

Independent Auditor's Report
(Free translation)

To the Shareholders of PannErgy Nyrt.

Opinion

We have audited the consolidated financial statements in 529900D05TGFDEQACZ88-2022-12-31-hu.zip¹ digital file of PannErgy Nyrt. and its subsidiaries (the „Group”) for the year 2022 which comprise the consolidated statement of financial position as at December 31, 2022 – which shows a total assets of mHUF 27,331 –, and the related consolidated statement of recognized income, consolidated statement of other comprehensive income – which shows a net profit for the year of mHUF 1,310 –, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (the „EU IFRS”), and the consolidated financial statements were prepared in all material respects in accordance with the provisions of the effective Hungarian Act C of 2000 on Accounting (hereinafter: "the Accounting Act") relevant to the entities preparing consolidated financial statements in accordance with EU IFRS.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits. Our responsibilities under these standards are further described in the "The Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Group in compliance with the relevant effective Hungarian regulations and the “Rules of conduct (ethical rules) of the auditor profession and the disciplinary process” of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

¹ fent hivatkozott digitális fájl digitális azonosítása SHA 256 HASH algoritmussal: c664e7f3142a18207fd52c20865541ac1e2296efdbd1d23abab8278f24de21ef

Key Audit matters	Related audit procedures
Recognition of subsidies development purposes	
<p>(Details in notes 4.27., 11., 29.4., 29.5 and 30.1 of the notes to the consolidated financial statements)</p> <p>Group recognised mHUF 275 as other income in 2022 and mHUF 3,714 reported as deferred income as at 31 December 2022.</p> <p>Management exercise significant judgement whether subsidies should be should be recognized as other income or deferred for the following years. Management has also assessed whether all conditions are met for compliance for conditions of subsidies and whether the deferred income covered the liabilities in case of non-compliance.</p> <p>Due to significant estimation by management we consider that recognised other income and deferred income relating to subsidies received for development purposes as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - we interviewed the management, - we tested the design and operational effectiveness of Group's internal controls relating to other income, - we reconciled the recognition of other income from subsidies received for development purposes to subledger of tangible fixed assets financed by subsidies, - we performed recalculation of other income based on depreciation of tangible fixed assets financed by subsidies, - we tested the post-balance sheet events.
Revenue recognition	
<p>(Details in notes 4.23 and 6 of the notes to the consolidated financial statements)</p> <p>In 2022 the consolidated revenue of the Group is mHUF 7,145 and the revenue is a key performance indicator of the Group which may influence management to make sales contracts with non-ordinary, exceptional conditions.</p> <p>Due to the above we consider this area as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - we considered the appropriateness of Group's revenue recognition accounting policies, - we interviewed management, - we tested the design and operational effectiveness of Group's internal controls over sales cycle of the Group, - we gathered third party confirmations about revenue and receivables, - we tested the post-balance sheet events.

Other Information

Other information comprises the information included in the consolidated business report of the Group for 2022, which we obtained prior to the date of this auditor's report, and the consolidated annual report, which is expected to be made available to us after that date, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information and for the preparation of the consolidated business report in accordance with the relevant provisions of the Accounting Act and other regulations. Our opinion on the consolidated financial statements provided in the section of our independent auditors' report entitled "Opinion" does not apply to the other information.

Our responsibility in connection with our audit of the consolidated financial statements is to read the other information identified above and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Furthermore, in accordance with the Accounting Act, our responsibilities regarding the consolidated business report also include reviewing the consolidated business report to assess whether the consolidated business report was prepared in accordance with the relevant provisions of the Accounting Act and other regulations, if any, including the assessment whether the consolidated business report complies with the requirements of Section 95/B (2) e) and f) of the Accounting Act and to express an opinion on the above and on whether the consolidated business report is consistent with the financial statements. Furthermore, in accordance with the Accounting Act we shall make a statement whether the information referred to in Section 95/B. (2) a)-d), g) and h) has been provided in the consolidated business report.

In fulfilling this obligation, for the purpose of formulating our opinion on the consolidated business report we considered Commission Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation") as other regulation stipulating additional requirements pertaining to consolidated business reports.

In our opinion, the consolidated business report of the Group for 2022 corresponds to the consolidated financial statements of the Group for 2022 and the relevant provisions of the Accounting Act in all material respects. The information referred to in Section 95/B. (2) a)-d), g) and h) of the Accounting Act has been provided.

In addition to the above, based on the information obtained about the Group and its environment, we must report on whether we became aware of any material misstatements in the other information and, if so, on the nature of such material misstatements. We have nothing to report in this regard.

When we read the consolidated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation of the consolidated financial statements in accordance with provisions of the Accounting Act relevant to entities preparing financial statements in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The auditor's responsibilities for the audit of the consolidated financial statements

Our objectives during the audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue, on the basis of the above, an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error, and they are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- ✓ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ✓ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ✓ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the Group's internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of PannErgy Nyrt by the General Meeting of Shareholders on 29 April 2022 and our uninterrupted engagement has lasted since our appointment.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the PannErgy Nyrt., which we issued on 10 March 2023 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Group. In addition, there are no other non-audit services which were provided by us to the PannErgy Nyrt. and its controlled undertakings and which have not been disclosed in the consolidated financial statements/ in the consolidated business report.

The engagement partner on the audit resulting in this independent auditor's report is the signatory of the report.

Report on compliance of the presentation of consolidated financial statements with the requirements set out in the regulation on the single electronic reporting format

We have undertaken a reasonable assurance engagement on the compliance of the presentation of the Company's consolidated financial statements included in the digital file 529900D05TGFDEQACZ88-2022-12-31-hu.zip („ESEF format financial statements”) with regard to regulatory technical standards on the specification of a single electronic reporting format of ESEF Regulation.

Responsibilities of Management and Those Charged with Governance for the ESEF format consolidated financial statements

The management is responsible for the presentation of ESEF format financial statements in accordance with the ESEF Regulation. This responsibility includes:

- the preparation of the financial statements in XHTML format;
- the selection and application of appropriate iXBRL tags in accordance with the ESEF Regulation, using judgement where necessary including the complete and proper application relevant tags and proper creation of extension elements and anchoring; and
- the design, implementation and maintenance of internal controls relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Company's financial reporting process, including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether, in all material respects, the presentation of ESEF format financial statements complies with the ESEF Regulation, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Hungarian National Standard on Assurance Engagements (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulations, whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of tagging, obtaining an understanding of the internal controls relevant for the application of the ESEF Regulation, checking the appropriateness of Company's use of the XHTML format, evaluating the completeness of Company's tagging of the consolidated financial statements using the XBRL markup language, evaluating the appropriateness of Company's use of iXBRL elements selected from the ESEF taxonomy, the creation of extension elements where no proper elements were identified in the ESEF taxonomy and evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the ESEF format consolidated financial statements of the „Company” for the year ended December 31, 2022 included in the digital file 529900D05TGFDEQACZ88-2022-12-31-hu.zip, is presented, in all material respects, in compliance with the requirements of the ESEF Regulation.

Budapest, 22 March 2023

Free translation Hungarian version is signed

BLUE RIDGE AUDIT HUNGARY Kft.

Company registration no: 01-09-717568

Auditor registration no: 004410

IFRS qualification: IFRS000407

Issuer qualification: K000203

Address: 2143 Kistarcsa, Király Andor u. 23.

Name of Authorized representative: Merkel Gábor

on behalf of Blue Ridge Audit Hungary Ltd. and as a statutory registered auditor

Registration number of statutory registered auditor: 007363

IFRS qualification: IFRS000406

Issuer qualification: K000202

This is a translation of Hungarian original – in case of any differences the Hungarian original is prevails.

