

EXTRAORDINARY INFORMATION

Budapest, 23 November 2017

Bank loans refinanced at two PannErgy subsidiaries

PannErgy Plc hereby advises the actors of the capital market that two of its group entities, Miskolc Geothermal Ltd and Kuala Ltd have signed loan agreements with a domestic credit institution.

PannErgy Plc's two subsidiaries, Miskolc Geothermal Ltd and Kuala Ltd entered into investment loan agreements with a domestic credit institution in May 2013 and September 2014, in an amount of EUR 6.3 million and HUF 1.5 billion, respectively, and now the Company has decided on the refinancing of these loans with another domestic credit institution.

As a result of the agreement, the borrowers will have the option to rely on long-term funding lines in an amount of EUR 4.5 million and HUF 2.1 billion, respectively, accompanied by a HUF 200 million limit for short-term financing. The long-term loans have already been called off, and the earlier, market-based loans – disbursed beyond the NHP (Funding for Growth Scheme) program – have been concurrently repaid before the end of the tenor. The tenor of the new loans is 7 years, following a repayment profile aligned with the 10-year term of depreciation.

Owing to the new loan agreements, a part of the credit limit has been used for the refinancing of earlier loans, whereas another part, in an approximate amount of HUF 1 billion, can be utilized as a source for the concession investment in Győr by way of partly refinancing PannErgy Group's own contribution provided to the Miskolc projects. With respect to the part of the credit limits carrying variable interests, the borrowers will enter into interest rate swap (IRS) transactions with the lenders, and therefore the effective interest rate of the current loans will be fixed throughout the tenors of the loans. As a consequence of this refinancing move, the interest payables of Miskolc Geothermal Ltd and Kuala Ltd have considerably decreased.

PannErgy Plc

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