

# FGSZ Ltd. company presentation

2022.



A MOL-CSOPORT TAGJA

# FGSZ is a part of MOL Group

## ► MOLGROUP

- Integrated, international oil and gas company, based in Budapest
- One of the largest Hungarian and CEE companies
- Present in more than 30 countries
- More than 26.000 employees globally
- Owner of Sloynaft and the largest shareholder of INA
- Sole owner of FGSZ Ltd.

FGSZ

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- 100% owner and operator of the high pressure Hungarian natural gas grid
- The company was certified and works under the ITO model
- Fully in line with the unbundling requirements of EU legislation



# FGSZ's system – core business in numbers

## Physical properties

- ~5.900 km of pipelines, looped system
- 6 cross-border interconnections
- 8 compressor stations with 168 MW built-in capacity
- ~400 delivery facilities
- Based in Siófok + 6 operation centers

## Performance

- 22 bcm\* transported natural gas in 2020
- 118 FTE / 1.000 km of operated pipelines

## Partners

- 7 adjacent TSOs
- 1 dominant and several smaller producers
- 2 storage operators
- 6 large DSOs
- 45 shippers
- 80+ wholesale shippers



\*bcm: billion m3/year

**Mission:** Our main goal is to **provide** the conditions ensuring the natural gas supply of Hungary, **operate** the infrastructure required for natural gas supply maintaining a high professional standard, and to **contribute** to the diversification of sources and the increase of regional liquidity and the security of supply by developing cross-border capacities.

**Vision:** We focus on **contributing** to the regional-level connection of the high-pressure long-distance pipeline systems of the surrounding countries, thereby facilitating the **improvement** of the security of supply, the availability and diversification of sources and the market conditions of the region. In addition, we strive to develop systems allowing for the integrated and optimal **utilisation** of capacities, which is only possible with modern, high-quality IT support.

**Efficient**

**Safe**

**Partner**

**Modern**



Natural gas. An integral part of our lives.

TOVÁBBI VIDEÓK

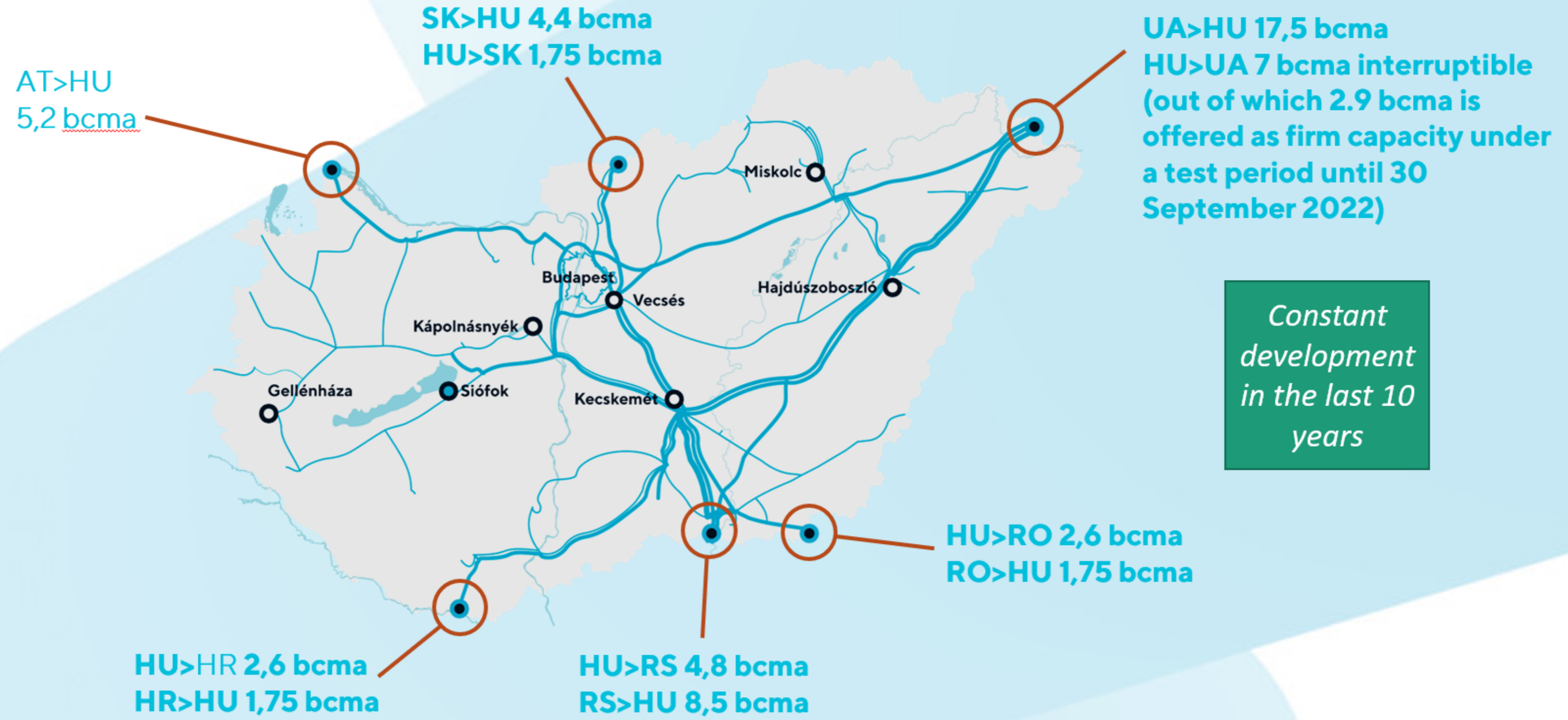


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# FGSZ's existing cross-border capacities



# Current projects of FGSZ

## Cross-border projects

- o FGSZ projects on the 5th list of EU Projects of Common Interest (PCI):
  - HU-SK capacity increase (HU>SK 5.2 bcma)
  - Phase II of RO-HU project (RO>HU 4.4 bcma)
- o Quality and volume developments on the UA and SI borders

## Emission reduction projects

- o Encompassing project for reducing CO2 and CH4 emissions, development of FGSZ's emission strategy
- o CO2 emission reduction by implementing new solutions for operating currently gas-driven compressors and furnaces
- o As part of the CH4 reduction initiative, FGSZ implemented new measurement methods and determined emission reduction numbers for the period between 2020 and 2050

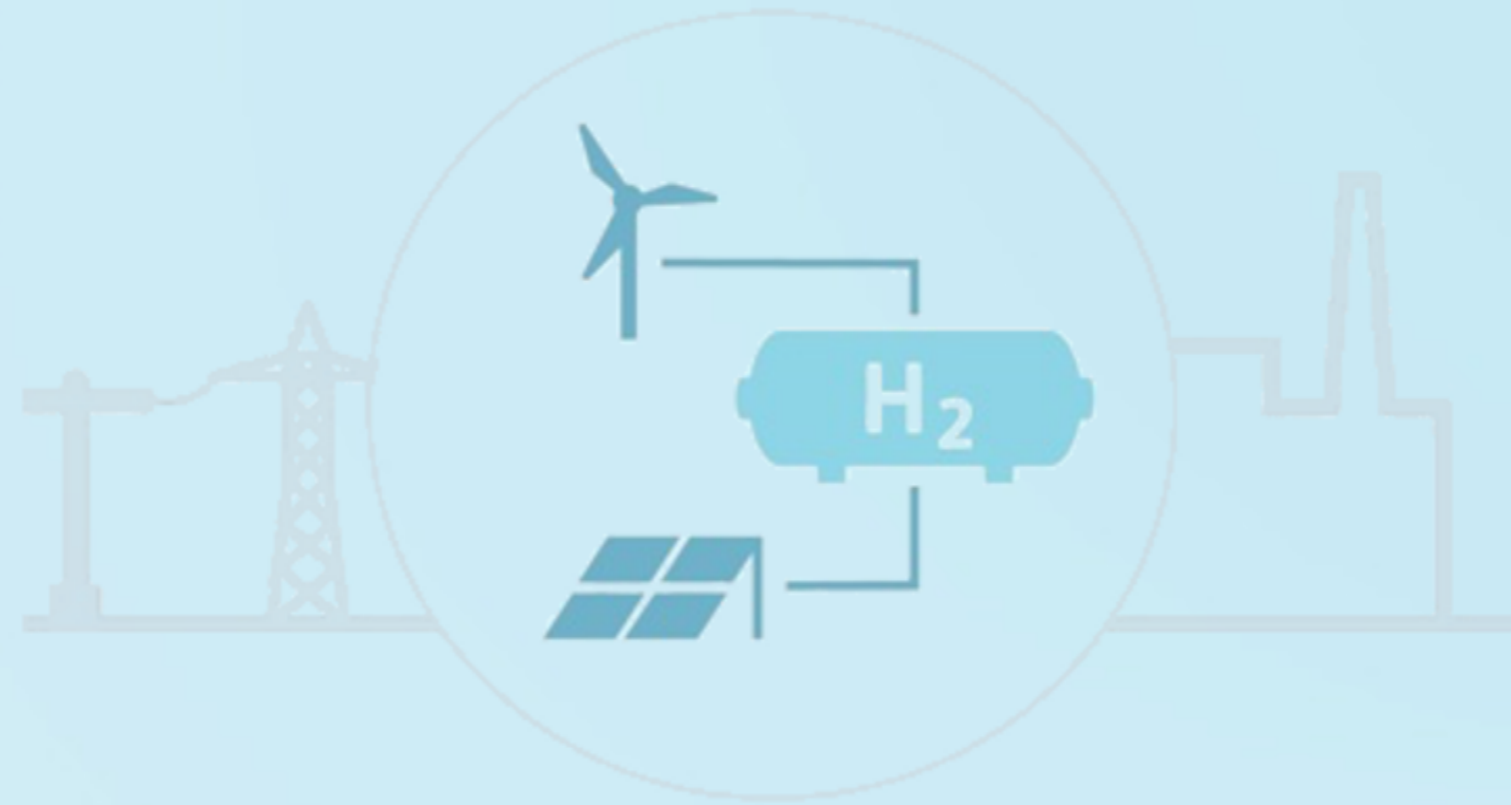


## Hydrogen projects

FGSZ supports the first pilot Hungarian hydrogen project (Akvamarin of Hungarian Gas Storage Ltd.), which produces renewable hydrogen for own usage at the Kardoskút facility, and unused hydrogen volumes are injected into the grid.

# Future vision of FGSZ

- **Natural gas** will continue to have a role in the European and Hungarian energy mix, but in the long term, in line with the EU Green Deal, its **importance will decrease**
- Natural gas may be replaced to a degree in the future by renewable and low carbon gases such as hydrogen and biomethane
- FGSZ joined the **European Hydrogen Backbone** initiative in 2021, and contributes to planning of the trans-European hydrogen infrastructure
- Through our in-house projects we assess hydrogen injection possibilities into the existing grid and its effects on our equipment





# Regional Booking Platform



- RBP is a **capacity booking platform**, which was developed by FGSZ as an in-house project
- RBP is a **leader** in the region
- Registered partners: **13 EU country 17 TSOs**
- FGSZ organizes workshops on a regular basis to keep its users updated and provides first-hand tailormade support
- RBP's redesigned [website](#) launched on 1 March 2022



# Other activities and achievements

- Gas Transmission Benchmarking Initiative (GTBI)
- Based on benchmarking data FGSZ performs well in financial efficiency comparison with Western EU TSOs
- FGSZ is a European Network of Transmission System Operators for Gas (ENTSOG) member
- The organization re-elected FGSZ’s CEO and Chairman, Mr. Szabolcs I. Ferencz for 1,5 years as a member of the Board starting from January 1st 2022.
- By the end of 2020 FGSZ passed the EFGQ (European Foundation for Quality Management) audit
- Also won the „Committed to Excellence” certification.
- Our certificates and TÜV SÜD Integrated Controlling System

