

**Remuneration Report  
of PannErgy Public Limited Company  
for the financial year 2021**

The Remuneration Policy of PannErgy Public Company Limited by Shares (registered office: 1117 Budapest, Budafoki út 56.; company registration number: 01-10-041618; hereinafter referred to as 'PannErgy Plc.' or 'the Company'), serving as the basis for this Remuneration Report ('Report'), entered into force on 30 April 2020, following its consultative discussion by the General Meeting.

The Company submits a Remuneration Report on an annual basis, for the first time for the financial year 2020. The purpose of the Report is to provide a comprehensive overview on the total amount of remuneration awarded in the latest financial year or due on the basis of its results, established for each manager in accordance with the Remuneration Policy, including those of the managers employed for the first time during the financial year under review.

In the financial year 2021, the following members of PannErgy Plc's Management Board acted as the Company's managers:

Name	Position	Date of entry into office	End/termination of office
Balázs Bokorovics	Member, Chairman	31.08.2007	indefinite term
Dénes Gyimóthy	Member, Vice-Chairman Acting Chief Executive Officer	31.08.2007 (05.05.2015)	indefinite term
Gábor Briglovics	Member	16.04.2021	indefinite term
Katalin Gyimóthy	Member	28.04.2016	indefinite term
Lilla Martonfalvay	Member	28.04.2016	indefinite term
Attila Juhász	Member	31.08.2007	indefinite term
Kálmán Rencsár	Member	30.04.2020	indefinite term

The Remuneration Policy provides that the characteristics of the remuneration of the Company's managers should reflect the Company's evolution and its risk profile. While in the previous energy transformation period certain members of the Management Board (former Board of Directors) joined an executive stock option scheme besides the fixed remuneration of the members, the shareholders decided that only a fixed remuneration shall apply for the current organic operation period.

According to the guidelines set out in the Remuneration Policy, the Company's strategic objectives are achieved mainly through the operational management, the Company's professional staff and permanent partners. Accordingly, the Company has developed a contractual relationship with its



employees and strategic partners that uses fixed and performance-based incentives, thereby facilitating the Company's business strategy, long-term interests and sustainability.

In the financial year 2021, the Company's Managers received the following remuneration:

Name	Remuneration amount (thousand HUF)	Fixed part (%)	Variable part (%)
Balázs Bokorovics	2,340	100.00 %	0.00 %
Dénes Gyimóthy	1,860	100.00 %	0.00 %
Gábor Briglovics	1,318	100.00 %	0,00 %
Katalin Gyimóthy	1,860	100.00 %	0.00 %
Lilla Martonfalvay	1,860	100.00 %	0.00 %
Attila Juhász	1,860	100.00 %	0.00 %
Kálmán Rencsár	1,860	100.00 %	0.00 %

The actual remuneration fully complies with the requirements set out in the Remuneration Policy. While no performance criteria have been laid down in connection with the remuneration on the basis of the principles described above, it should be noted that the Company has achieved its EBITDA target for the financial year 2021, such value constituting the primary financial performance indicator for the Company.

During the past five years, the yearly changes in Group-level remuneration and the development of the Company's performance and the average Group-level remuneration of Company employees other than managers during such period are shown in the tables below, expressed in FTE in a manner enabling comparison:

Financial year	EBITDA consolidated according to the IFRS (thousand HUF)	Change in EBITDA consolidated according to the IFRS from the previous financial year (thousand HUF)	Change in the average annual per capita income of managers from the previous financial year (%)	Change in the average annual per capita income of employees other than managers from the previous financial year (%)
2015	1,614			
2016	1,715	6.28 %	-19.49 %	2.19 %
2017	2,241	30.65 %	-8.54 %	1.95 %
2018	2,231	-0.45 %	0.20 %	-0.35 %
2019	2,666	19.48 %	0.00 %	-5.75 %
2020	2,735	2.60 %	0.49 %	28.29 %
2021	2,878	5.23 %	-0.36 %	18.93 %



Financial year	Remuneration of managers			Remuneration of employees other than managers		
	Average headcount (number of persons)	Total annual income (thousand HUF)	Average annual per capita income (thousand HUF)	Average headcount (number of persons)	Total annual income (thousand HUF)	Average annual per capita income (thousand HUF)
2015 *	6.55	17,115	2,614	37.84	162,664	4,299
2016	7.36	15,478	2,104	23.72	104,200	4,393
2017	7.52	14,480	1,925	15.25	68,300	4,479
2018 *	7.00	13,500	1,929	13.61	60,742	4,463
2019	7.00	13,500	1,929	15.41	64,821	4,206
2020	6.61	12,820	1,938	15.85	85,535	5,396
2021	6.71	12,958	1,931	16.19	103,908	6,418

\*includes the wages of permanent employees only; temporary, project-based wages have been eliminated

In the past 5 financial years, the Company's annual EBITDA has increased by 67.4%, the average per capita annual income of managers has decreased by 8.2 %, whereas the average per capita annual income of employees other than managers has increased by 46.1 %.

For the financial year 2021, no shares or share options have been offered to the Company's managers.

For the financial year 2021, no variable remuneration has been determined for managers and, therefore, there is no possibility of reclaiming such remuneration.

The Remuneration Policy has been implemented in full accordance with the requirements laid down in the Policy; no exceptions have been made.

Since this is the first time the Company has drawn up a Remuneration Report, no resolution adopted by consultative vote by the General Meeting concerning the Remuneration Report for the previous financial year could be taken into consideration.

Budapest, 22 March 2022

**Management Board of PannErgy Plc.**

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

\*\*\*

3

KELER CAPS number: 10162

