

EXTRAORDINARY INFORMATION

Budapest, 22 March 2019

Negotiations concerning the purchasing of the third reinjection well of Miskolc

In 2015, PannErgy Plc's subsidiary DoverDrill Mélyfúró Ltd sold reinjection well KIS-PE-01B drilled in Kistokaj and connected to the geothermal system of Miskolc alongside certain rights in relation to the utilization of the well.

PannErgy herewith advises the actors of the capital market that there are advanced negotiations in progress with an asset management company in charge of a venture capital fund for the repurchasing of the company that currently owns the reinjection well. At the time of the projected purchasing transaction, the target company of the acquisition will not be in possession of material tangible and intangible assets or pursue operations beyond the reinjection well and the associated services. The foreseeable purchase price covering the 100% business stake of the target company and the loan outstanding to the owner of the target company is HUF 740 million. At the potential time of the closing of the transaction, the amount of the bank loans at the target company will be around HUF 340 million. As a result of the transaction, the expected growth in PannErgy's consolidated annual EBITDA will be HUF 164 million. The planned EBITDA figures for 2019 and 2020 that are specified in PannErgy's proposals to the General Meeting disclosed today take this growth into consideration on a pro rata basis.

The transaction is anticipated to be concluded at the end of the first half of 2019. At present, detailed negotiations are being conducted on the conditions of the transaction and contract documents, as well as preparations are in progress for the obtainment of bank funding for the transaction.

PannErgy Plc

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