

# FGSZ Ltd. annual report

# 2023

FGSZ MEMBER OF MOL GROUP



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# 1 – CEOs' Welcome



**Szabolcs I. Ferencz**

Chairman - CEO



**Péter Vasváry**

CEO

Following the turbulent year of 2022, European gas markets witnessed a relative normalisation, but uncertainty also prevailed at the same time, meaning that 2023 was still about adaptation overall. Deliveries in Hungary were uninterrupted throughout the year, though fluctuations in the demand-supply equilibrium resulting from volatile natural gas prices, the changing flow directions, the sometimes suddenly changing regulatory framework and the decreasing demand for natural gas and electricity on a European level all impacted our deliveries, which witnessed a nearly 10% moderation in 2023.

Despite all this, we ensured the country's security of gas supply, and also managed to operate our services related to natural gas deliveries successfully and uninterrupted. All of our six cross border interconnection points were fully operational, we closed successful capacity auctions with significant trader interest in some network points, new entry points were connected to the system, we increased the capacity of the RO-HU interconnection point, and, in the meantime, continued our collaborations in regional projects aimed at diversification, with special regard to accessing sources from the southern direction.

In addition to continuously ensuring the security of supply, measures relating to the green transition also switched to a higher gear, which will also impact our operation; we started the preparation for the new requirements under the EU Methane Regulation and the Decarbonisation Gas Package entering into force in 2024 in due time, and thus are ready to face the challenges of new compliance schemes. We pursue a sustainable operation in numerous projects in terms of emission reduction and the optimisation of both our system and internal processes. Moreover, we have several ongoing projects to prepare our system for receiving hydrogen and biomethane.

At FGSZ, we remain dedicated to ensuring the country's security of supply with our best expertise by being well prepared and operating a resilient system.

# 2 – Overview



**5889 km**

long high-pressure long-distance  
gas pipeline system



**7229 km**

long telecommunication  
cable network



**3**

gas transmission regions



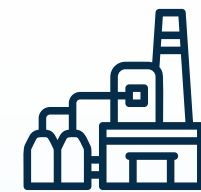
**8**

compressor stations



**28**

physical entry points



**~400**

gas transfer stations



**~700**

employees



## EBITDA

YEAR	MILLION HUF
2016	54 934
2017	53 843
2018	50 030
2019	51 135
2020	51 300
2021	41 015
2022	40 483
<b>2023</b>	<b>71 592</b>

## SUPPLIED VOLUME (15 °C)

YEAR	MILLION m <sup>3</sup>
2016	15 702,9
2017	20 431,9
2018	20 925,7
2019	24 503,9
2020	19 035,5
2021	14 698,0
2022	16 599,8
<b>2023</b>	<b>15 457,4</b>

- EU ITO certification
- Technical Safety Management System as per Act XLVIII of 1993 on Mining
- ISO 9001:2015 certified quality management system
- ISO/IEC 27001:2013 certified information security management system
- ISO 50001:2018 certified energy management system
- MSZ EN ISO 3834-2:2006 certified fusion welding management system
- MSZ EN ISO/IEC 17025:2018 accredited calibration laboratory
- Operations in line with the EFQM Excellence Model
- Safety management system for pressure drilling activities that complies with the VCA\*\*/SCC\*\* - 2017/6.0 requirements
- Technical Safety Management System as per Act XLVIII of 1993 on Mining

## KEY PARTNERS

Gas distribution companies, power plants and large industrial consumers

Neighbouring network operators

Network users

# 3 – Our activity

Földgázszállító Zártkörűen Működő Részvénytársaság (hereinafter: “FGSZ”) is the sole transmission system operator (TSO) in Hungary, conducting its activities in a regulated market environment, in permanent compliance with the legal regulations of Hungary and the European Union in force from time to time. FGSZ is one of the first European independent TSOs to hold an ITO certificate. Besides domestic natural gas transmission, we have bi-directional transmission capacities to Romania, Serbia, Croatia, Slovakia and Ukraine, and provide unidirectional physical transmission from Austria to Hungary, and we are continuously examining the technical feasibility of an interconnector towards Slovenia.

Hungary’s security of supply is inseparable from the energy security of the Central European region and that of the whole of Europe; therefore, we are committed to enhance the flexibility and the security of supply of the regional natural gas market. Our developments aim to establish new routes and to upgrade existing interconnections, in order to ensure access to the new sources, as well as to exploit existing trade opportunities and to create new ones. We support capacity expansion projects targeting a more efficient use of the existing network.

In order to maintain the security of supply, our Company strives to improve its operational efficiency and sustainability through several projects. The project-based operation and system of objectives introduced earlier is becoming an even more integrated part of our operation. Experience shows that the efficient cooperation of the various specialty areas working on the various projects has greatly improved corporate-level change management and flexibility.



# 4 – Infrastructure

We perform our duties as an ITO certified transmission system operator as per Directive 2009/73/EC of the European Parliament and of the Council. The high-pressure natural gas transmission system infrastructure operated by our Company is one of the most advanced infrastructures even by European standards, reflecting our industrial tradition. We transmit gas that ensures the continuous supply to network users in the expected quality and at the expected pressure with our highly automated high-pressure transmission systems.

We accept and deliver natural gas from domestic production and underground gas storages as well as from abroad at 28 entry points and nearly 400 exit points of our high-pressure long-distance gas pipeline system, including 6 cross-border entry points and 5 cross-border exit points. We apply an appropriate quality control protocol compliant with effective laws and authentic measurement requirements at all of our entry and exit points. The continuous operation of our 5,889 km long high-pressure long-distance gas pipeline system covering Hungary's entire territory is ensured by the collaboration of 3 gas transmission regions and our 8 compressor stations, under the coordination of the system operation centre in Siófok.

Our Company's responsibilities include the odourisation and continuous quality control of natural gas delivered to users for safety purposes, as well as the measurement of quantitative and qualitative parameters of natural gas in a transparent manner, in compliance with the most stringent international standards.

We deliver the gas volume covering industrial and residential needs at all times to users through gas delivery stations which, beyond enhanced and continuous control, we transmit to neighbouring system operators and industrial and power plant users.

The seasonally varying consumer needs – resulting from Hungary's continental climate – require our Company to ensure a significant amount of additional gas supplies in winter periods, which we fulfil with underground gas storages that are connected to a high-capacity gas transmission pipeline system at five network points.



# 5 – IT services

Our company has extended and strengthened its IT service portfolio further over the recent period, and it already operates on three platforms with 450 user companies.



FGSZ's Regional Booking Platform (RBP) is an IT application developed in accordance with the EU's Network Code regulating the capacity allocation mechanisms used in natural gas transmission systems and other relevant EU and Hungarian legal regulations. The capacity allocation application enables – in addition to other services – the administration of the capacity allocation procedures and the secondary capacity trade, which today, in addition to FGSZ, is used by sixteen other natural gas transmission system operators and storage operators in the EU and the Energy Community : Eustream (Slovakia), Transgaz (Romania), Plinacro (Croatia), Bulgartransgaz TSO and SSO (Bulgaria), DESFA (Greece), Gas Connect Austria (Austria), Gaz-System (Poland), Gas TSO of Ukraine (Ukraine), Gastrans (Serbia), Moldovatransgaz and Vestmoldtransgaz (Moldova), Ontras, Gascade and NEL Gastransport (Germany), the Greek-Bulgarian ICGB and the Hungarian Hexum SSO.

In addition to RBP's capacity booking services, it is also able to offer services of nomination, allocation, maintaining balance and settlement via the RBP Transport Platform and spot gas trading services via the RBP Trading Platform to transmission system operators, natural gas storage operators and operators of LNG terminals. We continuously develop our services and seek possibilities for cooperation.

In Hungary, these services are accessible via the Information Platform and the Trading Platform.



# 6 – Sustainable operation

In accordance with the decarbonisation objectives, FGSZ, too, focuses heavily on sustainability, treating it as a key operating principle. The Company participates in the planning of the European hydrogen infrastructure and the preparation for the transmission of renewable gases, while striving to render its current operation sustainable in the framework of several other projects (e.g. methane leakage detection and elimination in order to decrease the release of greenhouse gases, process optimisation and energy efficiency).

The Green Transition Office has been set up in May 2022 to manage all these processes and coordinate the tasks related to the energy transition within a single organisation. The organisation is responsible for sustainable operation, the reduction of the Company's emissions and the inspection of the injection and delivery of alternative gases.



## PREPARATION FOR THE DELIVERY OF RENEWABLE GASES

- We have been a member of the European Hydrogen Backbone (EHB) cooperation since 2021, in which a total of 33 gas transmission system operators cooperate with the objective of developing the infrastructure of the European green hydrogen supply chain.
- FGSZ continuously examines its system from the perspective of accepting renewable gases (biomethane and hydrogen). Based on a stringent and highly detailed inspection, our system is already suitable for transmission of 2% mixtures without modifications.
- Our Company is a member of the South-East European Hydrogen Corridor (SEEHyC), a collaboration of 7 high-pressure gas transmission system operators from 7 different countries, which aims to create a hydrogen transmission backbone network from Greece to Germany by 2030.
- Between 25 July and 15 September 2023, FGSZ conducted a non-binding survey on the future demand for hydrogen transmission at the domestic entry and exit points, and also the future cross-border interconnection points. The survey found that it might become necessary to ensure access to import hydrogen sources through the backbone already from 2030.
- Recently, we have witnessed an increasing interest in injecting biomethane in our system, our Company has received a number of inquiries from market participants in this regard. In response, we thoroughly assess the possibilities of receiving biomethane in our system, with due consideration of the proposals aimed at reducing connection costs. Furthermore, we cooperate with other players from the industry and also from the government in developing a Hungarian biogas and biomethane strategy.

## EMISSION REDUCTION FRAMEWORK PROGRAMME

**Contains those short, medium and long term actions that bring about a reduction in emissions.**

- The investment projects and work organisation measures included in the Emission Reduction Framework Programme are characterised by a total CO<sub>2</sub> e reduction potential of 55% by 2030 (where 2020 is the reference year).\*
- Our company examines its methane emissions based on the OGMP 2.0 (The Oil & Gas Methane Partnership 2.0) methodology, and has undertaken an implementation plan and commitments accordingly. The detailed implementation programme set by the Company to quantify and reduce methane emissions was approved by the OGMP organisation also in 2023.
- LDAR – Leak Detection and Repair: we started our LDAR activity first in the Eastern Hungarian region, in the framework of which we conducted release measurements in the Kistokaj gas delivery station. The lessons learned here was extended to our other regions in 2023.

## ADAPTATION TO CLIMATE CHANGE

- The National Adaptation Strategy (NAS), presented in Parliament Resolution no. 23/2018 (X. 31.) on the second National Climate Change Strategy and covering the 2018–2030 period and providing an outlook up to 2050, defines the energy sector as a vulnerable sector and the critical infrastructure as a horizontal area of national strategic significance among the areas of intervention based on the thematic adaptation objectives, where facilitating the preparation for managing elevating risks and implementing adaptation are crucial.
- FGSZ’s system was assessed among others in the project supported by the Ministry for Energy called “The climate and geological vulnerability assessment of critical energy infrastructure elements (electricity, gas, district heating systems)”. The project took a system-based approach in assessing the climate vulnerability of the high-pressure gas transmission system with a focus on the demand side, the pipeline system and the above ground technology elements.

## GREEN OFFICE PROGRAMME

The commitments beyond legal requirements taken under the Green Office Programme, certified by the KÖVET Association for a Sustainable Economy, are designed to make offices operate more environmentally friendly. Such measures include, for example, the installation of solar panels, the reduction of heat energy use, encouraging selective waste collection, or the reduction of paper use through process digitalisation.

In 2023 the Green Office Programme continued in Siófok, and was also rolled out to the offices of the Eastern Hungarian Natural Gas Transmission Region and Central Hungarian Natural Gas Transmission Region (Miskolc, Hajdúszoboszló, Kecskemét and Vecsés) in the first phase.

The audit report found that the green office operation has become organic at the company, environmental responsibility has become prevalent throughout the company’s operation and in the employees’ mindsets.



\* CO<sub>2</sub> e: carbon dioxide equivalent which expresses both CO<sub>2</sub> and CH<sub>4</sub> emissions

# 7 – Quality operations

## Integrated Management System (IMS)

FGSZ's efficient operation is ensured by the Integrated Management System (IMS), comprising about 10 subsystems. The IMS objectives renewed every year support the efficient maintenance and development of the system. In 2023, the planned – more than 30 – IMS-related objectives have been well achieved by the Company and we have also performed excellently in the availability of our IT systems and networks, as well as in the optimisation of compressor natural gas usage.



### KEY IMS EVENTS IN 2023:

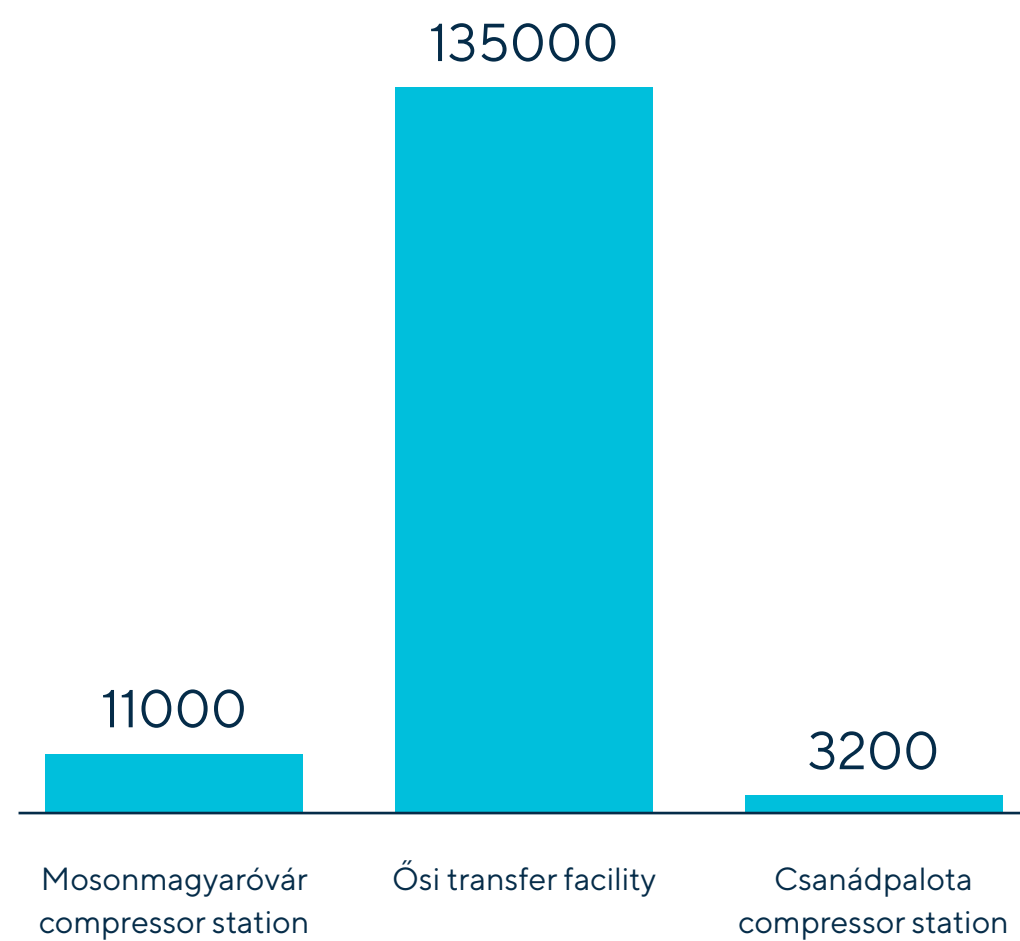
1. We successfully sustained the ISO 9001:2015 certification of our Quality Management System (QMS), which is valid until 24/06/2024.
2. The ISO 50001:2018 review of our Energy Management System (EMS) was successfully completed, the certification is valid until 27/08/2024.
3. We successfully sustained the ISO 27001:2013 certification of our Information Security Management System (ISMS). We successfully sustained the certificate as per Section 10 of the Gas Supply Act on the compliance of business processes ensured by the IPNew IT system. The certification is valid until 09/07/2025.
4. As prescribed for the Company by "Government Decree No. 399/2023 (VIII. 24) on the measures to maintain the security of natural gas supply", the compliance of the Restriction order IT system with the system plan approved by the Hungarian Energy and Public Utility Regulatory Authority (MEKH) was successfully certified by SGS Hungaria Kft. by the prescribed deadline (31/12/2023).
5. Our report compiled on the amendments to the rules concerning the Technical Safety Management System (TSMS) was approved by the Mining and Geological Survey of Hungary (MBFSZ).
6. The renewal audit of the MSZ EN ISO 3834-2:2006 certified Welding Management System (WMS) was successfully completed, and the certificate is valid until 30/06/2025.
7. The IT security renewal audit of the invoicing system performed by HUNGUARD was successfully completed, our certificate is valid until 31/12/2026.
8. We managed to sustain the certification of the SCC work safety system introduced in 2018 for pressure drilling activities, and the certificate is valid until 27/10/2025.
9. The introduction of the standardised PIMS (Pipeline Integrity Management System) under the SIMPLE project is underway, the certification is expected by mid-2025.

# 8 – Corporate Safety, Health and Work Protection

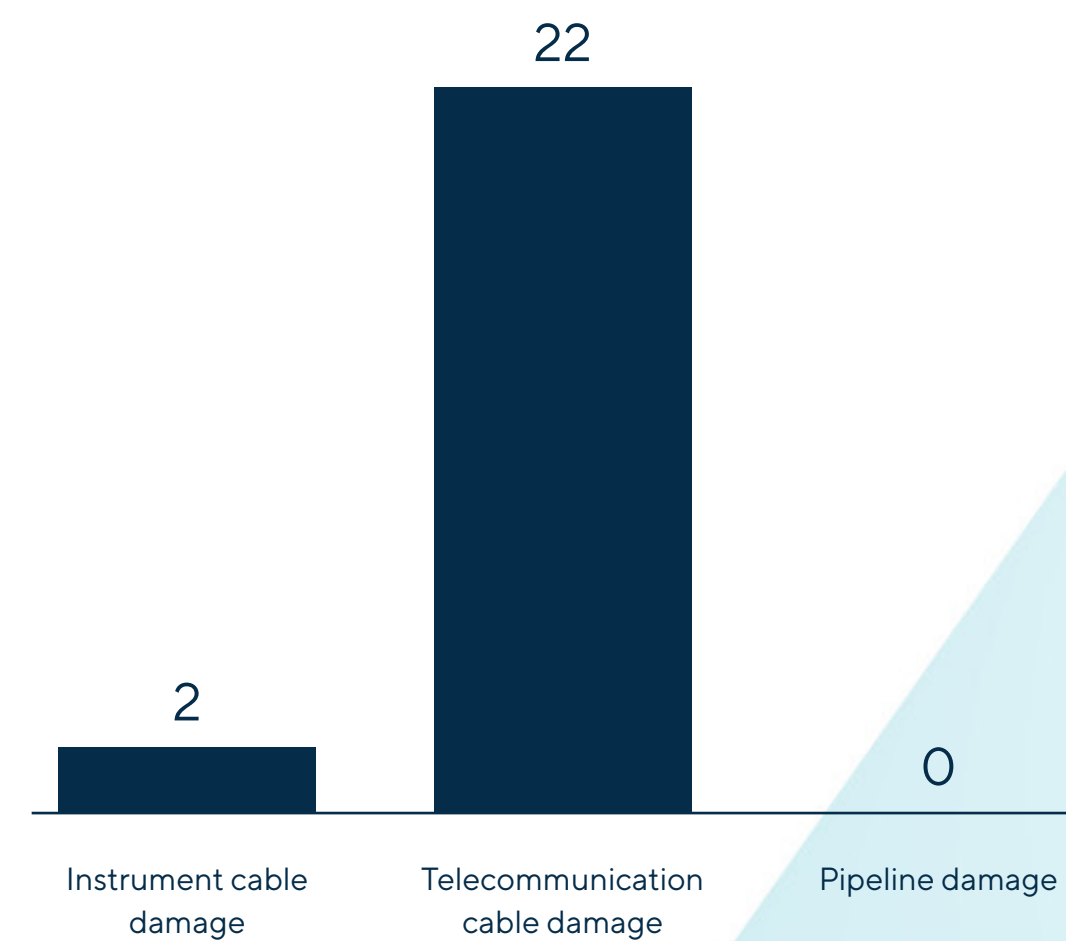
Our company pays special attention to identify risks to safety, health and work protection, the implementation of preventive measures, the regular review and maintenance of fire protection means, the protection of the environment and the preservation of our employees' health.

## OUR EVENTS:

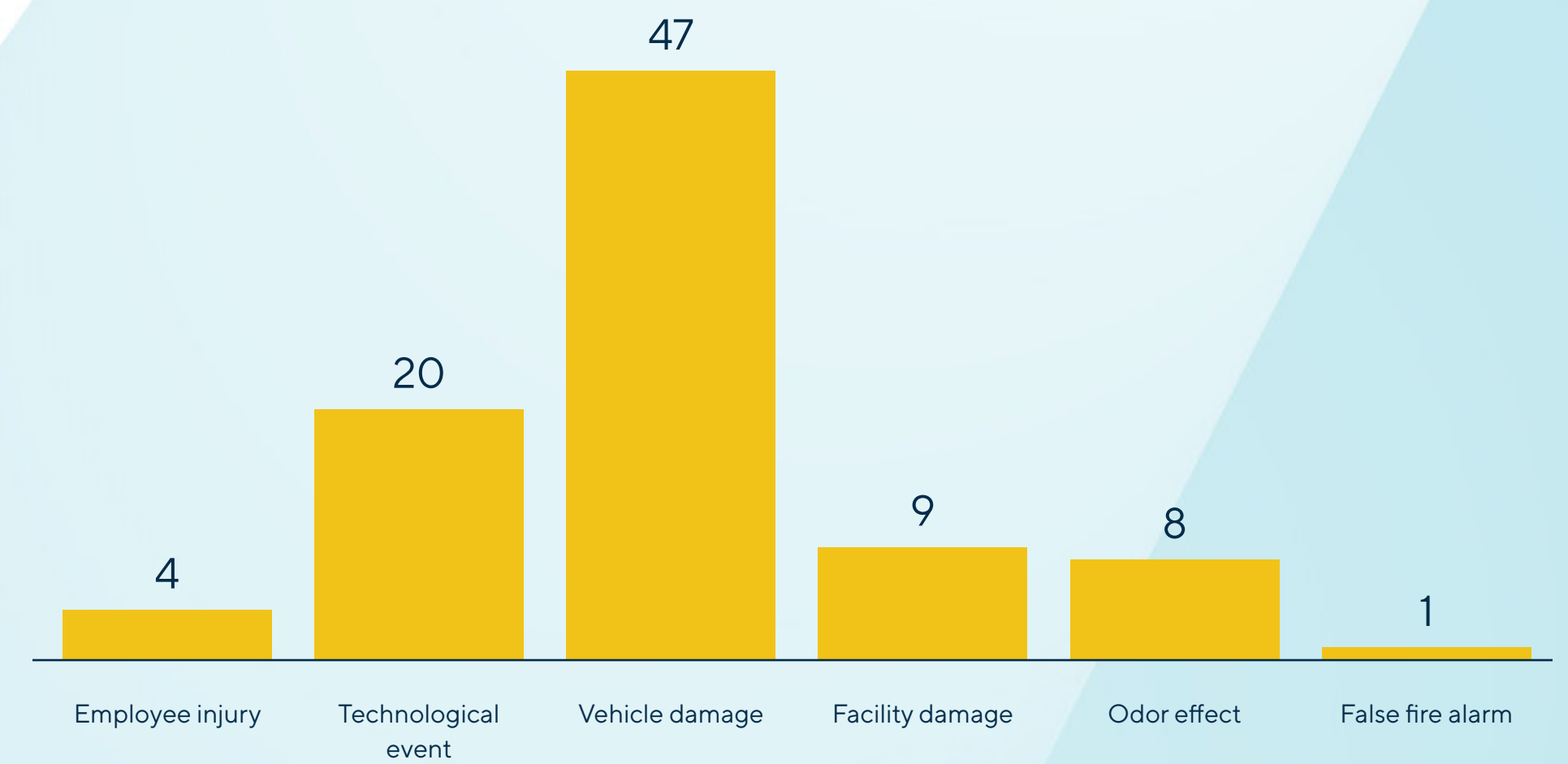
### Malfunction with hazardous material outflow [m<sup>3</sup>]



### Technological pipeline damage



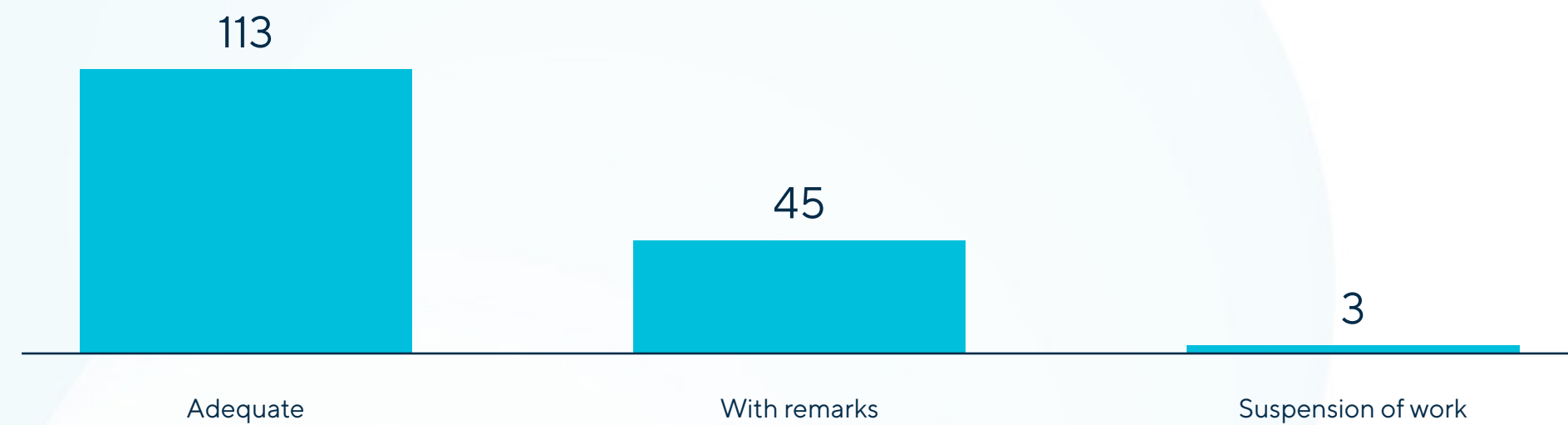
### ESET reports



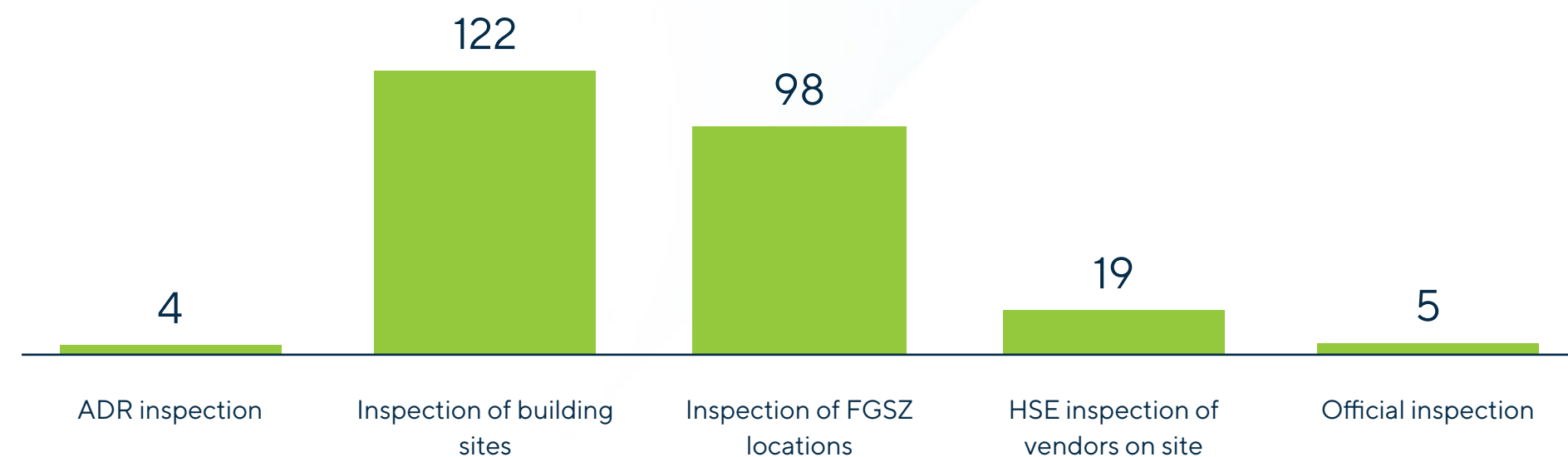
\*ESET = Ember Szennyezés Eszköz Társadalom

**WE FOCUS ON OUR PREVENTIVE ACTIVITY ALSO THROUGH EDUCATION AND THE CONTINUOUS PRESENCE OF OUR COLLEAGUES:**

**Monitoring vendor consciousness**



**Number of HSE inspections**



In 2023, we continued to pay particular attention to emergency preparations and to maintain constant compliance with the legal regulations of disaster management requirements. The complex exercise of Hungary’s Critical Infrastructure Protection, organised by the National Directorate General for Disaster Management of the Ministry of Interior was successfully completed at the Városföld Compressor Station – with the involvement of the Bregdaróc and Mosonmagyaróvár Compressor Stations –, which the authorities present at the practice also confirmed.



## SAFETY, HEALTH AND WORK PROTECTION KPIS

Description	2022	2023
Number of fatal work accidents	0	0
Number of work accidents (lost time injury)	0	1
Work accident frequency (lost time injury frequency)	0	0,87
Total recordable injuries	4	4
Total recordable injuries frequency	3,46	3,50
Occupational disease frequency	0	0
Share of valid medical fitness tests (%)	99,54	100
Absence rate (%)	2,64	2,3
Number of road accidents	11	4
Road accident frequency	1,66	0,59
Safety and health fines (M HUF)	0	0

In the framework of our property surveillance digitalisation projects, we have developed the camera and alarms systems of our objects to support the security of supply and property.

In the field of information security, we have participated in successful audits (SGS, Hunguard). We have increased the level of employee awareness through our continuous campaigns and periodical training and our ethical e-mail hacking campaign.

# 9 – Other priority projects in 2023

**S.I.M.P.L.E.:** A 3-year project aimed at intensifying the integrity and improving the availability of the pipeline system, launched in 2020. In 2024, the project will be implemented and pre-audited according to the original plans, which will be followed by the certification audit in Q2 2025.

The objective of the project is to ensure that our system operation, maintenance and diagnostic activities meet the most stringent international technical standards, and to establish a dedicated research and development process to reduce the number of malfunctions.

**EDIOP:** A joint project with the University of Miskolc supported by the Hungarian Government, aimed at setting up an emission measurement model. With the implementation of the project, we strive to achieve even more accurate measurements and to develop a new procedure that is expected to reduce the emissions from our technological operations. During 2023, we specified and implemented a seal inspection system and a point-sensor emission measurement system. As the next step, we compare the latter with a line-sensor emission measurement system in search of an efficient technology that enables the development of an installed emission measurement system.

**FLUMEN:** The project, created in a consortium with the University of Miskolc and with the government's support, focuses on the preparation of the domestic natural gas transmission system to receive hydrogen. Under the project launched in March 2022, we put into operation standards, basic evaluation systems, sets of criteria and infrastructural elements which allow for mixing various amounts of hydrogen (maximum 10% (V/V)) in the national natural gas transmission system. The "FLUMEN I." project will be closed in Q2 2024, which is continued with the "FLUMEN II." project launched in October 2023. In addition to developing the pipeline inspection methodology, the latter was created with the intention of developing a "hydrogen-resistant" gas delivery station and improving our calibration capability.





**RO>HU direction capacity development:** At the Csanádpalota (RO>HU) cross border interconnection point, the technical capacity rose in the RO>HU direction from the currently available 2.45 billion m<sup>3</sup> /year to 2.6 billion m<sup>3</sup> /year as of 1 October 2023.

**LPFS:** The Linepack Flexibility Service (LPFS) was introduced as a new business service as of December 2022, thanks to which the users of the FGSZ system could significantly reduce their balancing costs. On average, more than 80% of the potential network users used the service.

**Solidarity Ring:** The joint objective of the Bulgarian, Romanian, Hungarian and Slovak transmission system operators is to offer further natural gas transmission capacities by developing their existing natural gas transmission infrastructures. In spring 2023, the Bulgarian, Romanian, Slovak, Hungarian and Azeri energy ministers signed a memorandum of understanding that further encourages collaboration between system operators through the implementation of the project.

**Vertical Corridor:** In December 2022, the Greek, Bulgarian, Romanian and Hungarian transmission system operators, and IGB and Gastrade signed a memorandum of understanding as a confirmation of their willingness to connect their natural gas networks to ensure bi-directional transmission via the North-South (so-called Vertical) Corridor. During 2023, the companies concerned closely cooperated with the regulatory authorities to enable the capacity allocation of the network points involved in 2024.

**PIMS:** We continued the introduction of an expert system that supports operation certified under the Pipeline Integrity Management System (PIMS) standard, which is currently in the activation phase.



# 10 – Employee professionalism and welfare

## AT FGSZ, PEOPLE ARE VALUE!

The continuous development of the high level of expertise and employee welfare of our team of professionals is indispensable to perform our duties. We keep our colleagues' professional knowledge up-to-date through trainings, various projects and in-house knowledge sharing. Our developments aim to help our colleagues adapt to the changing environment and our Company's unique industrial activity. At our Company, everyone always has the opportunity to professionally and personally develop and expand their digital competencies.

With our **young recruits development programme**, we ensure that an adequate workforce of appropriate headcount of competent professionals is continuously available, in order to maintain the efficiency of continuous natural gas transmission. In the course of our processes, multiple generations cooperate synergistically, often several members of the same family working at our Company.

Besides competitive salaries, our **allowance package** supports families and recognises outstanding performance.

### Main elements of the allowance package (beyond the base salary):

- Loyalty allowance,
- Christmas bonus,
- outstanding cafeteria budget, free to set up by our employees flexibly, tailored to their individual needs within the budget,
- collective life and accident insurance,
- health insurance,
- family planning allowance,
- employee fuel cards may be requested, with significant discounts at selected petrol stations.

Our employees work in a **healthy and safe work environment**; we provide our employees working on the technology with work attire and personal protective equipment of outstanding quality.

In addition to high standards of **occupational healthcare**, our colleagues may also participate in customised medical fitness check-ups.

In the course of our daily work, we put great emphasis on the **digitalisation** of our processes, contributing to a more sustainable operation, simplified document management and shortening the approval procedures.

Through **recreational events**, we strengthen cohesion among the colleagues; family days and Miners' days are organised every year, the latter held to recognise colleagues with many years of excellent service.



# 11 – Social responsibility



## THE DEVELOPMENT OF OUR COMMUNITY

- Any successful business should be fundamentally interested in fostering the success of its immediate operating environment. The philosophy underlying our corporate social responsibilities relies on the pillars of cooperation and the conveyance of values. Therefore, supporting municipalities located in our area of operation is an organic part of our corporate culture.
- We regularly support organisations and associations at both national and regional levels.
- We take great care to support and sponsor the social, cultural, sports, health-related and environmental programmes of institutions and non-governmental organisations of the surrounding villages and cities.

## SUPPORT OF EDUCATIONAL INSTITUTIONS

In secondary schools engaged in training matching that of the professionals employed by FGSZ, we organise career orientation days to promote our company as a potential future workplace for the students. We have set up a strategic partnership with the University of Miskolc, as part of which we work on joint professional projects and cooperate in professional trainings and university competitions.

# 12 – Key financial and business data

	2022 (million HUF)	2023 (million HUF)	2023/2022 (%)
Net sales revenues	198 864	120 399	60,54
EBITDA	40 483	71 591	176,84
Operating profit	20 604	51 042	247,73
Pre-tax profit or loss	5 027	31 816	632,91
After-tax profit or loss	4 449	30 678	689,54
Operating cash flow	30 669	84 618	275,91
Fixed assets	285 302	278 928	97,77

In the 2023 financial year, we witnessed an easing economic environment, but our Company still faced some challenges. Our financial result was greatly impacted by the domestic and regional regulatory and economic conditions, overall enabling an operating profit of HUF 51 billion in 2023.

Our net sales revenues reached HUF 120.4 billion in 2023, lagging behind the figure of the previous year by nearly 40%, which predominantly resulted from the transmission of 15.5 bcm of natural gas\* and the declining gas flow related to the maintenance of system balance as a development consistent with the moderating 2023 gas prices.

\* Commercially accounted volumes

The indirect effects of the Russia-Ukraine conflict that broke out in February 2022 continued to exert significant impact on both the operating environment and the regional market developments, which affected the management of our company in material terms. Our aspiration to ensure the security of supply and a more conscious energy use was decisive for both the European and regional delivery demand, irrespective of the easing energy market tensions.

In the domestic market environment, Southern entry points remained dominant in supplying import needs, and filling up the storages in order to secure the country's safe and continuous natural gas supply was also a significant objective.

- In 2023, the average level of regulated gas transmission rates determined and announced by the Hungarian Energy and Public Utility Regulatory Authority (MEKH) exceeded that of the previous year. The rates becoming effective as of 1 October 2023 necessarily rose compared to the preceding year due to the outstanding inflation of goods and services, and partly due to the high level of energy prices.
- The significant drop in domestic consumption- and storage-related tasks (-12%) was largely counterbalanced by the strengthening export transit demand towards Ukraine, Serbia, Croatia and Romania (+10% yoy), overall resulting in a shortfall of almost 9% in transmission volume and tasks for our Company in 2023.
- The combined effect of the change in gas transmission rates and the realised capacity booking demand was an increase in the revenues from regulated deliveries compared to those realised one year earlier. As a result of the capacity portfolio optimisation of network users, long term (annual) bookings had a more prominent role, but some cross border interconnection points still witness a dynamic development of short term demand and supply, which, at the same time, requires a high level of flexibility from the transmission system.



Overall, the developments in the external environment positively impacted the operating expenses.

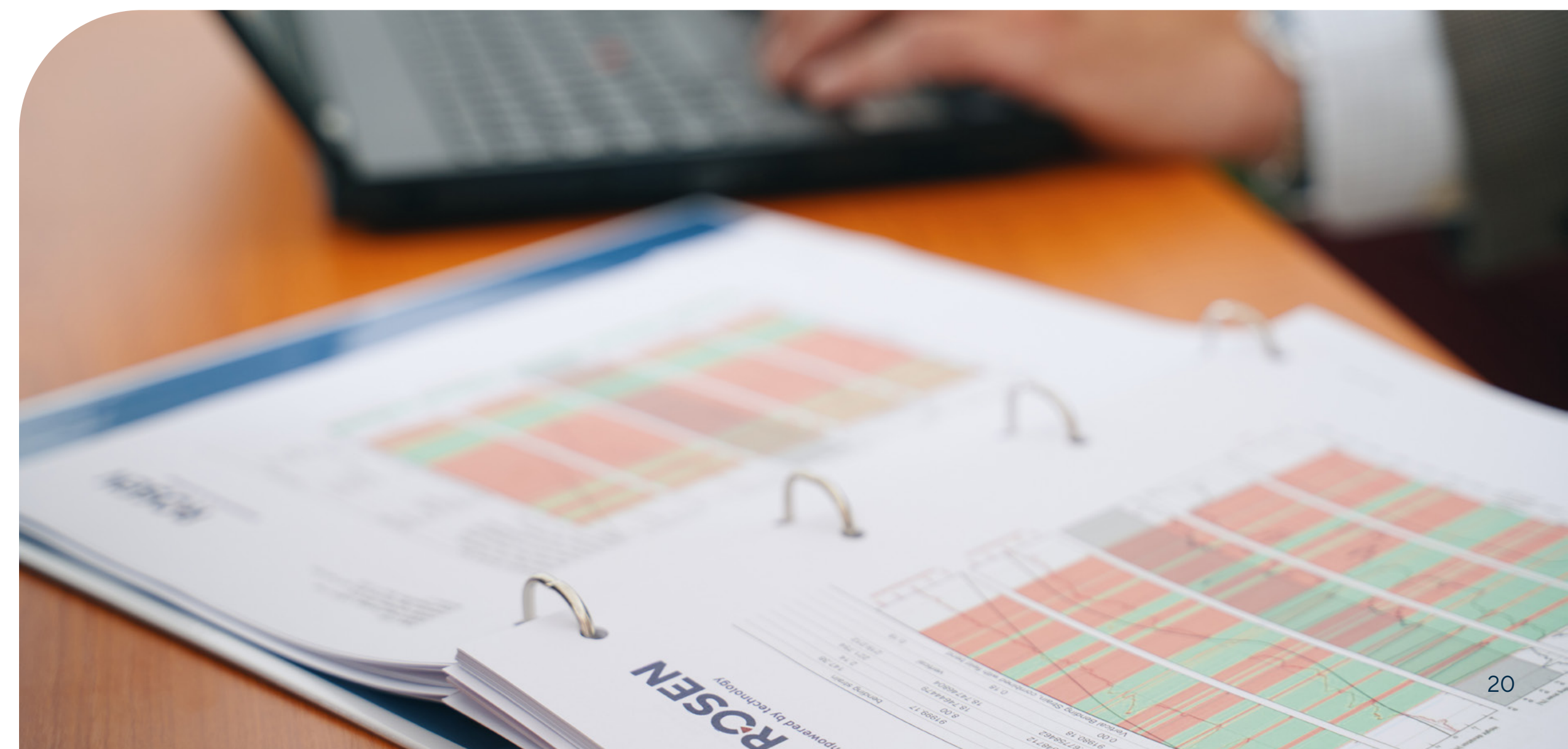
- In addition to the changed transmission conditions and the realised lower transmission demand, the material costs (which are sensitive to energy price changes) decreased in parallel with the easing market conditions, including a moderation in the own gas use of the transmission system. The impact of the declining purchase price of natural gas was moderated by the higher level other material costs (maintenance, electricity, fuel, etc.).
- However, the strong inflationary environment had a price-raising effect, causing a massive increase in costs compared to the previous years, which, in turn, our Company could mitigate by rationalising its operation and applying a strict cost control.
- The decrease in the value of services used is primarily justified by the accounted result neutrality fee, a cost element connected to our balancing activity.

It is a statutory liability of our Company to maintain the balance between the gas source and the gas consumption, which we ensure by so-called balancing gas sale and purchase as a transaction on which the Company cannot realise any profit under the applicable regulations. The value of balancing natural gas turnover and the cost factors of settlements ensuring the neutral result of the mentioned activity significantly decreased in 2023 compared to 2022, which is largely a positive consequence of the dropping market gas price. The volume of the balancing activity was favourably impacted (decreased) by the innovative optional service offered by our Company, the so-called Linepack Flexibility Service (LPFS).

The further increase in financing costs reflects the impact of the deteriorating interest rate environment – the average level of the BUBOR interest rate developed in the 11–17% range during 2023, substantially exceeding the average level of the preceding year. Thanks to the significantly higher result from the business activity and the lower result from the financial operations, the pre-tax profit of the Company overall exceeded the result of the previous year, standing at HUF 31,817 million in 2023.

The Company spent HUF 11,244 million on investments, which predominantly comprises reconstruction and maintenance investments (e.g. compressor station reconstructions, river crossing replacements and pipeline rehabilitation works).

The management of FGSZ Ltd. continues to maintain its current strict cost management, and seeks the opportunities to improve its internal efficiency to counterbalance the adverse effects of the regulatory and economic environment. The Company makes additional efforts towards the accomplishment of its regional strategic goals, which is a guarantee of meeting the expectations of the shareholders.





# 13 – Contact information

**We operate a customer service for our contracted partners. Should you have any questions related to the use of natural gas transmission and system operation services, please do not hesitate to contact us.**

## CUSTOMER SERVICE OFFICE

**Registered office:** H-8600 Siófok,  
Tanácsház u. 5. 322/B office

**Mailing address:** H-8601 Siófok, P.O. Box 102

**Phone:** +36 (84) 505-117

E-mail: [info@fgsz.hu](mailto:info@fgsz.hu)

### Opening hours:

Tuesday, Thursday: 13:00–16:00

Monday, Wednesday, Friday: closed

On operative issues, please contact our non-stop dispatcher service.

## SYSTEM OPERATION CENTRE

**Phone:** +36 (84) 505-777

**Nomination / matching / interruption:** [nomdisp@fgsz.hu](mailto:nomdisp@fgsz.hu)

**Physical flow control:** [flowcontrol@fgsz.hu](mailto:flowcontrol@fgsz.hu)

## CUSTOMER SUPPORT ON THE USE OF RBP, IP, KP, TSODATA, IPDATA:

**Phone:** +36 70 938 7961

**E-mail:** [support@rbp.eu](mailto:support@rbp.eu)

**Our Company's website is available at [www.fgsz.hu](http://www.fgsz.hu), while RBP's website is available at [www.rbp.eu](http://www.rbp.eu).**

The information in this document reflects the situation as of December 2023.