

EXTRAORDINARY INFORMATION

Budapest, 4 October 2023

Grant application for PannErgy's Budapest environs project rejected

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 grant of HUF 1,623,052,750 to application No. GEOTERM-2021.3-2022-00001 submitted by PannErgy Geotermikus Erőművek Zrt. 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 Environmental Protection Action Plan. The application was submitted in connection with the boring of a geothermal production well in an area near Budapest, which has not been unexplored in detail and, therefore, poses significant risks.

As part of the referenced information supply, PannErgy emphatically drew the attention of capital market participants to the fact that the applicable grant agreements had not yet been concluded in respect of the above 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.

The Company hereby informs capital market participants that in a notice received by the Company today, the Ministry for Energy has rejected the above grant application in the context of an amendment to the decision by the Grant Awarder. According to the justification of said decision, the condition to support the project is not fulfilled, as during the project implementation (grant provision) period, at least 1 reinjection well is required to be completed, using own funds.

The project has not been taken into account in the business profit and loss plans published by the Company, meaning the rejection of the grant application has no impact on the expected fulfilment of the consolidated HUF 3,950–4,150 million EBITDA target range published previously (13 January 2023) for the 2023 business year.

PannErgy Nyrt.

