PannErgy Plc.

SEMI-ANNUAL REPORT

H1 2024 Report

20 September 2024

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

PANNERGY GROUP'S H1 2024 SEMI-ANNUAL REPORT

Introduction and Table of Contents

Report on PannErgy Group's H1 2024 profit/loss and management

PannErgy Public Limited Liability Company (registered office: H-1112 Budapest, Boldizsár street 2, company registration number: 01-10-041618, tax number: 10558377-2-43, web: www.pannergy.com) released its report on the first half of 2024 today. This report contains the consolidated financial statements, and other related non-financial statements, not audited by an auditor, prepared by the Company's management in accordance with the International Financial Reporting Standards (IFRSs) for the period ending on 30 June 2024.

Table of contents

1 Executive Summary

Consolidated heat sales hampered by unfavourable weather conditions

The PannErgy Group faced a lower heating potential in H1 2024 as a consequence of the fact that the weather in Hungary and the Central and Eastern European region was significantly milder than in the corresponding period of the previous year and the average of the past years. A comparison of the heat sales figures of the currently reported half-year period with the average values of the equivalent period in historical years shows that due to the unusually mild weather conditions, PannErgy achieved below-average heat sales in the period under review, which also fell short of the base period and of the target for the period. In only two of the six months of the period under review (in February and in March) did the sales figures reach the levels of previous years. Consequently, the PannErgy Group fell short both of its heat sales plan for the first half of 2024 and its performance in the base half-year by almost 5%.

In adaptation to the prevailing weather conditions and capacities, **PannErgy Group's consolidated heat sales amounted to 927 TJ in H1 2024, which is about 5% below the base period's consolidated heat sales figure of 980 TJ as well as the projected value of 975 TJ.**

Consolidated EBITDA and net profit – somewhat below the previous period's record results, yet in line with the plans

As a result of specific temporary extreme impacts in the energy market environment, the composition and logical structure of the base period results differs substantially from previous years, therefore in order to provide a better long-term and comprehensive view in this report, the Company also presents a limited comparison with the benchmark performance of a similar period in 2022 (still free of these impacts), which is thus more consistent with the period under review.

In H1 2024 – partly due to **lower regulatory heat tariffs following operating cost levels** compared to the base period**,** and to a lesser extent as a consequence of the above mentioned 5% drop in consolidated heat sales – the **Company's consolidated sales revenue decreased by 32% to HUF 4,129 million from the HUF 6,051 million recorded in H1 2023**. HUF 4,028 of the total sales revenue of HUF 4,129 million originates from the sale of heat, down 31% year-on-year. The reporting period's regulatory heat tariffs reflect the recognition of the direct and indirect costs associated with heat generation, in accordance with the law.

The direct costs of sales, which are closely linked to sales, diminished by 19% in the period under review, primarily as a result of a decrease in (normalisation of) power costs, which were at an unusually high level in the base period. The base period was characterised by higher power prices but it was followed by a period of market consolidation which helped bring down the Company's related costs. Other direct costs were driven up primarily by various sectoral inflationary effects observed during the reporting period.

The Company's gross margin amounted to HUF 843 million during the period concerned, as a combined result of the changes in sales revenue and direct costs. Adjusted for depreciation, **gross cash-flow performance amounted to HUF 1,855 million in the reporting period, 37% down year-on-year (and 4% up on the 2022 reference amount).**

The Company's HUF 892 million operating profit (EBIT) was HUF 407 million down year-on-year (and HUF 36 million less than the 2022 reference amount). The Company's administrative and overhead costs increased by 2% in comparison to the figure posted for the base period. **The balance of other revenues and expenditures is a profit of HUF 427 million in the period under review, showing a significant improvement on the previous period's value of HUF -322 million.** The change is a result, for the most part, of provisions made and provisions released, and revenue deferrals, relating to regulatory heat sale pricing of the various periods in relation to district heat generation. The Company set aside provisions in the amount of HUF 329 million during the base period, but none during the period concerned. During the period concerned, however, specific provisions of HUF 185 million were released and revenue increasing accruals in the amount of HUF 184 million were booked; these items were related to the assignment, during the period concerned, of regulatory heat sales prices relating to district heat generation during various periods.

As a combined effect of the above changes the Company's **EBITDA amounted to HUF 1,905 million during the reporting period, HUF 360 million, or 16%, below the HUF 2,265 million EBITDA of the corresponding period of the previous year and HUF 170 million, or 10%, above the 2022 reference figure. The reporting period's EBITDA ratio was 46%.**

The Company posted a financial loss of HUF -155 million in the reporting period, HUF 57 million more than the figure posted for the base period. The primary reason for the change is that the forint appreciated by nearly 29 forints against the euro during the reference period, while it depreciated by nearly 12 forints in the period under review.

As a combined result of above items the Company made a consolidated net profit of HUF 698 million in H1 2024, 40% less than the net result of HUF 1,159 million generated in the first half of the previous year but only HUF 34 million, or 5%, less than the 2022 reference figure.

Main profit/loss data (HUF million)	H1 2024	H1 2023	H1 2022
Revenue from sales	**4,129**	**6,051**	**3,686**
Direct cost of sales	-3,286	-4,060	-2,703
Gross margin	**843**	**1,991**	**983**
Gross cash flow	**1,855**	**2,953**	**1,790**
Gross cash flow rate	**45%**	**49%**	**49%**
Indirect costs of sales	-378	-370	-273
Other revenues and expenditures	427	-322	218
Operating profit (EBIT)	**892**	**1,299**	**928**
EBITDA	**1,905**	**2,265**	**1,735**
EBITDA rate	**46%**	**37%**	**47%**
Profit/loss on financial transactions	-155	-98	-194
Of which: Effect of period-end FX revaluation	*-64*	*140*	*103*
Profit before taxes	**737**	**1,201**	**734**

Main profit/loss data (HUF million)	H1 2024	H1 2023	H1 2022
Consolidated net profit for the reporting period	**698**	**1,159**	**732**
Return on Equity (ROE)	*6%*	*10%*	*7%*
Return on Sales (ROS)	*17%*	*19%*	*20%*
Earnings per ordinary share (HUF)	**46**	**74**	**45**

Confirmation of the EBITDA plan for 2024

Based on the HUF 1,905 million EBITDA value achieved in the first half of the year, the Company confirms that it expects to achieve the EBITDA range of HUF 3,900 – 4,100 million included in the Group's P&L projections for 2024 as a whole, as published on 15 January 2024.

Treasury share transactions, repurchase programs

On 30 June 2024, the Company held 4,917,620 PannErgy Plc. treasury shares, 213,488 more than the opening portfolio of 4,704,132 treasury shares held on 31 December 2023. The change resulted from purchases through trading on the exchange under the treasury share buyback programs in effect in the reporting period at the Budapest Stock Exchange. Under the treasury share buyback programme launched in 2023 and concluded in the period under review, a total of 213,488 treasury shares were purchased between 1 January and 30 April 2024, at an average price of 1,406 HUF/share.

No treasury shares were purchased during H1 2024 in relation to the treasury share buyback programme started during the reporting period under the scope of power of the General Meeting for the period between 2 May 2024 and 17 April 2025.

The stock exchange closing price of PannErgy ordinary shares was HUF 1,410 per share at the end of the reporting period, 13% and 25% higher than the HUF 1,250 and the HUF 1,125 closing prices at 31 December 2023 and 30 June 2023, respectively.

Distribution of dividends

At the Company's regular annual General Meeting held on 30 April 2024 closing the business year 2023, after the approval of the individual and consolidated reports the **Company** adopted a resolution to the effect that it **would not pay dividends for 2023.** This decision was adopted in line with the proposal of the Management Board, in view of the expected operational opportunities and liquidity needs in 2024, the funds required for the MAL-PE-03 production well in Miskolc, the necessity of holding a certain level of free cash and cash equivalents required for safe and prudent operation and thus for maintaining a high level of financial and operational stability with adequate flexibility.

Share capital decrease

The Company's Annual Ordinary General Meeting held on 30 April 2024, closing the 2023 business year, decided on decreasing the Company's share capital through General Meeting Resolution No. 11/2024 (IV. 30.). Pursuant to the ruling adopted by the Court of Registration of the Budapest Metropolitan Court of Justice with effect from 17 July 2024, **the number of**

PannErgy Plc. **ordinary shares** (ISIN identifier: HU0000089867) **decreases from 20,000,000 to 18,000,000**. At the same time, the subscribed capital decreased from HUF 400 million to 360 million. The Company's Management Board arranged for the delisting of the shares, as a consequence of which **PannErgy's stock of treasury shares decreased by 2,000,000 shares during Q3 2024**. Since the capital decrease took place after the semi-annual report's cut-off date, **it only partly affects the relevant share-related and other information in this semi-annual report.**

Project for the drilling of a new production well

The implementation of the new production well drilling project in Miskolc is in progress, the new facility is expected to be commissioned at the beginning of the 2024/2025 heating season, in accordance with the modified schedule published.

A total of HUF 1,269 million in investment costs were incurred by the end of the reporting period in relation to the well drilling project. This is stated among tangible assets as "fixed assets under construction". No non-refundable grant has been drawn down to date in relation to the project, but the Company has used short-term bank financing to pre-finance the grant.

2 Projects and areas of operation

2.1 Consolidated quantity of heat sold during H1 2024

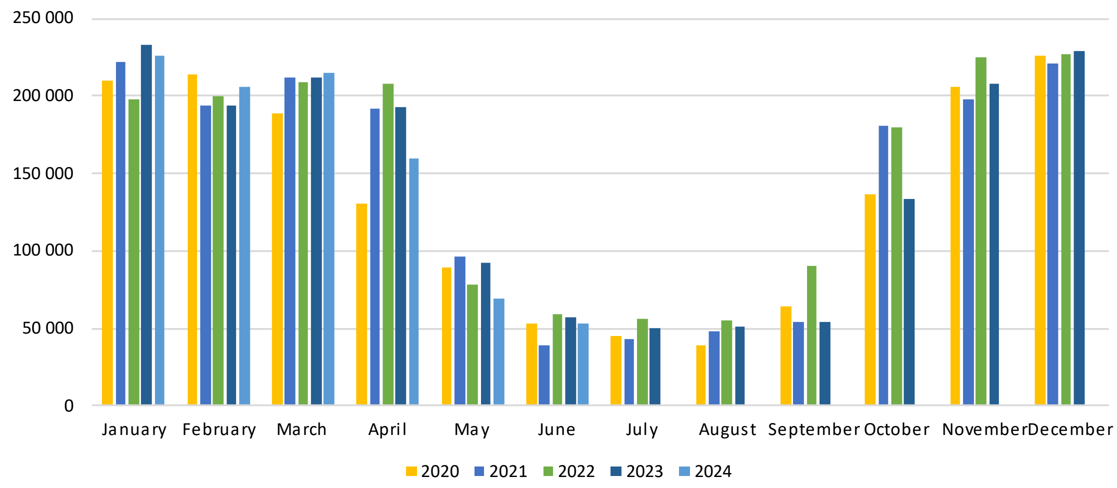

Figure 1: Consolidated quantities of heat sold, in GJ (The consolidated quantities of heat sold by the Miskolc, Győr, Szentlőrinc and Berekfürdő projects in a monthly breakdown)

	2020	2021	2022	2023	2024	2024 TARGET
January	209 678	221 966	197 923	232 696	225 521	
February	213 855	194 173	199 600	193 989	206 080	
March	189 195	211 762	209 267	211 365	214 659	
Q1	**612 728**	**627 901**	**606 790**	**638 050**	**646 259**	**634 509**
April	130 407	192 053	207 861	192 834	159 116	
May	89 190	96 333	78 637	92 125	68 687	
June	53 394	38 595	58 955	56 645	52 745	
Q2	**272 991**	**326 981**	**345 453**	**341 604**	**280 548**	**340 612**
July	45 297	42 919	56 299	50 385		
August	39 205	48 023	54 838	50 659		
September	64 096	53 870	90 033	53 905		
Q3	**148 598**	**144 812**	**201 170**	**154 949**		**166 451**
October	136 460	180 427	179 453	133 450		
November	205 417	197 872	224 871	208 031		
December	225 688	221 198	226 770	229 190		
Q4	**567 565**	**599 497**	**631 094**	**570 671**		**631 543**
Total	**1 601 882**	**1 699 190**	**1 784 507**	**1 705 274**		**1 773 116**

Figure 2: Consolidated actual and target volumes of heat sold, in a table format (GJ)

Comparing the consolidated heat sales of 926,807 GJ in H1 2024 with the 979,654 GJ value recorded in H1 2023 reveals a 5% drop in the Group's heat sales during the first half of the year, as a consequence of the less favourable weather conditions in terms of heating potential during the period under review. In terms of the individual quarters concerned, the consolidated heat sales figure was up 1% regarding the base period and 2% higher than the plan in the first quarter, but in the second quarter a shortfall of 18% was recorded both for the base period and relative to the plan.

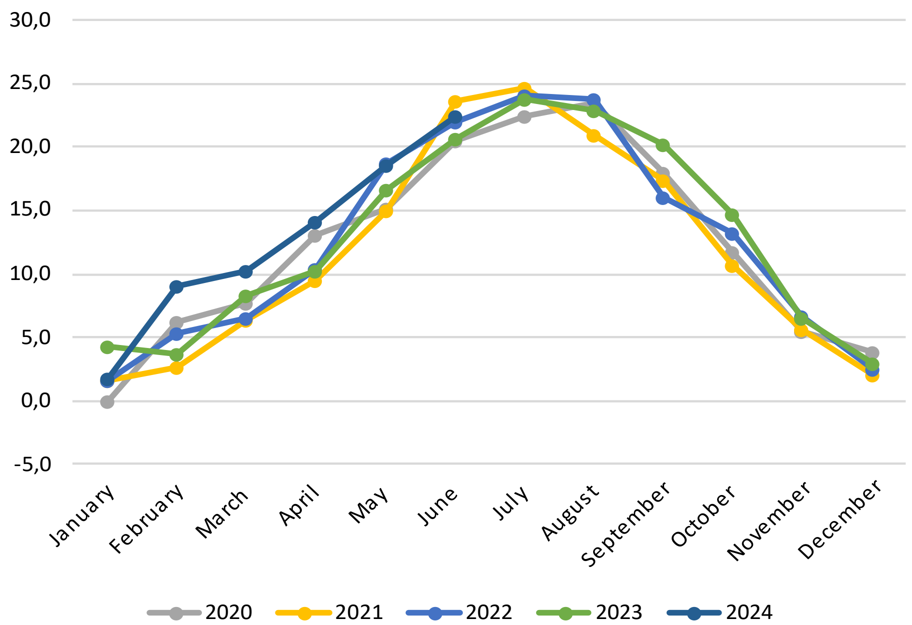

Figure 3: Average temperatures in 2017–2024

The weather in Q1 2024 (with the exception of January) was significantly milder and more varied compared to the same period in 2023 and the average of recent years, but still represented an overall average Group-level heating potential.

In Q2 2024, the weather was significantly milder than in the corresponding period of the previous year (except for June, which is less very relevant for heating anyway) and also in comparison with the average of recent years, representing an overall lower Group-level heating potential.

2.2 The operation of the PannErgy Group's geothermal projects in the reporting period

2.2.1 Miskolc Geothermal Project (Miskolci Geotermia Ltd., Kuala Ltd.)

The Geothermal System of Miskolc sold a total of 272,666 GJ of thermal energy in Q1 2024, which is in line with the average of the corresponding periods of recent years and is 1% higher than the heat sales of 269,345 GJ achieved in the same period of 2023, which is essentially equivalent to the baseline performance after adjusting for the leap year effect.

The project companies in Miskolc sold a total of 116,650 GJ of thermal energy in Q2 2024, falling short of the average of the corresponding periods of the previous years and 16% below the 138,873 GJ of heat sold in H1 2023 as a consequence of the weather conditions that had a negative impact on the heating potential, as detailed above.

As a result, the Miskolc project sold heat in a total amount of 389,316 GJ during the first half of the year, 5% less than the 408,218 GJ sold during the base period.

The amounts of heat sold in Miskolc were as follows during the reporting period (GJ):

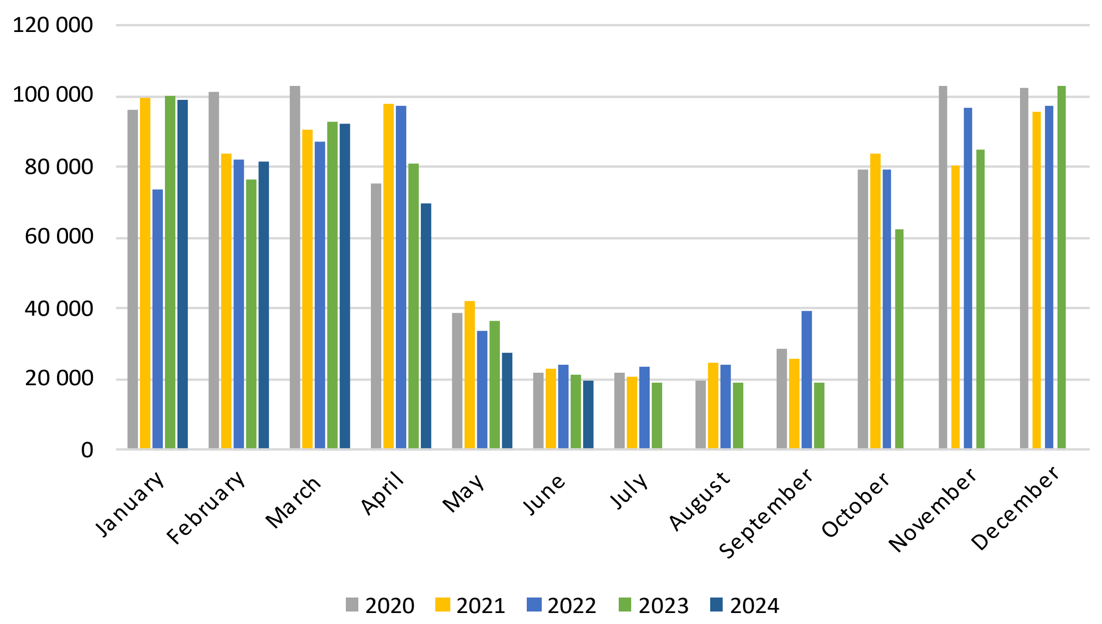

Figure 4: Quantity of heat sold in Miskolc (GJ)

2.2.2 Győr Geothermal Project (DD Energy Ltd., Arrabona Koncessziós Ltd.)

The Geothermal System of Győr sold a total of 364,186 GJ of thermal energy in 2024 Q1, more than the average of the corresponding period of previous years, a historical record for the period, Compared to the quantity of 359,250 GJ recorded in the base period, we see a slight – 1% – increase, even after adjusting for the leap year effect.

The Geothermal System of Győr sold a total of 161,344 GJ of thermal energy in Q2 2024, which is below the average of the corresponding period of previous years and also the historical value for the period. This amount was 19% below the heat quantity of 199,360 GJ sold by the Győr unit in the base period.

As a result of the above, a total of 525,530 GJ heat energy was sold in the first half of the period under review at project level in the case of the Geothermal System of Győr, 5% (the same percentage rate as in the case of the Miskolc project) below the 558,610 GJ sold during the base half-year.

The amounts of heat sold in Győr were as follows during the reporting period (GJ):

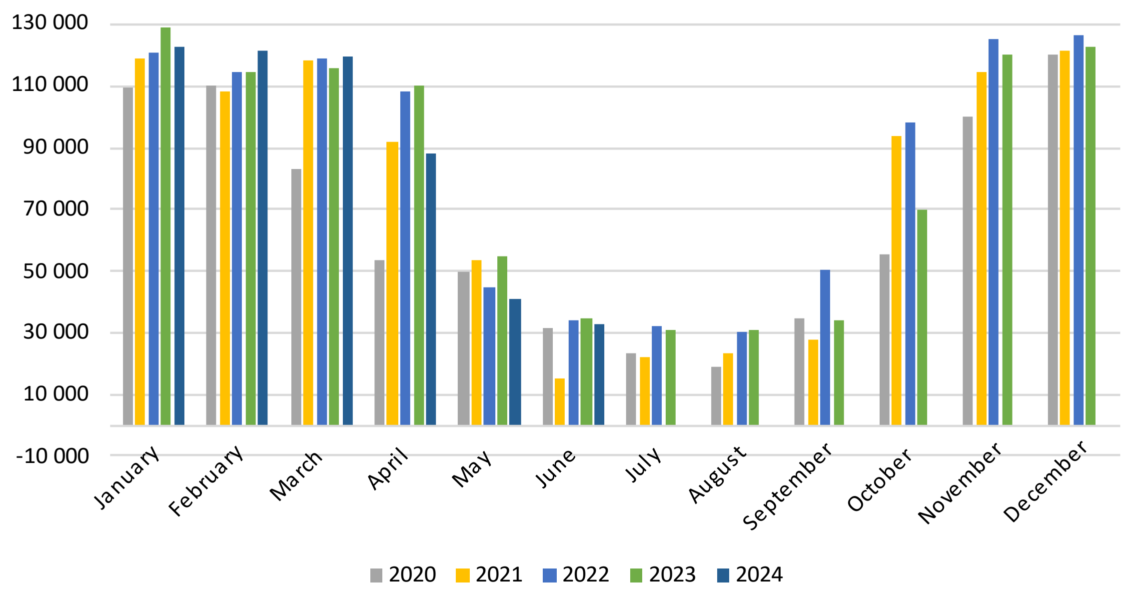

Figure 5: Quantity of heat sold in Győr (GJ)

3 Analysis of the results of, and the financial situation in the reporting period

3.1 Results achieved in the reporting period, perspectives

In H1 2024 – alongside the above mentioned 5% drop in consolidated heat sales – the **Company's consolidated sales revenue decreased by 32% to HUF 4,129 million from the HUF 6,051 million recorded in H1 2023**. The decrease was mainly the result of the impact of regulatory tariffs on the sales revenue, which were, in line with a drop in operating cost levels, lower than in the base period. The reporting period's regulatory heat tariffs reflect the recognition of the direct and indirect costs associated with heat generation, in accordance with the law. While the regulatory heat tariffs prescribed for the base period were set in view of significantly higher production costs (primarily that of electricity), the regulatory heat tariffs for the reporting period already reflect consolidated energy market prices (including those prevailing in the electricity market), through the recognition of related costs.

Sales revenues amounted to HUF 4,129 million, of which heat sales accounted for HUF 4,028 million compared to HUF 5,855 million recorded in the corresponding period of the previous year, reflecting a 31% drop regarding this revenue source.

In terms of the sales revenue structure broken down by project, the **Geothermal Project of Győr contributed HUF 2,535 million to the sales revenue** of the PannErgy Group in H1 2024, 30% less than the HUF 3,622 million recorded for the corresponding period of the previous year. Arrabona Koncessziós Ltd.'s sales to Győr-Szol CPlc. amounted to HUF 1,602 million of the above total figure, while DD Energy Ltd.'s sales to its automotive industry customer amounted to HUF 932 million (to be compared to the previous year's HUF 2,298 million and HUF 1,323 million figures, respectively). **Sales to heat-receiving partners realised within the framework of the Geothermal Project of Miskolc amounted to HUF 1,433 million in the reporting period,** of which HUF 1,418 million was sold to MIHŐ Miskolci Hőszolgáltató Ltd. These sales figures are below the HUF 2,140 million revenue from the Miskolc project and the HUF 2,092 million revenue from MIHŐ Miskolci Hőszolgáltató Ltd. reported for H1 2023. At the level of the Miskolc project, this represents a 33% drop in the sales revenue year-on-year.

The sales revenues of the Company's two smaller volume projects also diminished year-on-year. The Szentlőrinc project generated HUF 52 million in sales revenue in H1 2024, 32% less than the HUF 76 million booked in H1 2023, as a consequence of the lower regulatory heat tariffs, the reasons for which have already been discussed in this report. The heat sales revenue of the Berekfürdő project amounted to HUF 5 million.

In addition to the sales of heat, the Company earned HUF 49 million from selling electricity in the case of the Berekfürdő project, falling short of the HUF 148 million recorded for H1 2023. The substantial drop in the sales revenue was caused by a dramatic decrease in prices in the electricity market between the base period and the reporting period.

In relation to the utilisation of the Company's industrial real properties in Debrecen the Company realised revenues in HUF 23 million in the reporting period, of which HUF 14 million represented rental fee revenues. These figures are the same as those booked for the base period.

Similarly to the previous period, three customers each exceeded 10% of the total amount of PannErgy Group's consolidated revenue from sales, making up a combined 96% percent of the total sales of PannErgy Group in the reporting period, exceeding the 94% concentration exposure recorded for the base period.

The direct costs of sales dropped in H1 2024 by 19% to HUF 3,286 million from HUF 4,060 million recorded in the same period of the previous year. The substantial decrease was due primarily to the high level of electricity prices in the base period, driven by very extreme energy market movements, and the subsequent decrease and normalisation of electricity costs in the period under review.

Other direct costs were driven up primarily by various sectoral inflationary effects observed during the reporting period.

The Company's gross margin amounted to HUF 843 million during the period concerned, as a combined result of the changes in the sales revenue and the direct costs, 68% below the HUF 1,991 million value booked for the base period. The Company's gross margin rate was 20% during the reporting period (versus 33% in the base period).

The Group stated a gross cash-flow figure of HUF 1,855 million in H1 2024 – 37% down from the HUF 2,953 million stated for the corresponding period of the previous year – with unchanged 45% gross cash-flow ratio.

The Company's administrative and overhead, i.e. indirect, costs amounted to HUF 378 million in the period under review – during which inflation was already declining –, 2% over the HUF 370 million stated for the first half of 2023. Depreciation on assets not directly linked with energy industry activities, indirect personnel expenditures, general office and administration costs, expert fees, banking and insurance expenses, non-capitalisable costs related to business development and new projects, along with the costs of presence in the public sphere and on the exchange, as well as social responsibility, are stated by the Group under the heading of indirect costs, among other items. It should be noted with regard to the latter that, for considerations of social responsibility, the PannErgy Group continues to attach high importance to supporting the cities and regions where existing projects are located in the areas of sports activities and other social initiatives, thereby offering support to the end users of geothermal energy.

The balance of other revenues and expenditures during the reporting period is a profit of HUF 427 million, in contrast to the HUF 322 million loss recorded in the base period.

The change is a result, for the most part, of provisions made and provisions released, and revenue deferrals, relating to regulatory heat sale pricing of the various periods in relation to district heat generation.

The most substantial items (incurred in a total amount of HUF 86 million) of the HUF 132 million other expenses consist of local taxes, particularly, the local business tax paid to the local governments at the sites of geothermal projects. Another major item is the mining fee payable relating to geothermal heat production; under this heading the Company incurred expenditures of HUF 39 million in the reporting period.

The Company set aside provisions in the amount of HUF 329 million during the base period, but no provisions or other expenditures under this heading were recognised during the period concerned.

The amount of other income from non-refundable investment grants received without a cash movement was HUF 139 million within the HUF 559 million other income, which includes the write-back of grants received previously and recognised as deferred income adjusted for depreciation in the reporting year. Moreover, specific provisions of HUF 185 million were released and revenue increasing accruals in an amount of HUF 184 million were booked during the period concerned; these items were related to the assignment, during the period concerned, of regulatory heat sales prices relating to district heat generation during various periods.

The combined result of the above was HUF 892 million in operating profit (EBIT) in H1 2024, 31% below the HUF 1,299 figure recorded in H1 2023.

The business cash-flow (EBITDA) was an influx of HUF 1,905 million, which is HUF 360 million less than the HUF 2,265 million EBITDA recognised for H1 2023. HUF 1,013 million was recognised in the reported half-year in the way of depreciation, 5% more than the HUF 965 million recorded in H1 2023. In calculating the EBITDA, pursuant to its accounting policy, the Company takes account of the extraordinary depreciation recognised among intangible assets and tangible assets; no other expenditures were incurred on such grounds. **The reporting period's EBITDA ratio was 46%.**

The Company's profit/loss on financial transactions showed a loss of HUF 155 million during the period concerned, HUF 57 million higher than the HUF 98 million loss recorded in the first half of 2023.

The change resulted primarily from an **unfavourable change** (caused by the change in the rate of the HUF against the EUR relative to earlier periods) in the **non-realised foreign exchange result at the end of the period, recognised** in connection with a market-based revaluation of foreign currency receivables and liabilities in the consolidated financial statements. The forint appreciated by nearly 29 forints against the euro during the reference period, while it depreciated by nearly 12 forints in the period under review.

Under this heading, the Company recognised a HUF 64 million loss for the reporting period, in contrast to the HUF 140 million profit of the base half-year.

The **net interest result decreased** from the HUF 165 million expenditure recognised in the base period to **HUF 129 million** in a gradually declining interest rate environment. This improvement may be attributed to higher interest incomes, the mostly fixed-rate credit facilities and the interest rate swap transactions (IRS) conducted previously by the Company for hedging purposes.

Accordingly, the PannErgy Group's H1 2024 profit before taxation amounts to HUF 737 million, equalling 61% of the HUF 1,201 million profit posted for H1 2023.

The Company recognised HUF 39 million as tax payment obligation in the reporting period; **accordingly, HUF 698 million profit was stated to be the Company's net profit for the period, down 40% or HUF 461 million from the HUF 1,159 million profit recognised in H1 2023.**

3.2 Analysis of the statement of financial position pertaining to the reporting period

The portfolio of fixed assets increased by 4% during H1 2024, in comparison to the amount stated as at 31 December 2023. Of this, the value of intangible assets and that of tangible assets fell by 7% and 6%, respectively, year-on-year. The drop in intangible assets is a result of depreciation during the reporting period, while in the case of tangible assets the reduction in the book value caused by depreciation is offset by fixed assets under construction during the reporting year. The total value of the latter as at the end of the period was HUF 1,695 million, of which the investment value relating to the ongoing third production well project (drilling of well, integration into the system) in Miskolc is HUF 1,269 million at the end of the period.

The value of goodwill recognised by the Company did not change during the reporting period, as its amount continued to equal HUF 678 million.

As in the preceding periods, the Company shows its commercial real estates located in Debrecen, which are not used in connection with its core operations, as investment property, in an amount of HUF 83 million on 30 June 2024.

Deferred tax receivables in the amount of HUF 117 million were recognised by the Company among assets on the basis of PannErgy Group’s calculations relating to deferred tax recovery, the value of which decreased by 2%, relative to the base period.

The total value of current assets dropped by 21% in comparison to the amount recorded as at 31 December 2023 as the base period’s figure. This change is explained primarily by a substantial decline in trade receivables and in cash and liquid assets during the reporting period (the expected business cyclicality during the year), which was partly offset by a HUF 318 million and HUF 1,203 million increase in other receivables and in short-term securities, respectively, during the reporting period.

Among its inventories the Company stated maintenance supplies related and goods to the geothermal projects in the amount of HUF 35 million as at 30 June 2024, in contrast to the HUF 30 million recorded for the base period.

The 74% decrease in trade receivables compared to the figure recorded as at 31 December 2023 – as a comparative period – resulted from the higher year-end heat sales seasonality base figure. The Company’s clientèle remained unchanged during the reporting period.

The total value of securities increased from the base period’s HUF 284 million to HUF 1,487 million, as the Company reinvested its maturing fixed deposits into minimum-risk short-term securities. Such securities, held for sale, are short-term discount Treasury bills or government bonds maturing within a year. In line with the investment loan contracts, part of these securities were blocked by the creditor financial institutions as security deposits.

Within current assets, the portfolio of cash and liquid assets decreased in line with securities purchases. At the end of the period the Company’s liquid assets amounted to HUF 620 million vs HUF 1,514 million at the end of the base year.

On 30 June 2024 the Company held disposable liquid assets in the amount of HUF 423 million (cash on deposit, cash in hand and term deposits that, however, may be released at any time), which accounts for 68% of the liquid assets.

The Company’s shareholders' equity was up 3% year-on-year, primarily as a net profit increase during the reporting period.

Equity per share (counting with the number of shares minus the portfolio of treasury shares) **increased to HUF 785 million** from the HUF 749 million recorded as at 31 December 2023.

The long-term loan portfolio dropped by 2% from the amount reported at the end of the previous financial year to HUF 7,977 million as a combined result of debt servicing during the reporting period and the revaluation of loans denominated in EUR on the basis of the exchange rate in place on the cut-off date.

The portfolio of provisions in the reporting period dropped by HUF 184 million year-on-year. The primary reason for the decrease was the utilisation during the reporting period of provisions set aside during the preceding period in respect of the official heat sales pricing for district heat generation.

The over-year part of the amounts of the non-repayable grants won, and disbursed earlier within the framework of application schemes for geothermal projects, that have not yet been recognised among revenues, is shown in the other long-term deferred revenues line. An amount of HUF 3,059 million is stated in this regard in the Company's balance sheet among its long-term liabilities, showing a 4% drop year-on-year, as a result of the reversal of deferred revenues in an amount of HUF 139 million during the period under review in proportion with the depreciation of the related assets.

Within current liabilities, the balance of trade payables was HUF 320 million, which was 60% lower than in the base period. The portfolio of short-term loans increased significantly, to HUF 507 million from the HUF 9 million at the end of the preceding financial year. HUF 300 million of the above amount was made up of a short-term revolving loan received from a financial institution, while HUF 207 million was related to the IFRS 16 lease accounting of leased assets, as short-term lease payment instalments. The short-term part of long-term credits amounted to HUF 1,885 million at the end of the reporting period, representing a 39% increase compared to the figure recorded at the end of the previous financial year.

Other short-term liabilities amounted to HUF 318 million at the end of the reporting period, which is 52% less than the HUF 661 million at the end of the previous period.

4 Consolidated financial statements (profit/loss, financial position, shareholders' equity, cash-flow)

4.1 IFRS consolidated profit and loss statement

IFRS consolidated profit and loss statement (HUF million)	**H1 2024**	**H1 2023**	***Ratio %***
Revenue from sales	4,129	6,051	*68.2*
Direct cost of sales	-3,286	-4,060	*80.9*
Gross margin	**843**	**1,991**	***42.3***
Gross margin ratio %	**20%**	**33%**	
of which direct depreciation write-off	*1,012*	*962*	*105.2*
Gross cash-flow	**1,855**	**2,953**	***62.8***
Gross cash-flow rate %	**45%**	**49%**	
Indirect costs of sales	-378	-370	*102.2*
Other revenues	559	148	*377.7*
Other expenditures	-132	-470	*28.1*
Operating profit (EBIT)	**892**	**1,299**	***68.7***
Operating profit rate %	22%	21%	
EBITDA	**1,905**	**2,265**	***84.1***
EBITDA rate %	**46%**	**37%**	
Revenues from financial transactions	131	421	*31.1*
Expenditures on financial transactions	-286	-519	*55.1*
Profit/loss on financial transactions	**-155**	**-98**	***158.2***
Profit before taxes	**737**	**1,201**	***61.4***
Corporate income tax	-39	-42	*92.9*
Profit after taxes (Net profit/loss for the reporting period)	**698**	**1,159**	***60.2***
of which: Net earnings attributed to the Company's shareholders during the reporting period	***698***	***1,159***	***60.2***
of which: Share of (external) minority shareholders from the earnings of the reporting period	-	-	
Earnings per ordinary share (HUF)			
Basic	**46**	**74**	***62.2***
Diluted	46	74	*62.2*

4.2 IFRS consolidated statement of financial position

IFRS consolidated statement of the financial position (HUF million)	30/06/2024	31.12.2023	*Ratio %*	30/06/2023
Fixed assets				
Intangible assets	1,545	1,661	*93.0*	1,680
Goodwill	678	678	*100.0*	678
Tangible assets	20,619	19,528	*105.6*	18,771
Investment properties	83	89	*93.6*	95
Marketable properties	-	-	-	-
Other invested financial assets	-	-	-	-
Financial assets related to concession agreements	-	-	-	1,010
Receivables from deferred taxes	117	120	*97.5*	162
Long-term receivables	-	-	-	-
Total fixed assets	**23,042**	**22,076**	***104.4***	**22,396**
Current assets				
Inventories	35	30	*116.7*	156
Trade receivables	536	2,058	*26.0*	984
Other receivables	608	290	*209.7*	353
Prepaid income taxes	-	-	-	-
Securities	1,487	284	*523.6*	1,856
Liquid assets	620	1,514	*41.0*	941
Total current assets	**3,286**	**4,176**	***78.7***	**4,290**
TOTAL ASSETS	**26,328**	**26,252**	***100.3***	**26,686**
Shareholders' equity and liabilities				
Subscribed capital	400	400	*100.0*	400
Reserves net of profit/loss of reporting period	17,682	15,222	*116.2*	14,663
Net P&L for the reporting year (attributable to the shareholders of the Company)	698	1,716	*40.7*	1,159
Reserve for repurchased treasury shares	-6,934	-5,880	*117.9*	-4,859
Minority shareholdings	-	-	-	-
Total shareholders' equity	**11,846**	**11,458**	***103.4***	**11,363**
Long-term credits	7,977	8,163	*97.7*	8,464
Other long-term deferred revenues	3,059	3,187	*96.0*	3,332
Provisions	152	336	*45.2*	329
Total long-term liabilities	**11,188**	**11,686**	***95.7***	**12,125**
Trade payables	320	804	*39.8*	260
Short-term credits	507	9	*5,633.3*	529
Short-term part of long-term credits	1,885	1,359	*138.7*	1,273
Other long-term deferred income	264	275	*96.0*	255
Deferred tax liabilities	-	-	-	-
Other short-term liabilities	318	661	*48.1*	881
Total short-term liabilities	**3,294**	**3,108**	***106.0***	**3,198**
SHAREHOLDERS' EQUITY AND LIABILITIES	**26,328**	**26,252**	***100.3***	**26,686**

4.3 IFRS consolidated overall profit and loss statement

IFRS consolidated overall profit and loss statement (HUF million)	**H1 2024**	**H1 2023**	***Ratio %***
Net P&L for the reporting year	**698**	**1,159**	***60.2***
Other comprehensive income			
Other comprehensive income in the period with tax implications	-	-	-
Total other comprehensive income for the year	**698**	**1,159**	***60.2***
Total other comprehensive income attributable to the shareholders of the Company	**698**	**1,159**	***60.2***
Share of minority (external) shareholders in total other comprehensive income	-	-	-

4.4 Consolidated statement on equity under the IFRS

Consolidated statement on equity (HUF million)	**Subscribed capital**	**Reserves**	**Repurchased treasury share**	**Participation of external members**	**Equity**
Balance as at 31 December 2022	**400**	**15,449**	**-5,315**	**-**	**10,534**
H1 2023 result	-	1,159	-	-	1,159
Changes in the participation of external members	-	-	-	-	-
Difference arising from consolidation or transformation	-	-	-	-	-
Share option program	-	-	-	-	-
Repurchased treasury shares	-	-	-330	-	-330
Decrease in treasury shares	-	-786	786	-	-
Distribution of dividends	-	-	-	-	-
Balance as at 30 June 2023	**400**	**15,822**	**-4,859**	**-**	**11,363**
Balance as at 31 December 2023	**400**	**16,938**	**-5,880**	**-**	**11,458**
H1 2024 profit/loss	-	698	-	-	698
Changes in the participation of external members	-	-	-	-	-
Difference arising from consolidation or transformation	-	-10	-	-	-10
Share option program	-	-	-	-	-
Repurchased treasury shares	-	-	-300	-	-300
Decrease in treasury shares	-	754	-754	-	-
Distribution of dividends	-	-	-	-	-
Balance as at 30 June 2024	**400**	**18,380**	**-6,934**	**-**	**11,846**

4.5 IFRS consolidated cash flow statement

IFRS consolidated cash flow statement	H1 2024	H1 2023
Liquid assets from operations		
Profit before taxes	**737**	**1,201**
Adjustments in relation to the profit before taxes and the cash-flow of business operations		
Amortization and depreciation of tangible and intangible assets	1,013	965
Effect of deferred taxes	3	-23
Income tax expenditures	-39	-42
Exchange gain/loss on credits	59	-199
Allocation and release of provisions	-184	185
Extra depreciation write-off on tangible assets	-	1
Impact of the share option programme valuation on changes in capital	-	-
Changes in minority participations	-	-
Changes in working capital elements		
Increase/decrease in prepaid income taxes	-	-
Increase/decrease of inventories	-5	-131
Increase/decrease in receivables	1,204	2,228
Increase/decrease in liabilities	-827	-235
Net liquid assets originating from/used in operations	**1,961**	**3,950**
Investment activities		
Acquisition of tangible and intangible assets	-1,982	-644
Sales of tangible and intangible assets	-	-
Increase/decrease in long-term receivables	-	-
Other long and short-term deferred revenues	-139	-127
Liquid assets from/used in investment operations	**-2,121**	**-771**
Financial operations		
Increase in/repayment of long-term loans	281	-458
Increase/decrease in short-term loans	498	-640
Exchange rate difference from consolidation	-10	-
Purchase, revaluation, of treasury shares	-300	-330
Sale of treasury shares, exercise of options under share option programme	-	-
Amount prescribed for dividend payment	-	-
Increase/decrease in securities	-1,203	-1,439
Liquid assets from/used in financial transactions	**-734**	**-2,867**
Net increase/decrease in cash and cash equivalents	**-894**	**312**
Cash and cash equivalents as of 1 January	**1,514**	**629**
Cash and cash equivalents as of 30 June	**620**	**941**

5 Other financial statements, detailed information

5.1 Direct cost of sales

Direct cost of sales (HUF million)	H1 2024	H1 2023
Electricity charges	1,130	2,080
Maintenance, operation and facility management costs	1,065	959
Direct depreciation	1,012	962
Insurance fees (linked to heat generation)	43	26
Other direct costs	18	23
Costs of goods sold, mediated services	18	10
Total indirect costs of sales	**3,286**	**4,060**

5.2 Indirect costs of sales (indirect costs)

Indirect costs of sales (HUF million)	H1 2024	H1 2023
Indirect personnel-type costs	127	130
Expert fees, bookkeeping, audit fees	94	79
Office and operating costs	78	83
Costs related to public and stock exchange presence, and corporate social engagement	39	37
Banking costs	17	16
Insurance premiums	20	16
Other fees and duties payable to authorities	2	6
Indirect depreciation	1	3
Total indirect costs of sales (indirect costs)	**378**	**370**

5.3 Other income and expenses

Other income and expenses (HUF million)	H1 2024	H1 2023
Income from funds granted for development	139	127
Provisions released	185	-
Revenues related to heat sales of the next period	184	-
Fines, penalties, compensations received	-	19
Other items not detailed	51	2
Total other income	**559**	**148**
Provisioning during the reporting year	-	329
Local taxes	86	98
Mining fee	39	40
Fines, penalties, compensations paid	1	2
Extraordinary depreciation and scrapping of assets	-	1
Other items not detailed	6	-
Total other expenses	**132**	**470**
Profit/loss on other activities	**427**	**-322**

5.4 Financial profit

Profit/loss on financial transactions (HUF million)	H1 2024	H1 2023
Interest and interest-type income	65	38
Gains on derivative transactions	12	-
Exchange gain on interest earning securities	25	84
Exchange gain on liabilities denominated in foreign currencies	4	42
Exchange gain on credits and loans denominated in foreign currencies	-	249
Exchange gain on receivables denominated in foreign currencies	20	8
Exchange gain on foreign currency accounts	5	-
Total income from financial transactions	**131**	**421**
Interests paid	194	203
Loss on derivative transactions	2	143
Exchange loss on liabilities denominated in foreign currencies	10	69
Exchange loss on credits and loans denominated in foreign currencies	59	50
Exchange loss on receivables denominated in foreign currencies	5	40
Exchange loss related to FX accounts	15	12
Exchange loss on securities	1	2
Total expenses on financial transactions	**286**	**519**
Profit/loss on financial transactions	**-155**	**-98**
Of which: from the revaluation of items denominated in foreign currencies at the end of the period (unrealised exchange gain/loss)	**-64**	**140**

5.5 Relevant exchange rate at the at the end of the period

MNB medium exchange rate	30/06/2024	31/12/2023	30/06/2023	31/12/2022
EUR/HUF rate	395.15	382.78	371.13	400.25

The PannErgy Group recognises a loss of HUF 155 million for the reporting period as profit/loss on financial transactions. This includes a HUF 64 million foreign exchange loss from the revaluation at the end of the period compared to a profit of HUF 140 million in the base period. In accordance with IFRS requirements, monetary items of the PannErgy Group carried in currencies other than the HUF – the functional currency – are translated to HUF at the exchange rate prevailing at the end of the period, and the (financially unrealised) exchange rate differences resulting from such translations are recognised in the statement of profit or loss under financial transactions.

The result of end-of-period revaluation on 30 June 2024 was a loss resulting from the weakening of the HUF against the EUR in comparison with previous reporting periods.

5.6 Liquid assets

Liquid assets (HUF million)	30/06/2024	31/12/2023
Bank account and cash at hand	338	308
Separated, blocked cash	197	26
Fixed deposits	85	1,180
Total liquid assets	**620**	**1,514**

Cash and liquid assets whose use for any purpose other than the account holder's own core operation business activities requires the financing financial institution's consent are also included in the bank account and cash at hand category. Those stated among the separated blocked cash items are amounts on accounts managed by financial institutions, blocked as collaterals for loan repayment, and not accessible by the borrowers before full repayment.

The decrease during the period concerned was the result of the Company's reinvestment of its fixed deposits maturing during the period into short-term securities.

5.7 Non-current borrowings

Non-current borrowings	30/06/2024	31/12/2023
HUF based loan secured with collateral	7,187	7,204
EUR based loan secured with collateral	2,209	2,302
Financial lease liabilities	466	16
Short-term part reclassified to short-term credits	-1,885	-1,359
Total non-current borrowings, leases	**7,977**	**8,163**

The main reason for the decline in non-current borrowings during the period under review was loan repayments made during the reporting period. An increase in the portfolio of financial lease liabilities also had a profound impact on the trends during the reporting period of the portfolio of long-term credits and loans. HUF 466 million was related to the IFRS 16 lease accounting of leased assets, as long-term lease payment instalments. The short-term part of long-term credits amounted to HUF 1,885 million at the end of the reporting period; these are recognised among short-term liabilities.

Weighted average interest rates on credits and loans (as at the cut-off date)

The 6-month EURIBOR is the basis of the interest rates on the outstanding EUR loans of each of the relevant project companies. In view of this fact and the contractual interest margins the weighted average interest rates on the collateral-covered EUR-based loans was 2.80% in view of the loan amounts as at 30 June 2024, the same as the average interest rate recorded for the corresponding period of the preceding year, taking into account the interest rate fixing effect of the interest swap transactions as well. Without the interest rate swap transactions the weighted average interest rate on EUR-based loans would have been 6.49% in the reporting period.

The interest rates on HUF loans secured by collateral are typically fixed at 2.40% or 2.50%, but some those loans are revolving loans with 6% fixed, or 9-10% variable interest rates.

Their weighted average interest rate – based on the loans outstanding as at 30 June 2024 – was 3.37% which, again, is only slightly more than the 2.91% average interest rate calculated for the first half of the previous year.

Maturity dates of the credits and loans

In the case of long-term and short-term credits and loans, liabilities of HUF 8,876 million mature within five years and liabilities of HUF 1,493 million mature over 5 years from 30 June 2024. According to the contractual debt servicing schedule a total of HUF 2,392 million is due within one year (that is, by 30 June 2025), HUF 6,484 million will be due after one year and before the end of the 5th year and HUF 1,493 million will be due beyond 5 years.

5.8 Current borrowings, leases

Current borrowings, leases (HUF million)	30/06/2024	31/12/2023
Short-term part of long-term credits	1,885	1,359
Short-term part of long term lease liabilities	207	9
Other current borrowings, leases	300	-
Total current borrowings, leases	**2,392**	**1,368**

5.9 Deferred income from grants

Deferred income from grants (HUF million)	30/06/2024	31/12/2023
Other long-term deferred income	3,059	3,187
Short-term part of deferred long-term revenues (short-term)	264	275
Total deferred revenues related to grants	**3,323**	**3,462**

The Company states among other long-term incomes – in connection with its energy industry projects – the over-1-year part of the non-repayable grants won for its projects through application schemes, while the short-term part is stated among current liabilities. The latter is recognised in the profit & loss account among other incomes, as a result of the reversal (in proportion with depreciation) of assets associated with application schemes.

5.10 Grants

data in HUF million

Group entity	Project ID	Eligible investment cost	Aid granted	Aid drawn down	Deferred revenues from grants
Szentlőrinci Geotermia Ltd.	KEOP-4.2.0/B-09-2009-0026	883	442	427	295
Berekfürdő Energia Ltd.	KEOP 4.4.0/A/09-2009-0009	250	125	125	22
DoverDrill Mélyfúró Ltd.	GINOP-2.1.2-8-1-4-16-2017-00166	1,271	500	500	252
Miskolci Geotermia Ltd.	KEOP 4.7.0-2010-0001	632	316	286	198
Miskolci Geotermia Ltd.	KEOP 4.2.0/B-11-2011-0007	2,856	1,000	1,000	594
Miskolci Geotermia Ltd.	GOP-1.2.1/B-12-2012-0005	323	162	148	1
Kuala Ltd.	KEOP 4.7.0/11-2011-0003	619	309	309	229
Kuala Ltd.	KEOP-4.10.0/B-12-2013-0012	2,836	1,000	1,000	592
DD Energy Ltd.	KEOP-4.10/B-12-2013-0010	3,997	1,000	1,000	553
Arrabona Koncessziós Ltd.	KEOP-4.10/B-12-2013-0011	3,509	1,000	992	587
Total amount of grants in the balance sheet as of 30 June 2024					**3,323**

Each of the above projects fall into the category of project implementation. The project objective is geothermal energy utilisation in the case of the KEOP (Environment and Energy Operational Programme, EEOP) application schemes, the procurement of assets in the case of GOP (Economic Development Operational Programme, EDOP) tenders, and research & development in the case of GINOP (Economic Development and Innovation Operational Programme, EDIOP).

At the end of the period PannErgy Group has no liabilities regarding advance grant funds received, related to applications.

5.11 Changes in intra-group, consolidated / eliminated results and turnovers

Changes in intra-group, consolidated / eliminated results and turnovers in the Profit and Loss Statement (HUF million)	H1 2024	H1 2023
Revenue from sales	1,340	2,035
Direct cost of sales	1,323	2,019
Indirect cost of sales	16	16
Other revenues	130	1
Other expenditures	130	1
Revenues from/expenditures on financial transactions	-9	-

Changes in the intra-group consolidated / eliminated turnovers in the statement of financial position (HUF million)	30/06/2024	31/12/2023
Intangible assets	2	10
Tangible assets	1,659	1,741
Next period’s items among other receivables	1,790	1,468
Long-term loans granted	13,258	3,518
Other receivables, short-term loans	2,064	10,490
Next period’s items among other liabilities	1,790	1,468
Long-term liabilities	13,258	3,518
Other short-term liabilities	2,064	10,490

5.12 Segment information

In these interim consolidated financial statements on the first half of the reporting period the segments are described on the basis of the same accounting policy and presentation principle – in line with *IFRS 8 Operating segments* – as those followed in drafting the previous year 2023, and H1 2023, consolidated financial statements. It is therefore concluded that **a single operating segment, that is, Energy, is identified as the operating segment of the PannErgy Group** on the basis of the operating segment definition principle which was also observed regarding the comparable periods. The Company does not identify Asset Management (which used to be identified in earlier years) in this reporting period either as one of its operating segments based on the requirements of *IFRS 8 Operating Segments*, particularly, the management approaches to segments and the criteria for the presentation of operating segments. Owing to the identification of a single operating segment the Company needs to meet the disclosure criteria applicable to the entire entity. This means that the figures of the Energy segment in the reporting year and in the base year reconcile with the financial information pertaining to the Company as an entire entity, which was appropriately presented in these interim consolidated financial statements.

Notwithstanding the above, the Company publishes, as additional information, notices on the real estate utilisation of the commercial and industrial facilities and related offices held for sale and investment. These properties are not related to the generation and sale of geothermal heat, which is the main business activity of the PannErgy Group, because they are commercial and industrial facilities which used to be used in plastic manufacturing by the legal predecessor

Pannonplast Plc. The Company is committed to selling these properties but in the meantime it provides for their effective and efficient operation and utilisation. Such utilisation involves primarily the re-invoicing of electricity charges and other public utility costs to the co-owners of the properties constituting an undivided jointly owned real estate, in proportion to their consumption and, to a lesser degree, the invoicing of the related service fees and rental fees.

PannErgy Plc. generated sales revenue in the amount of HUF 23 million in the first half of 2024 from the utilisation of the above real estate, with a profit content of HUF 14 million. The bulk – HUF 15 million – of this profit-generating, invoiced sales revenue derives from real estate leases, while the remaining HUF 8 million derives from the re-invoicing of costs associated with the real-estate properties. Accordingly, it can be established that the revenues and profits realised from the utilisation of real estate are negligible (less than 1%) compared to PannErgy Group's figures stated for the reporting period. The Company shows these real estates, located in the town of Debrecen, among its investment properties.

6 Other supplementary information

6.1 Accounting Policy

The accounting policies applied for the purposes of the current interim consolidated financial statements are consistent with those used for the latest – i.e. 2023 – consolidated financial statements, and in the last semi-annual financial statements, that is, the H1 2023 consolidated report. The standards and modifications in place since 1 January 2024 have no material impacts on the Company's consolidated profit/loss, financial position or disclosure obligations.
The figures appearing in the reports on PannErgy Group and its operations – including this semi-annual report –are presented in HUF, rounded to millions of forints.

6.2 Functional currency

The functional currency is the currency defined in the *IAS 21 The Effects of Changes in Foreign Exchange Rates*, i.e. the currency of the primary operational environment where the entity operates, and which may be different from the currency of presentation.

The functional currency of the Company is the Hungarian forint, which is the currency of the primary operational environment. The Company does not engage in business operations in any other environment that would justify the use of a functional currency other than the Hungarian Forint. Accordingly, the effects of changes in exchange rates are not discussed in the consolidated financial statements.

6.3 Quantitative and qualitative ratios and indicators used in measuring performance (alternative performance measures)

Similarly to the previous periods, the Company uses the following main quantitative and qualitative indicators, as well as alternative performance measures in measuring its operating performance:

Consolidated quantity of heat sold (GJ), Gross cash-flow, EBITDA

Of these indicators the Company identifies the consolidated quantity of heat sold as both a quantitative and a key quantitative indicator, since the quality of geothermal heat generation and the subsequent operational processes preparing the sale of heat are effectively represented by the consolidated quantity of heat sold. No other performance quality indicator is presented by the Company.

The gross cash-flow and the EBITDA categories presented in the consolidated financial statements are defined by the Company as follows:

The gross cash-flow is the sum of the gross margin – equalling the difference between the sales revenue and direct costs of sales – and the amount of depreciation that entails no cash flows, stated among the direct costs of sale. The Company uses this alternative performance indicator because it adequately represents the cash flow generated directly in relation to the sales revenue generating activity and, as such, it is representative of the Company’s operation, a useful piece of information for the public.

EBITDA (earnings before interests, taxes, depreciation and amortisation) is the sum of the operating, indirect depreciation (among Indirect costs of sales), the sum of direct depreciation (among Direct costs of sales), and the extraordinary write-off and impairment of tangible asset and intangible assets (among Other expenditures).

The Company uses this alternative performance indicator because by eliminating the differences stemming from different taxation, financing background (interest payment) and investments it provides an adequate view of the Company’s cash generating capacity and goodwill, and it enables its operation to be comparable with other entities in the energy sector. Accordingly, the EBITDA is a highly representative metric for the public concerning the Company’s operation.

No hypotheses or assumptions were used in the calculation of the gross cash-flow or the EBITDA as alternative performance measures; no element of the measures is related to actual or expected performance in any past or future period, or contain any estimate or extrapolation pertaining to the future.

In applying the above alternative performance measures (APM) the Company fully complies with the relevant recommendation (5/2017. (V. 24.)) of the Hungarian National Bank providing for conformity to the guideline of the ESMA (European Securities Market Authority) on APMs (ESMA/2015/1415).

6.4 Deferred tax

The PannErgy Group shows a HUF 117 million receivable-type deferred tax position in its consolidated financial statements as at 30 June 2024. The deferred tax receivable of the HUF 117 million stated among fixed assets comprises the 9% corporate income tax payable under the prevailing legal regulations, for the unused negative tax bases of the subsidiaries belonging to the PannErgy Group on the one hand, and on the other hand, for other deferred taxes modifying items under the IFRS rules. The calculation of deferred tax receivables – of HUF 171 million – is based on the verified deferred tax recoveries of the subsidiaries concerned. This amount is reduced by the HUF 54 million amount of the deferred tax liabilities in the reporting year in relation to development reserves. Since these items are to be settled with the same tax authority, their amounts are netted as prescribed by the relevant IFRS.

6.5 Calculation of the effective income tax

The difference between the expected income tax figures calculated by multiplying the individual pre-tax profit figures stated in the statements of profit or loss of PannErgy Group members with the income tax rates applying to them, and the corporate income tax figures actually stated in the statements of profit or loss are calculated as follows:

Calculation of the effective income tax (HUF million)	H1 2024	H1 2023
Profit before taxes (individual companies)	**670**	**1,300**
The tax payable on each company's profit/loss at the applicable tax rate (9%) according to the relevant tax bracket	60	117
Effects of different tax rates (minimum profit tax)	19	13
Effects of changes in the tax rate		
Tax implications of non-deductible expenditures, effects of differences in depreciation and other tax-decreasing items	8	8
Tax allowances	-50	-71
Deferred tax liabilities assessed in the reporting year for any negative tax base not stated earlier	-	-2
Tax liabilities for the reporting year	**37**	**65**
Write-off of tax receivables assessed earlier for negative tax bases, deferred tax receivable accrued during the reporting year	**2**	**-23**
Income tax (as per the profit & loss account)	**39**	**42**

6.6 Approval in the reporting period of the previous financial year's report, dividend payment

The Company's annual regular general meeting on 30 April 2024 approved – in view of the Management Board's report and the Audit Committee's and the auditor's comments, *inter alia*, – PannErgy Plc.'s individual (parent company) non-consolidated 2023 balance sheet, and profit and loss statement, prepared in accordance with the EU IFRSs, in line with the relevant proposal and the auditor's report, with HUF 10,108 million total assets and the same amount as total liabilities, and a HUF 345 million profit after taxes. The General Meeting – taking into account the reports of the Management Board, the Audit Committee and the auditor – also acknowledged and adopted the Company's consolidated report relating to PannErgy Plc.'s business operations in 2023, prepared in accordance with the EU IFRS, with a total amount of HUF 26,252 million for both assets and liabilities (balance sheet total), HUF 1,716 million in the way of profit after taxes.

After the approval of the separate and the consolidated reports, the Company's annual, regular General Meeting adopted resolution No. 3/2024 (IV.30.) to the effect that the Company will not pay dividends for the 2023 business year.

6.7 Changes in the capital, management and organisation of the Company

On 30 June 2024 the Company's share capital (subscribed capital) amounted to HUF 400 million, equalling 20,000,000 ordinary shares. There was no change in the Company's share capital in the first half of the reporting period. The subscribed capital is stated in the financial reports in its total amount as issued, while the number of shares is presented net of the amount of repurchased treasury shares.

The Company's Annual Ordinary General Meeting held on 30 April 2024, closing the 2023 business year, decided on decreasing the Company's share capital through General Meeting Resolution No. 11/2024 (IV. 30.). Pursuant to the ruling adopted by the Court of Registration of the Budapest Metropolitan Court of Justice with effect from 17 July 2024, the number of PannErgy Plc. ordinary shares (ISIN identifier: HU0000089867) decreased from 20,000,000 to 18,000,000. At the same time, the subscribed capital decreased from HUF 400 million to 360 million. The Company's Management Board arranged for the delisting of the shares, as a consequence of which PannErgy's stock of treasury shares decreased by 2,000,000 shares during Q3 2024. Since the capital decrease took place after the semi-annual report's cut-off date, it does not affect the share-related information in this semi-annual report.

Before the capital decrease – based on the share register – on 30 June 2024 the Company held 4,917,620 PannErgy Plc. treasury shares, 213,488 more than the 4,704,132 shares held on 31 December 2023. The increase during the reporting period resulted from the Company's treasury share buyback programme in effect during the reporting period; the Company's treasury share portfolio did not diminish during the reporting period.

With respect to the treasury share transactions, more detailed information is available in the Company's public disclosures; moreover, the details of the treasury share buyback programs concluded or launched in the reporting period are presented in Chapter *9.2. "Changes in treasury shares (number of shares) in H1 2024 (RS2.)"* of this interim management report.

The Company's management remained unchanged in H1 2024. The data of the senior officers and the details of the PannErgy Plc. ordinary shares they hold are to be found in Chapter *10.2 Persons in managerial positions, (strategic) employees affecting the functioning of the Issuer (TSZ2).*

6.8 Share-based payments

The Company has no share option programme in place; therefore, no change took place in the Company's portfolio of treasury shares, and no cost was incurred, in relation such programs or any other share-based payments. The Company shows no liability in its financial statements on the first half of 2024 in relation to share-based payments.

6.9 Publicity, key events that occurred by the time of the publication of the H1 report

The Company posts regular and extraordinary notices on its website at (www.pannergy.com), among other things. The publications and public information released by PannErgy Plc. may make it considerably easier to understand and judge the Company's operations and economic position, therefore they are important supplements to the information disclosed herein.

Significant events marked with dates falling between 1 January 2024 and 20 September 2024, shown in the table in section *12. Data sheets associated with extraordinary notices / Extraordinary and other notices published during the reporting period (ST1.)* occurred after the cut-off date of the semi-annual report. Based on the references the complete information is accessible at the Company's official places of disclosure.

7 The PannErgy Group's strategy, environmental objectives

The core element of the strategy of the PannErgy Group, the region's dominant company utilising geothermal heat, is to play a key role in countering climate change by its environmentally friendly services of high operational reliability, and to enable major reductions in energy related expenditures by implementing environment preserving capital projects. PannErgy Plc. uses clean and renewable energy solutions to build the future, giving every generation the opportunity to create value by applying the principles of environmental protection and sustainability. The Company has set itself the goal of becoming a market leader in the Central and Eastern European region through the use of geothermal energy, which provides significant economic and ecological value for now and in the future.

7.1 The impact of the climate change and the European energy crisis on PannErgy's heat markets

One of the tangible effects of climate change in Hungary manifests itself in the form of frequent volatile and extreme changes in weather conditions, including ambient temperatures, and a rise in the average temperature of winter months from the historically cold, steadily sub-zero range to markedly above the freezing point. These changes are not expected to have an adverse impact on the output of geothermal heat generation. In fact, taking the average over a horizon of several years, the perspectives of input into district heating systems seem favourable. This is due to the fact that daily geothermal heat sales can be maximised even when outside temperatures are above freezing point during the heating season. At the same time, the potential decrease in demand for heat during the transitional seasons may be offset by the growth in the potential of the increasingly mild winter periods.

The demand for energy in the large district heating systems supplied by the PannErgy Group is far greater than the amount of geothermal energy that can be fed into those systems. Accordingly, any changes in demand for heat in those heating systems stemming from climate change are not expected by the Company to have any materially negative effects on PannErgy in terms of trend.

The primary goal of PannErgy is to utilise its substantial uncommitted thermal capacities in addition to those currently used, which is expected to further reduce sensitivity to ambient temperature changes.

Radically increased hydrocarbon prices, supply uncertainties and significant carbon dioxide emission quota costs have further increased the competitiveness of geothermal energy, making its relevance indisputable.

The most important areas for potentially utilising free thermal capacities include:

- implementation of energy efficiency and optimisation projects with existing customers;
- cold energy projects for the utilisation of the so-called 'summer' heat;
- connection of new customers indirectly through district heating systems or directly to the geothermal systems on the primary or the secondary (return) sides; and
- technical, energy and R&D projects aimed at the improvement of heat production efficiency.

In addition to combating climate change, PannErgy also makes a significant contribution to reducing Hungary's and Europe's fossil fuel dependency, which is even more exacerbated by the ongoing armed conflicts.

7.2 PannErgy Group's sustainability performance and emissions savings

The PannErgy Group believes that it is extremely important to determine the influence and impact its activities have on the environment and on society as a whole. To that end and in compliance with relevant legislation, in 2024, as well, it published its ESG report for 2023.
In its ESG report published on 30 April 2024 based on the *Global Reporting Initiative (GRI) Universal Standards 2021* as guidelines, the Company presented its sustainability and environmental strategy together with its sustainability management, environmental, social and corporate governance (ESG) performance for 2023.

As a renewable energy producer and a major contributor to carbon footprint reductions, the Company sees ESG as a significant opportunity for establishing a framework to identify non-financial aspects that may have a material impact on the performance of an investment, including the assessment and presentation of new non-financial risks.

The ESG report explained in detail that since PannErgy's core business is renewable geothermal energy production with minimal emissions, therefore **the Company's operation is characterised by emission saving, rather than emission.**

The Company has defined the total annual emissions savings and the savings rate as key indicators for its overall strategic environmental objectives. Total annual emissions savings is the amount of emissions (in tonnes) saved by the Company during the relevant business period from its direct and indirect heat-transfer partners, as a result of its core green energy production activity. The emissions savings rate is the ratio between the greenhouse gas emissions of the energy used in the production and sale of the geothermal energy produced and theoretical greenhouse gas emissions calculated for a hypothetical production using an alternative fossil fuel source typical of the region.

PannErgy's consolidated greenhouse gas emissions savings rate was 76% in 2023, meaning that, in environmental terms, it saved during its operation at least 3/4 units compared to fossil fuel emissions. Based on the greenhouse gas emissions related to energy production, the Company emitted only 24% – that is, less than one quarter – of the GHG environmental burden of the natural gas-based power generation of 90% efficiency considered for the purpose of offsetting emissions in 2023; i.e. **it offset (saved) approximately 76 thousand tons CO2 equivalent GHG emissions.**

For 2024 as a whole, PannErgy Group expects to achieve a similar ESG performance and emission savings as in the previous year.

8 Main risks faced by the Company, associated changes and uncertainties

A particularly high geological risk is a specific feature of all geothermal projects, which the Group members mitigate by the gathering and integrated processing of the widest possible range of geological and other technical/professional and scientific information.

The main risks to which the PannErgy Group is exposed are summed up below:

Exchange rate risk
Some of the Company's operations involve foreign currencies and it issues its invoices in EUR as stipulated in the relevant agreements. Part of the Company's liabilities are denominated in EUR; most of them can be attributed to EUR-based long-term investment loans taken out for the implementation of geothermal projects and energy costs; moreover, the Company also has foreign and domestic suppliers with which accounts are settled and invoices are issued in EUR. Such revenues and expenditures, as well as assets and liabilities, involving settlements in foreign currencies entail risks resulting from fluctuations in currency rates – particularly, the EUR rates – which the PannErgy Group uses its best efforts to mitigate, primarily by maximising the coverage of its EUR expenditures by EUR-based revenues.

Price risk
The Company runs no risks relating to exchange traded commodities or financial instruments. The electricity price changes listed among indirect costs are essentially automatically enforced – by legislation or trade contract – for the right period in the Company's main sales prices. It should be mentioned, however, that even though it is essentially a regulatory risk, the selling price of the bulk of the geothermal heat sold by PannErgy Group members that are engaged in generating and selling geothermal heat is a regulated price, which is reviewed and in some cases modified regularly – typically once a year but sometimes even quarterly – by the competent price-setting authority, i.e. the Hungarian Energy and Public Utility Regulation Authority (HEA). This may influence PannErgy Group's profitability through future selling prices. The Company mitigates this risk by continuously monitoring the factors having an impact on regulatory pricing.

Interest rate risk

The interest rate risk facing the PannErgy Group results primarily from its long-term investment loans. Owing to the variable lending rates on its loans the Company is exposed to a cash-flow interest rate risk which is only partly offset by variable-rate financial assets; therefore, the Company faces a fair value interest risk due to its fixed-rate loans. For most of its variable-interest loans however, the Company concludes interest rate swap (IRS) transactions to mitigate risks.

PannErgy Group's long-term and short-term FX loan portfolio was worth HUF 2,209 million (EUR 5,590 thousand) on 30 June 2024, while its portfolio of long-term and short-term forint loans amounted to HUF 7,487 million, relative to the HUF 2,302 million (EUR 6,013 thousand) value of the FX loan portfolio and the HUF 7,205 million forint loan portfolio stated at the end of 2023. The lending rates on FX loans are typically based on the 6-month EURIBOR, while those on HUF loans are typically fixed at 2.50% and 2.40%. In addition to the above borrowings from financial institutions, at the end of the period the Company recognised HUF 673 million in short-term, foreign currency denominated lease liabilities as per the IFRS 16 Leases standard; these are related to equipment lease contracts.

The PannErgy Group applies a dynamic analysis to its exchange rate risk exposure, through simulating a series of different financial models, factoring in refinancing, the renewal of existing positions and the involvement of alternative funding sources. The Company calculates the effect of interest rate fluctuations on P/L based on these scenarios. The Company uses the same fluctuations in the interest rates applying to each of the relevant currencies in its various models. Models are only developed for the liabilities involving the main interest bearing positions.

To mitigate the interest rate risk entailed by its investment loans, the Company has replaced the interest bases applying to its 6M EURIBOR-based variable-rate loans by fixed interest rates for the entire remaining term of each loan via interest rate swap (IRS) transactions, taking advantage of the previously favourable interest rate environment. The interest rates fixed under the above transactions will remain unchanged even if market rates increase in the future; therefore, no such risk will be borne by the Company. The results of the interest rate swap transactions during the reporting period are shown in the financial incomes or the financial expenditures, as the case may be.

Lending risk

The lending risk is a financial risk of loss from potential non-performance of any contractual obligation by any of the Company's buyers, primarily in the form of failure to settle invoices. It should be noted in particular that the Company sells its products and services to a handful of customers, resulting in a limited degree of diversification.

Lending risk management is a group function. It is a responsibility for the members of the PannErgy Group to analyse and manage lending risks relating to their new customers before working out and offering terms and conditions of payment and delivery as befits their normal of business operations.

The lending risks faced by the PannErgy Group stem from liquid assets and cash equivalents, the bank deposits and security deposits placed with financial institutions as well as the exposure to buyers through the sale of energy, including receivables and transactions under which the Company assumes commitments. The Company manages its lending risks by detailed continuous buyer rating and effective receivable monitoring. Customers are rated on the basis of their creditworthiness and their credit limits are determined on the basis of their financial positions, financial data, historical performance and other factors, by the PannErgy Group's Finance and Treasury group. The Company monitors draw-downs from the credit limits. Its customers always pay for their purchases by way of bank transfer. No credit limit was exceeded during the reporting period, and management does not expect losses from default on the part of the partners concerned. Buyers' debts (trade receivables) are assessed and actions are taken, as necessary, regarding each buyer partner individually, at the end of the year.

Liquidity risk

Liquidity risk is the risk of the company's incapacity to settle its financial liabilities upon their respective due dates. The purpose of liquidity management is to ensure that sufficient funds are available to settle liabilities when they fall due. The Company's approach to liquidity management is aimed at providing sufficient liquidity, to the extent possible, for the settlement of liabilities on their respective due dates under both regular and tight conditions without incurring unacceptable losses or putting its reputation at risk. Adequate liquidity is maintained by adjusting the terms of the funding sources to the life cycles of its projects. Cash-flow forecasts are worked out by the PannErgy Group's Finance and Treasury group, besides the monitoring of rolling forecasts regarding the satisfaction of the Group's liquidity requirements, in order to maintain a portfolio of liquid assets as required for the Group's operations, while keeping up sufficient manoeuvring room concerning the available credit limits to ensure that the Company does not exceed any of its limits and can deliver the debt required servicing ratios to the financial institutions concerned. The cash-flow forecasts that are based on the financial settlement of trade payables, loan repayments as well as contractual and other revenues are developed in view of the PannErgy Group's financial plans, the need to maintain the ratios stipulated in contracts as well as all relevant regulatory and statutory regulations.

Regulatory risk

In discussing the general regulatory risks it needs to be noted in particular that the selling price of the bulk of the heat sold by certain project companies engaged in heat generation and sale is subject to regulatory pricing, which is regularly reviewed and even adjusted by the pricing authority, thereby limiting, but at the same time ensuring, the Company's profitability, resulting in considerable uncertainty concerning future sales prices, which the Company is managing by efficient and effective operative and strategic controlling over its operational activities.

Technology risk

Geothermal energy production entails unforeseeable risks, stemming from the unpredictable availability of the geothermal energy resources as well as the tolerance of the equipment used, to the unconventional operational environment. To mitigate this risk the Company prepares every one of its geothermal projects in a prudent way, the collection and detailed assessment and evaluation of all accessible data and information that may affect its implementation.

Epidemic risk and war risk

Expected human and economic impacts caused by potential pandemics in the future, the like of which was experienced in recent years, may result in consequences affecting a variety of different segments and participants of society and economy. In a situation similar to what we experienced in 2020–2021 the impacts cannot be precisely or fully estimated, therefore such situations continue to entail risks. Given its very nature, the operation of the Company is not expected to be severely restricted by likely future negative consequences of any future epidemic.

The indirect economic impacts of the war that broke out between Russia and Ukraine in 2022 (primarily through extreme fluctuations in the energy markets) did affect the Company during both the base period and the period under review, but only to a limited extent.

In response to the war, the European Union and other international parties adopted wide-ranging, comprehensive economic and other legal sanctions in various areas against Russia in the recent years and such sanctions are expected to be introduced in the future as well. Both the war and the sanctions – those already in place and those adopted in future – have perceivable direct and indirect economic implications that may have an impact on the operating environment of PannErgy. At the time of the preparation of these consolidated financial statements, the impact of future consequences and effects cannot be estimated. Based on the information available, the potential future adverse effects of the war are expected to have a limited impact on the operation of the Company because the Company has no exposure to Russian or Ukrainian buyers, suppliers or creditors, and the Russia–Ukraine war exerts no direct, significant impact on the Company's revenues in the reporting period, on the measurement of its assets or on its investments. Moreover, the availability of the geothermal energy sources used by the Company is independent of the parties involved in the war.

In addition, it should be noted that the geothermal heat production activity of the Company contributes directly to reducing the exposure of Hungary's energy dependence to external market participants and circumstances.

Neither the ongoing military events of the Russia–Ukraine war, nor the pandemic events started in previous years – which have turned into normal epidemic condition in the reporting period – had a material impact on the figures presented in the Company's consolidated financial statements for H1 2024. In the reporting period the Company continued to provide services to its heat-receiving partners at a high level of operational safety; moreover, it was able to maintain the level of EBITDA, one of its most important operational metrics.

Risk of the adverse effects of climate change

The activity of the Company is not influenced significantly by adverse climate change impacts; they do not have a material impact on its profitability. In addition, the activity of the Company is climate-neutral in the sense that the utility and value of the assets required for its core activity – geothermal heat generation – are not affected by the potential negative effects of the climate change. The Company does not need to resort to extra projects to eliminate the adverse effects of climate change, nor does it incur any extra costs (e.g. maintenance) in this regard.

Moreover, it should be noted that the core element of the strategy of PannErgy Group – as the region's dominant company utilising geothermal heat – is to play a key role in countering climate change by its environmentally friendly services of high operational reliability, and to enable major reductions in energy related expenditures by implementing environment preserving capital projects.

In relation to its activities relating to climate change and environmental protection the Company discloses, in accordance with the ESMA recommendation, the following in relation to its consolidated financial statements:

- acts as a renewable energy producer and is engaged in carbon-saving activities;
- prepares a separate ESG/Sustainability Report in accordance with the requirements of the GRI Global Reporting Initiative, GRI Universal Standards 2021, in line with the regulations for listed companies;
- the ESG/Sustainability Report for 2024 will be published at the same time as the 2024 consolidated financial statements, in March 2025;
- the ESG/Sustainability Report will include detailed information on carbon savings and emissions, with all assumptions evaluated and published;
- these consolidated financial statements do not contain information on specific provisions set aside for environmental protection or climate change, or information on contingent receivables, liabilities, environmental assets, their impairment loss, the scheduling of environmental projects/investments or their financial impacts;
- The Company is not involved in any green financing programme and has no long-term green power purchase agreements;
- Based on the Company's renewable energy generation and carbon emission saving activity the report contains no information on carbon credits or renewable energy certificates – in the case of the Company there is no need for this kind of pollutant emission compensations.

9 Data sheets associated with financial reports, other detailed information

Name of the company:	PannErgy Nyilvánosan Működő Részvénytársaság
Address of the company:	H-1112 Budapest, Boldizsár street 2.
Sector:	Energy
Period:	H1 2024 (1 January 2024 – 30 June 2024)
Phone:	+36 1 323 23 83
E-mail address:	info@pannergy.com
Investor relations contact:	Dénes Gyimóthy

9.1 General information on financial data (PK1.)

	Yes	No
Audited		X
Consolidated	X	

Accounting principles	Hungarian		**IFRS**	**X**	Other	

9.2 Companies included in the scope of consolidation (PK2.)

Name	Equity/ Share capital (HUF million)	Shareholding (%)[2]	Voting right [1] (%)	Consolidation ratio[2]	Type of consolidation
PannErgy Geothermal Power Plants Ltd.	2,072.70	100.00	100.00	100.00	Full
DoverDrill Mélyfúró Ltd.	86.00	100.00	100.00	100.00	Full
Arrabona Koncessziós Ltd.	6.10	100.00	100.00	100.00	Full
Miskolci Geotermia Ltd.	5.00	100.00	100.00	100.00	Full
Szentlőrinci Geotermia Ltd.	5.00	100.00	100.00	100.00	Full
DD Energy Ltd.	3.10	100.00	100.00	100.00	Full
Kuala Ltd.	3.00	100.00	100.00	100.00	Full
Berekfürdő Energia Ltd.	3.00	100.00	100.00	100.00	Full
Geo2Business Ltd.	3.00	100.00	100.00	100.00	Full

[1] Voting right enabling participation in decision making at the general meeting of a company included in the scope of consolidation;
[2] The percentage rates relating to the share of ownership are to be construed indirectly. The ratios presented above show the respective shares of ownership and voting rights of PannErgy Plc. and in its fully owned PannErgy Geotermikus Erőművek CPlc. in the various subsidiaries. The consolidation ratios are the same as the respective shares of ownership as at 30/06/2024.

There were no transactions (transformations, acquisitions or sales) affecting the consolidated subsidiaries of the Company.

9.3 Main off-balance sheet items, liabilities (PK6)

Contractual and investment obligations

The PannErgy Group has no material contractual investment commitment as at the end of the reporting period.

Enhancement of the Miskolc Geothermal Project

On 18 November 2022 the Ministry of Technology and Industry – as Grant Provider – awarded a grant of up to HUF 994 million for the application submitted by Kuala Ltd., a member of the PannErgy Group. The grant is related to the boring of the third geothermal production well of the Miskolc Geothermal Project. Kuala Ltd. submitted its application No. GEOTERM-2022.2-2022-00002 in response to the contract notice entitled 'Grants for the activities of geothermal-based heat production projects' announced under the Climate and Nature Protection Action Plan.

The Ministry for Energy issued the Grant Instrument, dated 24 August 2023, for the above-mentioned grant to KUALA Ltd., the Company's subsidiary implementing the project concerned.

The project is expected to increase the usable capacity of the system by up to 15%–20% and the growing number of production wells will improve its operational continuity significantly, whereby the spare capacity untypical of geothermal power plants will become available. After the geothermal system of Győr, this may become PannErgy's second system with spare capacity, providing the means to restart heat production in the event of a failure by way of a few hours' of reswitching instead of a well-pump replacement that may take at least 7 to 12 days.

The project is planned to be completed before the commencement of the 2024/2025 district heating season.

A total of HUF 1,269 million in investment costs were incurred by the end of the reporting period in relation to the well drilling project. At the end of the period this is stated among tangible assets as “fixed assets under construction”. No call for grant has yet been made for this project, in accordance with the nature of the grant instrument and the ex-post financing type financial schedule contained in it. The remaining contractual total cost of the project is more than HUF 1 billion.

Commitments relating to asset management transactions

In concluding asset management transactions (sale and purchase of shares and other assets) the Company provides reasonable guarantees to secure the economic contents of the transactions. To the best of its knowledge the Company’s management expects no obligation to perform significant tasks under the guarantees provided.

Other contingent liabilities

PannErgy Plc. and its subsidiaries have the following contingent commitments towards external parties on the cut-off date:

Restrictions of titles in assets relating to funding by financial institutions

Collateral of various types was provided at the end of the reporting period to the creditor financial institutions under external financing agreements concluded by members of the PannErgy Group in amounts of HUF 7,487 million and EUR 5,590 thousand. The collaterals concerned include pledges on receivables, movables, other assets, and bank accounts, as well as collaterals and provided guarantees for funding financial institutions.

Contingent commitments relating to application schemes

The members of the PannErgy Group participating in application schemes, are relieved from the obligation to provide such guarantees in relation to applications regarding all of its applications now in the project maintenance phase, in accordance with the applicable legal regulations.

Other contingent commitments (joint and several guarantee)

PannErgy Geotermikus Erőművek CPlc. has a joint and several guarantee in place in connection with the Miskolc Geothermal Project towards one of the heat receiving customers for commitments stemming from potential future loss events, in the amount up to HUF 100 million in the case of Miskolci Geotermia CPlc. and without a value limit for Kuala Ltd. No future cash outflow is expected in relation to this contingent commitment, therefore no specific provision needs to be formed.

10 Data sheets relating to the share structure and the owners

10.1 Ownership structure, shareholdings and voting rights as at 30 June 2024 (RS1)

Shareholders	Total share capital = Introduced series					
	30/06/2024			31/12/2023		
	%[2]	%[3]	number of shares	%[2]	%[3]	number of shares
Domestic institutions	30.69	40.69	6,137,424	30.69	40.11	6,138,577
Foreign institutions	8.43	11.18	1,685,908	8.10	10.58	1,619,185
Domestic private individuals	26.05	34.56	5,211,666	27.40	35.80	5,480,107
Foreign private individuals	0.29	0.39	58,877	0.39	0.52	78,945
Employees, senior officers	1.55	2.05	309,505	1.55	2.02	309,505
Own holding[4]	24.59		4,917,620	23.47	0.00	4,694,132
Owners that are part of the general government system [1]	8.38	11.11	1,675,745	8.38	10.95	1,675,745
International Development Institutions	-	-	-	-	-	-
Other [5]	0.02	0.02	3,255	0.02	0.02	3,804
Total	**100.00**	**100.00**	**20,000,000**	100.00	100.00	20,000,000

[1] Public administration body
[2] Shareholding
[3] Voting right enabling participation in decision making at the general meeting of the Issuer
[4] Own holding: Owned by the Company or by its fully owned subsidiary
[5] Not matched shareholders

10.2 Changes in the number of treasury shares held by PannErgy Plc. in H1 2024 (RS2)

	30/06/2024 (No. of shares)	31/12/2023 (No. of shares)	30/06/2023 (No. of shares)	31/12/2022 (No. of shares)
At company level	3,982,417	3,758,929	3,376,525	3,106,497
Subsidiaries [1]	935,203	935,203	935,203	935,203
Grand total	**4,917,620**[2]	**4,694,132**[3]	**4,311,728**	**4,041,700**

[1] Treasury shares held by PannErgy Geothermal Power Plants Ltd., the Company's 100% subsidiary

[2] The extraordinary disclosure on the number of voting rights published by the Company on 30 June 2024 indicates a portfolio of 4,917,620 treasury shares, the same number as published in this semi-annual report.

[2] The difference of 10,000 shares between the Company’s portfolio of 4,694,132 treasury shares as of 31 December 2023 (as disclosed in the share register above) and the portfolio of 4,704,132 treasury shares published in the annual report for FY 2023 stems from the purchase and sale of treasury shares on the stock exchange that took place at the end of the period, as a transaction that was concluded but not yet accounted.

The treasury share buyback program concluded during the reporting period

PannErgy Plc.'s regular annual General Meeting closing the business year 2022 – held on 28 April 2023 – authorised the Management Board by its Resolution No. 8/2023 (IV. 28.) to purchase treasury shares up to an amount of HUF 900 million (that is, nine hundred million forints) at a price of minimum HUF 1 and maximum HUF 1,670 per share, provided that the ratio of the treasury share portfolio to the total number of shares issued does not exceed 25% at any time during the term of the authorisation. The authorisation covers the period starting from 2 May 2023 and ending on 13 April 2024 and is strictly limited to share purchases on the stock exchange. In the context of this treasury share buyback programme PannErgy Plc. aims to purchase up to 2,000 PannErgy Plc. ordinary shares per trading day and subsequently, up to 3,800 shares per trading day on the Budapest Stock Exchange until the withdrawal or the last day of the term of the General Meeting's authorisation. The purchase price equals to the current market price corresponding to the prevailing bid and ask prices, and must not exceed HUF 1,670 per share according to the resolution of the General Meeting.

Under this current treasury share buyback programme, a total of 213,488 treasury shares were purchased at an average price of HUF 1,406 apiece in H1 2024, between 1 January 2024 and 30 April 2024.

The treasury share buyback programme commenced during the reporting period

PannErgy Plc.'s regular annual General Meeting closing the business year 2023 – held on 30 April 2024 – authorised the Management Board by its Resolution No. 9/2024 (IV.30.) to purchase treasury shares up to an amount of HUF 1,500 million (that is, one thousand five hundred million forints) at a price of minimum HUF 1 and maximum HUF 1,997 per share, provided that the ratio of the treasury share portfolio to the total number of shares issued does not exceed 25% at any time during the term of the authorisation. The authorisation covers the period starting from 2 May 2024 and ending on 17 April 2025 and is strictly limited to share purchases on the stock exchange. The purchase price equals to the current market price corresponding to the prevailing bid and ask prices, and must not exceed HUF 1,997 per share according to the resolution of the General Meeting.

No treasury shares were purchased under this current treasury share buyback programme in H1 2024 – between 2 May 2024 and 30 June 2024, in line with the 25% treasury share limit for the entire share portfolio.

Under the above two treasury share buyback programs, a total of 213,488 treasury shares were repurchased in H1 2024.

10.3 The owners of shareholdings over 5%, as at 30 June 2024 (RS3)

Name	Nationality [1]	Operation [2]	Number of shares	Shareholding (%) [3]	Voting rights (%) [3,4]	Note [5]
Benji Invest Ltd./ FCI Kompozit Ltd.	B	T	3,186,010	15.93	21.12	P
Soltút Ltd./Kálmán Rencsár	B	T	1,814,241	9.07	12.03	P
MVM Energetika CPlc.	B	Á	1,675,745	8.38	11.11	P

[1] Domestic (B), Foreign (K)
[2] Custodian (L), General government system (Á), International Development Institute (F), Institutional (I), Business Association (T), Private (M), Employee, senior officer (D)
[3] To be rounded to two decimals
[4] Voting right enabling participation in decision making at the General Meeting of the Issuer
[5] Pl.: strategic investor, financial investor etc.

11 Data sheets relating to the Issuer's organisation and operation

11.1 Changes in the number of employees during the reporting period (TSZ1.)

The PannErgy Group's headcount at the end of the reporting period and the base period:

	30/06/2024 (number of persons)	31/12/2023 (number of persons)	30/06/2023 (number of persons)
PannErgy Plc.	1	1	1
Affiliated undertakings	18	21	21
Total:	**19**	**22**	**22**

The above figures show the average statistical headcount of PannErgy Group employees. On 30 June 2024, the Group's permanent employee headcount was 13 persons, versus 18 persons recorded on 30 June 2023. The difference between the average statistical headcount and the actual number of employees at the end of the period is attributable to part-time employment across group members.

Compared to the headcount at the end of the previous year and that of the first half of the previous year, there was a significant reduction in the number of employees, with the average statistical headcount falling by 3 and the actual number of employees decreasing by 5 by the end of the period.

11.2 Persons in managerial positions, (strategic) employees affecting the functioning of the Issuer (TSZ2.)

Nature [1]	Name	Position	Mandated from	Mandated until/termination of mandate	Number of shares held
IT	Dénes Gyimóthy	Member, Vice-Chairman Acting Chief Executive Officer	31/08/2007	12/12/2022	-
		Member, Chairman	13/12/2022	indefinite term	-
IT	Katalin Gyimóthy	Member	28/04/2016	indefinite term	-
IT	Attila Juhász	Member	31/08/2007	indefinite term	-
IT	Kálmán Rencsár	Member	30/04/2020	indefinite term	307,000 [2]
IT	Gábor Briglovics	Member	16/04/2021	indefinite term	-
	István Jaksa	Chief Executive Officer	13/12/2022	indefinite term	2,505
TOTAL number of shares held:					**309,505**

[1] Member of Management Board (IT), Employee in strategic position (SP)
[2] Direct share ownership

12 Data sheets related to extraordinary communication

12.1 Extraordinary and Other notices released during the reporting period (ST1.)

Date	Type of news	Subject, brief content
1 September 2024	Extraordinary information	Voting rights, share capital
31 July 2024	Extraordinary information	Voting rights, share capital
30 July 2024	Extraordinary information	Change in the extent of voting rights regarding treasury shares
18 July 2024	Extraordinary information	Change in voting rights
17 July 2024	Extraordinary information	Articles of Association
17 July 2024	Extraordinary information	Registration of a share capital decrease
15 July 2024	Extraordinary information	Quarterly production report
30 June 2024	Extraordinary information	Voting rights, share capital
13 June 2024	Miscellaneous information	BSE press release – 30th Anniversary on the Stock Exchange – Bell-ringing in honour of PannErgy
31 May 2024	Extraordinary information	Voting rights, share capital
29 May 2024	Extraordinary information	Articles of Association
1 May 2024	Extraordinary information	Voting rights, share capital
30 April 2024	Extraordinary information	Remuneration policy
30 April 2024	Extraordinary information	ESG Report
30 April 2024	Extraordinary information	FT Report
30 April 2024	Extraordinary information	Remuneration report
30 April 2024	Extraordinary information	Annual Report 2
30 April 2024	Extraordinary information	Annual Report 1
30 April 2024	Extraordinary information	General Meeting Resolutions
18 April 2024	Extraordinary information	Information on General Meeting
15 April 2024	Extraordinary information	Quarterly production report
5 April 2024	Extraordinary information	Suspension of the purchase of treasury shares
5 April 2024	Extraordinary information	Treasury share transactions
1 April 2024	Extraordinary information	Voting rights, share capital
27 March 2024	Extraordinary information	Proposals to the General Meeting 2
27 March 2024	Extraordinary information	Proposals to the General Meeting 1
27 March 2024	Extraordinary information	Voting rights, share capital
27 March 2024	Extraordinary information	Continuation of treasury share transactions
12 March 2024	Extraordinary information	Invitation to the General Meeting
3 March 2024	Extraordinary information	Treasury share transactions
29 February 2024	Extraordinary information	Number of voting rights at PannErgy Plc.
23 February 2024	Extraordinary information	Treasury share transactions
18 February 2024	Extraordinary information	Treasury share transactions
11 February 2024	Extraordinary information	Treasury share transactions
4 February 2024	Extraordinary information	Treasury share transactions
1 February 2024	Extraordinary information	Voting rights, share capital
28 January 2024	Extraordinary information	Treasury share transactions
21 January 2024	Extraordinary information	Treasury share transactions
15 January 2024	Extraordinary information	Quarterly production report

14 January 2024	Extraordinary information	Treasury share transactions
6 January 2024	Extraordinary information	Treasury share transactions

13 Date of authorisation of disclosure

The Company's Management Board authorised the disclosure of the Company's semi-annual report on 17 September 2024.

Budapest, 20 September 2024

Dénes Gyimóthy
On behalf of the Management Board

14 Declaration on the legal conformity of the semi-annual report

DECLARATION

I, Dénes Gyimóthy, acting CEO, representative of the Management Board, hereby issue the following declaration in relation to the H1 2024 IFRS consolidated report of the PannErgy Group, pursuant to the statutory requirement laid down in Sections 3.3.2 and 3.4 of Appendix 2 on Semi-annual reports to Decree No. 24/2008 (VII. 15.) PM of the Minister of Finance:

The H1 2024 consolidated financial statements (consolidated semi-annual statement) of PannErgy Plc., prepared on the basis of the applicable accounting regulations to the best of our knowledge, in accordance with the IFRS rules, provides a true and reliable picture;

- of the assets, liabilities, financial position, profit and loss of PannErgy Plc. as a public securities issuer, and the consolidated entities,
- of the position, development and performance of PannErgy Plc. as a public securities issuer, and the consolidated entities,
- describing the major events and transactions that took place during the reporting period and their impacts on PannErgy Plc. and the consolidated entities,
- also indicating the main risks and uncertainties of relevance to the remaining six months of the current financial year.

PannErgy Plc., as issuer, is regulated by Article 4 of Regulation 1606/2002/EC of 19 July 2002 on the application of the International Accounting Standards, as a public shareholding company whose securities are authorised to be traded on the regulated market of a member state, therefore, it has compiled its consolidated semi-annual report in accordance with the international accounting standards published in the Official Journal of the European Union in the form of a regulation.

The consolidated report on H1 2024 has not been audited by an independent auditor.

Budapest, 20 September 2024

Dénes Gyimóthy
On behalf of the Management Board

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