

EXTRAORDINARY INFORMATION

Budapest, 13 June 2023

Rescheduling of the boring of the third Miskolc geothermal production well

On 18 November 2022, as part of extraordinary information provision, PannErgy Nyrt. (hereinafter: "Company") informed capital market participants that the Ministry for Technology and Industry, as the Grant Awarder, had awarded a maximum nominal grant of HUF 994,364,400 to application No. GEOTERM-2021.2-2021-00002 submitted by KUALA Kft. for the call for applications entitled "Grants for the activities of geothermal-based heat generation projects" as announced within the framework of the Climate and Nature Protection Action Plan, the final value of which grant would depend on the success of the well to be bored, as demonstrated by geophysical measurements. The grant is related to the boring of the third geothermal production well of the Miskolc Geothermal Project (hereinafter: "Investment Project"). The Company initially planned to complete the Investment Project by the commencement of the 2023/2024 district heating season. As part of the same information provision, the Company also drew the attention of capital market participants to the fact that the applicable grant agreement had not yet been concluded in respect of the grant and the conditions for the drawdown of the grants had not yet been fulfilled either, resulting in uncertainty as to the receipt of the grant and the effectiveness of the Investment Project.

The Company hereby informs capital market participants that it plans to incorporate into the system the boring of the third production well in Miskolc by 30 September 2024, after considering and taking into account the following main reasons:

- The finalisation of the grant instrument, specified as a prerequisite for the substantive start of the Investment Project, is still underway with the Grant Awarder;
- Clarification with the authorities on the permission anomalies raised by legal amendments affecting the Investment Project, which have entered into force in 2023, is still ongoing.

Despite the rescheduling of the Investment Project to 2024, the Company's management considers the Company's published EBITDA target range for 2023 to be achievable and, therefore, maintains it unchanged.

PannErgy Nyrt.

This announcement is published in Hungarian and English languages. In case of any contradiction between these two versions, the Hungarian version shall prevail.

