DISCLAIMER

The Hungarian language version of this offering circular shall be the exclusively legally binding and controlling in each and every respect (i.e. for the purpose of the placement, for the rights and obligations arising from Green Hungarian Government Bonds, etc.). The following English translation is not an official translation and serves information purposes only.

Any use of this English translation may only be performed at the own risk and responsibility of the user.

The Issuer and ÁKK Zrt. shall not assume any responsibility or liability for the correctness, completeness and accuracy of the English translation. Furthermore, the Issuer and ÁKK Zrt. shall not take any responsibility or liability for damages, losses, costs or other consequences - whether direct or indirect - arising from the use of or related to this English translation of the offering circular.

The non-binding English translation is as follows:

OFFERING CIRCULAR

ON THE PUBLIC ISSUANCE OF GREEN HUNGARIAN GOVERNMENT BONDS

THE BELOW OFFERING CIRCULAR HAS BEEN PREPARED ON THE BASIS OF THE REQUEST OF THE ISSUER FOR THE PURPOSE OF PROVIDING INFORMATION TO THE INVESTORS ON THE TERMS AND CONDITIONS OF PLACEMENT AND TRADING

Budapest, 2nd January 2025
Released: on 23rd December 2024

GENERAL INFORMATION AND ISSUANCE AUTHORISATION

In the name of the Hungarian State (hereinafter: the "Issuer"), the Minister responsible for public finances, issues government bonds with the designation of Green Hungarian Government Bonds (hereinafter: the "Green Hungarian Government Bond") pursuant to the authorisation of the act on the annual central budget of Hungary and the authorisation of the Act CXCV of 2011 on Public Finances, in order to finance the central budget deficit and the renewal of debt of central subsystem of public finances. The Minister responsible for public finances performs this task through the Government Debt Management Agency Pte Ltd. (hereinafter: "ÁKK") in accordance with the Act CXCIV of 2011 Economic Stability of Hungary.

Pursuant to the legal authorisation above as well as the authorisation granted in the frame of the annual financing plan, which is the Financing Plan of 2025 upon the entry into force of the Offering Circular, approved by the minister responsible for the public finances on the basis of the Act CXCIV of 2011 on Economic Stability of Hungary, the placement of the Green Hungarian Government Bonds takes place based on the applicable decision made by the Financing Committee of ÁKK.

This offering circular (hereinafter: the "Offering Circular") contains the general terms and conditions of placement and trading of government bonds with the designation of Hungarian Government Bonds to be issued at public auctions in HUF in Hungary by the Issuer in accordance with the relevant provisions of Act CXX of 2001 on the Capital Market (hereinafter: the "Capital Market Act").

This Offering Circular is not to be considered as a prospectus or base prospectus under Article 1 (2) (b) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2003/71/EK (hereinafter: the "Prospectus Regulation") and this Offering Circular is not covered by the Prospectus Regulation.

This Offering Circular has not been presented to any securities supervisory authority other than the Hungarian securities market supervisory authority (National Bank of Hungary, hereinafter: "NBH").

The laws of certain countries may limit the distribution of this Offering Circular, or the offer for sale, sale, marketing of the Hungarian Government Bond.

The Issuer and ÁKK have not and will not initiate any proceeding for the authorisation of the public offering of the Green Hungarian Government Bonds or the publication of this Offering Circular in a country other than Hungary, which provides for an authorisation obligation or other similar restrictions for this purpose.

The Issuer and ÁKK are not responsible for this Offering Circular being lawfully distributable or publishable outside of Hungary, or the Green Hungarian Government Bond(s) being lawfully advertisable, offerable - directly or indirectly - for acquisition or sale/purchase/exchange under the laws of any other country or in accordance with the exceptions specified by such laws.

Therefore especially the Green Hungarian Government Bonds have not been and will not be registered under the Securities Act of 1993 of the United States of America (hereinafter: the "U.S. Securities Act") and in accordance with the tax laws. The Green Hungarian Government Bonds are offered outside of the United States of America - in accordance with the so-called Regulation S of the U.S. Securities Act - therefore - thus, except for certain transactions being an exception to the registration requirements of the U.S. Securities Act - the Green Hungarian Government Bonds may not be offered, sold or transmitted within the United States of America and to U.S. persons. The Dealers are to undertake to sell the Green Hungarian Government Bonds outside of the United States of America in accordance with the relevant provisions of the U.S. Securities Act. The definitions used in this section comply with the definitions used in the relevant provisions of the U.S. Securities Act.

There are also restrictions in the United Kingdom in connection with the offer and the sale of the Green Hungarian Government Bonds. As this document has not been approved by the authority specified in the Act of 2000 on Financial Services and Markets of the United Kingdom (hereinafter: the "Financial Services and Markets Act") in accordance with such Act, therefore in the United Kingdom Green Hungarian Government Bonds may only be offered in accordance with the Financial Services and Markets Act and this Offering Circular may only be distributed in accordance with the above Act.

The Issuer orders the readers of this Offering Circular to make inquiries regarding such restrictions and to observe them. If the offer for sale of the Green Hungarian Government Bond is unlawful in any country, or the purchase or acquisition of the Green Hungarian Government Bond by any person is against the law, this Offering Circular may not be accepted as an offer and may not be used for the purpose of an offer in connection with the sale of the Green Hungarian Government Bond.

The Issuer and ÁKK have not authorised anyone to provide information or to make any statement in addition to the content of this Offering Circular or the material approved by the Issuer or ÁKK for this purpose. If that would nevertheless happen, it should be regarded as the Issuer or ÁKK has not approved such information or statement.

All references to forint contained in this Offering Circular concern the official currency of Hungary.

THE PURPOSE OF PLACEMENT

The sum flowing from the placement to the respective account of the Issuer is intended to serve the partial financing of the central budget deficit and the renewal of the government debt, in a way that the Issuer intends to use the proceeds to finance or refinance expenditures within Hungary's central government budget contributing to the transition to a low carbon, climate-resilient and environmentally sustainable economy (so-called "Eligible Green Expenditures", as defined in the Green Bond Framework), in accordance with the current Green Bond Framework of Hungary published by the Hungarian State as the Issuer from time to time on the website of ÁKK Zrt. (https://www.akk.hu/green-bond) (hereinafter: the "Green Bond Framework"[1]).

[1] At the time of publication of this Offering Circular the updated version of the Green Bond Framework of Hungary published in May 2020, which was published in July 2023

By providing participation in the offering the Issuer aims to channel savings, in particular for those of investors committed to the transition to a low carbon, climate resilient and environmentally sustainable economy, into the financing of public debt.

Use of proceeds from the placement of Green Hungarian Government Bonds
The Hungarian State as the Issuer will issue all its green bonds (irrespective of the place of issuance) in accordance with the conventional sovereign bonds (government bonds) of the Hungarian State in the given place of issuance, with direct reference to the Green Bond Framework for the use of the proceeds from the placement of the bonds and for reporting obligations.

Eligible Green Expenditures might include investment expenditures, intervention expenditures, tax expenditures and selected operating expenditures. Eligible Green Expenditures may also include expenditures towards government agencies and other public sector entities, providing that these entities do not raise any green funding themselves. Furthermore, budget expenditures which already obtain dedicated funding (e.g. a dedicated tax, proceeds from sale of EU ETS allowances or EU funding) are excluded.

While it is the intention of the Issuer to apply the proceeds from the placement to finance or refinance Eligible Green Expenditures, it is under no legal obligation to do so. There is also no legal obligation to ensure that such Eligible Green Expenditures will be available or capable of being implemented as anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Green Expenditures as intended. In addition, there is no legal obligation to ensure that Eligible Green Expenditures will achieve the originally intended impacts (environmental, social or otherwise) or outcomes in the manner expected.

Neither the Issuer nor ÁKK Zrt. makes any commitment that such use of the proceeds will comply with any current or future investment criteria, requirements or guidelines relating to "green" or similar labels that the investor must meet or wishes to meet, in particular with respect to the direct or indirect environmental impact of the subject matter of the Green Bond Framework or any project or use in connection therewith.

At the same time, the Hungarian State as the Issuer undertakes to provide publicly available transparent reports to investors:

a) on the allocation of proceeds towards Eligible Green Expenditures (“Allocation Report”), and
b) on the environmental impact of the expenditures (“Impact Report”; the Allocation Report and the Impact Report together form the Integrated Green Bond Report)

on an annual basis until the full allocation of the proceeds from bond issues, or at such other frequency as Hungary deems necessary.

Hungary asks from time to time an external reviewer to provide an independent second party opinion on the Green Bond Framework and the Integrated Green Bond Report until the full allocation of the proceeds of the bond issuances. The documents of the independent second party opinion are publicly available on the website of ÁKK Zrt. (www.akk.hu/zold-kotveny), but do not form part of this Offering Circular.

The Issuer and ÁKK Zrt. draw attention that the independent second party opinion does not necessarily reflect all risks, nor does it reflect the potential impact of all risks and other factors affecting the value of the Green Hungarian Government Bonds and the Eligible Green Expenditures. Nor does the independent second party opinion constitute a recommendation, suggestion, etc. to buy, sell or hold securities. Currently, providers of these types of opinions and certificates are not subject to any specific regulatory or other regime or oversight. Prospective investors should determine for themselves the relevance of the independent second party opinion and the information contained therein, as well as the relevance of the provider of the independent second party opinion, for the purposes of any investment in securities. Neither the Issuer nor ÁKK Zrt. makes any representation that the independent second party opinion reflects the current or future expectations or requirements of investors with respect to any investment criteria, requirements or guidelines with which such investor or its investment must comply. Bondholders may not make any claim or demand against the provider of the independent second party opinion.

Each prospective investor should have regard to the factors described above and in the Green Bond Framework, seek appropriate advice from their independent financial adviser or other professional adviser on the relevance of the information contained in this Offering Circular regarding the use of proceeds and purchase of the Bonds, and make any other investigations they consider necessary to reach their own conclusions before deciding to invest.

GENERAL TERMS AND CONDITIONS OF PLACEMENT

The characteristics of Green Hungarian Government Bonds

Green Hungarian Government Bonds are registered securities issued in accordance with Government Decree No. 285/2001 (XII.26.) on Bonds and the Capital Market Act.

The Green Hungarian Government Bond represents a direct, general and unconditional undertaking of the Hungarian State to pay the face value and the pre-set interest (or its other appurtenances) of the government bond in the specified time and way against the payment of the offering price, or in case of an exchange auction against the transfer of the government bond(s) to be transferred to the Issuer in exchange for the Green Hungarian Government Bond.

The debt incorporated in the Green Hungarian Government Bond is part of the government debt. The payment of the face value and the coupons of the Green Hungarian Government Bond is charged to the central budget and the debt service expenses of the central budget. Claims against the Issuer based on the Green Hungarian Government Bond do not lapse.

Purchasers and transfer of Green Hungarian Government Bonds

The Green Hungarian Government Bond may be purchased and transferred by natural and legal persons, other entities without legal personality.

Non-residents may acquire and transfer the Green Hungarian Government Bond in accordance with the effective foreign exchange laws and the possible restrictions of the Issuer.

The effective foreign exchange laws apply to the payments by or to the foreign exchange non-residents in connection with the Green Hungarian Government Bond.

In this respect the laws of other countries may also include restrictions, therefore the Issuer calls upon the readers of this Offering Circular to make inquiries regarding such restrictions and to observe them.

Target market of investors

The Issuer intends to comply with the laws and regulations prescribing the issuers to define the target market of investors and, within such market, the target group of investors when defined the group of persons entitled to purchase Green Hungarian Government Bonds as set forth above, as extensive as possible and without limitation, in accordance with the fact that the investors, interested in mid- and long-term investments which – stemming from the character of the Issuer – have low risk, are the targets of the Issuer.

Issuance and face value of Green Hungarian Government Bonds

Green Hungarian Government Bonds are issued as dematerialised securities under the Capital Market Act.

The face value of the Green Hungarian Government Bonds is HUF 10,000 that is ten thousand Hungarian forints.

THE METHOD OF PUBLIC OFFERING

The Green Hungarian Government Bond is sold through auctions, on the basis of which the consideration of the issued Green Hungarian Government Bond(s) shall be performed by paying money or by the transfer of right of ownership (free and clear of all suits, claims and encumbrances and any other restriction) of determined pieces of the previously determined series of Green Hungarian Government Bonds (as determined by ÁKK) to the Issuer. Based on the above, in the former case the type of action is so-called ‘classic auction’ and in the latter case is so-called ‘exchange auction’.

The dealers (hereinafter: the “Primary Dealers”) having concluded a Primary Dealer Contract with ÁKK on the placement and trading of government securities may participate directly at the actions. The detailed rules of the participation at the auctions and the conduction of the auctions are contained in the “**Business conditions of the placement of Green Hungarian Government Bonds at auctions**” Annex A to this Offering Circular (hereinafter: the “Business Conditions”). The names and registered seats of the Primary Dealers are included in Annex B/1 to this Offering Circular.

ÁKK publishes the serial number, the ISIN-code of the Green Hungarian Government Bonds to be issued, the terms and conditions of the placement of the given series or part of series - including especially the type of auction (classic auction or exchange auction), and in the case of both type of auctions the announced amount at the auction, in the case of exchange auction the serial number and ISIN-code of the Hungarian Government Bonds serving as consideration, the date of the auction and the issuance (performance), the deadline for submitting the bids, the terms and conditions of the interest payment and repayment, the maturity of the securities and the particular financing target - in public offering (hereinafter: the “Public Offering”) at least 3 (three) working days prior to the date of the auction.

ÁKK reserves the right to define the total amount of the issuance - in accordance with the provisions of the Business Conditions - on the basis of the received bids.

ADDITIONAL PLACEMENT

The Issuer and ÁKK reserve the right to issue from time to time further government securities incorporating the same rights in all respects - except for the date of placement - as the given series of the Green Hungarian Government Bonds, which constitute the same series as the given Green Hungarian Government Bonds series.

PLACEMENT OF GOVERNMENT BONDS AS DEMATERIALISED SECURITIES

Green Hungarian Government Bonds are issued as dematerialised securities under the authorisation of the Capital Market Act.

The dematerialised Green Hungarian Government Bond is a data recorded and transmitted electronically in accordance with the Capital Market Act and other laws, registered on a securities account, including in an identifiable manner all constituent requirements - specified by laws - of the securities, except for the name of its owner and the serial number of the securities. The dematerialised Green Hungarian Government Bonds are registered for the Primary Dealers on the securities accounts held by the KELER Central Depository Ltd. (hereinafter: "KELER") and for the customers on the securities accounts held by the investment companies (in connection with the application of this Offering Circular including also the credit institutions providing investment services or ancillary services and the Hungarian State Treasury as well).

ÁKK authorises KELER to transfer the amount to be credited to each Primary Dealer, that is to credit on the date of performance the adequate amount of the issued Green Hungarian Government Bonds on the securities accounts of the Primary Dealers held at KELER, provided that the consideration of the credits (the purchase price or the amount of Hungarian Government Bonds serving as consideration) is available on the account of the given Primary Dealer. The Primary Dealers may then order the crediting of the dematerialised securities on the securities accounts of the dematerialized owners or the authorised account holders. Thereafter the dematerialised Green Hungarian Government Bonds are registered and traded on the securities accounts.

A dematerialised Green Hungarian Government Bonds are transferred by debiting and crediting on the securities account.

The investors may enter into securities account and client account contracts with an investment company, as securities account holder - being entitled to the trading of dematerialised securities - selected by them. The general terms of business of the given account holder is applicable regarding the authorisations to be given to the account holder by the investors.

SECONDARY MARKET OF THE GREEN HUNGARIAN GOVERNMENT BONDS

The Green Hungarian Government Bonds are listed on the Budapest Stock Exchange (hereinafter: “BSE”) on the date of the settlement in a simplified procedure in accordance with the contract concluded by and between the Budapest Stock Exchange Plc. (hereinafter: “BSE Plc.”) and ÁKK.

The trading with the Green Hungarian Government Bonds is proceeded on the BSE in accordance with the rules of procedure of BSE. The settlement is due on the second (T+2) working day as from the date of the transaction in accordance with the general terms of business of KELER.

Prior to the first placement, from the date of KELER's confirmation of acceptance for settlement (which is generally the second business day preceding of the first placement) the Green Hungarian Government Bonds are listed on the multilateral trading system called “MTS Hungary” operated by MTS S.p.A., where at least 5 (five) of the assigned Primary Dealers and Non-PD Market Makers quote two-way (bid and offer) prices on trading days – 4 (four) hours at least on a daily basis unless other specific provisions provide otherwise – from the day of the first placement.

On the multilateral trading system called “MTS Hungary”, the trading with the Green Hungarian Government Bonds is proceeded in accordance with the rules and regulations of MTS S.p.A.d. Settlement is due on the second business day after the trade (T+2) according to the general terms of business of KELER.

On the day of the first placement the Green Hungarian Government Bonds are listed on the regulated market called “Bond Vision Market” operated by MTS S.p.A. as well. On the regulated market called “Bond Vision Market”, the trading with Green Hungarian Government Bonds is proceeded in accordance with the regulation of MTS S.p.A. for Bond Vision Market.

The Hungarian State Treasury records daily buying and selling prices in respect of the series of the Hungarian Government Bonds, therefore the Green Hungarian Government Bonds may also be purchased or sold during maturity in the Treasury offices of the Hungarian State Treasury, in accordance with the provisions of its general terms of business. The address of the Treasury and district offices of the Hungarian State Treasury is listed in Annex B/2 to this Offering Circular.

PAYMENTS IN CONNECTION WITH GREEN HUNGARIAN GOVERNMENT BONDS

ÁKK performs the tasks of the main paying agent in connection with the Green Hungarian Government Bonds. (These tasks do not include the paying agent’s tasks provided for in the tax laws.)

ÁKK pays the interests and upon the repayment the face value to the investors with the involvement of KELER and the investment companies. At the conclusion of the securities account contract the investor is to provide for the method of payment of the due amounts.

Interest payments and repayments
ÁKK pays the interests and the principal amount of the Green Hungarian Government Bonds registered on securities accounts at KELER on the basis of the registration provided by KELER by transfer to the securities account holders. The issuer and ÁKK are not responsible for the consequences arising from the possible breach of contract by the account holders.

Definition of the interest rate
a.) In case of fixed-rate Green Hungarian Government Bonds – unless otherwise provided in the public offering – the interest rate to be paid (rounded to 0.01 percent) is defined as detailed below (gross interest percentage or interest rate without tax deductions is to be considered in all cases):

The interest rate to be paid at the first interest payment date:

- if the length of the first interest payment period corresponds with the interest payment frequency ($d_{t1}=d_0$), then

$$\text{the interest rate to be paid} = g,$$

- if the length of the first interest payment period is shorter than the interest payment frequency ($d_{t1}<d_0$), then

$$\text{the interest rate to be paid} = g * \frac{d_1 - d_0}{d_1 - d_{t1}},$$

- if the length of the first interest payment period is longer than the interest payment frequency ($d_{t1}>d_0$), then

$$\text{the interest rate to be paid} = g + g * \frac{d_{t1} - d_0}{d_{t1} - d_{t0}},$$

where

$g =$ annual interest (coupon)
$d_{t0}=$ technical interest payment date, which is to be defined by the deduction of two interest periods from the the date of the first interest payment date
$d_0=$ the date of the issuance
$d_{t0}=$ technical interest payment date, which is to be defined by the deduction of one interest period from the the date of the first interest payment
$d_1=$ the date of the first interest payment

The interest rate to be paid on any further interest payment date:

$$\text{the interest rate to be paid} = g$$

b.) ***In case of floating-rate Green Hungarian Government Bonds*** - unless otherwise provided in the public offering - the interest rate to be paid (rounded to 0.01 percent) is defined as detailed below (gross interest percentage or interest rate without tax deductions is to be considered in all cases):

- if the product serving as the interest base of the given floating-rate Green Hungarian Government Bond is the Discount Treasury Bill, or any Discount Treasury Bill related index, other derived product, furthermore any money market product (e.g.: central bank base rate, repo rate, BUBOR etc.), then the interest rate to be paid is the time proportionate part of the annual interest, which is to be defined on the basis of the days effectively passed between the interest payment dates and on the basis of a year of 360 days. In case of a leap year 29 February is also to be considered when counting the days passed,

- if the product serving as the interest base of the given floating-rate Green Hungarian Government Bond is the consumer price index, then the interest rate to be paid is the submultiples of the annual interest, calculated on the basis of the number of interest payments in a year.

ÁKK performs the tasks in connection with the definition of the interest of the floating-rate Green Hungarian Government Bonds at the time and in the manner specified in the Public Offering.

Repayment, redemption
The repayment of the face value of the Green Hungarian Government Bond is due in one amount at maturity, the repayment takes place in accordance with the rules applicable to the interest payment.
The Issuer does not redeem the Green Hungarian Government Bond before maturity.

Payments due on bank holidays
If the payment of any amount (interest, repayment of principle) in connection with the Green Hungarian Government Bond is due on a date, which is not a working day in Hungary, the payment date – unless otherwise provided by ÁKK – is the next working day. For this time period the investor is not entitled to further interest, or any further amount.
A days is to be considered as a working day, on which the investment companies are open for public in Hungary, and KELER and the National Bank of Hungary have a settlement date.

TAXATION

The Issuer reminds the readers of this Offering Circular that the information on the tax accounting or tax consequences contained in this Offering Circular can only be judged on the basis of the specific circumstances of the investor concerned and may change in the future. Thus, in particular, but without limitation, the tax liability of the income earned by the investor through the Green Hungarian Government Bond is influenced by the person of the investor, his tax residence (domestic or foreign), the title of the income (*eg.* interest income, income from long-term investment, or so-called other consolidated income generated on the NYESZ-R account).

In case of an investor falling under the scope of Act CXVII of 1995 on the Personal Income Tax – which has been amended several times – ("Personal Income Tax Act") the securities account managers are considered to be disbursers, so they may have tax deduction, tax return and tax payment obligations with regard to the payment based on the Green Hungarian Government Bond.

In case of investors with domestic tax residence, the tax liability is determined on the basis of the Hungarian legislation in force.

In case of foreign tax-resident investors, the tax liability is determined in accordance with the double taxation treaty in force between the country of residence and Hungary, on the basis of the investor's tax residence certificate - and, if necessary - by the so-called beneficiary declaration.

Specific provisions of the Personal Income Tax Act are applicable to the taxation of the Stock Exchange transactions.

On the basis of the Personal Income Tax Act, Green Hungarian Government Bonds, as publicly offered and traded securities incorporating a loan relationship as specified in Act CXX of 2001 on the Capital Market, and at the same time being a debt security issued by the Hungarian state, which is also marketed to the retail market as an investor target market, from which interest income does not qualify as income and thus exempted from paying interest tax.

In accordance with the foregoing, the relevant series of Green Hungarian Government Bonds issued after 1 June 2019 are also exempted from the obligation to pay the social contribution tax set out in Government Decree 205/2023 (V.31.) on the different application of Act LII of 2018 on Social Contribution Tax during the state of emergency.

At the same time, the Issuer draws attention to that, if the investor wishes to keep the Green Hungarian Government Bond on a long-term investment securities account, in the event of an interruption before the end of the five-year commitment period, a personal income tax liability will arise in accordance with the provisions of the Personal Income Tax Act on long-term investment income, depending on the length of the commitment period.

The taxation takes place in accordance with the current tax laws.

The Issuer and ÁKK suggest to the investors having interest in Green Hungarian Government Bonds to request an expert's opinion on the question how the consequences of purchasing, owning and transferring of the Green Hungarian Government Bond effect their taxation.

ANNOUNCEMENTS

ÁKK publishes the announcements in connection with the placement of the Green Hungarian Government Bonds on the website of BSE (www.bet.hu), on its own website (www.akk.hu and in case of classic auction: www.allampapir.hu as well) and on the website operated by NBH (kozzetetelek.mnb.hu). If the announcement is not published on the same day on the three websites, the date of publication of the earlier published announcement is considered as the day of publication.

GOVERNING LAW, DISPUTE RESOLUTION

The laws of Hungary - in particular the provisions of the Government Decree No. 285/2001 (XII.26.) on Bonds, the Capital Market Act, and Act V of 2013 on the Civil Code - are applicable to the conditions of the placement of Green Hungarian Government Bonds.

Any future legal dispute between the Issuer, ÁKK and the owner(s) of the Green Hungarian Government Bond(s) in connection with legal relationships arising from the Green Hungarian Government Bond, as securities falls within the competence of ordinary courts.

EFFECT

This Offering Circular enters into effect on 2nd January 2025, with the condition that its provisions are applicable to the Green Hungarian Government Bond series to be issued based on Public Offering announced on 23th December 2024.

Budapest, 23th December 2024

Annexes:

Annex A: Business Conditions
Annex B: List of the dealers

ISSUER
is the Hungarian State, in the name of which the minister responsible for public finances is entitled to act.
The minister responsible for public finances exercises this power via the Government Debt Management Agency Private Company Limited by Shares (registered seat: 1013 Budapest, Krisztina tér 2.).

Annex A of the Offering Circular

Effective: as of 2nd January 2025

BUSINESS CONDITIONS OF PLACEMENT OF GREEN HUNGARIAN GOVERNMENT BONDS AT AUCTIONS

These Business Conditions for auctions specify the terms and conditions of the sale of the Green Hungarian Government Bonds at actions, issued by the Hungarian State (hereinafter: the "Issuer") and the rules of procedure of the auction.
All participants are obliged to observe the effective laws, in particular the provisions of Act CXX of 2001 on the Capital Market (hereinafter: the "Capital Market Act") and Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices, and act in accordance with transaction customs and fair competition in the course of the auction.

1. General provisions

1.1. The Issuer places the Green Hungarian Government Bond at auctions announced by the Government Debt Management Agency Pte Ltd. (hereinafter: "ÁKK"). The type of the auction is classic auction or exchange auction, depending on whether the consideration of the issued Green Hungarian Government Bonds is paid in cash (classic auction), or by transferring to the Issuer the ownership free from any lawsuits, encumbrances, claims or any other restrictions of a determined number of Hungarian Government Bond(s) of series - specified by ÁKK in advance - other than the series of the issued Green Hungarian Government Bonds (exchange auction).

1.2. The Green Hungarian Government Bonds series are issued and marketed by the Issuer as dematerialised securities.

1.3.1. The auctions take place on the so-called board of auction (hereinafter: the "Board of Auction") operating in the frame of the MMTS1 Auction trading system (hereinafter: the "Trading System") operated by the BSE Plc. The operation and use of the Board of Auction is contained in the current regulation of the BSE Plc. on Auction trading rules applicable on the Board of Auction in Trading System MMTS1 (currently the Decision 174/2024 of BSE; the respective effective regulation hereinafter: " Rules of the BSE Plc. on the Auction trading").

1.3.2. The capitalised terms in these Business Conditions - unless specifically provided otherwise - have the meaning specified in the regulation titled "Rules of the BSE Plc. on the Auction trading".

1.3.3. Regarding the issues not specified in these Business Conditions the provisions of the regulation titled "The rules of the BSE Plc. on the Auction trading" applicable to the Board of Auction - including also the possible further rules of procedure referred to therein - and the applicable Hungarian laws are to be applied.

1.4. The dealers having entered into a Primary Dealer Contract with ÁKK regarding the placement and trading of the government securities issued by the Hungarian State (hereinafter: the "Primary Dealers") may directly participate at the auction. The Primary Dealers participating at the auction undertake to put out the Offering Circular of the Green Hungarian Government Bonds - together with its annexes - in the customer area of their sales branches and to provide the investors with them for review.

1.5. The Primary Dealers participating at the auction are to certify the authenticity of the offers and data submitted at all times to the Trading System via e-mail and via fax by a single authorised signature of the statement in accordance with Annex 2 of these Business Conditions. The regulation titled "Rules on Technical Connection in Book IV of General Terms and Conditions of Stock Exchange" of BSE Plc. (hereinafter: the "Rules of Technical Connection") as effective respectively and provides for the rules of operation of the Trading System and the rights and obligations of the operator, which are to be observed by the Primary Dealers.

1.6.1. In the case of both types of auction the ÁKK publishes the Public Offering on the website of BSE (www.bet.hu), on its own websites (www.akk.hu) and on the website operated by NBH (kozzetetelek.mnb.hu) wherein it announces - in particular - the series, type, ISIN-code, maturity of the Green Hungarian Government Bond to be marketed at the auction, the commencement date of the interest bearing, the terms and conditions of sale, including the type of the auction, the date of the auction, the amount announced for sale at the auction (hereinafter this is to be considered as the announced amount), the deadline for performance, the interest rate, the terms and conditions of interest payment and redemption and the customers of the bonds, and specifies the Hungarian Government Bond(s) to be used as consideration in case of exchange auctions. In the case of classic auction the given government bond's series, the announced amount, the date of the auction and the settlement date is announced on the day of the auction on the Board of Auction of the Trading System.

1.6.2. In the case of exchange auctions, in addition to those data specified in point 1.6.1., ÁKK also announces the series of Hungarian Government Bonds serving as consideration. For one Green Hungarian Government Bond to be issued, ÁKK may specify one or more Hungarian Government Bonds with different series as consideration. The gross price of the Hungarian Government Bond(s) (in case of fixed-rate government bonds the yield as well) in different series than the series of the Green Hungarian Government Bond(s) to be sold, and to be transferred in exchange for the Green Hungarian Government Bond(s) to be sold is to be specified by ÁKK in accordance with the rules of a specific procedure and is announced on the day of the auction at 9:55 a.m. on the website of BSE (www.bet.hu), on its own website (www.akk.hu) and through electric media (currently LSEG (formerly Refinitiv) and Bloomberg The series of the government bond to be sold at the auction, the series of the government bond serving as consideration, the announced amount, the date of the auction and the settlement date is published on the day of the auction on the Board of Auction of the Trading System.

1.7.1. In the case of both types of auction ÁKK reserves the right to deviate from the amount announced for sale at the auction and to specify the amount to be offered for sale at the auction on the day of the auction at the latest (hereinafter this is to be considered as the offered amount), which may result in the amendment of the announced amount by maximum +100 percent if the amount of the valid bids submitted at the auction reaches the amount announced for sale at the auction. ÁKK especially reserves the right to suspend the application of the restriction contained in the previous sentence.

If the amount of the valid bids submitted at the auction does not reach the amount announced for sale at the auction, Issuer reserves the right to define the amount to be offered for sale at the auction on the basis of the amount of the valid bids submitted at the auction and decide whether to accept or reject all or part of the valid bids received,

1.7.2. In the case of both types of auction ÁKK reserves the right to declare the auction ineffective on the basis of the received bids. In case of an ineffective auction the total amount of the bids is rejected.

1.8. In accordance with paragraph (3) of Section 13. of the Stability Act ÁKK reserves the right - in connection with the auction (for both types of auction) or independently thereof - to increase the amount issued for the purposes of market maintenance, non-competitive placement of Government Bond series in the secondary market, following an auction and trading in the Treasury offices of the Hungarian State Treasury.

1.9. The completion and settlement of the bids accepted in the Green Hungarian Government Bond auctions is due on Wednesday of the week following the auction unless otherwise provided by ÁKK.

2. Rules for submission of the bids

2.1. In accordance with Subsection (1) of Section (47) of the Capital Market Act in the course of the placement, the auction purchase offer statement of the investor regarding the acquisition of the Green Hungarian Government Bond is only valid in the form of a written, printed or electronic document fixed with qualified electronic signature with the content specified by the relevant laws, and submitted through the Trading System, as the trading system approved by NBH as supervisory authority, which may be submitted or forwarded in total on the Board of Auction to ÁKK in the form specified by the Trading System and by observing the specified substantive requirements.

The auction is held with a non-public Order Book.

2.2. The Primary Dealer is obliged to check by 10.00 a.m. at the latest on the day of the auction that the Board of Auction used by it is functioning. The Primary Dealer is obliged to report in writing to ÁKK to the e-mail address aukcio@akk.hu and at the same time notify BSE Plc. in writing by e-mail to trading@bse.hu by the below time the fact of the breakdown of the Board of Auction specified in the Rules of Technical Connection of BSE, if the breakdown cannot be fixed by 10.15 a.m. Subsequent to the receipt of the written report on the breakdown by ÁKK the concerned Primary Dealer may submit its bid in the form in accordance with Annex 1 of these Business Conditions, duly signed, primarily by e-mail, scanned (e-mail address: aukcio@akk.hu) or, if this is not possible, by fax (fax number: +36 1 488-9425) or delivery in person to the official room of ÁKK (1013 Budapest, Krisztina tér 2., floor III., room 310.) on the day of the auction by 10.40 a.m. The bids submitted in the above way are registered by ÁKK into the register.
Those bids are considered as received by ÁKK which have been fixed with the impression of the document receiver used and authenticated by ÁKK. The impression of the document receiver indicates the time corresponding to the following:

a) in case of being sent by an e-mail message, the time automatically indicated in the e-mail acknowledgment message sent by the receiving system;

b) in the case of a fax, the time indicated on the fax confirmation;
c) in case of personal delivery, when the bids of the Primary Dealer delivered to the personnel of ÁKK.

If the Primary Dealer is not able to connect to the Trading System on its installed workstation, the bid(s) delivered by the Primary Dealer as described above are to be registered by ÁKK on behalf of the Primary Dealer into the Trading System, whereby the Primary Dealer is bound during the time period open for the bids specified in Sections 2.8. and 2.9. of these Business Conditions. The Primary Dealer is obliged to send the original copy of the bid submitted by e-mail or fax to ÁKK within 3 working days following so submitted.

2.3. If the central auction system operated by BSE Plc. is affected by a technical error and the Board of Auction of the Trading System is not available to any Primary Dealer by 10.30 a.m. of the day of the auction, the Primary Dealer may deliver its offer duly signed, primarily by e-mail, scanned (e-mail address: aukcio@akk.hu) or, if this is not possible, by fax (fax number: +36 1 488-9425) or delivery in person to the official room of ÁKK (1013 Budapest, Krisztina tér 2., floor III., room 310.)in the form complying with Annex 1 of these Business Conditions by 11.00 a.m. of the day of the auction. ÁKK performs the evaluation of this bids, the conduction of the auction in its self-developed auction system (the evaluation system of which corresponds at all times with the Board of Auction of the Trading System) in compliance with the relevant provisions of these Business Conditions. ÁKK prepares duly signed certificates of the accepted bids, which are to be sent to the Primary Dealers by e-mail on the day of the auction.

2.4. The bids have to be submitted at the auctions by number considering the face value of HUF 10,000, one bid can be submitted for minimum 100, that is one hundred Green Hungarian Government Bonds with the face value of HUF 10,000 (for the face value of HUF 1,000,000, that is one million Hungarian forints).

2.5. The bids submitted through the Board of Auction of the Trading System have to include the series and the amount of the Green Hungarian Government Bonds intended to be purchased, and in case of fixed-rate government bonds indicating the expected net price up to maximum four decimal places, or the yield up to maximum two decimal places, and in case of floating-rate government bonds indicating the expected net price up to maximum two decimal places. In the case of an exchange auction, in addition to the above, the bids submitted must also include the serial number of the Hungarian Government Bond(s) to be used as consideration, which the Primary Dealers must select from the series of Hungarian Government Bond(s) predefined by the ÁKK Zrt. pursuant to Section 1.6.2., in such a way that only one series of Hungarian Government Bond to be used as consideration may be specified in one bid. If the auction is evaluated by ÁKK in the case described in Section 2.3 of these Business Conditions the auction bid is to include the expected net price at all times - in case of fixed-rate government bonds indicating up to maximum four decimal places, and in case of floating-rate government bonds indicating up to maximum two decimal places - and, in the case of an exchange auction, the bid must also include the serial number of the Hungarian Government Bond to be used as consideration. The evaluation takes place on the basis of the above this in all cases.

2.6. The bids made on behalf of clients and those of own-account have to be submitted separately. In case of a bid of own-account the 0999-99999-H account type, and in case of a bid made on behalf of clients the 0999-9999999 account type has to be indicated.

2.7. The auction has a competitive and a non-competitive phase. In the competitive phase of the auction only bids indicating prices and yields can be submitted between 10.00^{00} and 10.49^{59} a.m. of the day of the auction. During the period of the competitive phase specified for bids collection the submitted competitive bids may be freely withdrawn or amended. The system-timer of the Trading System is governing all deadlines in connection with the Board of Auction.

2.8. In the case of both types of auction in the non-competitive phase of the auction each Primary Dealer may submit bids for the minimum face value of HUF 1,000,000, that is one million Hungarian forints, and the maximum face value of HUF 200,000,000, that is two hundred million Hungarian forints, and if the announced amount reaches or exceeds HUF 20,000,000,000, that is twenty billion Hungarian forints, then for the maximum face value of HUF 500,000,000, that is five hundred million Hungarian forints, without indicating any price or yield, for the total nominal value of the Green Hungarian Government Bond series to be issued. The so-called non-competitive bids indicating no prices or yields can be submitted between 10.55^{00} and 10.59^{59} a.m. of the day of the auction. During the period of the non-competitive phase specified for bid collection the submitted non-competitive bids may be freely withdrawn or amended.

2.9. In the case of both types of auction ÁKK checks all bids after closing the competitive phase of the auction, however prior to the evaluation of the bids, by $11.00^{\underline{00}}$ at the latest, in order to eliminate in time **the out-of-market bids disrupting the auction** significantly and for the investors adversely effecting the results of the auction.

The out-of-market bids disrupting the auction are those bids:

(a) The indicated yield of which, in the case of fixed-rate bonds, is more than fifty (50) basis points less than the weighted average yield of the amount announced for sale at the auction;

(b) The indicated price of which, in the case of floating-rate bonds is more than fifty (50) basis points higher than the weighted average price of the amount announced for sale at the auction

The out-of-market bids disrupting the auction will not be determined in the following cases:

- if the amount of the submitted bids are less than the amount announced for sale at the auction;
- if the first auction of a given Green Hungarian Government Bond series takes place

ÁKK reserves the right to review the method of determining the out-of market bids disrupting the auction, if necessary and to amend it subject to market conditions.

If ÁKK detects the submission of the above described out-of-market bid disrupting the auction by any of the Primary Dealers, it requests - on phone - without delay the concerned Primary Dealer to withdraw its bid. Upon the request of ÁKK the Primary Dealer is obliged to withdraw its submitted bid considered as out-of-market disrupting the auction. If the

Primary Dealer does not fulfil its obligation to withdraw such bid, this is considered as an event significantly distracting the auction, and leads to the consequences specified in Section 6.1. of these Business Conditions.

Subsequent to informing on the phone the Primary Dealer submitting the out-of-market bid disrupting the auction, ÁKK notifies all Primary Dealers through the Trading System of the fact of the submission of an out-of-market bid disrupting the auction, the repeated opening of the Board of Auction of the Trading System and the time of such opening. After closing the non-competitive phase of the auction, however by 11.15$^{\underline{00}}$ at the latest, ÁKK repeatedly opens the competitive phase of the auction, when exclusively the bid considered as out-of-market disrupting the auction can be deleted by the Primary Dealer submitting the out-of-market bid disrupting the auction. In the course of such re-opening of the Board of Auction such Primary Dealer may not execute any other transaction then the deletion, and other Primary Dealers may not execute any transactions at all. The breach of this rule by any Primary Dealer is considered as an event significantly distracting the auction, and leads to the consequences specified in Section 6.1 of these Business Conditions.

If the same Primary Dealer within 12 months repeatedly submits an out-of-market bid disrupting the auction, this is considered as an event significantly distracting the auction, and leads to the consequences specified in Section 6.1 of these Business Conditions.

ÁKK expressly reserves the right to suspend the application of the provisions of this Section.

2.10. The bids, which have been submitted incompletely or incorrectly, and the bids arriving after the specified times, furthermore the out-of-market bids disrupting the auction specified in Section 2.9 of these Business Conditions in case of a classic auction are not accepted by ÁKK, thus such bids are not included in the auction.

3. The criteria of the evaluation of the auction

3.1. The evaluation of the submitted bids takes place in case of fixed-rate bonds on the basis of a price of four decimal places, in case of floating-rate bonds on the basis of a price of two decimal places. The Primary Dealer is bound to its auction bid after the closing of the periods of bids collection specified in Sections 2.7 and 2.8 of these Business Conditions until its bid is not rejected, or partially or wholly accepted by ÁKK.

3.2. In the course of the evaluation the bids submitted by the same Primary Dealer on the same price or yield levels, such as the bids of own-account and those made on behalf of the clients are to be considered as separate bids.

3.3.1. In the case of classic auction, if the amount of the valid bids submitted at the auction reaches or exceeds the amount announced for sale at the auction, the bids on the Board of Auction of one bidder are taken into consideration starting from the bid with the highest expected price up to maximum 50 percent of the amount - calculated on face value - offered for sale at the auction.

An exception to the former rule is the case when as a result of the application of the 50% limit, the total number of bids that may be taken into account in the evaluation would be less than the amount to be offered for sale at the auction. In this case, the valid bid(s) of the bidder(s) affected by the 50% limit in excess of 50% of the amount to be offered for sale at the auction will continue to be satisfied from the bid with the highest expected price in the Board of Auction of the Trading System, and this bid(s) - after all non-competitive bids have been satisfied - may be accepted until the amount of the accepted bids reaches the amount of the Hungarian Government Bonds offered for sale at the auction.

3.3.2. In the case of exchange auction, if the amount of the valid bids submitted at the auction reaches or exceeds the amount announced for sale at the auction, the bids on the Board of Auction of one bidder are taken into consideration starting from the bid with the highest expected price up to the value – calculated on face value – of the amount being offered for sale at the auction.

3.4. In the case of both types of auction, if the amount of the valid bids submitted at the auction does not reach the amount announced for sale at the auction, in case the valid bids of the bidder are satisfied starting from the bid with the highest expected price – following the satisfaction of all non-competitive bids - up to the amount being offered for sale at the auction.

3.5. Under Section 3.3.1. of these Business Conditions the following bidders are to be considered as one bidder: if one of them has such a direct or indirect ownership in the other that ensures a voting right of over 10 percent, or if they have a direct or indirect owner that has voting rights of over 50 percent in both bidders. Exceptions may be made for those cases where, based on the individual decision of ÁKK, there is credible evidence that the ownership relationship between the bidders as described above does not influence the business decisions of the bidders regarding the auction, and/or the bidders do not engage in any concerted behaviour or cooperation in any way in their individual and strategic decisions regarding the government debt securities market (either in the primary or secondary government debt securities market), and there is no information transfer between them regarding the auction bids.
Upon the request of ÁKK the bidders are obliged to provide written information and undertaking declarations regarding their ownership relationship and on the above, and give their consent to ÁKK to check these and any other relevant information and procedures in connection with this Section.

3.6. The non-competitive bids are accepted on the weighted average price of the competitive bids accepted at the auction.

3.7. If the amount of the valid bids exceeds the amount of the Green Hungarian Government Bonds offered for sale at the auction, the remaining government bonds are distributed among the bids competing on the price level relating to the accepted amount on the basis of the **principal of proportionate distribution**. (On the basis of the base face value, the remaining Green Hungarian Government Bonds are accepted among the bids competing on the price level relating to the accepted amount in the proportion of the offered face value. The incidentally remaining amount is credited on the account of the Issuer.)

3.8. The evaluation of the auction bids takes place by means of sorting performed by the Board of Auction on the basis of their expected price. The valid bids, started from the bid with the highest price - considering the provisions of Sections 3.2. - 3.7. of these Business Conditions - are accepted until the amount of the government bonds offered for sale is not sold. The non-competitive bids precede the bids with yield or price indication. On the basis of the accepted bids the sale takes place on the price indicated by the bidder, and on the average price specified in Section 3.6. of these Business Conditions in case of non-competitive bids.

3.9. The formula for calculating the net purchase price relating to the accepted bid(s) is following:

Net purchase price = net price*face value/100

3.9.1. The formulas applied for the price calculation of the **fixed-rate Green Hungarian Government Bonds:**

Gross price:

$$\text{Gross price} = \sum_{i=1}^{n} \frac{F_i}{(1+T_p)^{p_i+\frac{nbc}{w}}}$$

where:

F_i= the i cash flow item of the bond (i=1,2,3...n-1: the i interest payment, i=n: the last interest payment and redemption).

g = annual coupon

calculation of the value of F_i, if i>1

F_i = g, (i = 1,2,3…n-1) F_n =g+100

calculation of the value of F_i is carried out as described in 'PAYMENTS IN CONNECTION WITH GOVERNMENT BONDS' of the Offering Circular, if i=1,

the calculated value of F_i is to be defined - unless otherwise provided in the Public Offering - by rounding it up to two decimal places in all cases.

T_a= annual yield to maturity

T_p= yield calculated for a maturity corresponding with the length of the interest payment period

$$T_p = \sqrt[f]{1+T_a} - 1\text{, illetve } T_a = (1+T_p) - 1$$

n= the number of the remaining cash flow items on the settlement date

d_i= the payment date (interest payment and redemption) of the i cash flow item

d_s= the settlement date

d_0= the issue date

d_{t0}= technical interest payment date, which is to be defined by the deduction of two interest periods from the date of the next interest payment date

d_{t1}= technical interest payment date, which is to be defined by the deduction of one interest period from the date of the next interest payment

p_i= integer number (0,1,2...n), the number of interest payments between the settlement date (d_s) and the date of F_i(that is d_i). If the settlement date is prior to the first interest payment, furthermore there is a technical interest payment date between the settlement date and the next (first) interest payment date (d_{t1}), then all p_i value is increased by 1. (For example p_1=1, p_2=2 etc.)

nbc = the number of days between the settlement date and the next interest payment date (nbc=d_1-d_s). If the settlement date is prior to the first interest payment, furthermore there is a technical interest payment date between the settlement date and the next interest payment date (d_{t1}), then

$$nbc=d_{t1}-d_s$$

w= the number of days in the current interest payment period. In base case the number of days between the next interest payment and the previous interest payment (w=d_i-d_{i-1}).

If the settlement date is prior to the first interest payment, furthermore there is a technical interest payment date between the settlement date and the next interest payment date (d_{t1}), then the value of w is:

$$w=d_{t1}-d_{t0}$$

If the settlement date is prior to the first interest payment, furthermore there is no technical interest payment date between the settlement date and the next interest payment date, then the value of w is:

$$w=d_1-d_{t1}$$

Accrued interest:

If the settlement date (d_s) is prior to the first interest payment date (d_1),

a) and d_0>=d_{t1}, then

$$\text{accrued interest}=g * \frac{d_s - d_0}{d_1 - d_{t1}}$$

b) and d_0 <=d_{t1}, however d_s<=d_{t1}

$$\text{accrued interest}= g * \frac{d_s - d_0}{d_{t1} - d_{t0}}$$

c) and $d_0 <= d_{t1}$, however $d_s >= d_{t1}$

$$\text{accrued interest} = g * \left(\frac{d_{t1} - d_0}{d_{t1} - d_{t0}} + \frac{d_s - d_{t1}}{d_1 - d_{t1}} \right)$$

In all other cases:

$$\text{accrued interest} = g * \frac{d_s - d_{i-1}}{d_i - d_{i-1}}$$

***Net price** = Gross price - Accrued interest*

3.9.2. The formulas applied in the course of the definition of the gross price of **the floating-rate Green Hungarian Government Bonds**:

***Gross price** = Net price + Accrued interest*

Accrued interest:

- If the product serving as the interest base is the Discount Treasury Bill, or any index connected to the Discount Treasury Bill, other derived product, furthermore any money market product (e.g.: central bank base rate, repo rate, BUBOR etc.):

$$\text{Accured interest} = \text{g x } \frac{d_s - d_0}{360}$$

- ***If the product serving as the interest base is the consumer price index:***

$$\text{Accured interest} = \text{g x } \frac{d_s - d_0}{d_1 - d_0}$$

If at the time of determining the interest rate the value of the reference interest rate serving as the interest base is zero or negative, then on the basis of Section 52/A. § of the Act CLXXVII. of 2013 the value of the interest rate is equal to 0.01%, i.e. zero whole one hundred percent.

In cases in the above sections, if the payable interest rate for the relevant interest period of the given Green Hungarian Government Bond is zero, then the value of the accrued interest is also zero for the days within the given interest period.

3.10. In the case of both types of auction ÁKK accepts non-competitive bids only up to 50 percent of the amount offered for the auction sale. If the amount of the non-competitive bids exceeds 50 percent of the amount offered for the auction sale, the government bonds amount amounting up to 50 percent of the amount offered for the auction sale is to be distributed among the non-competitive bids on the basis of the principal of proportionate distribution.

3.11. In the case of exchange auction the calculation of the amount of the Green Hungarian Government Bonds - of a different series than the series of the Green Hungarian Government Bond(s) to be marketed - related to the accepted bid(s), to be transferred in exchange for the Hungarian Government Bond(s) to be sold takes place on the basis of the below formula:

Amount of the Hungarian Government Bonds serving as consideration (number) =

= the amount of the Green Hungarian Government Bonds accepted by ÁKK from the given bid (number) X the gross price of the given bid /the gross price of the Hungarian Government Bonds serving as consideration specified in accordance with Section 1.6.2. of these Business Conditions.

The amount calculated as consideration in accordance with the above is rounded to the closest integer number in accordance with the general rules of rounding.

4. Announcement of the allotment results, information

The Primary Dealers having bids which have been accepted at the auction receive a confirmation - save the case specified in Section 2.3. of these Business Conditions - regarding their accepted bids and the prices and yields of such bids through the Trading System at 11.30^{00} a.m. on the day of the auction. In the case of an exchange auction, in addition to the above, ÁKK informs the Primary Dealers the serial number, total nominal value, the quantity, gross exchange rate, gross exchange rate value of the accepted and issued Green Hungarian Government Bonds and the Hungarian Government Bond serving as consideration, and furthermore, in the case of a fixed-rate government bond, the yield thereof through the Trading System at 11.30^{00} a.m. on the day of the auction. ÁKK publishes the summary information regarding the accepted bids submitted for the auction - including the total accepted amount, the issued amount of the series/part of series, the accepted maximum, minimum and average price and in the case of fixed-rate bonds the maximum, minimum and average yield and in the case of a exchange auction, in addition to the above, the series of the Hungarian Government Bond(s) serving as consideration, the net price and the total accepted par value of the series - through press release and electronic medium (currently: LSEG (formely Refinitiv) and Bloomberg) and on its website (www.akk.hu).

5. Settlement, crediting on the securities accounts

5.1. Settlement of the classic auction
5.1.1. The settlement of the financial consideration of the accepted bids calculated on gross price takes place in accordance with the provisions of the KELER Ltd. General Business Rules and the related KELER's Depository Announcement - No. 9-20 Detailed Presentation of Settlement Orders applicable to the primary market transactions. Accordingly the purchase prices of the Green Hungarian Government Bonds calculated in accordance with the above are settled on the date of financial settlement by debiting the bank accounts held at KELER of the Primary Dealers submitting the bids, and the payment account of the commercial bank held at NBH - following the check of funds - and crediting

the unified treasury account under a DVP-type order. (The Primary Dealers have to submit a statement regarding the securities account and sub-accounts held with KELER Ltd. and the BIC code used in the KELER Ltd.. These may only be amended upon the prior written notification of ÁKK.) Simultaneously with the debiting of the bank accounts KELER credits the Green Hungarian Government Bonds on the respective accounts of the Primary Dealers.
5.1.2. The settlement of the non-competitive secondary market trading to be held on the day of the auction for the placement of the given Government Bond series or part of the series, which is conducted after the auction within the framework of OTC transactions (hereinafter: Non-competitive tender) will be carried out in accordance with the Rules of Procedure for such secondary market transactions.

5.2. Settlement of the exchange auction
5.2.1. The settlement of the Hungarian Government Bond amounts to be transferred in exchange for the value of the accepted bids calculated at gross price takes place in accordance with the provisions of the KELER Ltd. General Business Rules and the related KELER's Depository Announcement - No. 9-20 Detailed Presentation of Settlement Orders applicable to the rules for linked securities account transfers (FOP type order). Accordingly the Green Hungarian Government Bond(s) to be marketed and the Hungarian Government Bond amounts to be given in exchange are settled on the date of settlement by debiting the securities accounts held at KELER of the Primary Dealers submitting the bids - following the examination of the cover - and crediting the securities account held at KELER in favour of the Issuer. (The Primary Dealers have to submit a statement regarding the number of the securities account and sub-accounts to be debited, if they intend to use a securities account at the exchange auction other then that used at the classic auction. This may be amended only upon a prior written declaration sent to ÁKK.) Simultaneously with the debiting of the securities accounts KELER credits the Green Hungarian Government Bonds to be marketed on the respective accounts of the Primary Dealers.

5.3. General provisions
5.3.1. The Issuer and ÁKK are not responsible for the damages and other consequences arising from the late performance of the Primary Dealer’s client to the Primary Dealer.

5.3.2. If the settlement does not take place due to inadequate funds, the not performed items - at the original price, without interest on late payments - are automatically included by KELER in its settlement system in the case of classic auction within 3 working days as from the settlement date, however, in the case of an exchange auction, the Primary Dealers are obliged to provide the linked securities transfer transactions described in clause 5.2.1 to KELER Zrt. even after the original settlement date, but for a maximum of 3 working days. KELER informs ÁKK on the actual settlement day, and ÁKK defines the amount of default interest accordingly. The default interest rate is the central bank base rate +8%. The Primary Dealer is obliged to pay the interest on late payments on the basis of the notification sent by ÁKK to the “Revenues from forint debts” account of the Hungarian State Treasury, number 10032000-01031403.

5.3.3.1. If in the case of classic auction the unsecured transaction is not completed within 3 working days as from the settlement, ÁKK considers as the bidder having cancelled the transaction. For the case of cancellation ÁKK stipulates a penalty amounting to 10 percent of the unpaid purchase price increased with the interest on late payments, which is to be paid within 8 days, upon the notification of ÁKK to the account number indicated in the notification.

5.3.3.2. If in the case of exchange auction the uncovered transaction is not completed within 3 working days as from the settlement, ÁKK considers as the bidder having cancelled the transaction. For the case of cancellation ÁKK stipulates a penalty amounting to 10 percent of the value of the Hungarian Government Bond amount serving as consideration calculated at gross price defined in Section 1.6.2. of these Business Conditions increased with the interest on late payments, which is to be paid within 8 days, upon the notification of ÁKK to the account number indicated in the notification.

5.3.4. In case of non-performance of the payment or securities transfer obligation ÁKK disqualifies the bidder from the participation at the auction (Discount Treasury Bills, Green Hungarian Government Bonds and Hungarian Government Bonds in both classic and exchange auctions) until the day of the actual performance. The bidder may participate in the auction only if the bidder has fulfilled all payment and securities transfer obligations relating to the auctions (including Non-competitive tender transactions) no later than the day before the auction.

5.3.5. In the case described in point 5.3.3.1. and 5.3.3.2. ÁKK Zrt. may exclude the bidder from participating in the auction for up to 1 month.

6. Other provisions

6.1. ÁKK may suspend the participation at the auction of those participants for a period of 3 months at the most, who have significantly distracted the order of the auction.

In particular the following events are considered as significantly distracting the order of the auction:

a) insider trading, market influence prohibited by the Capital Market Act or other applicable laws, or any other conduct, which is capable of the unfair influence of the yields evolved at the auction;
b) malicious, concerted practices of several participants, which are capable of the unfair diversion of the market yields.
c) the cases referred to in point 2.10.

6.2. In case of repeated occurrence of the acts described in Section 6.1. ÁKK may disqualify from the participation at the auction the concerned participant for half year at the most.

Annexes:

Annex 1: Template of Auction bid
Annex 2: Statement

ÁKK

Annex no. 1

AUCTION BID

Name of the bidder	Contact person
	Phone number

At the auction on [date] announced by ÁKK regarding the auction purchase of the Green Hungarian Government Bonds series number ___________ with a face value of HUF 10,000 per item we hereby submit the below bid(s):

Bids made with price indication:

Amount (item)	Net price (percent)	Account number	Settlement date	Serial number of Hungarian Government Bonds serving as consideration*

Non-competitive bid (item):

Amount (item)	Account Number	Serial number of Hungarian Government Bonds serving as consideration*

For this auction purchase bid the provisions of "Business conditions of the placement of Green Hungarian Government Bonds at auctions" effective as from 2nd January 2025 ("Business Conditions") are applicable.

We have read, understood and accepted as binding the Offering Circular and the Business Conditions in respect of our bid.

* To be filled out only in case of exchange auctions.

Date

Authorised signature

Annex no. 2

Statement*

Undersigned,

Company name: ____

Registered seat: ____

Company registration number: ____

as Primary Dealer accept that

a) in case of auction bids delivered to Government Debt Management Agency Ltd. (hereinafter: "ÁKK") through the Board of Auction of Budapest Stock Exchange Plc. on the basis of the business conditions of the placement of Hungarian Government Bonds, Green Hungarian Government Bonds and Discount Treasury Bills effective as from 2nd January 2025 at auctions ("Business Conditions") ÁKK considers the bids appearing on the terminal connected to its own Trading System as the bids of the Primary Dealers;
b) in case the auction bids delivered to ÁKK through the email, fax or in person due to the non-function of the Trading System ÁKK considers the bids received through the email, fax or in person as the bids of the Primary Dealers;
c) the Issuer and ÁKK are not responsible for the damages and other consequences arising from the failure of the data-transmission and communications systems.

Signing this statement supplements the authorised signature of the Primary Dealer on the auction bids.
This statement in unconditional and may be amended or withdrawn only upon the prior written consent of ÁKK.
All capitalised terms used in this statement have the meaning specified in the Business Conditions and the Transaction Rules.

Budapest, ______________________20__

____
Primary Dealer's
authorised signature

* To be completed on one occasion after entry into force.

Annex B of the Offering Circular

List of the Dealers

Annex B/1 of the Offering Circular

Primary Dealers

BNP Paribas
registered seat: 16 boulevard des Italiens 75009 Paris, France

CIB Bank Ltd.
registered seat: 1024 Budapest, Petrezselyem utca 2-8.

Citibank Europe Plc.
registered seat: 1 Dublin, North Wall Quay 1., Ireland

Deutsche Bank AG
registered seat: Frankfurt am Main 60368, Taunusanlage 12., Germany

ERSTE Befektetési Ltd.
registered seat: 1138 Budapest, Népfürdő u. 24-26.

Goldman Sachs Bank Europe SE
registered seat: Marienturm, Taunusanlage 9-10, D-60329 Frankfurt am Main, Germany

ING Bank N.V.
registered seat: NL-1081, Amsterdam, Amstelveenseweg 500, The Netherlands

J.P. Morgan SE
registered seat: Taunustor 1 D-60310 Frankfurt am Main, Germany

K&H Bank Ltd.
registered seat: 1095 Budapest, Lechner Ödön fasor 9.

MBH Bank Plc.
registered seat: 1056 Budapest, Váci utca 38.

OTP Bank Plc.
registered seat: 1051 Budapest, Nádor u. 16.

Raiffeisen Bank Ltd.
registered seat: 1133 Budapest, Váci út 116-118.

Treasury and district offices of the Hungarian State Treasury

Treasury Office of the Regional Directory / District offices	***Address / Mailing address / Contact details***
Treasury Offices of the Regional Directory of Budapest and Pest County	*Office:* 1081 Budapest, Fiumei út 19/A (bejárat az Alföldi utca felöl) 1115 Budapest, Bartók Béla út 120- 122. 1139 Budapest, Váci út 71. 1054 Budapest, Hold utca 4. *Point of Sale:* 1015 Budapest, Hattyú utca 14.
Treasury Office of the Regional Directory of Baranya County	7621 Pécs, Apáca utca 6.
Treasury Office of the Regional Directory of Bács-Kiskun County	6000 Kecskemét, Szabadság tér 1.
Treasury Office of the Regional Directory of Békés County	5600 Békéscsaba, Dózsa György utca 1.
Treasury Office of the Regional Directory of Borsod-Abaúj-Zemplén County	3525 Miskolc, Hősök tere 3.
Treasury Office of the Regional Directory of Csongrád County	6720 Szeged, Vár utca 5.
Treasury Office of the Regional Directory of Fejér County	8000 Székesfehérvár, Ősz utca 11-13.
Treasury Office of the Regional Directory of Győr-Moson-Sopron County	9022 Győr, Czuczor Gergely utca 26.
Treasury Office of the Regional Directory of Hajdú-Bihar County	4025 Debrecen, Hatvan utca 15.
Treasury Office of the Regional Directory of Heves County	3300 Eger, Eszterházy tér 5.
Treasury Office of the Regional Directory of Jász-Nagykun-Szolnok County	5000 Szolnok, Magyar út 8. *Point of Sale:* 5300 Karcag, Kossuth tér 1. földszint
Treasury Office of the Regional Directory of Komárom-Esztergom County	2800 Tatabánya, Fő tér 32.
Treasury Office of the Regional Directory of Nógrád County	3100 Salgótarján, Rákóczi út 15.
Treasury Office of the Regional Directory of Somogy County	7400 Kaposvár, Széchenyi tér 4.
Treasury Office of the Regional Directory of Szabolcs-Szatmár-Bereg County	4400 Nyíregyháza, Széchenyi út 3/A.
Treasury Office of the Regional Directory of Tolna County	7100 Szekszárd, Augusz Imre utca 7.
Treasury Office of the Regional Directory of Vas County	9700 Szombathely, Széll Kálmán utca 20.
Treasury Office of the Regional Directory of Veszprém County	8200 Veszprém, Brusznyai Árpád utca 1.
Treasury Office of the Regional Directory of Zala County	8900 Zalaegerszeg, Dísz tér 7.