EPH

Green Finance Allocation and Impact Report

May 2025

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1 EPH transition strategy and latest progress

1.1 EPH's transition strategy

The main strategic goal of Energetický a průmyslový holding, a.s. ("EPH") is to ensure energy supply security by relying on dispatchable power sources and integrated gas infrastructure, while simultaneously reducing its greenhouse gas (GHG) footprint and preparing for the integration of renewable gases in the medium to long term. As part of its transition plan, EPH ensures that every asset either has a defined phase-out trajectory or a clear role in the future net-zero energy system. Development capital expenditures (Capex) are focused primarily on assets that are expected to align with renewable gases or other decarbonization levers. In contrast, Capex for coal related assets is limited to essential maintenance, ensuring their safe and reliable operation during the interim period until phase-out or transition to low-emission alternatives.

Recognizing its responsibility as a GHG emitter across its business segments, EPH is committed to tracking and systematically reducing its emissions in line with its transition plan. This plan aligns with EU and national climate goals, as well as EPH's own emission reduction targets. To meet these targets, EPH is implementing a range of decarbonization measures. It also evaluates a variety of climate scenarios to identify key transition developments relevant to these efforts. Progress is continuously monitored, with results publicly reported on an annual basis. To manage the negative impacts of fossil fuel-related emissions and to mitigate the risks associated with locked-in GHG emissions, EPH has established a set of clear and measurable targets.

1.1.1 TPI "Below 2 Degrees" CO_2 emission intensity reduction target

EPH tracks effectiveness of its CO_2 emission intensity reduction target by setting time-bound, science-based sectoral decarbonization target aligned with the Transition Pathway Initiative (TPI)[1]. EPH's alignment to the TPI "Below 2 Degrees" CO_2 emission intensity target relates to the EPH policy of decarbonizing its own operations to limit the impact of global warming, and contributes to a sector-wide pathway of limiting global warming to 1.5°C[2]. The target includes direct CO_2 emissions from power and heat generation within EPH's operating boundaries.

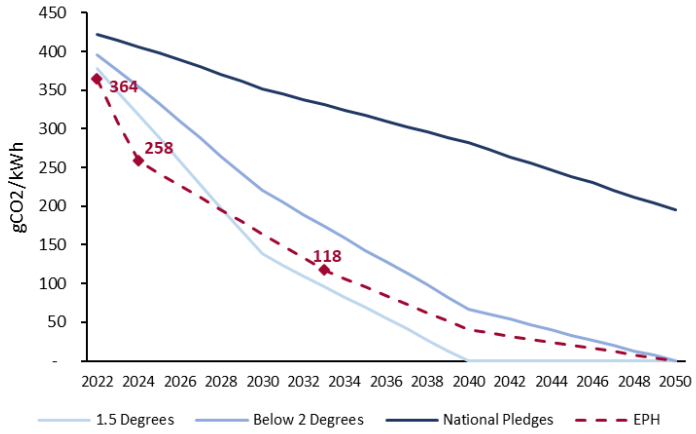

Chart 1: EPH emission intensity projection (gCO_2/kWh)

The chart above compares the projected emission intensity of EPH Group with three TPI scenarios – (i) National pledges, (ii) Below 2 Degrees, and (iii) 1.5 Degrees. The intensity pathway projected by EPH for 2033 is in line with the Below 2 Degrees pathway.

[1] TPI assesses companies' carbon performance against the modelling conducted by the International Energy Agency (IEA) for its biennial Energy Technology Perspectives report. This modelling is used to translate emissions targets made at the international level into sectoral benchmarks, against which the performance of individual companies can be compared. The "below 2 °C" benchmark is consistent with the overall aim of the Paris Agreement to limit warming, albeit at the middle of the range of ambition. This scenario is consistent with a carbon budget that limits the global mean temperature rise to 1.65°C with a 50% probability

[2] The transition plan statement explains how EPH's "below 2 °C" target can be compatible with limiting global warming to 1.5 °C.

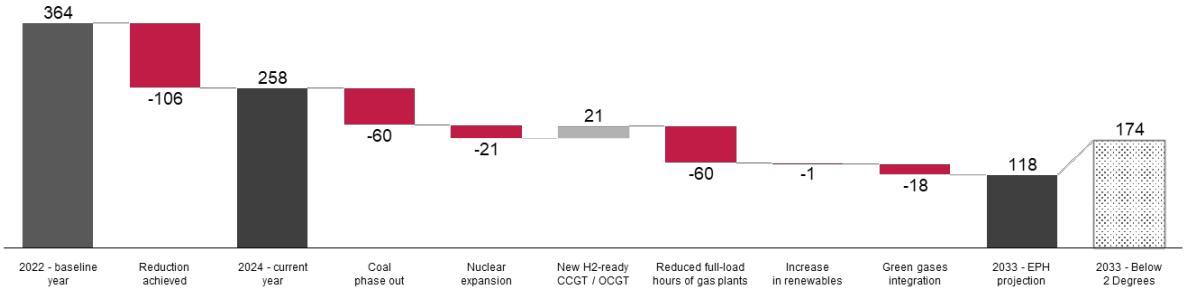

Chart 2: EPH abatement curve by 2033 (gCO_2/kWh)

The chart above demonstrates how this emission intensity reduction target is supported by actions which are described in the following chapter (1.2). It also shows the already achieved emission intensity reduction between 2022 (baseline year selected historically for target setting) and 2024 (current year) and projected reductions until 2033 (target year selected historically for target setting).

1.1.2 Methane reduction target (only at EPIF level)[3]

Methane emissions are concentrated within the energy infrastructure business bundled under EP Infrastructure, a.s. ("EPIF") which has set a methane reduction target to support the overall reduction of GHG emissions. EPH assumes this target set at EPIF level as its own. This target aligns with the commitment made by over 80 countries at the 2021 United Nations Climate Change Conference (COP26) to reduce methane emissions by 30% by 2030. The target is an absolute reduction of 30% emissions from a 2020 baseline (295 thousand tonnes CO_2-eq). These emissions cover all of EPIF's own operations. There are no interim targets, but EPIF aims to reduce these emissions gradually over time. In 2024, EPIF already overperformed the target by reducing its methane emissions by 45%, achieving a reduction of 133 thousand tonnes CO_2-eq. EPIF will strive to reduce methane emissions further and consider strengthening its methane emission reduction target.

1.1.3 Net zero target

EPH has set the target to achieve net zero operations by 2050. EPH might need to utilize carbon neutralization measures to compensate for any remaining GHG emissions in 2050 such as remaining methane leakage in the gas infrastructure. For this purpose, EPH will explore internal projects to generate negative emissions via solutions such as biogenic energy carbon capture.

Target	Unit	2020 base year	2022 base year	2024 current year	2030 target year	2033 target year	2050 target year
CO_2 emission intensity (Scope 1)	gCO_2eq/kWh	N/A	364	258	N/A	118	0
Methane reduction target at gas infrastructure (EPIF)[3]	thsnd. tonnes of CO_2eq	295	N/A	161	147	N/A	0
Net zero GHG emissions (Scope 1 & 2)	thsnd. tonnes of CO_2eq	N/A	23,159	17,923	N/A	N/A	0

Table 1: EPH GHG emission reduction targets

[3] Methane reduction target is set at the level of EPH subsidiary EPIF where the gas midstream and downstream infrastructure is concentrated

1.2 EPH's progress update in implementing the transition plan

1.2.1 Investing in dispatchable low-carbon and renewable power

The position of EPH in the energy transition is relatively unique in the European context compared to other large energy groups. EPH has been oriented at thermal dispatchable power generation dominated by gas power plants. EPH is of the view that highly efficient combined-cycle gas turbine (CCGT) and open-cycle gas turbine (OCGT) power plants ready to be switched to hydrogen are a key enabler of the swift transition to the energy system based predominantly on renewables. The importance of new dispatchable capacities is recognized by national governments who put in place supporting schemes such as capacity payments to incentivize development of these assets. From the financial perspective, this trend improves the quality of EPH earnings by increasing regulated share of its profitability and reducing the merchant exposure. Beyond dispatchable power, we are dedicated to expanding the share of renewables in our portfolio, comprising biomass units or solutions based on green gases.

1.2.1.1 Case study - Natural gas full load hours reduction and efficiency improvements

With growing penetration of renewables, the utilization of dispatchable gas power plants is expected to decline. After coal generation sources are phased out, gas power plants will be the last in the generation merit order, depending on their generation efficiency. By default, keeping those assets operational is not detrimental to the build-out of renewables which will always be fully utilised given their virtually zero marginal costs. On the contrary, flexible gas power plants are a vital enabler of the acceleration of renewables ramp up. EPH projects to reduce full load hours ("FLH") of the power plants based on the efficiency of respective power plants and their useful lives.

Additionally, EPH is investing in efficiency upgrades for gas turbines at existing power plants. In the Netherlands, following the successful implementation of the Advanced Turbine Efficiency Upgrade (ATEP) at the Enecogen CCGT power plant, the company is now applying the same upgrade at the Sloe power plant, with completion expected in 2025. ATEP leverages cutting-edge turbine blade technology to enhance efficiency. In Italy, EPH secured capacity payments in a competitive auction by increasing net power output by approximately 100 MW through efficiency enhancement projects at its CCGT plants. These upgrades will strengthen Italy's grid reliability, improve efficiency, and contribute to reducing carbon and other air emissions.

1.2.1.2 Case study - commissioning new H2-ready gas power plants

EPH is investing in highly efficient, hydrogen-ready gas power plants. EPH commissioned the 700 MW Kilroot OCGT plant in the UK in 2024 and the 800 MW Tavazzano CCGT plant in Italy in March 2025. In the first half of 2026, an additional 880 MW CCGT plant in Ostiglia, Italy, is scheduled for commissioning. All these plants are designed to be hydrogen-ready and are backed by long-term capacity contracts ranging from 10 to 15 years. Their flexibility and rapid response times make them an essential complement to the expansion of renewable energy.

1.2.2 Investing in energy storage solutions

Increasing penetration of intermittent renewables necessitates significant investments in electricity storage capacity. EPH is actively evaluating opportunities in battery storage and has developed a substantial pipeline of potential projects with a planned capital expenditure of at least €500 million. The profitability of battery storage systems is bolstered by government capacity schemes, grid-balancing services, and rising electricity price volatility, creating opportunities for additional merchant revenues. EPH has already commissioned its first Battery Energy Storage Systems (BESS) and reached a final investment decision on further projects. Additionally, EPH is exploring investments in hydrogen electrolyzers to facilitate long-term storage of excess electricity.

1.2.2.1 Case study – Battery storage

EPH has already commissioned a 35 MW battery storage facility at the Emile Huchet site in France. In Italy, the UK, and France, EPH has secured capacity contracts for several BESS systems with additional BESS projects planned in the Netherlands and Slovakia. Projects with capacity of 0.7 GW / 1.5 GWh have been approved with further opportunities under continuous evaluation.

1.2.3 Coal phase-out

EPH has a clear coal exit plan for its remaining coal power plant fleet which respects local legislation and requirements of the grid. Coal operations beyond 2025 are expected to be limited to the Fiume Santo hard coal power plant on Sardinia, operating under a must-run regime, and the Czech cogeneration heating plants operated in the city of Pilsen providing vital heat supplies to the local district heating network. In 2023-2024, EPH decommissioned four coal-fired power plants with total capacity of 1.6 GW. The hard coal plant Emile Huchet 6 has not been producing since late February 2025 and EPH is currently evaluating strategic options for its future, including social considerations. As a result, EPH's coal exposure beyond 2025 is anticipated to be limited only to critical must-run assets. The coal-based capacity at the end of 2025 is expected to remain below 5% of the total capacity.

The former coal power plant sites are designated for the development of low-carbon technologies, including hydrogen-ready gas power plants or heating plants, waste-to-energy plants, battery storage systems, hydrogen electrolyzers, and potentially other energy-intensive industry facilities like data centers. EPH's strategy focuses on repurposing these sites with alternative energy capacities or storage solutions, ensuring they contribute to the transition toward a decarbonized energy system rather than being left unused.

1.2.4 Promoting hydrogen adoption

We believe that the flexibility of natural gas makes it an ideal partner for renewables while transitioning to a low-carbon future. EPH is also aware of the temporary role of natural gas in the energy transition and envisages converting its assets away from natural gas to renewable gases once these are available on a commercial scale. While availability and economics of green gases is currently uncertain, EPH advances hydrogen readiness of its gas infrastructure and also assumes lower blends of green gases in the power plant gas turbines in its abatement curve. The implementation of this plan will mainly depend on the scale-up of renewable gas production and the EU and UK policies regarding the prioritization of these gases for large-scale power generation versus hard-to-abate industries.

EPH's existing gas transmission and distribution infrastructure can be retrofitted to support hydrogen, while the gas storage assets are also evaluated to assess its hydrogen compatibility. To this end, EPH has already launched hydrogen-dedicated research and development projects. The unique, geographically strategic position for future hydrogen transmission further positions EPH to be a major player in hydrogen adoption. To address significant disparities between projected hydrogen production and consumption across various regions in Europe, the establishment of a robust hydrogen transit and storage infrastructure is imperative. This infrastructure should not only connect regions within Europe but also neighboring regions with abundant hydrogen potential, such as North Africa or Ukraine. A robust infrastructure shall ensure the security of supply for future hydrogen off-takers, as well as the security of demand for potential investors in hydrogen generation.

EPH is involved in several projects across its midstream and downstream gas infrastructure to enable adoption of hydrogen. EPH's subsidiary SPP – distribúcia ("SPPD") plays a crucial role in transitioning from natural gas to hydrogen, preparing the network gradually for hydrogen distribution through replacement of the older steel pipes with hydrogen-ready polyethylene material. Concurrently, SPPD facilitates connection of first biomethane stations into its network and operates a registry of renewable gases to connect biomethane producers and offtakers. SPPD expects to connect approximately 34 existing biogas stations to its network in the medium term after their conversion into biomethane stations. The total biomethane potential according to the latest National Energy and Climate Plan of Slovakia can reach up to 400 million cubic meters in the medium term.

EPH's transmission arm, eustream, is strategically positioned to accommodate hydrogen transport, where its project aimed to refurbish one pipe for pure hydrogen transit has been granted Important Project of Common European Interest (IPCEI) status. Nafta, responsible for gas storage, is exploring the feasibility of storing hydrogen blended with natural gas, launching project Henri to identify suitable storage sites which has been assigned IPCEI status as well.

1.2.5 Renewables commissioning/upgrading

EPH's role in the energy transition is currently centered around flexible power with significant focus on natural gas, while ensuring hydrogen readiness as mentioned in the previous case study. EPH currently does not plan to be heavily engaged in the development of renewables. In the EPH abatement curve, increased output from renewables therefore does not play a significant role. However, EPH explores opportunities in the renewable energy segment in the regions where it operates.

In France, EPH has performed repowering of two wind farms, Ambon and Muzillac, with the total investment of EUR 35 million. This operation enabled a 30% increase in the production capacity of each farm, raising their total installed capacity from 18.5 MW to 26.4 MW. Repowering stands as a great example of energy transition and circular economy, as 98 % of the total mass of the turbines was recycled. EPH is actively working on repowering the reminder of its wind fleet in France. The Lehaucourt wind farm, with a capacity of 14 MW, has secured a 20-year tariff of €87/MWh and its repowering is expected to be completed within the next two years.

EPH plans to continue operating its biomass power plants and heating facilities as a complementary energy source. The Lynemouth biomass power plant in the UK is expected to ramp up production following a temporary decline in 2022-2024. In France, the Provence biomass power plant will transition from biomass co-combustion with coal to exclusively using biomass. Additionally, biomass will remain an integral component of EPH's district heating assets in the Czech Republic, supporting sustainable heat generation.

1.2.6 Nuclear commissioning

Acquisition of a controlling stake in Slovenské elektrárne ("SE"), which took place on 23rd of May 2025, added nuclear to the energy mix of EPH. Since 2022, SE has already commissioned additional unit Mochovce 3 in one of its nuclear power plants, increasing the capacity by 440 MW. Another unit with the same capacity Mochovce 4 is planned to start the commissioning process at the turn of 2025/2026. As a result, the emission-free output from nuclear plants is expected to increase from 15 TWh in 2022 to 23 TWh in the future.

1.2.7 Gas infrastructure GHG emissions reduction

The carbon footprint of gas transit and storage operations primarily stems from methane leakage and CO_2 emissions generated by the combustion of natural gas in compressors used to transport gas through the transit network or inject it into underground storage facilities. EPH's subsidiaries are implementing measures to minimize methane leakage, including the gradual elimination of natural gas venting through investments in mobile gas repumping compressors. To reduce CO_2 emissions, EPH will focus on the partial electrification of its compressor fleet, replacing the current compressors driven by gas turbines.

1.2.8 Disposal of CHP plants

Two combined heat and power (CHP) plants held under EPIF Group were disposed and transferred to EP Heat & Power, a.s., a sister company of EPH at the end of March 2025. This disposal reduced EPH exposure to lignite-based heat and power generation.

2 Green Finance Framework

EPH established its Green Finance Framework[4] (or "Framework") in May 2024 and has recently performed an update of the Framework to include the newly acquired nuclear and hydropower assets, as well as the pipeline of BESS projects. We note that the allocation performed in this report does not yet consider the newly added assets.

Creation of the Framework represented a logical step for EPH to link the future financing to execution of its transition plan. The Framework was prepared in line with the ICMA Green Bond Principles. Criteria used to identify projects eligible for green financing ("Eligibility Criteria") are closely aligned with the substantial contribution criteria of the EU Taxonomy. Key assets identified as eligible for green financing are represented by the gas and power distribution grids, district heating systems consisting of cogeneration plants and adjacent heating networks, and gas power plants meeting the EU Taxonomy criteria.

EPH solicited Second Party Opinions ("SPO") on its inaugural Framework from (i) Shades of Green, now part of S&P Global which assigned the Light Green shading[5] to the framework and (ii) Sustainable Fitch which assigned a qualification of "Good"[6] to the framework. Both SPO providers find the framework is aligned with the ICMA Green Bond Principles.

The Framework includes the following eligible categories:

GBP/GLP Category	Description Eligible Green Projects: Eligibility Criteria	Contribution to UN SDGs	Link to EU Taxonomy
Renewable Energy **Electricity distribution infrastructure**	❑ Assets, Investments, Capex and Opex relating to electricity distribution infrastructure and equipment that meets one of the following criteria: a) The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems b) Over 67% of newly connected generation assets comply with the 100gCO_2/kWh threshold (over a rolling 5-year period), or c) The grid's average emissions factor is less than 100gCO_2/kWh but excluding any grid connections of power plants that are more CO_2 intensive than 100gCO_2/kWh (as a proxy for this threshold any direct grid connections of power plants other than wind, solar or hydro[1] energy will be excluded)		Substantial contribution to Climate Change Mitigation: 4.9 Transmission and distribution of electricity
Renewable Energy **Gas distribution infrastructure**	❑ Assets, Investments, Capex and Opex relating to renewable and low-carbon gas distribution infrastructure and equipment: • Construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases • Conversion/repurposing of existing natural gas networks to 100% hydrogen • Retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system		Substantial contribution to Climate Change Mitigation: 4.14 Transmission and distribution networks for renewable and low carbon gases

Energy Efficiency
 	
Power and heat generation, district heating networks
	❑ Assets, Investments, Capex and Opex relating to:
	• Pipelines and associated infrastructure for distribution of heating and cooling produced using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat:
	  • Construction and operation
	  • Refurbishment
	  • Modification to lower temperature regimes;
	  • Advanced pilot systems (control and energy management systems, Internet of Things)
	❑ Co-generation of heat/cool and power from bioenergy, as per the substantial contribution criteria to climate change mitigation of the Climate Delegated Act (Annex I) under 4.20
	❑ Electricity generation from fossil gaseous fuels, as per the substantial contribution criteria to climate change mitigation of the Complementary Climate Delegated Act on gas energy activities (Annex I) under 4.29
	❑ High efficiency co-generation of heat/cool and power from fossil gaseous fuels as per the substantial contribution criteria to climate change mitigation of the Complementary Climate Delegated Act on gas energy activities (Annex I) under 4.30
	❑ Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system as per the substantial contribution criteria to climate change mitigation of the Complementary Climate Delegated Act on gas energy activities (Annex I) under 4.31
		
		 
			Substantial contribution to Climate Change Mitigation:
			
			4.15 District heating/cooling distribution
			
			4.20 Cogeneration of heat/cool and power from bioenergy
			
			4.29 Electricity generation from fossil gaseous fuels
			
			4.30 High efficiency co-generation from of heat/cool and power from fossil gaseous fuels
			
			4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

[4] The EPH Framework is available here https://www.epholding.cz/en/green-finance-framework/
[5] Details on the Shades of Green methodology available here https://www.spglobal.com/ratings/en/products-benefits/products/shades-of-green
[6] Details on the Sustainable Fitch methodology available here https://www.sustainablefitch.com/products/second-party-opinions

3 Allocation report

On 31 May 2024, EPH Financing International, a.s. successfully issued inaugural EUR 500 million green bonds under its EUR 3 billion EMTN Programme guaranteed by Energetický a průmyslový holding, a.s. ("EPH"). The EUR-denominated green bonds, maturing in November 2029, bear a 5.875% coupon, paid annually. The green bonds attracted high demand, mainly from investors from Western Europe, who took up a 92% majority of allocations. The notes were admitted to trading on the regulated market of Euronext Dublin and are rated BBB- by Fitch and BBB- by S&P. In the bond documentation, EPH committed to allocating the proceeds from the issuance in line with EPH's Green Finance Framework to a portfolio of eligible green projects.

As EPH Group issues green instruments also at the level of its sub-holding EPIF, EPH needs to ensure that green instruments issued across the Group are also considered, because the green instruments are used to finance the same consolidated portfolio of assets. As of the date of this Green Finance Allocation and Impact Report (or "Report"), EPIF had outstanding green finance instruments, two green Schuldschein loans under German law, with aggregate value of EUR 285 million. These instruments are tracked in the Group consolidated asset registry to ensure that consolidated green assets are sufficient to cover the total value of green instruments across the Group. These instruments are not presented in the overview of the Green Finance Instruments below which shows solely instruments issued at the level of EPH.

The Eligible Green Projects have been identified by the Sustainability department in consultation with the Finance department of EPH. The supporting documentation evidencing the value of the Eligible Green Projects has been provided by staff from the respective operating companies with relevant finance and technical expertise. The allocation has been reviewed and approved by the EPH Green Finance Committee. This committee is responsible for ongoing monitoring of the portfolio of Eligible Green Projects.

An overview of Eligible Green Projects and Green Finance Instruments as of the date of this Report is presented in the table below. The Eligible Green Projects are included in the portfolio at their most recent IFRS balance sheet value as of 31 December 2024.

As of the date of this Report, EPH reported Green Finance Instruments of EUR 500 million. The proceeds were fully allocated against the portfolio of Eligible Green Projects of EUR 2,947 million. It is important to note that this portfolio is partly consumed by green instruments issued at the EPIF level, which comprised EUR 285 million.

To allocate the proceeds, EPH applies the portfolio approach and manages the proceeds on an aggregated basis. The entire proceeds have been allocated to a portfolio of existing assets via refinancing. Specifically, the portfolio of Eligible Green Projects includes the following assets:

- **Power distribution network in central Slovakia** - the network complies with the Eligibility Criteria as it represents a vital part of the interconnected European system, meeting one of the Eligibility Criteria, specifically "*The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems*". In addition, over the past five years, 94% of the newly connected capacity have been renewable sources, mainly solar power plants. The full value of the Property, plant and equipment related to the network is treated as eligible for green financing. Distribution infrastructure dedicated to connection of generation sources with the CO_2 emission intensity above 100gCO_2/kWh was excluded.

- **Hydrogen-ready parts of the gas distribution network in Slovakia** - the existing natural gas distribution network is well-suited to accommodate renewable gases and has the capability to connect biomethane facilities. Efforts are underway to gradually prepare the network for hydrogen adoption. As of today, nearly 60% of the local networks are made of polyethylene, a hydrogen-ready material. What's more, all newly laid pipelines at local networks are made of polyethylene which is proven to be compatible with 100% hydrogen. To demonstrate our commitment to renewable gases accommodation, SPPD has successfully completed a pilot project where it blended 10% of hydrogen into the gas distribution network in a small village in

Slovakia and tested interaction of the networks as well as appliances at households and commercial customers (boilers, cookers). Furthermore, SPPD was able to certify the network to distribute a 10% hydrogen blend in the local networks and a 5% blend in the high-pressure pipeline in 2024. Therefore, the asset is considered to meet one of the Eligibility Criteria, specifically "*Retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gases in the gas system*". The hydrogen-ready parts of infrastructure were identified in the fixed assets register and their value treated as eligible for green financing.

- **District heating networks in the Czech Republic** - the heating networks facilitate the distribution of hot water, generated almost exclusively through a highly efficient cogeneration process. Therefore, the asset is considered to meet one of the Eligibility Criteria, specifically "*Pipelines and associated infrastructure for distribution of heating and cooling produced using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat*". The full value of the Property, plant and equipment related to the networks is treated as eligible for green financing.

While EPH's Eligibility Criteria are not explicitly linked to the full EU Taxonomy alignment, EPH closely follows the substantial contribution criteria of the EU Taxonomy. The entire portfolio of Eligible Green Projects presented below is considered as aligned with the EU Taxonomy. EPH acknowledges that full Taxonomy alignment is conditional upon meeting all Do No Significant Harm criteria and Minimum social safeguards. For the full Taxonomy assessment, please refer to EPH's Consolidated Sustainability Statement for the year 2024 which is aligned with the requirements of the Corporate Sustainability Reporting Directive and received limited assurance from EPH's statutory auditor.

Use of Proceeds for Eligible Green Asset Portfolio										
Portfolio of Eligible Green Assets (as of *31 December 2024*)						**Green Finance Instruments** (as of the date of this Report)				
ICMA GBP / LMA GLP Eligible Category	**Country**	**Financing / refinancing**	**EU Taxonomy reference**	**Basis for the value**	**Eligible Asset / Investment Value (€m)**	**Instrument**	**Interest / coupon**	**Issuance Date**	**Maturity Date**	**Amount (€m)**
Renewable Energy					**2,839**					
Electricity distribution infrastructure	Slovakia	Refinancing	4.9.	Balance sheet value	812	Inaugural Green Bond (XS2822505439)	5.875%	31/May/2024	30/Nov/2029	**500**
H2-ready gas distribution infrastructure	Slovakia	Refinancing	4.14.	Balance sheet value	2,027					
Energy Efficiency					**108**					
District heating networks	Czech Republic	Refinancing	4.15.	Balance sheet value	108					
Total Portfolio of Eligible Green Assets					**2,947**	**Total Volume of Green Finance Instruments Outstanding**				**500**

Percentage of proceeds allocated to Eligible Green Asset Portfolio	**100.0%**
Percentage of proceeds allocated to existing projects (= refinancing)	**100.0%**
Percentage of proceeds allocated to new projects (= financing)	**0.0%**
Amount of assets allocated to EU Taxonomy aligned activities	**€ 2,947**
Percentage of assets allocated to EU Taxonomy aligned activities	**100.0%**

Notes:

Within EPH Group, green instruments are also issued at the level of EP Infrastructure ("EPIF"), a sub-holding of EPH. As of the date of this Report, EPIF had outstanding green instruments of EUR 285 million which partly consumed the green assets presented in this overview of Eligible Green Assets

4 Impact report

Through continuous investments in the Eligible Green Projects, EPH creates a positive impact and contributes to the decarbonization of its operations but also wider energy system. We provide a description of the impacts including the calculation methodology below. The individual impacts are quantified based on metrics reported for the year 2024. As we are using the consolidated approach, the same impacts are also valid for EPIF.

District heating networks: enabling distribution of heat produced in efficient cogeneration mode

EPH operates 745 km of district heating networks, supplying heat to more than 150,000 offtake points. In 2024, EPH supplied 7 PJ of heat which was almost solely produced in the highly efficient cogeneration mode. The system therefore meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU. Operation of the district heating networks enables a centralized combined production of heat and power in highly efficient heating plants. Compared to separate production of power and heat, the cogeneration mode generates significant savings of fuel. Combined heat and power plants are typically able to achieve approximately 80 per cent. efficiency, while an equivalent combination of conventional power plant and boiler can achieve only approximately 52 per cent. efficiency[7]. Based on the difference in efficiency and emission factor of lignite of 101 g/MJ[8], EPH calculated that enabling centralized cogeneration production generates avoided annual GHG emissions of 776 kt CO_2 eq.

Gas distribution network: adapting pipelines to hydrogen

Through gradual replacement of older steel pipes with polyethylene pipes, EPH adopts the network for hydrogen. This material possesses superior permeability characteristics, making it suitable for the potential distribution of pure hydrogen. In the interim period, when fossil natural gas is still being distributed, polyethylene pipes serve as a reliable barrier against methane leakage. In its fiscal year ending 31 July 2024, EPH's subsidiary SPPD replaced 160 km of steel pipes with polyethylene pipes. As a result, 58% of the local networks were represented by hydrogen-ready pipelines as of 31 July 2024.

Power distribution network: connecting renewable sources

In 2024, SSD connected 90 MW of new generation sources to the grid, of which 98% was represented by renewable sources. As of the year end 2024, 217 MW of renewables was connected to the SSD network. Facilitating connection of renewable sources has a direct impact on avoided emissions as renewables with zero marginal production cost displace fossil fuel-based generation sources from the power generation merit order. To calculate the avoided GHG emissions, we first assessed what would be the additional GHG emissions in Slovakia if the output from the Slovak renewable sources was produced by the residual non-renewable fuel mix in 2023[9]. We then determined the share of avoided emissions attributable to SSD by applying the share of SSD on the total renewable capacity in Slovakia. This resulted in avoided GHG emissions of 43 kt CO_2 eq.

Power distribution network: increasing efficiency through smart meters

In 2024, SSD acquired and installed 8,231 smart meters. As of the year end 2024, 174 thousand smart meters were in place, comprising 22% of the total number of metering devices. Based on the study of the European Commission[10], the metering systems can generate 5.4-7.9% of energy savings for end consumers by enabling them efficient consumption management. Using the volume of power distributed by SSD in 2024 (6.1 TWh), the share of smart meters (22%), and the average grid emission intensity in Slovakia in 2023 (84 gCO_2/kWh)[11], we calculated the approximate avoided GHG emissions of 7 kt CO_2 eq.

[7] Source: https://www.epa.gov/chp/chp-benefits
[8] Source: GHG protocol emission factors, https://ghgprotocol.org/calculation-tools-and-guidance#cross_sector_tools_id
[9] Source: Breakdown based on SEPS Annual Report 2023 - page 10 https://www.sepsas.sk/o-nas/vyrocne-spravy/
[10] Source: Benchmarking smart metering deployment in the EU-28
[11] Source: https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1

Impact Report

Reporting period: 1st January 2024 - 31 December 2024

Portfolio based Impact Report according to the ICMA Harmonized Framework for Impact Reporting (June 2024)

EPH

Eligible Green Project Categories	Estimated annual avoided greenhouse gas emissions (tonnes CO2e/year)	Cogeneration heat produced for distribution through district heating networks (GWh)	Length of the gas distribution infrastructure adapted to hydrogen (km/year)[1]	Total hydrogen-aligned gas infrastructure (km)[1]	Connection of the renewable generation capacity to the power distribution network (in MW/year)	Total renewable generation capacity in the power distribution network (in MW)	Smart meters installed in the power distribution network (# / year)
Renewable Energy							
Electricity distribution infrastructure	50,986				89.8	216.9	8,231
Gas distribution infrastructure			160	15,676			
Energy Efficiency							
District heating networks	775,769	2,364					
Power and heat generation							
Total Portfolio of Eligible Green Assets	**826,755**	**2,364**	**160**	**15,676**	**89.8**	**216.9**	**8,231**

Notes:

1) Length of the gas distribution infrastructure is presented as of 31 July 2024 based on the fiscal year of EPH's subsidiary SPP-distribúcia, the operator of these assets. The replaced pipes are then presented for 12 months ended 31 July 2024.

5 External assurance

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INDEPENDENT LIMITED ASSURANCE REPORT (ISAE 3000 (Revised))

Board of Directors
Energetický a průmyslový holding, a.s.
Pařížská 130
110 00 Prague 1
(the **"Client"**)

SUBJECT MATTER AND CRITERIA

We have been requested to conduct a limited assurance engagement on the selected indicators in the sections Allocation report and Impact report forming part of the Green Finance Allocation and Impact Report ("Green Finance Allocation and Impact Report ") on the use of proceeds and their impact from inaugural green instruments issued by Energetický a průmyslový holding, a.s. (the "Client") in May 2024 in form of Green bonds in accordance with provisions of the Green Finance Framework issued by the Client in May 2024 (the "Framework").

The selected indicators subject to limited assurance procedures that have been prepared on the basis of the Framework comprise:

- Total amount of assets, investments, and expenditures in the Eligible Green Project Portfolio, per eligible category as of 31 December 2024;
- Estimated annual avoided greenhouse gas ('GHG') emissions (in tonnes CO2e/year) for reporting period: 1st January 2024 – 31 December 2024;
- Installed capacity of low emission sources replacing lignite units (in MW/year for reporting period: 1st January 2024 – 31 December 2024);
- Length of the gas distribution infrastructure adapted to hydrogen (in km/year) for reporting period: 1st July 2023 – 31 July 2024;
- Total hydrogen aligned-aligned gas infrastructure (in km) as of 31st July 2024;
- Connection of the renewable generation capacity to the power distribution network (in MW/year) for reporting period: 1st January 2024 – 31 December 2024; and
- Smart grid components installed in the power distribution network for reporting period: 1st January 2024 – 31 December 2024.

Other than described in this report, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Green Finance Allocation and Impact Report, and accordingly, we do not express a conclusion on any other information included in the Green Finance Allocation and Impact Report.

Limited assurance is a lower level of assurance, and it is not a guarantee that an assurance engagement conducted in accordance with International Standard on Assurance Engagements (ISAEs) will always detect a material misstatement when it exists.

RESPONSIBILITIES OF THE CLIENT

The Client is responsible for the preparation and presentation of the Green Finance Allocation and Impact Report in accordance with the Framework.

In preparing the Green Finance Allocation and Impact Report, the board of directors of the Client used Client's self-developed Framework, building upon the Green Bond Principles as of June 2022 of the International Capital Markets Association (ICMA), and has indicated these within the Framework.

This responsibility of the board of directors of the Client includes the selection and application of appropriate methods for preparing the Green Finance Allocation and Impact Report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. In addition, the board of directors is responsible for such internal control they have determined necessary to enable the preparation of the Green Finance Allocation and Impact Report that is free from material misstatements, whether intentional or unintentional.

OUR INDEPENDENCE AND QUALITY CONTROL

In performing the engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our firm applies International Standard on Quality Management 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILTY

Our responsibility is to express a limited assurance conclusion as to whether the selected indicators in the Green Finance Allocation and Impact Report have been prepared, in all material aspects, in accordance with the Framework.

We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IASB). In accordance with this standard, we have planned and performed our engagement to obtain limited assurance regarding the subject matter of the engagement.

SUMMARY OF WORK PERFORMED

As part of our assurance procedures, we performed the following work:

- Inspect the respective sections of the Framework and respective Green Finance prospectus/offering memorandum (the "Green Finance Prospectus"), particularly the sections related to total Green Finance proceeds, its use and the information related to impact of the Eligible Green Projects.
- Interview relevant Client's employees that participated in the preparation of the Green Finance Allocation and Impact Report about the process of preparation, the measures on hand and precautionary measures (system) for the preparation of the Green Finance Allocation and Impact Report.
- Obtain understanding of the process for evaluation and selection of the eligible projects, which might be financed by the Green Finance proceeds, and verify whether this process includes the eligibility criteria set out in the Framework. The eligible project, which might be financed by the Green Finance proceeds, must be in line with the Framework.
- Obtain understanding of the design of the internal procedures and policies of the tracking process of the investments, expenditure and other costs linked to the usage of the Green Finance proceeds for the eligible projects.
- Inspect that the rules for management of Green Finance proceeds are clearly defined and documented in line with requirements set out in the Green Finance Prospectus.
- Inspect the description of the projects financed and check project-related materials to determine eligibility in comparison with the of Framework to assess whether the Green Finance proceeds have been allocated in accordance with the Framework on sample basis.
- Inspect on a sample basis relevant evidences confirming that the Green Finance proceeds have been used in line with the rules to (re)finance relevant project expenditures and are monitored in line with the rules specified in the Framework.
- Inspect that the calculation of the impact of Eligible Green Projects has been performed as described in the Green Finance Allocation and Impact Report.
- Determine that relevant impacts are disclosed in the Green Finance Allocation and Impact Report as defined in the 4.5 Reporting section of the Framework.
- Inspect the presentation of the disclosed impact indicators in the Green Finance Allocation and Impact Report t report as defined in the 4.5 Reporting section of the Framework.

In a limited assurance engagement, the procedures performed vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The procedures performed do not constitute an audit according to the International Standards on Auditing, nor an examination of the effectiveness of the Company's internal control systems, or an examination of compliance with laws, regulations, or other matters. Accordingly, our performance of the procedures does not result in the expression of an opinion, or any other form of assurance on the Company's internal control systems or its compliance with laws, regulations, or other matters.

The assurance provided by our procedures should therefore be considered at the light of these limitations on the nature and extent of evidence-gathering procedures performed.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

INHERENT LIMITATIONS

The process which the Company adopts to define, gather, and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection, and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the Green Finance Allocation and Impact Report is subject to inherent limitations given its nature and the methods for determining, calculating, or estimating such information.

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing came to our attention that causes us to believe that allocation of proceeds from Green Bonds to Eligible Green asset Portfolio and Impact Report forming part of the Green Finance Allocation and Impact Report issued as on 31 May 2025 has not been prepared and presented in all material respects, according to section 4.5 Reporting of the Green Finance Framework issued by the Client in May 2024.

Our opinion does not refer to whether the Green Finance Allocation and Impact Report, issued on 31 May 2025, has met all the criteria specified by the Framework. Furthermore, our opinion does not refer to whether the Framework has met the criteria of the International Capital Markets Association's Green Bond Principles.

RESTRICTION OF USE AND DISTRIBUTION

This report is not intended to provide third parties with support in making any investment or financial decisions. This assurance report is intended for the Client, i.e. Energetický a průmyslový holding, a.s. and our responsibility with respect to Energetický a průmyslový holding, a.s. is governed by the Engagement Letter 19 May 2025. The limited assurance engagement has been performed for purposes of Energetický a průmyslový holding, a.s. and the report is solely intended to inform Energetický a průmyslový holding, a.s. on the results of the assurance engagement. We do not assume any responsibility to any third party.

In Prague on 19 June 2025

Audit firm:

Deloitte Audit s.r.o.

Represented by:

Ladislav Šauer
on the basis of a power of attorney