or a part of this Series of Bonds are cancelled in accordance with Condition 6.7 (*Cancellation*), the Document will be cancelled and a new Document (the **new Document**) amended in accordance with the particulars of the further Bonds or, as the case may be, the outstanding part of this Series of Bonds will be issued.

The Final Terms for this Bond (or the relevant provisions thereof) form part of the related Document or new Document, as the case may be, and supplement these Terms and Conditions of the Bonds (the Terms and Conditions of the Bonds) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions of the Bonds, replace or modify the Terms and

Conditions of the Bonds for the purposes of this Bond. References to the applicable Final Terms are to the Final Terms relating to a Tranche of Bonds (or the relevant provisions thereof) which forms part of the Document prepared with respect to this Bond.

1.3 Kind

This Bond may be a Fixed Rate Bond or a Floating Rate Bond depending upon the Interest Basis specified in the applicable Final Terms.

1.4 Title

In accordance with Section 138(2) of the Capital Markets Act, any reference to Bondholders, bondholders, Holders or holders in relation to any Bonds shall mean the person or persons to whose securities account the Bonds are credited until the opposite is proven. The Bonds will be transferable only by debiting the seller's securities account and crediting the buyer's securities account and in accordance with the rules and procedures for the time being of KELER. Under Section 6(5) of the Capital Markets Act, the Holders will not be entitled to exchange the dematerialised Bonds for printed Bonds.

2. Status of the Bonds

The Bonds are direct, unconditional, unsecured (subject to the provisions of Condition 3 (*Negative Pledge*) and unsubordinated obligations of the Issuer rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

3. Negative Pledge

So long as any Bond remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without, in the case of the creation of a Security Interest, at the same time or prior thereto and, in any other case, promptly securing the Bonds equally and rateably therewith.

In these Conditions:

"**Affiliate**" means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

"**EBITDA**" means, in respect of any Relevant Period, the total operating profit of the Group accumulated during such Relevant Period ***plus*** any depreciation or amortisation accounted by the Group during such Relevant Period;

"**Group**" means the Issuer, its Subsidiaries and its Affiliates, which are consolidated in the Issuer's consolidated financial statements from time to time;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) any Bonds, bonds, debentures, debenture stock, loan stock or other debt securities or any borrowed money;

(b) amounts raised by acceptance under any acceptance credit facility;

(c) amounts raised under any Bond purchase facility; and

(d) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

"**Material Subsidiary**" means, at any time, a Subsidiary of the Issuer:

(a) whose total assets and/or EBITDA represent not less than ten per cent. (10%) of the total assets and/or EBITDA, as applicable, of the Group as determined at any time by reference to the then most recent audited consolidated financial statements of the Issuer; or

(b) to which is transferred either (A) all or substantially all the assets of another Subsidiary of the Issuer which immediately prior to the transfer was a Material Subsidiary or (B) sufficient assets of the Issuer such that the receiving Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the date of the most recent audited consolidated financial statements of the Issuer, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the audited consolidated financial statements of the Issuer for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above,

but excluding any Project Company;

"**Permitted Security Interest**" means:

(a) any Security Interest of a Person existing at the time that such Person is merged into, or consolidated with or acquired by, the Issuer or any Subsidiary of the Issuer, provided that such Security Interest was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such merger, consolidation or acquisition;

(b) any Security Interest existing on any property or assets prior to the acquisition thereof by the Issuer or any Subsidiary of the Issuer, provided that such Security Interest was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such acquisition;

(c) any Security Interest granted by a Subsidiary of the Issuer in connection with a Securitisation;

(d) any Security Interest granted by a Project Company; or

(e) any renewal of or substitution for any Security Interest permitted by any of subparagraphs (a) to (d) (inclusive) of this definition, provided that with respect to any such Security Interest (i) the principal amount secured has not increased and (ii) the Security Interest has not been extended to any additional assets (other than the proceeds of such assets and any replacement assets);

"**Project Company**" means any Subsidiary of the Issuer established solely for the purposes of the implementation and operation of a particular project, provided that such project is financed through Project Finance;

"**Project Finance**" means any financing arrangement (i) for the provision of funds which are to be used exclusively to finance a particular project for the acquisition, construction, development or exploitation of any property or project; and (ii) under which the creditors under such financing arrangement have agreed to limit, as a principal source of repayment, their recourse only to the assets and revenues of, and quota(s) or shares issued by, the Project Company implementing such project;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, Bond, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Period**" means each period of twelve (12) months ending on the last day of the Issuer's financial year;

"**Securitisation**" means any securitisation of existing or future assets and/or revenues, provided that (i) any Security Interest given by any Subsidiary of the Issuer in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; and (ii) recourse in respect of such securitisation is limited to the assets and/or revenues so securitised as the principal source of repayment for the money advanced;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. Interest

The applicable Final Terms will indicate whether the Bonds are Fixed Rate Bonds or Floating Rate Bonds.

4.1 Interest on Fixed Rate Bonds

This Condition 4.1 applies to Fixed Rate Bonds only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Bonds. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Bond bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit, half of any such sub-unit (i.e. HUF 0.5) being rounded upwards.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

(a) if "*Actual/Actual (ICMA)"* is specified in the applicable Final Terms:

(i) in the case of Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "*Actual/365 (ÁKK)"* is specified in the applicable Final Terms, the actual number of days (except the 29th day of February in a leap year, if applicable) in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 365;

(c) if "*30/360*" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(d) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means one HUF.

4.2 Interest on Floating Rate Bonds

(a) Interest Payment Dates

Each Floating Rate Bond bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Budapest; and a day on which KELER is effecting money and securities transfers.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Bonds will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Bonds (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Budapest inter-bank offered rate (**BUBOR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest (as defined below) shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Bonds

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate being BUBOR which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 12.30 p.m. (Budapest time (the "**Specified Time**")) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent specified in the applicable Final Terms. The Central Bank of Hungary ("**MNB**") is responsible for the administration and production of BUBOR. BUBOR is calculated on the basis of submissions made by the invited panel banks ("**Panel Banks**") and in line with the applicable fixing procedure of MNB. If more than half of the Panel Banks fail to provide quotation for a maturity up until 10:45 am on a given Hungarian banking business day, then the MNB postpones the calculation of BUBOR for the given maturity until 11:15 am on a given Hungarian banking business day. If at least 5 Panel Banks provide quotations until 11:15 am, then the MNB calculates and publishes the BUBOR based on these quotations. If less than 5 Panel Bank provide quotations until 11:15 am, then the MNB postpones the publication until at least 5 Panel Banks provide quotations but no later than 12:00 pm. If less than 5 Panel Banks provide quotation until 12:00 pm on a given Hungarian banking business day, then the MNB does not use the quotations provided on that day to publish the BUBOR. In this case, at 12:15 pm, the MNB publishes the previous day's BUBOR rate as the official BUBOR rate for this day for the given maturity. The MNB determines the BUBOR rate at most for 3 consecutive Hungarian banking business days in accordance with its contingency policy.

The Paying Agency Agreement contains provisions for determining the Rate of Interest or Rate in the event that the Relevant Screen Page is not available or if, in the case of above, no such offered quotation appears following the third consecutive banking business day

when MNB has determined the BUBOR rate, in each case as at the Specified Time indicated above or in the applicable Final Terms. In the above event, the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Bonds for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of HUF, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (ÁKK)" is specified in the applicable Final Terms, the actual number of days (except the 29th day of February in a leap year, if applicable) in the Interest Period divided by 365;

(e) Notification of Rate of Interest and Interest Amounts

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to KELER, (if applicable) the relevant regulatory authority and any stock exchange on which the relevant Floating Rate Bonds are for the time being listed and notice thereof to be published in accordance with 11 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to KELER, (if applicable) the relevant regulatory authority and each stock exchange on which the relevant Floating Rate Bonds are for the time being listed and to the Bondholders in accordance with Condition 11 (*Notices*).

(f) Accrual of interest

Each Bond (or in the case of the redemption of part only of a Bond, that part only of such Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at a level specified under Section 6:155(1) of Act V of 2013 on the Civil Code (in Hungarian: *2013. évi V. törvény a Polgári Törvénykönyvről*) until the date on which all amounts due in respect of such Bond have been paid; and five days after the date on which the full amount of the moneys payable in respect of such Bond has been received by the Agent and notice to that effect has been given to the Bondholders in accordance with Condition 11 (*Notices*).

5. Payments

5.1 Method of payment

Payments in respect of the Bonds shall only be made in the territory of Hungary and in Hungarian forints. The Issuer shall not be liable to make any payments in respect of the Bonds in any other place or in any other currency, provided that the scope of such exclusion of the Issuer's liability shall not extend to a refusal by the Issuer to effect such payments in respect of the Bonds in the territory of Hungary and in Hungarian forints if the Issuer is not prevented by applicable law to fund its due and payable payment obligations in respect of the Bonds by way of converting its freely convertible and liquid currencies into Hungarian forints. For the purposes of this clause, payment in respect of the Bonds is deemed to be made in the territory of Hungary if such payment is made to a bank account the International Bank Account Number (IBAN) of which bank account starts with the country code of Hungary (i.e. "HU").

The Issuer shall not be liable for any failure to make any payments in respect of the Bonds which is caused by an event or circumstance beyond the Issuer's or, if applicable, the Agent's control (including e.g. any change in Hungarian law or intervention of a competent judicial or governmental or regulatory authority or failure of the operations of any funds transfer system) occurring after the issue of the Bonds and as a result of which event or circumstance it becomes illegal or impossible to make any payments in respect of the Bonds in the territory of Hungary and in Hungarian forints, as long as such event or circumstance is outstanding. For the avoidance of doubt, if an Event of Default has occurred and is continuing and any holder of a Bond declared a Bond held by it due and payable under Condition 9 (*Events of Default*) then this paragraph shall not apply.

Payments in respect of the Bonds shall be made through the Agent, in accordance with the rules and regulations of KELER as effective from time to time, and taking into consideration the relevant laws on taxation, to those securities account managers to whose securities account at KELER such Bonds are credited at close of business on the Reference Date (as defined below) for that payment, as designated in the regulations of KELER effective from time to time. Pursuant to current rules and regulations of KELER, the Reference Date is the day falling two Business Days immediately prior to the relevant Interest Payment Date (the Reference Date). Payment shall be due to that person who is deemed to be the Holder on the Reference Date.

(g) *Payment Day*

If the date for payment of any amount in respect of any Bond is not a Payment Day (as defined below), the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Budapest and a day on which KELER is effecting money and securities transfers.

(h) *Interpretation of principal and interest*

Any reference in the Terms and Conditions of the Bonds to principal in respect of the Bonds shall be deemed to include, as applicable:

(i) the Final Redemption Amount of the Bonds;

(ii) the Early Redemption Amount of the Bonds;

(iii) the Optional Redemption Amount(s) (if any) of the Bonds;

(iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Bonds.

5.2 General provisions applicable to payments

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in Hungary, but without prejudice to the provisions of Condition 7 (*Taxation*). Claims for payments in respect of the Bonds do not have a limitation period, except if permitted by Hungarian law.

The Holders shall be the only persons entitled to receive payments in respect of Bonds and the Issuer will be discharged by payment to, or to the order of, the Holders in respect of each amount so paid. Each of the persons shown in the records of KELER as the beneficial holder of a particular nominal amount of Bonds must look solely to KELER, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holders.

6. Redemption and Purchase

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Bond will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Bondholders in accordance with Condition 11 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Bonds, the Bonds to be redeemed will be selected in accordance with the rules of KELER and the applicable Final Terms not more than 30 days prior to the date fixed for redemption.

6.3 Redemption at the option of the Bondholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Bond giving to the Issuer in accordance with Condition 11 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Bond the holder of this Bond must deliver, at the specified office of the Agent at any time during normal business hours of the Agent both an ownership certificate issued by KELER or the relevant Securities Account Manager (which document certifies, in addition to the title of the Holder, that the Bonds are held on an account blocked for the benefit of the Issuer) and a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the Agent (a **Put Notice**). With respect to Bonds credited to the securities accounts of KELER falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.3 accompanied by this Bond or evidence satisfactory to the Agent concerned that this Bond will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice or other notice given by a holder of any Bond pursuant to this Condition 6.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.3 and instead to declare such Bond forthwith due and payable.

6.4 Early Redemption Amounts

For the purpose of Condition 9 (*Events of Default*), **Early Redemption Amount** means, in respect of any Bond, its principal amount or such other amount as may be specified in the relevant Final Terms.

6.5 Redemption for tax reasons

Subject to Condition 6.4 (*Early Redemption Amounts*), the relevant Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Bond is not a Floating Rate Bond) or on any Interest Payment Date (if this Bond is a Floating Rate Bond), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance

with Condition 11 (*Notices*), the Bondholders (which notice shall be irrevocable), if the Issuer satisfies immediately before the giving of such notice that:

(a) as a result of any change in, or amendment to, the laws or regulations of Hungary or any change in the application or official interpretation of the laws or regulations of Hungary, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Bonds, on the occasion of the next payment due under the Bonds, the Issuer would be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*); and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.5, the Issuer shall deliver to the Agent a duly signed certificate stating that the requirement referred to in this Condition 6.5 (a) above will apply on the occasion of the next payment due under the Bonds and cannot be avoided by the Issuer by taking reasonable measures available to it, and the Agent shall be entitled to accept without further investigation the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

Bonds redeemed pursuant to this Condition 6.5 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 6.4 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.6 Purchases

The Issuer may at any time purchase Bonds at any price in the open market or otherwise. Unless indicated in the Final Terms, the Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Bonds or cancelled.

6.7 Cancellation

All Bonds which are redeemed will forthwith be cancelled. Bonds so cancelled and the Bonds purchased and cancelled pursuant to Condition 6.6 (*Purchases*) above cannot be reissued or resold.

6.8 Provisions relating to the subscription and auction procedures in connection with the Bonds

Bonds may be offered under the Programme either by way of a subscription procedure pursuant to section 49 of the Capital Markets Act or an auction procedure pursuant to section 50 of the Capital Markets Act. For the purposes of this Condition 6.8, the terms:

(a) **subscription** shall mean in the context of a respective offering of Bonds an unconditional and irrevocable statement made by a prospective investor intending to acquire such Bonds pursuant to which statement that investor accepts the Bonds so offered and undertakes to pay the respective consideration of such Bonds; and

(b) **auction** shall mean a method of offering Bonds pursuant to which method the Issuer (subject to certain conditions) provides an opportunity to prospective investors to make an offer to purchase

the respective Bonds and the offers so received by the Issuer will be assessed by the Issuer in accordance with the respective conditions applicable to such auction procedure.

Since the Bonds are issued in dematerialized form, a subscription or auction offer during the offering shall be accepted only if the respective investor has provided during the subscription or auction procedure the identification data of the respective securities intermediary operating such investor's securities account as well as the number of its securities account and bank account held with the respective Dealer.

Applications for the purchase of Bonds may be made by a prospective investor to the respective Dealer at the sale locations and during the business hours as set out in the applicable Final Terms by the submission of the respective duly completed subscription or auction forms to the respective Dealer.

Each prospective investor should ascertain from the respective Dealer when the respective Dealer will require receipt of cleared funds from it in respect of its application for the purchase of any Bonds and the manner in which payment should be made to the respective Dealer.

Excess application monies will be returned (without interest) to applicants by no later than three Business Days after the date that the offer period in relation to the respective Bonds closes. Excess application monies will be returned (without interest) by wire transfer to the bank account as detailed on the application form or by any other method as the Issuer or the respective Dealer deems to be appropriate.

If the Issuer receives subscriptions for the respective Bonds in an amount equal to the aggregate principal amount of the Bonds so offered, the Issuer may close the respective offer period before the scheduled end of such offer period, provided that the offer period shall not be shorter than 3 Business Days. The Issuer may also decline or accept applications which would exceed the aggregate principal amount of the Bonds so offered. In case of oversubscription, an allocation procedure will be implemented. The Issuer will specify in the Final Terms the allocation principles applicable to each Series of Bonds. Unless otherwise stated in the Final Terms, the Bonds will be allocated proportionally based on their nominal value which means that any remaining Bonds will be distributed among the subscribing investors, in proportion to the total nominal value offered at that price level.

The Issuer determines the minimum purchase price that will be accepted during the auction procedure in light of the offers. The Issuer will not accept any auction offers indicating a purchase price below this minimum purchase price and such offers will be void. The auction offers will be accepted in decreasing order of the purchase prices specified in the respective auction offers, starting from the auction offer indicating the highest purchase price (not exceeding the maximum quantity determined with respect to the relevant Series of Bonds). If multiple investors submit auction bids at the same price and the Bond requests of all such investors cannot be fully satisfied at that price level during the allocation process, an allocation procedure will be implemented. The Issuer will specify in the Final Terms the allocation principles applicable to each Series of Bonds. Unless otherwise stated in the Final Terms, the Bonds will be allocated proportionally based on their nominal value which means that any remaining Bonds will be distributed among the bids at the accepted price level, in proportion to the total nominal value offered at that price level.

7. Taxation

All payments of principal and interest in respect of the Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Hungary unless such withholding or deduction is required by law. In such event, the Issuer will not pay such additional amounts as shall be necessary in order that the net amounts received by the

Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Bonds, in the absence of such withholding or deduction.

8. Prescription

Claims against the Issuer for payment under the Bonds may not be prescribed unless otherwise permitted by Hungarian law.

9. Events of Default

If any of the following events occurs and is continuing:

(a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Bonds within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds within fifteen days of the due date for payment thereof; or

(b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds and such default remains unremedied for 45 days after written notice thereof, addressed to the Issuer by any Bondholder, has been delivered to the Issuer or to the Agent; or

(c) *Cross-acceleration of Issuer or Material Subsidiary*:

(i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

(iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub- paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub- paragraph (iii) above, individually or in the aggregate, exceeds EUR 70,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment*: the Issuer fails to pay a final judgment or judgments of a court of competent jurisdiction within 60 days from the receipt of a notice that any such final judgment has been entered against it or an execution is levied on or enforced upon or sued out in pursuance of any such judgment, provided that the amount of such judgment or judgments, individually or in the aggregate, exceeds EUR 70,000,000 (or its equivalent in any other currency or currencies); or

(e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries provided that the value of such undertaking, assets and revenues exceeds EUR 70,000,000 (or its equivalent in any other currency or currencies); or

(f) *Filing for bankruptcy, liquidation, winding-up*: the Issuer or a Material Subsidiary files for its bankruptcy (in Hungarian: "*csődeljárás*"), liquidation (in Hungarian: "*felszámolási eljárás*"), winding-up (in Hungarian: "*végelszámolási eljárás*") or simplified winding-up (in Hungarian: "*egyszerűsített végelszámolási eljárás*") (except if the winding-up is caused by the solvent reorganisation or restructuring of the MVM Group, or, in respect of any Material Subsidiary, for solvent winding-up proceedings) in accordance with the Bankruptcy Laws; or

(g) *Commencement by a court of bankruptcy proceedings*: there is a decision of a competent court for the commencement of bankruptcy (in Hungarian: "*csődeljárás*") or any analogous proceeding against the Issuer or a Material Subsidiary in accordance with the Bankruptcy Laws; or

(h) *Adjustment or deferment of obligations, assignment, composition, moratorium or cessation of business*: (i) the Issuer or any of its Material Subsidiaries takes any action for a general adjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or *for* the benefit of its creditors generally or declares a moratorium in respect of its Indebtedness (including any Guarantee of any Indebtedness given by it) or (ii) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (except in connection with the solvent reorganisation or restructuring of the MVM Group, or, in respect of any Material Subsidiary, solvent winding-up proceedings); or

(i) *Bankruptcy, liquidation or winding-up order*: an order is passed by a competent court in respect of the Issuer or a Material Subsidiary for its bankruptcy (in Hungarian: "*csődeljárás*"), liquidation (in Hungarian: "*felszámolási eljárás*"), winding-up (in Hungarian: "*végelszámolási eljárás*"), simplified winding-up (in Hungarian: "*egyszerűsített végelszámolási eljárás*") (except if the winding-up is caused by the solvent reorganisation or restructuring of the MVM Group, or, in respect of any Material Subsidiary, for solvent winding-up proceedings) or dissolution (in Hungarian: "*kényszertörlési eljárás*") in accordance with the Bankruptcy Laws; or

(j) *Appointment of a liquidator, trustee in bankruptcy or receiver*: a liquidator (in Hungarian: "*felszámoló*"), trustee in bankruptcy (in Hungarian: "*vagyonfelügyelő*"), receiver (in Hungarian: "*végelszámoló*") (except if the winding-up is caused by the solvent reorganisation or restructuring of the MVM Group, or, in respect of any Material Subsidiary, for solvent winding-up proceedings) or other similar insolvency officer is appointed by a competent court in respect of the Issuer or a Material Subsidiary in accordance with the Bankruptcy Laws.; or

(k) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds, then any Bond may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Agent, be declared immediately due and payable,

whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

In these Conditions:

"**Applicable Law**" means, in relation to any person, any law, regulation, rule, executive order, decree, judicial or official order, code of practice, circular, guidance Bond or injunction of, or made by, any Competent Authority, which is binding and enforceable on or against the relevant person or with which the relevant person is required to comply;

"**Bankruptcy Laws**" means:

(a) the Hungarian Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings;

(b) the Hungarian Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings;

(c) the Hungarian Act LXIV of 2021 on Restructuring and on Amendment of Certain Acts for Harmonisation Purposes;

(d) the Hungarian Act XCIX 2021 on the Transitional Rules relating to the State of Emergency (*Part 20* (*Reorganisation of Enterprises*)); and

(e) any provision of any Applicable Law regulating any equivalent proceedings in another jurisdiction;

"**Competent Authority**" means any local, national or supranational agency, authority, court, department, inspectorate, minister, official, tribunal or public or statutory person (whether autonomous or not) of Hungary or any other country, which has jurisdiction over the Issuer or any Material Subsidiary.

10. Agent

The Bonds shall be issued subject to and with the benefit of a paying agency agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Paying Agency Agreement**") made between the Issuer and MBH Bank Befektetési Zrt. as "**Paying Agent**". Pursuant to the Paying Agency Agreement, the Paying Agent agreed to provide interest and principal paying agency services set out therein. In acting under the Agency Agreement and in connection with the Bonds, the Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency for or with any of the Bondholders.

The Issuer reserves the right at any time to vary or terminate the appointment of any paying agent and to appoint a successor or additional paying agent; provided, however, that the Issuer shall at all times maintain at least one paying agent. Notice of any change in any of the paying agent or in its specified office shall promptly be given to the Bondholders.

11. Notices

All notices regarding the Bonds will be deemed to be validly given if published on the Issuer's website at https://mvm.hu/Befektetoknek/Kozzetetelek. The Issuer shall also ensure that notices are duly published in a manner which complies the rules of the Budapest Stock Exchange. Any such notice will be deemed to have been given on the date of the first publication.

Notices to be given by any Bondholder shall be in writing and sent to the Agent, together with evidence satisfactory to the Agent of ownership which may include certification to this effect by KELER.

12. Rights of Bondholders, Representation and Modification

Each Bondholder is entitled to receive principal and interest payments arising from the Bonds, as specified in the Terms and Conditions of the Bonds and the relevant Final Terms, as well as to exercise any other rights conferred therein or by statutory provisions.

The Issuer does not designate a representative body for the Bondholders and does not establish rules for such representation, but the relevant Final Terms may contain provisions related to this matter. Rules regarding the representation of the investor or Bondholder at the time of the issuance of Bonds and during the term of the Bonds, the formal and substantive requirements of the documents to be submitted, and the rules regarding the applicable channels are contained in the relevant Final Terms.

The Bonds and Conditions may be amended without the consent of the Bondholder to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Bondholders.

13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further bonds having the same terms and conditions as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Bonds.

14. Governing Law and Submission to Jurisdiction

14.1 Governing law

The Bonds and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Hungarian law.

14.2 Submission to jurisdiction

The Issuer and the Holders agree to subject any disputes which may arise out of or in connection with the Bonds, the issue thereof or any document created in connection with such issue (including a dispute relating to any non-contractual obligations arising out of or in connection with the Bonds) (the **Disputes**), to the exclusive jurisdiction of Hungarian courts.

VII. FORM OF THE BONDS

Each Tranche of Bonds will be in dematerialised registered form. The Issuer will, in accordance with the Capital Markets Act, issue and deposit with KELER Zrt. a document (in Hungarian: "*Dematerializált Okirat*", the **Document**), which does not qualify as a security, setting out the particulars of each Series of Bonds. In the event that further Bonds are issued or a part of the relevant Series of Bonds are cancelled, in each case in accordance with the Terms and Conditions of the Bonds, the Document will be cancelled and a new Document (the **new Document**) amended in accordance with the particulars of the further Bonds or, as the case may be, the outstanding part of the relevant Series of Bonds will be issued.

The Final Terms, or in the case of a Series with more than one Tranche, the latest Final Terms, for each Series of Bonds (or the relevant provisions thereof) form part of the related Document or new Document, as the case may be, and supplement the Terms and Conditions of the Bonds.

Payments in respect of the Bonds will be made in accordance with the rules and regulations of KELER Zrt. as effective from time to time and taking into consideration the relevant laws on taxation to those securities account managers who are registered in the register of KELER Zrt. with respect to such Bonds at the close of the business on the Reference Date (as defined in the Terms and Conditions of the Bonds) for that payment, as designated in the regulations of KELER Zrt. effective from time to time. Payment shall be due to that person who is deemed to be the Holder (as defined below) on the Reference Date. Any reference to a **Holder** or **Holders** in relation to any Bonds means the person or persons, as the case may be, to whose securities account the Bonds are credited until the opposite is proven.

The Bonds will be transferable only by debiting the seller's securities account and crediting the buyer's securities account and in accordance with the rules and procedures for the time being of KELER Zrt. Under Section 6(5) of the Capital Markets Act, the Holders will not be entitled to exchange dematerialised Bonds for printed Bonds. The Bonds will be cleared through KELER Zrt., which has its registered office at Rákóczi út 70-72., 1074 Budapest, Hungary.

VIII. FORM OF FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[*Date*]

MVM Energetika Zártkörűen Működő Részvénytársaság

Legal entity identifier (LEI): 529900ELI5AQ9F74PF85

Issue of HUF [Aggregate Nominal Amount of Tranche] [Title of Bonds]

under the HUF 100,000,000,000

Bond Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Bonds (the **Conditions**) set forth in the Base Prospectus dated 17 April 2025 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on https://mvm.hu/en/Befektetoknek/Kozzetetelek.

The Base Prospectus and any supplement thereto are published in accordance with the arrangements set out in Article 21 of the Prospectus Regulation.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the

sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

1.	Issuer:		MVM Energetika Zártkörűen Működő Részvénytársaság
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
3.	Currency:		HUF
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	Minimum Purchase Price:		[ ][5]
	Maximum Purchase Price		[ ][6]
7.	Specified Denominations:		[ ] *(N.B. Bonds must have a minimum denomination of the HUF equivalent of €100,000)*
8.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
9.	Maturity Date:		*Specify date or for Floating Rate Bonds* – Interest Payment Date falling in or nearest to [*specify month and year*]]
10.	Interest Basis:		[[ ] per cent. Fixed Rate] [[[ ] month [BUBOR] +/- Margin]

[5] Only applicable in relation to Bonds sold by way of an auction procedure.
[6] Only applicable in relation to Bonds sold by way of an auction procedure.

11.	Redemption[/Payment] Basis:	Subject to any purchase and cancellation or early redemption, the Bonds will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
12.	Put/Call Options:	[Issuer Call] [Investor Put] [Not Applicable]
13.	Date of Board approval for issuance of Bonds obtained:	[ ] / [Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Bonds*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Bond Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s) for Bonds in definitive form (and in relation to Bonds in global form see Conditions):	[ ] per Calculation Amount
	(d)	Broken Amount(s)):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360] / [Actual/Actual (ICMA)] / [Actual/365 (ÁKK)]
	(f)	Determination Date(s):	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15.	Floating Rate Bond Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
(c)	Additional Business Centre(s):	[ ]
(d)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
(e)	Screen Rate Determination:	
	(i) Reference Rate:	[ ] months BUBOR
	(ii) Interest Determination Date(s):	[ ]
	(iii) Relevant Screen Page:	[ ]
	(iv) Index Determination:	[Applicable/Not Applicable]
(f)	Margin(s):	[+/-] [ ] per cent. per annum
(g)	Minimum Rate of Interest:	[ ] per cent. per annum
(h)	Maximum Rate of Interest:	[ ] per cent. per annum
(i)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [ ]

PROVISIONS RELATING TO REDEMPTION

16.	Notice periods for Condition 6.5 (*Redemption for tax reasons*)	Minimum period: [30] days Maximum period: [60] days
17.	Issuer Call:	[Applicable/Not Applicable]

			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[[ ] per Calculation Amount]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
18.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
19.	Final Redemption Amount:		[ ] per Calculation Amount
20.	Early Redemption Amount payable on redemption for tax reasons or on event of default:		[ ] per Calculation Amount (*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE BONDS

21.	Form of Bonds:	Dematerialised registered.
22.	Additional Financial Centre(s):	[Not Applicable/*give details*]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of MVM Energetika Zártkörűen Működő Részvénytársaság

By:	By: .....
Duly authorised	*Duly authorised*]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading:	[Application [has been made] / [is expected to be made] by the Issuer for the Bonds to be listed and admitted to trading on the Regulated Market of the Budapest Stock Exchange.] [Not Applicable.]
(ii)	An estimate of the total expenses related to the admission to trading:	[The fees are determined in the relevant fee schedules of the Budapest Stock Exchange] / [ ]

2. RATINGS

Ratings:	[The Bonds to be issued [[have been]/[are expected to be]] rated: [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*] *(The above disclosure should reflect the rating allocated to Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i)	Reasons for the offer:	[See "*Use of Proceeds*" in the Base Prospectus/*Give details*]
(ii)	Estimated net proceeds:	[ ]

5. YIELD (*FIXED RATE BONDS ONLY*)

Indication of yield:	[ ]
	The yield [is calculated at the Issue Date on the basis of the Issue Price. It] is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i)	ISIN:	[HU]
(ii)	Delivery:	Delivery [against/free of] payment

7. DISTRIBUTION

(i)	Method of distribution:	[Auction / Subscription]
(ii)	Time and place of distribution:	[ ]
(iii)	Method and date of allocation:	[ ]
(iv)	Name of relevant Dealer[s]:	[*give name*]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2] [Not applicable]
(vi)	Other Selling Restrictions:	[ ] / [Not Applicable]
		(N.B. The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any Retail Investor in the EEA.)

IX. SUBSCRIPTION AND SALE

1. General

The arrangements under which Bonds may from time to time be agreed to be sold by the Issuer to, and distributed by the Dealers are set out in a distribution agreement dated 18 March 2025 and made between the Issuer, the Arrangers and the Dealers.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, nor any of the other Dealers shall have any responsibility therefor.

This Base Prospectus has been prepared for the purpose of offering in Hungary. The Issuer or the Dealers have not taken any action outside Hungary that would permit a public offering of the Bonds or the distribution of this Base Prospectus in any country where such action is required for the offering or distribution. None of the Issuer and the Dealers represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession, or distribute such offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Series of Bonds) or (in any other case) in a supplement to this Base Prospectus.

Bonds may only be transferred in accordance with the current regulations and procedures of KELER.

2. United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Until 40 days after the commencement of the offering of any Series of Bonds, an offer or sale of such Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

3. Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "*retail investor*" means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

X. RESPONSIBILITY STATEMENT

The Issuer, MVM Energetika Zártkörűen Működő Részvénytársaság (registered office: 1031 Budapest, Szentendrei út 207-209.; company registration number: 01-10-041828; LEI code: 529900ELI5AQ9F74PF85), hereby declares the following:

1. the Issuer accepts sole responsibility for the content of this Base Prospectus, the information contained therein, and any omissions thereof (i.e. the absence of any information) as existing on the date of this Base Prospectus, for a period of five years from the date of publication of this Base Prospectus. This responsibility of the Issuer cannot be validly excluded or limited;

2. to the best of the Issuer's knowledge, having taken all reasonable care to ensure that such is the case, this Base Prospectus contains accurate and factual (true and correct) information and statements, and does not omit any facts or information that are significant for the assessment (by any potential investors) of the Bonds and the Issuer's situation, or that could affect the conclusions (by any potential investors) drawn from it;

3. the information incorporated into this Base Prospectus from third parties, as listed on pages 54, 69 and 71 of this Base Prospectus, has been accurately reproduced and is consistent with the original information. To the best of the Issuer's knowledge, and to the extent ascertainable from the original information published by the aforementioned third parties, no facts have been omitted that would render the incorporated information inaccurate or misleading; and

4. this Base Prospectus has been approved by the National Bank of Hungary, as the competent authority under Regulation (EU) 2017/1129, solely in respect of its compliance with the requirements concerning completeness, comprehensibility, and consistency as set out in Regulation (EU) 2017/1129 but the approval does not extend to the accuracy of the information included in this Base Prospectus. This approval by the National Bank of Hungary should not be considered as an endorsement of the Issuer or the Bonds that are the subject of this Base Prospectus. Accordingly, prospective investors should make their own assessment as to the suitability of investing in the Bonds.

MVM Energetika Zártkörűen Működő Részvénytársaság

Issuer

Budapest, 17 April 2025

László Fazekas

Deputy CEO, Chief Financial Officer

Árpád Nagy

Director of Finance, Treasury and Investor Relations

ELECTRONICALLY SIGNED DOCUMENT

XI. GENERAL INFORMATION

1. Authorisation

The establishment of the Programme and the issue of Bonds under the Programme have been duly authorised, by the decision No. 11/2025 (II.19) of the Board of Directors of the Issuer dated 19 February 2025.

2. Listing of the Bonds

Application may be made to the Budapest Stock Exchange for Bonds issued under the Programme to be admitted to trading and listed on the Budapest Stock Exchange's regulated market, which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

3. Clearing Systems

The Bonds have been accepted for clearance through KELER. The appropriate ISIN for each Tranche of the Bonds allocated by KELER will be specified in the applicable Final Terms.

The address of KELER is KELER Zrt., H-1074 Budapest, Rákóczi út 70-72., Hungary.

4. Conditions for determining price

The price and amount of Bonds to be issued under the Programme will be determined by the Issuer at the time of issue in accordance with prevailing market conditions.

5. Significant or Material Change

Save as disclosed in this Base Prospectus (which includes information incorporated by reference in this Base Prospectus), there has been no significant change in the financial performance or financial position of the Issuer or the MVM Group since the end of the last financial period for which audited or interim consolidated financial information has been published.

Save as disclosed in this Base Prospectus (which includes information incorporated by reference in this Base Prospectus), there has been no material adverse change in the financial position or prospects of the Issuer or the MVM Group since the date of its last published audited consolidated financial statements.

6. Legal and Arbitration Proceedings

Save as disclosed under "*Litigation and Arbitration proceedings*", there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least twelve months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the MVM Group's financial position or profitability.

7. Third Party Information

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

8. Conflicts of Interests

To the knowledge of the Issuer, the duties owed by the members of the Board of Directors of the Issuer do not give rise to any potential conflicts of interest with such members' private interests or other duties.

9. Material Contracts

The Issuer is not aware of any material contract outside the ordinary course of its business that would result in an obligation for any member of the MVM Group in Hungary, which would significantly affect the Issuer's ability to fulfil its obligations to the Bondholders under the Bonds issued.

10. Auditors

The 2024 Interim Financial Statements are unaudited. The 2023 Financial Statements and the 2022 Financial Statements have been audited without qualification for the years ended 2023 and 2022, respectively, by Deloitte Könyvvizsgáló és Tanácsadó Kft. (registered seat: H-1068 Budapest, Dózsa György út 84/C, company registration number: 01-09-071057, registration number with the Chamber of Hungarian Auditors: 000083).

As at the date of this Base Prospectus, the independent auditor of the Issuer is Deloitte Könyvvizsgáló és Tanácsadó Kft. (registered seat: H-1068 Budapest, Dózsa György út 84/C, company registration number: 01-09-071057, registration number with the Chamber of Hungarian Auditors: 000083; the natural person representing the auditor: Tamás Horváth; registration number: 003449). The independent auditor was appointed as the statutory auditor of the Issuer on 1 June 2024.

11. Post-Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any underlying in relation to any issue of the Bonds.

12. Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer, the MVM Group and their affiliates in the ordinary course of business.

13. Yield

In relation to any Tranche of Fixed Rate Bonds, an indication of the yield in respect of such Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Bonds and will not be an indication of future yield.

THE ISSUER

MVM Energetika Zártkörűen Működő Részvénytársaság
1031 Budapest
Szentendrei út 207-209.
Hungary

ARRANGERS

MBH Befektetési Bank Zrt.
1117 Budapest
Magyar Tudósok körútja 9. G. ép.
Hungary

Equilor Befektetési Zrt.
1026 Budapest
Pasaréti út 122-124.
Hungary

DEALERS

MBH Befektetési Bank Zrt.
1117 Budapest
Magyar Tudósok körútja 9. G. ép.
Hungary

Equilor Befektetési Zrt.
1026 Budapest
Pasaréti út 122-124.
Hungary

Erste Bank Hungary Zrt.
1138 Budapest
Népfürdő utca 24-26.
Hungary

Raiffeisen Bank Zrt.
1133 Budapest
Váci út 116-118
Hungary

AGENT

MBH Befektetési Bank Zrt.
1117 Budapest
Magyar Tudósok körútja 9. G. ép.
Hungary

LEGAL ADVISER TO THE ISSUER

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