PannErgy Plc.

SEMI-ANNUAL REPORT

Report for the H1 period of 2026

18 September 2026

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

SEMI-ANNUAL REPORT OF THE PANNERGY GROUP FOR H1 2026

Introduction and Table of Contents

Report on PannErgy Group's H1 2026 profit/loss and management

PannErgy Plc. (registered office: H-1112 Budapest, Boldizsár utca 2, company registration number: 01-10-041618, tax number: 10558377-2-43, website: www.pannergy.com) released its report on the first half of 2026 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 (*IFRS*s) for the period ending on 30 June 2026.

Table of contents

1 Executive summary ... 3
2 Projects and areas of operation ... 6
3 Analysis of the results of, and the financial situation in the reporting period ... 10
4 Consolidated profit and loss statement, balance sheet, equity, cash-flow statement ... 17
5 Other financial statements, detailed information ... 21
6 Other supplementary information ... 27
7 The renewable energy producing PannErgy Group's strategy, environmental objectives ... 38
8 Main risks faced by the Company, associated changes and uncertainties ... 40
9 Data sheets associated with financial reports, other detailed information ... 44
10 Data sheets relating to the share structure and the owners ... 46
11 Data sheets relating to the Issuer's organisation and operation ... 48
12 Data sheets related to extraordinary information ... 49
13 Date of authorisation for issue ... 49
14 Declaration on the legal conformity of the semi-annual report ... 50

1 Executive summary

1.1 Business line outlook, the prospect of geothermal energy gaining in value

The energy market crisis that developed in Hungary in the summer of 2026 – after the balance sheet date of the semi-annual report – (a prolonged heatwave, the water level of the Danube falling to a historic low and the consequent temporary shutdown of the units of the Paks Nuclear Power Plant, in response to which the transmission system operator put an extraordinary emergency protocol into effect), as well as the possible shifts in the focus of energy policy following the parliamentary elections, may bring to the fore the potential inherent in renewable energy and thus in domestic geothermal energy. According to the public announcements of the Minister for the Economy and Energy, the amendment to the legislation adopted by the Parliament at the end of July 2026 removes the permitting barriers that have stood in the way of geothermal projects for years, and HUF 869 billion of EU funding will become available for, among other things, the implementation of new geothermal projects; in the Minister's words, "the heat beneath our feet can heat Hungarian homes and Hungarian plants".

The domestic importance of geothermal energy, and the justification for urgent action, is also highlighted by the fact that **the price of European natural gas rose to a nearly 4-year high in mid-September** (above €80/MWh on the TTF), this time owing to the current developments in US–Iranian tensions. Moreover, the systematic demand pushing up the price of natural gas is not abating either, as the **filling of the gas storage facilities of European countries is still in full swing** - a third of the capacity is still empty, awaiting injection.

PannErgy, as Hungary's leading geothermal heat producing company, considers that this environment may once again create an opportunity for the expansion of the country's geothermal energy production, above all for the adoption of the necessary domestic energy strategy decisions and for the taking of the related necessary steps by the public administration, and thus at the same time for the wider utilisation of the theoretical and practical professional knowledge accumulated by PannErgy over decades in the successful implementation and operation of geothermal projects.

The events of this year have once again demonstrated that the development of the various, hitherto only moderately utilised branches of renewable energy production (including, as one form thereof, the expansion of domestic geothermal heat production) will be necessary in the future for the growth of Hungary's economy and for reducing the country's energy exposure to weather and geopolitical factors.

This requires an incentivising harmonisation of the regulatory environment with well-defined national energy strategy objectives.

1.2 Consolidated heat sales in excess of the base in the first half of 2026

Based on the weather and capacity conditions of the reporting period, the PannErgy Group's consolidated heat sales achieved in its operations in the first half of 2026 amounted to 1,001 TJ, which is about 2% higher than the 982 TJ consolidated heat sales of the first half of the previous year and is in line with the values set out in the plans.

1.3 *Confirmation of the EBITDA plan for 2026*

The Company's management has set a consolidated *IFRS* EBITDA target range of HUF 4,300 – 4,450 million for the 2026 business year (published on 15 January 2026), the median value of which represents organic growth compared to the expected results of the 2025 business year.

On the basis of the EBITDA of HUF 1,661 million achieved in H1 2026 and other information contained in the semi-annual report, the Company confirms its previously published expectations for the Group's 2026 results, and thus maintains its expectation of achieving the consolidated annual EBITDA target range of HUF 4,300 – 4,450 million.

1.4 *Key management data for H1 2026*

The Company generated consolidated sales revenue of HUF 4,375 million in the half-year under review, which is 6% higher than in the base period. Alongside the increasing level of sales revenue, the Company's gross cash flow increased by 2% to HUF 2,080 million.

The Company's operating profit exceeds the result of the base period by 7%, while its consolidated EBITDA performance of HUF 1,661 million is nearly the same as that of the base period.

The significant strengthening of the forint against the euro in the reporting period (8% in terms of the average exchange rate of the reporting period and the base period) had a negative impact on the Company's operating profit and EBITDA, primarily through a decline in sales revenue, which caused a decrease of HUF 87 million in operating profit and, at the same time, in EBITDA compared to the base period. On the profit/loss on financial transactions line, however, the strengthening of the forint appeared as a positive effect. Mainly owing to this, financial transactions produced a financial profit of HUF 145 million in the half-year under review, as against the loss of HUF -134 million in the base half-year.

Overall, the Company achieved a consolidated net profit of HUF 619 million in H1 2026, which is 75% higher than the net profit of HUF 353 million in the first half of the previous year.

Main profit/loss data (HUF million)	**H1 2026**	**H1 2025**
Revenue from sales	**4,375**	**4,129**
Direct costs of sales	-3,439	-3,272
Gross margin	**936**	**857**
Gross cash flow	**2,080**	**2,038**
Gross cash flow rate	**48%**	**49%**
Administration and general costs (indirect cost of sales)	-442	-407
Other income and expenses	23	37
Operating profit (EBIT)	**517**	**487**
EBITDA	**1,661**	**1,672**
EBITDA margin	**38%**	**40%**
Profit/loss of financial transactions	145	-134
Of which: Effect of period-end FX revaluation	*257*	*79*
Profit before taxes	**662**	**353**
Consolidated net profit for the reporting period	**619**	**353**

Key profitability indicators	H1 2026	H1 2025
Return on Equity (ROE)	*6%*	*3%*
Return on Sales (ROS)	*14%*	*9%*
Earnings per ordinary share (HUF)	**46**	**25**

1.5 Treasury share transactions, repurchase programmes

On 30 June 2026, the Company held 2,593,365 PannErgy Plc. treasury shares, which is the same as the quantity held on 31 December 2025, as **no purchase of treasury shares took place in the reporting period**, in line with General Meeting Resolution No. 9./2025. (IV.25.), which set out the terms of the treasury share buyback programme for the period commencing on 28 April 2025 and running until 10 April 2026.

The stock exchange closing price of PannErgy ordinary shares was HUF 2,330 per share at the end of the reporting period. Compared to the stock exchange closing price of HUF 1,910 on 31 December 2025, this represents **a 22% increase in the share price**.

1.6 The Company's market capitalisation

The Company's market capitalisation at the end of the first half of 2026, following the development of the share price on the Budapest Stock Exchange, **represented a value of HUF 37,280 million, which corresponds to EUR 105 million.**

1.7 Dividend payment

At the Company's Annual Ordinary General Meeting held on 30 April 2026 closing the business year 2025, after the approval of the individual and consolidated reports the Company adopted a resolution to the effect that **it would pay dividends of HUF 1,850 million for the 2025 business year**, from the reporting year's profit after taxes and the positive retained earnings balance formed during previous years' profitable operations. Based on the General Meeting's decision, HUF 850 million of the established dividend amount will be paid to the shareholders on 15 October 2026 as a dividend instalment, on the basis of the shareholder identification of 30 September 2026. The payment of the remaining part of the dividend - less the amount of the dividend instalment paid - will commence on 8 March 2027.

1.8 PannErgy for the energy of the future – CO_2 savings

PannErgy uses clean and renewable energy solutions to build our future, giving every generation the opportunity to create value. PannErgy has therefore 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.

PannErgy considers it particularly important that its shareholders should appreciate as fully as possible the Company's action against climate change and thus its efforts for environmental protection and sustainability. In line with this objective, it presents the volume and value of the

CO_2 equivalent GHG (greenhouse gas) emission savings that it estimates it achieves for each individual share.

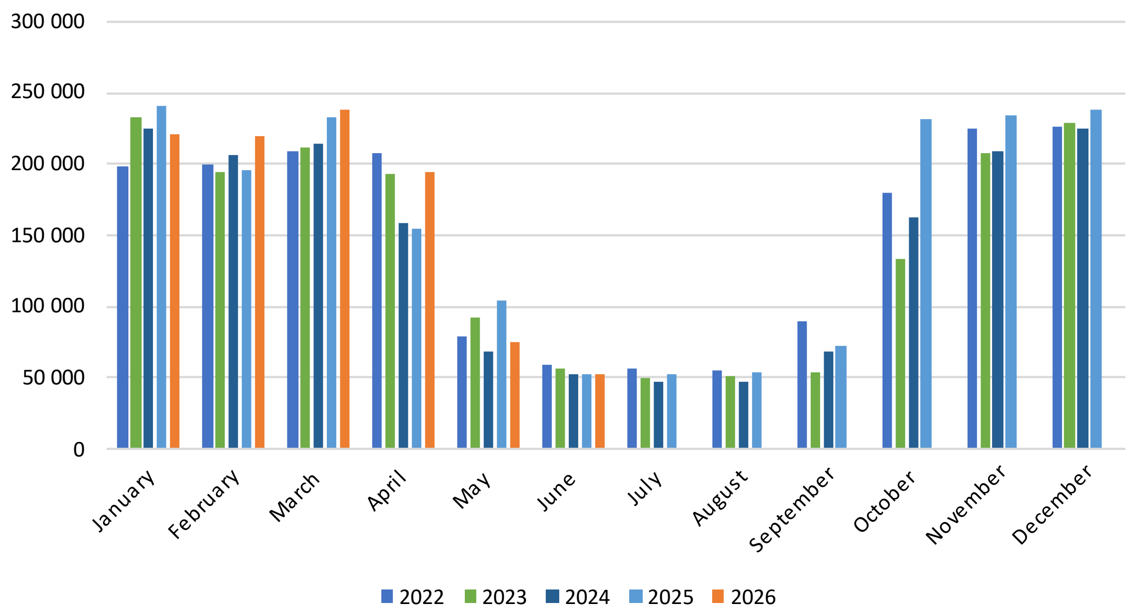
5.1 kg/year/share **CO_2 savings**	**144 HUF/year/share** **CO_2 savings value**

The Company derives no direct revenue from the GHG emission savings it achieves and recognises no asset in this respect in its accounting records.

The above indicators were determined taking into account the month-end foreign exchange rates, the market prices of CO_2 quotas, the number of shares reduced by the quantity of treasury shares and the CO_2 equivalent savings presented in the most recently published ESG report.

2 Projects and areas of operation

2.1 Consolidated quantity of heat sold in the first half of 2026



1. Figure: 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)

	2022	2023	2024	2025	2026	2026 PLAN
January	197 923	232 696	225 521	241 489	220 610	
February	199 600	193 989	206 080	196 147	220 120	
March	209 267	211 365	214 659	233 192	239 005	
Q1	**606 790**	**638 050**	**646 259**	**670 828**	**679 736**	**689 577**
April	207 861	192 834	159 116	154 333	194 737	
May	78 637	92 125	68 687	104 216	74 951	
June	58 955	56 645	52 745	52 522	51 984	
Q2	**345 453**	**341 604**	**280 548**	**311 071**	**321 672**	**311 117**
July	56 299	50 385	47 662	52 654		
August	54 838	50 659	47 099	53 336		
September	90 033	53 905	68 343	71 946		
Q3	**201 170**	**154 949**	**163 104**	**177 937**	**0**	**178 313**
October	179 453	133 450	209 679	231 498		
November	224 871	208 031	224 674	234 939		
December	226 770	229 190	242 321	238 689		
Q4	**631 094**	**570 671**	**676 675**	**705 126**	**0**	**692 126**
Total	**1 784 507**	**1 705 274**	**1 766 586**	**1 864 962**	**1 001 408**	**1 871 134**

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

Comparing consolidated heat sales of 1,001,408 GJ in H1 2026 with 981,899 GJ in the same period of 2025, it can be seen that group-wide heat sales show a 2% increase in the first half of the year. In both quarters of the half-year period the same period of the previous year was exceeded, and in the second quarter the target as well.

A comparison of the 2026 Q1 heat sales figures with the average values of the corresponding period in historical years indicates that the Company achieved record level heat sales, exceeding the heat sales of the base period and falling only slightly short of the target for the period. PannErgy missed the quarterly target by approximately 1.4% in this quarter, while it surpassed the base period sales by approximately 1.3%, primarily thanks to the performance of the Győr Geothermal Project. In the period under review, the weather environment represented a group-level geothermal heat sales potential that was similar to the base period of 2025 and also to the average of recent years.

In 2026 Q2, the quantity of heat sold was at the average level of historical years, yet PannErgy surpassed both the quarterly target and the base period sales by approximately 3.4%. In the period under review as well, the weather environment represented a group-level geothermal heat sales potential that was similar to the base period of 2025 and also to the average of recent years.

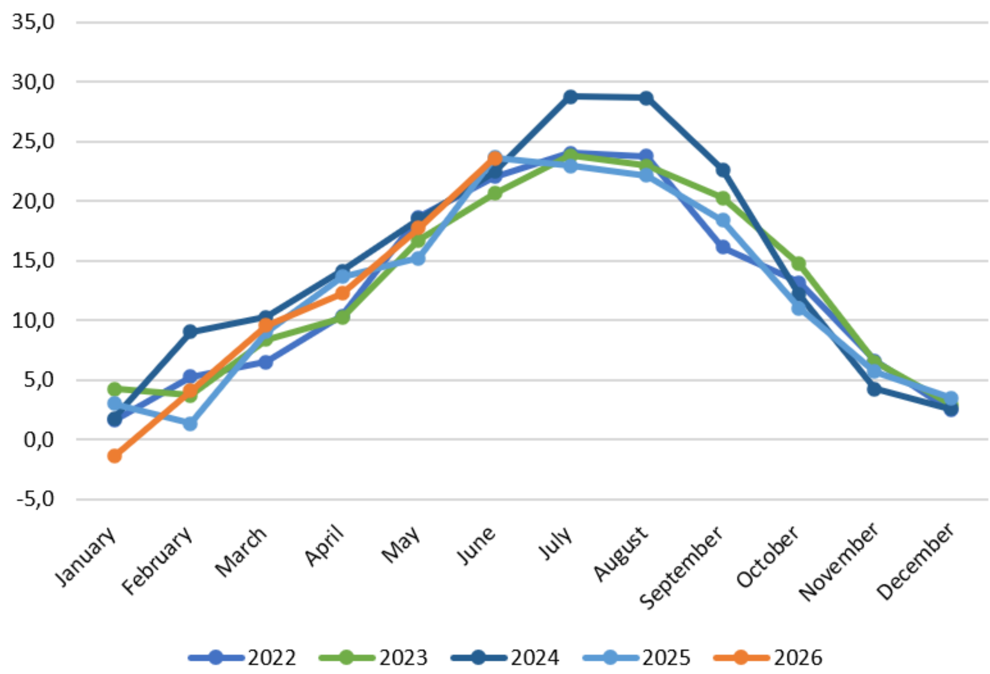


Figure 3
Average temperatures in 2022-2026

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 315,804 GJ of thermal energy in 2026 Q1, down by 3.7% compared to the 328,026 GJ heat sales achieved in the same period of 2025. The primary reason for the shortfall was the unfavourably cold weather compared to the base month of January.

Compared to the base period, weather conditions also had a negative impact on the Miskolc project in the second quarter, primarily owing to the warmer weather compared to the base month of May. In this period, the Miskolc project companies sold 135,185 GJ of thermal energy, 4.2% below the 141,115 GJ heat sales achieved in the base period.

Based on the above, the Miskolc project sold heat in a total amount of 450,989 GJ during the first half of 2026, 3.9% less overall than the 469,141 GJ sold during the base period.

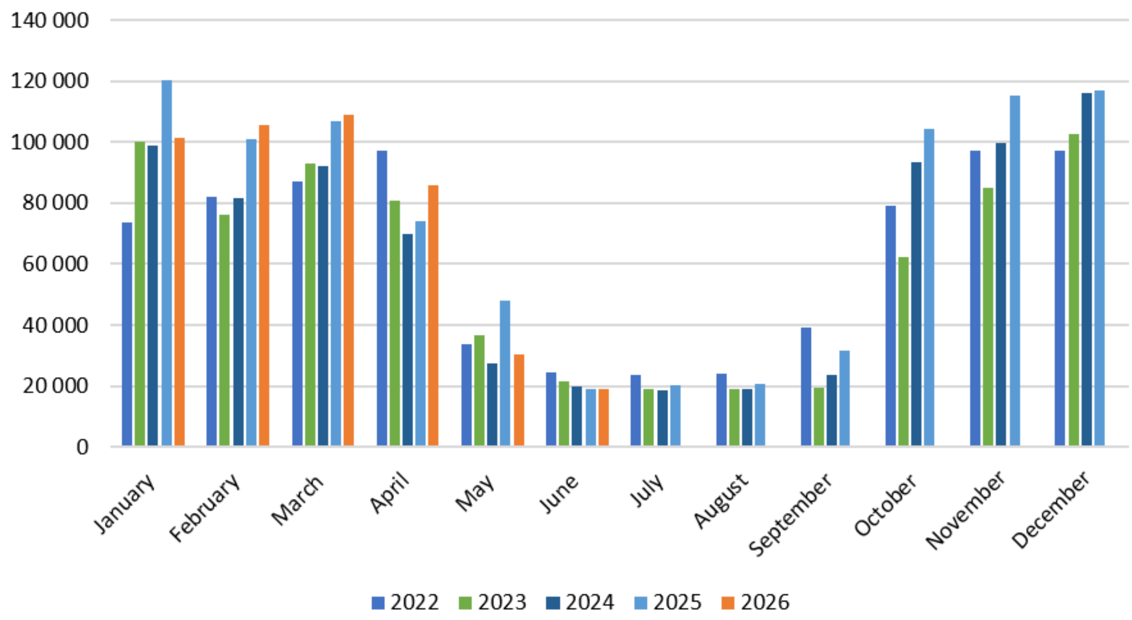


Figure 4 Quantity of heat sold in Miskolc (GJ)

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

In 2026 Q1, the Geothermal System of Győr sold 353,797 GJ of thermal energy, exceeding the base period heat sales of 332,706 GJ by 6.3%. The significant increase is attributable to the weaker base period performance in Q1 2025, which was due to temporary technical reasons.

In 2026 Q2, 182,537 GJ of thermal energy was sold in Győr, 9.2% above the 167,171 GJ heat sales achieved in the same period of 2025. The primary reason for the significant increase was the operation of the Győr Municipal District Heating System in an operating state that enabled it to receive a higher proportion of heat from geothermal sources - making the city's district heat supply even more environmentally friendly.

Thanks to the above, in the case of the Geothermal System of Győr a total of 536,334 GJ of heat was sold at project level during the first half of the reporting period, up 7.3% on the 499,877 GJ recorded in the base half-year.

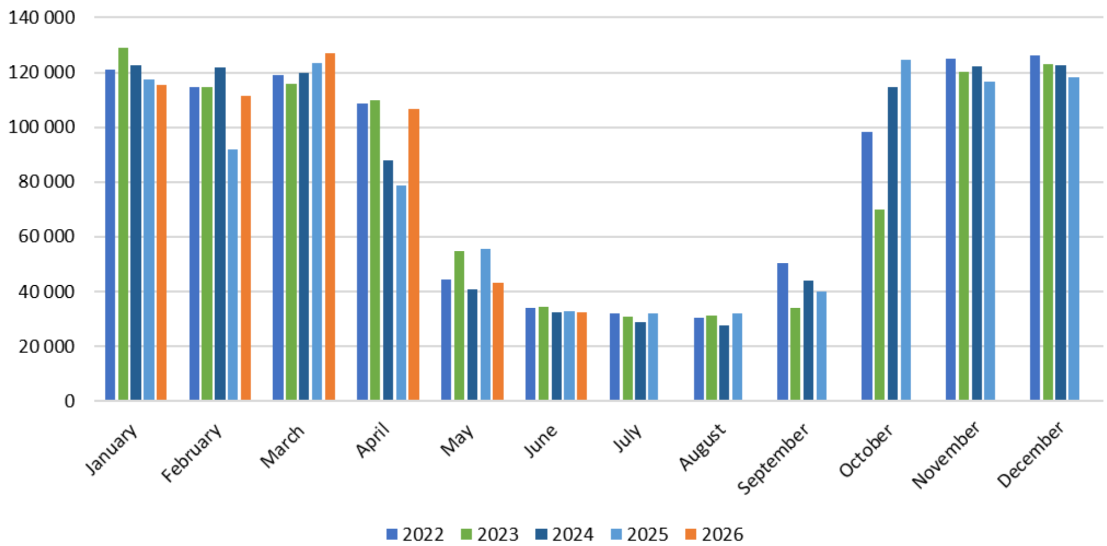


Figure 5 Quantity of heat sold in Győr (GJ)

2.2.3 Szentlőrinc Geothermal Project (Szentlőrinci Geotermia Ltd.)

At the Szentlőrinc project site, 9,107 GJ of thermal energy was sold in 2026 Q1 and 3,620 GJ in Q2. The half-year heat sales performance of 12,727 GJ exceeded the base period by 10.2%.

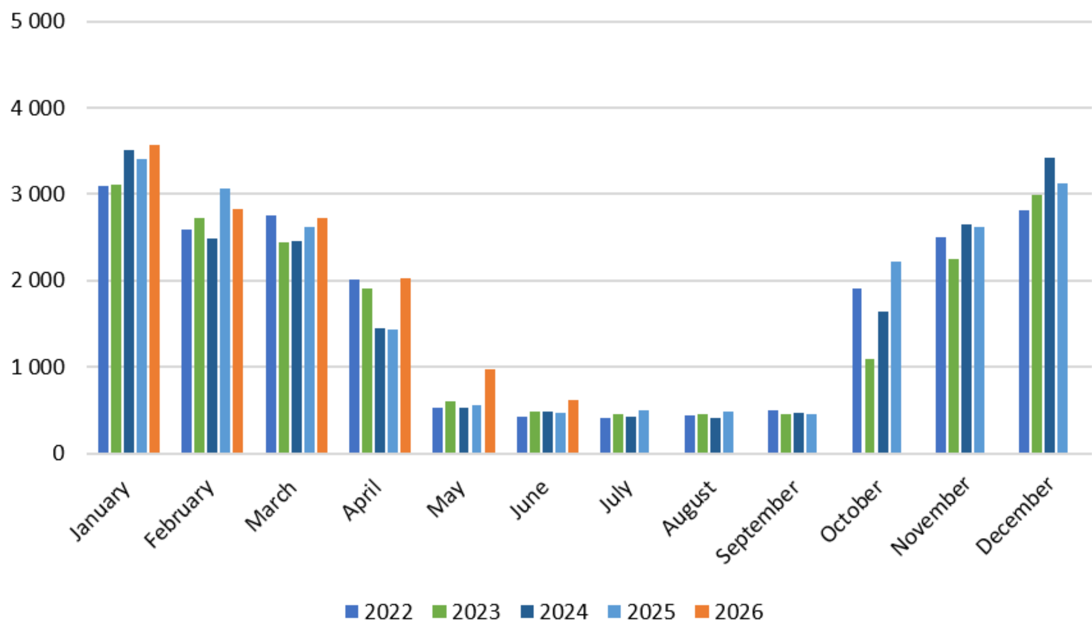


Figure 6 Quantity of heat sold in Szentlőrinc (GJ)

2.2.4 Berekfürdő project (Berekfürdő Energia Ltd.)

At the Berekfürdő project site, 1,357 GJ of thermal energy and 988 MWh of electricity were sold in the first half of 2026. The heat sales performance exceeded the base period by 2%, while electricity sales were at the same level as in the first half of 2025.

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

3.1 Results achieved in the reporting period

3.1.1 Development of sales revenue

In the first half of 2026, the Company's consolidated sales revenue increased by 6%. The consolidated sales revenue of the Company for the half-year under review amounts to HUF 4,375 million, which is HUF 246 million higher than the revenue of the base period.

98% of the HUF 4,375 million sales revenue, that is, the decisive part of it, was generated from heat production and sales activity, the core activity of the PannErgy Group. The consolidated sales revenue of HUF 4,277 million from renewable energy production is 6% higher than the HUF 4,031 million generated in the same period of the previous year.

Examining the breakdown of sales revenue by project, it can be established that the Group's most significant project in terms of heat supply is the Győr Geothermal Project, which contributed to PannErgy Group's business performance with HUF 2,515 million in sales revenue. This represents a 2% higher level compared to the HUF 2,468 million sales revenue of H1 2025.

Of this, Arrabona Koncessziós Ltd.'s sales to the Győr district heating supplier company, Győr-Szol cPlc., amounted to HUF 1,445 million, 9% higher than the HUF 1,324 million sales revenue of the first half of the previous year. The other Győr project company, DD Energy Ltd., sold heat to the value of HUF 1,068 million in the first half of 2026 to the PannErgy Group's most significant non-district-heating, that is, industrial consumer partner. Compared to the previous year's sales revenue figure of HUF 1,142 million this represents a 6% shortfall, the primary reason for which is the strengthening of the forint experienced in the reporting period in connection with settlement in euros.

Compared to the average exchange rate of 404.67 EUR/HUF in the first half of 2025, the same value was 372.30 EUR/HUF in the first half of 2026.

Sales to heat-receiving partners in the Miskolc Geothermal Project added up to HUF 1,710 million in the reporting period, of which HUF 1,675 million was sold to MIHŐ Miskolci Hőszolgáltató Ltd. These sales figures surpass the first half of the previous year's revenue of HUF 1,518 million from the Miskolc project and the HUF 1,488 million revenue from MIHŐ Miskolci Hőszolgáltató Ltd. At Miskolc project level, sales revenue increased by 13% compared to the same period of the previous year, which also reflects the full-period earnings effect of the third production well commissioned in Q1 2025.

In the case of the Company's two smaller-volume projects, the sales revenue realised during the reporting period exceeded the figure for the same period of the previous year. The sales revenue of the Szentlőrinc operation amounted to HUF 48 million in the first half of 2026, 19% higher than the HUF 40 million recorded in the first half of the previous year, primarily owing to weather conditions more favourable for heat supply. The heat sales revenue of the Berekfürdő project amounted to HUF 4 million, 2% higher than the performance in the same period of the previous year.

In addition to the sales of heat, the Company earned HUF 54 million from selling electricity in the case of the Berekfürdő project, which is equal to the figure for the base period.

In relation to the utilisation of the industrial real properties in Debrecen – an activity which is in no way linked to the Company's core activity of geothermal heat production and sales or to the related holding management, and which is of marginal significance in terms of the Group's activity – the Company realised revenues of HUF 26 million in the reporting period, of which HUF 15 million represented rental fee revenues and HUF 11 million related to the re-invoicing of utility-type costs associated with the operation of the property. These sales revenue figures were of a similar magnitude in the base period.

Similarly to the previous period, three customers individually exceeded 10% of the total amount of the PannErgy Group's consolidated revenue from sales, making up a combined 96% of the total sales of PannErgy Group in the reporting period. This corresponds to the base period exposure data, also at 96% concentration.

3.1.2 Developments in direct costs, gross margin and cash flow

In the first half of 2026, direct costs of sales rose by 5% to HUF 3,439 million from HUF 3,272 million recorded in the same period of the previous year. The main reason for this is that electricity costs rose by 13%, from HUF 874 million in the base period to HUF 985 million. The cost increase was mainly due to changes in the market pricing level of electricity costs, while the

Group's electricity consumption figures also rose, to a lesser extent, by 4%, in line with the operating conditions characteristic of the reporting period.

Other direct costs were influenced primarily by various sectoral inflationary factors observed during the reporting period, typically causing changes of 5-8%.

The amortisation of assets related to geothermal heat production and sales, i.e. the depreciation stated among direct costs, amounted to HUF 1,144 million in the reporting period.

The Company's gross margin amounted to HUF 936 million during the reporting period, as a combined result of the change in the sales revenue detailed in the previous chapter and the change in the direct costs, 9% above the HUF 857 million value booked for the base period. The Company's gross margin rate was 21% during the reporting period, the same as in the base period.

The PannErgy Group stated a gross cash-flow figure of HUF 2,080 million in H1 2026 - 2% up from the HUF 2,038 million stated for the corresponding period of the previous year - with a gross cash-flow ratio of 48%. The increase can be attributed primarily to the improvement in the gross margin.

3.1.3 Developments in indirect costs

The administrative and overhead - i.e. indirect - costs amounted to HUF 442 million in the period under review, 9% over the HUF 407 million of indirect costs incurred in the first half of the previous year, mainly in line with the evolution of the inflation and market price environment related to these costs.

Depreciation on assets not directly linked with energy industry activities, indirect personnel expenses, general office and administration costs and expert fees are stated by the Company under the heading of indirect costs, among other items. In addition, this cost category includes banking and insurance expenses, non-capitalisable costs related to business development and new projects, the costs of public and stock exchange presence, as well as the costs of social responsibility and of supporting the sports life and other social initiatives of the project sites.

3.1.4 Developments in other revenues and expenditures

The balance of other revenues and expenditures during the reporting period is a profit of HUF 23 million, in contrast to the HUF 37 million profit recorded in the base period.

The amount of other income from non-refundable investment grants received without a cash movement was HUF 138 million within the HUF 160 million other income, which includes the write-back of grants received previously and recognised as deferred income adjusted for depreciation in the reporting year. In the base period, other income related to grants was recognised in an amount of HUF 141 million.

The most substantial items (incurred in a total amount of HUF 86 million) of the HUF 137 million stated under other expenditures consist of local taxes, particularly, the local business tax paid by the Company to the local governments at the sites of geothermal projects. Another major other expenditure of a tax nature is the mining royalty payable in relation to the Győr, Miskolc and Szentlőrinc project sites on the basis of the quantity of heat extracted in geothermal heat production and other production parameters; under this heading the Company incurred expenditures of HUF 40 million in the reporting period. In the first half of 2025 serving as the base period, other expenditures of a tax nature were at a similar level, as local taxes amounted to HUF 86 million and mining royalties to HUF 39 million.

3.1.5 Developments in EBIT and EBITDA

As a combined result of the above, the operating profit (EBIT) amounted to a profit of HUF 517 million in the first half of 2026, up 6% over the HUF 487 million operating profit of the first half of 2025.

In the half-year under review, depreciation of HUF 1,144 million was recognised among indirect costs; taking this into account, **the business cash-flow (EBITDA) for the first half of 2026 was an inflow of HUF 1,661 million, which represents stagnation compared with the HUF 1,672 million EBITDA recorded for the corresponding period of the previous year.**

In calculating the EBITDA the Company, on the basis of its accounting policy, takes account of the impairment loss recognised among intangible assets and tangible assets as well; however, no other expenditure was recognised under this heading in the reporting period.

The Company delivered the EBITDA figure for the first half of 2026 with an EBITDA margin of 38%.

3.1.6 Developments in financial profit/loss

The profit/loss of financial transactions was a profit of HUF 145 million during the reporting period, HUF 279 million more favourable than the HUF 134 million loss on financial transactions recorded in the first half of 2025.

The change was mainly due to the strengthening of the forint characteristic of the reporting period.

Financial income amounted to HUF 527 million in the half-year under review, compared with the HUF 171 million recognised in the first half of the previous year. Within this, HUF 455 million consists of realised and unrealised exchange gains relating to operations, financing and investments, arising from the strengthening of the forint mentioned above, HUF 67 million is interest income, while HUF 5 million relates to securities investments. Within the HUF 67 million of interest income, HUF 22 million relates to fixed deposits and HUF 45 million to interest rate swaps.

Financial expenditures amounted to HUF 382 million in the reporting period, compared with the HUF 305 million recorded in the base half-year. The most significant items within financial expenditures are interest paid and interest-type expenses. In the first half of 2026, the Company recognised interest expenses of HUF 155 million, compared with HUF 201 million in the previous year.

Within financial expenditures, HUF 213 million consists of realised and unrealised exchange losses.

As a combined effect of the change in the EUR/HUF exchange rate during the reporting period, an exchange gain of HUF 242 million arose within the financial profit/loss.

Within **this HUF 242 million financial profit/loss related to exchange rate changes, the effect of the unrealised revaluation at the end of the reporting period was HUF 257 million** (the combined effect of HUF 302 million in exchange gains and HUF 45 million in exchange losses). This is a significant change compared with the HUF 79 million unrealised exchange gain of the previous period, contributing decisively to the improvement in the Company's financial profit/loss during the reporting period.

3.1.7 Developments in profit before and after taxes, income taxes

Accordingly, **the PannErgy Group's H1 2026 profit before taxation amounts to HUF 662 million, almost twice the HUF 353 million profit posted for the corresponding period of the previous year.**

Income tax expense of HUF 43 million was recognised in the reporting period, of which HUF 35 million is the corporate tax liability for the reporting year and HUF 8 million is the effect of deferred tax accounting.

The Company's consolidated net profit for the reporting period was HUF 619 million, up 75% or HUF 266 million from the HUF 353 million reported in the same period of the previous year.

3.2 Analysis of the statement of financial position during the reporting period

3.2.1 Fixed assets

The portfolio of fixed assets decreased by 4% during the half-yearly period under review from the amount stated as at 31 December 2025 serving as the comparative period. Within this, the value of intangible assets and that of tangible assets fell by 9% and 4%, respectively, year-on-year. For both asset categories, the decrease is due to depreciation in the reporting period, which exceeded the CAPEX figure for the reporting period (HUF 219 million).

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 continues to show its commercial real estate located in Debrecen, which are not used in connection with its core operations, as investment property, in an amount of HUF 76 million on 30 June 2026.

Deferred tax assets in the amount of HUF 164 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 5%, relative to the base period.

3.2.2 Current assets

The total value of current assets dropped by 29% in comparison to the amount recorded as at 31 December 2025 as the base period's figure. This change is explained primarily by the decline in trade receivables and liquid assets during the reporting period.

The significant change in trade receivables of 32% is in line with the usual cyclical change experienced in the same period of previous periods. There was no change in the Company's customer base.

In addition to trade receivables, a significant decrease can also be observed in other receivables and securities. The main reason for the decrease in other receivables is the decrease in accruals related to the official pricing of heat sales.

The change in securities relates to the Company's short-term government securities that matured during the reporting period; as at 30 June 2026 the Company holds no securities investments.

Among its inventories the Company reported maintenance supplies in the amount of HUF 74 million related to the efficient and operationally safe running of the geothermal projects as at 30 June 2026, which is the same value as in the base period.

At the end of the period the Company's liquid assets amounted to HUF 884 million vs HUF 1,209 million at the end of the base year.

3.2.3 Equity

The Company's equity decreased by 11% compared to the base period, mainly due to the equity-reducing effect of the HUF 1,850 million dividend payment liability determined on the 2025 profit.

Equity per share (counting with the number of shares minus the portfolio of treasury shares) decreased to HUF 783 from the HUF 875 recorded as of 31 December 2025 serving as the base in line with the above.

3.2.4 Non-current liabilities

The long-term loan portfolio decreased by 18% to HUF 6,221 million from the figure stated at the end of the previous financial year, as a combined result of the debt service in the reporting period and the revaluation of the EUR-based loans at the exchange rate prevailing on the balance sheet date.

The Company does not state any provisions in the half-year financial statements at the end of the period.

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 3,119 million is stated in this regard in the Company's balance sheet among its long-term liabilities, while HUF 288 million is stated among its current liabilities. Their combined value of HUF 3,407 million represents a 4% decrease compared with the HUF 3,544 million recorded as at 31 December 2025 serving as the base period, in line with the reversal of deferred revenues during the reporting period in proportion with the depreciation of the assets related to the application scheme.

3.2.5 Current liabilities

Within current liabilities, the balance of trade payables was HUF 347 million, which was 74% lower than in the base period, in connection with the more intensive investment activity in the base period.

Short-term loans, borrowings and leases amounted to HUF 2,312 million, which is higher than the HUF 2,155 million at the end of the previous financial year. The predominant part of this portfolio is the principal of the long-term bank loans falling due within one year, in the amount of HUF 1,879 million. On the basis of the contractual term, other short-term loans and borrowings amount to HUF 200 million, relating to the drawdown of PannErgy Plc.'s revolving credit facility. In addition, a further HUF 233 million liability relates to the recognition of leased productive assets in accordance with *IFRS 16 Leases* as a short-term lease instalment.

Other current liabilities amounted to HUF 2,216 million at the end of the reporting period, which is a significant increase compared with the HUF 647 million at the end of the previous period. The main reason for the increase is the recognition of the HUF 1,850 million dividend payment liability determined on the 2025 profit.

4 Consolidated profit and loss statement, balance sheet, equity, cash-flow statement

4.1 IFRS consolidated profit and loss statement

IFRS consolidated profit and loss statement (HUF million)	2026 H1	2025 H1	*Ratio %*
Revenue from sales	4,375	4,129	*105.9*
Direct costs of sales	-3,439	-3,272	*105.1*
Gross margin	**936**	**857**	***109.2***
Gross margin rate %	**21%**	**21%**	
of which: direct depreciation	*1,144*	*1,181*	*96.9*
Gross cash flow	**2,080**	**2,038**	***102.1***
Gross cash flow rate %	**48%**	**49%**	
Administration and general costs (indirect cost of sales)	-442	-407	*108.6*
Other revenues	160	198	*81.3*
Other expenditures	-137	-161	*84.8*
Operating profit (EBIT)	**517**	**487**	***106.2***
Operating profit ratio (%)	12%	12%	
EBITDA	**1,661**	**1,672**	***99.4***
EBITDA margin (%)	**38%**	**40%**	
Income from financial transactions	527	171	*250.2*
Expenses on financial transactions	-382	-305	*83.3*
Profit/loss of financial transactions	**145**	**-134**	*-*
Profit before taxes	**662**	**353**	***187.5***
Corporate income tax	-43	-	-
Profit after taxes (Net profit/loss for the reporting period)	**619**	**353**	***175.4***
of which: Profit/loss for the reporting period attributable to Shareholders of the Company	***619***	***353***	***175.4***
of which: Share of non-controlling interests in the net profit for the reporting period	*-*	*-*	
Earnings per ordinary share (HUF)			
Basic	**46**	**25**	***184.0***
Diluted	46	25	*184.0*

4.2 IFRS consolidated balance sheet (statement of financial position)

IFRS consolidated statement of the financial position (HUF million)	30.06.2026	31.12.2025	*Ratio %*	30.06.2025
Fixed assets				
Intangible assets	1,111	1,227	*90.6*	1,322
Goodwill	678	678	*100.0*	678
Tangible assets	20,494	21,303	*96.2*	21,076
Investment properties	76	77	*99.6*	76
Deferred tax assets	164	172	*95.3*	136
Long-term receivables	-	-	-	-
Total fixed assets	**22,523**	**23,457**	***96.0***	**23,288**
Current assets				
Inventories	74	74	*100.2*	77
Trade receivables	1,323	1,956	*67.6*	1,066
Other receivables	178	253	*70.0*	220
Prepaid income taxes	22	2	*924.0*	29
Securities	-	-	-	-
Liquid assets	884	1,209	*73.1*	1,676
Total current assets	**2,481**	**3,494**	***71.0***	**3,068**
TOTAL ASSETS	**25,004**	**26,951**	***92.8***	**26,356**
Shareholders' equity and liabilities				
Subscribed capital	320	320	*100.0*	360
Reserves excluding profit for the reporting period	15,602	14,655	*106.5*	16,288
Net P/L of the reporting year (attributable to the shareholders of the Company)	619	1,707	*36.3*	353
Reserve for repurchased treasury shares	-6,043	-4,953	*122.0*	-5,568
Non-controlling interest	-	-	-	-
Total shareholders' equity	**10,498**	**11,729**	***89.5***	**11,433**
Long-term loans	6,221	7,548	*82.4*	7,354
Other long-term deferred incomes	3,119	3,250	*96.0*	2,788
Provisions	2	-	-	14
Total non-current liabilities	**9,342**	**10,798**	***86.5***	**10,156**
Trade payables	347	1,328	*26.2*	990
Short-term loans	200	1	-	1,273
Short-term part of long-term loans	2,112	2,154	*98.0*	1,863
Short-term part of other long-term deferred incomes	288	294	*97.9*	261
Deferred tax liabilities	-	-	-	-
Other current liabilities	2,217	647	*342.7*	380
Total current liabilities	**5,164**	**4,424**	***116.7***	**4,767**
SHAREHOLDERS' EQUITY AND LIABILITIES	**25,004**	**26,951**	***92.8***	**26,356**

4.3 *IFRS consolidated overall profit and loss statement*

IFRS consolidated overall profit and loss statement (HUF million)	H1 2026	H1 2025	*Ratio %*
Net P/L of the reporting year	**619**	**353**	***175.4***
Other comprehensive income in the period with tax implications	-	-	-
Total other comprehensive income for the year	**619**	**353**	***175.4***
Total other comprehensive income attributable to the shareholders of the Company	**619**	**353**	***175.4***
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	Non-controlling interest	Equity
Balance as of 31 December 2024	**360**	**16,755**	**-4,551**	**-**	**12,564**
Profit for H1 2025	-	353	-	-	353
Change in non-controlling interest	-	-	-	-	-
Consolidation difference	-	-	-	-	-
Treasury shares repurchased	-	-	-1,484	-	-1,484
Decrease in treasury shares	-	-467	467	-	-
Dividend payment	-	-	-	-	-
Balance as of 30 June 2025	**360**	**16,641**	**-5,568**	**-**	**11,433**
Balance as of 31 December 2025	**320**	**16,362**	**-4,953**	**-**	**11,729**
Profit for H1 2026	-	619	-	-	619
Change in non-controlling interest	-	-	-	-	-
Consolidation difference	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-
Decrease in treasury shares	-	1,090	-1,090	-	-
Dividend payment	-	-1,850	-	-	-1,850
Balance as of 30 June 2026	**320**	**16,221**	**-6,043**	**-**	**10,498**

4.5 IFRS consolidated cash flow statement

Consolidated cash flow statement under IFRS (HUF million)	2026 H1	2025 H1
Cash from operations		
Profit before taxes	**662**	**353**
Adjustments in relation to the profit before taxes and operating cash flow		
Amortisation and depreciation of tangible and intangible assets	1,144	1,181
Effect of deferred taxes	8	-31
Income tax expense	-43	-
FX gain/loss on loans	-426	-95
Provisions made/released	2	4
Impairment loss on tangible assets	-	4
Effect of the share option programme valuation on changes in equity	-	-
Changes in non-controlling interests	-	-
Changes in working capital elements		
Increase/decrease in prepaid income taxes	-20	-17
Increase/decrease in inventories	-	-46
Increase/decrease in receivables	709	1,204
Increase/decrease in liabilities	591	-627
Net cash from/used in operating activities	**2,627**	**1,930**
Investing activities		
Acquisition of tangible and intangible assets	-219	-561
Sales of tangible and intangible assets	-	-
Increase/decrease in long-term receivables	-	-
Other long-term and short-term deferred incomes	-138	-132
Cash from/used in investing activities	**-357**	**-693**
Financial transactions		
Drawdown/repayment of long-term loans	-902	-1,321
Increase/decrease in short-term loans	157	975
Exchange rate difference from consolidation	-	-
Purchase and revaluation of treasury shares	-	-1,484
Sale of treasury shares, exercise of the share option programme	-	-
Recognition of the dividend payment liability	-1,850	-
Increase/decrease in securities holdings	-	298
Cash from/used in financing activities	**-2,595**	**-1,532**
Net increase/decrease in cash and cash equivalents	**-325**	**-295**
Cash and cash equivalents as at 1 January	**1,209**	**1,971**
Cash and cash equivalents as at 30 June	**884**	**1,676**

5 Other financial statements, detailed information

5.1 *Direct costs of sales*

Direct cost of sales (HUF million)	H1 2026	H1 2025
Direct depreciation	1,144	1,181
Maintenance, operating and facility maintenance costs	1,235	1,146
Electricity costs	985	874
Insurance fees (related to heat production)	43	41
Other direct costs	18	17
Costs of goods sold, mediated services	14	13
Total direct costs	**3,439**	**3,272**

5.2 *Administration and general costs (indirect cost of sales)*

Administration and general costs (indirect cost of sales) (HUF million)	H1 2026	H1 2025
Indirect personnel expenses	172	158
Expert fees, bookkeeping, audit fees	113	107
Office and operating costs	98	91
Bank charges	22	22
Insurance fees	21	20
Costs related to public and stock exchange presence and social responsibility	11	8
Other fees and duties payable to authorities	5	1
Total indirect costs	**442**	**407**

5.3 *Other revenues and other expenditures*

Other revenues and other expenditures (HUF million)	H1 2026	H1 2025
Income related to development grants	138	141
Fines, penalties, compensations received	15	43
Provisions released	-	11
Other items not detailed	7	3
Total other revenues	**160**	**198**
Local taxes	86	86
Mining royalty	40	39
Provisioning during the reporting year	2	15
Fines, penalties, compensations paid	-	10
Impairment loss and write-off of assets	-	4
Other items not detailed	9	7
Total other expenses	**137**	**161**
Profit/loss on other activities	**23**	**37**

5.4 *Profit/loss of financial transactions*

Profit/loss on financial transactions (HUF million)	H1 2026	H1 2025
FX gains related to FX loans and borrowings	*426*	*95*
FX gains related to FX receivables	*23*	*3*
FX gains related to FX liabilities	*3*	*18*
FX gains related to FX accounts	*3*	*2*
Total FX gains on foreign currency items (realised and unrealised)	**455**	**118**
Interest and interest-type income	67	44
Gains on securities held for trading	5	9
Gains on derivative transactions	-	-
Total revenues from financial transactions	**527**	**171**
FX loss related to FX accounts	*184*	*28*
FX loss related to FX receivables	*23*	*25*
FX loss related to FX liabilities	*5*	*7*
FX loss related to FX loans and borrowings	*1*	-
Total FX losses on foreign currency items (realised and unrealised)	**213**	**60**
Interest paid	155	201
IFRS 16 Interest expenses related to lease accounting	14	23
FX losses on securities	-	11
Loss on derivative transactions	-	10
Total expenses on financial transactions	**382**	**305**
Profit/loss on financial transactions	**145**	**-134**
Of which the effect of the period-end FX revaluations (unrealised FX gain/loss)	**257**	**79**

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

MNB middle exchange rate	30.06.2026	31.12.2025	30.06.2025	31.12.2024
EUR/HUF exchange rate	355.05	385.40	399.30	410.09

In the reporting period the foreign exchange revaluations have an impact of HUF 257 million gain (unrealised) on the result of the financial transactions at the end of the period compared to a gain of HUF 79 million in the base period. In accordance with *IFRS* requirements, monetary items of the PannErgy Group carried in currencies other than the forint - the functional currency - are converted into forints at the exchange rate prevailing at the end of the period, and the (financially unrealised) exchange rate differences resulting from such conversions are recognised in the profit and loss account under financial transactions.

As at 30 June 2026, the difference arising from the period-end revaluation is a gain, which is the result of the significant, 8% strengthening of the HUF relative to the EUR compared to the previous periods.

5.6 Liquid assets

Liquid assets (HUF million)	30.06.2026	31.12.2025
Bank and Petty cash	869	1,194
Fixed deposits	15	15
Total liquid assets	**884**	**1,209**

Of the HUF 884 million closing balance at the end of the period HUF 869 million is disposable liquid assets (typically as cash on deposit) and HUF 15 million is held in fixed deposits.

5.7 Long-term loans and borrowings

Long-term loans and borrowings	30.06.2026	31.12.2025
secured with collateralHUF based loan	4,247	4,758
EUR based loan secured with collateral	3,511	4,256
Finance lease liabilities	575	688
Short-term part reclassified to short-term loans	-1,879	-1,926
Short-term part reclassified to short-term leases	-233	-228
Total long-term loans, borrowings and leases	**6,221**	**7,548**

The main reason for the decrease in long-term loans during the reporting period is the repayment of the loans during the reporting period and, in the case of EUR-based loans, the strengthening of the HUF compared to the base period. In relation to loans and borrowings, an exchange gain of HUF 327 million and an exchange loss of HUF 1 million were recognised in the result of financial transactions in H1 2026. Of this amount, the unrealised exchange gain recognised at the end of the period as a result of the significant strengthening of the HUF relative to the EUR during the reporting period was HUF 301 million.

Long-term finance lease liabilities relate to the accounting of leased geothermal assets under *IFRS 16 Leases*. At the end of the period, HUF 342 million is included in long-term liabilities as a liability for leasing payments beyond one year. The amount of such lease accounting related liabilities presented among current liabilities, falling due within one year, is HUF 233 million.

The short-term part of long-term loans amounted to HUF 1,879 million at the end of the reporting period; these are recognised among current liabilities.

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

For the Group companies concerned, the interest rate on euro-denominated loans outstanding is based on the 6-month EURIBOR. In view of this fact and the contractual interest margins the weighted average interest rate on the collateral-covered EUR-based loans was 4.25% in view of the loan amounts as at 30 June 2026, taking into account the interest rate fixing effect of the interest swap transactions as well, while at the end of the base half-year the same interest rate was 3.87%, in line with the change in EURIBOR moderated by hedging. The partial fixing of interest rates on investment loans by way of interest rate swap transactions affords the Company additional predictability and mitigates interest rate risk. Interest rate swap transactions are presented at fair value.

The interest rate terms on secured forint-based loans are typically fixed at 2.00% and 2.42% or floating, typically with a 1 month BUBOR base rate. Based on the loan amounts outstanding on 30 June 2026, their weighted average interest rate is 2.67% compared to the 3.22% recorded for base period.

Maturity scheduling of loans and borrowings

In the case of long-term loans, borrowings and leases, HUF 2,271 million of the HUF 6,221 million liability will be incurred over one year but within two years and HUF 3,950 million in three to five years, compared to the situation at 30 June 2026, taking into account the contractual schedules of debt service.

As at 30 June 2026, the Company has no debt-type liabilities due beyond five years.

5.8 Short-term loans, borrowings, leases

Short-term loans, borrowings, leases (HUF million)	30.06.2026	31.12.2025
Short-term part of long-term loans	1,879	1,926
Short-term part of long term lease liabilities	233	228
Other short-term loans, borrowings, leases	200	1
Total short-term loans, borrowings, leases	**2,312**	**2,155**

5.9 Deferred income from grants

Deferred income from grants (HUF million)	30.06.2026	31.12.2025
Other long-term deferred incomes	3,119	3,250
Short-term part of long-term deferred incomes (short-term)	288	294
Total deferred income from grants	**3,407**	**3,544**

The Company states among other long-term incomes - in connection with its energy industry projects - the over-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 Statement of grants and supports

In previous years the Company was awarded grants financed from state and European Union funds under the application schemes listed below, and in connection with these, following the disbursements, it recognises deferred income in the following amounts as of 30 June 2026:

data in HUF million

Member company	Project identifier	Eligible investment cost	Grant awarded	Grant drawn down	Deferred income from grants
Szentlőrinci Geotermia Ltd.	KEOP-4.2.0/B-09-2009-0026	883	442	427	274
Berekfürdő Energia Ltd.	KEOP 4.4.0/A/09-2009-0009	250	125	125	1
DoverDrill Mélyfúró Ltd.	GINOP-2.1.2-8-1-4-16-2017-00166	1,271	500	500	138
Miskolci Geotermia Ltd.	KEOP 4.7.0-2010-0001	632	316	286	180
Miskolci Geotermia Ltd.	KEOP 4.2.0/B-11-2011-0007	2,856	1,000	1,000	507
Miskolci Geotermia Ltd.	GOP-1.2.1/B-12-2012-0005	323	162	148	-
Kuala Ltd.	KEOP 4.7.0/11-2011-0003	619	309	309	209
Kuala Ltd.	KEOP-4.10.0/B-12-2013-0012	2,836	1,000	1,000	505
Kuala Ltd.	GEOTERM-2021.2-2021-00002	2,485	663	663	611
DD Energy Ltd.	KEOP-4.10/B-12-2013-0010	3,997	1,000	1,000	465
Arrabona Koncessziós Ltd.	KEOP-4.10/B-12-2013-0011	3,509	1,000	992	517
Total amount of grants in the balance sheet as of 30 June 2026					**3,407**

All of the above projects are project implementations; the project objectives are, in the case of the KEOP application schemes, geothermal energy utilisation, in the case of the GOP application schemes, the procurement of assets or system development, and in the case of the GINOP application schemes, research and development activity.

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 turnovers in the Profit and Loss Statement (HUF million)	H1 2026	H1 2025
Revenue from sales	1,663	1,499
Direct costs of sales	1,646	1,480
Indirect cost of sales	18	20
Other revenues	32	7
Other expenditures	1	1
Finance income	622	495
Finance costs	454	495

Changes in intra-group, consolidated / eliminated volumes in the Statement of Financial Position (HUF million)	30.06.2026	31.12.2025
Intangible assets	246	118
Tangible assets	1,759	1,872
Next period's items among other receivables	3,067	2,723
Receivables from long-term loans granted	10,356	11,019
Other receivables, short term loans	726	408
Next period's items among other liabilities	3,191	2,723
Non-current liabilities	10,356	11,019
Other current liabilities	726	408

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 most recently published annual consolidated financial statements and the consolidated semi-annual report. It is therefore concluded that, on the basis of the operating segment definition principle which was also observed regarding the comparable periods, **a single operating segment, that is, Energy, which constitutes the core operating activity, can still be identified at the PannErgy Group**. The Company does not identify the non-energy activities related to the management of the Company's industrial properties in Debrecen 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 investment as mentioned above. 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. The sales revenue from real estate utilisation derives primarily from rental fees and, to a lesser degree, from the re-invoicing of public utility costs to the co-owners of the properties constituting an undivided jointly owned real estate, in proportion to their consumption, and from the related service fees.

PannErgy Plc. generated sales revenue in the amount of HUF 26 million in the first half of 2026 from the utilisation of the above real properties, with a contribution margin of HUF 13 million. The bulk - HUF 16 million - of this profit-generating, invoiced sales revenue derives from real estate leases, while the remaining HUF 10 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 properties, 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 2025 consolidated financial statements, and in the H1 2025 consolidated report. The standards and modifications in place since 1 January 2026 have no material impacts on the Company's consolidated profit/loss, financial position or disclosure obligations.

The Company pays particular attention to preparing for *IFRS 18 Presentation and Disclosure in Financial Statements*, which is mandatorily applicable from 1 January 2027. Issued by the IASB in April 2024, the standard replaces IAS 1 and significantly restructures the profit and loss statement:

- it classifies income and expenses into operating, investing and financing categories;
- it prescribes the presentation of mandatory subtotals (operating profit; profit before financing and income taxes).

In addition, the standard sets out disclosure requirements for management-defined performance measures (MPM) and lays down new principles for the aggregation and disaggregation of information.

As at the 30 June 2026 cut-off date the Company carried out a review of its consolidated financial statements and the underlying records in accordance with the requirements of *IFRS 18*. The purpose of the review is to ensure that, on the first-time application of the standard,

comparative base data of an appropriate structure are available when the H1 2027 report is drawn up. The review covered the consolidated profit and loss statement, the consolidated balance sheet, the consolidated statement of cash flows and the alternative performance measures applied. The Company presents the outcome of the reconciliation performed, the structure of the individual statements under *IFRS 18* and the effects of the reclassifications in a separate chapter of this semi-annual report (*6.10 IFRS 18 Reconciliation*). **The future reclassifications will not change the amount of the consolidated profit after taxes or the balance sheet total**; they affect solely the classifications within the statements. The Company will continue its preparations for the application of *IFRS 18* in the second half of 2026.

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, 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 in the reported half-year:

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 qualitative indicator, since the quality of geothermal heat generation and the subsequent operational processes preparing the sale of heat are effectively represented by the 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 profit, indirect depreciation (among Administration and general costs -**

indirect cost of sales), direct depreciation (among Direct costs of sales), and the extraordinary write-off and impairment of tangible assets 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).

In April 2024 the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements*, which is mandatorily applicable from 1 January 2027 and which also affects the treatment of the alternative performance measures presented above. Under *IFRS 18*, management-defined performance measures (*Management-defined Performance Measures, MPM*) are to be presented in a single note to the financial statements, with a reconciliation to the most closely comparable subtotal specified by the IFRS, together with the tax and non-controlling interest effects of the reconciling items.

Of the indicators used by the Company in the consolidated financial statements of previous periods, the Gross cash-flow and EBITDA qualify as MPMs in accordance with the requirements of *IFRS 18*. The EBITDA indicator can be aligned with the subtotal designated by *IFRS 18* as "operating profit before depreciation, amortisation and impairments" (OPDAI); at the same time, **the Company remains committed to applying the EBITDA definition along reconcilability and other business considerations**, and therefore EBITDA also qualifies as an MPM. The quantification of the differences between the current EBITDA and the EBITDA/OPDAI based on the operating category under *IFRS 18*, as well as the information on the gross cash-flow reconciliation, are set out in Chapter *6.10. IFRS 18 Reconciliation* .

The Consolidated quantity of heat sold (GJ), defined by the Company as its other alternative performance measure, is a non-financial indicator and therefore does not fall within the scope of MPMs.

6.4 Deferred tax

The PannErgy Group's consolidated financial statements as of 30 June 2026 show a deferred tax position of HUF 164 million in the way of receivables. This deferred tax asset stated among fixed assets comprises the corporate income tax at the rate of 9%, in accordance with the legislation currently in force, payable 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 *IFRS* deferred tax modifying items. The calculation of deferred tax assets - of HUF 220 million - is based on the verified deferred tax recoveries of the subsidiaries concerned. This amount is reduced by the HUF 56 million amount of the deferred tax liabilities relating to development reserves and depreciation differences. 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 pretax 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:

Details of the effective income tax (in HUF million)	**H1 2026**	**H1 2025**
Profit before taxes (individual companies)	**748**	**343**
The tax payable on each member company's individual profit/loss at the tax rate (9%) applicable on the basis of the tax bracket	93	74
Effects of different tax rates (minimum profit tax)	2	2
Effect of tax rate change	-	-
Tax implications of non-deductible expenditures, effects of differences in depreciation and other tax-decreasing items	-2	10
Tax allowances	-57	-55
Deferred tax assets assessed in the reporting year for any negative tax base not stated earlier	-1	-
Tax liability for the reporting year	**35**	**31**
Write-off of deferred tax assets assessed earlier for negative tax bases, deferred tax assets arising in the reporting year	**8**	**-31**
Income tax (as per the profit & loss account)	**43**	**-**

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 2026 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 2025 balance sheet, and profit and loss statement, prepared in accordance with the *EU IFRS*, in line with the relevant proposal and the auditor's report, with HUF 9,348 million total assets and the same amount as total liabilities, and a HUF 4 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 2025, prepared in accordance with the *EU IFRS*, with a total amount of HUF 26,951 million for both assets and liabilities (balance sheet total), HUF 1,707 million in the way of profit after taxes.

Having approved the separate and the consolidated reports the Company pays dividends in an amount of HUF 1,850 million for the 2025 business year on the basis of resolution No. 3./2026. (IV. 30.) adopted at its annual regular general meeting. The dividend is paid in two instalments: HUF 850 million from 15 October 2026 and HUF 1,000 million from 8 March 2027; the record date for both instalments is 30 September 2026.

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

On 30 June 2026 the Company's share capital (subscribed capital) amounted to HUF 320 million, equalling 16,000,000 ordinary shares of a nominal value of HUF 20 each. 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.

There were no treasury share transactions in the reporting period; accordingly, the PannErgy Group's treasury share portfolio amounted to 2,593,365 shares as of 30 June 2026, the same as on 31 December 2025. The portfolio was revalued at the stock exchange market price prevailing on the cut-off date (HUF 2,330 per share), the effect of which is HUF 1,090 million (with no impact on profit or loss).

With respect to the treasury share transactions, more detailed information is available in the Company's public disclosures; moreover, the relevant information is presented in Chapter *10.2. Changes in the number of treasury shares in H1 2026 (RS2.)* of this interim management report.

There was no change in the Company's management in the first half of 2026. The data of the senior officers and the details of the PannErgy Plc. ordinary shares they hold are to be found in Chapter *11.2. 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 programmes or any other share-based payments. The Company shows no liability in its financial statements on the first half of 2026 in relation to share-based payments.

6.9 Publicity, key events that occurred by the time of the publication of the semi-annual 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 2026 and 17 September 2026, 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.

6.10 IFRS 18 Reconciliation

Issued by the IASB in April 2024, *IFRS 18 Presentation and Disclosure in Financial Statements* replaces, with effect from 1 January 2027, *IAS 1*, with early application permitted. The new standard classifies the items of the profit and loss statement into operating, investing and financing categories, introduces two new mandatory subtotals (operating profit; profit before financing and income taxes), prescribes the presentation of management-defined performance measures (MPM) in the notes, and also amends IAS 7: the starting point of the indirect derivation of the statement of cash flows is the operating profit, interest received is presented within investing activities and interest paid within financing activities.

The Company has commenced its preparations for the application of *IFRS 18* and, using the consolidated data for the first half of 2026, it has prepared the reconciliation of the current structure with the structure under *IFRS 18*.

The main reclassifications identified are as follows:

- the rental income and the depreciation of the investment properties in Debrecen are transferred from the operating category to the investing category (the related operating-type costs and re-invoiced utility revenues remain in the operating category);
- the interest income on liquid assets and deposits, as well as the incremental costs related to payment transactions (e.g. bank transaction fees and other costs related to payment transactions) are transferred to the investing category;
- the interest expense on loans and leases, the profit/loss on interest rate swaps and the bank fees related to borrowing (drawdown, refinancing, guarantee) are presented in the financing category;
- exchange rate differences follow the category of the item giving rise to them (the exchange rate difference on operating items is presented in the operating category, that on foreign currency loans in the financing category, and that on liquid assets and investments in the investing category).

The reclassifications do not change the amount of the consolidated profit after taxes, they affect only the presentation within the profit and loss statement. The effects quantified on the data for the first half of 2026 are summarised in the table below:

Name of profit/loss category (data in HUF million)	Current structure	"New" structure under IFRS 18
Revenue from sales	4,375	4,359
Operating profit	517	505
EBITDA / OPDAI	**1,661**	**1,649**
Profit/loss of the investing category	-	-18
Profit before financing and income tax	-	487
Profit/loss on financial transactions / Financing category	145	175
Profit before taxes	662	662
Profit after taxes	**619**	**619**

The main elements of the differences, i.e. the HUF 12 million decrease in the Operating profit and the EBITDA, are caused by the following items:

- in revenue, the reclassification of the rental income of the investment properties to the investing category (HUF -16 million);
- within the bank charges included in the operating profit, the reclassification of the costs related to drawdown and financing to the financing category (HUF +5 million);
- the breakdown of the exchange rate differences into the operating, financing and investing categories. The exchange rate difference on the items related to operations reduces the operating profit and the EBITDA (HUF -1 million).

6.10.1 *Consolidated profit and loss statement in the structure under IFRS 18*

The most significant change introduced by *IFRS* 18 affects the profit and loss statement as follows:

Income and expenses must be classified into operating, investing and financing categories, and the operating profit as well as the profit before financing and income taxes must be presented as mandatory subtotals.

The table below presents the Company's consolidated profit and loss statement for the first half of 2026 in the structure under IFRS 18, in order that, on account of the standard to be applied mandatorily from 2027, fully reconcilable base data are available in the semi-annual report for 2027:

Consolidated profit and loss statement in the IFRS 18 structure (data in HUF million)	**H1 2026**
OPERATING CATEGORY	
Revenue from sales	4,359
Costs of sales	-3,439
Gross margin	**920**
Administration and general costs (indirect cost of sales)	-437
Other revenues	160
Other expenditures	-137
Exchange rate difference of operating items (net)	-1
OPERATING PROFIT	**505**
INVESTING CATEGORY	
Rental income of investment properties	16
Expenses of investment properties	-
Depreciation of investment properties	-
Interest income on liquid assets and deposits	22
Investing exchange rate differences (net)	-42
Exchange rate difference on the revaluation of liquid assets	-14
Profit/loss of the investing category	**-18**
PROFIT BEFORE FINANCING AND INCOME TAXES	**487**
FINANCING CATEGORY	

Interest expense on loans	-153
Interest expense on lease liabilities	-14
Bank charges (drawdown, refinancing, guarantee)	-5
Net profit/loss on interest rate swaps	43
Exchange rate difference of financing items (net)	327
Revaluation difference related to leases	5
Other financial items	-28
Profit/loss of the financing category	**175**
PROFIT BEFORE TAXES	**662**
Income tax	-43
PROFIT AFTER TAXES	**619**

The reclassifications do not change the amount of the consolidated profit after taxes. As a result of the reclassifications, the operating profit differs from the operating profit under the current presentation: in the reporting period, as against the current HUF 517 million, the operating profit under *IFRS 18* is HUF 505 million. The financial profit of HUF 145 million presented in the consolidated profit and loss statement, broken down in accordance with the requirements of IFRS 18, is divided between the operating category (HUF -1 million), the investing category (HUF -34 million) and the financing category (HUF 180 million).

6.10.2 Consolidated balance sheet (statement of financial position)

Under *IFRS 18* the structure of the balance sheet (statement of financial position) and the measurement of its items do not change. In the course of the review carried out, the Company confirmed that the main lines and amounts of the consolidated balance sheet remain unchanged in the presentation under *IFRS 18*.

6.10.3 Consolidated comprehensive income statement

In the comprehensive income statement, *IFRS 18* – beyond the breakdown, already applied at present, into items that may and may not subsequently be reclassified to profit or loss – does not result in any substantive structural change. The Company had no other comprehensive income in the reporting period or in the base period, therefore the total comprehensive income is equal to the profit after taxes.

6.10.4 Consolidated statement of changes in equity

Under *IFRS 18* the statement of changes in equity is not modified, the structure and the items of the statement are unchanged.

6.10.5 Consolidated statement of cash flows

Under *IFRS 18* and the concurrently amended *IAS 7* standard, the starting point of the derivation of the operating cash flow is the operating profit instead of the current profit before taxes. In addition, interest received is presented within investing activities, and interest paid and the fees related to loans within financing activities. The table below presents the consolidated statement of cash flows in the structure under *IFRS 18* and the amended IAS 7.

Consolidated statement of cash flows in the IFRS 18 structure (data in HUF million)	H1 2026
OPERATING ACTIVITIES	
Operating profit (IFRS 18)	505
Amortisation and depreciation of tangible and intangible assets	1,144
Effect of the deferred tax write-off	8
Income tax expense	-43
Impairment loss on tangible assets and goodwill	-
Change in provisions during the reporting year	2
Increase/decrease in inventories	-
Increase/decrease in receivables	709
Increase/decrease in liabilities	590
Increase/decrease in prepaid income taxes	-20
Offsetting of the change in accrued interest	-1
Net cash from operating activities	**2,894**
INVESTING ACTIVITIES	
Acquisition of tangible and intangible assets	-219
Sales of tangible and intangible assets	0
Other long-term and short-term deferred incomes	-138
Profit/loss of the investing category (interest received, profit/loss of investment properties)	-18
Net cash from investing activities	**-375**
FINANCING ACTIVITIES	
Decrease/drawdown of long-term loans	-902
Decrease/increase in short-term loans	157
Difference from consolidation, other changes in reserves	-
Purchase of treasury shares	-
Dividend payment	-1,850
Decrease/increase in securities holdings	-
Result of the financing category (interest paid, banking costs, exchange rate differences)	176
Unrealised exchange difference on loans (non-cash item)	-426
Change in accrued interest (non-cash item)	1
Net cash from financing activities	**-2,844**
Net change in cash and cash equivalents	**-325**
Cash and cash equivalents at the beginning of the period	1,209
Cash and cash equivalents at the end of the period	**884**

The closing balance of liquid assets in the cash flow statement is identical under both presentations; the modifications affect only the classification between the activities and the starting point of the derivation. The reconciliation of the actual cash flows relating to interest and the interest recognised in profit or loss is set out in section *6.10.8 Reconciliation of interest cash flows*.

6.10.6 Details of the reclassifications

The table below presents all identified actual and potential reclassification components between the current income statement (under *IAS 1*) and the income statement under *IFRS 18* for the first half of 2026:

Reclassification component	Change in classification	H1 2026 (HUF million)
Exchange rate differences on operating items (trade receivables, trade payables,	Financial profit/loss → Operating	-1
Rental and usage fee income from investment properties	Revenue → Investing	16
Direct operating costs of investment properties	Remains in the operating category	-
Building tax on investment properties	Remains in the operating category	-
Depreciation of investment properties	Direct cost of sales → Investing	-
Interest income on liquid assets and deposits (not attributable to interest rate swaps)	Finance income → Investing	22
Investing exchange rate differences (receivables from loans granted,	Financial profit/loss → Investing	-42
Exchange rate difference on the revaluation of liquid assets	Financial profit/loss → Investing	-14
Interest expense on loans	Finance costs → Financing	-153
Interest expense on lease liabilities	Finance costs → Financing	-14
Banking (drawdown, refinancing, guarantee) costs	Administration costs → Financing	-5
Net result of interest rate swaps	Financial profit/loss → Financing	43
Exchange rate differences on financing items (loans)	Financial profit/loss → Financing	327
Revaluation difference relating to leases	Financial profit/loss → Financing	5
Other financial items	Financial profit/loss → Financing	-28

With regard to the reclassifications, the Company applied the following principles:

- In relation to investment properties, only the rental income and the depreciation of the properties are allocated to the investing category, while the costs relating to day-to-day operation remain in the operating category;
- The yields and exchange rate differences on liquid assets and deposits, as well as the bank commissions relating to payment transactions, are allocated to the investing category;
- The interest, fees and exchange rate differences relating to loans and leases, as well as the result of the interest rate swaps concluded for financing risk management purposes, are allocated to the financing category;

- The classification of exchange rate differences follows in all cases the category of the item giving rise to them.

6.10.7 *Alternative performance measures: EBITDA and OPDAI*

The *IFRS 18* standard designates the subtotal of operating profit before depreciation, amortisation and impairments (*OPDAI – Operating Profit before Depreciation, Amortisation and Impairments*), which is similar in content to the EBITDA indicator currently published by the Company but is based on the operating category under *IFRS 18*. The table below derives the difference between the two indicators for the reporting period.

Description	H1 2026 (HUF million)
EBITDA	**1,661**
Rental income from investment properties reclassified from Operating profit (Revenue) to the Investing category	-16
Reclassification of banking (drawdown, refinancing, guarantee) costs from Operating profit (Indirect costs) to the Financing category	5
Inclusion of the exchange rate differences on operating items into the operating category from the Profit/loss of financial transactions	-1
OPDAI – operating profit under IFRS 18 before depreciation and impairments	**1,649**

Of the alternative performance measures used by the Company and detailed in *section 6.3*, both EBITDA and the gross cash-flow are expected to qualify as management-defined performance measures (MPM) under *IFRS 18*, and the Company will present the reconciliation required by the standard in separate notes in the future. EBITDA qualifies as an MPM – since its calculation will in future differ, as detailed above, from the OPDAI subtotal under *IFRS 18* – because it does not fully correspond to the subtotal designated by *IFRS 18*.

6.10.8 *Reconciliation of interest cash flows*

In connection with the classification under the amended *IAS 7*, the Company reconciled, item by item, the interest recognised in profit or loss with the actual interest cash flows on the basis of the accounting records of all Group members. The result of the reconciliation is summarised in the table below:

Description	Recognised in profit or loss (HUF million)	Actual cash flow (HUF million)	Difference (HUF million)
Interest received (deposits, bank accounts)	22	22	-
Interest expense on loans	-153	-152	-1
Net settlement of interest rate swaps	43	43	-
Interest on lease liabilities	-14	-14	-
Intra-group loan interest (consolidated)	-	-	-
Total – non-cash adjustment relating to interest	**-102**	**-101**	**-1**

The difference of HUF -1 million arises from an interest accrual which did not involve any cash movement in the reporting period; in the cash flow statement this difference has been transferred between operating and financing activities. The interest on intra-group loans is fully eliminated in the course of consolidation and therefore does not affect the consolidated interest cash flows.

7 The renewable energy producing 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 Impact of climate change 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; indeed, perspectives of input into district heating systems are favourable as an average over multiple years. 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 the demand for heat during the transitional seasons may be offset by the growth in the potential of the increasingly mild winter periods.

The energy demand of the large district heating systems served by the PannErgy Group substantially exceeds the volume of geothermal energy that can be fed in; 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. The Company is continuously monitoring the expansion of heat sales at all project sites.

With hydrocarbon markets subject to radical and hectic price fluctuations in previous years, supply uncertainties due to war and other situations, and the high cost of carbon emission quotas, the competitiveness of geothermal energy has continued to grow and is now unquestionable.

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

- implementation of energy efficiency and optimisation projects with existing customers;
- cold energy projects aimed at 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;
- 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 the fossil fuel dependency of Hungary and Europe, exacerbated even more gravely by the ongoing armed conflicts.

Alongside the two-component district heating pricing introduced from 1 October 2024, the impact on the Company's profitability of changes in the demand for heat affected by the regulatory pricing (e.g. the weather) is significantly reduced.

7.2 PannErgy Group's sustainability performance and emission savings

The PannErgy Group believes that it is important to determine the influence and impact its activities have on the environment and on society as a whole. In view of this, and in compliance with the relevant legal requirements, the ESG report for the year 2025 was also issued in the period under review, at the same time as the consolidated financial statements for the previous year.

On 26 March 2026, PannErgy Group published its latest ESG Performance Summary Report for the 2025 business year: ESG_2025_GRI_EN_F_20260326.pdf

In this report, 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 2025.

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 nonfinancial 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 Group'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 emission saving rate in 2025 was 70%, i.e. it saved nearly 3/4 units of environmental emissions compared to fossil fuel emissions in the course of its operations.

Based on the greenhouse gas emissions related to energy production, the Company emitted 30% of the GHG environmental burden of the natural gas-based power generation of 90% efficiency considered for the purpose of offsetting emissions in the reporting period. **The Company's renewable energy production at its four project sites resulted in 102 thousand tonnes of CO_2 emissions being offset during the reporting period.**

Taking this into account, and the 30 thousand tonnes of CO_2 GHG emissions detailed in the ESG report, the PannErgy Group offset (saved) 72 thousand tonnes of CO2 equivalent GHG emissions in 2025. Based on this, the PannErgy Group forecasts a similar ESG performance in 2026 as in the previous year 2025, with emissions savings of around 70%.

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.

This risk mitigation is of particular importance because, in the current regulatory environment governing heat prices and as a consequence of the price-setting authority's interpretation, the entire risk of geothermal development - including any losses it may entail - has to be borne by the company carrying out the development, without compensation.

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

8.1.1 Technological risk

Due to the incalculable availability of the geothermal energy resources and the limited capacity of the equipment in the unconventional operational environment, the production of geothermal energy entails unforeseeable risks. To mitigate this **technological risk, the Company prepares each of its geothermal projects with great care for detail, after all reasonably accessible data and information that may affect implementation has been collected and evaluated**.

8.1.2 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, typically yearly but sometimes even quarterly, reviewed and adjusted by the pricing authority Hungarian Energy and Public Utility Regulatory Authority (HEA)http://www.mekh.hu/, thereby limiting, but at the same time ensuring, the Company's profitability. Resulting in **considerable regulatory uncertainty concerning future sales prices**, which the Company is monitoring by efficient and effective operative and strategic controlling over its operational activities.

8.1.3 *Foreign exchange risk*

The Company also performs activities settled in foreign currencies, and there are contracted customers to which EUR-denominated amounts are invoiced based on the agreements pertaining to invoicing. Part of the Company's liabilities are denominated in EUR; most of them can be attributed to the debt service of EUR-based long-term investment loans taken out for the implementation of geothermal projects and to energy costs; moreover, the Company also has foreign and domestic suppliers with which accounts are settled 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 to HUF rates - which the PannErgy Group **uses its best efforts to mitigate, primarily by aiming to maximise the overlap between its EUR-based revenues and its EUR expenditures (natural hedge).** In addition, the Company may occasionally enter into forward foreign exchange hedging transactions.

8.1.4 *Price risk*

The Company does not carry price risks in relation to commodities or financial instruments. The electricity price changes listed among direct 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, as presented above, the selling price of the bulk of the heat sold by PannErgy Group members that are engaged in generating and selling geothermal heat is subject to regulatory pricing.

8.1.5 *Interest rate risk*

The interest rate risk facing the PannErgy Group results primarily from its long-term investment loans. Owing to the variable interest rates applying to its loans the Company is exposed to a cash-flow interest rate risk which is only partly offset by variable-rate liquid assets. Fixed-rate loans, by contrast, expose the Group to fair value interest rate risk. **To mitigate the interest rate risk, the Company is replacing**, in respect of its investment loans, a significant part of 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**. 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 under income from financial transactions or under financial expenditures, as the case may be.

Interest rates on foreign currency loans are presented in section *5.7 Long-term loans and borrowings*.

8.1.6 *Credit risk*

The credit 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, and therefore its credit risk is concentrated; it is, however, of a moderate level owing to the focused monitoring of partners.**

Credit risk management is a group function. It is the responsibility of the members of the PannErgy Group to assess and analyse credit 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 credit risks faced by the PannErgy Group stem primarily 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. The Company manages its credit risks by detailed continuous buyer rating and effective receivable monitoring. No credit limit was exceeded during the reporting period, and the Company does not expect losses from default on the part of the partners concerned.

8.1.7 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 that sufficient resources should be provided for the fulfilment of liabilities upon their respective due dates, both under normal and under stressed conditions. The Company achieves adequate liquidity, among other things, by adjusting the maturity of its funding sources to the timing of the financial obligations arising from the projects. The Company regularly prepares detailed cash flow forecasts and monitors operational forecasts that affect the Group's ability to meet its liquidity requirements to ensure adequate liquid assets are available for operations and to service the Group's debt to financial institutions.

8.1.8 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 that are difficult to estimate, affecting a variety of different segments and participants of society and economy.

The indirect economic impacts of the geopolitical events and war conflicts having a significant influence on the world economy that occurred during and before the reporting period did not materially affect the Company in either the base period or the reporting period.

It is not possible to estimate the future consequences and effects of the war conflicts at the time of preparing these consolidated financial statements.

In addition, it should again 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 (including the countries affected by the war) and circumstances.**

8.1.9 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. This is particularly true because of the introduction of the two-component regulated pricing described above (reduced dependency on weather conditions). 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 and sale - are not affected by the potential negative effects of climate change. No additional investments are needed to mitigate the negative impacts of climate change, nor are additional costs incurred.

The Company discloses the following information on its climate change and environmental activities as part of these consolidated financial statements in accordance with the recommendation of the European Securities and Markets Authority:

- it acts as a renewable energy producer and is engaged in carbon-saving activities;
- prepares a separate ESG 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 latest published ESG report for 2025 was published at the same time as the consolidated financial statements for 2025;
- the ESG Report includes detailed information on carbon savings and emissions, with all assumptions evaluated and published. The carbon savings and emissions data contained in the ESG report for 2025 are characteristic of the reporting period;
- 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 Plc.**
Address of the company:	**H-1112 Budapest, Boldizsár u. 2.**
Sector:	**Energy**
Period:	**H1 2026 (1 January 2026 - 30 June 2026)**
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.)

The financial information contained in this semi-annual report comprises the PannErgy Group's **consolidated** data. The financial data are **unaudited**; no audit is performed in respect of the interim report. In conformity with the International Financial Reporting Standards endorsed by the European Union (hereinafter: "***IFRS***" or "*EU IFRS*"), **the consolidated semi-annual report of the PannErgy Group, comprising PannErgy Plc. and its consolidated subsidiaries, was prepared**. The consolidated financial statements were drawn up in compliance with the requirements of *Act C of 2000 on Accounting* relevant to the consolidated financial statements prepared in conformity with the *EU IFRS*.

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

Name	Registered/ Share capital (HUF M)	Percentage of ownership (%)[2]	Voting rights [1] (%)	Consolidation inclusion ratio [2]	Type of inclusion
PannErgy Geothermal Power Plants cPlc.	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 the company included in the scope of consolidation;

[2] The percentage values are to be interpreted indirectly in the case of the percentage of ownership. The ratios of ownership and voting rights show the direct shares of ownership and voting rights of PannErgy Plc. and of its wholly-owned subsidiary PannErgy Geothermal Power Plants cPlc. in the subsidiaries. The consolidation inclusion ratio and the share of ownership are the same as at 30 June 2026.

In the reporting period only one transaction took place involving the subsidiaries included in the scope of consolidation: the 100% business share of Szentlőrinci Geotermia Ltd. was transferred from PannErgy Geothermal Power Plants cPlc. to PannErgy Plc. The subsidiary transaction, that is, the change of ownership, was registered by the Court of Registration with a registration date of 10 February 2026.

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

9.3.1 <u>Contractual and investment commitments</u>

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

9.3.2 <u>Commitments relating to asset management transactions</u>

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.

9.3.3 <u>Other contingent liabilities</u>

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

<u>Assets relating to funding by financial institutions, restriction of titles</u>

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 4,447 million and EUR 9,887 thousand. These are typically pledges on receivables, assets and bank accounts, as well as guarantees provided to the funding financial institutions.

<u>Contingent liabilities relating to application schemes</u>

Under the relevant legislation, the subsidiaries of the PannErgy Group concerned by grant applications are relieved from the obligation to provide guarantees relating to the applications in respect of all of their applications now in the project maintenance phase.

<u>Joint and several guarantees</u>

PannErgy Geothermal Power Plants 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 Ltd. and without a value limit for Kuala Ltd. No future cash outflow is expected in relation to this contingent liability; accordingly, based on the probability estimates, no provision is formed.

10 Data sheets relating to the share structure and the owners

10.1 Ownership structure, shareholdings and voting rights as of 30 June 2026 (RS1)

Classification of shareholders	Total share capital = Introduced series					
	30.06.2026			31.12.2025		
	%[1]	%[2]	No. of shares	%[1]	%[2]	No. of shares
Domestic institutions	42.61	50.86	6,818,077	41.28	49.27	6,605,089
Foreign institutions	10.47	12.49	1,674,360	9.96	11.88	1,593,506
Domestic private individuals	27.69	33.04	4,430,163	30.22	36.07	4,835,158
Foreign private individuals	1.07	1.28	171,456	0.38	0.45	60,256
Employees, senior officers	1.93	2.31	309,505	1.93	2.31	309,505
Treasury shares[3]	16.21	0.00	2,593,365	16.21	0.00	2,593,365
Owners that are part of the general government system[4]	0.00	0.00	0	0.00	0.00	0
International Development Institution	-	-	-	-	-	-
Other [5]	0.02	0.02	3,074	0.02	0.02	3,121
Total	**100.00**	**100.00**	**16,000,000**	**100.00**	**100.00**	**16,000,000**

[1] Percentage of ownership
[2] Voting right enabling participation in decision making at the Issuer's General Meeting (degree of influence)
[3] Own holding: Owned by the Company or by its fully owned subsidiary
[4] Public administration body
[5] Not matched shareholders

10.2 Changes in the number of treasury shares held by PannErgy Plc. in H1 2026 (RS2)

	30.06.2026 (pcs)	31.12.2025 (pcs)	30.06.2025 (pcs)
At company level	682,417	682,417	2,002,417
Subsidiaries [1]	1,910,948	1,910,948	1,890,948
Grand total	**2,593,365**	**2,593,365**	**3,893,365**

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

<u>The treasury share buyback programme concluded during the reporting period</u>

PannErgy Plc.'s Annual Ordinary General Meeting closing the business year 2024 - held on 25 April 2025 - authorised the Management Board by its Resolution No. 9/2025 (IV.25.) to purchase treasury shares up to an amount of HUF 1,500 million. The authorisation expired on 10 April

2026. No treasury shares were purchased under the programme in the reporting period (1 January 2026 – 30 June 2026).

The treasury share buyback programme commenced during the reporting period

The Company's Annual General Meeting held on 30 April 2026 did not grant a new authorisation for the repurchase of treasury shares.

Changes in the treasury share portfolio and its value

No treasury shares were purchased in the reporting period. The PannErgy Group's treasury share portfolio amounted to 2,593,365 shares on 30 June 2026, of which 682,417 shares are held by PannErgy Plc. and 1,910,948 shares by PannErgy Geothermal Power Plants. This quantity is the same as the portfolio held on 31 December 2025. The revaluation of the treasury shares at the market price prevailing on the cut-off date (HUF 2,330 per share) increased the amount of the reserve for repurchased treasury shares by HUF 1,090 million.

10.3 The owners of shareholdings over 5%, as at 30 June 2026 (RS3)

Name	Nationality [1]	Activity [2]	Quantity (pcs)	Share (%) [3]	Voting rights (%) [3 4]	Note [5]
Beratti Fortis Ltd.	B	T	3,186,010	19.91	23.76	F
Soltút Ltd./ Kálmán Rencsár	B	T	1,903,741	11.90	14.20	F

[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 Issuer's General Meeting
[5] E.g.: 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 basis period is as follows:

	30.06.2026 (number of persons)	31.12.2025 (number of persons)	30.06.2025 (number of persons)
PannErgy Plc.	1	2	1
Affiliated undertakings	16	16	17
Total:	**17**	**18**	**18**

The above figures show the average statistical headcount of PannErgy Group employees. On 30 June 2026, the actual number of permanent employees in the Group was 12, which is one fewer than the 13 employees recorded on 30 June 2025. 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 end of the previous year and to the previous year's half-yearly figures, there were no significant changes in staff numbers.

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

Type [1]	Name	Position	Date of taking office	End/termination of office	Number of shares held (pcs)
IT	Dénes Gyimóthy	Member, Chair [3]	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	-
SP	István Jaksa	Chief Executive	13.12.2022	indefinite term	2,505
TOTAL number of shares held (pcs) as of 30 June 2026:					**309,505**

[1] Member of Management Board (IT), Employee in strategic position (SP)
[2] Direct share ownership
[3] From 31 August 2007 to 12 December 2022: Member, Vice-Chair, Acting Chief Executive Officer.

12 Data sheets related to extraordinary information

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

Date	Type of news	Subject, brief content
01.01.2026	Extraordinary information	Voting rights, share capital
15.01.2026	Extraordinary information	Quarterly production report
01.02.2026	Extraordinary information	Voting rights, share capital
10.02.2026	Extraordinary information	Intra-group share purchase and sale
01.03.2026	Extraordinary information	Voting rights, share capital
17.03.2026	Extraordinary information	Invitation to the General Meeting
26.03.2026	Extraordinary information	Proposals to the General Meeting 1
26.03.2026	Extraordinary information	Proposals to the General Meeting 2
31.03.2026	Extraordinary information	Voting rights, share capital
10.04.2026	Extraordinary information	Information on the acquisition of shares by a person closely associated with the person performing managerial responsibilities
14.04.2026	Extraordinary information	Information from the Management Board on the Company's long-term dividend policy
15.04.2026	Extraordinary information	Publication of the Q1 2026 production report
17.04.2026	Extraordinary information	General Meeting
30.04.2026	Extraordinary information	Voting rights, share capital. ESG report. Annual Report 2 Annual Report 1. Remuneration Report. Corporate Governance Report General Meeting Resolutions
22.05.2026	Extraordinary information	Articles of Association
31.05.2026	Extraordinary information	Voting rights, share capital
30.06.2026	Extraordinary information	Voting rights, share capital
15.07.2026	Extraordinary information	Publication of the Q2 2026 production report
31.07.2026	Extraordinary information	Voting rights, share capital
24.08.2026	Extraordinary information	Communication of PannErgy Plc. on the regime of dividend payment for business year 2025
31.08.2026	Extraordinary information	Voting rights, share capital

13 Date of authorisation for issue

The Company's Management Board authorised the disclosure of the Company's semi-annual report on 17 September 2026.

Budapest, 18 September 2026

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 2026 *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 2026 first-half consolidated report (semi-annual consolidated report) 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 fair view

- 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 the financial situation of 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 an issuer, falls within the scope of Article 4 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as a public limited company whose securities are admitted to trading on a regulated market of a Member State, and it has therefore prepared its aggregated (consolidated) semi-annual report in accordance with the international accounting standards published in the form of regulations in the Official Journal of the European Union.

The consolidated financial statements for the first half of 2026 have not been reviewed by an independent auditor.

Budapest, 18 September 2026

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.