EP Infrastructure, a.s.

Annual financial report for the year 2024

„THIS ANNUAL REPORT IS A COPY OF THE OFFICIAL ANNUAL REPORT PREPARED IN THE XHTML FORMAT.“

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I. Introduction by the Chairman of the Board of Directors

INTRODUCTION BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Investors, Business partners, Colleagues and Friends,

We are pleased to present the 2024 Annual Report for EP Infrastructure, a.s. ("EPIF"). This year marked another significant phase of transformation for both the European energy landscape and EPIF, shaped by the lasting consequences of the Russian invasion of Ukraine, the geopolitical dynamics and the European Union's green transition. As the EU adapts to reduced Russian gas supplies while prioritizing sustainability, energy independence and a reducing in reliance on Russian energy, EPIF has reinforced its essential role in ensuring the energy security of Central Europe.

In line with the European Union's commitment to sustainability, EPIF's 2024 Annual Report complies with the Corporate Sustainability Reporting Directive ("CSRD"), effective from this financial year. This compliance underscores our dedication to transparency and accountability in our environmental, social, and governance practices. By adhering to the European Sustainability Reporting Standards ("ESRS"), we aim to provide stakeholders with comprehensive insights into our sustainability performance and impact.

In 2024,[1] the European gas market began to stabilize following the supply shocks of 2022-2023. Global gas demand reached a new all-time high, driven by growth in Asian markets, while European consumption remained subdued, increasing only marginally by 0.5% due to efficiency improvements and the expansion of renewable energy. Although prices moderated from the extreme highs of 2022, they remained elevated in Europe compared to historical averages. While price volatility decreased significantly, geopolitical tensions, LNG competition, and extreme weather events continued to contribute to market uncertainty.

Total EU piped gas and LNG imports in 2024[2], including those from the UK, amounted to approximately 296 billion cubic meters ("bcm"), representing a 6% decline compared to the previous year. This decrease was primarily driven by a 15% drop in LNG imports, mainly from America and Africa. In contrast, Russian piped gas supplies increased by 21% year-over-year, reaching around 33 bcm and accounting for 11% of the total EU gas supply. The supply-demand imbalance was mitigated by storage facilities in the EU, which started the year at record-high fill levels but concluded 16% below the levels at the end of 2023.

In terms of EPIF's financial performance in 2024, the group achieved consolidated Adjusted EBITDA[3] of EUR 1,360 million, reflecting a 12% increase year-over-year. Strong cash flow generation, measured by Adjusted Free Cash Flow[4] of EUR 782 million, facilitated the distribution of EUR 300 million in dividends to our shareholders and the reduction our external indebtedness. During the year, EPIF repaid EUR 547 million of outstanding bonds maturing in April 2024, partially refinancing this through a EUR 285 million Schuldschein loan. Despite these outflows, we successfully reduced our proportionate leverage ratio to 2.3x Net Debt/EBITDA. EPIF's solid credit standing was reaffirmed by credit rating agencies, with Fitch

[1] Based on IEA's Gas Market Report, Q1 2025 available at https://iea.blob.core.windows.net/assets/6bd6c46d-21d7-4ae7-af9f-25dc9f8e7f3b/GasMarketReport%2CQ1-2025.pdf

[2] Information about EU gas imports is based on the data available at https://www.bruegel.org/dataset/european-natural-gas-imports

and S&P maintaining their ratings at BBB-, and Moody's upgrading EPIF back to investment-grade status in November 2024. The agencies highlighted EPIF's strong liquidity, proven diversification benefits, and prudent capital management.

The Gas Transmission segment rebounded to EUR 413 million, marking a significant +197% year-over-year increase in Adjusted EBITDA. This contributed 30% of consolidated Adjusted EBITDA. The recovery was driven by the absence of one-off risk-mitigation measures that weighed on performance in 2023. The segment is represented by Eustream, a Slovak Transmission System Operator ("TSO"), that transmitted 17.8 bcm of gas through its network, representing almost 11% year-over-year increase. Following the interruption of Russian piped gas flows through Ukraine in January 2025, Eustream has become a predominantly regulated TSO serving local gas needs. Its infrastructure remains vital for the region, supporting the integration of alternative supply sources and reinforcing energy security. Strategic investments, such as the Slovak-Polish interconnector, have enhanced the flexibility of Eustream's transmission system, enabling multi-directional gas flows that strengthen regional energy resilience.

The Gas and Power Distribution segment continued to perform robustly in 2024. Adjusted EBITDA declined by 3% to EUR 578 million, accounting for 43% of consolidated Adjusted EBITDA. This stability of the financial performance was supported by a stable regulatory environment in Slovakia, which underpins long-term performance. Gas distributed increased by 4% year-over-year, reaching 47.3 TWh, while electricity distribution volumes saw a modest rise of 2%, totaling 6.1 TWh. EPIF's networks continue to be essential for delivering secure and reliable energy to households and industries across the region.

The Gas Storage segment recorded the 24% decline in Adjusted EBITDA to EUR 278 million, representing 20% of the total, reflecting reduced market volatility. Despite this, the segment reaffirmed its importance by maintaining high utilization levels and acting as a vital buffer against supply disruptions and price volatility. With a capacity of nearly 62 TWh, our storage facilities rank among the largest in the region, ensuring the flexibility needed to accommodate shifting supply dynamics. Equipped with advanced technical parameters, our storage facilities are poised to capitalize on opportunities in a transforming market. While we recognize that market conditions can fluctuate and there may be years with even lower performance, we remain confident in the long-term strength and significance of the Gas Storage segment in our operations.

Navigating a challenging year, the Heat Infra segment posted an Adjusted EBITDA of EUR 95 million, representing 7% of the total, down 24% year-over-year. The decline resulted from the normalization of energy prices and a corresponding decrease in power spreads. Additionally, heat demand decreased by 1% year-over-year due to mild weather conditions. Despite these challenges, we continued to provide reliable services at highly competitive prices for end-users, remaining among the lowest in the market. Significant progress was made in transitioning our existing carbon intensive technology to more sustainable alternatives, including gas-fired plants, biomass, and waste-to-energy facilities, adaptable to renewable gases such as hydrogen. Our projects are expected to achieve an emission intensity below the EU Taxonomy threshold of 270 gCO_2/kWh, aligning with our sustainability goals. The projects have secured investment subsidies from the Modernization Fund's "HEAT" program, which supports district heating transformation. Additionally, the projects will benefit from cogeneration subsidy awarded through an auction-based system in the Czech Republic. This subsidy, granted for 15 years, provides a hedge against market volatility via an inverse link to

power spreads. Investments in one heat incinerator plant began in 2024, while all projects are expected to be completed by 2029.

In conclusion, 2024 was transformative year for Europe's energy infrastructure sector, characterized by regulatory shifts, evolving market dynamics, and decarbonization efforts driving significant change. For EPIF, these developments presented both opportunities and challenges, reinforcing the critical role of infrastructure in enabling a stable, flexible, and sustainable energy transition. The halt of Russian gas supplies in January 2025 has prompted a shift in EPIF's business model, with a greater emphasis on regulated, more stable revenues. This transition, along with our prudent financial management and strategic cash accumulation, has enhanced our financial resilience.

Thank you for your trust and collaboration.

Daniel Křetínský
Chairman of EPIF Board of Directors

Gary Mazzotti
Vice-chairman of EPIF Board of Directors and CEO

[3] Adjusted EBITDA represents Underlying EBITDA adjusted by adding back the deficit from the purchase of electricity to cover network losses in 2022 stemming from the difference between (i) regulated price of electricity to cover network losses valid for 2022, which was a fixed price calculated in line with the Slovak Decree of the Regulator No. 18/2017 Coll., Article 28 or any other applicable decree or law replacing it (the Decree), and (ii) spot market price at which electricity was being bought to cover network losses in 2022; and deducting the one-off correction amount set by the Decree which is supposed to compensate for the difference between the regulated price and spot market purchase price (2024: EUR 19 million; 2023: EUR 0 million)

For definition and reconciliation of Underlying EBITDA refer to Note 5 - Operating segments in EPIF´s consolidated financial statements 2024. Reconciliation of Adjusted EBITDA is as follows:

Key Metrics	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total segments	Other	Holding entities	Intersegment eliminations	Consolidated financial information
Year 2024									
Underlying EBITDA	**413**	**597**	**278**	**95**	**1,383**	**4**	**(8)**	**-**	**1,379**
One-off network losses correction	-	(19)	-	-	(19)	-	-	-	**(19)**
Adjusted EBITDA	**413**	**578**	**278**	**95**	**1,364**	**4**	**(8)**	**-**	**1,360**

[4] Adjusted Free Cash Flow represents Cash flows generated from (used in) operations, less Income taxes paid and less Acquisition of property, plant and equipment, investment property and intangible assets as presented in the consolidated statement of cash flows of the Group, adjusted for: (i) working capital impact of the SOT (2024: EUR (11) million; 2023: EUR 11 million), (ii) Underlying EBITDA effect of the network losses correction (2024: EUR 19 million; 2023: EUR 0 million), (iii) working capital impact of the network losses correction (2024: EUR 0 million; 2023: EUR 47 million)

II. Independent Auditor´s Report to the Annual Financial Report

Deloitte.

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„THE REPORT BELOW REPRESENTS THE AUDITOR'S REPORT THAT RELATES SOLELY AND EXCLUSIVELY TO THE OFFICIAL ANNUAL FINANCIAL REPORT PREPARED IN THE XHTML FORMAT."

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of EP Infrastructure, a.s.

Having its registered office at: Pařížská 130/26, Josefov, 110 00 Prague 1

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of EP Infrastructure a.s. (the "Company") and its subsidiaries (the "Group") prepared on the basis of International Financial Reporting Standards (IFRS® Accounting Standards) as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of comprehensive income, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these 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.

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Key Audit Matter	How it was addressed
Revenue recognition of accrued energy delivery	
The group recognised revenues from energy distribution as stated in Note 7. Material part of these revenues for energy delivered to customers is estimated at the year end, as the metering period for customers is different. Meter reading and invoicing is performed after the year end. These revenues make a significant part of total annual revenues and are subject to a complex judgement in this area, which is the reason for this being a key audit matter.	- We have obtained understanding of the design and implementation of relevant controls over the determination of the amounts of energy not yet invoiced. - Testing the accuracy of a sample of data on which estimate is made, including reconciliation of input parameters to underlying documentation. - Testing whether the assumptions used are appropriate given the measurement objective and analytical testing of the balance accrued. - Assessment of the Group's revenue recognition policy for compliance with IFRS Accounting Standards as adopted by the European Union. - Assessment whether the Group's revenue recognition-related disclosures in the consolidated financial statements describe the relevant quantitative and qualitative information required by IFRS Accounting Standards as adopted by the European Union.
Valuation of energy fixed assets	
The group business is based on major energy fixed assets (pipes, storages, plants) that are depreciated over estimated useful life determined by the management judgement derived from trends in industry and its macroeconomic outlook and political directions which affect its valuation. The Group makes an assessment whether the carrying amount of fixed assets including goodwill is impaired by calculating the present value of future cash flows arising from the Group's operations as noted in Note 3i, Note 15 and 16. An impairment test of these assets requires determining the estimates of the following key calculation inputs: - Future cash flows of each cash-generating unit. - The discount rate specific to the assets owned by the Group. - The weighted cost of capital. The above assumptions require management to make highly-subjective judgements regarding long-term periods, including the impact of the sustainability concept, financial performance of the investments, future of the energy sector in Europe – including the development of the military conflict of Russian Federation in Ukraine and related sanctions – and the use of discounts. The complexity of judgement involved in the valuation is the reason for this being a key audit matter.	- Our audit procedures included assessment of the appropriateness of the valuation method and testing of the measurement of carrying amounts. - Our procedures also included inquiries of the management concerning year-on-year changes in the fixed assets book values. - Assessment of the impact of changes and expected changes in the sustainability concept, potential impact of the military conflict between Russian federation and Ukraine and reading management meeting minutes. - We evaluated the appropriateness of management's identification of the Group's CGUs. - We obtained an understanding of the budget preparation and impairment assessment process, including indicators of impairment. - We used the work of an internal specialist for the assessment of asset impairment testing models prepared by management, their assumptions and the reliability of these assumptions and recalculation.

Other Information in the Annual Financial Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Financial Report other than the financial statements, consolidated financial statements and auditor's reports thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. In addition, we assess whether the other information with the exception of the sustainability statement has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information with the exception of the sustainability statement complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the financial statements, consolidated financial statements; and
- The other information with the exception of the sustainability statement is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives 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 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 above law or regulation, we exercise professional judgment and maintain professional skepticism 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee 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 the Board of Directors, the Supervisory Board and the Audit Committee, 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

Information required by Regulation (EU) No 537/2014 of the European Parliament and of the Council

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 the Group by the General Meeting of Shareholders on 5 March 2020 and our uninterrupted engagement has lasted for 5 years.

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 Company, which we issued on 19 March 2025 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 of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided. In addition, there are no other non-audit services which were provided by us to the Group and which have not been disclosed in the consolidated financial statements.

Report on Compliance with the ESEF Regulation

We have conducted a reasonable assurance engagement on the verification of compliance of the financial statements included in the Annual Financial Report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation") that apply to the financial statement.

Responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the preparation of the financial statements in compliance with the ESEF Regulation. Inter alia, the Company's Board of Directors is responsible for:

- The design, implementation and maintenance of the internal control relevant for the application of the requirements of the ESEF Regulation;
- The preparation of all financial statements included in the Annual Financial Report in the valid XHTML format; and
- The selection and use of XBRL mark-ups in line with the requirements of the ESEF Regulation.

Auditor's Responsibilities

Our task is to express a conclusion whether the financial statements included in the Annual Financial Report are, in all material respects, in compliance with the requirements of the ESEF Regulation, based on the audit evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000").

The nature, timing and scope of the selected procedures depend on the auditor's judgment. A reasonable assurance is a high level of assurance; however, it is not a guarantee that the examination conducted in accordance with the above standard will always detect a potentially existing material non-compliance with the requirements of the ESEF Regulation.

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

- We obtained an understanding of the requirements of the ESEF Regulation;
- We obtained an understanding of the Company's internal control relevant for the application of the requirements of the ESEF Regulation;
- We identified and evaluated risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- Based on this, we designed and performed procedures responsive to those risks and aimed at obtaining a reasonable assurance for the purposes of expressing our conclusion.

The aim of our procedures was to assess whether:

- The financial statements included in the Annual Financial Report were prepared in the valid XHTML format;
- The disclosures in the consolidated financial statements were marked up where required by the ESEF Regulation and all mark-ups meet the following requirements:
  - XBRL mark-up language was used;
  - The elements of the core taxonomy specified in the ESEF Regulation with the closest accounting meaning were used, unless an extension taxonomy element was created in compliance with the ESEF Regulation; and
  - The mark-ups comply with the common rules for mark-ups pursuant to the ESEF Regulation.

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

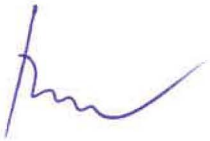
Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2024 included in the annual financial report are, in all material respects, in compliance with the requirements of the ESEF Regulation.

In Prague on 19 March 2025

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

David Batal
registration no. 2147

III. Other Information

1) Development of the EP Infrastructure, a.s. Group ("EPIF Group" or "Group")

Recent developments and key events for EPIF Group

Following the supply shock experienced in 2022 and 2023, natural gas markets moved toward gradual rebalancing in 2024[3], returning to structural growth. Global gas demand reached a new all-time high, driven by the rapid expansion in Asian markets, while Europe experienced modest demand recovery. Despite declining price volatility, the global gas market remained fragile due to limited LNG supply growth, extreme weather events, and geopolitical tensions that continued to influence market dynamics.

In Europe, gas demand rose slightly, with the most significant increase occurring in Q4 2024, driven by colder weather, reduced wind power output, and a recovering industrial sector. Gas-fired power plants played a crucial role in stabilizing electricity supply, particularly in November, when low wind speeds led to an 80% year-over-year surge in gas-fired generation. High gas storage levels at the start of the year helped mitigate market imbalances, though inventory drawdowns accelerated towards year-end.

European gas prices declined significantly from 2022 peaks, yet they remained well above historical averages experienced prior 2020. Despite stable supply conditions for most of the year, price volatility persisted, although at much reduced levels, fuelled by geopolitical uncertainty and the market's increasing reliance on LNG.

The EU's total piped natural gas and LNG imports[4] for the year 2024 totalled 296 billion cubic meters (incl. imports from UK), reflecting a 6% decline compared to the previous year. This reduction was predominantly linked to decreased LNG imports (down by 15%), as the United States and Qatar have redirected cargoes to Asia. Despite this shift, LNG remained Europe's dominant gas source, though its share of total supply fell from 42% in 2023 to 38% in 2024. Concurrently, Russian piped gas supplies through Turskstream and Eustream, including flows from Ukrainian storages back to EU, rose by 21% year-on-year to approximately 33 billion cubic meters, accounting for 11% of total EU gas supplies. While Eustream's deliveries through Velke Kapusany rose by 15%, TurkStream saw a 21% increase over the year. However, total Russian pipeline deliveries were still nearly 80% below 2021 levels.

Expected development for the EPIF Group

The European gas market appears poised for another year of transition as the full halt of Russian gas transit via Ukraine from January 2025 reshapes supply routes. While this may not pose an immediate threat to EU supply security, it could tighten market fundamentals, increase LNG import requirements, and contribute to heightened price volatility. With European gas inventories starting the year 15 bcm lower than in early 2024 (and average fill-in levels of 38% at the end of February 2025, showing a gap of 26 bcm compared to the same period last year), the need for stronger summer storage injections seems elevated. However, current spreads do not provide strong incentives for filling.

Natural gas demand in OECD Europe is likely to remain stable in 2025, with reduced gas consumption in power generation potentially offset by increased industrial and residential usage. Continued renewable energy expansion is anticipated to drive a decline in gas-to-power demand, while residential and commercial consumption may rise, assuming average winter weather conditions.

Gas Transmission has adopted to shifting supply patterns as LNG reliance grows and alternative pipeline routes replace traditional Russian transit. Storage is expected to remain a critical asset for supply security in a potentially volatile market, despite relatively weak summer-winter spreads at present. This has been confirmed by the new storage regulation introduced in Slovakia, effective from 2025. Evolving emissions policies are likely to put continued pressure on carbon intensive producers, reinforcing the need for decarbonization efforts. This trend underscores the importance of investments in cleaner and more modern energy solutions, a priority that EP Infrastructure, a.s. (the "Company" or "EPIF") is actively pursuing its Heat Infra segment. Investments in a

[3]Based on IEA's Gas Market Report, Q1 2025 available at https://iea.blob.core.windows.net/assets/6bd6c46d-21d7-4ae7-af9f-25dc9f8e7f3b/GasMarketReport%2CQ1-2025.pdf

[4]Information about EU gas imports is based on the data available at https://www.bruegel.org/dataset/european-natural-gas-imports

new heat incinerator plant commenced in 2024, while three CCGT projects are set to accelerate in early 2025. These initiatives position the Heat Infrastructure segment as a key driver of EPIF's commitment to decarbonization. Meanwhile, Gas and Power distribution is projected to develop steadily, supported by a stable regulatory framework and anticipated demand trends.

EPIF appears well-positioned to navigate these challenges, leveraging its resilient infrastructure, stable regulatory environment, strategic market adaptation, and prudent financial policies to maintain long-term operational stability and energy security in Central Europe.

However, supply and demand uncertainties persist, contributing to price uncertainty and the potential for market fluctuations. Factors such as geopolitical developments, weather patterns, and regulatory changes may lead to deviations from the current outlook. EPIF's management remains agile, continuously monitoring the evolving market landscape and adapting its strategy to ensure resilience and operational stability.

Other information about subsequent events that occurred after the reporting date

Except for the subsequent events described in the Note 32 of Consolidated Financial Statements as of and for the year ended 31 December 2024, EPIF´s management is not aware of any additional subsequent events that occurred after the reporting date.

2) Management and Governance

EPIF has a two-tier management structure consisting of its board of directors (the "Board of Directors") and its supervisory board (the "Supervisory Board"). The Board of Directors represents EPIF in all matters and is charged with its day-to-day business management (together with the Senior Management), while the Supervisory Board is responsible for the supervision of EPIF's activities and of the Board of Directors in its management and resolves on matters defined in the Czech Corporations Act and the Articles of Association. The Supervisory Board does not make management decisions.

The Audit Committee is established as a separate corporate body of the Company responsible for performance of controlling functions in the field of audit (both internal and external including statutory) and accounting.

The Risk Committee is responsible for overseeing risk management policies and practices of the Group's operations, implementing a monitoring compliance with the Group's risk management procedures and risk control infrastructure.

The Safety, Health and Environmental Committee is responsible for developing and overseeing of health and safety policies and procedures, improving work health and safety environment within the Group's operations, and monitoring compliance with Group's health and safety policies. In addition, the Safety, Health and Environmental Committee monitors physical climate risks associated with more extreme and frequent weather events and review the related adaptation measures.

The Green Finance Committee is responsible for selecting and evaluating projects eligible for green financing under the EPIF's Green Finance Framework.

General Meeting

The shareholders have put in place a strong corporate governance regime that is implemented both in the EPIF's articles of association and in the EPIF Shareholders' Agreement, which, among other things, sets forth certain reserved matters requiring a qualified majority decision.

The General Meeting is the supreme body of the Company. Each shareholder has a right to attend and vote during the General Meeting. The competencies of the General Meeting are sets forth in the Articles of Association of the Company.

Senior Management

The senior management of the Group consists of the CEO, the CFO, the Director of Financing and four segment directors.

Václav Paleček

CFO

Mr. Paleček has been overseeing the financial management and strategic planning of the Company since 1 June 2020. He has been with the EPH group since 2014. He is a member of several committees, including the Risk Committee and Green Finance Committee, Safety, Health and Environmental Committee and SPP Infrastructure, a.s. Audit Committee. He also serves on the boards of EOP Distribuce, a.s., Stredoslovenská energetika, a.s., and POWERSUN a.s., among others, and is a member of the supervisory board of EP Energy, a.s. and of Plzeňská teplárenská, a.s.

In his previous role as the Head of Group Controlling and Financial Reporting in EP Power Europe, a.s., Mr. Paleček established a central controlling function and introduced a new group-wide reporting tool. Before joining EPH, Mr. Paleček spent five years at KPMG, focusing on financial reporting under IFRS, US GAAP and Czech accounting standards. His portfolio of clients included energy, utility, telco and automotive sectors.

Mr. Paleček holds a master's degree in economics from the University of Economics in Prague, is a fellow of Association of Chartered Certified Accountants (ACCA) and holds an Advanced Diploma in Accounting and Business.

With over 15 years of experience in corporate finance, Mr. Paleček has led or participated in significant projects involving M&A, corporate restructuring, refinancing, cooperation with credit rating agencies or ESG initiatives in EPIF. He also oversees the financial management and strategic planning of the Group, ensuring compliance with regulatory requirements, managing financial risks, and driving ESG initiatives.

Peter Ďurík

Director of Financing

Mr. Ďurík has been the Director of Financing since February 2024.

Mr. Ďurík is also Director of Financing of EPH and holds other positions outside of the Group. He has been employed in the EPH group since August 2015. Mr. Ďurík also serves on the Company's Risk committee and Green Finance Committee. Since 2015, as part of the Group, Mr. Ďurík worked on many of the Group's financing transactions. Mr. Ďurík subsequently participated in designing the financing strategies of the Group and EPH, including its subsidiaries. The scope of Mr. Ďurík practice covers bank debt, bonds, working capital lines, rating and all related activities, including managing the legal streams in cooperation with legal teams. Apart from financing, Mr. Ďurík actively participates in the Group's risk management and its ESG initiatives. Mr. Ďurík holds a master's degree in finance from the University of Economics in Prague.

Tomáš Mareček

Director of the Gas Transmission Business

Mr. Mareček has been the Director of Gas Transmission Business since 24 January 2013. He also serves as chairman of the board of directors of eustream, a.s. since 2013.

Mr. Mareček is also a member of the board of directors of Košík Holding a.s.; managing director of MFresh Holding 1 s.r.o.; and a member of the supervisory board of Košík.cz s.r.o.

Mr. Mareček has more than 15 years of experience and in his previous roles he also served in the supervisory board of EP Industries, a.s. and held the positions of senior analyst of mergers and acquisitions at J&T and financial officer at Kablo Vrchlabí a.s.

Mr. Mareček holds a master's degree in finance from the University of Economics in Prague.

David Onderek

Director of the Heat Infra Business

Mr. Onderek has been the Director of the Heat Infra Business since 9 May 2016.

Mr. Onderek has also been the director of heat and cogeneration division and the head of investment committee of EP Energy since March 2013.

Mr. Onderek is also a chairman of the board of directors of United Energy a.s., Severočeská teplárenská, a.s., a member of the board of directors of Plzeňská teplárenská a.s., Elektrárny Opatovice a.s., EP Sourcing, a.s. and

EP Cargo a.s. ; a managing director of AISE, s.r.o. He also serves on the boards of several companies that are affiliated with EPIF.

Mr. Onderek has more than 20 years of experience and prior to joining the Group he worked as the head of portfolio development at ČEZ, a.s., a leading Czech energy company.

Mr. Onderek holds a M.Sc. degree in management of power generation and distribution from the Faculty of Electrical Engineering of the Czech Technical University in Prague and a master of business administration degree from the University of Pittsburgh.

František Čupr

Director of Gas and Power Distribution Business

Mr. Čupr is the Director of Gas and Power Distribution Business since 2 January 2013. He also serves as chairman of the board of directors of Stredoslovenská distribučná, a.s. and SPP - distribúcia, a.s. since 2013. He also serves on the Company's Risk committee.

Mr. Čupr is also a chairman of the board of directors of SPP Infrastructure, a. s. and ACS PROPERTIES, a.s., vice-chairman of AC Sparta Praha fotbal, a.s.; a member of the board of directors of EP Sport Holdings, a.s., 1890s holdings a.s.; and manager responsible predominantly for renewable energy sources.

Mr. Čupr has more than 20 years of experience in the business.

Mr. Čupr holds a master's degree in economics from the Faculty of Business and Economics of the Mendel University in Brno and a master of business administration from the Nottingham Trent University.

Martin Bartošovič

Director of Gas Storage Business

Mr. Bartošovič is the Director of Gas Storage Business since 9 May 2016. Mr. Bartošovič has also been the chief executive officer since October 2012 as well as a member of the board of directors of POZAGAS a.s. since June 2013 and its chairman since July 2016. Mr. Bartošovič is also a managing director of SPP Storage, s.r.o. and CNG Holding Netherlands B.V. and a member of the board of directors of NAFTA Germany GmbH.

Prior to joining the Company, Mr. Bartošovič held the position of a member of the board of directors of SPP - distribúcia, a.s. and the position of division director of Slovenský plynárenský priemysel, a. s. Prior to that, he worked for six years at A.T. Kearney, a leading global management consulting firm and for two years at ING Bank, a leading international bank.

Mr. Bartošovič has more than 20 years of experience in the energy industry in addition to the background in management consulting and banking. Prior to joining the Group, he held various positions at A.T. Kearney and ING Barings with focus on strategy, restructuring, post-merger-integration and mergers and acquisitions.

Mr. Bartošovič holds a Dipl. Ing. degree in corporate finance from the Faculty of Economics and Finance at the Slovak Agricultural University and took part in several study programs at the West Virginia University, University of Delaware and Cornell University.

Board of Directors

The Board of Directors has seven members, all of which are executive directors. Members of the Board of Directors are elected by the EPIF's general meeting of shareholders (the "General Meeting") for a term of office of three years. Re-election of the members of the Board of Directors is permitted. Members of the Board of Directors are obliged to discharge the office with the necessary loyalty as well as the necessary knowledge and care and to bear full responsibility for such tasks, as required by the Czech Corporations Act.

The Board of Directors is the EPIF's statutory body, which directs its operations and acts on its behalf. No-one is authorised to give the Board of Directors instructions regarding the business management of the EPIF, unless the Czech Corporations Act or other laws or regulations provide otherwise. The powers and responsibilities of the Board of Directors are set forth in detail in the Articles of Association. The Board of Directors meets regularly, usually once a month.

The members of the Board of Directors are engaged in the daily management of the Company and authorised to decide on the business management of the Company or its parts. Responsibilities for daily management of

principle business activities of the Company are allocated to appropriate members of the Board of Directors based on their primary business focus and expertise. Each member of the Board of Directors is obliged to inform the Board of Directors how the Company's affairs are managed. The responsibility for decisions about the basic focus of business management and basic focus of supervision over the Company's activities rests with all members of the Board of Directors and the separation of powers between members of the Board of Directors does not release the other members of the Board of Directors from the equal responsibility for all decisions of the Board of Directors, or obligation to supervise how the Company's affairs are managed.

The Board of Directors constitutes a quorum if at least six directors are present at the meeting. In accordance with the EPIF's articles of association, if a Board of Directors meeting fails to constitute a quorum, there shall be an adjourned meeting within one week after the original meeting (or on another date agreed by the Chairman and both Vice-Chairmen), where the same quorum requirement will apply. If this first adjourned meeting also fails to constitute a quorum, there shall be a second adjourned meeting on or after the next business day following the first adjourned meeting, where the presence of at least four directors will constitute a quorum. Decisions of the Board of Directors are made by simple majority vote of all the members of the Board of Directors. Each member of the Board of Directors has one vote. With the consent of all members, per rollam voting is also allowed.

Members of the Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Mr. Křetínský has been the Chairman of the Board of Directors since December 2013.

Mr. Křetínský was involved through his role as a partner in the J&T Group in the founding of EPH, the EPIF's parent company, where he has served as Chairman of the Board of Directors since 2009 and currently is also the majority owner of EPH. Mr. Křetínský serves on the boards of several companies that are affiliated with EPIF, including its parent company EPH, and its sister company EP Investment Advisors, s.r.o. He also holds positions at companies unaffiliated to EPIF, including Chairman of the Board of AC Sparta Praha fotbal, a.s.

Mr. Křetínský holds a bachelor's degree in political science as well as a master's degree and a doctorate in law from Masaryk University in Brno.

Gary Wheatley Mazzotti
Vice-chairman of the Board of Directors and Chief Executive Officer

Mr. Mazzotti has been a member and Vice-Chairman of the Board of Directors since June 2017, and the Chief Executive Officer since August 2021. He also serves on the Company's Audit Commitee, Risk Committee, Green Finance Committee and Safety, Health and Environmental Committee.

Mr. Mazzotti is also a member of the board of directors of United Energy, a.s., EOP Distribuce, a.s., Severočeská teplárenská, a.s., EP Power Europe, a.s. and EP Cargo a.s. and a member of the supervisory board of NAFTA a.s., SPP - distribúcia, a.s., Stredoslovenská distribučná, a.s. . and Plzeňská teplárenská, a.s.

Mr. Mazzotti has more than 30 years of experience in finance and operations, having joined the Company from Vienna Insurance Group where he was a member of the board and chief financial officer of Kooperativa pojišťovna, a.s., Vienna Insurance Group and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group and was responsible for VIG groups operations in Ukraine. Prior to this Mr. Mazzotti held the positions of senior investment director and chief financial officer of PPF Private Equity Division as well as chief financial officer and chief operating officer of AAA Auto a.s.

Mr. Mazzotti graduated in economics from the University of Reading in the United Kingdom, and is also a member of the Institute of Chartered Accountants (ACA).

Stéphane Brimont
Vice-chairman of the Board of Directors

Stéphane Brimont is a representative of CEI Investments S.à r.l., a consortium managed by Macquarie Asset Management (MAM), which owns a 31% stake in EPIF.

Mr. Brimont has been a member of the Board of Directors since February 2017 with a short break in 2020 and 2021, he was reappointed in November 2021 as a Vice-chairman. Mr. Brimont is the head of MAM's French and Benelux operations and is also a director of MEIF Power Romania, Hedno, Reden and APEX Energies. He began his career with the French government where he spent a total of eight years. In 2004, he joined Gaz de France as chief strategy officer and became their chief financial officer in 2007. Following the integration of Gaz de France and Suez, Mr. Brimont moved into a general management role in charge of GDF SUEZ Energy Europe business

Mr. Brimont graduated from École Polytechnique and the École Nationale des Ponts et Chaussées, France.

Pavel Horský

Member of the Board of Directors

Mr. Horský has been a member of the Board of Directors since December 2013.

Mr. Horský is a member of the board of directors of EPH and chief financial officer of EPH and holds a number of other positions within the Group as well as outside the Group. At the same time, Mr. Horský serves as a member of the Company's Risk committee. Prior to joining the Company, Mr. Horský held a market risk advisory position at the Royal Bank of Scotland.

Mr. Horský serves on boards of directors and supervisory boards of several of EPH's subsidiaries and affiliates, including EP Infrastructure a.s. and EP Power Europe a.s.

Marek Spurný

Member of the Board of Directors

Mr. Spurný has been a member of the Board of Directors since December 2013. Currently, Mr. Spurný is the chief legal counsel and a member of the board of directors of EPH and serves on multiple boards of companies within the Group, as well as outside the Group.

Prior to joining EPIF, Mr. Spurný held various positions within EPH, its subsidiaries and the J&T Group (prior to the formation of EPH). Between 1999 and 2004, Mr. Spurný worked for the Czech Securities Commission (the capital markets supervisory body at that time).

His background is legal. As such, he holds the position of Chief Legal Counsel of the Group, with main responsibilities for transaction execution, negotiations and implementation of merger and acquisition transactions, restructurings, and legal support in general. Mr. Spurný holds several positions in the corporate bodies of the group companies on the parent holding levels (member of the boards of directors of EPH), as well as the subsidiaries of EPH group, including subsidiaries in EPIF. Before joining the group, Mr. Spurný had been working for five years for the Czech Securities Commission, the former capital markets regulatory authority in the Czech Republic.

Mr. Spurný holds a law degree from Palacky University in Olomouc.

William Price

Member of the Board of Directors

William Price is a representative of CEI Investments S.à r.l., a consortium managed by Macquarie Asset Management (MAM), which owns a 31% stake in EPIF.

Mr. Price has been a member of the Board of Directors since October 2020. Before October 2020, he was a member of the Supervisory Board since February 2017 and its Vice Chairman since June 2017. Mr. Price is also a member of the board of directors of EP Energy, a.s.

Mr. Price has over 15 years of experience in infrastructure investment and management, primarily in the utilities and energy sector. This experience is primarily across the UK, Germany and Central Europe.

He also holds non-executive board positions at various other MAM-managed investments.

Mr. Price holds a bachelor's degree in economics and politics from the University of Bristol and a master of finance degree from INSEAD Business School.

Milan Jalový

Member of the Board of Directors

Mr. Jalový has been a member of the Board of Directors since February 2017.

Mr. Jalový holds the position of controlling director at EP Power Europe, a.s., and is the head of analytical team at EPH. He has been working within the EPH group since its establishment.

Mr. Jalový is also a managing director of Lausitz Energie Verwaltungs GmbH and EP Mehrum GmbH, a member of the supervisory board of EP Energy a.s., Heureka Group a.s., Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG.

Mr. Jalový holds a master's degree from the University of Economics in Prague and also the CEMS MIM degree.

Supervisory Board

The Supervisory Board has six members elected by the General Meeting. Members of the Supervisory Board are elected for a three year term and may be re-elected.

The Supervisory Board is responsible for the supervision of activities of EPIF and of the Board of Directors in its management of EPIF and resolves on matters defined in the Czech Corporations Act and the Articles of Association. The Supervisory Board's powers include the power to inquire into all documents concerned with the activities of the EPIF, including inquiries into the EPIF's financial matters, review of the financial statements and profit allocation proposals.

No-one is authorised to give the Supervisory Board instructions regarding their review of the Board of Directors in its management of EPIF. The Supervisory Board shall adhere to the principles and instructions as approved by the General Meeting of shareholders, provided these are in compliance with legal regulation and the Articles of Association.

The Supervisory Board constitutes a quorum if at least five members are present at the meeting. In accordance with the EPIF's articles of association, if a Supervisory Board meeting fails to constitute a quorum, there shall be an adjourned meeting within one week after the original meeting (or on another date agreed by the Chairman and the Vice-Chairman), where the same quorum requirement will apply. If this first adjourned meeting also fails to constitute a quorum, there shall be a second adjourned meeting on or after the next business day following the first adjourned meeting, where the presence of at least four Supervisory Board members will constitute a quorum. Decisions of the Supervisory Board are made by simple majority vote of all Supervisory Board members. Each Supervisory Board member has one vote. With the consent of all members, per rollam voting is also allowed.

Members of the Supervisory Board as at 31 December 2024 were:

Jan Špringl (chairman)

Martin Gebauer (vice-chairman)

Petr Sekanina (member)

Jiří Feist (member)

Jan Stříteský (member)

Rosa Maria Villalobos Rodriguez (member)

Audit Committee

The Audit Committee's authority and responsibilities are determined by the Czech Act No. 93/2009 Coll., on Auditors, as amended (the "**Czech Auditors Act**") and the Articles of Association as well as the Terms of Reference approved by the General Meeting. The Audit Committee mainly oversees the financial reporting and risk management of the Company and reviews internal financial controls (including internal audit) and the process of statutory audit of the Company. The Audit Committee makes recommendations in respect of selection of external auditor and its remuneration, as well as in respect of policy for awarding nonaudit services to external auditor.

The Audit Committee has three members. Meetings of the Audit Committee are held not less than two times in each financial year. With the consent of all members, *per rollam* voting is also allowed. The Audit Committee informs the Board of Directors and Supervisory Board about its activities and, with respect to areas within its remit, submits recommendations to the Supervisory Board as it deems appropriate. The Audit Committee adopts a decision by a majority vote of all its members. The quorum for a meeting of the Audit Committee is a simple majority of all its members.

Members of the Audit Committee as at 31 December 2024 were:

Václav Moll (chairman)

Gary Wheatley Mazzotti (member)

Jakub Šteinfeld (member)

Risk Committee

EPIF approaches the risk management with due diligence. Market, credit, operational and business risks are continuously identified and evaluated in terms of the probability of occurrence and extent of possible damage and reported to the internal Risk Management Committee. The Risk Committee is an advisory body to the Board of Directors and submits regular reports to the Board of Directors. Existing risks are continuously monitored and updated. The committee's scope includes, in particular, discussing the Group's identified risks and approving their management strategy. The Committee also regularly evaluates the overall risk situation of the Group. The aim of the risk management system is to protect the value of the Group while taking on an acceptable level of risk.

Members of the Risk Committee as at 31 December 2024 were:

Michal Buřil (chairman)

Gary Wheatley Mazzotti (member)

Pavel Horský (member)

Peter Ďurík (member)

Václav Paleček (member)

František Čupr (member)

Jana Cínová (member)

Safety, Health and Environmental Committee

The Safety, Health and Environmental Committee is responsible for developing and overseeing of health and safety policies and procedures improving work health and safety environment within the Group operations and monitoring compliance with Group's health and safety policies. The Safety, Health and Environmental Committee has seven members. The Safety, Health and Environmental Committee submits regular reports to the Board of Directors.

Members of the Safety, Health and Environmental Committee as at 31 December 2024 were:

František Kajánek (chairman)

Václav Paleček (member)

Marek Bobák (member)

Martin Kollár (member)

Petr Horák (member)

Tomáš Matula (member)

Gary Wheatley Mazzotti (member)

Green Finance Committee

The Green Finance Committee was established in 2023 to select and evaluate projects eligible for green financing under the EPIF's Green Finance Framework established in July 2023.

The Members of the Green Finance Committee as at 31 December 2024 were:

Gary Wheatley Mazzotti (chairman)

Peter Ďurík (member)

Václav Paleček (member)

3) ESG and sustainability

Throughout 2024, EPIF continued to focus on its performance in the environmental, social and governance ("ESG") matters, acknowledging its responsibility for the environment, employees, communities, and all other stakeholders.

For the year 2024, EPIF reports on its sustainability matters in accordance with the Corporate Sustainability Reporting Directive. This information is presented in greater detail in the Sustainability statement, which is an integral part of the EPIF Annual Report.

4) Other Information

Branches

The EPIF Group has the following organizational units abroad:

- AISE, s.r.o., organizačná zložka located in Slovakia;
- EP ENERGY TRADING, a.s., organizačná zložka located in Slovakia
- EP Cargo a.s., organizačná zložka located in Slovakia
- Karotáž a cementace s.r.o., organizační složka located in Slovakia
- NAFTA a.s. – organizační složka located in the Czech Republic

Research and development activities

In 2024, the EPIF Group did not carry out significant research and development activities and as a result did not incur material research and development costs.

Acquisition of own shares or own ownership interests

During the 2024, the EPIF Group did not acquire any of its own shares or ownership interests within the Group.

Risk management policies

The EPIF Group's risk management policies are set out in the notes to the consolidated financial statements.

5) Statutory Declaration by Person Responsible for the EPIF Group 2024 Annual Report

With the use of all reasonable care, to the best of our knowledge the consolidated Annual Report provides in all material respects a true and accurate view and is not misleading in any material respects view of the financial situation, business activities, and results of operations of EPIF and its consolidated group for the year 2024 and of the outlook for the future development of the financial situation, business activities, and results of operations of EPIF and its consolidated group, and no facts have been omitted that could change the meaning of this report.

In Prague, on 19 March 2025

.....	.....
Daniel Křetínský	Pavel Horský
Chairman of the Board of Directors	*Member of the Board of Directors*

IV. Report on relations

REPORT ON RELATIONS

between the controlling and controlled entities and on relations between the controlled entity and other entities controlled by the same controlling entity (related entities)

prepared by the Board of Directors of **EP Infrastructure, a.s.**, ("the Company") with its registered office at Pařížská 130/26, Josefov, 110 00 Praha 1, ID No: 024 13 507, in accordance with Section 82 of Act No. 90/2012 Coll., on Business Corporations, as amended

("**the Report**")

I.
Preamble

The Report has been prepared pursuant to Section 82 of Act No. 90/2012 Coll., the Business Corporations Act, as amended ("**BCA**").

The Report has been submitted for review to the Company's Supervisory Board in accordance with Section 83 (1) of BCA and the Supervisory Board's position will be communicated to the Company's General Meeting deciding on the approval of the Company's financial statements and on the distribution of the Company's profit or the settlement of its loss.

The Report has been prepared for the 2024 reporting period.

II.
Structure of relations between the entities

CONTROLLED ENTITY
The controlled entity is EP Infrastructure, a.s. with its registered office at Pařížská 130/26, Josefov, 110 00, Praha 1, corporate ID: 024 13 507 recorded in the Commercial Register maintained by the Municipal Court in Prague, File B, Insert 21608.

DIRECTLY CONTROLLING ENTITIES:
EPIF Investments a.s.
Registered office: Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
Corporate ID: 057 11 452

INDIRECTLY CONTROLLING ENTITIES:
Energetický a průmyslový holding, a.s.
Registered office: Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
Corporate ID: 283 56 250

EP Group, a.s.
Registered office: Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
Corporate ID: 086 49 197

EP Investment S.a r.l.

Registered office: 2 Place de Paris, L – 2314,
Luxembourg, Luxembourg
Reg. No.: B 184488

OTHER CONTROLLED ENTITIES

The structure of relations between the controlling entity EP Investment S.a r.l. and groups of controlled entities controlled by this controlling entity is specified in Appendix 1 to the Report. The appendix, therefore, does not include the complete ownership structure of EP Investment S.a r.l., nor does it include shareholders holding non-controlling interests.

III.
Role of the controlled entity; method and means of control

Role of the controlled entity

- strategic management of the development of a group of directly or indirectly controlled entities
- providing financing and developing financing systems for group entities
- optimising the services utilised/provided in order to improve the entire group's performance
- managing, acquiring and treating the Company's ownership interests and other assets

Method and means of control

The controlling entities hold a majority share of voting rights in EP Infrastructure, a.s. over which they exercise a controlling influence.

IV.
Overview of acts made in 2024 pursuant to Section 82 (2) (d) of Act No. 90/2012 Coll., the Business Corporations Act

In 2024, no actions were taken at the initiative or in the interest of the controlling entity in respect of assets exceeding 10% of the controlled entity's equity as determined from the most recent financial statements.

V.
Overview of agreements concluded by EP Infrastructure, a.s. pursuant to Section 82 (2) (d) of Act No. 90/2012 Coll., the Business Corporations Act

In 2024, the following loan agreements concluded by companies in the EP Infrastructure, a.s. Group were effective:

On 30 June 2023, a loan agreement was signed between EP Infrastructure, a.s. as the creditor and Elektrárny Opatovice, a.s. as the debtor.

In 2024, the following netting agreements and agreements on additional equity contributions concluded by companies in the EP Infrastructure, a.s. Group were effective

On 22 February 2024, an Agreement on the Provision of a Contribution Outside the Registered Capital was signed between EP Infrastructure, a.s. and EPIF BidCo I s.r.o.

On 29 November 2024, a Netting Agreement was signed between EP Infrastructure, a.s. and EP Energy, a.s.

In 2024, the following operating contracts concluded by companies in the EP Infrastructure, a.s. Group were effective:

Professional Services Agreement signed between AISE, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between AISE, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between Alternative Energy, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between Alternative Energy, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between ARISUN, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between ARISUN, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between Dobrá Energie s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement, including effective amendments, signed between Elektrárny Opatovice, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between Elektrárny Opatovice, a.s. and EP Infrastructure, a.s. on 1 October 2018.

Data Processing Agreement signed between Elektrárny Opatovice, a.s. and EP Infrastructure, a.s. on 6 September 2022.

Professional Services Agreement signed between EOP Distribuce, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between EP Cargo a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between EP Cargo a.s. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between EP Energy, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between EP Energy, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between EP ENERGY TRADING, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between EP ENERGY TRADING, a.s. and EP Infrastructure, a.s. on 1 October 2018.

Professional Services Agreement signed between EP Sourcing, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between EP Sourcing, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between NAFTA Speicher GmbH & Co. KG and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between Plzeňská teplárenská a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between Plzeňská teplárenská a.s. and EP Infrastructure, a.s. on 14 September 2022.

Data Processing Agreement signed between Plzeňská teplárenská a.s. and EP Infrastructure, a.s. on 6 September 2022.

Professional Services Agreement signed between POWERSUN a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between POWERSUN a.s. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between POZAGAS a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between POZAGAS a.s. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement, as amended, signed between Severočeská teplárenská, a.s., and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between Severočeská teplárenská, a.s. and EP Infrastructure, a.s. on 1 October 2018.

Professional Services Agreement signed between SPP Storage, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between SPP Storage, s.r.o. and EP Infrastructure, a.s. on 9 June 2022.

Confidentiality Agreement signed between Stredoslovenská energetika Holding, a.s. and EP Infrastructure, a.s. on 2 November 2021.

Professional Services Agreement signed between Triskata, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between Triskata, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Professional Services Agreement signed between United Energy, a.s. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between United Energy, a.s. and EP Infrastructure, a.s. on 1 October 2018.

Data Processing Agreement signed between United Energy, a.s. and EP Infrastructure, a.s. on 6 September 2022.

Professional Services Agreement signed between VTE Pchery, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Data Processing Agreement signed between VTE Pchery, s.r.o. and EP Infrastructure, a.s. on 12 April 2022.

Cooperation Agreement signed between EOP Distribuce, a.s., United Energy, a.s., Plzeňská teplárenská, a.s. and EP Infrastructure, a.s. on 14 December 2022.

In 2024, the following other contracts concluded by companies in the EP Infrastructure, a.s. Group were effective:

On 1 March 2022, a Master Agreement on the Provision of Guarantees was signed between EP ENERGY TRADING, a.s. and EP Infrastructure, a.s.

On 1 October 2022, a Master Agreement on the Provision of Guarantees was signed between EP Energy, a.s. and EP Infrastructure, a.s.

On 7 December 2022, an Agreement on the Distribution of Cash-Pool Benefits under a Real Mutual Cash-Pooling Arrangement for an Economically Related Group was signed between EP Infrastructure, a.s., EP Energy, a.s., United Energy, a.s., EP ENERGY TRADING, a.s., Elektrárny Opatovice, a.s., EP Sourcing, a.s., EP Cargo a.s. and AISE, s.r.o.

On 30 April 2024, an Agreement on the Distribution of Cash-Pooling Benefits within the NBL Flexi Online Real Cash Pooling for an Economically Related Group was signed between EP Infrastructure, a.s., EP Energy, a.s., United Energy, a.s., EP Cargo a.s., AISE, s.r.o., EP ENERGY TRADING, a.s., EP Sourcing, a.s., Elektrárny Opatovice, a.s., Severočeská teplárenská, a.s., PT měření, a.s., EOP Distribuce, a.s., and Dobrá Energie s.r.o.

On 3 May 2024, a Debt Acknowledgement Agreement was signed between EP Energy, a.s. as the debtor and EP Infrastructure, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and AISE, s.r.o. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and Dobrá Energie s.r.o. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and Elektrárny Opatovice, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and EOP Distribuce, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and EP Cargo a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and EP ENERGY TRADING, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and EP Sourcing, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and PT měření, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and Severočeská teplárenská, a.s. as the creditor.

On 3 May 2024, a Debt Assumption Agreement was signed between EP Energy, a.s. as the original debtor, EP Infrastructure, a.s. as the new debtor, and United Energy, a.s. as the creditor.

On 16 September 2024, a Framework Agreement on the Provision of Guarantees was signed between EP Infrastructure, a.s. and Plzeňská teplárenská, a.s.

On 18 September 2024, a Framework Agreement on the Provision of Guarantees was signed between EP Infrastructure, a.s. and United Energy, a.s.

On 18 September 2024, a Framework Agreement on the Provision of Guarantees was signed between EP Infrastructure, a.s. and Elektrárny Opatovice, a.s.

On 18 December 2024, a Request for the Accession of a New Party to the Agreement on the Distribution of Cash-Pooling Benefits within the Real Bilateral Cash Pooling for an Economically Related Group was signed between EP Infrastructure, a.s. and Plzeňská teplárenská, a.s.

On 18 December 2024, a Request for the Accession of a New Party to the Agreement on the Distribution of Cash-Pooling Benefits within the NBL Flexi Online Real Cash Pooling for an Economically Related Group was signed between EP Infrastructure, a.s. and Plzeňská teplárenská, a.s.

In 2024, the following operating contracts concluded by companies in the Energetický a průmyslový holding, a.s. Group were effective:

Professional Services Agreement signed between EP Investment Advisors, s.r.o. and EP Infrastructure, a.s. on 28 February 2022.

Data Processing Agreement signed between EP Investment Advisors, s.r.o. and EP Infrastructure, a.s. on 28 February 2022.

Sublease Agreement signed between EP Investment Advisors, s.r.o. and EP Infrastructure, a.s. on 15 June 2017, including all amendments.

Professional Services Agreement signed between EP Slovakia B.V. and EP Infrastructure, a.s. on 3 April 2017.

Professional Services Agreement signed between Energetický a průmyslový holding, a.s. as the provider and EP Infrastructure, a.s. as the client on 12 April 2022.

Professional Services Agreement signed between Energetický a průmyslový holding, a.s. as the client and EP Infrastructure, a.s. as the provider on 12 April 2022.

Data Processing Agreement signed between Energetický a průmyslový holding, a.s. and EP Infrastructure, a.s. on 12 April 2022.

In 2024, the following operating contracts concluded by companies in the EP Power Europe, a.s. Group were effective:

Professional Services Agreement signed between EP Power Europe, a.s. as the provider and EP Infrastructure, a.s. as the client on 14 February 2022.

Professional Services Agreement signed between EP Power Europe, a.s. as the client and EP Infrastructure, a.s. as the provider on 12 April 2022.

Data Processing Agreement signed between EP Power Europe, a.s. and EP Infrastructure, a.s. on 12 April 2022.

VI.

We hereby confirm that this Report on relations between related entities of EP Infrastructure, a.s., prepared pursuant to the provisions of Section 82 of Act No. 90/2012 Coll., the Business Corporations Act, for the reporting period from 1 January 2024 to 31 December 2024, includes all information known as at the date of signing this report, regarding:

- agreements between related entities
- performance and counter-performance provided to related entities
- other juridical acts carried out in the interest of related entities and
- all measures taken or implemented in the interest or at the initiative of related entities

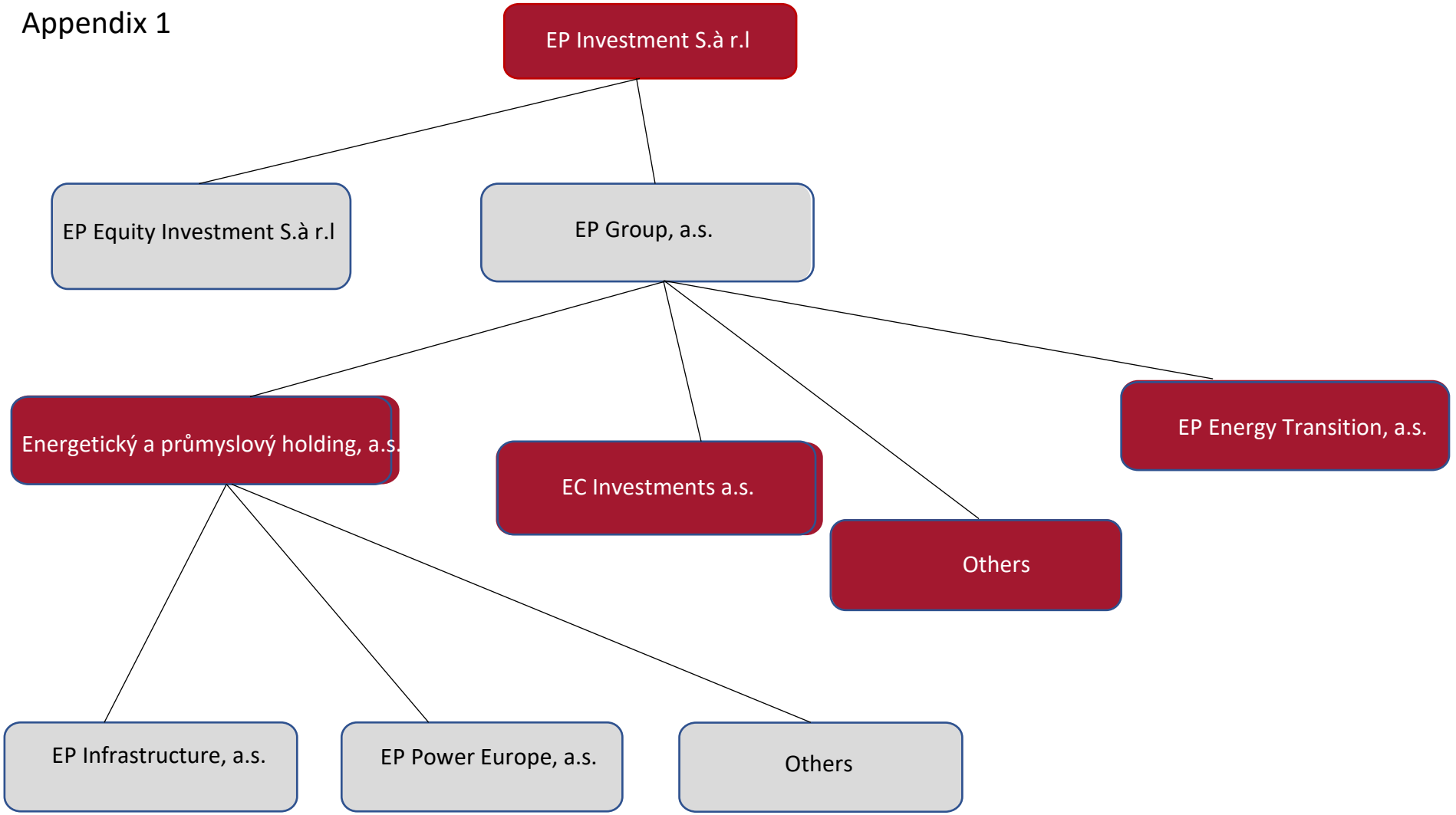
All transactions between EP Infrastructure, a.s. and the controlling entity or entities controlled by the same entity were concluded at arm's length. The Board of Directors of EP Infrastructure, a.s. further declares that EP Infrastructure, a.s. incurred no damage as a result of the actions of the controlling entity or any entity controlled by the same entity. The contractual and other relations with related entities resulted in no loss or financial advantage or disadvantage to EP Infrastructure, a.s.

In Prague, on 19 March 2025

Daniel Křetínský
Chairman of the Board of Directors

Pavel Horský
Member of the Board of Directors

Appendix 1


EP Investment S.à r.l
EP Equity Investment S.à r.l
EP Group, a.s.
Energetický a průmyslový holding, a.s.
EC Investments a.s.
Others
EP Energy Transition, a.s.
EP Infrastructure, a.s.
EP Power Europe, a.s.
Others

V. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

EP Infrastructure, a.s.

Consolidated Financial Statements
as of and for the year ended 31 December 2024

Content

Consolidated statement of comprehensive income

For the year ended 31 December 2024

In millions of EUR ("MEUR")	Note	2024	2023
Revenues	7	**3,581**	**4,268**
Purchases and consumables	8	**(1,635)**	**(2,371)**
Subtotal		**1,946**	**1,897**
Services	9	(216)	(231)
Personnel expenses	10	(280)	(270)
Depreciation, amortisation and impairment	15, 16	(441)	(459)
Emission rights, net	11	(116)	(175)
Own work, capitalized		33	31
Other operating income (expenses), net	12	12	(35)
Profit from operations		**938**	**758**
Finance income	13	78	74
Change in impairment losses on financial instruments and other financial assets	13	1	(6)
Finance expense	13	(108)	(103)
Net finance income (expense)		**(29)**	**(35)**
Profit before income tax		**909**	**723**
Income tax expenses	14	(354)	(188)
Profit for the year		**555**	**535**
Items that are not reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment, net of tax	15	(139)	478
Fair value reserve included in other comprehensive income, net of tax	14	-	-
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	14	(19)	(24)
Effective portion of changes in fair value of cash-flow hedges, net of tax	14	(10)	429
Other comprehensive income for the year, net of tax		**(168)**	**883**
Total comprehensive income for the year		**387**	**1,418**
Profit attributable to:			
Owners of the Company		284	304
Non-controlling interest	22	271	231
Profit for the year		**555**	**535**
Total comprehensive income attributable to:			
Owners of the Company		189	820
Non-controlling interest		198	598
Total comprehensive income for the year		**387**	**1,418**

Consolidated statement of financial position

As at 31 December 2024 *In millions of EUR ("MEUR")*	**Note**	**31 December 2024**	**31 December 2023**
Assets			
Property, plant and equipment	15	9,720	9,932
Intangible assets and goodwill	16	284	356
Equity accounted investees		1	1
Restricted cash		1	1
Financial instruments and other financial assets	26	24	26
Trade receivables and other assets	19	5	5
Deferred tax assets	17	7	26
Total non-current assets		**10,042**	**10,347**
Inventories	18	274	311
Trade receivables and other assets	19	322	386
Contract assets		135	75
Financial instruments and other financial assets	26	9	67
Prepayments and other deferrals		13	12
Current income tax receivable		46	17
Cash and cash equivalents	20	1,754	1,695
Restricted cash		1	1
Total current assets		**2,554**	**2,564**
Total assets		**12,596**	**12,911**
Equity			
Share capital	21	3,248	3,248
Share premium		9	9
Reserves	21	(2,801)	(2,654)
Retained earnings		1,757	1,721
Total equity attributable to equity holders		**2,213**	**2,324**
Non-controlling interest	22	3,308	3,327
Total equity		**5,521**	**5,651**
Liabilities			
Loans and borrowings	23	3,004	3,233
Financial instruments and financial liabilities	26	2	9
Provisions	24	278	260
Deferred income	25	78	84
Contract liabilities		137	120
Deferred tax liabilities	17	1,976	1,804
Trade payables and other liabilities	27	2	3
Total non-current liabilities		**5,477**	**5,513**
Trade payables and other liabilities	27	648	657
Contract liabilities	7	108	105
Loans and borrowings	23	565	638
Financial instruments and financial liabilities	26	12	52
Provisions	24	138	196
Deferred income	25	20	25
Current income tax liability	14	107	74
Total current liabilities		**1,598**	**1,747**
Total liabilities		**7,075**	**7,260**
Total equity and liabilities		**12,596**	**12,911**

Consolidated statement of changes in equity

For the year ended 31 December 2024

In millions of EUR ("MEUR")	Note	Attributable to owners of the Company											
				Reserves									
		Share capital	**Share premium**	***Non-distributable reserves***	***Translation reserve***	***Fair value reserve***	***Revaluation value reserve***	***Other capital reserves***	***Hedging reserve***	**Retained earnings**	**Total**	**Non-controlling interest**	**Total Equity**
Balance as at 1 January 2024 (A)		**3,248**	**9**	**1**	**42**	**-**	**1,479**	**(4,182)**	**6**	**1,721**	**2,324**	**3,327**	**5,651**
Total comprehensive income for the year:													
Profit or loss (B)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**284**	**284**	**271**	**555**
Other comprehensive income:													
Foreign currency translation differences for foreign operations	14	-	-	-	(15)	-	-	-	-	-	(15)	(4)	(19)
Revaluation reserve included in other comprehensive income, net of tax	15	-	-	-	-	-	(68)	-	-	-	(68)	(71)	(139)
Effective portion of changes in fair value of cash-flow hedges, net of tax	14	-	-	-	-	-	-	-	(12)	-	(12)	2	(10)
Total other comprehensive income (C)		**-**	**-**	**-**	**(15)**	**-**	**(68)**	**-**	**(12)**	**-**	**(95)**	**(73)**	**(168)**
Total comprehensive income for the year (D) = (B + C)		**-**	**-**	**-**	**(15)**	**-**	**(68)**	**-**	**(12)**	**284**	**189**	**198**	**387**
Contributions by and distributions to owners:													
Dividends to equity holders	21	-	-	-	-	-	-	-	-	(300)	**(300)**	(217)	**(517)**
Transfer to retained earnings		-	-	-	-	-	(52)	-	-	52	-	-	-
Total contributions by and distributions to owners (E)		**-**	**-**	**-**	**-**	**-**	**(52)**	**-**	**-**	**(248)**	**(300)**	**(217)**	**(517)**
Changes in ownership interests in subsidiaries that do not result in loss of control:													
Total changes in ownership interests in subsidiaries (F)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners (G) = (E + F)		**-**	**-**	**-**	**-**	**-**	**(52)**	**-**	**-**	**(248)**	**(300)**	**(217)**	**(517)**
Balance at 31 December 2024 (H) = (A + D + G)		**3,248**	**9**	**1**	**27**	**-**	**1,359**	**(4,182)**	**(6)**	**1,757**	**2,213**	**3,308**	**5,521**

Consolidated statement of changes in equity

For the year ended 31 December 2023

In millions of EUR ("MEUR")	Note	Attributable to owners of the Company											
		Share capital	Share premium	Reserves						Retained earnings	Total	Non-controlling interest	Total Equity
				Non-distributable reserves	*Translation reserve*	*Fair value reserve*	*Revaluation value reserve*	*Other capital reserves*	*Hedging reserve*				
Balance as at 1 January 2023 (A)		**3,248**	**9**	**1**	**61**	**-**	**1,293**	**(4,182)**	**(295)**	**1,369**	**1,504**	**3,071**	**4,575**
Profit or loss (B)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**304**	**304**	**231**	**535**
Foreign currency translation differences for foreign operations	14	-	-	-	(19)	-	-	-	-	-	(19)	(5)	(24)
Revaluation reserve included in other comprehensive income, net of		-	-	-	-	-	234	-	-	-	234	244	478
Effective portion of changes in fair value of cash-flow hedges, net of tax	14	-	-	-	-	-	-	-	301	-	301	128	429
Total other comprehensive income (C)		**-**	**-**	**-**	**(19)**	**-**	**234**	**-**	**301**	**-**	**516**	**367**	**883**
Total comprehensive income for the year (D) = (B + C)		**-**	**-**	**-**	**(19)**	**-**	**234**	**-**	**301**	**304**	**820**	**598**	**1,418**
Contributions by and distributions to owners:													
Dividends to equity holders	21	-	-	-	-	-	-	-	-	-	**-**	(341)	**(341)**
Transfer to retained earnings		-	-	-	-	-	(48)	-	-	48	**-**	-	**-**
Total contributions by and distributions to owners (E)		**-**	**-**	**-**	**-**	**-**	**(48)**	**-**	**-**	**48**	**-**	**(341)**	**(341)**
Effect of changes in ownership of non-controlling interest	6	-	-	-	-	-	-	-	-	-	**-**	(1)	**(1)**
Total changes in ownership interests in subsidiaries (F)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Total transactions with owners (G) = (E + F)		**-**	**-**	**-**	**-**	**-**	**(48)**	**-**	**-**	**48**	**-**	**(342)**	**(342)**
Balance at 31 December 2023 (H) = (A + D + G)		**3,248**	**9**	**1**	**42**	**-**	**1,479**	**(4,182)**	**6**	**1,721**	**2,324**	**3,327**	**5,651**

Consolidated statement of cash flow

For the year ended 31 December 2024

In millions of EUR ("MEUR")	Note	2024	2023
OPERATING ACTIVITIES			
Profit (loss) for the year		555	535
Adjustments for:			
Income taxes	14	354	188
Depreciation, amortization and impairment	15, 16	441	459
Dividend income	13	(3)	(3)
Impairment losses on financial assets incl. trade receivables		(1)	6
Non-cash (gain) loss from commodity derivatives for trading with electricity and gas, net	7	(49)	(15)
Loss on disposal of property, plant and equipment, investment property and intangible assets	12	(4)	-
Emission rights	11	116	175
(Profit) loss from financial instruments	13	(7)	(6)
Interest expense, net	13	39	50
Change in allowance for impairment to inventories and other assets	13	(5)	36
Change in provisions		(1)	(1)
Other finance fees, net	13	-	1
Unrealized foreign exchange (gains) losses, net		(11)	8
Operating profit before changes in working capital		**1,424**	**1,433**
Purchase and sale of emission rights, net	11	(102)	(227)
Change in trade receivables and other assets		5	430
Change in inventories		42	(24)
Change in trade payables and other liabilities		(51)	(36)
Cash generated from (used in) operations		**1,318**	**1,576**
Income taxes paid		(284)	(300)
Cash flows generated from (used in) operating activities		**1,034**	**1,276**
INVESTING ACTIVITIES			
Received dividends		3	2
Purchase of financial instruments		-	(3)
Loans provided to the other entities		(1)	(102)
Repayment of loans provided to other entities		3	104
Proceeds (outflows) from sale (settlement) of financial instruments		86	91
Acquisition of property, plant and equipment, investment property and intangible assets	15, 16	(244)	(202)
Proceeds from sale of property, plant and equipment, investment property and other intangible assets		9	4
Increase in participation in existing subsidiaries and special purpose entities		-	(1)
Interest received		56	43
Cash flows from (used in) investing activities		**(88)**	**(64)**
FINANCING ACTIVITIES			
Proceeds from borrowings received	23	285	-
Repayment of loans and borrowings	23	(38)	(555)
Repayment of bonds issued	23	(547)	(203)
Payment of lease liability	29	(15)	(14)
Interest paid		(87)	(86)
Dividends paid	21	(481)	(202)
Cash flows from (used in) financing activities		**(883)**	**(1,060)**
Net increase (decrease) in cash and cash equivalents		63	152
Cash and cash equivalents at beginning of the period		**1,695**	**1,548**
Effect of exchange rate fluctuations on cash held		(4)	(5)
Cash and cash equivalents at end of the period		**1,754**	**1,695**

Notes to the consolidated financial statements

1. Background

EP Infrastructure, a.s. (the "Parent Company" or the "Company" or "EPIF" or "infrastructure subholding") is a joint-stock company, with its registered office at Pařížská 130/26, 110 00 Praha 1, Czech Republic. The Company was founded by Energetický a průmyslový holding, a.s. ("EPH") on 6 December 2013 as at that time a subsidiary that will hold/consolidate investments in entities belonging to the energy segment of Energetický a průmyslový holding, a.s. and its subsidiaries (the "EPH Group").

The infrastructure subholding was established to separate the strategic infrastructure energy assets from other business activities of the EPH Group.

The main activities of the EPIF Group are transmission, distribution and storage of natural gas, distribution of electricity and district heating.

The consolidated financial statements of the Company for the year ended 31 December 2024 include the statements of the Parent Company and its subsidiaries and the Group's interests in associates and joint-ventures (together referred to as the "Group" or the "EPIF Group"). The Group entities are listed in Appendix 1 – Group entities.

The shareholders of the Company as at 31 December 2024 were as follows:

	Interest in share capital		Voting rights
	MEUR	%	%
EPIF Investments a.s.	2,241	69	69
CEI Investments S.à r.l.	1,007	31	31
Total	**3,248**	**100**	**100**

The shareholders of the Company as at 31 December 2023 were as follows:

	Interest in share capital		Voting rights
	MEUR	%	%
EPIF Investments a.s.	2,241	69	69
CEI Investments S.à r.l.	1,007	31	31
Total	**3,248**	**100**	**100**

EP Infrastructure, a.s. is ultimately owned by EP Investment S.á r.l. with its registered office at 2 Place de Paris, 2314 Luxembourg.

The members of the Board of Directors of the Company as at 31 December 2024 were:

- Daniel Křetínský (Chairman of the Board of Directors)
- Stéphane Brimont (Vice-chairman of the Board of Directors)
- Gary Wheatley Mazzotti (Vice-chairman of the Board of Directors)
- William David George Price (Member of the Board of Directors)
- Marek Spurný (Member of the Board of Directors)
- Pavel Horský (Member of the Board of Directors)
- Milan Jalový (Member of the Board of Directors)

Information relating to the establishment of the parent company Energetický a průmyslový holding, a.s. and its shareholder structure was disclosed in the 2010 consolidated financial statements of Energetický a průmyslový holding, a.s. published on 20 May 2011.

As the Company was established by its parent Energetický a průmyslový holding, a.s. under the common control principle (refer to Note 3 – Material accounting policies), the Company opted to present the contributed entities as if sold by EPH to the Company on the date when the respective entities were acquired by the EPH Group or were contributed to the EPH Group.

Under Czech law the non-cash contribution to the share capital must be valued by an independent valuation specialist. The difference between the value contributed to the statutory share capital as determined by the independent valuation specialist and the net book value (after potential fair value adjustments recorded during the Purchase Price Allocation process when acquired by EPH) of the contributed entity as at the date when acquired or contributed by the parent company was presented as a pricing difference in Other capital reserves in Equity, rather than a goodwill from acquisition under IFRS 3.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS ® Accounting Standards) adopted by the European Union.

The consolidated financial statements were approved by the board of directors of the Company on 19 March 2025.

(b) Basis of measurement

The consolidated financial statements have been prepared on a going-concern basis using the historical cost method, except for the following material items in the statement of financial position, which are measured at fair value:

- the gas transmission pipelines and the gas distribution pipelines at revalued amounts;
- derivative financial instruments;
- financial instruments at fair value through profit or loss;
- financial instruments at fair value through other comprehensive income.

Non-current assets and disposal groups held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

The accounting policies described in the following paragraphs have been consistently applied by the Group entities and between accounting periods.

(c) Going concern assumption

The consolidated financial statements have been prepared on a going concern basis, which the Group regularly evaluates. This evaluation considers various factors, including the ongoing military conflict in Ukraine, the interruption of gas transit through Ukraine to Slovakia and other significant events or conditions that might impact Group’s operations. The Parent Company's management has assessed the impact of these situations on its operations and business and has concluded that they do not currently have a material impact on these consolidated financial statements or on the going concern assumption for 2025. However, further negative developments cannot be ruled out, which could subsequently have a material negative impact on the Group, its business, financial position, results of operations, cash flows and overall outlook.

(d) Functional and presentation currency

The Company’s functional currency is Euro („EUR“). The consolidated financial statements are prepared in Euro, which also the Group’s presentation currency. All financial information presented in Euros has been rounded to the nearest million

(e) Use of estimates and judgements

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. ***Assumptions and estimation uncertainties***

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the following years is included in the following notes:

- Notes 6, 15 and 16 – Accounting for business combinations, recognition of goodwill/bargain purchase gain, impairment testing of property, plant and equipment and goodwill;
- Note 7 – Revenues;
- Note 15 – Measurement of gas transmission and gas distribution pipelines at revalued amounts;
- Note 24 – Recognition and measurement of provisions;
- Notes 23, 26 and 30 – Valuation of loans and borrowings and financial instruments;
- Note 14 – Pillar Two;

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable on the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

ii. Judgements

Information about judgements made in the application of accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Notes 6 and 16 – accounting for business combinations, recognition of goodwill/bargain purchase gain, impairment testing of goodwill,
- Note 7 – judgements relating to recognition of revenues from customers;
- Note 15 – assessment that IFRIC 12 and IFRS 16 is not applicable to the gas transmission and gas distribution pipelines, power distribution networks, gas storage facilities and heat infra facilities and distribution network;
- Note 6 and 22 – information relating to assessment of control over subsidiaries;

- Note 24 – measurement of defined benefit obligations, recognition and measurement of provisions;

(f) Recently issued accounting standards

i. Newly adopted IFRS Accounting Standards, Amendments to standards and Interpretations effective for the year ended 31 December 2024 that have been applied in preparing the Group's financial statements

The following paragraphs provide a summary of the key requirements of IFRS Accounting standards that are effective for annual periods beginning on or after 1 January 2024 and that have been applied by the Group for the first time.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Effective for annual reporting periods beginning on or after 1 January 2024)

The amendment Classification of Liabilities as Current or Non-current clarifies how to classify debt and other liabilities as current or non-current and how to determine whether in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment includes clarifying the classification requirements for debt a company might settle by converting it into equity. The amendment Non-current Liabilities with Covenants improves the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

The amendment has had an impact on the disclosure in the notes to the consolidated financial statements of the Group. Refer to Note 23 – Loans and borrowings for more details.

Newly adopted IFRS Accounting Standards, Amendments to Standards and Interpretations with no material impact on the Group's financial statements:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

ii. IFRS Accounting Standards not yet effective

At the date of authorisation of these consolidated financial statements, the following significant Amendments to IFRS Accounting Standards have been issued but are not yet effective for the period ended 31 December 2024 and thus have not been adopted by the Group:

Amendments to IAS 21 – Lack of Exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025)

Under the amendments, the entities are required to apply a consistent approach to assessing whether a currency is exchangeable into another currency. When a currency is not exchangeable, the amendments define how to determine the exchange rate to use and the disclosures the entity is required to provide.

The Group is currently reviewing possible impact of the amendments to its financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027 (not adopted by EU yet))

IFRS 18 Presentation and Disclosure in Financial statements applies to all financial statements prepared and presented in accordance with IFRS and will replace IAS 1 Presentation of Financial Statements. The new standard introduces three main sets of new requirements with the aim to improve how companies report financial performance and provide investors with a more useful basis for analysing and comparing companies:

(a) Categories for classifying income and expenses in the statement of profit or loss

Entities are required to classify income and expenses included in the statement of profit or loss into one of the following categories: operating, investing, financing, income taxes, discontinued operations. Modifications of the classification requirements are applicable for entities with specified business activities (banks, investment entities, investment property entities). The standard also requires the presentation of specified subtotals in the statement of profit or loss.

(b) Management-defined performance measures ("MPMs")

MPMs are subtotals of income and expenses that an entity uses in public communication with users of financial statements to communicate management's view of an aspect of the financial performance and that complement totals or subtotals included in IFRSs. Entities disclose information about its MPMs in a single note, the standard specifies disclosure requirements for each MPM.

(c) Aggregation and disaggregation of information

The standard introduces principles for aggregation and disaggregation of information and for presenting information in the primary financial statements or in the notes.

The issuance of IFRS 18 includes amendments to other IFRS standards, among other amendments to IAS 7 Statement of cash flow which removes the presentation alternatives for interest and dividends and uses operating profit subtotal as the single starting point for the indirect method of reporting cash flows from operating activities.

The Group is currently reviewing the impact of the new standard to its financial statements and to the disclosure the Group provides.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (Effective for annual reporting periods beginning on or after 1 January 2027 (not adopted by EU yet))

The standard specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in the other IFRS Accounting Standards for entities that are subsidiaries without public accountability and whose parent entity produces consolidated financial statements that comply with IFRS Accounting Standards. Eligible entities may, but are not required to, apply IFRS 19 in its financial statements and provide a reduced version of the disclosure requirements set out in other IFRS Accounting Standards.

The Group is currently reviewing the impact of the new standard to the disclosure the Group provides.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2026 (not adopted by EU yet))

The amendments apply to requirements related to settling financial liabilities using an electronic payment system, assessing contractual cash flow characteristics of financial assets including those with ESG-linked features and certain disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The Group is currently reviewing possible impact of the amendments to its financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (Effective for annual reporting periods beginning on or after 1 January 2026 (not adopted by EU yet))

Annual Improvements affect the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards (clarification of hedge accounting by first-time adopter), IFRS 7 Financial Instruments: Disclosures (clarification of certain paragraphs related to gain or loss on derecognition, credit risk disclosures and disclosure of deferred difference between fair value and transaction price), IFRS 9 Financial Instruments (unification of IFRS 9 requirements to account for an extinguishment of a lessee's liability and removing inconsistent reference to transaction price as per IFRS 15), IFRS 10 Consolidated Financial Statements (clarification in determination of a de facto agent) and IAS 7 Statement of Cash Flows (removing obsolete reference to cost method).

The Group is currently reviewing possible impact of the amendments to its financial statements.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (Effective for annual reporting periods beginning on or after 1 January 2026 (not adopted by EU yet))

The amendments change the own-use requirements in IFRS 9 to include the factors an entity is required to consider when applying own-use requirements to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting

requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument. Amendments to IFRS 7 relate to disclosure requirements for contracts for nature-dependent electricity with specified characteristics.

The Group is currently reviewing possible impact of the amendments to its financial statements.

The Group has not early adopted any new standard and amendments to IFRS Accounting Standards where adoption is not mandatory at the reporting date. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition

3. Material accounting policies

The EPIF Group has consistently applied the accounting policies set out below to all periods presented in these consolidated financial statements, except as described in note 2(f) and 3(a).

(a) Changes in accounting policies

i. Advance payments for long-term tangible and intangible assets

Effective from 1 January 2024, the Group has changed the presentation of advance payments for long-term tangible and intangible assets in the consolidated statement of financial position. Advance payments previously presented under the line item "Trade receivables and other assets" have been reclassified to the line item "Property, plant and equipment" and "Intangible assets and goodwill" respectively.

Comparative information has been adjusted accordingly.

ii. Changes in presentation in statement of cash flows

In 2024, the Group has changed the presentation of the consolidated statement of cash flows.

Interest paid is now presented within financing activities, instead of operating activities. Purchases and sale of emission rights are now presented within operating activities on a net basis under the line item „Purchase and sale of emission rights", instead of within investing activities on a gross basis.

Comparative information has been adjusted accordingly.

(b) Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Parent Company. Control exists when the Parent Company has power over the investee, exposure to variable returns from its involvement with the investee and is able to use its power over the investee to affect the amount of its returns. The existence and effect of potential voting rights that are substantive is considered when assessing whether the Group controls another entity. The consolidated financial statements include the Group's interests in other entities based on the Group's ability to control such entities regardless of whether control is actually exercised or not. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii. Equity accounted investees

Associates are enterprises in which the Group has significant influence, but not control, over financial and operating policies. Investments in associates are accounted for under the equity method and are initially recognised at cost (Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment), any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. The consolidated financial statements include the Group's share of the total profit or loss and other comprehensive income of associates from the date that the significant influence commences until the date that the significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of or has made payments on behalf of the associate.

iii. Accounting for business combinations

The Group acquired its subsidiaries in two ways:

- As a business combination transaction within the scope of IFRS 3 which requires initial measurement of assets and liabilities at fair value.
- As a business combination under common control which is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Such acquisitions are excluded from the scope of IFRS 3. The assets and liabilities acquired were recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated

financial statements (i.e. value at cost as at the date of acquisition less accumulated depreciation and/or potential impairment). No new goodwill or bargain purchase gain was recognised on these acquisitions.

Acquisition method and purchase price allocation

As at the acquisition date the Group measures identifiable assets acquired and the liabilities assumed at fair value, except for deferred tax assets and liabilities, assets or liabilities related to employee benefits and assets/disposal groups classified as held for sale under IFRS 5, which are recognized and measured in accordance with the respective standards.

Purchase price or any form of consideration transferred in a business combination is also measured at fair value. Contingent consideration is measured at fair value at the date of acquisition and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in profit or loss.

Acquisition related costs are recognized in profit or loss as incurred.

iv. Non-controlling interests

Acquisitions of non-controlling interest are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill and no gain or loss is recognised as a result of such transactions.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at acquisition date.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions.

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vi. Unification of accounting policies

The accounting policies and procedures applied by the consolidated companies in their financial statements were unified in the consolidation and are aligned with the accounting policies applied by the Parent Company.

vii. Pricing differences

The Group accounted for pricing differences which arose from the acquisition of subsidiaries from Energetický a průmyslový holding, a.s. or subsidiaries contributed to the share capital of the Company by Energetický a průmyslový holding, a.s. As these acquired or contributed entities were under common control of Energetický a průmyslový holding, a.s., they were therefore excluded from scope of IFRS 3, which defines recognition of goodwill raised from business combination as the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary. Acquirees under common control are treated under the net book value presented in the consolidated financial statements of Energetický a průmyslový holding, a.s. (i.e. including historical goodwill less potential impairment) as at the date these entities were acquired by Energetický a průmyslový holding, a.s. (acquisition date). The difference between the cost of acquisition and carrying values of net assets of the acquiree and original goodwill carried forward as at the acquisition date were recorded to consolidated equity as pricing differences. Pricing differences are presented in Other capital reserves in Equity. "Note 6 – Acquisitions and disposals of subsidiaries, joint-ventures and associates" summarises the effects of all common control transactions in both periods.

viii. Disposal of subsidiaries and equity accounted investees

Gain or loss from the sale of investments in subsidiaries and equity accounted investees is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

If the assets and liabilities are sold by selling the interest in a subsidiary or an associate the profit or loss on sale is recognised in total under Gain (loss) on disposal of subsidiaries and associates in the statement of comprehensive income.

If the Group disposes of a subsidiary that was acquired under a common control transaction and pricing differences were recognised on acquisition (refer to Note 3(b) vii – Pricing differences), pricing differences are reclassified from other capital reserves to retained earnings at the date of the subsidiary's disposal.

(c) Foreign currency

i. Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Company's functional currency is Euro. Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate at the transaction date. The consolidated financial statements are prepared and presented in Euro, which is both the functional and presentation currency.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the respective functional currencies of Group entities at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the respective functional currencies of Group entities at the foreign exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the respective functional currencies at the foreign exchange rates at the dates the fair values are determined.

Foreign exchange differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of FVOCI equity instruments or qualifying cash flow hedges to the extent that the hedge is effective, in which case foreign exchange differences arising on retranslation are recognised in other comprehensive income.

A summary of the main foreign exchange rates applicable for the reporting period is presented in Note 30 – Risk management.

ii. Translation to presentation currency

These consolidated financial statements are prepared in Euro. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro at foreign exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro using average exchange rate for the period. For significant transactions the exact foreign exchange rate is used.

Foreign exchange differences arising on translation of foreign operations are recognised in other comprehensive income and presented in the translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. At disposal, relevant part of translation reserve is recycled to income statement and included in gain/(loss) from disposal of subsidiaries in the consolidated statement of comprehensive income.

(d) Non-derivative financial assets

i. Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income – debt instrument, fair value through other comprehensive income – equity instrument or fair value through profit or loss. The classification of financial asset is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at *amortized cost* if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI test").

Principal is the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Loans and receivables which meet SPPI test and business model test are classified by the Group as financial asset at amortised cost.

A *debt instruments* are measured *at fair value through other comprehensive income* if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collection contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI test").

The Group may make an irrevocable election at initial recognition for particular investments in *equity instruments* that would otherwise be measured at fair value through profit or loss (as described below) and are not held for trading to present subsequent changes in fair value in other comprehensive income. The Group has equity securities classified as financial assets *at fair value through other comprehensive income*. These investments are not held for trading, but rather for long-term purposes and thus the Group has elected not to present the changes in the fair value of these investments in profit or loss.

All investments in equity instruments and contracts on those instruments are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represent the best estimate of fair value within that range. The Group uses all information about the performance and operations of the investee that becomes available after the date of initial recognition. To the extent that any such relevant factors exist, they may indicate that cost might not be representative of fair value. In such cases, the Group uses fair value. Cost is never the best estimate of fair value for investments in quoted instruments.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The key type of financial assets measured at fair value through profit or loss by the Group are derivatives.

ii. Recognition

Financial assets are recognised on the date the Group becomes party to the contractual provision of the instrument.

iii. Measurement

Upon initial recognition, financial assets are measured at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial instrument. Attributable transaction costs relating to financial assets measured at fair value through profit or loss are recognised in profit or loss as incurred. For the methods used to estimate fair value, refer to Note 4 – Determination of fair values.

Financial assets at FVtPL are subsequently measured at fair value, with net gains and losses, including any dividend income, recognised in profit or loss.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated using effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other gains and losses are recognised in other comprehensive income and reclassified to profit or loss upon derecognition of the asset.

Equity instruments at FVOCI are subsequently measured at fair value. Dividends are recognised in profit or loss in finance income. Other gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest rate method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. Interest income, foreign exchange gains and losses, impairment and any gain or loss on derecognition are recognised in profit or loss.

iv. De-recognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the rights to receive the contractual cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

v. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis.

(e) Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings, debt securities issued, bank overdrafts, and trade and other payables. Such financial liabilities are initially recognised at the settlement date at fair value plus any directly attributable transaction costs except for financial liabilities at fair value through profit and loss, where transaction costs are recognised in profit or loss as incurred. Financial liabilities are subsequently measured at amortised cost using the effective interest rate, except for financial liabilities at fair value through profit or loss. For the methods used to estimate fair value, refer to Note 4 – Determination of fair values.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(f) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency, interest rate and commodity risk exposures.

Derivatives are recognised initially at fair value, with attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Trading derivatives

When a derivative financial instrument is held for trading i.e. is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

Cash flow hedges and fair value hedges

The Group has adopted hedge accounting requirements as per IFRS 9. The financial derivatives, which do not meet the criteria for hedge accounting as stated by IFRS 9 are classified as for trading and related profit and loss from changes in fair value is recognised in profit and loss.

Hedging instruments which consist of derivatives associated with a currency risk are classified either as cash-flow hedges or fair value hedges.

From the inception of the hedge, the Group maintains a formal documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. The Group also periodically assesses the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

In the case of a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then the hedge

accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss. In case the future transaction is still expected to occur then the balance remains in equity and is recycled to profit or loss when the hedged transaction impacts profit or loss.

In the case of a fair value hedge, the hedged item is remeasured for changes in fair value attributable to the hedged risk during the period of the hedging relationship. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognised in profit or loss, except for the financial asset – equity instrument at FVOCI, for which the gain or loss is recognised in other comprehensive income.

In the case of a fair value hedge, the gain or loss from re-measuring the hedging instrument at fair value is recognised in profit or loss.

Transactions with emission rights and energy

According to IFRS 9, certain contracts for emission rights and energy fall into the scope of the standard. Purchase and sales contracts entered into by the Group provide for physical delivery of quantities intended for consumption or sale as part of its ordinary business. Such contracts are thus excluded from the scope of IFRS 9.

In particular, forward purchases and sales settled by delivery of the underlying are considered to fall outside the scope of application of IFRS 9, when the contract concerned is considered to have been entered into as a part of the Group's normal business activity. This is demonstrated to be the case when all the following conditions are fulfilled:

- delivery of the underlying takes place under such contracts;
- the volumes purchased or sold under the contracts correspond to the Group's operating requirements;
- the Group does not have a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instrument;
- the Group does not have a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuation in price or dealer's margin.

Contracts, which does not meet above mentioned conditions, fall under the scope of IFRS 9 and are accounted for in line with the requirements of IFRS 9.

For each contract where own-use exemption applies, the Group determines whether the contract leads to physical settlement in accordance with Group's expected purchase, sale or usage requirements. The Group considers all relevant factors including the quantities delivered under the contract and the corresponding requirements of the entity, the delivery locations, the duration between contract signing and delivery and the existing procedure followed by the entity with respect to contracts of this kind.

Contracts which fall under the scope of IFRS 9 are carried at fair value with changes in the fair value recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and in banks, and short-term highly liquid investments with original maturities of three months or less.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Purchased inventory and inventory in transit are initially stated at cost, which includes the purchase price and other directly attributable expenses incurred in acquiring the inventories and bringing them to their current location and condition. Inventories of a similar nature are valued using the weighted average method except for the energy production segment, where the first-in, first-out principle is used.

Internally manufactured inventory and work in progress are initially stated at production costs. Production costs include direct costs (direct material, direct labour and other direct costs) and part of overhead directly

attributable to inventory production (production overhead). The valuation is written down to net realisable value if the net realisable value is lower than production costs.

(i) Impairment

i. Non-financial assets

The carrying amounts of the Group's assets, other than inventories (refer to accounting policy (h) – Inventories) and deferred tax assets (refer to accounting policy (o) – Income taxes) are reviewed at each reporting date to determine whether there is an objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful life or that are not yet available for use, the recoverable amount is estimated at least each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes and is not larger than operating segment before aggregation. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU or CGUs, and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

ii. Financial assets (including trade and other receivables and contract assets)

The Group measures loss allowances using expected credit loss ("ECL") model for financial assets at amortized cost, debt instruments at FVOCI and contract assets. Loss allowances are measured on either of the following bases:

• 12-month ECLs: ECLs that result from possible default events within the 12 months after the reporting date;

• lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs except for those financial assets for which credit risk has not increased significantly since initial recognition. For trade receivables and contract assets, the Group measures loss allowances at an amount equal to lifetime ECLs.

Financial assets are allocated to three stages (Stage I – III) or to a group of financial assets that are impaired at the date of the first recognition purchased or originated credit-impaired financial assets ("POCI"). At the date of the initial recognition, the financial asset is included in Stage I or POCI. Subsequent to initial recognition, financial asset is allocated to Stage II if there was a significant increase in credit risk since initial recognition or to Stage III of the financial asset has been credit impaired.

The Group assumes that the credit risk on a financial asset has increased significantly if:

(a) a financial asset or its significant portion is overdue for more than 30 days;

(b) the Group negotiates with the debtor in a financial difficulty about debt's restructuring;

(c) the probability of default of the debtor increases by 20%; or

(d) other material events occur which require individual assessment (e.g., development of external ratings of sovereign credit risk).

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred (e.g. a financial asset is overdue for more than 90 days, insolvency or similar proceedings have been initiated with the debtor, the probability of default of the borrower increases by 100% compared to the previous rating).

For the purposes of ECL calculation, the Group uses components needed for the calculation, namely probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). Forward-looking information means any macroeconomic factor projected for future, which has a significant impact on the development of credit losses ECLs are present values of probability-weighted estimate of credit losses. The Group considers mainly expected growth of gross domestic product, reference interest rates, stock exchange indices or unemployment rates.

Presentation of loss allowances

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

iii. Equity accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(j) Property, plant and equipment

i. Owned assets – cost model

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (refer to accounting policy (i) – Impairment). Opening balances are presented at net book values, which include adjustments from revaluation within the Purchase Price Allocation process (refer to accounting policy (b) iii – Basis of consolidation – Accounting for business combinations).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalised borrowing costs (refer to accounting policy (p) – Finance income and costs). The cost also includes costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Owned assets – revaluation model

The gas transmission pipelines of eustream, a.s. and the gas distribution pipelines in SPP – distribúcia, a.s. are held under revaluation model (IAS 16). The assets are carried at revalued amount, which is fair value at the date of revaluation less accumulated subsequent depreciation and impairment. Revaluation is made

with sufficient regularity, at least every 5 years. Revaluation is always applied to the entire class of property, plant and equipment the revalued asset belongs to.

Initial revaluation as at the date of initial application of revaluation model, the difference between carrying amount and revalued amount is recognized as revaluation surplus directly in equity if revalued amount is higher than carrying amount. Difference is recognized in profit or loss if revalued amount is lower than carrying amount.

On subsequent revaluation, increase in revalued amount is recognized in other comprehensive income or in profit or loss to the extend it reverses a revaluation decrease of the same asset previously recognized in profit or loss. The decrease in revalued amount primarily decreases amount accumulated as revaluation surplus in equity, eventual remaining part of decrease in revalued amount is recognized in profit or loss. Accumulated depreciation is eliminated against gross carrying amount of the asset.

Deferred tax asset or liability is recognized in equity or in profit or loss in the same manner as the revaluation itself.

When asset under revaluation model is depreciated, revaluation surplus is released to retained earnings as the asset is depreciated. When the revalued asset is derecognized or sold, the revaluation surplus as a whole is transferred to retained earnings.

iii. Free-of-charge received property

Several items of gas and electricity equipment (typically connection terminals) were obtained “free of charge” from developers and from local authorities (this does not represent a grant, because in such cases the local authorities act in the role of a developer). This equipment was recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability (before 1 January 2018 as deferred income) as receipt of the free of charge property is related to obligation to connect the customers to the grid. These costs approximate the fair value of the obtained assets. This contract liability is released in the income statement on a straight-line basis in the amount of depreciation charges of non-current tangible assets acquired free of charge.

iv. Subsequent costs

Subsequent costs incurred to add to, replace part of, or service a previously recognized item of property, plant and equipment are capitalized and recognized as part of the item of property, plant and equipment only if it is probable that the future economic benefits associated with these costs will flow to the entity and they can be measured reliably. All other expenditures, including the costs of the day-to-day servicing of property, plant and equipment, are recognised in profit or loss as incurred.

v. Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the right-of-use asset should be depreciated from the commencement date to the end of the useful life of the underlying asset.

The estimated useful lives are as follows:

- Power plant buildings and structures 50 – 100 years
- Buildings and structures 20 – 50 years
- Gas transmission and distribution pipelines 30 – 70 years
- Machinery, electric generators, gas producers, turbines and drums 20 – 30 years
- Heat and electricity distribution networks 10 – 30 years
- Machinery and equipment 4 – 20 years
- Fixtures, fittings and other 3 – 20 years

Depreciation methods and useful lives, as well as residual values, are reassessed annually at the reporting date. For companies acquired under IFRS 3 for which a purchase price allocation was prepared, the useful lives are reassessed based on the purchase price allocation process.

(k) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets of the acquired subsidiary/associate/joint-venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included under intangible assets. Goodwill on acquisitions of associates/joint ventures is included in the carrying amount of investments in associates/joint ventures.

If the Group's share in the fair value of identifiable assets and liabilities of a subsidiary or equity accounted investees as at the acquisition date exceeds the acquisition cost, the Group reconsiders identification and measurement of identifiable assets and liabilities, and the acquisition cost. Any excess arising on the re-measurement (bargain purchase gain) is recognised in profit and loss account in the period of acquisition.

Upon acquisition of non-controlling interests (while maintaining control), no goodwill is recognised.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses (refer to accounting policy (i) – Impairment) and is tested for impairment annually.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. Intangible assets with an indefinite useful life are not subject to amortisation and are recorded at cost less any impairment losses (refer to accounting policy (i) – Impairment). Intangible assets with a definite useful life are amortised over their useful lives and are recorded at cost less accumulated amortisation (see below) and impairment losses (refer to accounting policy (i) – Impairment).

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the asset.

In 2024 and 2023, expenditures incurred by the Group did not meet these recognition criteria. Development expenditure has thus been recognised in profit or loss.

iii. Emission rights

Recognition and measurement

Emission rights issued by a government are initially recognised at fair values. Where an active market exists, fair value is based on the market price. The fair value for allocated emission rights is determined as the price at the date of allocation. Emission rights that are purchased are initially recognised at cost.

Subsequently, emission rights are accounted for under the cost method under intangible assets.

The Group's accounting policy is to use the first-in, first-out principle ("FIFO") for emission rights disposal (consumption or sale).

Impairment of emission rights

At each reporting date, the Group assesses whether there is any indication that emission rights may be impaired.

Where an impairment indicator exists, the Group reviews the recoverable amounts of the cash generating unit, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. In case the carrying value of a cash generating unit is greater than its recoverable value, impairment exists.

Any identified emission rights impairment is recognised directly as a debit to a profit or loss account and a credit to a valuation adjustment.

Recognition of grants

A grant is initially recognised as deferred income and recognised in profit on a systematic basis over the compliance period, which is the relevant calendar year, regardless of whether the allowance received continues to be held by the entity. The pattern for the systematic recognition of the deferred income in profit is assessed based on estimated pollutants emitted in the current month, taking into account the estimated coverage of the estimated total annually emitted pollutants by allocated emission rights. The release of deferred income to a profit and loss account is performed on a quarterly basis; any subsequent update to the estimate of total annual pollutants is taken into account during the following monthly or quarterly assessment. Any disposals of certificates or changes in their carrying amount do not affect the manner in which grant income is recognised.

Recognition, measurement of provision

A provision is recognised regularly during the year based on the estimated number of tonnes of CO2 emitted.

It is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. It means that the provision is measured based on the current carrying amount of the certificates on hand if sufficient certificates are owned to settle the current obligation, by using a FIFO method. The group companies identify (in each provision measurement period) which of the certificates are "marked for settling" the provision and this allocation is consistently applied.

Otherwise, if a shortfall of emission rights on hand as compared to the estimated need exists at the reporting date, then the provision for the shortfall is recorded based on the current market value of the emission certificates at the end of the reporting period.

iv. Software and other intangible assets

Software and other intangible assets acquired by the Group that have definite useful lives are stated at cost less accumulated amortisation (see below) and impairment losses (refer to accounting policy (i) – Impairment).

Intangible assets that have an indefinite useful life are not amortised and are instead tested annually for impairment. Their useful life is reviewed at each period-end to assess whether events and circumstances continue to support an indefinite useful life.

v. Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date the asset is available for use. The estimated useful lives are as follows:

- Software 2 – 7 years
- Customer relationship and other contracts 2 – 20 years
- Other intangible assets 2 – 20 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate of the amount can be made.

Provisions are recognised at the expected settlement amount. Long-term obligations are reported as liabilities at the present value of their expected settlement amounts, if the effect of discount is material, using as a discount rate the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss in finance costs.

The effects of changes in interest rates, inflation rates and other factors are recognised in profit or loss in operating income or expenses. Changes in estimates of provisions can arise in particular from deviations from originally estimated costs, from changes in the settlement date or in the scope of the relevant obligation. Changes in estimates are generally recognised in profit or loss at the date of the change in estimate (see below).

i. Employee benefits

Long-term employee benefits

Liability relating to long-term employee benefits and service awards excluding pension plans is defined as an amount of the future payments, to which employees will be entitled in return for their service in the current and prior periods. Future liability which is calculated using the projected unit credit method is discounted to its present value. The discount rate used is based on yields of high-quality corporate bonds as at the end of the reporting period, which maturity approximately corresponds with the maturity of the future obligation. The revaluation of the net liability from long-term employee benefits and service awards (including actuarial gains and losses) is recognised in full immediately in other comprehensive income.

Contributions for pension insurance resulting from Collective agreement are expensed when incurred.

Pension plans

In accordance with IAS 19, the projected unit credit method is the only permitted actuarial method. The benchmark (target value) applied to measure defined benefit pension obligations is the present value of vested pension rights of active and former employees and beneficiaries (present value of the defined benefit obligation). In general it is assumed that each partial benefit of the pension commitment is earned evenly from commencement of service until the respective due date.

If specific plan assets are established to cover the pension payments, these plan assets can be netted against the pension obligations and only the net liability is shown. The valuation of existing plan assets is based on the fair value at the balance sheet date in accordance with IAS 19.

Assets used to cover pension obligations that do not fully meet the requirement of plan assets have to be carried as assets on the balance sheet. Any netting off against the liability to be covered will not apply in this respect.

The Group recognises all actuarial gains and losses arising from benefit plans immediately in other comprehensive income and all expenses related to the defined benefit plan in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and past service costs that had not been previously recognised.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Provision for lawsuits and litigations

Settlement of a lawsuit represents an individual potential obligation. Determining the best estimate either involves expected value calculations, where possible outcomes, stated based on a legal study, are weighted by their likely probabilities or it is the single most likely outcome, adjusted as appropriate to consider risk and uncertainty.

iii. Provision for emission rights

A provision for emission rights is recognised regularly during the year based on the estimated number of tonnes of CO2 emitted. It is measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

iv. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

v. Asset retirement obligation and provision for environmental remediation

Certain property, plant and equipment of conventional and renewable power plants and gas storage facilities have to be dismantled and related sites have to be restored at the end of their operational lives. These obligations are the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit Group commitment.

Obligations arising from the decommissioning or dismantling of property, plant and equipment are recognised in connection with the initial recognition of the related assets, provided that the obligation can be reliably estimated. The carrying amounts of the related items of property, plant and equipment are increased by the same amount that is subsequently amortised as part of the depreciation process of the related assets.

A change in the estimate of a provision for the decommissioning and restoration of property, plant and equipment is generally recognised against a corresponding adjustment to the related assets, with no effect on profit or loss. If the related items of property, plant and equipment have already been fully depreciated, changes in the estimate are recognised in profit or loss.

No provisions are recognised for contingent asset retirement obligations where the type, scope, timing and associated probabilities cannot be determined reliably.

Provisions for environmental remediation in respect of contaminated sites are recognised when the site is contaminated and when there is a legal or constructive obligation to remediate the related site.

Provisions are recognised for the following restoration activities:

- dismantling and removing structures;
- abandonment of production, exploration and storage wells;
- dismantling operating facilities;
- closure of plant and waste sites; and
- restoration and reclamation of affected areas.

The entity records the present value of the provision in the period in which the obligation is incurred. The obligation generally arises when the asset is installed or the environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets. Over time, the discounted liability is increased to reflect the change in the present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

All the provisions for environmental remediation and asset retirement obligation are presented under Provision for restoration and decommissioning.

vi. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(m) Leases

Definition of a lease

An agreement is or contains a leasing arrangement if it gives the customer the right to control the use of an identified asset in a time period in exchange for consideration. Control exists if the customer has the right to obtain substantially all economic benefits from the use of the asset and also the right to direct its use.

Lessor accounting

Lessor classifies leasing as either financial or operating. Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

In the case of financial leasing the lessor reports in its statement of financial position a receivable in an amount equal to the net financial investment in the leasing. In the statement of comprehensive income then during the leasing term it reports financial revenues.

In the case of operating leasing the lessor recognises an underlying asset in the report on financial position. In the income statement then during the leasing term it reports leasing payments as revenues on a straight-line basis over the lease term and depreciation of the underlying asset as an expense.

Lessee accounting

Upon the commencement of a leasing arrangement, the lessee recognises a right-of-use asset against a lease liability, which is valued at the current value of the leasing payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Incremental borrowing rate is determined based on interest rates from selected external financial sources and adjustments made to reflect the terms of the lease.

Exception option applies for short-term leases (lease term 12 months or shorter) and leases of low value assets (lower than 5 thousand EUR). The Group has elected not to recognize right-of-use assets for these leases. Lease payments are recognised as an expense on a straight-line basis over lease period.

The lease liability is subsequently measured at amortized cost under the effective interest rate method. Lease liability is remeasured if there is a change in:

- future lease payments arising from change in an index or rate;
- estimated future amounts payable under a residual guaranteed value;
- the assessment of the exercise of purchase, extension or termination option;
- in-substance fixed lease payments; or
- in the scope of a lease or consideration for a lease (lease modification) that is not accounted as a separate lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets. In case the right-of-use assets has been reduced to zero, the adjustment is recognized in profit or loss.

The Group presents right-of-use assets in property, plant and equipment, the same line item as it presents underlying assets of the same nature that it owns. The right-of-use assets is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

In a statement of comprehensive income, the lessee reports interest expense and (straight-line) depreciation of a right-of-use asset. A company (lessee) depreciates an asset in accordance with the requirements of the IAS 16. The asset is depreciated from the commencement date to the end of the lease term. If the underlying asset is transferred to the Group at the end of the lease term, the right-of-use asset is depreciated over the useful life of the underlying asset.

Service part of a lease payment

Companies within the Group accounting for leases of vehicles do not separate the service fee from the lease payments. Total lease payments are used to calculate the lease liability. For other leasing contracts the

service fee is separated from the lease payments. Service fee is recognised as a current expense in statement of comprehensive income, remaining part is used to calculate the leasing liability.

Lease term

The lease term is determined at the lease commencement date as the non-cancellable period together with periods covered by an extension (or by a termination) option if the Group is reasonably certain to exercise such option.

Where the lease contract is concluded for an indefinite period with option to terminate the lease available both to the lessor and the lessee, the Group assesses the lease term as the longer of (i) notice period to terminate the lease and, (ii) period over which there are present significant economic penalties that disincentives the Group from terminating the lease. In case the assessed lease term is for a period below 12 months, the Group applies the short-term recognition exemption.

Renewal options

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(n) Revenue

i. Revenues from contracts with customers

The Group applies a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on the criteria for meeting the performance obligation, the revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

Sales transactions usually contain variable consideration and usually do not contain significant financing component. Certain sales transactions contain also non-cash consideration.

The Group has identified following main sources of Revenue in scope of IFRS 15 (for complete source of Group's revenues refer to Note 7 – Revenues, for more information on contracts with customers refer to Note 5 – Operating segments):

- *Revenues from sale of gas, electricity, heat or other energy products (energy products)*

Revenues from power production (wholesale) are recognized based on the volume of power delivered to the grid and price per contract or as of the market price on the energy exchange.

The Group recognises the revenue upon delivery of the energy products to the customer. The moment of the transfer of the control over the products is considered at the moment of delivery, i.e. when the customer gains the benefits and the Group fulfils the performance obligation.

Revenues from energy supply to end consumers are measured using transaction prices allocated to those goods transferred, reflecting the volume of energy supplied, including the estimated volume supplied between last invoice date and end of the period. For retail customers advance payments are required in general based on historical consumption, those are settled when the actual supplied volumes are known. While commercial customers are usually invoiced with higher frequency based on actually volumes supplied.

Where the Group acts as energy provider it was analysed if the distribution service invoiced is recognised as revenue from customers under IFRS 15. Judgement may be required to determine whether the Group acts as principal or agent in those cases. It has been concluded that the Group acts as a principal because it has the inventory risk for distribution services, and therefore materially all distribution services which are billed to its customers as part of the revenues from energy delivery are presented gross in the statement of comprehensive income.

- *Gas and electricity infrastructure services*

The Group provides services connected with the infrastructure by providing transmission or distribution of energy products or by providing storage capacities. Some of these services include ship-or-pay clauses (at gas transmission business) and store-or-pay clauses (at gas storage business), which reserve daily or monthly capacity for the customer with corresponding billing. The revenues from all these contracts are recognised over the time of contract. As the Group fulfils the performance obligation arisen from those contracts over the time of the contract, the revenues are recognised based on reserved capacity (gas transmission, gas distribution and gas storage) or distributed volume of energy (electricity and heat distribution).

The transaction price comprises of fix consideration (nominated capacity fees) and variable consideration (fee adjustments based on transmitted/distributed volume, and fee adjustment based on difference in quality of transmitted gas on input and output). The variable consideration is recognized as incurred as it is constrained by uncertainty related to factors outside the Group's influence (such as energy demand volatility and weather conditions). The services are generally billed on monthly basis.

In case of transmission services part of the remuneration might be collected in the form of non-cash consideration provided in the form of natural gas (payment for gas transmission services). The Group measures the non-cash consideration received at fair value at the date of transaction.

The Group has evaluated that the several items of gas and electricity equipment (typically connection terminals) obtained "free of charge" from developers and from local authorities does not represent a grant (because in such cases the local authorities act in the role of a developer) and do not constitute a distinct performance obligation. This equipment is recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability as receipt of the free of charge property is related to obligation to distribute energy to the customers (a non-cash consideration). These costs approximate the fair value of the obtained assets.

ii. Derivatives where the underlying asset is a commodity

Cash-settled contracts and contracts that do not qualify for the application of the own-use exemption are regarded as trading derivatives.

The following procedure applies to other commodity and financial derivatives that are not designated as hedging derivatives and are not intended for the sale of electricity from the Group's sources, for delivery to end customers or for consumption as a part of the Group's ordinary business (the own-use exemption is not applied).

At the date of the financial statements, trading derivatives are measured at fair value. The change in fair value is recognised in profit or loss. The measurement effect for commodity derivatives with emission rights is included in line item "Emission rights, net".

iii. Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

(o) Government grants

Government grants are recognised initially at fair value as deferred income when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses the grant is intended to compensate are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(p) Finance income and costs

i. Finance income

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, gains on sale of investments

in securities and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

ii. Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, fees and commissions expense for payment transactions and guarantees, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

iii. Borrowing costs

Borrowing costs that arise in connection with the acquisition, construction or production of a qualifying asset, from the time of acquisition or from the beginning of construction or production until entry into service, are capitalised and subsequently amortised alongside the related asset. In the case of a specific financing arrangement, the respective borrowing costs for that arrangement are used. For non-specific financing arrangements, borrowing costs to be capitalised are determined based on a weighted average of the borrowing costs.

(q) Income taxes

Income taxes comprise current and deferred tax. Income taxes are recognised in profit or loss, except to the extent that they relate to a business combination or to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the reporting period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognised on the following temporary differences: temporary differences arising from the initial recognition of assets or liabilities that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. No deferred tax is recognised on the initial recognition of goodwill.

The amount of deferred tax is based on the expected manner of realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but there is an intention to settle current tax liabilities and assets on a net basis, or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Dividends

Dividends are recognised as distributions within equity upon approval by the Company's shareholders.

(s) Segment reporting

Due to the fact that the Group has issued debentures (Senior Secured Notes) listed on the Stock Exchange, the Group reports segmental information in accordance with IFRS 8.

Segment results that are reported to the Group's board of directors (the chief operating decision maker) include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

4. Determination of fair values

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on three different approaches which may be employed to determine the fair value:

Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business. For example, valuation techniques consistent with the market approach often use market multiples derived from a set of comparables.

Income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Cost approach is based on the premise that a prudent investor would pay no more for an asset than its replacement or reproduction cost. The depreciated replacement cost approach involves establishing the gross current replacement cost of the asset, and then depreciating this value to reflect the anticipated effective working life of the asset from new, the age of the asset, the estimated residual value at the end of the asset's working life and the loss in service potential

IFRS 13 requires fair value measurements of assets to assume the highest and best use of the asset by market participants, provided that the use is physically possible, financially feasible and not illegal. Highest and best use might differ from the intended use by an individual acquirer. Although all three valuation approaches should be considered in the valuation analysis, the fact pattern surrounding each business combination, the purpose of valuation, the nature of the assets, and the availability of data dictate which approach or approaches including accounting-oriented approaches are ultimately utilized to calculate the value of each tangible asset.

Selected items of property, plant and equipment – the gas transmission pipeline owned and operated by eustream, a.s. ("Eustream") and the gas distribution pipelines owned and operated by SPP – distribúcia, a.s. ("SPPD") – are recognized in revalued amount in accordance with IAS 16 since 1 January 2019 and 1 January 2020, respectively. The revalued amount represents the fair value as at the date of the most recent revaluation, net of any subsequent accumulated depreciation and subsequent accumulated impairment. The most recent revaluation was prepared as at 30 June 2024 for Eustream and as at 1 January 2023 for SPPD by an independent expert and will be carried out regularly (at least every five years), so that the carrying amount does not differ materially from the amount recognised on the balance sheet date using fair values.

Each revaluation was conducted by an independent expert who used mainly the depreciated replacement cost approach supported by the market approach for some types of assets. In general, the replacement cost method was used and the indexed historical cost method for assets where reproductive rates were not available. By determining the fair value of individual assets with the cost approach, physical deterioration, plus technological and economic obsolescence of assets was acknowledged.

The assumptions used in the revaluation model are based on the reports of the independent appraisers. The resulting reported amounts of these assets and the related revaluation surplus of assets do not necessarily represent the value in which these assets could or will be sold. There are uncertainties about future economic conditions, geopolitics, changes in technology, trends and preferences in terms of environmental sustainability and the competitive environment within the industry, which could potentially result in future adjustments to estimated revaluations and useful lives of assets that can significantly modify the reported financial position and profit. For further information, refer to Note 15 – Property, plant and equipment.

(b) Intangible assets

The fair value of intangible assets recognised as a result of a business combination is based on the discounted cash flows expected to be derived from the use or eventual sale of the assets.

(c) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(d) Non-derivative financial assets

The fair value of financial assets at fair value through profit or loss, debt and equity instruments at FVOCI and financial assets at amortized cost is based on their quoted market price at the reporting date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by management using pricing models or discounted cash flows techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the reporting date.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

The fair value of trade and other receivables and of financial assets at amortized cost is determined for disclosure purposes only.

(e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(f) Derivatives

The fair value of forward electricity and gas contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on zero coupon rates).

The fair value of interest rate swaps is based on broker quotes or internal valuations based on market prices. Those quotes or valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of other derivatives (exchange rate, commodity, foreign CPI indices) embedded in a contract is estimated by discounting the difference between the forward values and the current values for the residual maturity of the contract using a risk-free interest rate (based on zero coupon rates).

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

5. Operating segments

The Group operates in four reportable segments under IFRS 8: Gas transmission, Gas and power distribution, Gas storage and Heat Infra.

The Group identifies its operating segments at the level of each legal entity, with the Group management monitoring the performance of each entity through monthly management reporting. Operating segments are aggregated to four reportable segments mainly based on nature of the services provided. A description of each segment is provided in the following paragraphs. Each reportable segment aggregates entities with similar economic characteristics (type of services provided, commodities involved and regulatory environment), except of the Gas transmission segment, which includes only a single entity. Internal reports used by the EPIF's "chief operating decision maker" (Board of Directors) to allocate resources and assess performance align with these reportable segments. Major indicators used by the Board of Directors to measure these segments' performance is operating profit before Depreciation, amortization and impairment and Bargain purchase gain ("Underlying EBITDA") and capital expenditures.

i. Gas transmission

The Group's Gas Transmission Business is operated through Eustream, which owns and operates one of the main European gas pipelines and serves as the sole gas transmission system operator in the Slovak Republic. Eustream's transmission network is connected to all neighbouring countries, enabling the transit of gas to and from the Czech Republic, Austria, Ukraine, Hungary and Poland. It is also the largest natural gas import route to Ukraine from Western Europe and, prior to the war in Ukraine, it was the most utilized one. Eustream‘s services are utilized by major European energy companies. Access to the system and gas transport are provided to all partners in a transparent and non-discriminatory manner, in accordance with the European and Slovak gas legislation.

Eustream generates revenue primarily by charging tariffs for the transmission of gas through its pipelines. Shippers are obliged to pay the capacity fees for the booked capacity irrespective of whether such capacity is utilised by the shipper as all contracts, regardless of duration, are based on a 100 per cent. ship-or-pay principle.

The transmission fees are based on floating tariff for all entry and exit points, enabling tariff adjustments in the event of significant changes in economic parameters, even for existing contracts (this change will not apply to existing long-term contracts that have a fixed operating schedule). In addition to the transmission fees, network users are required to provide gas in-kind for operational needs, predominantly as a fixed percentage of commercial gas transmission volume at each entry and exit point. The network users may agree with Eustream to provide gas in-kind in a financial form. Gas for operational needs covers, among other things, the energy needs for the operation of compressors and the gas balance differences related to the measurement of gas flows. As Eustream is legally responsible for network balance, it sells any gas in-kind it has received that is not consumed. Since the volume of gas in-kind is variable, any revenue from this mandatory sale of residual gas in-kind is also variable.

ii. Gas and power distribution

The Gas and power distribution segment consists of the Power distribution division, the Gas distribution division and the Supply division. The Power distribution division distributes electricity in the central Slovakia region while the Gas distribution division is responsible for distribution of natural gas covering almost the complete gas distribution network in Slovakia. The Supply division primarily supplies power and natural gas to end-consumers in the Czech Republic and Slovakia. This segment is mainly represented by Stredoslovenská energetika Holding, a.s. (further "SSE"), Stredoslovenská distribučná, a.s. (further "SSD"), SPP – distribúcia, a.s. (further "SPPD"), EP ENERGY TRADING, a.s. (further "EPET") and Dobrá Energie s.r.o.

The companies SPPD and SSD, which provide distribution of natural gas and power, respectively, are required by law to provide non-discriminatory access to the distribution network. Prices are subject to the review and approval by the Regulatory Office for Network Industries ("RONI"). Both entities operate under regulatory framework where allowed revenues are based primarily on the Regulated Asset Base ("RAB") multiplied by the allowed regulatory WACC plus eligible operating expenditures and allowed depreciation

in line with regulatory frameworks in other Western European countries. All key tariff parameters are set for a given regulatory period of five years, while the current regulatory period started in January 2023.

Revenue from sales of electricity and gas is recognised when the electricity and gas is delivered to the customer. With respect to SSE, RONI regulates certain aspects of SSE's relationships with its customers including the pricing of electricity, gas and services provided to certain SSE customers. Prices of electricity and gas for households and small business are regulated by RONI, while the price of electricity and gas for the wholesale customers is not regulated. In the Czech Republic, prices for end-consumers in supply activities are typically not regulated.

EPET and SSE are involved in the buying and selling of power. Selling includes transactions in the wholesale electricity market for power generated by the Group within its Heat Infra Business. Buying involves the procurement of electricity and natural gas to meet the demands of customers as part of the division's supply activities. Most of the Group's transactions are conducted on a back-to-back basis.

iii. Gas storage

The Gas storage segment is represented by NAFTA a.s., POZAGAS a.s., NAFTA Germany GmbH and its subsidiaries and SPP Storage, s.r.o., which store natural gas primarily under long-term contracts in underground storage facilities located in Slovakia, Germany and the Czech Republic.

The Group stores natural gas in two locations in Slovakia and the Czech Republic and three locations in Germany. Additionally, NAFTA a.s. and POZAGAS a.s. sell a part of their storage capacity at the Austrian Virtual Trading Point and pay entry-exit fees in relation to the access to the Austrian market. Storages play a pivotal role in ensuring security of gas supply by accommodating injection, withdrawal, and storage of natural gas based on seasonal demands, adhering to relevant legislation. Also, capacities are utilized to capitalize on short-term market volatility in gas prices, allowing for effective management and optimization in response to fluctuations. The bulk of storage capacity is reserved through long-term contracts. The pricing mechanisms differ, incorporating either adjustments for inflation along with standard price revision clauses, or formulas based on actual market spreads. All contracts are bound by a store-or-pay obligation.

iv. Heat Infra

The Heat Infra segment owns and operates three large-scale combined heat and power plants (CHPs) in the Czech Republic mainly operated in highly efficient co-generation mode and represented primarily by: Elektrárny Opatovice, a.s., United Energy, a.s. and Plzeňská teplárenská, a.s.. The heat generated in its CHPs is supplied mainly to retail customers through well maintained and robust district heating systems that the Group owns in most of the cases. Czech based heat supply is regulated in a way of cost plus a reasonable profit margin. The entities also represent major Czech power producers and important providers of grid balancing services for ČEPS, the Czech electricity transmission network operator. EP Sourcing, a.s. and EP Cargo a.s., as main suppliers of the above-mentioned entities, are also included in this segment.

v. Other

The Other operations represents mainly three solar power plants and one wind farm in the Czech Republic and two solar power plants and a biogas facility in Slovakia.

vi. Holding entities

The Holding entities mainly represent EP Infrastructure, a.s., EP Energy, a.s., Slovak Gas Holding B.V., SPP Infrastructure, a.s. and Czech Gas Holding Investment B.V. The segment profit therefore primarily represents dividends received from its subsidiaries, finance expense and results from acquisition accounting or disposals of subsidiaries and associates.

Profit or loss

For the year ended 31 December 2024

In millions of EUR	**Gas trans-mission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Revenues: Energy and related services	483	2,429	347	418	3,677	5	-	(252)	3,430
external revenues	*483*	*2,398*	*312*	*232*	*3,425*	*5*	-	-	*3,430*
of which: Gas	*483*	*766*	*312*	-	*1,561*	-	-	-	*1,561*
Electricity	-	*1,632*	-	*44*	*1,676*	*5*	-	-	*1,681*
Heat	-	-	-	*188*	*188*	-	-	-	*188*
inter-segment revenues	-	*31*	*35*	*186*	*252*	-	-	*(252)*	-
Revenues: Logistics and freight services	-	-	-	*46*	*46*	-	-	-	*46*
external revenues	-	-	-	*46*	*46*	-	-	-	*46*
inter-segment revenues	-	-	-	-	-	-	-	-	-
Revenues: Other	-	*19*	*8*	*22*	*49*	*8*	-	*(1)*	*56*
external revenues	-	*19*	*8*	*22*	*49*	*8*	-	*(2)*	*55*
inter-segment revenues	-	-	-	-	-	-	-	*1*	*1*
Gain (loss) from commodity derivatives for trading with electricity and gas, net	-	*49*	-	-	*49*	-	-	-	*49*
Total revenues	**483**	**2,497**	**355**	**486**	**3,821**	**13**	**-**	**(253)**	**3,581**
Purchases and consumables: Energy and related services	(31)	(1,663)	(12)	(143)	(1,849)	(3)	-	217	(1,635)
external Purchases and consumables	(16)	(1,477)	(10)	(129)	(1,632)	(3)	-	-	(1,635)
inter-segment Purchases and consumables	(15)	(186)	(2)	(14)	(217)	-	-	217	-
Total Purchases and consumables	**(31)**	**(1,663)**	**(12)**	**(143)**	**(1,849)**	**(3)**	**-**	**217**	**(1,635)**
Services	(9)	(126)	(31)	(81)	(247)	(2)	(4)	37	(216)
Personnel expenses	(31)	(149)	(39)	(54)	(273)	(2)	(5)	-	(280)
Depreciation, amortisation and impairment	(112)	(245)	(28)	(53)	(438)	(3)	-	-	(441)
Emission rights, net	-	-	(1)	(115)	(116)	-	-	-	(116)
Operating work capitalized to fixed assets	1	28	2	2	33	-	-	-	33
Other operating income (expense), net	-	10	4	-	14	(2)	1	(1)	12
Profit (loss) from operations	**301**	**352**	**250**	**42**	**945**	**1**	**(8)**	**-**	**938**
Finance income	19	29	15	11	74	-	*547	*(543)	78
external finance revenues	*19*	*21*	*7*	*4*	*51*	-	*27*	-	*78*
inter-segment finance revenues	-	*8*	*8*	*7*	*23*	-	*520	*(543)	-
Change in impairment losses on financial instruments and other	-	2	(1)	-	1	-	-	-	1
Finance expense	(35)	(15)	(7)	(5)	(62)	-	(91)	45	(108)
Net finance income (expense)	**(16)**	**16**	**7**	**6**	**13**	**-**	**456**	**(498)**	**(29)**
Profit (loss) before income tax	**285**	**368**	**257**	**48**	**958**	**1**	***448**	***(498)**	**909**
Income tax expenses	(117)	(145)	(68)	(12)	(342)	-	(12)	-	(354)
Profit (loss) for the year	**168**	**223**	**189**	**36**	**616**	**1**	***436**	***(498)**	**555**

* *EUR 497 million is attributable to intra-group dividends primarily recognised by Slovak Gas Holding B.V., Czech Gas Holding Investment B.V., SPP Infrastructure, a.s., EP Energy, a.s. and EP Infrastructure, a.s.*

Other financial information:									
Underlying EBITDA[(1)]	413	597	278	95	1,383	4	(8)	-	1,379

(1) Underlying EBITDA represents the profit (loss) for the year before income tax expenses, finance expense, finance income, change in impairment losses on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, bargain purchase gain and depreciation, amortisation and impairment.

For the year ended 31 December 2023

In millions of EUR	**Gas trans-mission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Revenues: Energy and related services	264	3,400	455	686	4,805	2	-	(661)	4,146
external revenues	*264*	*3,205*	*421*	*255*	*4,145*	*1*	-	-	*4,146*
of which: Gas	*264*	*892*	*421*	-	*1,577*	-	-	-	*1,577*
Electricity	-	*2,313*	-	*98*	*2,411*	*1*	-	-	*2,412*
Heat	-	-	-	*157*	*157*	-	-	-	*157*
inter-segment revenues	-	*195*	*34*	*431*	*660*	*1*	-	*(661)*	-
Revenues: Logistics and freight services	-	-	-	48	48	-	-	-	48
external revenues	-	-	-	*48*	*48*	-	-	-	*48*
inter-segment revenues	-	-	-	-	-	-	-	-	-
Revenues: Other	-	29	7	17	53	7	-	(1)	59
external revenues	-	*29*	*7*	*17*	*53*	*7*	-	*(2)*	*58*
inter-segment revenues	-	-	-	-	-	-	-	*1*	*1*
Gain (loss) from commodity and freight derivatives, net	-	15	-	-	15	-	-	-	15
Total revenues	**264**	**3,444**	**462**	**751**	**4,921**	**9**	**-**	**(662)**	**4,268**
Purchases and consumables: Energy and related services	(48)	(2,612)	(17)	(319)	(2,996)	(2)	-	627	(2,371)
external Purchases and consumables	*(32)*	*(2,180)*	*(13)*	*(144)*	(2,369)	*(2)*	-	-	(2,371)
inter-segment Purchases and consumables	*(16)*	*(432)*	*(4)*	*(175)*	(627)	-	-	*627*	-
Total Purchases and consumables	**(48)**	**(2,612)**	**(17)**	**(319)**	**(2,996)**	**(2)**	**-**	**627**	**(2,371)**
Services	(9)	(127)	(41)	(82)	(259)	(2)	(5)	35	(231)
Personnel expenses	(31)	(138)	(41)	(53)	(263)	(2)	(5)	-	(270)
Depreciation, amortisation and impairment	(117)	(240)	(37)	(60)	(454)	(4)	(1)	-	(459)
Emission rights, net	-	-	(2)	(173)	(175)	-	-	-	(175)
Bargain purchase gain	-	-	-	-	-	-	-	-	-
Operating work capitalized to fixed assets	2	23	4	2	31	-	-	-	31
Other operating income (expense), net	(39)	6	-	(2)	(35)	(1)	1	-	(35)
Profit (loss) from operations	**22**	**356**	**328**	**64**	**770**	**(2)**	**(10)**	**-**	**758**
Finance income	5	28	16	17	66	-	*502	*(494)	74
external finance revenues	*5*	*15*	*10*	*9*	*39*	-	*35*	-	*74*
inter-segment finance revenues	-	*13*	*6*	*8*	*27*	-	**467*	**(494)*	-
Impairment losses on financial instruments and other financial assets	-	(4)	(2)	-	(6)	-	-	-	(6)
Finance expense	(35)	(19)	(8)	(3)	(65)	(1)	(88)	51	(103)
Net finance income (expense)	**(30)**	**5**	**6**	**14**	**(5)**	**(1)**	**414**	**(443)**	**(35)**
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of subsidiaries	-	-	-	-	-	-	-	-	-
Profit (loss) before income tax	**(8)**	**361**	**334**	**78**	**765**	**(3)**	***404**	***(443)**	**723**
Income tax expenses	2	(87)	(81)	(21)	(187)	-	(1)	-	(188)
Profit (loss) for the year	**(6)**	**274**	**253**	**57**	**578**	**(3)**	***403**	***(443)**	**535**

* *EUR 441 million is attributable to intra-group dividends primarily recognised by Slovak Gas Holding B.V., Czech Gas Holding Investment B.V., SPP Infrastructure, a.s. and EP Energy, a.s.*

Other financial information:

Underlying EBITDA[(1)]	139	596	365	124	1,224	2	(9)	-	1,217

(1) Underlying EBITDA represents the profit (loss) for the year before income tax expenses, finance expense, finance income, change in impairment losses on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, bargain purchase gain and depreciation, amortisation and impairment.

Underlying EBITDA reconciliation to the closest IFRS measure

The underlying EBITDA reconciles to the profit as follows:

For the year ended 31 December 2024

In millions of EUR	Gas trans-mission	Gas and power distribution	Gas storage	Heat Infra	Total segments	Other	Holding	Inter-segment eliminations	Consolidated financial information
Underlying EBITDA	**413**	**597**	**278**	**95**	**1,383**	**4**	**(8)**	**-**	**1,379**
Depreciation, amortisations and impairment*	(112)	(245)	(28)	(53)	(438)	(3)	-	-	(441)
Finance income	19	29	15	11	74	-	547	(543)	78
Change in impairment losses on financial instruments and other financial assets	-	2	(1)	-	1	-	-	-	1
Finance expense	(35)	(15)	(7)	(5)	(62)	-	(91)	45	(108)
Income tax	(117)	(145)	(68)	(12)	(342)	-	(12)	-	(354)
Profit (loss) for the year	**168**	**223**	**189**	**36**	**616**	**1**	**436**	**(498)**	**555**

* Impairment losses recognized in profit and loss and other comprehensive income relates to Gas storage segment of EUR 3 million. Reversal of impairment losses in prorit and loss and other comprehensive income relates to Gas transmission segment of EUR 1 million.

For the year ended 31 December 2023

In millions of EUR	Gas trans-mission	Gas and power distribution	Gas storage	Heat Infra	Total segments	Other	Holding	Inter-segment eliminations	Consolidated financial information
Underlying EBITDA	**139**	**596**	**365**	**124**	**1,224**	**2**	**(9)**	**-**	**1,217**
Depreciation, amortisations and impairment*	(117)	(240)	(37)	(60)	(454)	(4)	(1)	-	(459)
Bargain purchase gain	-	-	-	-	-	-	-	-	-
Finance income	5	28	16	17	66	-	502	(494)	74
Change in impairment losses on financial instruments and other financial assets	-	(4)	(2)	-	(6)	-	-	-	(6)
Finance expense	(35)	(19)	(8)	(3)	(65)	(1)	(88)	51	(103)
Income tax	2	(87)	(81)	(21)	(187)	-	(1)	-	(188)
Profit (loss) for the year	**(6)**	**274**	**253**	**57**	**578**	**(3)**	**403**	**(443)**	**535**

* Impairment losses recognized in profit and loss and other comprehensive income relates to Gas storage segment of EUR 12 million, Gas and power distribution segment of EUR 3 million and Other segment of EUR 1 million. Reversal of impairment losses in pforit and loss and other comprehensive income relates to Gas transmission segment of EUR 1 million.

Segment assets and liabilities

For the year ended 31 December 2024

In millions of EUR	**Gas trans-mission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total reportable segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Reportable segment assets	4,529	6,204	992	980	12,705	17	1,046	(1,172)	12,596
Reportable segment liabilities	(2,146)	(2,294)	(350)	(361)	(5,151)	(7)	(3,089)	1,172	(7,075)
Additions to tangible and intangible assets[(1)]	4	151	24	194	373	-	2	-	375
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights, right-of-use assets and goodwill)	3	130	20	89	242	-	2	-	244
Equity accounted investees	-	1	-	-	1	-	-	-	1

(1) This balance includes additions to right of use assets, emission rights and goodwill

For the year ended 31 December 2023

In millions of EUR	**Gas trans-mission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total reportable segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Reportable segment assets	4,335	6,402	1,027	1,055	12,819	18	1,313	(1,239)	12,911
Reportable segment liabilities	(2,045)	(2,348)	(363)	(431)	(5,187)	(9)	(3,303)	1,239	(7,260)
Additions to tangible and intangible assets[(1)]	7	129	32	301	469	-	1	-	470
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights and goodwill)	5	106	26	65	202	-	-	-	202
Revaluation of gas pipelines (revaluation model)	-	592	-	-	592	-	-	-	592
Equity accounted investees	-	1	-	-	1	-	-	-	1

Information about geographical areas

In presenting information based on geography, segment revenue is based on the geographical location of delivery of goods and services and segment assets are based on the geographical location of the assets.

As of the year ended 31 December 2024

In millions of EUR	**Czech**	**Slovakia**	**Germany**	**Total**
Property, plant and equipment	605	8,961	154	9,720
Intangible assets and goodwill	236	46	2	284
Total	**841**	**9,007**	**156**	**10,004**

For the year ended 31 December 2024

In millions of EUR	**Czech**	**Slovakia**	**Germany**	**Other***	**Total**
Revenues: Gas	200	983	67	311	1,561
Revenues: Electricity	659	972	-	50	1,681
Revenues: Heat	188	-	-	-	188
Revenues: Logistics and freight services	16	1	22	7	46
Revenues: Other	31	22	2	1	56
Gain (loss) from commodity derivatives for trading with electricity and gas, net	49	-	-	-	49
Total	**1,143**	**1,978**	**91**	**369**	**3,581**

* The geographical area "Other" comprises income items primarily from Switzerland, Luxembourg, France and the United Kingdom.

As of the year ended 31 December 2023

In millions of EUR	**Czech**	**Slovakia**	**Germany**	**Total**
Property, plant and equipment	580	9,194	158	9,932
Intangible assets and goodwill	312	41	3	356
Total	**892**	**9,235**	**161**	**10,288**

For the year ended 31 December 2023

In millions of EUR	**Czech**	**Slovakia**	**Germany**	**Other***	**Total**
Revenues: Gas	302	997	66	212	1,577
Revenues: Electricity	957	1,357	-	98	2,412
Revenues: Heat	157	-	-	-	157
Revenues: Logistics and freight services	18	1	16	13	48
Revenues: Other	24	32	2	1	59
Gain (loss) from commodity derivatives for trading with electricity and gas, net	(3)	-	-	18	15
Total	**1,455**	**2,387**	**84**	**342**	**4,268**

* The geographical area "Other" comprises income items primarily from Switzerland, Luxembourg and France.

6. Acquisitions and disposals of subsidiaries, joint-ventures and associates

(a) Acquisitions and step-acquisitions

i. 31 December 2024 and 2023

There were no significant acquisitions or step-acquisitions in 2024 and in *2023.*

(b) Disposal of investments

i. 31 December 2024 and 2023

There were no disposals in 2024 and in 2023.

7. Revenues

In millions of EUR	2024	2023
Revenues: Energy and related services		
of which: Electricity	1,681	2,412
Gas	1,561	1,577
Heat	188	157
Total Energy and related services	**3,430**	**4,146**
Revenues: Logistics and freight services	**46**	**48**
Revenues: Other	**56**	**59**
Total revenues from customers	**3,532**	**4,253**
Gain (loss) from commodity derivatives for trading with electricity and gas, net	**49**	**15**
Total	**3,581**	**4,268**

For disaggregation of revenue based on type of service and based on geographical area refer to Note 5 – Operating segments.

Revenues Energy and related services: Gas consists primarily of revenue from gas transmission of EUR 483 million (2023: EUR 264 million), from distribution of gas of EUR 512 million (2023: EUR 485 million) and gas storage of EUR 312 million (2023: EUR 421 million).

Revenues Energy and related services: Electricity consists primarily of sale of electricity of EUR 1,286 million (2023: EUR 2,040 million).

Revenues from logistics and freight services and other revenues are represented mainly by revenues of gypsum, revenues from transportation and disposal costs, sewage sludge incineration and restoration services to third parties.

In 2024 and 2023 no revenue was recognised from performance obligations satisfied (or partially satisfied) in previous periods.

Total revenues less total purchase and consumables are presented in line “Subtotal” in the statement of comprehensive income.

Contract assets and liabilities primarily relate to not invoiced part of fulfilled performance obligation, received payments for services and goods where control over the assets was not transferred to customer and deferred income related to grid connection fees collected and free-of-charge non-current assets transferred from customers.

Several items of gas equipment (typically connection terminals) were obtained “free of charge” from developers and from local authorities (this does not represent a grant, because in such cases the local

authorities act in the role of a developer). This equipment was recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability as receipt of the free of charge property is related to obligation to provide services to the customers in the future periods. These costs approximate the fair value of the obtained assets. This contract liability is released in the statement of comprehensive income on a straight-line basis in the amount of depreciation charges of non-current tangible assets acquired free of charge.

Contract assets and liabilities

The whole amount of EUR 105 million recognised in current contract liabilities at the beginning of the period has been recognised as revenue during the year 2024.

8. Purchases and consumables

In millions of EUR	**2024**	**2023**
Purchase cost of sold electricity	1,207	1,763
Purchase cost of sold gas and other energy products	218	360
Consumption of fuel and other material	143	114
Other purchase costs	54	120
Consumption of energy	9	10
Changes in WIP, semi-finished products and finished goods	1	2
Other purchases	3	2
Total Purchases and consumables	**1,635**	**2,371**

Purchases and consumables presented in the above table contains only cost of purchased energy and purchased materials consumed in producing energy output and resale of energy products, while it does not contain directly attributable overhead (particularly personnel expenses, depreciation and amortisation, repairs and maintenance, emission rights, taxes and charges etc.).

9. Services

In millions of EUR	**2024**	**2023**
Repairs and maintenance	51	57
Outsourcing and other administration fees	37	43
Transport expenses	32	28
Rent expenses	18	18
Consulting expenses	17	16
Information technologies costs	15	14
Advertising expenses	14	7
Network fees	6	19
Industrial waste	5	5
Insurance expenses	4	4
Communication expenses	3	3
Training, courses, conferences	1	1
Security services	1	1
Other	12	15
Total	**216**	**231**

Fees payable to statutory auditors

In millions of EUR	**2024**	**2023**
Statutory audits	2	1
Services in addition to the Statutory audit	-	-
Total	**2**	**1**

The overview is based on an aggregation of fees paid or payable to statutory auditors by the Group. The fees are recorded in 100% amount by all subsidiaries, associates and joint-ventures. Statutory audits include fees payable for statutory audits of financial statements. Services in addition to the Statutory audit include primarily the following services:

- Review of the condensed interim consolidated financial statements;
- CSRD assurance service;
- Expert opinion on R&D allowance;
- Other special reports (Compensation reconciliation, Excess profit Levy, Gas flow, AUP over Slovak FS, Review report).

10. Personnel expenses

In millions of EUR	**2024**	**2023**
Wages and salaries	191	183
Compulsory social security contributions	69	65
Board members' remuneration (including boards of subsidiaries and joint-ventures)	4	4
Expenses and revenues related to employee benefits (IAS 19)	2	3
Other social expenses	14	15
Total	**280**	**270**

The average number of employees during 2024 was 5,800 (2023: 5,832), of which 76 were executives (2023: 76).

11. Emission rights

In millions of EUR	**2024**	**2023**
Deferred income (grant) released to profit and loss	(9)	(11)
Creation and release of provision for emission rights	125	186
Use of provision for emission rights	178	207
Consumption of emission rights	(178)	(207)
Total	**116**	**175**

The decrease of emission rights cost is caused primarily by the lower power production, which caused the decline in consumption of emission rights by the companies within the Group. The average market price[5] of 1 piece of emission allowance changed from 85.35 EUR/piece in 2023 to 70.09 EUR/piece in 2024.

12. Other operating income (expense), net

In millions of EUR	**2024**	**2023**
Property acquired free-of-charge and fees from customers	6	10
Rental income	7	6
Compensation from insurance and other companies	4	4
Profit on disposal of tangible and intangible assets	4	-
Consulting fees	2	3
Contractual penalties	3	2
Profit from sales of material	-	1
Other*	11	11
Other operating income	**37**	**37**
Impairment losses	4	(36)
Inventories	*4*	*(36)*
Office equipment and other material	(9)	(7)
Taxes and charges	(6)	(7)
Consulting expenses	(3)	(6)
Shortages and damages	(1)	(2)
Gifts and sponsorship	(2)	(3)
Creation, reversal of provision	-	(3)
Contractual penalties	(2)	-
Other*	(6)	(8)
Other operating expense	**(25)**	**(72)**
Other operating income (expense), net	**12**	**(35)**

** Other consists of misscelaneus items. None individual value exceeds EUR 1 million.*

No material research and development expenses were recognised in profit and loss for the year ended 31 December 2024 and 31 December 2023.

[5] The average prices are derived from the European Energy Exchange market

13. Net finance income (expense)

Recognised in profit or loss

In millions of EUR	**2024**	**2023**
Interest income	62	48
Fee and commission income	-	4
Dividend income	3	3
Profit from trading derivatives	8	4
Profit (loss) from hedging derivatives	2	2
Profit (loss) from sale of financial assets	(3)	1
Net foreign exchange profit (loss)	6	12
Total finance income	**78**	**74**
Change in impairment on financial assets	1	(6)
Total change in impairment on financial assets	**1**	**(6)**
Interest expense	(95)	(92)
Interest expense from unwind of provision discounting	(6)	(6)
Fees and commissions expense for other services	(7)	(5)
Total finance expense	**(108)**	**(103)**
Net finance income (expense)	**(29)**	**(35)**

(1) While all derivatives are for the risk management purposes, a portion of them does not meet accounting criteria for recognition as hedging instruments under IFRS 9 as further described under Note 3f

14. Income tax expenses

Income taxes recognized in profit or loss

In millions of EUR	**2024**	**2023**
Current taxes:		
Current year	(280)	(245)
Adjustment for prior periods	(3)	-
Withholding tax	(4)	(3)
Total current taxes	**(287)**	**(248)**
Deferred taxes:		
Origination and reversal of temporary differences	(67)	60
Total deferred taxes	**(67)**	**60**
Total income taxes (expense) benefit recognised in profit or loss	**(354)**	**(188)**

(1) For details refer to Note 17 – Deferred tax assets and liabilities

Balance of current income tax liability in amount of EUR 107 million (2023: EUR 74 million) is mainly represented by eustream, a.s. of EUR 56 million (2023: EUR 6 million), NAFTA Germany GmbH of EUR 15 million (2023: EUR 9 million), SPP – distribúcia, a.s of EUR 8 million (2023: EUR 5 million), EP Infrastructure, a.s. of EUR 8 million (2023: EUR 4 million), Stredoslovenská energetika Holding, a.s. of EUR 7 million (2023: EUR 10 million), EP ENERGY TRADING, a.s. of EUR 4 million (2023: EUR 3 million), NAFTA a.s. of EUR 0 million (2023: EUR 24 million) and Stredoslovenská distribučná, a.s. of EUR 0 million (2023: EUR 6 million).

Deferred taxes are calculated using currently enacted tax rates expected to apply when the asset is realised or the liability settled. According to Czech legislation the corporate income tax rate is 21% for fiscal year 2024 (19% for 2023). The Slovak corporate income tax rate is 21% for fiscal year 2024 (21% for 2023).

From fiscal year 2025 the Slovak corporate income tax rate increase to 24%. The German federal income tax rate is 27% for fiscal year 2024 (27% for 2023). Current year income tax line includes also a special sector tax effective in Slovakia.

Pillar Two Disclosure in Company's 2024 Consolidate Financial Statements

The Group is within the scope of the OECD Pillar Two model rules as from 2024.
In a nutshell, the Pillar Two rules provide that, if in certain jurisdictions where the Group operates the effective tax rate (given by the ratio between adjusted accounting result and adjusted corporate income taxes in the jurisdiction) falls below 15%, the Group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

The relevant set of rules also provides for a transition period in which the in-scope groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor ("TSH") that applies for the first three years after the relevant regulation comes into effect. TSH relies on simplified calculations, mainly based on data extracted from the Country-by-Country Reporting under BEPS Action 13 and three types of alternative tests. In any jurisdiction where the Group operates and at least one of the TSH tests is satisfied, the top-up tax due for such jurisdiction will be deemed to be zero. A test is satisfied for a jurisdiction where:

- Revenues and profit before tax are below EUR 10 million and EUR 1 million, respectively (De Minimis test);
- Effective Tax Rate (ETR) equals to or exceeds an agreed rate (ETR test, 15% for 2024); or
- Profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (Routine Profit test).

The Group has performed an assessment of its potential exposure for Pillar Two top-up taxes in 2024. The assessment relies on the most recent information available regarding the financial performance of the Group's entities. This includes the 2023 Country-by-Country Reporting, 2023 financial statements data and available preliminary financial data for 2024.

Based on the assessment performed, most jurisdictions where the Group has material operations should benefit from the TSH. Only the Czech Republic might not benefit from the TSH. With respect to these jurisdictions, the Group has provisionally calculated the potential top-up tax exposure based on the 2024 accounting data revised for material Pillar Two rules adjustment (where relevant). Based on the provisional calculation, the jurisdiction meets the 15% minimum ETR and as such would not be subject to top-up tax.

The above analysis has to be considered as an estimated exposure as the indicative calculation is based on complex regulations that have only recently been enacted (and are still subject to amendments in various jurisdictions) with limited guidelines and not all relevant data available to perform the full Pillar Two calculation.

The Group has launched a specific project to implement Pillar Two model rules, including their localization in jurisdictions where the Group has significant operations. The Group also continues to monitor the development of the Pillar Two legislation and guidelines. The dedicated, customized Pillar Two calculations and reporting tool is being integrated into the Group's existing reporting system in cooperation with external advisors.

In relation to deferred taxes, the Group has applied a temporary mandatory exemption from deferred tax accounting impact and neither recognizes nor discloses information about deferred tax related to Pillar Two income taxes.

Income tax recognised in other comprehensive income

In millions of EUR

	2024		
	Gross	**Income tax**	**Net of income tax**
Items that are not reclassified subsequently to profit or loss			
Revaluation reserve included in other comprehensive income	(35)	(104)	(139)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(19)	-	(19)
Effective portion of changes in fair value of cash-flow hedges[(1)]	11	(21)	(10)
Total	**(43)**	**(125)**	**(168)**

(1) Deferred tax recognized in other comprehensive income of equity accounted investees is not shown in the table as it is not relevant to the financial statements of the Group.

In millions of EUR

	2023		
	Gross	**Income tax**	**Net of income tax**
Items that are not reclassified subsequently to profit or loss			
Revaluation reserve included in other comprehensive income	592	(114)	478
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(24)	-	(24)
Effective portion of changes in fair value of cash-flow hedges[(1)]	514	(85)	429
Total	**1,082**	**(199)**	**883**

(1) Deferred tax recognized in other comprehensive income of equity accounted investees is not shown in the table as it is not relevant to the financial statements of the Group.

The foreign currency translation differences related to non-controlling interest are presented under other comprehensive income attributable to non-controlling interest.

Reconciliation of the effective tax rate

In millions of EUR		**2024**		**2023**
	%		**%**	
Profit before tax		909		723
Income tax using the Company's domestic rate (21%)	21.00%	191	19.00%	137
Regulated industry tax[(1)]	3.41%	31	4.02%	29
Effect of tax rates in foreign jurisdictions	0.22%	2	2.08%	15
Change in tax rate[(2)]	11.99%	109	-	-
Non-deductible expenses[(3)]	2.64%	24	2.64%	19
Non-taxable income	(0.55%)	(5)	(1.25%)	(9)
Recognition of previously unrecognized tax losses	(0.22%)	(2)	(0.55%)	(4)
Current year losses for which no deferred tax asset was recognized	0.11%	1	0.42%	3
Change in temporary differences for which no deferred tax asset is recorded	(0.55%)	(5)	(0.69%)	(5)
Adjustment to prior period	0.44%	4	-	-
Withholding tax	0.44%	4	0.42%	3
Income taxes recognised in profit or loss for continuing operations	**38.93%**	**354**	**26.09%**	**188**

(1) This item relates to special industry tax applied in Slovakia. The balance consists mainly of amount recognized by eustream, a.s. of EUR 10 million (2023: EUR 2 million), SPP - distribúcia, a.s. of EUR 7 million (2023: EUR 9 million), NAFTA a.s. of EUR 5 million (2023: EUR 8 million), Stredoslovenská distribučná, a.s. of EUR 4 million (2023: EUR 5 million) and POZAGAS a.s. of EUR 2 million (2023: EUR 2 million).

(2) This item relates to change in tax rate in Slovakia effective from year-end 2025 and its impact on the calculation of deferred taxes.

(3) The basis consists mainly of non-deductible interest expense.

15. Property, plant and equipment

In millions of EUR	**Land and buildings[(1)]**	**Gas transmission pipelines - fair value model**	**Gas distribution pipelines - fair value model**	**Technical equipment, plant and machinery[(1)]**	**Other equipment, fixtures and fittings**	**Under construction**	**Advanced payments**	**Total**
Cost or revaluation		*Level 3*	*Level 3*					
Balance at 1 January 2024	**2,196**	**3,919**	**4,100**	**2,113**	**16**	**151**	**8**	**12,503**
Effects of movements in foreign exchange	1	-	-	(14)	-	(2)	-	**(15)**
Additions	38	-	52	38	-	85	44	**257**
Revaluation	-	(466)	-	-	-	-	-	**(466)**
Disposals	(13)	-	(6)	(22)	-	(1)	(2)	**(44)**
Transfers	23	-	6	40	-	(66)	(3)	**-**
Change in provision recorded in PPE	13	-	-	-	-	-	-	**13**
Balance at 31 December 2024	**2,258**	**3,453**	**4,152**	**2,155**	**16**	**167**	**47**	**12,248**
Depreciation and impairment losses								
Balance at 1 January 2024	**(866)**	**(381)**	**(168)**	**(1,139)**	**(3)**	**(14)**	**-**	**(2,571)**
Effects of movements in foreign exchange	(6)	-	-	10	-	-	-	**4**
Depreciation charge for the year	(68)	(89)	(168)	(101)	(3)	-	-	**(429)**
Disposals	13	-	6	21	-	-	-	**40**
Revaluation	-	431	-	-	-	-	-	**431**
Impairment losses recognized in profit or loss	(2)	1	-	-	-	(2)	-	**(3)**
Balance at 31 December 2024	**(929)**	**(38)**	**(330)**	**(1,209)**	**(6)**	**(16)**	**-**	**(2,528)**
Carrying amounts								
At 1 January 2024	**1,330**	**3,538**	**3,932**	**974**	**13**	**137**	**8**	**9,932**
At 31 December 2024	**1,329**	**3,415**	**3,822**	**946**	**10**	**151**	**47**	**9,720**

In millions of EUR	**Land and buildings[(1)]**	**Gas transmission pipelines - fair value model**	**Gas distribution pipelines - fair value model**	**Technical equipment, plant and machinery[(1)]**	**Other equipment, fixtures and fittings**	**Under construc-tion**	**Advanced payments**	**Total**
Cost or revaluation		*Level 3*	*Level 3*					
Balance at 1 January 2023	**2,142**	**3,922**	**3,932**	**2,101**	**16**	**99**	**-**	**12,212**
Effects of movements in foreign exchange	(15)	-	-	(19)	-	(1)	-	**(35)**
Additions	51	-	11	46	-	118	-	**226**
Reclassification	-		-	-	-	-	8	**8**
Revaluation	-	-	135	-	-	-	-	**135**
Disposals	(4)	(2)	(6)	(38)	-	(3)	-	**(53)**
Transfers	12	(1)	28	23	-	(62)	-	**-**
Change in provision recorded in PPE	10	-	-	-	-	-	-	**10**
Balance at 31 December 2023	**2,196**	**3,919**	**4,100**	**2,113**	**16**	**151**	**8**	**12,503**
Depreciation and impairment losses								
Balance at 1 January 2023	**(803)**	**(295)**	**(464)**	**(1,076)**	**(3)**	**(9)**	-	**(2,650)**
Effects of movements in foreign exchange	8	-	-	13	-	-	-	**21**
Depreciation charge for the year	(69)	(88)	(164)	(113)	-	-	-	**(434)**
Disposals	3	2	6	37	-	-	-	**48**
Revaluation	-	-	457	-	-	-	-	**457**
Impairment losses recognized in profit or loss	(5)	-	(3)	-	-	(5)	-	**(13)**
Balance at 31 December 2023	**(866)**	**(381)**	**(168)**	**(1,139)**	**(3)**	**(14)**	**-**	**(2,571)**
Carrying amounts								
At 1 January 2023	**1,339**	**3,627**	**3,468**	**1,025**	**13**	**90**	**-**	**9,562**
At 31 December 2023	**1,330**	**3,538**	**3,932**	**974**	**13**	**137**	**8**	**9,932**

Revaluation of gas pipelines

The gas distribution pipeline owned and operated by SPP – distribúcia, a.s. and the gas transmission pipeline owned and operated by eustream a.s. are recognised at revalued amount, primarily using the cost approach, especially the replacement cost method. Replacement costs are based on the acquisition cost of equivalent assets (EA) and are the estimated net book value of the assets from the acquisition cost of EA, useful lives and age of existing assets (replacement cost less depreciation methodology). For more details on revaluation, refer to Note 2 (d) and Note 4 (a).

A revaluation of Eustream's gas transmission pipelines network was carried out with an effective date of 30 June 2024. The previous revaluation was performed as of 1 August 2019. Regular, independent revaluations are conducted at least every five years to ensure that the carrying amount on the statement of financial position does not differ materially from fair value. As of 30 June 2024, Eustream's transmission pipeline system had a carrying value of EUR 3,495 million under the Revaluation model. Based on the revaluation of relevant assets performed with an effective date as of 30 June 2024, the carrying value decreased to EUR 3,460 million. The difference of EUR 35 million with a corresponding deferred tax impact of EUR 8 million was recognized as a current period revaluation under IAS 16 and reported in other comprehensive income for the period.

Revalued asset is depreciated on a straight-line basis, revaluation surplus is released to retained earnings as the asset is depreciated. If the revalued asset is derecognised or sold, the revaluation surplus as a whole is transferred to retained earnings. These transfers are made directly in equity and do not affect other comprehensive income.

If the pipelines were accounted for using the cost model, the net book value of the asset as at 31 December 2024 would be EUR 3,471 million (2023: EUR 3,526 million) of which net book value of Eustream's assets EUR 1,575 million (2023: EUR 1,615 million) and net book value of SPPD's assets EUR 1,896 million (2023: EUR 1,911 million).

Impairment testing of Property, Plant and Equipment

The Company regularly monitors the performance of its subsidiaries and evaluates potential scenarios of their future development. This evaluation considers various factors, including the ongoing military conflict in Ukraine and associated sanctions targeting the Russian Federation, the interruption of gas transit through Ukraine to Slovakia, and other significant events or conditions that might impact Group's operations. As at the date of these financial statements, the Parent Company has analysed the impacts of the situation on its business and performed an impairment testing in line with its significant accounting policy described in note 3 (h) Impairment.

In particular, the Parent Company assessed scenarios regarding the potential use of the Eustream's gas transmission network and gas supplies via the network considering the available gas transmission infrastructure and gas supply needs in the CEE region, the development of regulatory frameworks in countries where the Group operates, the consumption of gas and power in Slovakia, overall demand for transmission and gas storage services, as well as consumption and price development of heat and electricity, all of which might have an impact on the recoverable amount of assets. The Parent Company evaluated various scenarios, including alternatives that assumed, among others, the interruption of gas transit through Ukraine to Slovakia.

The recoverable amount was determined as value in use, based on the estimated future cash flows discounted to present value, using mid-term business plans and perpetuity.

The following underlying assumptions were considered for the base case scenarios:

- commodity prices are based on available forward prices;
- regulatory parameters and tariffs are based on the latest applicable regulations;
- russian gas flows to Hungary through Turkish Stream II are projected to continue, while gas transit through Ukraine is assumed to be interrupted, with respective transit payments ceased;

- gas transmission network of Eustream, which is connected to all countries neighbouring Slovakia, is assumed to remain relevant, primarily for the sourcing of Slovakia and Ukraine, and for facilitating price-driven, opportunistic deliveries within the CEE region;
- natural gas demand in Slovakia and neighbouring countries is expected to remain broadly in line with historical volumes;
- significant decarbonisation projects are assumed to be implemented at generation assets in the Heat Infra segment, which are expected to be co-funded by investment and operational subsidies;
- in the long term, natural gas is assumed to be replaced by low-carbon and/or renewable gases;
- the Group aims to facilitate the transition to a hydrogen future; therefore, a necessary transformation of the business is expected to be undertaken.

The discount rates applied to the cash flow projections used for the value in use determination are calculated as the Weighted Average Cost of Capital (WACC) of each CGU. Cost of Equity was determined using the Capital Asset Pricing Model, while parameters were based on the reputable external sources and peer-group entities relevant to each CGU. Among other things, Cost of Equity takes into account a risk premium rate considering the recent developments.

Based on the afore mentioned assumptions and the impairment test performed, the Parent Company has not identified any material Impairment of Property, Plant and Equipment that would require a correction of its measurement in the financial statements in line with the applicable accounting regulations. However, given the uncertainty of the future developments it is not possible to rule out the need for future adjustments to the values of the Group's Property, Plant and Equipment in the future.

Idle assets

As at 31 December 2024 and 31 December 2023 the Group had no significant idle assets.

Security

At 31 December 2024 and 2023 no property, plant and equipment is subject to pledges to secure bank loans or issued debentures.

16. Intangible assets and goodwill

In millions of EUR	**Goodwill**	**Software**	**Emission rights**	**Customer relationship and other contracts**	**Other intangible assets**	**Total**
Cost						
Balance at 1 January 2024	**117**	**89**	**224**	**42**	**27**	**499**
Effect of movements in foreign exchange rates	(1)	(1)	(3)	(1)	-	**(6)**
Additions	-	4	109	-	6	**119**
Disposals	-	(2)	(178)	-	-	**(180)**
Transfers	-	2	-	-	(2)	**-**
Balance at 31 December 2024	**116**	**92**	**152**	**41**	**31**	**432**
Amortisation and impairment losses						
Balance at 1 January 2024	**(45)**	**(71)**	**-**	**(17)**	**(10)**	**(143)**
Effect of movements in foreign exchange rates	1	-	-	1	-	**2**
Amortisation for the year	-	(5)	-	(2)	(2)	**(9)**
Disposals	-	2	-	-	-	**2**
Balance at 31 December 2024	**(44)**	**(74)**	**-**	**(18)**	**(12)**	**(148)**
Carrying amount						
At 1 January 2024	**72**	**18**	**224**	**25**	**17**	**356**
At 31 December 2024	**72**	**18**	**152**	**23**	**19**	**284**

In millions of EUR	**Goodwill**	**Software**	**Emission rights**	**Customer relationship and other contracts**	**Other intangible assets**	**Total**
Cost						
Balance at 1 January 2023	**117**	**82**	**195**	**43**	**25**	**462**
Effect of movements in foreign exchange rates	-	-	(6)	(1)	-	**(7)**
Additions	-	5	240	-	5	**250**
Reclassification	-	-	-	-	1	**1**
Disposals	-	(1)	(206)	-	-	**(207)**
Transfers	-	3	1	-	(4)	**-**
Balance at 31 December 2023	**117**	**89**	**224**	**42**	**27**	**499**
Amortisation and impairment losses						
Balance at 1 January 2023	**(45)**	**(67)**	**-**	**(13)**	**(7)**	**(132)**
Amortisation for the year	-	(5)	-	(2)	(3)	**(10)**
Disposals	-	1	-	-	-	**1**
Impairment losses recognized in profit or loss	-	-	-	(2)	-	**(2)**
Balance at 31 December 2023	**(45)**	**(71)**	**-**	**(17)**	**(10)**	**(143)**
Carrying amount						
At 1 January 2023	**72**	**15**	**195**	**30**	**18**	**330**
At 31 December 2023	**72**	**18**	**224**	**25**	**17**	**356**

In 2024, the Group purchased emission allowances of EUR 102 million (2023: EUR 227 million). The remaining part of EUR 7 million (2023: EUR 13 million) was allocated to the Group by the authorities and counterparties.

Amortisation of intangible assets is included in the row Depreciation, amortisation and impairment in the consolidated statement of comprehensive income.

Other intangible assets comprise valuable rights and intangible assets under construction.

All intangible assets, excluding goodwill, were recognised as assets with definite useful life.

The Group did not capitalise any development costs in 2024 and 2023.

The Group has also carried out research activities reflected in these consolidated financial statements. Research costs are recognised as operating expenses in the income statement immediately when incurred. However, no significant research costs were incurred during 2024 and 2023.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to single cash generating units are as follows:

In millions of EUR	**31 December 2024**	**31 December 2023**
EOP Distribuce, a.s.	52	52
Elektrárny Opatovice, a.s.	8	8
Other CGU's	12	12
Total goodwill	**72**	**72**

Goodwill and impairment testing

In compliance with IAS 36, the Group annually conducts impairment testing of goodwill. The Group also conducts impairment testing of other intangible assets with indefinite useful lives, and of cash generating units (CGUs) where a trigger for impairment testing is identified. As at the acquisition date goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU, to which the goodwill relates, on the basis of a value in use that reflects estimated future discounted cash flows. Value in use is derived from management forecasts of future cash flows updated since the date of acquisition. Impairment tests were performed in a similar manner as described in Note 15.

No impairment of Goodwill was recognized in 2024. In 2023, an impairment of Goodwill related to Elektrárny Opatovice, a.s. was booked in the amount of EUR 34 million.

17. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

The following deferred tax assets and (liabilities) have been recognised:

	31 December 2024			31 December 2023		
In millions of EUR						
Temporary difference related to:	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property, plant and equipment	8	(2,021)	(2,013)	3	(1,839)	(1,836)
Intangible assets	-	(20)	(20)	-	(20)	(20)
Inventories	11	-	11	10	-	10
Trade receivables and other assets	6	-	6	5	-	5
Provisions	48	-	48	55	-	55
Employees benefits (IAS 19)	7	-	7	7	-	7
Loans and borrowings	-	(11)	(11)	-	(11)	(11)
Tax losses	-	-	-	1	(1)	-
Derivatives	18	(9)	9	40	(10)	30
Other items	9	(15)	(6)	7	(25)	(18)
Subtotal	**107**	**(2,076)**	**(1,969)**	**128**	**(1,906)**	**(1,778)**
Set-off tax	(100)	100	-	(102)	102	-
Total	**7**	**(1,976)**	**(1,969)**	**26**	**(1,804)**	**(1,778)**

Movements in deferred tax during the year

In millions EUR

Balances related to:	Balance at 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Transfer	Effect of movements in foreign exchange rate	Balance at 31 December 2024
Property, plant and equipment	(1,836)	(71)	(108)	-	2	(2,013)
Intangible assets	(20)	-	-	-	-	(20)
Inventories	10	1	-	-	-	11
Trade receivables and other assets	5	2	-	-	(1)	6
Provisions	55	(7)	-	-	-	48
Employee benefits (IAS 19)	7	-	-	-	-	7
Loans and borrowings	(11)	-	-	-	-	(11)
Derivatives	30	-	(21)	-	-	9
Other	(18)	8	4	-	-	(6)
Total	**(1,778)**	**(67)**	**(125)**	**-**	**1**	**(1,969)**

In millions EUR

Balances related to:	Balance at 1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	Transfer	Effect of movements in foreign exchange rate	Balance at 31 December 2023
Property, plant and equipment	(1,766)	41	(107)	(5)	1	(1,836)
Intangible assets	(20)	-	-	-	-	(20)
Inventories	2	8	-	-	-	10
Trade receivables and other assets	4	1	-	-	-	5
Provisions	49	5	-	1	-	55
Employee benefits (IAS 19)	5	1	-	-	1	7
Loans and borrowings	(11)	-	-	-	-	(11)
Tax losses	-	(1)	-	-	1	-
Derivatives	113	3	(85)	-	(1)	30
Other	(16)	2	(7)	4	(1)	(18)
Total	**(1,640)**	**60**	**(199)**	**-**	**1**	**(1,778)**

Unrecognised deferred tax assets

A deferred tax asset has not been recognised in respect of the following tax losses that are available for carry forward by certain EPIF Group entities

In millions of EUR	**31 December 2024**	**31 December 2023**
Tax losses carried forward	58	217
Total	**58**	**217**

A deferred tax asset that has not been recognised in respect of the tax losses is attributable to the following entities:

In millions of EUR	**31 December 2024**	**31 December 2023**
Slovak Gas Holding B.V.	25	24
SPP Infrastructure, a.s.	20	11
Czech Gas Holding Investment B.V.	13	13
Seattle Holding B.V.	-	96
EPH Gas Holding B.V.	-	66
EP Energy, a.s.	-	7
Total	**58**	**217**

The entities in the table represent holding companies with insignificant operating activities. The Group does not expect significant taxable profit growth on these entities, so no deferred tax was recognized. If sufficient taxable profits were to be achieved in 2024, then the associated tax income (savings) would be up to EUR 12 million (2023: 41 million).

A deferred tax asset is recognised for the carry-forward of unused tax losses only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. An estimate of the expiry of tax losses is shown below:

	2025	**2026**	**2027**	**2028**	**After 2028**	**Total**
Tax losses	4	6	6	5	37	**58**

Tax losses expire over a period of 5 years in the Czech Republic, 4 years in Slovakia and 6 years (9 years for losses up to 2018) in the Netherlands for standard tax losses. Under current tax legislation, some deductible temporary differences do not expire. Deferred tax assets have not been recognised in respect of these items because, due to the varying nature of the sources of these profits, it is not probable that future taxable profit against which the Group can utilise the benefits from the deferred tax assets will be available.

18. Inventories

In millions of EUR	**31 December 2024**	**31 December 2023**
Natural gas	214	232
Other fossil fuel	27	44
Raw materials and supplies	19	20
Spare parts	13	14
Work in progress	1	1
Total	**274**	**311**

As at 31 December 2024 and 2023 no inventories were subject to pledges.

19. Trade receivables and other assets

In millions of EUR	**31 December 2024**	**31 December 2023**
Trade receivables	219	283
Advance payments	82	53
Margin deposit relating to derivatives	15	37
Other receivables and assets	24	33
Value added tax receivables, net	5	8
Other taxes receivables, net	-	8
Estimated receivables	2	2
Accrued income	13	3
Allowance for bad debts	(33)	(36)
Total	**327**	**391**
Non-current	5	5
Current	322	386
Total	**327**	**391**

1) For more detail on accrued income refer to Note 28 – Commitments and contingencies

In 2024 EUR 4 million receivables were written-off through profit or loss (2023: EUR 1 million).

As at 31 December 2024 and 2023 no receivables are subject to pledges.

As at 31 December 2024 trade receivables and other assets amounting EUR 293 million are not past due (2023: EUR 357 million), remaining net balance of EUR 34 million is overdue (2023: EUR 34 million). For more detailed aging analysis refer to Note 30 (a)(ii) – Risk management – credit risk (impairment losses).

As at 31 December 2024 and 2023 the fair value of trade receivables and other assets equal to its carrying amount.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 30 – Risk management policies and disclosures.

20. Cash and cash equivalents

In millions of EUR	**31 December 2024**	**31 December 2023**
Current accounts with banks	945	858
Term deposits	759	682
Bills of exchange	50	155
Total	**1,754**	**1,695**

Term deposits with original maturity of up to three months are classified as cash equivalents.

As at 31 December 2024 and 2023 no cash equivalents are subject to pledges.

21. Equity

Share capital and share premium

The authorised, issued and fully paid share capital as at 31 December 2024 consisted of 222,870,000 ordinary shares with a par value of CZK 250 each (2023: 222,870,000 ordinary shares) ("Shares A") and 100,130,000 shares (with which special rights relating to profit distribution are connected as specified in the Articles of Incorporation) with a par value of CZK 250 each (2023: 100,130,000 shares) ("Shares B").

The shareholder is entitled to receive dividends and to cast 1 vote per 1 share of nominal value CZK 250 at meetings of the Company's shareholders.

In 2024 the Company declared and paid EUR 300 million (2023 EUR 0 million (EUR 929 per share) to its shareholders.

In 2024 and 2023 the Group paid dividends as follows:

in millions of EUR	**31 December 2024**	**31 December 2023**
Shareholders of the Company	300	-
NCI*	181	202
Total	**481**	**202**

* Comprise dividends paid to non-controlling shareholders which are mainly SPP, a.s., Ministry of Economy of the Slovak Republic and City of Pilsen

31 December 2024	**Number of shares**		**Ownership**	**Voting rights**
In thousands of pieces	**250 CZK**		**%**	**%**
	Shares A	**Shares B**		
EPIF Investments a.s.	222,870	-	69	69
CEI Investments S.à r.l.	-	100,130	31	31
Total	**222,870**	**100,130**	**100**	**100**

31 December 2023	**Number of shares**		**Ownership**	**Voting rights**
In thousands of pieces	**250 CZK**		**%**	**%**
	Shares A	**Shares B**		
EPIF Investments a.s.	222,870	-	69	69
CEI Investments S.à r.l.	-	100,130	31	31
Total	**222,870**	**100,130**	**100**	**100**

Reserves recognised in equity comprise the following

In millions of EUR	**31 December 2024**	**31 December 2023**
Non-distributable reserves	1	1
Revaluation reserve	1,359	1,479
Hedging reserve	(6)	6
Translation reserve	27	42
Other capital reserves	(4,182)	(4,182)
Total	**(2,801)**	**(2,654)**

Other capital reserves

As stated in section 3 (a) vii – Pricing differences, the Group accounted for pricing differences which arose from the acquisition of subsidiaries from Energetický a průmyslový holding, a.s. or subsidiaries contributed to the share capital of the Company by Energetický a průmyslový holding, a.s. As these acquired or contributed entities were under common control of Energetický a průmyslový holding, a.s., they were therefore excluded from the scope of IFRS 3, which defines recognition of goodwill raised from business combination as the excess of the cost of an acquisition over the fair value of the Group's share of the net

identifiable assets, liabilities and contingent liabilities of the acquired subsidiary. Acquirees under common control are treated under the net book value presented in the consolidated financial statements of Energetický a průmyslový holding, a.s. (i.e. including historical goodwill less potential impairment). The difference between the cost of acquisition and carrying values of net assets of the acquiree and original goodwill carried forward as at the acquisition date were recorded to consolidated equity as pricing differences. Pricing differences are presented in Other capital reserves in Equity. “Note 6 – Acquisitions and disposals of subsidiaries, joint-ventures and associates” summarises the effects of all common control transactions in both periods.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations of the Group and translation of the consolidated financial statements to presentation currency.

Revaluation reserve

For more details on revaluation, refer to Note 2 (e) and Note 4 (a).

Hedging reserves

The effective portion of fair value changes in derivatives (financial and commodity) designated as cash flow hedges are recognised in equity (for more details please refer to Note 26 – Financial instruments and Note 30 – Risk management policies and disclosure).

During 2024 the Group reclassified EUR 28 million as expense from Hedging reserves to Profit or loss (2023: EUR 187 million as expense).

22. Non-controlling interest

31 December 2024 *In millions of EUR*	**eustream a.s.**	**SPP distribúcia, a.s. and its subsidiaries**	**Stredoslovenská energetika Holding, a.s. and its subsidiaries (including SSD)**	**NAFTA a.s. and its subsidiaries**	**POZAGAS a.s.**	**Plzeňská teplárenská, a.s.**	**SPP Infrastructure, a.s. and its subsidiaries [3]**	**Other individually immaterial subsidiaries**	**Total**
Non-controlling percentage	**[6]51.00%**	**[6] 51.00%**	**[6]51.00%**	**31.01%**	**38.01%**	**[6]65.00%**	**[6]51.00%**		
Business activity	Transmission of gas	Distribution of gas	Distribution of electricity	Gas storage	Gas storage	Production and distribution of heat	Distribution of gas		
Country[1]	Slovakia	Slovakia	Slovakia	Slovakia, Germany	Slovakia	Czech Republic	Slovakia		
Carrying amount of NCI at 31 December 2024	**1,216**	**1,573**	**387**	**153**	**43**	**176**	**(272)**	**32**	**3,308**
Profit (loss) attributable to non-controlling interest for the period	**85**	**53**	**55**	**42**	**11**	**18**	**(6)**	**13**	**271**
Dividends declared	**-**	**-**	**(33)**	**(4)**	**-**	**(5)**	**[7](175)**	**-**	**(217)**
Statement of financial position information[2]									
Total assets	4,529	4,696	1,156	798	139	359	5,595		
of which: non-current	*3,761*	*3,995*	*869*	*555*	*43*	*241*	*[4]4,942*		
current	*768*	*701*	*287*	*243*	*96*	*118*	*654*		
Total liabilities	2,145	1,612	398	304	26	89	1,035		
of which: non-current	*1,462*	*1,532*	*207*	*253*	*22*	*29*	*1*		
current	*683*	*80*	*191*	*51*	*5*	*59*	*1,035*		
Net assets	**2,384**	**3,084**	**757**	**494**	**113**	**269**	**4,560**	**-**	**-**
Statement of comprehensive income information[2]									
Total revenues	504	550	1,120	321	61	193	370		
of which: dividends received	-	-	-	23	-	-	[5]353		
Profit after tax	167	105	109	158	30	27	342		
Total other comprehensive income for the period, net of tax	(73)	(61)	(1)	-	-	-	-		
Total comprehensive income for the year[2]	**94**	**44**	**109**	**158**	**30**	**27**	**342**	**-**	**-**
Net cash inflows (outflows)[2]	**376**	**(60)**	**(20)**	**50**	**(16)**	**(70)**	**72**		

(1) Principal place of business of subsidiaries and associates varies (for detail refer to Appendix 1 – Group entities)

(2) Financial information derived from individual financial statements prepared in accordance with IFRS including fair value adjustments arising from the acquisition by the Group

(3) Excluding NAFTA a.s. and its subsidiaries, SPP Storage, s.r.o. and SPP - distribúcia, a.s. and its subsidiaries, eustream, a.s. and POZAGAS a.s. The non-controlling interest in these entities is negative as the consolidated net asset value of the entities after elimination of investment in subsidiaries is negative.

(4) Includes financial investments in eustream, a.s., SPP-distribúcia, a.s., NAFTA, a.s. and POZAGAS eliminated in calculation of NCI

(5) Includes dividends from eustream, a.s., SPP-distribúcia, a.s., NAFTA, a.s. and POZAGAS, if any, eliminated in calculation of NCI

(6) Even though the immediate parent companies hold less than half of the voting rights, the Group assumes its control over the subgroups through shareholders' agreements that provide the Group with management control as the shareholder's agreement provides the Group with right and ability to manage subgroups' activities and influence thus their performance and return on the investment

(7) SPP Infrastructure, a.s. declared dividends of EUR 342 million to both its shareholders in December 2024, of which the unpaid portion to NCI of EUR 175 million is recognised as a dividend payable in Trade payables as of 31 December 2024

31 December 2023 *In millions of EUR*	**eustream a.s.**	**SPP distribúcia, a.s. and its subsidiaries**	**Stredoslovenská energetika Holding, a.s. and its subsidiaries (including SSD)**	**NAFTA a.s. and its subsidiaries**	**POZAGAS a.s.**	**Plzeňská teplárenská, a.s.**	**SPP Infrastructure, a.s. and its subsidiaries [3]**	**Other individually immaterial subsidiaries**	**Total**
Non-controlling percentage	**[6]51.00%**	**[6] 51.00%**	**[6]51.00%**	**31.01%**	**38.01%**	**[6]65.00%**	**[6]51.00%**		
Business activity	Transmission of gas	Distribution of gas	Distribution of electricity	Gas storage	Gas storage	Production and distribution of heat	Distribution of gas		
Country[1]	Slovakia	Slovakia	Slovakia	Slovakia, Germany	Slovakia	Czech Republic	Slovakia		
Carrying amount of NCI at 31 December 2023	**1,168**	**1,660**	**365**	**163**	**45**	**166**	**(266)**	**26**	**3,327**
Profit (loss) attributable to non-controlling interest for the period	**(3)**	**70**	**65**	**61**	**13**	**19**	**(5)**	**11**	**231**
Dividends declared	**-**	**-**	**(39)**	**(4)**	**-**	**(7)**	**[7](291)**	**-**	**(341)**
Statement of financial position information[2]									
Total assets	4,335	4,810	1,145	829	143	355	5,527		
of which: non-current	*3,906*	*4,123*	*830*	*555*	*40*	*253*	*[4]5,420*		
current	*429*	*687*	*315*	*274*	*103*	*102*	*107*		
Total liabilities	2,045	1,555	431	304	26	100	967		
of which: non-current	*1,894*	*1,458*	*182*	*226*	*19*	*29*	*500*		
current	*151*	*97*	*249*	*78*	*7*	*71*	*467*		
Net assets	**2,290**	**3,255**	**714**	**525**	**117**	**255**	**4,560**	**-**	**-**
Statement of comprehensive income information[2]									
Total revenues	274	531	1,587	414	81	216	295		
of which: dividends received	-	-	-	23	-	1	[5]279		
Profit after tax	(6)	137	129	219	33	29	269		
Total other comprehensive income for the period, net of tax	272	460	-	-	-	-	-		
Total comprehensive income for the year[2]	**266**	**597**	**129**	**219**	**33**	**29**	**269**	**-**	**-**
Net cash inflows (outflows)[2]	**125**	**194**	**100**	**(133)**	**(43)**	**60**	**(22)**		

(1) Principal place of business of subsidiaries and associates varies (for detail refer to Appendix 1 – Group entities)

(2) Financial information derived from individual financial statements prepared in accordance with IFRS including fair value adjustments arising from the acquisition by the Group

(3) Excluding NAFTA a.s. and its subsidiaries, SPP Storage, s.r.o. and SPP - distribúcia, a.s. and its subsidiaries, eustream, a.s. and POZAGAS a.s. The non-controlling interest in these entities is negative as the consolidated net asset value of the entities after elimination of investment in subsidiaries is negative.

(4) Includes financial investments in eustream, a.s., SPP-distribúcia, a.s., NAFTA, a.s. and POZAGAS eliminated in calculation of NCI

(5) Includes dividends from eustream, a.s., SPP-distribúcia, a.s., NAFTA, a.s. and POZAGAS, if any, eliminated in calculation of NCI

(6) Even though the immediate parent companies hold less than half of the voting rights, the Group assumes its control over the subgroups through shareholders' agreements that provide the Group with management control as the shareholder's agreement provides the Group with right and ability to manage subgroups' activities and influence thus their performance and return on the investment.

(6) SPP Infrastructure, a.s. declared dividends of EUR 300 million in March 2023 and EUR 271 million in December 2023, of which the unpaid portion to NCI of EUR 139 million is recognized as a dividend payable in Trade payable as of 31 December 2023.

23. Loans and borrowings

In millions of EUR	**31 December 2024**	**31 December 2023**
Issued notes at amortised costs	3,124	3,674
Loans payable to credit institutions	379	128
Lease liabilities	66	69
Total	**3,569**	**3,871**
Non-current	3,004	3,233
Current	565	638
Total	**3,569**	**3,871**

The weighted average interest rate on loans and borrowings (excl. notes) for 2024 was 5.65% (2023: 3.27%).

Issued notes at amortised costs

Details about notes issued as at 31 December 2024 are presented in the following table:

In millions of EUR	**Principal**	**Accrued interest**	**Unamortised transactions cost/premium**	**Total**	**Maturity**	**Interest rate (%)**	**Effective interest rate (%)**
EP Infrastructure 2026 notes	600	4	(1)	603	30/7/2026	1.698	1.795
EP Infrastructure 2028 notes	500	2	(1)	501	9/10/2028	2.045	2.117
EP Infrastructure 2031 notes	500	8	(2)	506	2/3/2031	1.816	1.888
Eustream notes	500	4	(2)	502	25/6/2027	1.625	1.759
SPP Infrastructure Financing notes	500	12	-	512	12/2/2025	2.625	2.685
SPP - distribúcia notes	500	4	(4)	500	9/6/2031	1.000	1.079
Total	**3,100**	**34**	**(10)**	**3,124**	**-**	**-**	**-**

Details about notes issued as at 31 December 2023 are presented in the following table:

In millions of EUR	**Principal**	**Accrued interest**	**Unamortised transactions cost/premium**	**Total**	**Maturity**	**Interest rate (%)**	**Effective interest rate (%)**
EP Infrastructure 2024 notes	547	6	-	553	26/4/2024	1.659	1.786
EP Infrastructure 2026 notes	600	4	(1)	603	30/7/2026	1.698	1.795
EP Infrastructure 2028 notes	500	2	(2)	500	9/10/2028	2.045	2.117
EP Infrastructure 2031 notes	500	8	(2)	506	2/3/2031	1.816	1.888
Eustream notes	500	4	(2)	502	25/6/2027	1.625	1.759
SPP Infrastructure Financing notes	500	12	(1)	511	12/2/2025	2.625	2.685
SPP - distribúcia notes	500	3	(4)	499	9/6/2031	1.000	1.079
Total	**3,647**	**39**	**(12)**	**3,674**	**-**	**-**	**-**

EP Infrastructure notes (2024 Notes)

On 26 April 2024, EPIF redeemed all its outstanding EUR 750 million 1.659 per cent. Notes due 2024, issued on 26 April 2018. The outstanding amount redeemed was EUR 547 million.

EP Infrastructure notes (2026 Notes)

On 30 July 2019, EP Infrastructure successfully placed at par its offering of EUR 600 million 1.698% fixed rate unsecured notes due in July 2026 in the denomination of EUR 100,000 each ("2026 Notes"). The 2026 Notes are listed on Irish Stock Exchange (Euronext Dublin). Unless previously redeemed or cancelled, the 2026 Notes will be redeemed at their principal amount on 30 July 2026.

The 2026 Notes are stated net of debt issue costs of EUR 4 million. These costs are allocated to the profit and loss over the term of the 2026 Notes through the effective interest rate of 1.795%.

EP Infrastructure notes (2028 Notes)

On 9 October 2019, EP Infrastructure successfully placed at par its offering of EUR 500 million 2.045% fixed rate unsecured notes due in October 2028 in the denomination of EUR 100,000 each ("2028 Notes"). The 2028 Notes are listed on Irish Stock Exchange (Euronext Dublin). Unless previously redeemed or cancelled, the 2028 Notes will be redeemed at their principal amount on 9 October 2028.

The 2028 Notes are stated net of debt issue costs of EUR 3 million. These costs are allocated to the profit and loss over the term of the 2028 Notes through the effective interest rate of 2.117%.

EP Infrastructure notes (2031 Notes)

On 2 March 2021, EP Infrastructure successfully placed at par its offering of EUR 500 million 1.816% fixed rate unsecured notes due in March 2031 in the denomination of EUR 100,000 each ("2031 Notes"). The 2031 Notes are listed on Irish Stock Exchange (Euronext Dublin). Unless previously redeemed or cancelled, the 2031 Notes will be redeemed at their principal amount on 2 March 2031. The proceeds of the 2031 Notes were used for partial prepayment of the Group´s financial indebtedness.

The 2031 Notes are stated net of debt issue costs of EUR 3 million. These costs are allocated to the profit and loss over the term of the 2031 Notes through the effective interest rate of 1.888%.

All EPIF Notes described above, i.e. 2026 Notes, 2028 Notes and 2031 Notes ("the EPIF Notes") contain a covenant limiting certain types of distributions to EPIF's shareholders in certain circumstances. The EPIF Group has to monitor the ratio of total amount of Group's net debt to Group's EBITDA (i.e. net leverage) before certain types of distributions are carried out.

In addition, the EPIF notes contain a change of control provision the triggering of which coupled by a ratings decline may result in the Company's obligation to redeem, or at its option, to procure the purchase of al lor part of the bonds. Further, the EPIF Notes contain customary events of defaults, including, among other things, non-payment of principal or interest, breach of other obligations, cross-acceleration/cross-default of the Company or material subsidiary, unsatisfied judgment, security enforced, insolvency, winding up and analogous events, failure to take action and unlawfulness. Some of the events of default are subject to a threshold in the amount of EUR 75,000,000. If any of such event of default occurs, the EPIF Notes may be declared immediately due and payable.

2027 Eustream notes (2027 Notes)

On 25 June 2020, eustream, a.s. issued 7-year senior unsecured notes in the total amount of EUR 500 million bearing fixed interest rate of 1.625% per annum. The Eustream 2027 Notes are listed on the Official List of the Irish Stock Exchange and traded on the regulated market of Euronext Dublin.

The Eustream 2027 Notes are reported net of debt issue costs of EUR 2 million. These costs are allocated to the profit and loss account using effective interest rate of 1.759%.

Upon the occurrence of a certain change of control events, holders of the Eustream 2027 Notes may require eustream to redeem, or at its option, to procure the purchase of, the Eustream 2027 Notes prematurely at 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any. In addition, the Eustream 2027 Notes contain customary events of defaults, including, among other things, non-payment, breach of other obligations, cross-default of eustream, unsatisfied judgment, security enforced,

insolvency, winding up and analogous events, failure to take action and unlawfulness. Some of the events of default are subject to thresholds in the amount of EUR 75,000,000. If any of such event of default occurs, the Eustream 2027 Notes may be declared immediately due and payable.

SPP Infrastructure Financing notes (2025 Notes)

On 12 February 2015, SPP Infrastructure Financing B.V. issued notes in the amount of EUR 500 million with a fixed interest rate of 2.625% p.a. The SPPIF 2025 Notes are listed on the Official List of the Irish Stock Exchange and traded on the regulated market of Euronext Dublin. The notes are guaranteed unconditionally and irrevocably by Eustream. The maturity of notes is on 12 February 2025.

The SPPIF 2025 Notes are stated net of debt issue costs of EUR 1 million (at inception). These costs are allocated to the profit and loss account through the effective interest rate of 2.685%.

Upon the occurrence of a certain change of control events, holders of the SPPIF 2025 Notes may require SPP Infrastructure Financing to redeem, or at its option, to procure the purchase of, the SPPIF 2025 Notes prematurely at 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any. In addition, the SPPIF 2025 Notes contain customary events of defaults, including, among other things, non-payment, breach of other obligations, cross-default of SPP Infrastructure Financing, guarantor or subsidiary, unsatisfied judgment, security enforced, insolvency, winding up and analogous events, failure to take action, unlawfulness and guarantee not in force. Some of the events of default are subject to thresholds in the amount of EUR 20,000,000. If any of such event of default occurs, the SPPIF 2025 Notes may be declared immediately due and payable.

SPP – distribúcia notes (SPPD 2031

On 9 June 2021, SPP - distribúcia, a.s. issued unsecured notes in the amount of EUR 500 million with a fixed interest rate of 1% p.a.. The SPPD 2031 Notes are listed on the Official List of the Irish Stock Exchange and traded on the regulated market of Euronext Dublin. The SPPD 2031 Notes are redeemable on 9 June 2031.

The SPPD 2031 Notes are stated net of debt issue costs of EUR 2 million. These costs are amortized over the maturity of the notes to the profit and loss account through the effective interest rate of 1.079%.

Upon the occurrence of a certain change of control events, holders of the SPPD 2031 Notes may require SPPD to redeem, or at its option, to purchase or procure the purchase of, the 2031 notes prematurely at 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any. In addition, the SPPD 2031 Notes contain customary events of defaults, including, among other things, non-payment of principal or interest, breach of other obligations, cross-acceleration of SPPD, unsatisfied judgment, security enforced, insolvency, winding up and analogous events, failure to take action and unlawfulness. Some of the events of default are subject to a threshold in the amount of EUR 75,000,000. If any of such event of default occurs, the SPPD 2031 Notes may be declared immediately due and payable.

Other loans and borrowings

Terms and debt repayment schedule

Terms and conditions of outstanding loans as at 31 December 2024 were as follows:

In millions of EUR	Currency	Nominal interest rate	Year of maturity (up to)	Balance at 31/12/2023	Due within 1 year	Due in 1–5 years	Due in following years
Unsecured bank loan	EUR	variable*	2027	242	17	225	-
Unsecured bank loan	EUR	variable*	2029	137	2	135	-
Liabilities from finance leases	EUR			66	15	48	3
Total interest-bearing liabilities				**445**	**34**	**408**	**3**

* Variable interest rate is derived as EURIBOR plus a margin. All interest rates are market based.

Terms and conditions of outstanding loans as at 31 December 2023 were as follows:

In millions of EUR	Currency	Nominal interest rate	Year of maturity (up to)	Balance at 31/12/2022	Due within 1 year	Due in 1–5 years	Due in following years
Unsecured bank loan	EUR	variable*	2024	27	27	-	-
Unsecured bank loan	EUR	variable*	2027	41	12	29	-
Unsecured bank loan	EUR	variable*	2029	60	-	-	60
Liabilities from finance leases	EUR			69	14	46	9
Total interest-bearing liabilities				**197**	**53**	**75**	**69**

* Variable interest rate is derived as EURIBOR plus a margin. All interest rates are market based.

EPIF Schuldschein loan agreements

On 5 March 2024, EPIF has raised EUR 285 million through Schuldschein loan agreements under German law issued in line with EPIF's green principles (so called "green Schuldschein"). The floating rate Schuldschein loan agreements have durations of three and five years, with corresponding margins of 2.50% p.a. and 2.90% p.a., respectively.

The debts of EPIF under the Schuldschein loan agreements are general, senior unsecured debts of the EPIF and rank equally in right of payment with EPIF's existing and future indebtedness that is not subordinated in right of payment. The Schuldschein loan agreements contain certain restrictive provisions and also a change of control provision the triggering of which may result in mandatory prepayment.

EPIF Facilities Agreement

EPIF was a party to a term and revolving facilities agreement dated 14 January 2020 with a group of financing banks, pursuant to which EPIF has been provided with term facility A in the amount of EUR 400 million due 14 January 2025 (which was fully repaid on 5 March 2021) and revolving facility B with a committed limit of EUR 400 million due 14 January 2025.

On 8 November 2024, the abovementioned facility was cancelled and EPIF signed a new up to EUR 400 million revolving facility agreement (the "EPIF's Facility Agreement"), replacing the abovementioned facility from January 2020. EPIF's Facility Agreement provides EPIF with an unsecured revolving facility until 8 November 2027.

The debts of EPIF under the EPIF's Facility Agreement are general, senior unsecured debts of the EPIF and rank equally in right of payment with the EPIF's existing and future indebtedness that is not subordinated in right of payment.

Further, the EPIF's Facility Agreement contain customary events of defaults, including, among other things, non-payment, other obligations, misrepresentation, cross-default, insolvency, insolvency

proceedings, preventive restructuring, creditors' process, unlawfulness and invalidity, cessation of business, repudiation and rescission of agreements and material adverse change. If any of such event of default occurs, the EPIF's Facility Agreement may be cancelled and declared immediately due and payable or payable on demand.

SPPD Finance Contract

SPPD is a party to the finance contract with EIB dated 25 September 2018, as amended and/or restated from time to time ("SPPD Finance Contract"). The SPPD Finance Contract is Luxembourg law governed and provides for a term loan in the aggregate amount of EUR 60 million due 23 September 2029 (with EUR 60 million outstanding as of 31 December 2024) for the financing of the gas distribution networks upgrade project in the Slovak Republic for the period between 2019 and 2022.

The SPPD Finance Contract contains a financial covenant ensuring that at the end of each measurement period (being a period of 12 months ending on 31 January and 31 July of any year), the SPPD group's net debt to SPPD group's EBITDA ratio (i.e. net leverage) is not more than 2.65 to 1.

In addition, the SPPD Finance Contract contains customary events of defaults, including, among other things, non-payment, misrepresentation, cross-default of SPPD or its subsidiaries, insolvency, insolvency proceedings, litigation and administrative proceedings, other obligations, creditors' process, material adverse change and unlawfulness. If any of such event of default occurs, the SPPD Finance Contract may be declared immediately due and payable on demand.

Eustream Finance Contract

Eustream is a party to the finance contract with EIB dated 27 December 2017, as amended and/or restated from time to time (the "Eustream Finance Contract"). The Eustream Finance Contract is Luxembourg law governed and provides for a term loan in the aggregate amount of EUR 65 million due 30 June 2027 (with EUR 29 million outstanding as of 31 December 2024) for the financing of the Poland-Slovak interconnector and modification of the existing compressor station at Velké Kapušany.

The Eustream Finance Contract contains a financial covenant ensuring that at the end of each measurement period (being a period of 12 months ending on 31 July and 31 January of any year), the eustream group's net debt to eustream group's EBITDA ratio (i.e. net leverage) is not more than 2.65 to 1.

In addition, the Eustream Finance Contract contains customary events of defaults, including, among other things, non-payment, misrepresentation, cross-default of Eustream or its subsidiaries, insolvency, insolvency proceedings, litigation and administrative proceedings, other obligations, creditors' process, material adverse change and unlawfulness. If any of such event of default occurs, the Eustream Finance Contract may be declared immediately due and payable on demand.

SSE Finance Contract

SSEH, SSE and SSD are parties to the facilities agreement dated 30 June 2022, as amended and/or restated from time to time (the "SSE Finance Contract") with Slovenská sporiteľňa, a.s., pursuant to which SSEH, SSE and SSD were provided with a revolving facility in the amount of 100 million due 30 June 2027 with no amount outstanding as of 31 December 2024.

SSE and SSD Revolving Facility

SSE and SSD are each party to the facilities agreement dated 3 January 2023 with Československá obchodná banka, a.s., as amended and/or restated from time to time, pursuant to which SSE and SSD were provided with a revolving, overdraft and bank guarantee/letter of credit facility in the total amount of EUR 50 million each, which becomes due and terminates on 2 January 2025. There was no outstanding amount as of 31 December 2024.

Fair value information

The fair value of interest bearing instruments held at amortised costs is shown in the table below:

In millions of EUR	**31 December 2024**		**31 December 2023**	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Loans payable to credit institutions	379	366	128	114
Issued notes at amortised costs	3,124	2,874	3,674	3,148
Liabilities from financial leases	66	66	69	69
Total	**3,569**	**3,306**	**3,871**	**3,331**

Issued notes are categorised within Level 1 or 2 of the fair value hierarchy. Bank loans are categorised within Level 2 or 3 of the fair value hierarchy (for detail of valuation methods refer to Note 2 (e) i – Assumption and estimation uncertainties).

Significant investing and financing activities not requiring cash:

For the year 2024 and 2023 there were no non-cash financing activities.

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Equity				
	Loans from credit institutions	**Issued notes**	**Finance lease liabilities**	**Share capital / premium**	**Reserves**	**Retained earnings**	**NCI**	**Total**
Balance as at 1 January 2024	**128**	**3,674**	**69**	**3,257**	**(2,654)**	**1,721**	**3,327**	**9,522**
Changes from financing cash flows								
Proceeds from loans and borrowings	285	-	-	-	-	-	-	285
Repayment of loans and borrowings	(38)	-	-	-	-	-	-	(38)
Purchase of own bonds	-	(547)	-	-	-	-	-	(547)
Payment of finance lease liabilities	-	-	(15)	-	-	-	-	(15)
Dividend paid	-	-	-	-	-	(300)	(181)	(481)
Total change from financing cash flows	**247**	**(547)**	**(15)**	**-**	**-**	**(300)**	**(181)**	**(796)**
Changes arising from obtaining or losing of control of subsidiaries	-	-		-	-	-	-	-
Total effect of changes in foreign exchange rates	(3)	(2)	1	-	(15)	-	(4)	(23)
Other changes								
Liability related								
Interest expense	21	70	2	-	-	-	-	93
Interest paid	(14)	(71)	(2)	-	-	-	-	(87)
Lease liability (impact of IFRS16)	-	-	11	-	-	-	-	11
Total liability-related other changes	**7**	**(1)**	**11**	**-**	**-**	**-**	**-**	**17**
Total equity-related other changes	**-**	**-**	**-**		**(132)**	**336**	**166**	**370**
Balance at 31 December 2024	**379**	**3,124**	**66**	**3,257**	**(2,801)**	**1,757**	**3,308**	**9,090**

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Equity				
	Loans from credit institutions	Issued notes	Finance lease liabilities	Share capital / premium	Reserves	Retained earnings	NCI	Total
Balance as at 1 January 2023	**689**	**3,875**	**65**	**3,257**	**(3,122)**	**1,369**	**3,071**	**9,204**
Changes from financing cash flows								
Repayment of loans and borrowings	(555)	-	-	-	-	-	-	(555)
Repayment of bonds issued	-	(203)	-	-	-	-	-	(203)
Payment of finance lease liabilities	-	-	(14)	-	-	-	-	(14)
Dividend paid	-	-	-	-	-	-	(202)	(202)
Total change from financing cash flows	**(555)**	**(203)**	**(14)**	**-**	**-**	**-**	**(202)**	**(974)**
Changes arising from obtaining or losing of control of subsidiaries	-	-		-	-	-	-	-
Total effect of changes in foreign exchange rates	(3)	-	2	-	(19)	-	(5)	(25)
Other changes								
Liability related								
Interest expense	4	79	2	-	-	-	-	85
Interest paid	(7)	(77)	(2)	-	-	-	-	(86)
Lease liability (impact of IFRS16)	-	-	16	-	-	-	-	16
Total liability-related other changes	**(3)**	**2**	**16**	**-**	**-**	**-**	**-**	**15**
Total equity-related other changes	**-**	**-**	**-**		**487**	**352**	**463**	**1,302**
Balance at 31 December 2023	**128**	**3,674**	**69**	**3,257**	**(2,654)**	**1,721**	**3,327**	**9,522**

24. Provisions

In millions of EUR	Employee benefits	Provision for emission rights	Provision for lawsuits and litigations	Provision for restoration and decommi-ssioning	Other	Total
Balance at 1 January 2024	**35**	**182**	**4**	**212**	**23**	**456**
Provisions made during the period	4	125	-	-	1	130
Provisions used during the period	(1)	(178)	-	(1)	(1)	(181)
Provisions released during the period	(2)	-	-	(1)	-	(3)
Change in provision recorded in property, plant and equipment	-	-	-	13	-	13
Actuarial gains/losses	(1)	-	-	-	-	(1)
Unwind of discount	-	-	-	6	-	6
Effect of movements in foreign exchange rates	-	(3)	-	(1)	-	(4)
Balance at 31 December 2024	**35**	**126**	**4**	**228**	**23**	**416**
Non-current	**34**	**-**	**1**	**223**	**20**	**278**
Current	**1**	**126**	**3**	**5**	**3**	**138**

In millions of EUR	Employee benefits	Provision for emission rights	Provision for lawsuits and litigations	Provision for restoration and decommi-ssioning	Other	Total
Balance at 1 January 2023	**33**	**208**	**1**	**197**	**23**	**462**
Provisions made during the period	4	186	4	4	1	199
Provisions used during the period	(2)	(207)	(1)	(2)	(1)	(213)
Provisions released during the period	(1)	(1)	-	(1)	-	(3)
Change in provision recorded in property, plant and equipment	-	-	-	10	-	10
Actuarial gains/losses	-	-	-	-	-	-
Unwind of discount	1	-	-	5	-	6
Effect of movements in foreign exchange rates	-	(4)	-	(1)	-	(5)
Balance at 31 December 2023	**35**	**182**	**4**	**212**	**23**	**456**
Non-current	**34**	**-**	**1**	**205**	**20**	**260**
Current	**1**	**182**	**3**	**7**	**3**	**196**

Accounting for provisions involves frequent use of estimates, such as probability of occurrence of uncertain events or calculation of the expected outcome. Such estimates are based on past experience, statistical models and professional judgement.

Employee benefits

The Group recorded a provision for long-term employee benefits related to its employees. Valuations of these provisions are sensitive to assumptions used in the calculations, such as future salary and benefit levels, discount rates, employee leaving rate, late retirement rate, mortality and life expectancy. The management considered various estimated factors and how these estimates would impact the recognised provision. As a result of this analysis, no significant variances to the recorded provision are expected.

The most significant provisions in the amount of EUR 9 million (2023: EUR 10 million) were recorded by Stredoslovenská energetika Holding, and its subsidiaries EUR 10 million (2023: EUR 10 million) by NAFTA Germany and its subsidiaries, EUR 4 million (2023: EUR 4 million) by SPP – distribúcia, a.s.,

EUR 4 million (2023: EUR 4 million) by NAFTA a.s and EUR 3 million (2023: EUR 3 million) by eustream, a.s.

i. NAFTA Germany and its subsidiaries

Through employer-funded company pension scheme the Group makes a contribution to employees' retirement provision and support them in the event of invalidity or bereavement. The Group pension scheme provides for a personal pension to be paid to each employee of the Group once the waiting period has elapsed. The extent of this company pension depends on the years of service and remuneration paid. In supplementation of the employer-funded pension scheme, employees also have the option of providing for retirement themselves by means of a remuneration conversion, thus additionally securing their standard of living after retirement.

ii. SSE Holding Group

Pension Plans

This program has a defined contribution pension plan under which the Group pays fixed contributions to third parties or government. The Group has no legal or constructive obligation to pay further funds, if the amount of plan assets is insufficient to pay all the performance of employees who are eligible for the current and prior periods.

The amount of benefits depends on several factors, such as age, years of service and salary.

Unfunded pension plan with defined benefit

From 2022, the companies within the SSE Holding Group signed individual collective agreements for the period 2023 – 2025, the Companies are obliged to pay its employees upon age pension or disability pension, depending on seniority, the following multiples of the average monthly salary.

Other benefits

The Companies in the SSE Holding Group also pays benefits for work and life anniversaries. The Companies had created expectations on the part of its employees that it will continue to provide the benefits and it is management's judgement that it is not probable that the Group will cease to provide them.

iii. *Other companies*

The long-term employee benefits program at the Companies (NAFTA, SPPD and Eustream) is a defined benefit program, under which employees are entitled to a lump-sum payment upon old age or disability retirement as a multiple of the employee's average salary and, subject to vesting conditions. To date it has been an unfunded program, with no separately allocated assets to cover the program's liabilities. The Companies also pays benefits for work and life anniversaries.

The Companies had created expectations on the part of its employees that it will continue to provide the benefits and it is management's judgement that it is not probable that the Group will cease to provide them.

Provision for emission rights

Provision for emission rights is recognised regularly during the year based on the estimated number of tonnes of CO2 emitted. It is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provision for restoration and decommissioning

The major part of the provision was primarily recorded by NAFTA a.s. EUR 105 million (2023: EUR 95 million), NAFTA Germany GmbH EUR 91 million (2023: EUR 87 million), POZAGAS a.s. EUR 16 million (2023: EUR 14 million) and SPP Storage, s.r.o. EUR 9 million (2023: EUR 9 million).

NAFTA a.s. together with NAFTA Production s.r.o. and NAFTA Germany GmbH (through its subsidiaries) have 115 production wells and 282 storage wells. Production wells that are currently in production or are being used for other purposes are expected to be abandoned after reserves have been fully produced or when it has been determined that the wells will not be used for any other purposes. Storage wells are expected to be abandoned after the end of their useful lives. Companies have the obligation to dismantle the production and storage wells, decontaminate contaminated soil, restore the area, and restore

the site to its original condition to the extent as stipulated by law. These costs are expected to be incurred between 2025 and 2093.

The average discount rate applied to calculate present value of the provision was 2,34% (2023: 2,63%) and the average escalation rate was 1,77% (2023: 1,53%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 29 million (2023: EUR 25 million), while an increase of 1% would increase the present value of the provisions by EUR 43 million (2023: EUR 42 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 22 million (2023: EUR 24 million), while a decrease of 1% would increase the present value of the provisions by EUR 54 million (2023: EUR 42 million). These analyses assume that all other variables remain constant.

25. Deferred income

In millions of EUR	**31 December 2024**	**31 December 2023**
Government grants	85	91
Ohter deferred income	13	18
Total	**98**	**109**
Non-current	78	84
Current	20	25
Total	**98**	**109**

Balance of government grants in amount of EUR 85 million (2023: EUR 91 million) is mainly represented by eustream, a.s. of EUR 54 million (2023: EUR 54 million), Elektrárny Opatovice, a.s. of EUR 11 million (2023: EUR 13 million), EOP Distribuce, a.s. of EUR 5 million (2023: EUR 5 million), Severočeská teplárenská, a.s. of EUR 7 million (2023: EUR 7 million) and Plzeňská teplárenská, a.s. of EUR 4 million (2023: EUR 3 million).

Balance of government grants recognised by Eustream are primarily represented by subsidies from the European Commission relating to projects such as interconnection pipelines between Poland and Slovakia or Hungary and Slovakia.

Elektrárny Opatovice, a.s. and EOP Distribuce, a.s. were provided with government grants to reduce emission pollutions. Deferred income is released in the income statement on a straight-line basis in the amount of depreciation charges of non-current tangible assets constructed and is recognised as other operating income.

Balance of other deferred income in amount of EUR 13 million (2023: EUR 18 million) consists mainly of deferred income recognized by EP Cargo a.s. in the amount of EUR 6 million (2023: EUR 8 million), which represents compensation raised from a business partner from an unrealized business case. The compensation covers capitalized additional investment costs and expected losses from a previously concluded rent contract. Because the losses from the rent contract occur over duration of the contract and because the capitalized costs are depreciated over time, the compensation is also recognized in revenues over time.

26. Financial instruments

Financial instruments and other financial assets

In millions of EUR	**31 December 2024**	**31 December 2023**
Assets carried at amortized cost		
Loans to other than credit institutions	2	4
of which receivables from related parties	-	-
Total	**2**	**4**
Assets carried at fair value		
Hedging: *of which*	**10**	**53**
Commodity derivatives cash flow hedge	*10*	*51*
Interest rate swaps cash flow hedge	-	*2*
Non-hedging: *of which*	**-**	**15**
Interest rate swaps reported as trading	-	*15*
Equity instruments at fair value through OCI: *of which*	**21**	**21**
Shares and interim certificates at fair value through OCI	*21*	*21*
Total	**31**	**89**
Non-current	24	26
Current	9	67
Total	**33**	**93**

Financial instruments and other financial liabilities

In millions of EUR	**31 December 2024**	**31 December 2023**
Liabilities carried at fair value		
Hedging: *of which*	**13**	**61**
Commodity derivatives cash flow hedge	*13*	*60*
Currency derivatives cash flow hedge	-	*1*
Non-hedging: *of which*	**1**	**-**
Commodity derivates reported as trading	*1*	-
Total	**14**	**61**
Non-current	2	9
Current	12	52
Total	**14**	**61**

(1) Commodity derivatives designated as cash flow hedges primarily relate to forwards or other type of derivative contract for sale/purchase of electricity and gas EP ENERGY TRADING, a.s. hedges cash flows arising from purchase and from sale of electricity, as part of its activities as supplier of electricity to final customers. The effectiveness is measured by comparing the change in fair value of the hedging instruments to the change in fair value of a hypothetical derivative that represents the hedged item.

Fair values and respective nominal amounts of derivatives are disclosed in the following table:

In millions of EUR	**31 December 2024**	**31 December 2024**	**31 December 2024**	**31 December 2024**
	Notional amount buy	**Notional amount sell**	**Positive fair value**	**Negative fair value**
Hedging: *of which*	153	(157)	10	(13)
Commodity derivatives cash flow hedge	*153*	*(157)*	*10*	*(13)*
Non-hedging: *of which*	123	(124)	-	(1)
Commodity derivatives reported as trading	*1*	*(2)*	-	*(1)*
Currency forwards reported as trading	*122*	*(122)*	-	-
Total	**276**	**(281)**	**10**	**(14)**

In millions of EUR	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**
	Notional amount buy	**Notional amount sell**	**Positive fair value**	**Negative fair value**
Hedging: *of which*	444	(449)	53	(61)
Commodity derivatives cash flow hedge	*323*	*(332)*	*51*	*(60)*
Interest rate swaps cash flow hedge	*82*	*(80)*	*2*	-
Currency forwards cash flow hedge	*39*	*(37)*	-	*(1)*
Non-hedging: *of which*	538	(538)	15	-
Commodity derivatives reported as trading	*1*	*(1)*	-	-
Interest rate swaps reported as trading	*500*	*(500)*	*15*	-
Currency forwards reported as trading	*37*	*(37)*	-	-
Total	**982**	**(987)**	**68**	**(61)**

Swap derivatives are recognised in respect of interest rate swaps as described in detail in Note 30 – Risk management.

Commodity derivatives are recognised in respect of contracts for purchase and sale of electricity and gas, which are denominated in CZK and EUR with maturity up and over one year and where the contractual condition of derivatives does not meet the “own use exemption” as noted in IFRS 9.

Sensitivity analysis relating to the fair values of financial instruments is included in the Note 30 – Risk management.

Fair value hierarchy for financial instruments carried at fair value

In general, financial instruments carried at fair value are measured based on quoted market prices at the reporting date. If the market for a financial instrument is not active, fair value is established using valuation techniques. In applying valuation techniques, management uses estimates and assumptions that are consistent with available information that market participants would use in setting a price for the financial instrument.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: are observable on the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2024

In millions of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at fair value:				
Hedging: of which	-	10	-	**10**
Commodity derivatives cash flow hedge	-	*10*	-	***10***
Equity instruments at fair value through OCI: of which	-	-	21	**21**
Shares and interim certificates at fair value through OCI	-	-	*21*	***21***
Total	**-**	**10**	**21**	**31**
Financial liabilities carried at fair value:				
Hedging: of which	-	13	-	**13**
Commodity derivatives cash flow hedge	-	*13*	-	***13***
Non-hedging: *of which*	-	1	-	**1**
Commodity derivates reported as trading	-	*1*	-	***1***
Total	**-**	**14**	**-**	**14**

	31 December 2023			
In millions of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at fair value:				
Hedging: *of which*	-	53	-	**53**
Commodity derivatives cash flow hedge	-	*51*	-	***51***
Interest rate swaps cash flow hedge		*2*		***2***
Non-hedging: *of which*	-	15	-	**15**
Interest rate swaps reported as trading		*15*		***15***
Equity instruments at fair value through OCI: of which	-	-	21	**21**
Shares and interim certificates at fair value through OCI	-	-	*21*	***21***
Total	**-**	**68**	**21**	**89**
Financial liabilities carried at fair value:				
Hedging: *of which*	-	61	-	**61**
Commodity derivatives cash flow hedge	-	*60*	-	***60***
Currency forwards cash flow hedge	-	*1*	-	***1***
Total	**-**	**61**	**-**	**61**

There were no transfers between fair value levels in either 2024 or 2023.

All financial instruments held at amortised costs are categorised within Level 2 of the fair value hierarchy (for detail of valuation methods refer to Note 2 (d) i – Assumption and estimation uncertainties).

Transactions with emission rights

The following information pertains to contracts on delivery or sale of emission rights. These contracts do not meet the IFRS 9 criteria for derivatives (refer to Note 3(f) – Derivative financial instruments – Transactions with emission rights and energy) and are reported as off-balance sheet items, not derivatives. The management carefully assessed conditions of the contracts and concluded that all contracts are intended to be settled via physical delivery needed for consumption or physically delivered quantities shall be sold as part of its ordinary business, therefore the contracts are not reported as derivatives.

Forward operations

As at 31 December 2024 the Group is contractually obliged to forward purchase 1,391,000 pieces (2023: 1,326,500 pieces) of emission rights at an average price 70.09 EUR/piece (2023: 85.35 EUR/piece) with delivery predominantly in 2025.

27. Trade payables and other liabilities

In millions of EUR	**31 December 2024**	**31 December 2023**
Trade payables	198	266
Liabilities from dividends*	176	139
Estimated payables	109	80
Payroll liabilities	56	56
Other tax liabilities	28	30
Uninvoiced supplies	20	17
Advance payments received	3	2
Other liabilities	60	70
Total	**650**	**660**
Non-current	2	3
Current	648	657
Total	**650**	**660**

* The balance mainly relates to dividend payable in the amount of EUR 175 million (2023: EUR 139 million) declared to SPP, a.s. as a non-controlling shareholder.

Trade payables and other liabilities have not been secured as at 31 December 2024 and 31 December 2023.

As at 31 December 2024 and 2023 the fair value of trade payables and other liabilities equal to its carrying amount.

The Group's exposure to currency and liquidity risk related to trade payables and other liabilities is disclosed in Note 30 – Risk management.

28. Commitments and contingencies

Off balance sheet liabilities

In millions of EUR	**31 December 2024**	**31 December 2023**
Commitments for future purchases	535	96
Granted guarantees and warranties	-	8
Total	**535**	**104**

Commitments

Commitments are represented by contracts for purchase of non-current assets of EUR 431 million (2023: EUR 18 million) related mostly to ongoing decarbonization projects at United Energy, a.s. of EUR 282 million, Elektrárny Opatovice, a.s. of EUR 68 million and Plzeňská teplárenská, a.s. of EUR 49 million. Remaining EUR 104 million (2023: EUR 70 million) arise from different type of service contracts.

Off balance sheet asset

In millions of EUR	**31 December 2024**	**31 December 2023**
Received loan commitments	877	854
Other received guarantees and warranties	317	258
Total	**1,194**	**1,112**

Other received guarantees and warranties mainly consist of third party parent company guarantees in the amount of EUR 274 million (2023: EUR 258 million) recognised by eustream, a.s. and SPP - distribúcia, a.s. and bank guarantees of EUR 43 million (2023: EUR 0 million) recognised by NAFTA a.s.

29. Leases

(a) Leases as a lessee

The Group leases namely buildings, pipelines, locomotives and wagons and personal cars. The leases have various lease terms and run under various period of time. For some leases, the Group has an option to renew the lease after the end of the lease term.

The Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases (lease term 12 months or shorter). The Group recognises the lease payments associated with these leases as an expense.

Right-of-use assets

Right-of-use assets related to leased land and buildings and technical equipment, plant and machinery that do not meet the definition of investment property are presented as property, plant and equipment (refer to Note 16).

In millions of EUR	**Land and buildings**	**Technical equipment, plant and machinery**	**Total**
Balance at 1 January 2024	**29**	**37**	**66**
Depreciation charge for the year	(5)	(11)	**(16)**
Additions to right-of-use assets	5	6	**11**
Disposals	1	-	**1**
Balance at 31 December 2024	**30**	**32**	**62**
Balance at 1 January 2023	**30**	**33**	**63**
Depreciation charge for the year	(5)	(10)	**(15)**
Additions to right-of-use assets	4	13	**17**
Modifications to right-of-use assets	-	1	**1**
Balance at 31 December 2023	**29**	**37**	**66**

Maturity analysis of lease liabilities

In millions of EUR	**31 December 2024**	**31 December 2023**
Undiscounted contractual cash flows by maturity		
Up to 3 months	2	1
3 months to 1 year	13	13
1–5 years	44	46
Over 5 years	7	9
Total undiscounted contractual cash flows	**66**	**69**
Carrying amount	**66**	**69**

Amounts recognized in profit or loss

In millions of EUR	**2024**	**2023**
Depreciation charge for the year	(16)	(15)
Interest on lease liabilities	(2)	(2)
Expenses related to short-term leases	(13)	(13)

Amounts recognized in statement of cash flows

In millions of EUR	**2024**	**2023**
Total cash outflow for leases	(15)	(14)

(b) Leases as a lessor

Operating leases

During the year ended 31 December 2024, EUR 7 million (2023: EUR 6 million) was recognised as income in profit or loss in respect of operating leases.

30. Risk management

This section provides details of the Group's exposure to financial and operational risks and the way it manages such risks. The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, interest rate, commodity price risk, foreign exchange risk and concentration risk.

As part of its operations, the Group is exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices. To minimise this exposure, the Group enters into derivatives contracts to mitigate or manage the risks associated with individual transactions and overall exposures, using instruments available on the market.

(a) Credit risk

i. Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

The Group has established a credit policy under which each new customer requesting products/services over a certain limit (which is based on the size and nature of the particular business) is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group uses credit databases for analysis of creditworthiness of new customers and after deemed creditworthy they are also subject to Risk committee approval. The Group's policy is also to require suitable collateral to be provided by customers such as a bank guarantee or a parent company guarantee. The exposure to credit risk is monitored on an ongoing basis.

Additional aspects mitigating credit risk

The Group primarily operates as an energy utility in a specific customer structure. The distribution companies represent comparatively low credit risk. Large clients depends heavily on gas and electricity supplies which significantly mitigates credit risks. In addition, bank guarantees and/or advance payments are required before active operation with traders. Past experience indicates that these measures are highly effective in terms of credit risk mitigation. Additionally, customers of distribution and supply subsegments, as well as the Heat Infra segment are required to make prepayments further reducing credit risk.

The carrying amount of financial assets (plus guarantees issued) represents the maximum credit exposure if counterparties fail to carry out completely their contractual obligations and any collateral or security proves to be of no value. The maximum credit exposure amounts disclosed below therefore greatly exceed expected losses, which are included in the allowance for impairment.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses. The Group measures loss allowances at an amount equal to lifetime ECLs except for those financial assets for which credit risk has not increased significantly since initial recognition. For trade receivables and contract assets, the Group has elected to measure loss allowances at an amount equal to lifetime ECLs.

At the reporting date, the maximum exposure to credit risk by the type of counterparty and by geographic region is provided in the following tables.

Credit risk by type of counterparty

As at 31 December 2024 *In millions of EUR*	**Corporate (non-financial institutions)**	**State, government**	**Financial institutions**	**Banks**	**Other**	**Total**
Assets						
Cash and cash equivalents	-	-	50	1,704	-	**1,754**
Restricted cash	-	-	-	2	-	**2**
Contract assets	63	-	-	-	72	**135**
Trade receivables and other assets	276	8	-	3	40	**327**
Financial instruments and other financial assets	33	-	-	-	-	**33**
Total	**372**	**8**	**50**	**1,709**	**112**	**2,251**

As at 31 December 2023 *In millions of EUR*	**Corporate (non-financial institutions)**	**State, government**	**Financial institutions**	**Banks**	**Other**	**Total**
Assets						
Cash and cash equivalents	-	-	-	1,695	-	**1,695**
Restricted cash	-	-	-	2	-	**2**
Contract assets	75	-	-	-	-	**75**
Trade receivables and other assets	357	9	-	3	22	**391**
Financial instruments and other financial assets	75	-	-	18	-	**93**
Total	**507**	**9**	**-**	**1,718**	**22**	**2,256**

Credit risk by location of debtor

As at 31 December 2024

In millions of EUR	**Slovakia**	**Czech Republic**	**United Kingdom**	**Netherlands**	**Germany**	**Hungary**	**Other**	**Total**
Assets								
Cash and cash equivalents	1,434	163	-	1	121	-	35	**1,754**
Restricted cash	-	2	-	-	-	-	-	**2**
Contract assets	63	72	-	-	-	-	-	**135**
Trade receivables and other assets	137	153	3	-	4	4	26	**327**
Financial instruments and other financial assets	2	24	-	-	-	-	7	**33**
Total	**1,636**	**414**	**3**	**1**	**125**	**4**	**68**	**2,251**

As at 31 December 2023

In millions of EUR	**Slovakia**	**Czech Republic**	**United Kingdom**	**Netherlands**	**Germany**	**Hungary**	**Other**	**Total**
Assets								
Cash and cash equivalents	976	650	-	-	63	-	6	**1,695**
Restricted cash	-	2	-	-	-	-	-	**2**
Contract assets	63	12	-	-	-	-	-	**75**
Trade receivables and other assets	130	150	2	7	8	-	94	**391**
Financial instruments and other financial assets	4	75	3	3	-	-	8	**93**
Total	**1,173**	**889**	**5**	**10**	**71**	**-**	**108**	**2,256**

ii. Impairment losses

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs except for those financial assets for which credit risk has not increased significantly since initial recognition.

The ECL model is based on the principle of expected credit losses. For the purposes of designing the ECL model, the portfolio of financial assets is split into segments. Financial assets within each segment are allocated to three stages (Stage I – III) or to a group of financial assets that are impaired at the date of the first recognition purchase or originated credit-impaired financial assets ("POCI"). At the date of the initial recognition, the assets is include in Stage I or POCI. Subsequent allocation to stages is as follows: assets with significant increase in credit risk (SICR) since initial recognition (Stage II), respectively credit impaired assets (Stage III).

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. For more details see note 3(d).

Credit risk – impairment of financial assets

The following table provides information about the changes in the loss allowance during the period.

In millions of EUR	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit-impaired**	**Total**
Balance at 1 January 2024	**(7)**	**(5)**	**(36)**	**-**	**(48)**
Impairment losses recognised during the year	-	(2)	-	-	**(2)**
Reversal of impairment losses recognised during the year	1	-	3	-	**4**
Write-offs	-	-	1	-	**1**
Change in credit risk	-	-	(1)	-	**(1)**
Balance at 31 December 2024	**(6)**	**(7)**	**(33)**	**-**	**(46)**

In millions of EUR	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit-impaired**	**Total**
Balance at 1 January 2023	**(6)**	**(5)**	**(31)**	**-**	**(42)**
Impairment losses recognised during the year	(2)	-	(5)	-	**(7)**
Reversal of impairment losses recognised during the year	1	-	-	-	**1**
Write-offs	-	-	1	-	**1**
Effects of movements in foreign exchange rate	-	-	(1)	-	**(1)**
Balance at 31 December 2023	**(7)**	**(5)**	**(36)**	**-**	**(48)**

The most significant changes which contributed to change in the loss allowance during the period was write-off of the financial assets and change in the gross carrying amount of trade receivables.

The movements in the allowance for impairment in respect of financial assets during the year ended 31 December 2024 and 2023 were as follows:

In millions of EUR	**Loans to other than credit institutions**	**Contract assets**	**Trade receivables and other assets**	**Total**
Balance at 1 January 2024	**(11)**	**(1)**	**(36)**	**(48)**
Impairment losses recognised during the year	-	-	(2)	**(2)**
Reversals of impairment losses recognised during the year	-	-	4	**4**
Write-offs	-	-	1	**1**
Change in credit risk	(1)	-	-	**(1)**
Balance at 31 December 2024	**(12)**	**(1)**	**(33)**	**(46)**

In millions of EUR	**Loans to other than credit institutions**	**Contract assets**	**Trade receivables and other assets**	**Total**
Balance at 1 January 2023	**(10)**	**(1)**	**(31)**	**(42)**
Impairment losses recognised during the year	(1)	-	(6)	**(7)**
Reversals of impairment losses recognised during the year	-	-	1	**1**
Write-offs	-	-	1	**1**
Effects of movements in foreign exchange rate	-	-	(1)	**(1)**

Credit risk – impairment of financial assets

As at 31 December 2024

In millions of EUR	**Contract assets**	**Loans to other than credit institutions**	**Trade receivables and other assets**	**Total**
Before maturity (net)	111	2	293	**406**
After maturity (net)	24	-	34	**58**
Total	**135**	**2**	**327**	**464**
A – Assets (gross)				
- before maturity	111	2	305	**418**
- after maturity <30 days	24	-	31	**55**
- after maturity 31–180 days	-	-	3	**3**
- after maturity 181–365 days	-	-	2	**2**
- after maturity >365 days	1	12	19	**32**
Total assets (gross)	**136**	**14**	**360**	**510**
B – Loss allowances for assets				
- before maturity	-	-	(11)	**(11)**
- after maturity <30 days	-	-	(1)	**(1)**
- after maturity 31–180 days	-	-	(1)	**(1)**
- after maturity 181–365 days	-	-	(1)	**(1)**
- after maturity >365 days	(1)	(12)	(19)	**(32)**
Total loss allowances	**(1)**	**(12)**	**(33)**	**(46)**
Total assets (net)	**135**	**2**	**327**	**464**

Credit risk – impairment of financial assets

As at 31 December 2023

In millions of EUR	**Contract assets**	**Loans to other than credit institutions**	**Trade receivables and other assets**	**Total**
Before maturity (net)	55	3	357	**415**
After maturity (net)	20	1	34	**55**
Total	**75**	**4**	**391**	**470**
A – Assets (gross)				
- before maturity	55	3	361	**419**
- after maturity <30 days	20	1	31	**52**
- after maturity 31–180 days	-	11	4	**15**
- after maturity 181–365 days	-	-	4	**4**
- after maturity >365 days	1	-	27	**28**
Total assets (gross)	**76**	**15**	**427**	**518**
B – Loss allowances for assets				
- before maturity	-	-	(4)	**(4)**
- after maturity <30 days	-	-	-	-
- after maturity 31–180 days	-	(11)	(1)	**(12)**
- after maturity 181–365 days	-	-	(4)	**(4)**
- after maturity >365 days	(1)	-	(27)	**(28)**
Total loss allowances	**(1)**	**(11)**	**(36)**	**(48)**
Total assets (net)	**75**	**4**	**391**	**470**

Impairment losses on financial assets at amortized cost are calculated based on a 3-stage model. Impairment losses from credit impaired financial assets relate either to trade receivables due from several customers which have already been impaired at the date of the application of a 3-stage model or to receivables where events that have a detrimental impact on the estimated future cash flows of the asset have occurred. Remaining amount of impairment losses represents loss allowances at an amount equal to expected credit losses.

Group calculates a collective loss allowance for trade receivables on the basis of a simplified approach based on historical provision matrix. Probability of default is taken from a historical provision matrix (set up separately by each component) with element of forward-looking information (the group incorporates the following forward-looking information: GDP growth, unemployment rate, interest rates, change in stock market index). The resulting collective loss allowance was not significant as at 31 December 2024.

The allowance for impairment in respect of financial assets is used to record impairment losses unless the Group is satisfied that no recovery of the amount owed is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

The Group assessed the need to create a credit loss allowance for receivables due from banks (included in the item cash and cash equivalents) and concluded that the resulting provision would be negligible.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Various methods of managing liquidity risk are used by individual companies in the Group.

The Group's management focuses on methods used by financial institutions, i.e. diversification of sources of funds. This diversification makes the Group flexible and limits its dependency on one financing source. Liquidity risk is evaluated in particular by monitoring changes in the structure of financing and comparing these changes with the Group's liquidity risk management strategy. The Group also holds, as a part of its liquidity risk management strategy, a portion of its assets in highly liquid funds.

Typically the Group ensures that it has sufficient cash on demand and assets within short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below provides an analysis of financial liabilities by relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities. Therefore, in the case of liabilities, the earliest required repayment date is shown while for assets the latest possible repayment date is disclosed. Those liabilities that do not have a contractual maturity date are grouped together in the "undefined maturity" category.

Maturities of financial liabilities

As at 31 December 2024

In millions of EUR	**Carrying amount**	**Contractual cash flows**[1]	**Up to 3 months**	**3 months to 1 year**	**1–5 years**	**Over 5 years**
Liabilities						
Loans and borrowings	[2]**3,569**	3,727	526	73	2,114	1,014
Trade payables and other liabilities	[3]**647**	647	625	20	2	-
Financial instruments and financial liabilities	**14**	14	12	-	2	-
Total	**4,230**	**4,388**	**1,163**	**93**	**2,118**	**1,014**
Net liquidity risk position[4],[5]	**(2,219)**	**(2,377)**	**821**	**(73)**	**(2,114)**	**(1,011)**

* *Contract liabilities in the amount of EUR 245 million are not shown in the table above as these items are not expected to cause any future cash outflow.*
(1) Contractual cash flows disregard discounting to net present value and include potential future interest.
(2) The Group has available committed undrawn term facilities and revolving facilities in the amount of EUR 877 million.
(3) Advances received in the amount of EUR 3 million are excluded from the carrying amount as these items will cause no future cash outflow.
(4) The figure reflects only assets and liabilities reported in the balance sheet as of 31 December 2024. It does not account for cash flows expected to be generated in future periods, namely operating and financing cash flows, which will address items reported under Loans and borrowings. The principles for maintaining a conservative and adequate capital structure are described in the paragraph 30(h)
(5) Positive net liquidity risk position represents excess of financial assets over financial liabilities and vice versa. Financial assets in net liquidity risk position exclude advances given and margin payments in amount of EUR 84 million as these items will cause no future cash outflow and equity instruments in amount of EUR 21 million as these items are non-monetary assets.

As at 31 December 2023

In millions of EUR	**Carrying amount**	**Contractual cash flows**[1]	**Up to 3 months**	**3 months to 1 year**	**1–5 years**	**Over 5 years**
Liabilities						
Loans and borrowings	[2]**3,871**	4,104	2	648	2,344	1,110
Trade payables and other liabilities	[3]**658**	658	633	22	3	-
Financial instruments and financial liabilities	**61**	61	5	47	9	-
Total	**4,590**	**4,823**	**640**	**717**	**2,356**	**1,110**
Net liquidity risk position[4],[5]	**(2,505)**	**(2,738)**	**1,392**	**(672)**	**(2,351)**	**(1,107)**

* *Contract liabilities in the amount of EUR 225 million are not shown in the table above as these items are not expected to cause any future cash outflow.*
(1) Contractual cash flows disregard discounting to net present value and include potential future interest.
(2) The Group has available committed undrawn term facilities and revolving facilities in the amount of EUR 854 million.
(3) Advances received in the amount of EUR 2 million are excluded from the carrying amount as these items will cause no future cash outflow.
(4) The figure reflects only assets and liabilities reported in the balance sheet as of 31 December 2023. It does not account for cash flows expected to be generated in future periods, namely operating and financing cash flows, which will address items reported under Loans and borrowings. The principles for maintaining a conservative and adequate capital structure are described in the paragraph 30(h)
(5) Positive net liquidity risk position represents excess of financial assets over financial liabilities and vice versa. Financial assets in net liquidity risk position exclude advances given and margin payments in amount of EUR 85 million as these items will cause no future cash outflow and equity instruments in amount of EUR 21 million as these items are non-monetary assets.

(c) Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or re-price at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Group's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that re-price to a market rate of interest before maturity, the next re-pricing date. Those assets and liabilities that do not have a contractual maturity date or are not interest-bearing are grouped together in the "maturity undefined" category.

Various types of derivatives are used to reduce the amount of debt exposed to interest rate fluctuations and to reduce borrowing costs and include mainly interest rate swaps.

These contracts are normally agreed with a notional amount lower than or equal to that of the underlying financial liability and expiry date, so that any change in the fair value and/or expected future cash flows of these contracts is offset by a corresponding change in the fair value and/or the expected future cash flows from the underlying position.

Financial information relating to interest bearing and non-interest bearing assets and liabilities and their contractual maturity or re-pricing dates as at 31 December 2024 is as follows:

In millions of EUR	**Up to 1 year**	**1 year to 5 years**	**Over 5 years**	**Undefined maturity (or non-interest bearing)**	**Total**
Assets					
Cash and cash equivalents	1,750	-	-	4	**1,754**
Restricted cash	-	1	-	1	**2**
Trade receivables and other assets	3	-	-	324	**327**
Financial instruments and other financial assets[(1)]	11	1	1	20	**33**
Total	**1,764**	**2**	**1**	**349**	**2,116**
Liabilities					
Loans and borrowings[(2)]	642	1,923	1,004	-	**3,569**
Trade payables and other liabilities	3	-	-	647	**650**
Financial instruments and financial liabilities[(1)]	14	-	-	-	**14**
Total	**659**	**1,923**	**1,004**	**647**	**4,233**
Net interest rate risk position	**1,105**	**(1,921)**	**(1,003)**	**(298)**	**(2,117)**
Effect of interest rate swaps	-	-	-	-	-
Net interest rate risk position (incl. IRS)	**1,105**	**(1,921)**	**(1,003)**	**(298)**	**(2,117)**

(1) The Group contractually agreed to swap float interest rate for a fixed rate (at some of its bank loans).
(2) Disregarding agreed interest rate swaps.

Notional amounts of financial instruments are included in Note 26 – Financial instruments.

Interest rate risk exposure as at 31 December 2023 was as follows:

In millions of EUR	**Up to 1 year**	**1 year to 5 years**	**Over 5 years**	**Undefined maturity (or non-interest bearing)**	**Total**
Assets					
Cash and cash equivalents	1,695	-	-	-	1,695
Restricted cash	-	1	-	1	2
Trade receivables and other assets	-	-	-	391	391
Financial instruments and other financial assets[(1)]	16	2	-	75	93
Total	**1,711**	**3**	**-**	**467**	**2,181**
Liabilities					
Loans and borrowings[(2)]	727	2,141	1,002	1	3,871
Trade payables and other liabilities	-	-	-	660	660
Financial instruments and financial liabilities[(1)]	-	-	-	61	61
Total	**727**	**2,141**	**1,002**	**722**	**4,592**
Net interest rate risk position	**984**	**(2,138)**	**(1,002)**	**(255)**	**(2,411)**
Effect of interest rate swaps	500	(300)	(200)	-	-
Net interest rate risk position (incl. IRS)	**1,484**	**(2,438)**	**(1,202)**	**(255)**	**(2,411)**

(1) The Group contractually agreed to swap float interest rate for a fixed rate (at some of its bank loans).
(2) Disregarding agreed interest rate swaps.

Notional amounts of financial instruments are included in Note 26 – Financial instruments.

Sensitivity analysis

The Group performs stress testing using a standardised interest rate shock, for financial assets and liabilities to be repriced in up to 1 year time, i.e. an immediate decrease/increase in interest rates by 1% along the whole yield curve is applied to the interest rate positions of the portfolio.

At the reporting date, a change of 1% in interest rates would have increased or decreased profit by the amounts shown in the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

In millions of EUR	**2024 Profit (loss)**	**2023 Profit (loss)**
Decrease in interest rates by 1pp	4	(4)
Increase in interest rates by 1pp	(8)	4

(d) Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Group is exposed to a currency risk on sales, purchases and services that are denominated in currency other that the respective functional currencies of Group entities, primarily EUR.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include forward exchange contracts, most with a maturity of less than one year.

These contracts are also normally agreed with a notional amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the functional currency against the foreign currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances on the individual companies level.

As of 31 December 2024 the Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured (e.g. Slovak entities holding CZKs). Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the table below:

In millions of EUR	**CZK**	**USD**	**EUR**	**Other**	**Total**
Assets					
Cash and cash equivalents	98	-	13	-	111
Trade receivables and other assets	2	-	57	1	60
Financial instruments and other financial assets	3	-	10	-	13
	103	**-**	**80**	**1**	**184**
Off balance sheet assets					
Receivables from derivative operations	-	-	106	-	106
	-	**-**	**106**	**-**	**106**
Liabilities					
Loans and borrowings	-	-	16	-	16
Trade payables and other liabilities	1	1	45	-	47
Financial instruments and financial liabilities	-	-	14	-	14
	1	**1**	**75**	**-**	**77**
Off balance sheet liabilities					
Payables related to derivative operations	-	-	105	-	105
	-	**-**	**105**	**-**	**105**
Net FX risk position	**102**	**(1)**	**6**	**-**	**107**
Effect of forward exchange contracts	**-**	**-**	**1**	**-**	**1**
Effect of cash flow hedge of FX risk[(1)]	**-**	**-**	**-**	**-**	**-**
Net FX risk position (incl. forward exchange contracts and CF hedges on FX risk)	**102**	**(1)**	**7**	**-**	**108**

(1) The amount relates to a cash flow hedge recognized by the Group's entities in its standalone financial statements.

Foreign currency denominated intercompany receivables and payables are included in sensitivity analysis for foreign exchange risk. These balances are eliminated in consolidated balance sheet but their effect on

profit or loss of their currency revaluation is not fully eliminated. Therefore, the total amounts of exposure to foreign exchange risk do not equal to respective items reported on consolidated balance sheet.

As of 31 December 2023 the Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the table below:

In millions of EUR	**CZK**	**USD**	**EUR**	**Other**	**Total**
Assets					
Cash and cash equivalents	1	-	7	-	8
Trade receivables and other assets	1	-	85	-	86
Financial instruments and other financial assets	6	-	48	1	55
	8	**-**	**140**	**1**	**149**
Off balance sheet assets					
Receivables from derivative operations	-	-	56	-	56
	-	**-**	**56**	**-**	**56**
Liabilities					
Loans and borrowings	-	-	18	-	18
Trade payables and other liabilities	13	-	40	-	53
Financial instruments and financial liabilities	-	-	59	-	59
	13	**-**	**117**	**-**	**130**
Off balance sheet liabilities					
Payables related to derivative operations	-	-	54	-	54
	-	**-**	**54**	**-**	**54**
Net FX risk position	**(5)**	**-**	**23**	**1**	**19**
Effect of forward exchange contracts	**-**	**-**	**2**	**-**	**2**
Effect of cash flow hedge of FX risk[(1)]	**-**	**-**	**-**	**-**	**-**
Net FX risk position (incl. forward exchange contracts and CF hedges on FX risk)	**(5)**	**-**	**25**	**1**	**21**

(1) The amount relates to a cash flow hedge recognized by the Group's entities in its stand-alone financial statements.

Foreign currency denominated intercompany receivables and payables are included in sensitivity analysis for foreign exchange risk. These balances are eliminated in consolidated balance sheet but their effect on profit or loss of their currency revaluation is not fully eliminated. Therefore, the total amounts of exposure to foreign exchange risk do not equal to respective items reported on consolidated balance sheet..

Off-balance sheet assets and liabilities include payables and receivables from forward exchange contracts (refer to Note 26 – Financial instruments for more details).

The following significant exchange rates applied during the period:

	31 December 2024		**31 December 2023**	
EUR	**Average rate**	**Reporting date spot rate**	**Average rate**	**Reporting date spot rate**
CZK 1	0.03981	0.03971	0.04166	0.04045

Sensitivity analysis

A strengthening (weakening) of the currency other than the functional currency in which financial assets and liabilities are measured, as indicated below, against the functional currency at the reporting date would have increased (decreased) net assets by the amounts shown in the following table. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably likely at the end of

the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in millions of EUR	**2024 Profit (loss)**	**2023 Profit (loss)**
CZK (5% strengthening of CZK)	(5)	-
EUR (5% strengthening of EUR)	-	(1)

Effect in millions of EUR	**2024 Other comprehensive income**	**2023 Other comprehensive income**
EUR (5% strengthening of CZK)	-	-

A weakening of the currency other than the functional currency in which financial assets and liabilities are measured at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(e) Commodity risk

The Group's exposure to commodity risk principally consists of exposure to fluctuations in the prices of commodities, especially energy, gas and emission allowances, both on the supply and the demand side. The Group's primary exposure to commodity price risks arises from the nature of its physical assets, namely power plants and to a lesser extent from proprietary trading activities.

In case of favourable power prices, the Group manages the natural commodity risk connected with its electricity generation by selling the power it expects to produce in the cogeneration power plants and in ancillary services on an up to three-year forward basis. In case of low power prices, instead of entering into such forward contracts, the Group uses the flexibility of its own power generating capacities to react to current power prices with the aim to achieve better average selling price.

In addition, the Group purchases emission allowances on a forward basis.

The Group aims to reduce exposure to fluctuations in commodity prices through the use of swaps and various other types of derivatives.

The Group manages the commodity price risks associated with its proprietary trading activities by generally trading on a back-to-back basis, i.e., purchasing from the market where it has a customer in place to purchase the commodity.

Commodity derivatives primarily represents forwards on purchase or sale of electricity and swaps relating to gas which is typically used to hedge the commodity price for Eustream's operations, specifically locking the sales prices for surplus of gas-in-kind received from shippers (for more details refer to Note 26 – Financial instruments).

Sensitivity analysis

A 5% change in the market price of the natural gas would have impact on the fair value of cash flow hedging derivatives of EUR 1 million (2023: EUR 4 million).

A 5% change in the market price of the electricity would have impact on the fair value of cash flow hedging derivatives of EUR 3 million (2023: negative EUR 3 million).

A 5% change in the market price of the electricity would have impact close to zero on the fair value of trading derivatives in 2024 and 2023.

(f) Regulatory risk

The Group is exposed to risks resulting from the regulation of electricity and gas industries in the countries in which it undertakes business activities, primarily in the Slovak Republic and the Czech Republic. Changes to existing regulations or the adoption of new regulations may have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The price regulation in the Slovak Republic is carried out by the Slovak Regulatory Office for Network Industries ("RONI") in accordance with Act No. 250/2012 Coll., on Regulation in Network Industries,

and the implementing legislation issued by RONI for the current regulatory period started on 1 January 2023 and ending on 31 December 2027.

Electricity industry price regulation is regulated by RONI's Decrees No. 154/2024 Coll. and No. 402/2024 Coll. The maximum price for access to the distribution network and electricity distribution reflects electricity distribution and electricity transmission, including losses incurred during electricity transmission, and is denominated in euro per unit of electricity distributed to end consumers in the relevant year. Electricity prices for vulnerable customers, including households and small enterprises, are regulated by providing a capped profit margin per MWh.

Slovak law provides for the designation of a supplier of last resort in the electricity sector that must supply electricity to a customer whose original electricity supplier has lost its ability to supply electricity. The supply of electricity by the supplier of last resort is subject to price regulation and the supplier of last resort is designated by RONI on the basis of a tender published by RONI. SSE is currently designated as a supplier of last resort for the area of central Slovak Republic.

Gas price regulation is regulated by RONI's Decree No. 147/2024 Coll. The regulated prices for access to the distribution system and gas distribution are charged by the gas DSO to gas suppliers who then pass the prices to their end-customers. Gas prices for vulnerable customers, including households and small enterprises, are regulated by providing a capped profit margin per MWh.

The gas transmission tariffs applicable to Eustream are primarily regulated by Commission Regulation 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (network code on harmonised tariffs), in combination with national legislation. RONI issued a decision implementing the rules of the network code, setting the reference price methodology including reference prices applicable for entry/exit points with EU Member States. Benchmarking of tariffs is used as the secondary adjustment of the reference prices calculated on the cost base principles. On 5 June 2024, RONI published a price decision regarding the transmission tariffs. The new tariffs, effective from the beginning of 2025 until the end of the current regulatory period in 2027, are set at EUR 1.0/MWh/day for all entry and exit points, except for the domestic point, which is set at EUR 0.9/MWh/day for both entry and exit points. The new tariff structure is more transparent, providing a unified rate for all connection points, with a discount only for the domestic point. Additionally, the price decision introduced a floating tariff for all entry and exit points, enabling tariff adjustments in the event of significant changes in economic parameters, even for existing contracts. This change will not apply to existing long-term contracts that have a fixed operating schedule.

(g) Concentration risk

Major part of gas transmission, gas and power distribution and gas storage revenues, which are primarily recognized by SPPI Group and Stredoslovenská distribučná, a.s., are concentrated to a small number of customers. This is caused by the nature of business which has high barriers of entry. At the same time, majority of these revenues is subject to regulation as well as recognized under long-term contracts, often under ‚take or pay' schemes which limit the volatility of revenues year-on-year. From the credit risk perspectives, the counterparties are typically high-profile entities which are dependent on the supplied service which naturally limits the present credit risk.

(h) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of its business.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

In millions of EUR	**31 December 2024**	**31 December 2023**
Proportionate Gross Debt*	2,706	2,989
Less: Proportionate cash and cash equivalents*	1,013	1,105
Proportionate net debt	**1,693**	**1,884**
Proportionate EBITDA*	749	699
Proportionate net debt to proportionate EBITDA*	**2.26**	**2.70**

** The terms: Proportionate Gross Debt, Proportionate cash and cash equivalents, Proportionate EBITDA and Proportionate net debt to proportionate EBITDA do not represent any such terms as might be included in any financing documentation of the EPIF Group. Proportionate values are calculated as values reported by individual companies (incl. eliminations and consolidation adjustments) multiplied by effective shareholding of the Company in them.*

The Group also monitors its debt to adjusted capital ratio.

In million of EUR	**31 December 2024**	**31 December 2023**
Total liabilities	7,075	7,260
Less: cash and cash equivalents	1,754	1,695
Net debt	**5,321**	**5,565**
Total equity attributable to the equity holders	2,213	2,324
Less: Other capital reserves related to common control transactions	(4,976)	(4,976)
Less: amounts accumulated in equity relating to cash flow hedges	(6)	6
Adjusted capital	**7,195**	**7,294**
Debt to adjusted capital	**0.74**	**0.76**

(i) Hedge accounting

The balance as at 31 December 2024 represents primarily derivative agreements to hedge an interest rate, an electricity price, gas price and a foreign exchange rate and the effect from a cash flow hedge recognised on the EPIF Group level.

The effective portion of fair value changes in financial derivatives designated as cash flow hedges are recognised in equity.

During the period the Group reclassified EUR 28 million (negative impact on profit or loss) including non-controlling interest from hedging reserves to profit or loss (2023: EUR 187 million (negative impact on profit or loss)).

The following table provides a reconciliation of amounts recorded in equity attributable to owners of the Company by category of hedging instrument:

In millions of EUR	**Commodity derivatives – cash flow hedge(1)**	**Interest rate swaps – cash flow hedge**	**Total**
Balance at 1 January 2024	**14**	**(8)**	**6**
Effect of change in functional currency	-	-	-
Cash flow hedges reclassified to profit or loss	50	-	50
Deferred tax – cash flow hedges reclassified to profit or loss	(10)	-	(10)
Revaluation of cash flow hedges	(39)	(2)	(41)
Deferred tax – cash flow hedges revaluation	(11)	-	(11)
Balance at 31 December 2024	**4**	**(10)**	**(6)**

(1) Including also hedge for foreign currency risk

In millions of EUR	**Commodity derivatives – cash flow hedge[(1)]**	**Interest rate swaps – cash flow hedge**	**Total**
Balance at 1 January 2023	**(306)**	**11**	**(295)**
Effect of change in functional currency	-	-	-
Cash flow hedges reclassified to profit or loss	72	(26)	46
Deferred tax – cash flow hedges reclassified to profit or loss	(15)	5	(10)
Revaluation of cash flow hedges	303	3	306
Deferred tax – cash flow hedges revaluation	(40)	(1)	(41)
Balance at 31 December 2023	**14-**	**(8)**	**6**

Cash flow hedges – hedge of foreign currency risk and commodity price risk of revenues of power production with financial derivatives

The Group applies hedge accounting for hedging instruments designed to hedge the commodity price risk and the foreign currency risk of cash-flows from Group's power production sold to or commodities purchased from the third parties. This includes commodity derivatives with net settlement for commodity risk. As a result of the hedge relationship on the Group level, the Group recorded a change in a foreign currency cash flow hedge reserve of negative EUR 14 million (2023: positive EUR 199 million). For risk management policies, refer to Note 30 (d) and (e) – Risk management policies and disclosures.

Cash flow hedges – hedge of commodity price risk of gas

In past, the Group had been applying hedge accounting for commodity hedging instruments designed to hedge cash flow from sales of gas. Then existing hedging instruments were commodity swaps to hedge selling price for surplus of gas in-kind. In 2024, this hedge relationship expired and no further hedging arrangements were entered into, which effectively concluded the hedge accounting. As a result of the hedge relationship on the Group level, the Group recorded a change in a cash flow hedge reserve of positive EUR 3 million (2023: positive EUR 121 million). For risk management policies, refer to Note 30 (d) and (e) – Risk management policies and disclosures.

The following tables provides details of cash flow hedge commodity derivatives gas and power for commodity price risk recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	**31 December 2024 Positive fair value**	**31 December 2024 Negative fair value**	**31 December 2024 Nominal amount hedged (buy)**	**31 December 2024 Nominal amount hedged (sell)**
Up to 3 months	-	-	-	-
3 months to 1 year	8	12	128	133
1–5 years	2	1	25	24
Over 5 years	-	-	-	-
Total	**10**	**13**	**153**	**157**

In millions of EUR	**31 December 2023 Positive fair value**	**31 December 2023 Negative fair value**	**31 December 2023 Nominal amount hedged (buy)**	**31 December 2023 Nominal amount hedged (sell)**
Up to 3 months	17	5	78	67
3 months to 1 year	32	46	219	232
1–5 years	2	9	26	33
Over 5 years	-	-	-	-

Total	**51**	**60**	**323**	**332**

The following tables provides details of cash flow hedge currency derivatives recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	**31 December 2024**	**31 December 2024**	**31 December 2024**	**31 December 2024**
	Positive fair value	**Negative fair value**	**Nominal amount hedged (buy)**	**Nominal amount hedged (sell)**
Up to 3 months	-	-	-	-
3 months to 1 year	-	-	-	-
1–5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	**-**	**-**	**-**	**-**

In millions of EUR	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**
	Positive fair value	**Negative fair value**	**Nominal amount hedged (buy)**	**Nominal amount hedged (sell)**
Up to 3 months	-	-	-	-
3 months to 1 year	-	1	39	37
1–5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	**-**	**1**	**39**	**37**

Cash flow hedges – hedge of interest rate risk

In past, the Group had been applying hedge accounting for hedging instruments designed to hedge interest rate risk of its debt financing. The hedging instruments were interest rate swaps used in order to hedge risk related to repricing of interest rates on its financing. In 2023 and 2024 the hedge accounting was discontinued and the remaining effect are being gradually derecognised in the profit and loss account. As a result of the hedge relationship on the Group level, the Group recorded a change in interest rate cash flow hedge reserve of negative EUR 1 million (2023: negative EUR 18 million). For risk management policies, refer to Note 30 (c) – Risk management policies and disclosures.

The following tables provides details of cash flow hedge interest rate swaps recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	**31 December 2024 Positive fair value**	**31 December 2024 Negative fair value**	**31 December 2024 Nominal amount hedged (buy)**	**31 December 2024 Nominal amount hedged (sell)**
Up to 3 months	-	-	-	-
3 months to 1 year	-	-	-	-
1–5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	**-**	**-**	**-**	**-**

In millions of EUR	**31 December 2023 Positive fair value**	**31 December 2023 Negative fair value**	**31 December 2023 Nominal amount hedged (buy)**	**31 December 2023 Nominal amount hedged (sell)**
Up to 3 months	-	-	-	-
3 months to 1 year	2	-	82	80
1–5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	**2**	**-**	**82**	**80**

31. Related parties

The Group has a related party relationship with its shareholders and other parties, as identified in the following table:

(a) The summary of transactions with related parties during the period ended 31 December 2024 and 31 December 2023 was as follows:

In millions of EUR	Accounts receivable and other financial assets 31 December 2024	Accounts payable and other financial liabilities 31 December 2024	Accounts receivable and other financial assets 31 December 2023	Accounts payable and other financial liabilities 31 December 2023
Ultimate shareholder [(1)]	-	-	-	-
Companies controlled by ultimate shareholders	23	47	54	70
Companies under significant influence by ultimate shareholders	-	-	-	-
Associates	-	-	-	-
Other Related party	-	1	-	1
Total	**23**	**48**	**54**	**71**

(1) Daniel Křetínský represents the ultimate shareholder

(b) The summary of transactions with related parties during the period ended 31 December 2024 and 31 December 2023 was as follows:

In millions of EUR	Revenues 31 December 2024	Expenses 31 December 2024	Revenues 31 December 2023	Expenses 31 December 2023
Ultimate shareholder[(1)]	-	-	-	-
Companies controlled by ultimate shareholders	109	(350)	182	(732)
Companies under significant influence by ultimate shareholders	-	-	-	-
Associates	-	-	-	(0)
Other Related party	1	(3)	1	(2)
Total	**110**	**(353)**	**183**	**(734)**

(1) Daniel Křetínský represents the ultimate shareholder

Transactions with the key management personnel

For the financial years ended 31 December 2024 and 2023 the EPIF Group's key management personnel is represented by members of the Board of Directors of the following major entities: EP Infrastructure, a.s., Stredoslovenská energetika Holding, a.s. and its major subsidiaries, SPP Infrastructure, a.s., eustream, a.s., SPP – distribúcia, a.s., NAFTA a.s., NAFTA Germany GmbH, POZAGAS a.s., Elektrárny Opatovice, a.s. and EOP Distribuce, a.s., United Energy, a.s., Plzeňská teplárenská a.s., SPP Storage, s.r.o. and EP ENERGY TRADING, a.s.

Total compensation and related social and health insurance charges incurred by the respective entities were as follows:

In millions of EUR	2024	2023
Nr. of personnel	83	77
Compensation, fees and rewards	4	4
Compulsory social security contributions	1	1
Total	**5**	**5**

Other remuneration of Group management (management of all components within the Group) is included in Note 10 – Personnel expenses. All transactions were performed under the arm's length principle.

32. Subsequent events

On 12 February 2025, SPP Infrastructure Financing B.V. (the "Issuer") and eustream, a.s. (the "Guarantor") announced that the Issuer redeemed at their principal amount the EUR 500 million 2.625 per cent. guaranteed notes due 12 February 2025, issued on 12 February 2015, guaranteed by the Guarantor.

Except for the matters described above and elsewhere in the Notes, the Company's management is not aware of any other material subsequent events that could have an effect on the consolidated financial statements as at 31 December 2024.

Appendix*:

Appendix to the Notes to the Consolidated financial statements – Group entities

* *Information contained in the appendices form part of the complete set of these consolidated financial statements.*

Signature of the authorised representative on 19 March 2025

Daniel Křetínský
Chairman of the Board of Directors
of EP Infrastructure, a.s.

Pavel Horský
Member of the Board of Directors
of EP Infrastructure, a.s.

Appendix to the Notes to the Consolidated financial statements - Group entities

The list of the Group entities as at 31 December 2024 and 31 December 2023 is set out below:

			31 December 2024		31 December 2023		2024	2023
	Country of incorporation	Segment	Ownership %	Ownership interest	Ownership %	Ownership interest	Measurement	Measurement
EP Infrastructure, a.s. *	Czech Republic	Holding entities						
EP Energy, a.s. *	Czech Republic	Holding entities	100	Direct	100	Direct	Consolidated	Consolidated
AISE, s.r.o.	Czech Republic	Other	80	Direct	80	Direct	Consolidated	Consolidated
MARKON PCE s.r.o.	Czech Republic	Other	100	Direct	-	-	At cost	-
PT měření, a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
United Energy, a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
EVO - Komořany, a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
United Energy Moldova, s.r.o.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
United Energy Invest, a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
Nadační fond pro rozvoj vzdělávání	Czech Republic	Heat Infra	100	Direct	100	Direct	At cost	At cost
EP Sourcing, a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
EP ENERGY TRADING, a.s.	Czech Republic	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Dobrá Energie s.r.o.	Czech Republic	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Gazel Energy, a.s.	Czech Republic	Gas and power distribution	100	Direct	100	Direct	At cost	At cost
Elektrárny Opatovice, a.s.	Czech Republic	Other	100	Direct	100	Direct	Consolidated	Consolidated
V A H O s.r.o.	Czech Republic	Heat infra	100	Direct	100	Direct	At cost	At cost
Farma Lístek, s.r.o.	Czech Republic	Heat infra	100	Direct	100	Direct	At cost	At cost
MR TRUST s.r.o.*	Czech Republic	Other	100	Direct	100	Direct	Consolidated	Consolidated
ARISUN, s.r.o.	Slovakia	Other	100	Direct	100	Direct	Consolidated	Consolidated
POWERSUN a.s.	Czech Republic	Other	100	Direct	100	Direct	Consolidated	Consolidated
Triskata, s.r.o.	Slovakia	Other	100	Direct	100	Direct	Consolidated	Consolidated
VTE Pchery, s.r.o.	Czech Republic	Other	100	Direct	100	Direct	Consolidated	Consolidated
Alternative Energy, s.r.o.	Slovakia	Other	99	Direct	99	Direct	Consolidated	Consolidated
Severočeská teplárenská, a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
GABIT spol. s r.o.	Czech Republic	Heat Infra	100	Direct	100	Direct	At cost	At cost
EOP Distribuce, a.s.	Czech Republic	Heat infra	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská energetika Holding, a.s.	Slovakia	Gas and power distribution	49	Direct	49	Direct	Consolidated	Consolidated
Kinet s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Kinet Inštal s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská distribučná, a.s.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Elektroenergetické montáže, s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
SSE - Metrológia s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská energetika - Project Development, s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
SSE-Solar, s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
SPX, s.r.o.	Slovakia	Gas and power distribution	33.33	Direct	33.33	Direct	Equity	Equity
Energotel, a.s.	Slovakia	Gas and power distribution	20	Direct	20	Direct	Equity	Equity
SSE CZ, s.r.o. v likvidaci	Czech Republic	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated

			31 December 2024		31 December 2023		2024	2023
	Country of incorporation	Segment	Ownership %	Ownership interest	Ownership %	Ownership interest	Measurement	Measurement
SPV100, s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
SSE - MVE, s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská energetika, a.s.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
PW geoenergy a.s.	Slovakia	Gas and power distribution	51	Direct	51	Direct	Consolidated	Consolidated
EP ENERGY HR d.o.o.	Croatia	Other	100	Direct	100	Direct	At cost	At cost
EP Cargo a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	Consolidated	Consolidated
Patamon a.s.	Czech Republic	Holding entities	100	Direct	100	Direct	At cost	At cost
Plzeňská teplárenská, a.s.	Czech Republic	Heat Infra	35	Direct	35	Direct	Consolidated	Consolidated
Plzeňská teplárenská SERVIS IN a.s.	Czech Republic	Heat Infra	100	Direct	100	Direct	At cost	At cost
fa Tříska top s.r.o.	Czech Republic	Heat Infra	100	Direct	-	-	At cost	-
Plzeňská teplárenská Energetiské služby s.r.o.	Czech Republic	Heat Infra	100	Direct	100	Direct	At cost	At cost
TRAXELL s.r.o.	Czech Republic	Heat Infra	100	Direct	100	Direct	At cost	At cost
EPIF BidCo I s.r.o.	Czech Republic	Holding entities	100	Direct	100	Direct	At cost	At cost
Czech Gas Holding Investment B.V.*	Netherlands	Holding entities	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA a.s.	Slovakia	Gas storage	40.45	Direct	40.45	Direct	Consolidated	Consolidated
Karotáž a cementace, s.r.o.	Czech Republic	Gas storage	100	Direct	100	Direct	At cost	At cost
POZAGAS a.s.	Slovakia	Gas storage	65	Direct	65	Direct	Consolidated	Consolidated
NAFTA Services, s.r.o.	Czech Republic	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
EP Lower Saxony GmbH	Germany	Gas storage	10	Direct	-	-	At cost	-
EP Ukraine B.V.	Netherlands	Gas storage	10	Direct	10	Direct	Consolidated	Consolidated
Slovakian Horizon Energy, s.r.o.	Slovakia	Gas storage	100	Direct	100	Direct	Equity	Equity
NAFTA E&P Holding Company a. s.	Slovakia	Gas storage	100	Direct	-	-	Consolidated	-
EP Hungary s.r.o.	Czech Republic	Gas storage	10	Direct	10	Direct	At cost	At cost
HHE Group Ventures Kft.	Hungary	Gas storage	50	Direct	50	Direct	At cost	At cost
Pusztaszer Koncessziós Kft.	Hungary	Gas storage	100	Direct	100	Direct	At cost	At cost
Darany Energy Kft.	Hungary	Gas storage	100	Direct	100	Direct	At cost	At cost
HHE DrávaP Koncessziós Kft.	Hungary	Gas storage	100	Direct	100	Direct	At cost	At cost
NAFTA Production s.r.o.	Slovakia	Gas storage	100	Direct	-	-	Consolidated	-
NAFTA International B.V. *	Netherlands	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Germany GmbH	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Bavaria GmbH	Germany	Gas storage	-	-	100	Direct	-	Consolidated
NAFTA Speicher Management GmbH	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher GmbH&Co. KG	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher Inzenham GmbH	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA RV	Ukraine	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
CNG Holdings Netherlands B.V.	Netherlands	Gas storage	100	Direct	100	Direct	At cost	At cost
CNG LLC	Ukraine	Gas storage	100	Direct	100	Direct	At cost	At cost
EPH Gas Holding B.V. *[(1)]	Netherlands	Holding entities	-	-	100	Direct	-	Consolidated
Seattle Holding B.V. *[(1)]	Netherlands	Holding entities	-	-	100	Direct	-	Consolidated
Slovak Gas Holding B.V. *	Netherlands	Holding entities	100	Direct	100	Direct	Consolidated	Consolidated
SPP Infrastructure, a.s.	Slovakia	Holding entities	49	Direct	49	Direct	Consolidated	Consolidated
eustream, a.s.	Slovakia	Gas transmission	100	Direct	100	Direct	Consolidated	Consolidated
Central European Gas HUB AG	Austria	Gas transmission	15	Direct	15	Direct	At cost	At cost

			31 December 2024		31 December 2023		2024	2023
	Country of incorporation	Segment	Ownership %	Ownership interest	Ownership %	Ownership interest	Measurement	Measurement
eastring B.V. in liquidate	Netherlands	Gas transmission	100	Direct	100	Direct	At cost	At cost
Plynárenská metrológia, s.r.o.	Slovakia	Holding entities	100	Direct	100	Direct	At cost	At cost
SPP - distribúcia, a.s.	Slovakia	Gas and power distribution	100	Direct	100	Direct	Consolidated	Consolidated
SPP - distribúcia Servis, s.r.o.	Slovakia	Gas and power distribution	100	Direct	100	Direct	At cost	At cost
NAFTA a.s.	Slovakia	Gas storage	56.15	Direct	56.15	Direct	Consolidated	Consolidated
Karotáž a cementace, s.r.o.	Czech Republic	Gas storage	100	Direct	100	Direct	At cost	At cost
POZAGAS a.s.	Slovakia	Gas storage	65	Direct	65	Direct	Consolidated	Consolidated
NAFTA Services, s.r.o.	Czech Republic	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
EP Lower Saxony GmbH	Germany	Gas storage	10	Direct	-	-	At cost	-
EP Ukraine B.V.	Netherlands	Gas storage	10	Direct	10	Direct	Consolidated	Consolidated
Slovakian Horizon Energy, s.r.o.	Slovakia	Gas storage	100	Direct	100	Direct	Equity	Equity
NAFTA E&P Holding Company a. s.	Slovakia	Gas storage	100	Direct	-	-	Consolidated	-
EP Hungary s.r.o.	Czech Republic	Gas storage	10	Direct	10	Direct	At cost	At cost
HHE Group Ventures Kft.	Hungary	Gas storage	50	Direct	50	Direct	At cost	At cost
Pusztaszer Koncessziós Kft.	Hungary	Gas storage	100	Direct	100	Direct	At cost	At cost
Darany Energy Kft.	Hungary	Gas storage	100	Direct	100	Direct	At cost	At cost
HHE DrávaP Koncessziós Kft.	Hungary	Gas storage	100	Direct	100	Direct	At cost	At cost
NAFTA Production s.r.o.	Slovakia	Gas storage	100	Direct	-	-	Consolidated	-
NAFTA International B.V.*	Netherlands	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Germany GmbH	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Bavaria GmbH	Germany	Gas storage	-	-	100	Direct	-	Consolidated
NAFTA Speicher Management GmbH	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher GmbH&Co. KG	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher Inzenham GmbH	Germany	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA RV	Ukraine	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
CNG Holdings Netherlands B.V.	Netherlands	Gas storage	100	Direct	100	Direct	At cost	At cost
CNG LLC	Ukraine	Gas storage	100	Direct	100	Direct	At cost	At cost
GEOTERM KOŠICE, a.s.	Slovakia	Holding entities	95.82	Direct	95.82	Direct	Consolidated	Consolidated
SPP Storage, s.r.o.	Czech Republic	Gas storage	100	Direct	100	Direct	Consolidated	Consolidated
POZAGAS a.s.	Slovakia	Gas storage	35	Direct	35	Direct	Consolidated	Consolidated
SLOVGEOTERM a.s.	Slovakia	Holding entities	50	Direct	50	Direct	Equity	Equity
GEOTERM KOŠICE, a.s.	Slovakia	Holding entities	0.08	Direct	0.08	Direct	Consolidated	Consolidated
GALANTATERM spol. s r.o.	Slovakia	Holding entities	0.5	Direct	0.5	Direct	At cost	At cost
GALANTATERM spol. s r.o.	Slovakia	Holding entities	17.5	Direct	17.5	Direct	At cost	At cost
SPP Infrastructure Financing B.V.	Netherlands	Holding entities	100	Direct	100	Direct	Consolidated	Consolidated

* *Holding entity*

(1) *On 10 October 2024, EPH Gas Holding B.V. and Seattle Holding B.V. merged with Slovak Gas Holding B.V. (successor company)*

The structure above is listed by ownership of companies at the different levels within the Group

VI. Independent Auditor´s Report to the Statutory Financial Statements

Deloitte.

Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
120 00 Prague 2 – Vinohrady
Czech Republic

Tel: +420 246 042 500
DeloitteCZ@deloitteCE.com
www.deloitte.cz

Registered by the Municipal Court in Prague, Section C, File 24349
ID. No.:49620592
Tax ID. No.: CZ49620592

„THE REPORT BELOW REPRESENTS THE AUDITOR'S REPORT THAT RELATES SOLELY AND EXCLUSIVELY TO THE OFFICIAL ANNUAL FINANCIAL REPORT PREPARED IN THE XHTML FORMAT."

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of EP Infrastructure, a.s.

Having its registered office at: Pařížská 130/26, Josefov, 110 00 Prague 1

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of EP Infrastructure a.s. (hereinafter also the "Company") prepared on the basis of International Financial Reporting Standards (IFRS® Accounting Standards) as adopted by the European Union, which comprise the statement of financial position as of 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of EP Infrastructure a.s. as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EP Infrastructure a.s. is a holding company that holds equity investments in controlled entities and associates. As of the balance sheet date, these investments in entities are valued at cost and tested for impairment. The valuation depends on assumptions and estimates of future developments, including the impact of the sustainability concept, financial performance of the investments, future of the energy sector in Europe – including the development of the military conflict of Russian Federation in Ukraine and related sanctions - and the use of discounts. These assumptions and estimates are associated with a significant degree of uncertainty and are described in Notes to the financial statements in Note 2g and 6.

In the aforementioned area, our audit procedures included assessment of the valuation method and testing of the measurement of carrying amounts of financial investments through assets impairment models. Our procedures also included inquiries of the management concerning year-to-year changes in the equity investments, assessment of the impact of changes and expected changes in the sustainability concept, potential impact of the military Conflict between Russian Federation in Ukraine and reading management meeting minutes. We evaluated the appropriateness of management's identification of the Company's CGUs. We obtained an understanding of the budget preparation and impairment assessment process, including indicators of impairment. We used the work of an internal specialist for the assessment of asset impairment testing models made by the Company's management, their assumptions and the reliability of these assumptions.

Other Information in the Annual Financial Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Financial Report other than the financial statements, consolidated financial statements and auditor's reports thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information with the exception of the sustainability report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information with the exception of the sustainability report has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information with the exception of the sustainability report is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee 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 the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the 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

Information required by Regulation (EU) No 537/2014 of the European Parliament and of the Council

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 the Company by the General Meeting of Shareholders on 5 March 2020 and our uninterrupted engagement has lasted for 5 years.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 19 March 2025 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 of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided. In addition, there are no other non-audit services which were provided by us to the Company, and which have not been disclosed in the financial statements.

In Prague on 19 March 2025

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

David Batal
registration no. 2147

EP Infrastructure, a.s.

FINANCIAL STATEMENTS
IN ACCORDANCE WITH IFRS
AND INDEPENDENT AUDITOR'S REPORT

AS OF 31 DECEMBER 2024

VII. Statutory Financial Statements and Notes to the Statutory Financial Statements

SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION FOR THE YEAR ENDED 31 DECEMBER 2024

Name of the Company:	**EP Infrastructure, a.s.**
Registered Office:	**Pařížská 130/26, Josefov, 110 00 Prague 1**
Legal Status:	**Joint Stock Company**
Corporate ID:	**024 13 507**

Components of the Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union:

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

These separate financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union were prepared on 19 March 2025.

Statutory body of the reporting entity:	Signature
JUDr. Daniel Křetínský Chairman of the Board of Directors **Pavel Horský** Member of the Board of Directors	

Statement of financial position

As at 31 December 2024
In millions of EUR

	Note	31.12.2024	31.12.2023
Assets			
Equity investments	6	6 831	6 999
Loans at amortised cost	7	67	67
Total non-current assets		**6 898**	**7 066**
Trade receivables and other assets	9	169	1
Loans at amortised cost	7	154	62
Financial instruments and financial receivables	8	-	15
Current tax receivable	9	-	1
Cash and cash equivalents	5	214	461
Total current assets		**537**	**540**
Total assets		**7 435**	**7 606**
Equity			
Share capital	10	3 248	3 248
Share premium	10	9	9
Other capital contributions	10	771	771
Retained earnings		1 116	1 007
Valuation differences on cash flow hedges	11	26	29
Total equity attributable to equity holders		**5 170**	**5 064**
Liabilities			
Loans and borrowings	12	1 879	1 594
Deferred tax liability	17	8	9
Total non-current liabilities		**1 887**	**1 603**
Trade payables and other liabilities	13	1	2
Loans and borrowings	12	377	937
Total current liabilities		**378**	**939**
Total liabilities		**2 265**	**2 542**
Total equity and liabilities		**7 435**	**7 606**

Statement of comprehensive income

For the year ended 31 December 2024

In millions of EUR	**Note**	**2024**	**2023**
Sales: Services	19	1	1
Total sales		**1**	**1**
Cost of sales: Services		-	-
Total cost of sales		**-**	**-**
Subtotal		**1**	**1**
Personnel expenses	14	(3)	(4)
Taxes and charges		-	-
Other operating income	19	-	-
Other operating expenses	19	(3)	(4)
Profit (loss) from operations		**(5)**	**(7)**
Dividend income	15	463	86
Interest income under the effective interest method	15	25	75
Interest expense	15	(67)	(48)
Foreign currency differences	15	3	4
Profit /(loss) from derivative instruments	15	8	5
Change in allowance for financial instruments	15	-	25
Other finance expense	15	(8)	(1 461)
Other finance income	15	-	1 457
Net finance income		**424**	**143**
Profit before income tax		**419**	**136**
Income tax	16	(10)	(1)
Profit from continuing operations		**409**	**135**
Profit for the year		**409**	**135**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Effective portion of changes in fair value of cash-flow hedges, net of tax	16	(3)	(23)
Total other comprehensive income		**(3)**	**(23)**
Total comprehensive income for the year		**406**	**112**

Statement of changes in equity

In millions of EUR

	Share capital	Share premium	Other capital contributions	Retained earnings	Valuation differences on cash flow hedges	Total equity
Balance at 31 December 2022	**3 248**	**9**	**771**	**872**	**52**	**4 952**
Comprehensive income for the period						
Profit for the period	-	-	-	135	-	**135**
Other comprehensive income for the period						
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	(23)	**(23)**
Total comprehensive income for the period				**135**	**(23)**	**112**
Contributions by and distributions to owners						
Declared profit shares	-	-	-	-	-	-
Balance as at 31 December 2023	**3 248**	**9**	**771**	**1 007**	**29**	**5 064**
Comprehensive income for the period						
Profit for the period	-	-	-	409	-	**409**
Other comprehensive income for the period						
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	(3)	**(3)**
Total comprehensive income for the period				**409**	**(3)**	**406**
Contributions by and distributions to owners						
Declared profit shares	-	-	-	(300)	-	**(300)**
Balance as at 31 December 2024	**3 248**	**9**	**771**	**1 116**	**26**	**5 170**

Cash flow statement

For the year ended 31 December 2024

In millions of EUR

	Note	2024	2023
OPERATING ACTIVITIES			
Profit for the year		409	135
Adjustments for:			
Income tax	16	10	1
Change in adjustments for financial instruments and write-off of receivables	15	-	(25)
Interest income and expense	15	42	(27)
Other finance (income)/expenses	15	8	4
Dividend income	15	(463)	(86)
(Profit)/loss on derivative instruments	15	(8)	(8)
Foreign exchange (gains)/losses, net	15	(3)	(4)
Other non-monetary transactions		(2)	-
Operating profit before changes in working capital		**(7)**	**(10)**
Change in trade receivables and other assets		-	1
Change in trade payables and other liabilities		(1)	(1)
Cash generated from (used in) operations		**(8)**	**(10)**
Interest paid	5	(51)	(51)
Income taxes paid		(9)	(13)
Cash flows generated from (used in) operating activities		**(68)**	**(74)**
INVESTING ACTIVITIES			
Dividends received		213	86
Interest received		45	159
Loans to related parties		-	(67)
Repayments from related parties		130	691
Cash flows from (used in) investing activities		**388**	**869**
FINANCING ACTIVITIES			
Proceeds from loans received	5	285	-
Repayment of borrowings	5	-	(400)
Proceeds from debentures issued	5	-	-
Debentures purchased	5	(547)	(199)
Finance fees, charges paid		(6)	(8)
Dividends paid	5	(300)	-
Cash flows from (used in) financing activities		**(568)**	**(607)**
Net increase (decrease) in cash and cash equivalents		*(248)*	*188*
Cash and cash equivalents at beginning of the year		**461**	**270**
Effect of exchange rate fluctuations on cash held		1	3
Cash and cash equivalents at end of the year		**214**	**461**

Notes to financial statements

1. Background

EP Infrastructure, a.s. (the "Company" or "EPIF") was registered on 6 December 2013 by subscription of share capital in form of a monetary contribution of CZK 2 million.

The Company's main activity is the management of its own assets. The primary mission of the Company is the strategic management and development of companies directly or indirectly controlled by the Company, coordination of their activities, and management, acquisition and disposing of the Company's ownership interests and other assets.

The financial year is identical with the calendar year. The financial statements were prepared for the period from 1 January 2024 to 31 December 2024 ("2024"). The comparable period ("2023") is the financial year from 1 January 2023 to 31 December 2023.

Registered office

Pařížská 130/26

Josefov

110 00 Prague 1

Czech Republic

The shareholders of the Company as at 31 December 2024 were:

	Interest in share capital		Voting rights
	In millions EUR	%	%
EPIF Investments a.s.	2 241	69%	69%
CEI INVESTMENTS S.à r.l.	1 007	31%	31%
Total	**3 248**	**100%**	**100%**

The shareholders of the Company as at 31 December 2023 were:

	Interest in share capital		Voting rights
	In millions EUR	%	%
EPIF Investments a.s.	2 241	69%	69%
CEI INVESTMENTS S.à r.l.	1 007	31%	31%
Total	**3 248**	**100%**	**100%**

The shareholders of Energetický a průmyslový holding, a.s., the 100% owner of EPIF Investments a.s. as at 31 December 2024 and 31 December 2023 were:

	Interest in share capital	Voting rights
	%	%
EP Corporate Group, a.s.	56% + 1 share	56% + 1 share
J&T ENERGY HOLDING, a.s	44% - 1 share	44% - 1 share
Total	**100%**	**100%**

The consolidated financial statements of the widest group of entities for 2024 will be prepared by EP Investment S.á r.l. with its registered office at 2 Place de Paris, 2314 Luxembourg.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) adopted by the European Union ("EU"). The Czech version of the consolidated financial statements along with the standalone financial statements will form the annual financial report, which will be published in the Commercial Register.

Members of the Board of Directors and Supervisory Board as at 31 December 2024 were:

Members of the Board of Directors	*Members of the Supervisory Board*
Daniel Křetínský (chairman)	Jan Špringl (chairman)
Stéphane Brimont (vice-chairman)	Martin Gebauer (vice-chairman)
Gary Wheatley Mazzotti (vice-chairman)	Petr Sekanina (member)
Marek Spurný (member)	Jiří Feist (member)
Pavel Horský (member)	Jan Stříteský (member)
Milan Jalový (member)	Rosa Maria Villalobos Rodriguez (member)
William David George Price (member)	

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards adopted by the European Union ("IFRS").

The financial statements were approved by the Board of Directors of the Company on 19 March 2025. These financial statements are non-consolidated.

(b) Valuation method

The financial statements have been prepared on a going-concern basis using the historical cost method, except for the following material items in the statement of financial position, which are measured at fair value:

- derivative financial instruments.

The Company has been consistently applying the following accounting policies to all periods presented in these financial statements.

(c) Functional and presentation currency

The Company's functional and presentation currency is the Euro ("EUR").

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The resulting accounting estimates, by definition, will not always be equal to the actual related values.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised (if the revision affects only that period), or in the period of the revision and future periods (if the revision affects the current period as well as future periods).

i. Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the following years is included in the following notes:

i. Note 8 – Financial instruments and financial receivables

Determination of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group, of which the Company is a component, has an established control framework with respect to the measurement of fair values. This includes a valuation team that has general responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant market unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained. The evidence has to meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable inputs to the fullest extent possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement as a whole is categorised in the same level of the fair value hierarchy as the lowest level input that is significant in relation to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(e) Segment reporting

The Company's activities represent one segment, i.e. holding of ownership interests and related activities. Most income is financial income and is described in detail in note 15 to these financial statements. An insignificant part of the Company's revenues is represented by revenues from services provided in the Czech Republic to companies belonging to Energetický a průmyslový holding, a.s. (the "EPH Group").

(f) Recently issued accounting standards

i. Newly adopted IFRS Accounting Standards and amendments to standards and interpretations effective for the period ended 31 December 2024 that have been applied in the preparation of the Company's financial statements

The following paragraphs provide a summary of the key requirements of IFRS Accounting Standards that are effective for annual periods beginning on or after 1 January 2024 and that have therefore been applied by the Company for the first time.

Amendment to IAS 1 – Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The amendment 'Classification of Liabilities as Current or Non-Current' clarifies the classification

of debts and other liabilities as current or non-current and defines how to determine whether debts and other liabilities in the statement of financial position with an uncertain settlement date are classified as current (due or potentially due to be settled within one year) or non-current. The amendment specifies the classification requirements for debt instruments that the Company can settle by capitalisation. The amendment 'Non-Current Liabilities with Covenants' clarifies the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

The amendment has an impact on disclosures in the notes to the financial statements. Details are disclosed in Note 12 Loans and borrowings.

Newly adopted IFRS Accounting Standards, amendments to standards and interpretations that do not have a material impact on the Company's financial statements:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

ii. IFRS Accounting Standards not yet effective

As of the date of approval of these consolidated financial statements, the following significant amendments to IFRS Accounting Standards and interpretations were issued, however, they have not yet been effective for the period ended 31 December 2024:

Amendment to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

The amendment requires entities to apply a consistent approach for assessing whether a currency is convertible into another currency. If the currency is not convertible, the amendment specifies a method for estimating the exchange rate and defines disclosure requirements.

The Company is currently assessing the impact of the amendment on the financial statements.

IFRS 18 – Presentation and Disclosures in Financial Statements (effective for annual periods beginning on or after 1 January 2027 (not yet endorsed by the EU))

IFRS 18 Presentation and Disclosures in Financial Statements applies to all financial statements prepared and presented in line with IFRS Accounting Standards and will replace IAS 1 Presentation of Financial Statements. The new standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies.

(a) Category for the classification of income and expenses in profit or loss

Entities must classify income and expense items in profit or loss into one of the following categories: operating, investing, financing, income tax, discontinued operations. Amendments to the requirements for classification are allowed to entities with specific business activities (banks, investment units, entities investing in real estate). The standard additionally requires a disclosure of subtotals in profit or loss.

(b) Management-defined performance measures "MPMs")

MPMs are defined as subtotals of income and expenses that the Company uses in public communication with users of financial statements. They communicate the perspective of the management on certain aspect of financial performance and amend totals or subtotals required by IFRS 18. Entities disclose the information on their MPMs in a standalone note and the standard specifies the requirements for disclosure to every indicator.

(c) Aggregation and disaggregation of the information

The standard introduces procedures focusing on the aggregation and disaggregation of the information and presentation of the information in the primary financial statements or in the notes.

IFRS 18 additionally contains amendments to other IFRS Accounting Standards, among others amendments to IAS 7 Statement of Cash Flows that remove alternatives for the presentation of interest and dividends and use a subtotal of the operating profit as the only possible starting point in the indirect method of presentation of cash flows from operating activities.

The Company is currently assessing the impact of the new standard on the financial statements and disclosures that the Company provides in the financial statements.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027 (not yet endorsed by the EU))

The standard specifies requirements for disclosures that an entity may use instead of the requirements for disclosures listed in other IFRS Accounting Standards. It applies to entities that are subsidiaries without public accountability if their parent company prepares the consolidated financial statements in line with IFRS Accounting Standards. Eligible entities may, but do not have to, apply IFRS 19 in their financial statements and provide a reduced version of the requirements for disclosures stated in other IFRS Accounting Standards.

The Company is currently assessing the impact of the amendment on the information disclosed in the financial statements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026 (not yet endorsed by the EU))

The amendment modifies requirements for derecognition of financial liabilities that are settled through an electronic delivery, for an assessment of contractual cash flows of financial assets, including assets with ESG features. Additionally, it amends certain requirements for disclosures relating to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent contractual terms that do not relate directly to changes in underlying credit risks and costs.

The Company is currently assessing the impact of the amendments on the financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026 (not yet endorsed by the EU))

The annual improvements cover the following standards: IFRS 1 First Adoption of International Financial Reporting Standards (hedge accounting by a first-time adopter), IFRS 7 Financial instruments: Disclosures (clarification of certain paragraphs relating to the profit or loss from derecognition, disclosure of information on credit risk and disclosures of the deferred difference between the fair value and transaction price), IFRS 9 Financial Instruments (alignment of requirements of IFRS 9 for lessee derecognition of lease liabilities and removal of unclear reference to transaction price in line with IFRS 15), IFRS 10 Consolidated Financial Statements (clarification in determining "de facto" agents) and IAS 7 Cash Flow Statement (removal of the historical reference to the cost method of measurement).

The Company is currently assessing the impact of the amendments on the financial statements.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026 (not yet endorsed by the EU))

The amendment modifies requirements for own-use contracts under IFRS 9 to include the factors an entity is required to consider when applying the requirements for own-use contracts when purchasing and delivering renewable electricity for which the source of production of the electricity is nature-dependent. The amendment additionally modifies requirements for hedge accounting to permit the use of a contract for nature-dependent electricity as a hedging instrument. The amendment to IFRS 7 relates to requirements for disclosures of contracts for nature-dependent electricity.

The Company is currently assessing the impact of the amendments on the financial statements.

The Company has not early adopted any IFRS amendments where adoption was not mandatory at the reporting date. If transition provisions in an adopted IFRS give an entity the choice of whether to

apply new standards prospectively or retrospectively, the Company elects to apply the Standards prospectively from the date of transition.

(g) Going concern assumption

These financial statements have been prepared on a going concern basis, which the Company regularly evaluates, also in light of the ongoing military conflict in Ukraine, interrupted gas transit through Ukraine to Slovakia and other significant events that may have an impact on the Company's operations. The Company's management has also assessed the potential impact of this situation on its operations and business and has concluded that it does not currently have a material impact on these financial statements or on the going concern assumption in 2025. However, further negative developments cannot be ruled out which could subsequently have a material negative impact on the Company, its business, financial position, results of operations, cash flows and overall outlook.

3. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods as presented in these financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and in banks, and short-term highly liquid investments with original maturities of three months or less.

(b) Equity investments

As required by IAS 27, the Company has applied measurement at cost for investments in subsidiaries, associates, and jointly controlled entities. In accordance with IFRS 9, cost is increased by a possible discount on provided interest-free loans. Equity investments are tested for impairment yearly (see Note 3(d)).

(c) Non-derivative financial assets

i. Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income – debt instrument (FVOCI), fair value through other comprehensive income – equity instrument or fair value through profit, or loss (FVTPL). The classification of financial asset is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI test").

Principal is the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Loans and receivables which meet the SPPI test and business model test are normally classified as financial asset at amortised cost.

A debt instruments shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collection contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI test").

The Company may make an irrevocable election at initial recognition for particular investments in equity instruments (except equity investments as described in Note 3 (b)), that would otherwise be measured at fair value through profit or loss (as described below) and that are not held for trading, to present subsequent changes in fair value in other comprehensive income.

All investments in equity instruments and contracts concerning those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if there is not available any sufficient recent information to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company uses all information about the performance and operations of the investee that becomes available after the date of initial recognition. As long as any such relevant factors exist, they may indicate that cost might not be representative of fair value. In such cases, the Company must use fair value. Cost is never the best estimate of fair value for investments in quoted instruments.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The key type of financial assets measured at fair value through profit or loss by the Company are derivatives.

The Company may, at initial recognition, irrevocably designate a financial asset, which would be measured at amortised cost or at fair value through other comprehensive income ("FVOCI"), as measured at fair value through profit or loss. This applies if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

ii. Recognition

Financial assets are recognised on the date the Company becomes party to the contractual provision of the instrument.

iii. Measurement

Upon initial recognition, financial assets are measured at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial instrument. Attributable transaction costs relating to financial assets measured at fair value through profit or loss are recognised in profit or loss as incurred. For the methods used to estimate fair value, refer to Note 4 – Determination of fair value.

Financial assets at FVTPL are subsequently measured at fair value, with net gains and losses, including any dividend income, recognised in profit or loss.

Debt instruments at fair value through other comprehensive income (FVOCI) are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other gains and losses are recognised in other comprehensive income and reclassified to profit or loss upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (FVOCI) are subsequently measured at fair value. Dividends are recognised in profit or loss. Other gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest rate method. Interest income, foreign exchange gains and losses, impairment and any gain or loss on derecognition are recognised in profit or loss.

iv. De-recognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire,

or when the rights to receive the contractual cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

v. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position, when the Company has a legally enforceable right to offset the recognised amounts, and the transactions are intended to be settled on a net basis.

(d) Impairment

i. Non-financial assets

The carrying amounts of the Company's assets, except for deferred tax assets, (refer to Note 4 (a) – Income taxes) are reviewed at each reporting date to determine any objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that have an indefinite useful life or that are not yet available for use, the recoverable amount is estimated at least once every year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent from the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ii. Financial assets (including trade and other receivables and contract assets)

The Company measures loss allowances using expected credit loss ("ECL") model for financial assets at amortised cost, debt instruments at FVOCI and contract assets. Loss allowances are measured on either of the following bases:

- 12-month ECLs: ECLs that result from possible default events within the 12 months after the reporting date;
- lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs except for those financial assets for which credit risk has not increased significantly since initial recognition. For trade receivables and contract assets, the Company has elected to measure loss allowances at an amount equal to lifetime ECLs in simplified mode.

The ECL model is based on the principle of expected credit losses. For the purposes of designing the ECL model, the portfolio of financial assets is split into segments. Financial assets within each segment are allocated to three stages (Stage I – III) or to a group of financial assets that are impaired at the date of the first recognition of purchased or originated credit-impaired financial assets ("POCI"). At the date of the initial recognition, the financial asset is included in Stage I or POCI. Subsequent to initial recognition, a financial asset is allocated to Stage II if there was a significant increase in credit

risk since initial recognition or to Stage III if the financial asset has been credit-impaired.

The Company assumes that the credit risk on a financial asset has increased significantly if:

(a) a financial asset or its significant portion is overdue for more than 30 days (if a financial asset or its significant portion is overdue for more than 30 days but less than 90 days, and the delay does not indicate an increase in counterparty credit risk, the individual approach shall be used, and the financial asset shall be classified in Stage I); or

(b) the Company negotiates debt restructuring with a debtor in financial difficulties (at the request of the debtor or the Company); or

(c) the probability of default (PD) of the debtor increases by 20%; or

(d) other material events have occurred which require individual assessment (e.g., development of external ratings of sovereign credit risk).

At each reporting date, the Company assesses whether financial assets carried at amortised cost and investments to equity instrument are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company considers financial asset to be credit-impaired if:

(a) a financial asset or its significant part is overdue for more than 90 days; or

(b) legal action has been taken in relation to the debtor, whose outcome or the actual process may have an impact on the debtor's ability to repay the debt; or

(c) insolvency proceedings or similar proceedings under foreign legislation have been initiated in respect of the debtor, which may lead to a declaration of bankruptcy and the application for the opening of such proceedings has not been refused or rejected or the proceedings have not been discontinued within 30 days of initiation ((b) and (c) are considered as "Default event"); or

(d) the probability of default of the borrower increases by 100% compared to the previous rating (which is not a relevant condition in the ECL model for intra-group loans and receivables); or

(e) other material events have occurred which require individual assessment (e.g. development of external ratings of sovereign credit risk).

For the purposes of ECL calculation, the Company uses components needed for the calculation, namely probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). Forward-looking information means any future projected macroeconomic factor which has a significant impact on the development of credit losses. ECLs are present values of probability-weighted estimate of credit losses. The Company considers mainly expected gross domestic product growth, reference interest rates, stock exchange indices or unemployment rates.

Presentation of loss allowances

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and the year-on-year change is recognised in profit or loss. For debt securities at FVOCI, the loss allowance is recognised in OCI.

(e) Non-derivative financial liabilities

The Company has the following non-derivative financial liabilities:

- loans and borrowings, debt security issues, bank overdrafts, and trade and other payables.

Such financial liabilities are initially recognised at the settlement date at fair value plus any directly attributable transaction costs except for financial liabilities at fair value through profit or loss. Attributable transaction costs relating to financial assets measured at fair value through profit or loss are recognised in profit or loss as incurred. Financial liabilities are subsequently measured at amortised cost using the effective interest rate, except for financial liabilities at fair value through profit or loss. For the methods used to estimate fair value, refer to Note 4 – *Determination of fair value*.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(f) Derivative financial assets and liabilities

The Company holds derivative financial instruments. Throughout its history, the Company has also held derivatives to hedge against interest rate and currency risk – see details in Note 20g Hedge Accounting.

Derivatives are recognised initially at fair value, with attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are accounted for as described below.

Trading derivatives

When a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

Separable embedded derivatives

Financial and non-financial contracts (where they have not already been measured at fair value through profit or loss) are assessed to determine whether they contain any embedded derivatives.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

Cash flow hedges and fair value hedges

The majority of financial derivatives are held for hedging purposes, but some do not meet the criteria for hedge accounting as stated by IFRS 9. These derivatives are designated for trading, and related profit and loss from changes in fair value is recognised in profit and loss.

Hedging instruments consisting of derivatives associated with currency or interest rate risks are classified either as cash-flow hedges or fair value hedges.

From the inception of the hedge, the Company maintains formal documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. The Company also periodically assesses the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

In the case of a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then the hedge accounting is discontinued prospectively. If the intended transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss. In case the future intended transaction is still expected to occur then the balance remains in equity and is transferred to profit or loss when the hedged transaction affects profit or loss.

In the case of a fair value hedge, the hedged item is remeasured for changes in fair value attributable to the hedged risk during the period of the hedging relationship. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognised in profit or loss, except for the financial asset – equity instrument at FVOCI, for which the gain or loss is recognised in other comprehensive income.

In the case of a fair value hedge, the gain or loss from re-measuring the hedging instrument at fair value is recognised in profit or loss.

(g) Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, when (i) it is probable that an outflow of economic benefits will be required to settle the obligation and when (ii) a reliable estimate of the amount can be made.

Provisions are recognised at the expected settlement amount. Long-term obligations are reported as liabilities at the present value of their expected settlement amounts, if the effect of discount is material, using as a discount rate the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss in finance costs.

The effects of changes in interest rates, inflation rates and other factors are recognised in profit or loss in operating income or expenses. Changes in estimates of provisions can arise in particular from deviations from originally estimated costs, from changes in the settlement date or in the scope of the relevant obligation. Changes in estimates are generally recognised in profit or loss at the date of the change in estimate (see below).

(h) Sales

Sales of services

The Company applies IFRS 15 to recognise sales from contracts with customers.

Sales of services are recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No sales are recognised if there are significant uncertainties regarding the recovery of the consideration due and the associated costs.

(i) Finance income and costs

i. Finance income

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, gains on sale of investments in securities, gains recognised on financial assets and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

ii. Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, fees and commissions expense for payment transactions and guarantees, cost of operating the cash pool, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

(j) Dividends

Dividends are recognised within other comprehensive income as of the date when the Company's right to receive the relevant income was established. Received shares on profit are recognised in current profit or loss, i.e. in the period when the payment of the profit share was declared.

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Income taxes

Income taxes comprise current and deferred tax. Income taxes are recognised in profit or loss, except

to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax consists of estimated income tax (tax payable or receivable) on the taxable income or loss for the reporting period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognised on the following temporary differences:

- temporary differences arising from the initial recognition of assets or liabilities that affects neither accounting nor taxable profit or loss, and

- temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not be reversed in the foreseeable future.

The amount of deferred tax is based on the expected manner of realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but there is an intention to settle current tax liabilities and assets on a net basis, or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the unused tax losses or temporary differences will be realised.

(b) Non-derivative financial assets

The fair value of financial assets at fair value through profit or loss, debt and equity instruments at fair value through other comprehensive income and financial assets at amortised cost is based on their quoted market price at the reporting date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by the management of the Company, using pricing models or discounted cash flows techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on the best estimates of the management of the Company and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the reporting date.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

The fair value of trade and other receivables and of financial assets held at amortised cost is determined for disclosure purposes only.

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(d) Derivatives

The fair value of interest rate swaps is based on internal measurements arising from market prices. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of other derivatives (currency) is estimated by discounting the difference between the forward values and the current values till maturity of the contract using a risk-free interest rate (based on zero-coupon rates).

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the credit risk of the counterparty when appropriate.

5. Cash and cash equivalents

In millions of EUR	**31 December 2024**	**31 December 2023**
Cash on hand	-	-
Current accounts with banks	164	386
Credit notes	50	75
Total cash and cash equivalents	**214**	**461**

Reconciliation of movement of liabilities and cash flows arising from financing activities:

	Loans from credit institutions	**Loans from other than credit institutions**	**Issued debentures**	**Retained earnings**	**Total liabilities and retained earnings**
Balance as at 31 December 2023	**-**	**370**	**2 161**	**1 007**	**3 539**
Changes from financing cash flows					
Received loans and borrowings and issued debentures	285	59	-	-	**344**
Repaid borrowings and debentures	-	-	(547)	-	**(547)**
Interest paid	(9)	(2)	(40)	-	**(51)**
Dividends paid	-	-	-	(300)	**(300)**
Total change from financing cash flows	**276**	**57**	**(587)**	**(300)**	**(554)**
Other liability changes					
Transaction costs related to loans and borrowings (net)	(2)	-	1	-	**(1)**
Interest expense	16	15	35	-	**67**
Offset against a dividend receivable	-	(250)	-	-	**(250)**
Acceptance of a cash-pool liability	-	165	-	-	**165**
Total liability-related other changes	**14**	**(70)**	**36**	**-**	**(20)**
Profit for the year	**-**	**-**	**-**	**409**	**409**
Balance at 31 December 2024	**290**	**356**	**1 610**	**1 116**	**3 372**

	Loans from credit institutions	**Loans from other than credit institutions**	**Issued debentures**	**Retained earnings**	**Total liabilities and retained earnings**
Balance as at 31 December 2022	**403**	**103**	**2 364**	**872**	**3 743**
Changes from financing cash flows					
Received loans and borrowings and issued debentures	-	267	-	-	**267**
Repayment of borrowings and purchase of debentures	(400)	-	(199)	-	**(599)**
Interest paid	(6)	(2)	(43)	-	**(51)**
Dividends paid	-	-	-	-	**-**
Total change from financing cash flows	**(406)**	**265**	**(242)**	**-**	**(383)**
Other liability changes					
Transaction costs related to loans and borrowings (net)	(2)	-	-	-	**-**
Interest expense	3	2	43	-	**48**
Profit from the purchase of debentures	-	-	(4)	-	**(4)**
Total liability-related other changes	**3**	**2**	**39**	**-**	**44**
Profit for the year	**-**	**-**	**-**	**135**	**135**
Balance at 31 December 2023	**-**	**370**	**2 161**	**1 007**	**3 539**

6. Equity investments

Equity investments

Company name	Total profit (+) loss (-) for the period 01/1/2024-31/12/2024 (in millions of EUR)	Equity at 31/12/2024 (in millions of EUR)	Net value of equity investment at 31/12/2024 (in millions of EUR)	Net value of equity investment at 31/12/2023 (in millions of EUR)
EP Energy, a.s.	70	1 239	1 414	1 414
Czech Gas Holding Investment B.V.*	78	156	387	387
EPH Gas Holding B.V.	n/a	n/a	-	5 131
Slovak Gas Holding B.V.*	223	1 459	4 963	-
Plzeňská teplárenská, a.s.*	26	256	67	67
EPIF BidCo I s.r.o.*	-	-	-	-
Total equity investments	**397**	**3 110**	**6 831**	**6 999**

** Data from unaudited financial statements as at 31 December 2024.*

All equity investments are fully owned by the Company, with the exception of Plzeňská teplárenská, a.s. (35% with managerial control).

In accordance with the accounting policy described in 3(b) Equity investments, the value of the equity investments was tested for impairment. The Company monitors the financial performance of its subsidiaries on a regular basis and evaluates scenarios for the performance of key subsidiaries. For the purpose of preparing the financial statements, the Company has evaluated scenarios of possible future developments based primarily on the utilisation of the respective gas transmission networks, on the development of the regulatory environment and gas and electricity consumption in Slovakia, on the overall demand for the provision of transportation capacity and gas storage services in the region and on the development of heat and electricity consumption and prices, which may have an impact on the value of the equity investments. The Company has used various scenarios of future developments. However, future developments cannot be reliably predicted and therefore the need for adjustments to the values of the equity investments in future periods cannot be excluded. As part of the impairment testing performed, the Company did not identify any impairment of its equity investments as of 31 December 2024 that would require a valuation adjustment in the financial statements under applicable accounting regulations.

As at 31 December 2024, the registered offices of the companies were as follows:

EP Energy, a.s.	Pařížská 130/26, Josefov, 110 00 Prague 1, Czech Republic
Czech Gas Holding Investment B.V.	Schiphol Boulevard 477 Tower C4, 1118 BK Schiphol, Netherlands
Slovak Gas Holding B. V.	Schiphol Boulevard 477 Tower C4, 1118 BK Schiphol, Netherlands
Plzeňská teplárenská, a.s.	Doubravecká 2760/1, Východní Předměstí, 301 00 Plzeň, Czech Republic
EPIF BidCo I s.r.o.	Pařížská 130/26, Josefov, 110 00 Prague, Czech Republic

In 2024, there were the following changes in equity investments:

On 30 September 2024, with effect from 1 January 2024, EPH Gas Holding B. V. (dissolving) merged with Seattle Holding B.V. (successor). On 1 October 2024, with effect as of 1 January 2024, Seattle Holding B.V. (dissolving) merged with Slovak Gas Holding B.V. (successor).

On 2 December 2024, the share capital and the share premium of EUR 168 million of Slovak Gas Holding B.V. were reduced. The relevant receivable is described in Note 9 in Other receivables as of 31 December 2024.

7. Loans at amortised cost

In millions of EUR	**31 December 2024**	**31 December 2023**
Loans to other than credit institutions:		
Elektrárny Opatovice, a.s. ("EOP")	69	69
Cash pool receivables:		
Subsidiaries and related parties	152	60
Total	**221**	**129**
Non-current	*67*	*67*
Current	*154*	*62*
Total	**221**	**129**

Relevant accounting policy for impairment arising from expected losses is described in Note 3(d).

On 30 June 2023, a loan in the amount of CZK 67 million was granted to EOP with a maturity date in 2028.

Fair value information

Fair values and the respective loans carried at amortised costs are disclosed in the following table:

In millions of EUR	**31 December 2024**		**31 December 2023**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Loan EOP	69	68	69	67
Cash pool receivables	152	152	60	60
Total	**221**	**220**	**129**	**127**

The fair value hierarchy of loans provided to non-financial institutions is based on Level 3 inputs (for detail of valuation methods refer to Note 2 (d) i – *Assumption and estimation uncertainties*).

8. Financial instruments and financial receivables

In millions of EUR	**31 December 2024**	**31 December 2023**
Hedging risks under hedge accounting: *of which*	**-**	**-**
Interest rate swaps related to cash flow hedge	-	-
Hedging risks beyond hedge accounting: *of which*	**-**	**15**
Interest swaps held for trading	-	*15*
Total	-	**15**
Current	**-**	*15*
Total	-	**15**

All derivatives are held for hedging purposes. In some cases the derivatives do not meet the accounting criteria for hedge accounting or the Company elected not to apply hedge accounting.

Derivatives at fair value were categorised within Level 2 of the fair value hierarchy (for details on the valuation methods refer to Note 2 (d) i – *Assumption and estimation uncertainties*).

9. Trade Receivables and Other Assets

In millions of EUR	**31 December 2024**	**31 December 2023**
Trade receivables	1	1
Other receivables	168	-
Tax receivables	-	1
Total	**169**	**2**
Current	*169*	*2*
Total	**169**	**2**

At 31 December 2024 and at 31 December 2023, no trade receivables and other assets were past due.

On 2 December 2024, the share capital and the share premium amounting to EUR 168 million of Slovak Gas Holding B.V. were reduced.

The Company's exposure to credit and currency risks and risk of impairment losses related to trade receivables and other assets is disclosed in Note 20 – *Risk management policies and disclosures*.

10. Equity

Share capital and share premium

The authorised, issued and fully paid share capital of the Company as at 31 December 2024 and 31 December 2023 consisted of 222,870,000 ordinary shares with a par value of CZK 250 each ("Shares A") and 100,130,000 shares, to which special rights are attached as specified in the Articles of Incorporation, with a par value of CZK 250 each ("Shares B").

Each shareholder is entitled to receive dividends and to cast 1 vote per 1 share with a nominal value CZK 250 at meetings of the Company's shareholders.

31 December 2024 and 2023	**Number of shares**		**Ownership interest**	**Voting rights**
In thousands of shares	**250 CZK**		**%**	**%**
	Shares A	**Shares B**		
EPIF Investments a.s.	222,870	-	69	69
CEI INVESTMENTS S.à r.l.	-	100,130	31	31
Total	**222,870**	**100,130**	**100**	**100**

Other capital reserves

As of 31 December 2024 and 31 December 2023, other capital reserves consist of a payment over and above the share capital balance in the form of loan capitalisation.

11. Valuation differences on cash flow hedges

Cash flow hedges – hedge of foreign currency risk with non-derivative financial liability

Due to the change in the functional currency on 1 January 2022 and the fact that the Company will no longer be exposed to risk related to changes in FX rates, the dividend cash flow hedge has been terminated. At the date of termination, the balance in equity was translated at (CZK to EUR) 24.86 and a release table was set in EUR; the balance will be released against future dividends (the original hedged item) between 2022 and 2034 in line with the Company's hedging policy.

In millions of EUR	Cash flow hedges (currency risk)	Cash flow hedges (currency risk) – deferred tax	Interest rate swap (hedging)	Interest rate swap (hedging) – deferred tax	Effect from hedge accounting
Balance at 31 Dec 2022	**37**	**(7)**	**27**	**(5)**	**52**
Revaluation of cash flow hedges	-	-	(17)	-	(17)
Deferred tax – cash flow hedges	-	-	-	-	-
Reclassified to profit for the period	(3)	-	(8)	-	(11)
Deferred tax – interest rate swaps	-	-	-	5	5
Balance at 31 Dec 2023	**34**	**(7)**	**2**	**-**	**29**
Revaluation of cash flow hedges	-	-	-	-	-
Deferred tax – cash flow hedges	-	-	-	-	-
Reclassified to profit for the period	(3)	-	-	-	(3)
Deferred tax – interest rate swaps	-	-	-	-	-
Balance at 31 Dec 2024	**31**	**(7)**	**2**	**-**	**26**

12. Loans and borrowings

In millions of EUR	31 December 2024	31 December 2023
Issued debentures	1 610	2 161
Loans from credit institutions	290	-
Cash pool liabilities	356	370
Total	**2 256**	**2 531**
Non-current	*1 879*	*1 594*
Current	*377*	*937*
Total	**2 256**	**2 531**

The weighted average interest rate on financial liabilities without the effect of cash pool liabilities was 2.6% in 2024 (2023: 1.9%).

Issued debentures at amortised cost

Details about debentures issued as at 31 December 2024 are presented in the following table:

In millions of EUR	Principal	Accrued interest	Unamortised transaction costs	Total	Maturity	Interest rate (%)	Effective interest rate (%)
EPIF 2026 Notes	600	4	(1)	**603**	30/07/2026	1.698	1.795
EPIF 2028 Notes	500	2	(1)	**501**	09/10/2028	2.045	2.117
EPIF 2031 Notes	500	8	(2)	**506**	02/03/2031	1.816	1.888
Total	**1 600**	**14**	**(4)**	**1 610**	**-**	**-**	**-**

2024 Notes

On 26 April 2024, EPIF redeemed all its outstanding EUR 750 million 1.659 per cent. Notes due 2024, issued on 26 April 2018. The outstanding amount redeemed was EUR 547 million.

2026 Notes

On 30 July 2019, the Company successfully placed at par its offering of EUR 600 million 1.698% fixed rate unsecured notes due in July 2026 in the denomination of EUR 100,000 each ("2026 Notes"). The 2026 Notes are listed on the Irish Stock Exchange (Euronext Dublin). Unless previously redeemed or cancelled, the 2026 Notes will be redeemed at their nominal amount on 30 July 2026.

The 2026 Notes are stated net of debt issue costs of CZK 98 million (EUR 4 million). These costs are

allocated to the income statement over the term of the 2026 Notes through the effective interest rate of 1.795%.

2028 Notes

On 9 October 2019, the Company successfully placed at par its offering of EUR 500 million 2.045% fixed rate unsecured notes due in October 2028 in the denomination of EUR 100,000 each ("2028 Notes"). The 2028 Notes are listed on the Irish Stock Exchange (Euronext Dublin). Unless previously redeemed or cancelled, the 2028 Notes will be redeemed at their nominal amount on 9 October 2028.

The 2028 Notes are stated net of debt issue costs of CZK 75 million (EUR 3 million). These costs are allocated to the income statement over the term of the 2028 Notes through the effective interest rate of 2.117%

2031 EPIF Notes

On 2 March 2021, the Company successfully placed at par its offering of EUR 500 million 1.816% fixed rate unsecured notes due in March 2031 in the denomination of EUR 100,000 each ("2031 Notes"). The 2031 Notes are listed on the Irish Stock Exchange (Euronext Dublin). Unless previously redeemed or cancelled, the 2031 Notes will be redeemed at their nominal amount on 2 March 2031. The proceeds of the 2031 Notes were used for partial prepayment of the Company´s financial indebtedness.

The 2031 Notes are stated net of debt issue costs of CZK 86 million (EUR 3 million). These costs are allocated to the income statement over the term of the 2031 Notes through the effective interest rate of 1.888%.

All Company´s notes described above, i.e. 2026 Notes, 2028 Notes and 2031 Notes (the "Notes") contain a covenant limiting certain types of distributions to EPIF's shareholders in certain circumstances. In addition, the Company has to monitor the ratio of total amount of net debt of entities in EP Infrastructure, a.s. (the "Group") to the Group's EBITDA (i.e. net leverage) before certain types of distributions are carried out.

In addition, the Notes contain a change of control provision the triggering of which coupled by a ratings decline may result in the Company's obligation to redeem, or at its option, to procure the purchase of all or part of the bonds. Further, the Notes contain customary events of defaults, including, among other things, non-payment of principal or interest, breach of other obligations, cross-acceleration/cross-default of the Company or material subsidiary, unsatisfied judgment, security enforced, insolvency, winding up and analogous events, failure to take action and unlawfulness. Some of the events of default are subject to a threshold in the amount of EUR 75 million. If any of such event of default occurs, the Notes may be declared immediately due and payable.

Loans at amortised cost

The following table shows detailed information on loans as of 31 December 2024:

In millions of EUR	**Principal**	**Accrued interest**	**Unamortised fee**	**Due date**	**Nominal interest rate**
Schuldschein loan I	180	4	(1)	12/02/2027	Variable*
Schuldschein loan II	75	2	(1)	12/02/2029	Variable*
Schuldschein loan III	30	1	-	12/02/2027	Variable*
Total	**285**	**7**	**(2)**	-	-

Schuldschein loans

On 5 March 2024, the Company has raised EUR 285 million through Schuldschein loan agreements under German law issued in line with EPIF's green principles (so called "green Schuldschein"). The floating rate Schuldschein loan agreements have durations of three and five years, with corresponding margins of 2.50% p.a. and 2.90% p.a., respectively.

The Company's debts under the Schuldschein loan agreements are general, senior unsecured debts of the EPIF and rank equally in right of payment with EPIF's existing and future indebtedness that is not subordinated in right of payment. The Schuldschein loan agreements contain certain restrictive provisions and also a change of control provision the triggering of which may result in mandatory prepayment.

Fair value information:

The fair value of interest-bearing instruments held at amortised cost is shown in the table below:

In millions of EUR	**31 December 2024**		**31 December 2023**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Loans from credit institutions	290	282	-	-
Issued debentures	1 610	1 491	2 161	1 885
Cash pool	356	356	370	370
Total	**2 256**	**2 129**	**2 531**	**2 255**

Issued debentures are categorised within Level 1 of the fair value hierarchy. Loans from credit institutions are categorised within Level 3 of the fair value hierarchy (for details of valuation methods refer to Note 2 (d) i – *Assumption and estimation uncertainties*).

13. Trade Payables and Other Payables

In millions of EUR	**31 December 2024**	**31 December 2023**
Trade payables	1	2
Payable arising from due tax	-	-
Total	**1**	**2**
Current	*1*	*2*
Total	**1**	**2**

The estimate of liabilities is based on contractual conditions or on invoices received after the balance sheet date, still before the sign-off of the financial statements.

Trade payables and other liabilities have not been secured as at 31 December 2024 and 31 December 2023.

As at 31 December 2024 and 31 December 2023, no liabilities to tax authorities were overdue.

14. Personnel expenses

In millions of EUR

	2024	2023
Wages and salaries	2	3
Compulsory social security contributions	1	1
Total	**3**	**4**

The average number of employees in full time equivalent units during 2024 was 18.9 (2023: 19.3), of which 7 (2023: 7) were executives.

15. Finance income and expense, profit (loss) from financial instruments

Recognised in profit or loss *In millions of EUR*	**2024**	**2023**
Dividend income	463	86
Interest income (under the effective interest method)	25	75
Net foreign exchange gain	3	4
Finance income from assigned receivables	-	1 453
Profit on release of allowance for loans and equity investments	-	25
Other income	-	4
Finance income	**491**	**1 647**
Interest expense (under the effective interest method)	(67)	(48)
Fees and commissions expense for payment transactions	(8)	(8)
Finance expense from assigned receivables	-	(1 453)
Finance expense	**(75)**	**(1 509)**
Profit /(loss) from hedging instruments	8	5
Profit /(loss) from financial instruments	**8**	**5**
Net finance income recognised in profit or loss	**424**	**143**

16. Income tax expenses

Income tax recognised in profit or loss

In millions of EUR	**2024**	**2023**
Current taxes:		
Current year	(8)	(4)
Adjustment for prior periods	(2)	-
Total current taxes	**(10)**	**(4)**
Deferred taxes:		
Origination and reversal of temporary differences [(1)]	-	3
Total deferred taxes	**-**	**3**
Total income taxes (expense) recognised in the statement of comprehensive income from continuing operations	**(10)**	**(1)**

(1) For details refer to Note 17 - Deferred tax assets and liabilities.

Deferred tax was calculated using the currently enacted tax rate expected to apply when the asset is realised, or the liability settled, i.e. 21%. According to Czech legislation, the corporate income tax rate was 21% for the fiscal year 2024 and the following years (21% for 2023).

Top-up tax

The Company is part of a multinational group of companies subject to new 15% minimum taxation rules introduced based on the Pillar Two rules of the BEPS 2.0 initiative since 2024.

In a nutshell, the Pillar Two rules provide that, if in certain jurisdictions where the group operates the effective tax rate (given by the ratio between adjusted accounting result and adjusted corporate income taxes in the jurisdiction) falls below 15%, the group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

The relevant set of rules also provides for a transition period in which the in-scope groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor ("TSH") that applies for the first three years after the relevant regulation comes into effect. TSH relies on simplified calculations, mainly based on data extracted from the Country-by-Country Reporting under BEPS Action 13 and three types of alternative tests. In any jurisdiction where the group operates and at least one of the TSH tests is satisfied, the top-up tax due for such jurisdiction will be deemed to be zero.

The Company has, in cooperation with the group's Pillar Two team, performed an assessment of its potential exposure for Pillar Two top-up taxes in 2024. The assessment relies on the most recent information available regarding the financial performance of the group's entities. This includes the 2023 Country-by-Country Reporting, 2023 financial statements data and available preliminary financial data for 2024.

Based on the assessment performed, the Company might not benefit from the TSH. In this respect, the potential top-up tax exposure was provisionally calculated based on the preliminary 2024 accounting data revised for material Pillar Two rules adjustment (where relevant). Based on the provisional calculation, the Company would not be subject to top-up tax.

The above analysis has to be considered as an estimate, as the provisional calculation of effective tax rate is based on complex regulations that have only recently been enacted (and are still subject to amendments in various jurisdictions) with limited guidelines and not all relevant data available to perform the full Pillar Two calculation.

Income tax recognised in other comprehensive income

In millions of EUR	**2024**		
	Before tax (gross)	**Income tax**	**Net of income tax**
Effective portion of changes in fair value of hedging instruments (currency risk)	(3)	-	(3)
Effective portion of changes in fair value of hedging instruments (interest rate risk)	-	-	-
Total	**(3)**	**-**	**(3)**

In millions of EUR	**2023**		
	Before tax (gross)	**Income tax**	**Net of income tax**
Effective portion of changes in fair value of hedging instruments (currency risk)	(3)	-	(3)
Effective portion of changes in fair value of hedging instruments (interest rate risk)	(25)	5	(20)
Total	**(28)**	**5**	**(23)**

Reconciliation of effective tax rate

In millions of EUR		**2024**		**2023**
	%		**%**	
Profit before tax		419		135
Income tax using the Czech domestic rate (21%)	21,0	(88)	19,0	(26)
Non-taxable income - dividends	(23,2)	97	(11,9)	16
Other non-taxable income	-	-	-	-
Non-deductible expenses/non-taxable income – interest	3,1	(13)	1,5	(2)
Non-deductible expenses – other financial expenses	0,5	(2)	1,0	(1)
Non-deductible expenses/non-taxable income – provisions and allowances	-	-	(3,5)	5
Non-deductible expenses - other	0,3	(1)	0,8	(1)
Income tax – corrections of prior years	0,5	(2)	-	-
Other effects on profit or loss	-	-	(3,3)	4
Income taxes recognised in the comprehensive income statement	**2.4**	**(10)**	**0.7**	**(1)**

17. Deferred tax assets and liabilities

The following deferred tax assets and liabilities have been recognised:

In millions of EUR	**31 December 2024**	**31 December 2024**	**31 December 2023**	**31 December 2023**
Temporary difference related to:	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Financial instruments and financial liabilities	-	(2)	-	(2)
Derivatives	-	-	-	-
Cash flow hedges	-	(6)	-	(7)
Total	**-**	**(8)**	**-**	**(9)**
Total (net)	**-**	**(8)**	**-**	**(9)**

Movements in deferred tax during the year:

In millions of EUR

Balances related to:	**Balance at 1 January 2024**	**Recognised in profit or loss**	**Recognised in equity**	**Balance at 31 December 2024**
Financial instruments and financial liabilities	(2)	-	-	(2)
Derivatives	-	-	-	-
Cash flow hedges	(7)	-	1	(6)
Total	**(9)**	**-**	**1**	**(8)**

Movements in deferred tax during the prior period:

In millions of EUR **Balance related to:**	**Balance at 1 January 2023**	**Recognised in profit or loss**	**Recognised in equity**	**Balance at 31 December 2023**
Financial instruments and financial liabilities	(2)	-	-	(2)
Derivatives	(5)	-	5	-
Cash flow hedges	(9)	3	-	(7)
Total	**(16)**	**3**	**5**	**(9)**

18. Off-balance sheet assets and liabilities

The Company recognised receivables in the amount of EUR 20 million (31 December 2023: EUR 520 million) and payables in the amount of EUR 20 million (31 December 2023: EUR 520 million) each in its off-balance sheet records, which represented the nominal value of existing derivatives.

The Company recognised a receivable arising from guarantees granted to companies within the EPIF

Group in the total amount of EUR 49 million (31 December 2023: EUR 59 million) and a liability from the guarantees granted within the Group in the total amount of EUR 50 million (31 December 2023: EUR 50 million) each in its off-balance sheet records.

The Company also recognised undrawn revolving credit facilities in the amount of EUR 500 million (31 December 2023: EUR 450 million) of which part amounting to EUR 25 million is allocated as collateral of liabilities in the form of provided guarantees to entities in the EPIF Group.

19. Operating expenses and income

Sales and operating income

Sales and operating income of the Company comprise provided support and consulting services.

Other operating expenses

In millions of EUR	**2024**	**2023**
Audit, accounting, consolidation	**1**	**2**
Tax, legal and other advisory	**1**	**1**
Other	**1**	**1**
Total for continuing operations	**3**	**4**

Information on remuneration to statutory auditors will be provided in the notes to the consolidated financial statements of the Company. Services in addition to the statutory audit include primarily the following services:

- Review of the condensed interim consolidated financial statements as at 30 June 2024;
- Limited assurance on Consolidated sustainability statement as at 31 December 2024

No significant research and development expenses were recognised in the statement of comprehensive income for the years ended 31 December 2024 and 31 December 2023.

20. Risk management policies and disclosures

This section provides details of the Company's exposure to financial and operational risks and the way it manages such risk. Credit risk, liquidity risk and market risk are the most important types of financial risks to which the Company is exposed.

As part of its operations, the Company is exposed to different market risks, notably the risk of changes in interest rates and exchange rates. To minimise this exposure, the Company enters into derivatives contracts to mitigate or manage the risks associated with individual transactions and overall exposures, using instruments available on the market.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from loans and advances. The Company is exposed to credit risk mainly in connection with loans provided to subsidiaries and other related parties; other significant receivables predominantly include other receivables and trade receivables. The Company regularly monitors the ability of debtors to pay their receivables through the analysis of the financial reporting of these entities.

Additional aspects mitigating credit risk

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

At the reporting date, the maximum exposure to credit risk by type of counterparty and by geographic region is provided in the following tables.

Credit risk by type of counterparty

As at 31 December 2024

In millions of EUR	**Corporate (non-financial institutions)**	**State, government**	**Banks**	**Total**
Assets				
Cash and cash equivalents	**-**	-	214	**214**
Other receivables	169	-	**-**	**169**
Loans at amortised cost	221	-	**-**	**221**
Financial instruments and financial assets	-	-	-	**-**
Total	**390**	**-**	**214**	**604**

As at 31 December 2023

In millions of EUR	**Corporate (non-financial institutions)**	**State, government**	**Banks**	**Total**
Assets				
Cash and cash equivalents	**-**	-	461	**461**
Other receivables	1	1	**-**	**2**
Loans at amortised cost	129	-	**-**	**129**
Financial instruments and financial assets	-	-	15	**15**
Total	**130**	**1**	**476**	**607**

Credit risk by location of debtor

As at 31 December 2024

In millions of EUR	**Czech Republic**	**Netherlands**	**Other**	**Total**
Assets				
Cash and cash equivalents	214	-	-	**214**
Other receivables	1	168	-	**169**
Loans at amortised cost	220	1	-	**221**
Financial instruments and financial assets	-	-	-	**-**
Total	**435**	**169**	**-**	**604**

As at 31 December 2023

In millions of EUR	**Czech Republic**	**Netherlands**	**Other**	**Total**
Assets				
Cash and cash equivalents	461	-	-	**461**
Other receivables	2	-	-	**2**
Loans at amortised cost	129		-	**129**
Financial instruments and financial assets	15	-	-	**15**
Total	**607**	**-**	**-**	**607**

i. Impairment losses

The Company establishes an allowance for all expected future losses arising from the asset over the course of the asset's useful life. Allowances are established predominantly on an individual basis for loans provided. All financial assets of the Company were classified at Stage 1.

The ageing of financial assets, excluding cash and cash equivalents and derivatives at the reporting date was as follows:

Credit risk – impairment of financial assets

As at 31 December 2024

In millions of EUR	**Other receivables**	**Loans to other than credit institutions**	**Financial instruments and financial assets**	**Total**
Before maturity (net)	169	221	-	**390**
After maturity (net)	-	-	-	-
Total	**169**	**221**	**-**	**390**
A – Assets for which an allowance has been created				
- gross	-	-	-	
- specific loss allowance	-	-	-	
- general loss allowance	-	-	-	
Net	**169**	**221**	**-**	**390**
Total	**169**	**221**	**-**	**390**

The movements in the allowance for impairment in respect of financial assets during the year ended 31 December 2024 were as follows:

In millions of EUR	**Loans to other than credit institutions**	**Total**
Balance at 1 January 2024	-	-
Impairment losses recognised during the year	-	-
Reversals (release) of impairment losses recognised during the year	-	-
Balance at 31 December 2024	-	-

Credit risk – impairment of financial assets

As at 31 December 2023

In millions of CZK	**Other receivables**	**Loans to other than credit institutions**	**Financial instruments and financial assets**	**Total**
Before maturity (net)	2	129	15	**146**
After maturity (net)	-	-	-	-
Total	**2**	**129**	**15**	**146**
A – Assets for which an allowance has been created				
- gross	-	-	-	-
- specific loss allowance	-	-	-	-
- general loss allowance	-	-	-	-
Net	**2**	**129**	**15**	**146**
Total	**2**	**129**	**15**	**146**

The movements in the allowance for impairment in respect of financial assets during the year ended 31 December 2023 were as follows:

In millions of CZK	**Loans to other than credit institutions**	**Total**
Balance at 1 January 2023	**25**	**25**
Impairment losses recognised during the year	-	-
Reversals (release) of impairment losses recognised during the year	(25)	**(25)**
Balance at 31 December 2023	**0**	**0**

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's management focuses on methods used by financial institutions, i.e. diversification of sources of funds. This diversification makes the Company flexible and limits its dependency on one financing source. Liquidity risk is evaluated by monitoring changes in the structure of financing and comparing these changes with the Company's liquidity risk management strategy.

Typically, the Company ensures that it has sufficient cash on demand and assets within short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The overview below provides an analysis of the Company's financial liabilities by relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities. Therefore, in the case of liabilities, the earliest required repayment date is disclosed.

As of the date of preparation of the financial statements, the Company records undrawn credit facilities described in Note 18, which guarantee sufficient additional liquidity, also with respect to the value of current assets and current liabilities as at 31 December 2024.

Maturities of financial liabilities

As at 31 December 2024 *In millions of EUR*	**Carrying amount**	**Contractual cash flows**[(1)]	**Up to 3 months**	**3 months to 1 year**	**1–5 years**	**Over 5 years**
Liabilities						
Loans and borrowings	**2 256**	**2 292**	372	14	1 408	498
Financial instruments and financial liabilities	**-**	**-**	-	-	-	-
Other liabilities	**1**	**1**	1	-	-	-
Total	**2 257**	**2 293**	**373**	**14**	**1 408**	**498**

(1) Contractual cash flows disregard discounting to net present value and include potential future interest.

As at 31 December 2023 *In millions of EUR*	**Carrying amount**	**Contractual cash flows**[(1)]	**Up to 3 months**	**3 months to 1 year**	**1–5 years**	**Over 5 years**
Liabilities						
Loans and borrowings	**2 531**	**2 674**	379	589	1 188	518
Financial instruments and financial liabilities	**-**	**-**	-	-	-	-
Other liabilities	**2**	**2**	2	-	-	-
Total	**2 533**	**2 676**	**381**	**589**	**1 188**	**518**

(1) Contractual cash flows disregard discounting to net present value and include potential future interest.

It is not expected that the cash flows included in the maturity analysis would occur significantly earlier

or in significantly different amounts.

(c) Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest- earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Company's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that re-price to a market rate of interest before maturity, the next re-pricing date. Those assets and liabilities that do not have a contractual maturity date or are not interest-bearing are grouped together in the "maturity undefined" category.

Various types of derivatives are used to reduce the amount of debt exposed to interest rate fluctuations and to reduce borrowing costs and include mainly interest rate swaps.

These contracts are normally agreed with a notional amount lower than or equal to that of the underlying financial liability, so that any change in the fair value and/or expected future cash flows of these contracts is offset by a corresponding change in the fair value and/or the expected future cash flows from the underlying position.

Financial information relating to interest bearing and non-interest bearing assets and liabilities and their contractual maturity or re-pricing dates as at 31 December 2024 is as follows:

In millions of EUR	**Up to 1 year**	**1-5 years**	**Over 5 years**	**Undefined maturity**	**Total**
Assets					
Cash and cash equivalents	214	-	-	-	**214**
Other receivables	168	-	-	1	**169**
Loans at amortised cost	221	-	-	-	**221**
Financial instruments and financial receivables	-	-	-	-	**-**
Total	**603**	**-**	-	**1**	**604**
Liabilities					
Loans and borrowings	661	1 097	498	**-**	**2 256**
Financial instruments and financial liabilities	-	-	-	-	-
Other liabilities	-	-	-	1	**1**
Total	**661**	**1 097**	**498**	**1**	**2 257**
Net interest rate risk position	**(58)**	**(1 097)**	**(498)**	**0**	**(1 653)**
Net interest rate risk position (incl. IRS)	**(58)**	**(1 097)**	**(498)**	**0**	**(1 653)**

Financial information relating to interest bearing and non-interest bearing assets and liabilities and their contractual maturity or re-pricing dates as at 31 December 2023 is as follows:

In millions of EUR	**Up to 1 year**	**1-5 years**	**Over 5 years**	**Undefined maturity**	**Total**
Assets					
Cash and cash equivalents	461	-	-	-	**461**
Other receivables	-	-	-	2	**2**
Loans at amortised cost	129	-	-	-	**129**
Financial instruments and financial receivables	15	-	-	-	**15**
out of which Derivatives - inflow (receivables)	*500*	-	-	-	*500*
- outflow (payables)	-	*(300)*	*(200)*	-	*(500)*
Total	**605**	-	-	**2**	**607**
Liabilities					
Loans and borrowings[(1)]	937	1 097	497	-	**2 531**
Financial instruments and financial liabilities	-	-	-	-	-
Other liabilities	-	-	-	2	**2**
Total	**937**	**1 097**	**497**	**2**	**2 533**
Net interest rate risk position	**(332)**	**(1 097)**	**(497)**	-	**(1 926)**
Net interest rate risk position (incl. IRS)	**168**	**(1 397)**	**(697)**	-	**(1 926)**

(1) Disregarding agreed interest rate swaps

Sensitivity analysis

The Company performs stress testing using a standardised interest rate shock, i.e. an immediate decrease/increase in interest rates by 1% along the whole yield curve is applied to the interest rate positions of the portfolio.

At the reporting date, a change of 1% in interest rates would have increased or decreased Company's profit by the amounts shown in the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

In millions of CZK	**31 Dec 2024 Profit (loss)**	**31 Dec 2023 Profit (loss)**
Decrease in interest rates by 1%	1	(2)
Increase in interest rates by 1%	(1)	2

(d) Foreign exchange risk

The Company takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Company is exposed to a currency risk on sales, purchases and borrowings that are denominated in a currency other that the Company's functional currency (EUR), primarily CZK.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include currency swaps, most with a maturity of less than one year.

These contracts are also normally agreed with a nominal amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the functional currency against the foreign currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

As of 31 December 2024, the Company's financial assets and liabilities based on denomination were as follows:

In millions of EUR	**CZK**	**EUR**	**Other**	**Total**
Assets				
Cash and cash equivalents	97	117	-	**214**
Other receivables	1	168	-	**169**
Financial assets and financial receivables	-	-	-	-
Loans at amortised cost	118	103	-	**221**
	216	**388**	-	**604**
Off-balance sheet assets	**60**	**510**	-	**570**
Liabilities				
Loans and borrowings	247	2 009	-	**2 256**
Other liabilities	-	1	-	**1**
	247	**2 010**	-	**2 257**
Off-balance sheet liabilities	**52**	**17**	-	**69**
Net FX risk position	**(23)**	**(1 129)**	-	**(1 152)**
Effect of currency hedging	-	-	-	-
Net FX risk position after hedging	**(23)**	**(1 129)**	-	**(1 152)**

Off-balance sheet assets are described in more detail in Note 18 – Off-balance sheet assets and liabilities.

As of 31 December 2023, the Company's financial assets and liabilities based on denomination were as follows:

In millions of EUR	**CZK**	**EUR**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	461	-	**461**
Other receivables	2	-	-	**2**
Financial assets and financial receivables	-	15	-	**15**
Loans at amortised cost	-	129	-	**129**
	2	**605**	-	**607**
Off-balance sheet assets	**65**	**514**	-	**579**
Liabilities				
Loans and borrowings	-	2 531	-	**2 531**
Financial instruments and financial liabilities	-	-	-	-
Other liabilities	2	-	-	**2**
	2	**2 531**	-	**2 533**
Off-balance sheet liabilities	**10**	**1 010**	-	**1 020**
Net FX risk position	**55**	**(2 422)**	-	**(2 367)**
Effect of currency hedging	-	-	-	-
Net FX risk position after hedging	**55**	**(2 422)**	-	**(2 367)**

Off-balance sheet assets are described in more detail in Note 18 – Off-balance sheet assets and liabilities.

The following significant exchange rates applied during the reporting period:

	2024		2023	
CZK	**Average rate**	**Reporting date rate**	**Average rate**	**Reporting date rate**
EUR	25.120	25.185	24.007	24.725

Sensitivity analysis

A strengthening (weakening) of the EUR, as indicated below, against the CZK at the reporting date would have an impact on profit or loss and other comprehensive income for the accounting period due to a positive (negative) revaluation of net assets by the amounts shown in the following table. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably likely at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in millions of EUR	**31/12/2024 Profit (loss)**	**31/12/2023 Profit (loss)**
5% strengthening of EUR to CZK	(4)	3

Effect in millions of EUR	**31/12/2024 Other comprehensive income**	**31/12/2023 Other comprehensive income**
5% strengthening of EUR to CZK	(4)	3

A weakening of the EUR against the above currency at the reporting date would have had equal but opposite effect, on the basis that all other variables remain constant.

(e) Operational risk

Operational risk is the risk of loss arising from fraud, unauthorised activities, error, omission, inefficiency or system failure. It arises from all activities and is faced by all business organisations. Operational risk includes legal risk.

The primary responsibility for the implementation of controls to address operational risk is assigned to the Company's management. General standards applied cover the following areas:

1. requirements for the reconciliation and monitoring of transactions
2. identification of operational risk within the control system,
3. this overview of the operational risk events allows the Company to specify the direction of the steps and process to take in order to limit these risks, as well as to make decisions regarding:
    1. accepting the individual risks that are faced;
    2. initiating processes leading to limitation of possible impacts; or
    3. decreasing the scope of the relevant activity or discontinuing it entirely.

(f) Capital management

The Company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of its business.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Company is not subject to externally imposed capital requirements.

The Company also monitors its debt to adjusted capital ratio. At the end of the reporting period, the ratio was as follows:

In millions of EUR	**31 December 2024**	**31 December 2023**
Total liabilities bearing interest	2 256	2 531
Less: cash and cash equivalents	214	461
Net debt	**2 042**	**2 070**
Total equity attributable to the equity holders	5 170	5 064
Less: amounts accumulated in equity relating to cash flow hedges	26	29
Adjusted capital	**5 144**	**5 035**
Debt to adjusted capital	**0.40**	**0.41**

(g) Hedge accounting

Cash flow hedges – hedge of foreign currency risk with non-derivative financial liability

Due to the change in the functional currency on 1 January 2022, the dividend cash flow hedge was discontinued as the Company assessed that it would no longer be exposed to material risk related to changes in FX rates. As such, the dividend cash flow hedge has been terminated. At the date of termination, the balance in equity was translated at (CZK to EUR) 24.86 and a release table was set in EUR, the balance will be released against future dividends (the original hedged item) between 2022 and 2034.

Cash flow hedges – hedge of interest rate risk

The Company applied hedge accounting for hedging instruments designed to hedge the interest rate risk of its debt financing before 2 March 2021. The hedging instruments included interest rate swaps used to hedge the risk related to the repricing of interest rates on debt financing. Due to refinancing of loans with a variable interest rate by a debenture with a fixed rate, the hedge accounting was discontinued. As at 2 March 2021, a hedge effectiveness test was performed, and the relationship was assessed as ineffective. As a result of the discontinued hedge relationship, the Company recognised a cash flow hedge reserve from interest in equity in the amount of CZK 2,609 million (equivalent of EUR 100 million). The revaluation of interest swaps used as hedging between 31 December 2020 and 2 March 2021 was derecognised in the profit or loss for 2021 and concurrently the relevant release was set for 2021 – 2026. This hedging should have been gradually derecognised together with the future interest (hedged item) in the profit or loss.

From 26 April 2022, the Company applied hedge accounting for hedging instruments designed to hedge interest rate risk of debt financing. Hedging instruments were interest rate swaps used to hedge the risk associated with changes in interest rates on debt financing. In total, the Company had entered into interest rate swaps with a nominal amount of EUR 710 million maturing between 2028 and 2029 with fixed rates ranging from 1.551% to 1.671%. In April 2023, the funding requirement of the Company was reassessed, and the hedging instrument (interest rate swaps) was reduced to a nominal value of EUR 500 million. The effect of the termination of part of the hedging relationship of EUR 26 million was derecognised in a lump sum to the profit for 2023. As at 31 December 2023, the Company assessed the probability that the Company's note due in April 2024 will be refinanced. Given the relatively low probability that previously intended future interest payments (hedged item) under the hedging documentation will occur, the corresponding amount of EUR 46 million has been on one-off basis charged to profit or loss in 2023. The valuation differences on cash flow hedges in equity for interest rate risk at 31 December 2024 amount to EUR 2 million (2023: EUR 2 million).

21. Related parties

Identity of related parties

The Company has a related party relationship with its shareholders and other parties, as identified in the following table.

(a) The summary of outstanding balances with related parties as at 31 December 2024 and 31 December 2023:

The Company had transactions with related parties, its parent company, and other related parties, as follows:

In millions of EUR	**Accounts receivable and other financial assets 31/12/2024**	**Accounts payable and other financial liabilities 31/12/2024**	**Accounts receivable and other financial assets 31/12/2023**	**Accounts payable and other financial liabilities 31/12/2023**
Subsidiaries	286	136	2	324
Other*	104	221	129	48
Total	**390**	**357**	**131**	**372**

** Entities under Energetický a průmyslový holding a.s.*

Daniel Křetínský is the ultimate shareholder.

(b) The summary of transactions with related parties during the year ended 31 December 2024 and 31 December 2023 was as follows:

In millions of EUR	**Revenues 2024**	**Expenses 2024**	**Revenues 2023**	**Expenses 2023**
Subsidiaries	468	11	862	-
Other*	8	11	753	5
Total	**476**	**22**	**1 615**	**5**

** Entities under Energetický a průmyslový holding a.s.*

Daniel Křetínský is the ultimate shareholder.

All transactions were performed under the arm's length principle.

Transactions with the key management personnel

The members of the Board of Directors and the Supervisory Board of the Company did not receive any other significant monetary or non-monetary performance for 2024 and 2023. At the same time, members nominated by EPIF Investment a.s. (shareholder of EPIF) were also employed by other companies of the EPH Group.

Social security and health insurance liabilities were not overdue.

22. Subsequent events

Between the balance sheet date and the date of the financial statements preparation, no events have occurred that would materially affect the assessment of the Company's financial position and results of operations for the year 2024.

VIII. Sustainability – Management Review

Sustainability – Management Review

Contents

1. Management review

1.1. Year 2024 in review

The year 2024 was another transformative year for Europe's energy infrastructure sector, with regulatory shifts, evolving market dynamics, and decarbonization efforts driving significant change. For EP Infrastructure (EPIF), these developments created opportunities and challenges, reinforcing the critical role of infrastructure in enabling a stable, flexible, and sustainable energy transition.

Across its gas midstream and downstream infrastructure, EPIF continued advancing its readiness for hydrogen transit, storage, and distribution. In February 2024, EPIF's subsidiary eustream was granted Important Project of Common European Interest (IPCEI) status for its initiative to enable the international transmission of clean hydrogen. This recognition paves the way for securing grants from national and EU sources, bringing the project closer to realization. Meanwhile, within the gas storage segment, EPIF's subsidiary Nafta progressed with Project Henri, which also received IPCEI status. This project focuses on identifying suitable sites for hydrogen storage, either as a blend with natural gas or in its pure form. In the gas distribution sector, EPIF's subsidiary SPP-distribúcia successfully completed its certification process to enable the adoption of 10% hydrogen blends in its local network and 5% in the high-pressure pipelines. Additionally, the company continues to modernize its infrastructure by replacing older steel pipes with hydrogen-compatible polyethylene pipes. The importance of a resilient gas infrastructure is further underscored by the EU's ambitious biomethane development plans, which aim to achieve a target of 35 bcm by 2030.

As a major operator of district heating assets in the Czech Republic, EPIF is actively transitioning its cogeneration plants away from lignite toward a diversified energy mix based on hydrogen-ready CCGT units, waste-to-energy plants, complemented by existing biomass units. EPIF has secured investment subsidies from the Modernization Fund for all major projects, supporting this transformation. Additionally, its subsidiaries successfully participated in the inaugural cogeneration subsidy auction, securing 15-year subsidies for highly efficient cogeneration production from the CCGT units. In total, EPIF plants were awarded subsidies for 693 MW of installed capacity, with plans to submit additional capacity during 2025. This strategic shift will enable EPIF to fully phase out lignite from its district heating operations by 2030, while maintaining vital heat supplies and grid balancing capacities.

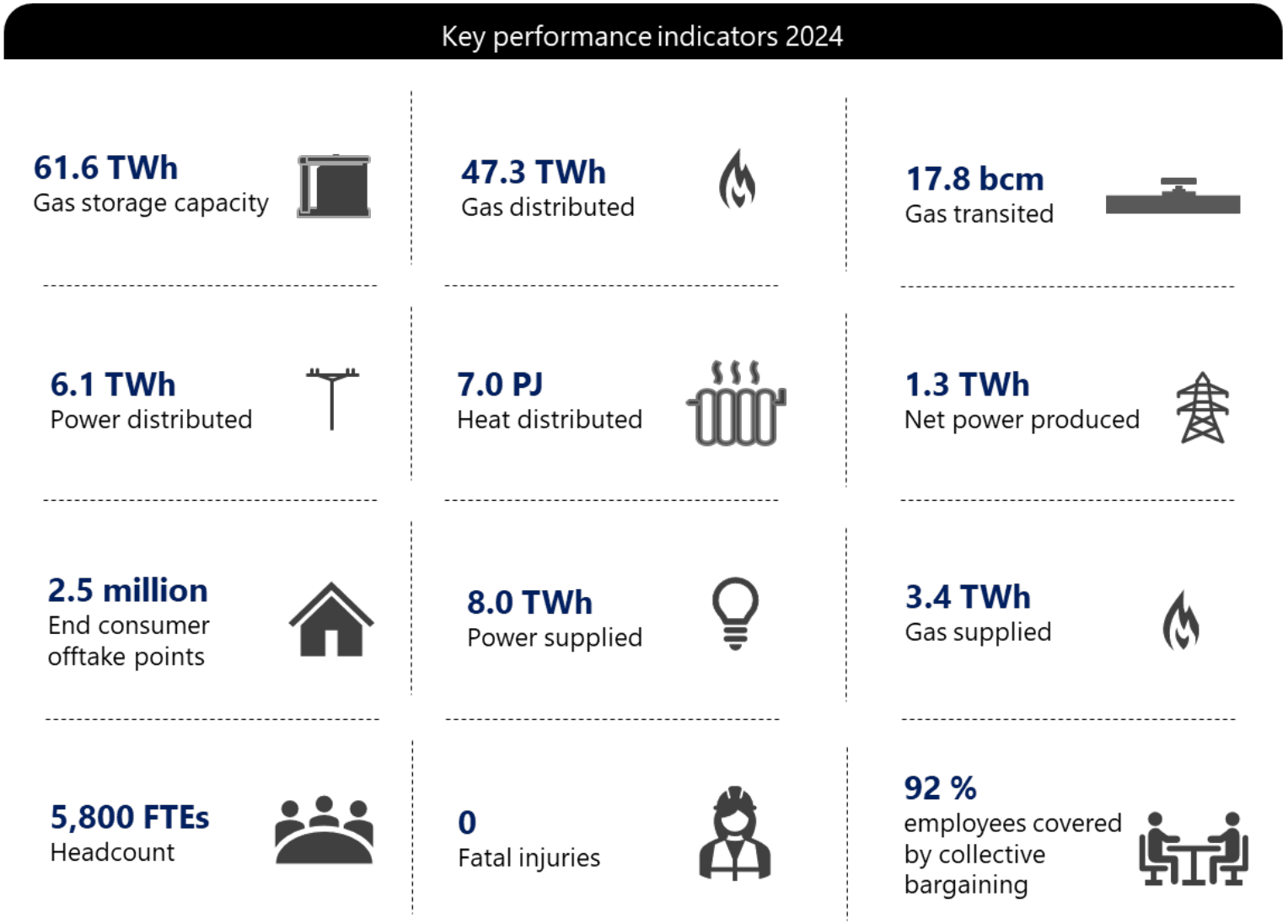
Given its exposure to natural gas operations, EPIF's ability to adapt its infrastructure for renewable gases is essential. While ensuring technical readiness is a priority, the transition away from natural gas also depends on the broader development of a renewable gas market – an area where EPIF plays a more peripheral role. Despite the growing momentum behind clean energy, the hydrogen market has developed more slowly than expected, with demand for green hydrogen still falling short of projections. However, policymakers have continued to advance initiatives aimed at stimulating industrial demand and driving infrastructure investment. These efforts collectively highlight the EU's ongoing commitment to building a cleaner, more resilient, and secure energy system. As a key operator of gas infrastructure and a developer of gas-fired cogeneration heating plants, we remain committed to the long-term replacement of natural gas. By aligning with evolving market trends and regulatory frameworks, we will continue contributing to a sustainable and decarbonized energy future.

These regulatory and market developments underscore the strategic importance of EPIF's infrastructure in supporting Europe's clean energy transition. By investing in flexible, low-carbon, and renewable-ready infrastructure, we remain committed to delivering secure, efficient, and sustainable energy solutions.

After introducing its Green Finance Framework in August 2023 to provide a link between its transition strategy and external financing, EPIF issued its first green finance instrument, green Schuldschein loans, in March 2024. Strong interest from the investor community indicated acceptance of EPIF's approach to transition to sustainable energy and consequently also increased the original minimum volume of

EUR 100 million to the final amount of EUR 285 million. An amount equivalent to the net proceeds from the issuance has been allocated in line with EPIF's Green Finance Framework to a portfolio of eligible green projects.

1.2. Key performance indicators



1.3. Role of EPIF assets in the energy transition

Role of gas in the energy transition

Aligned with projections from reputable institutions and decision-making bodies such as the European Commission, we anticipate an ongoing need for gaseous fuels in the European energy system. The gradual reduction in the use of fossil natural gas shall be accompanied by a concurrent increase in the production of renewable gases such as biomethane or hydrogen. According to the EU Impact Assessment Report on regulation pertaining to renewable gases[6], it is projected that the total consumption of gaseous fuels will only experience a slight decline from present until 2050, with approximately 85% of the current gas demand expected to persist. However, the composition of these fuels is expected to shift towards an increasing dominance of biomethane, hydrogen, or synthetic methane, while fossil methane may still play a role in a net-zero world, potentially in combination with carbon capture, utilization, and storage (CCUS) technology.

Establishing adequate infrastructure for the distribution and storage of this diverse mix of gases will entail refurbishing existing infrastructure to the fullest extent possible to minimize capital expenditure requirements, as well as developing new infrastructure to bridge any gaps. As an operator of critical gas infrastructure, we view EPIF's assets to be very well positioned and necessary for future transit, storage, and distribution of methane (of all sources) and/or hydrogen. We have already commenced several projects along our asset base to assess its compatibility with hydrogen and other green gases. The transition pathways for individual segments are further described in the following section.

Gas distribution

As a monopoly distributor of natural gas in Slovakia, our company plays a pivotal role in ensuring a reliable supply of gas, which is considered a suitable transitional fuel that facilitates the integration of renewable energy sources. Recognizing the need to eventually replace natural gas with low-carbon alternatives, our decarbonization efforts are focused on two key areas: (i) reducing methane leakage and (ii) preparing for the distribution of hydrogen. We consider distribution of hydrogen as instrumental in decarbonizing various sectors, including hard-to-abate industries such as steel manufacturing, heavy transportation (such as shipping, aviation, and long-haul trucks), dispatchable power generation, or fertilizer production.

A crucial step in achieving both goals is the ongoing replacement of older steel pipes with those made of polyethylene. 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.

Apart from hydrogen, biomethane offers a viable long-term solution. In Slovakia, the first biomethane station was connected to the grid in 2022, with numerous projects set to follow in the coming years. Biomethane is a sustainable alternative that can be locally produced from biowaste, manure, and agricultural residues. Since it shares the same properties as natural gas, it can be integrated into the existing infrastructure without modifications.

Gas midstream – transit and storage

In order 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 gas infrastructure will ensure the security of supply for future hydrogen off-takers, as well as the security of demand for potential investors in hydrogen generation. The costs of refurbishment of existing

[6] **https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=SWD%3A2021%3A455%3AFIN**

infrastructure is relatively modest compared to the development of a new dedicated pipeline. Therefore, the utilization of existing gas infrastructure will be crucial to ensure the interconnectedness of the energy markets at acceptable costs.

Eustream is preparing its infrastructure for hydrogen integration in line with EU regulations, which require gas transmission operators to accept flows with up to 2% hydrogen at interconnection points. Necessary adjustments consist of upgrading metering equipment and other network components. With its strategic pipeline system, eustream is well-positioned to facilitate pure hydrogen transit alongside methane in the future, ensuring safe and efficient transport. Recognized as an Important Project of Common European Interest (IPCEI) in February 2024, eustream's hydrogen transmission initiative aims to support European clean hydrogen supply and Slovak industry decarbonization, with IPCEI status unlocking access to national and EU funding. In the gas storage sector, Nafta's Project Henri, also an IPCEI initiative, is focused on identifying suitable sites for hydrogen storage and assessing the maximum achievable concentration within porous geological structures.

To support EPIF's carbon neutrality goals, gas transit and storage compressors are planned to be partially electrified, replacing natural gas. Within both segments, EPIF subsidiaries have made significant progress in reducing methane leakage, implementing best practices such as minimizing gas venting during maintenance, using mobile pumping compressors for gas transfer, and adopting a Leak Detection and Repair program to enhance efficiency and environmental sustainability.

District heating

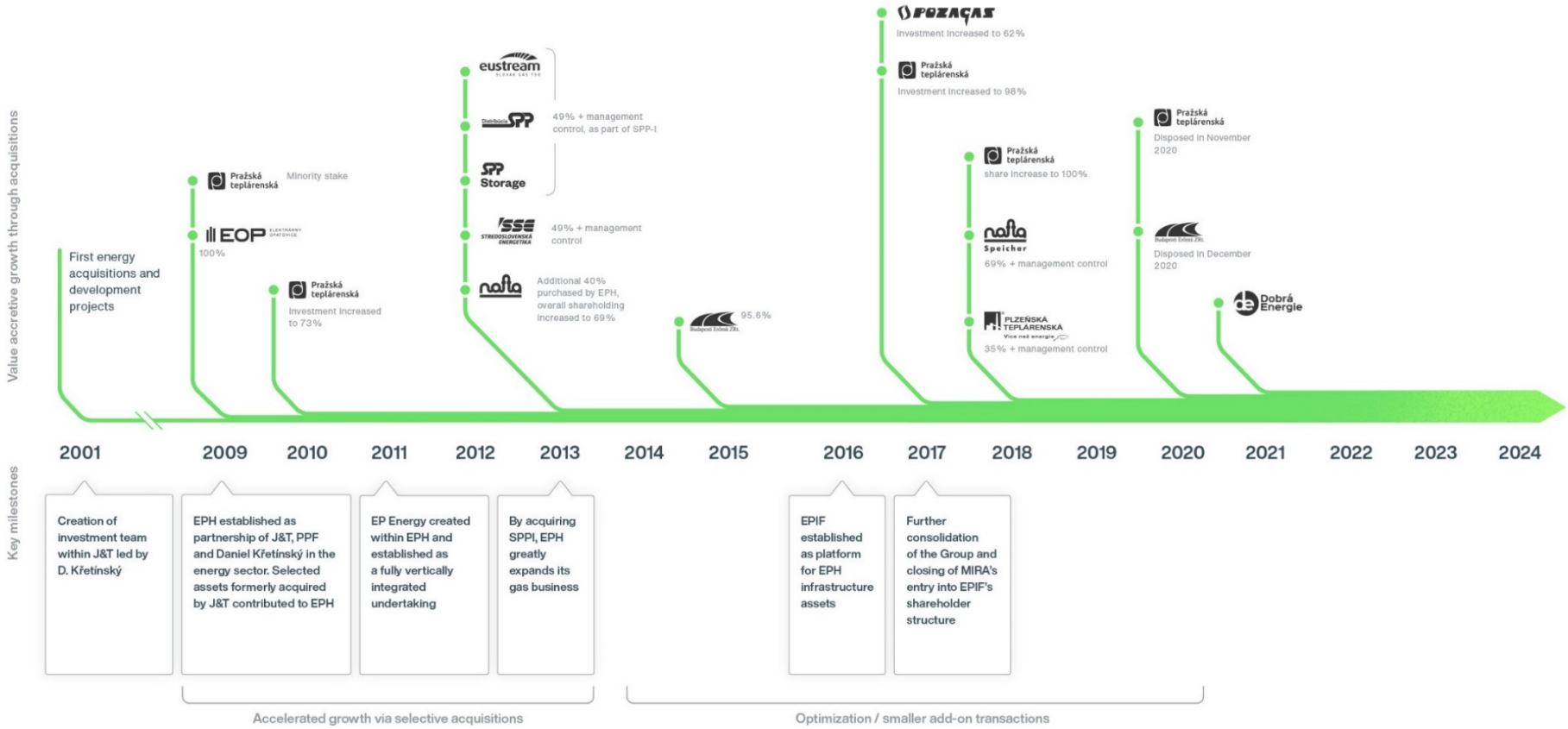
As an operator of critical district heating infrastructure in the Czech Republic, EPIF aims to ensure the continuity of its operations in a low-carbon economy. Apart from providing reliable heat supplies to more than 150 thousand end consumers in major regional cities, the plants represent dispatchable power generation sources with significant contributions to grid stability. The heating plants are primarily lignite-based, with the share of lignite in the fuel mix at 73% in 2024, being supplemented by biomass and municipal waste as complementary sources. In an increasingly decarbonised world, we anticipate that the flexibility and reliability of these assets will become even more vital for grid stability, owing to the rising share of intermittent renewable sources in the European energy mix. During the transitional period, we envision that the plants will primarily rely on natural gas, while concurrently ensuring that the technology is suitably equipped to combust a proportion of renewable gases. This proportion is projected to progressively increase, with the potential to ultimately reach 100%. EPIF is committed to using solely renewable gases in the gas turbines for heat and power generation by 2035, in line with the EU Taxonomy criteria, subject to commercial availability of these gases (hydrogen, biomethane, synthetic methane) and adequate infrastructure in place for their distribution. As EPIF's influence on the development of the market with renewable gases is peripheral, EPIF's commitment needs to be perceived as a commitment to technical readiness to combust renewable gases. EPIF aims to contract technologies readily available to combust a certain proportion of hydrogen from the outset (ca 15% by volume), with the optionality to be included in the contracts with gas turbine manufacturers to increase the share up to 100%.

Power distribution

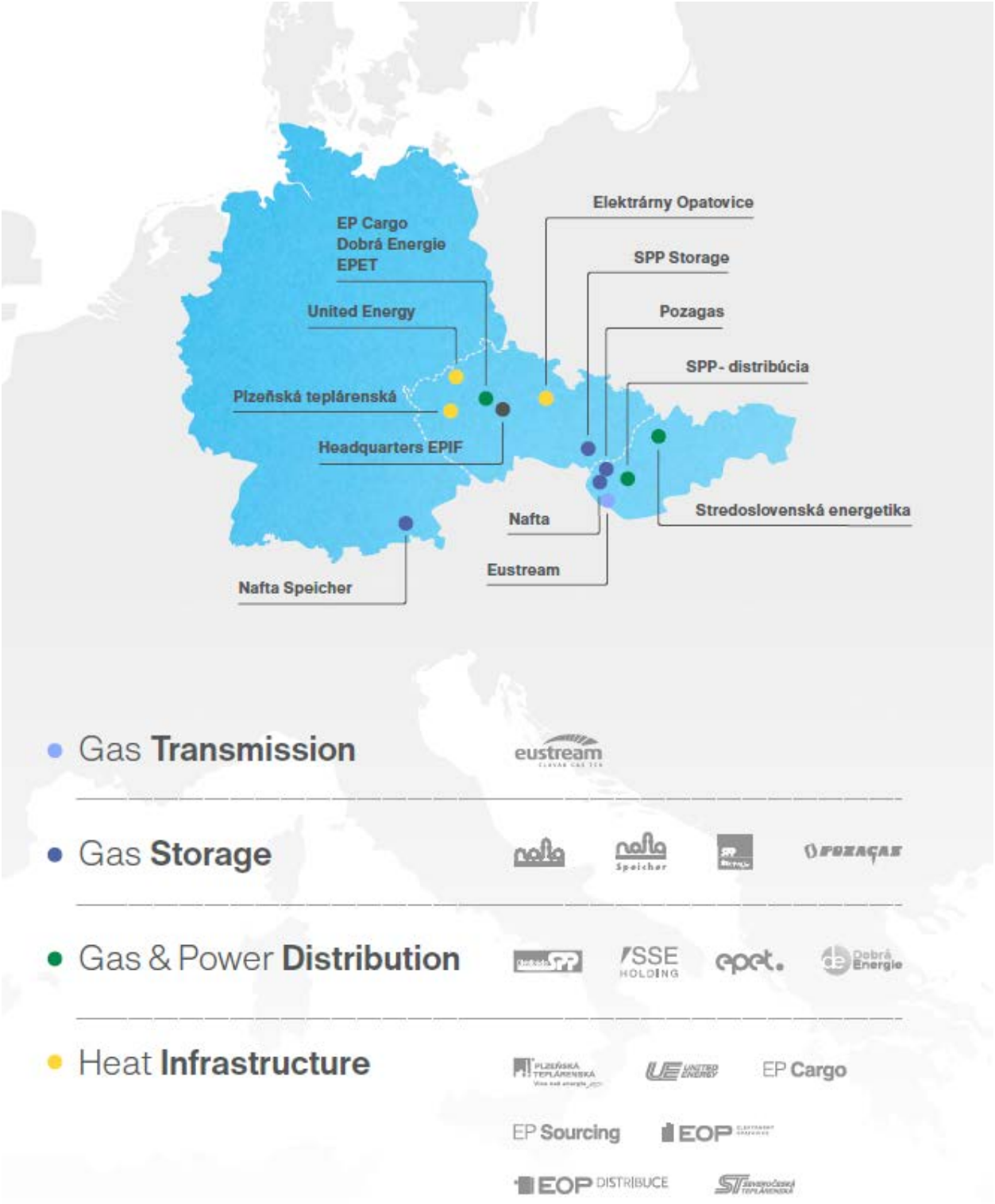
EPIF, through its subsidiary Stredoslovenská distribučná a.s. (SSD), operates the electricity distribution network in central Slovakia. This network is an integral part of the European interconnected system, which aligns with the EU Taxonomy's substantial contribution criteria. The sustainability aspect of this operation is further supported by the significant presence of low-carbon sources connected to the network. Over the past five years, 89% of the newly connected capacity has been renewable energy sources, such as solar and hydroelectric facilities. The remaining connected technologies mainly consist of gas-fired plants. By facilitating the expansion of renewable power generation sources, SSD plays a vital role in helping the EU achieve its decarbonization goals.

2. EPIF and its business

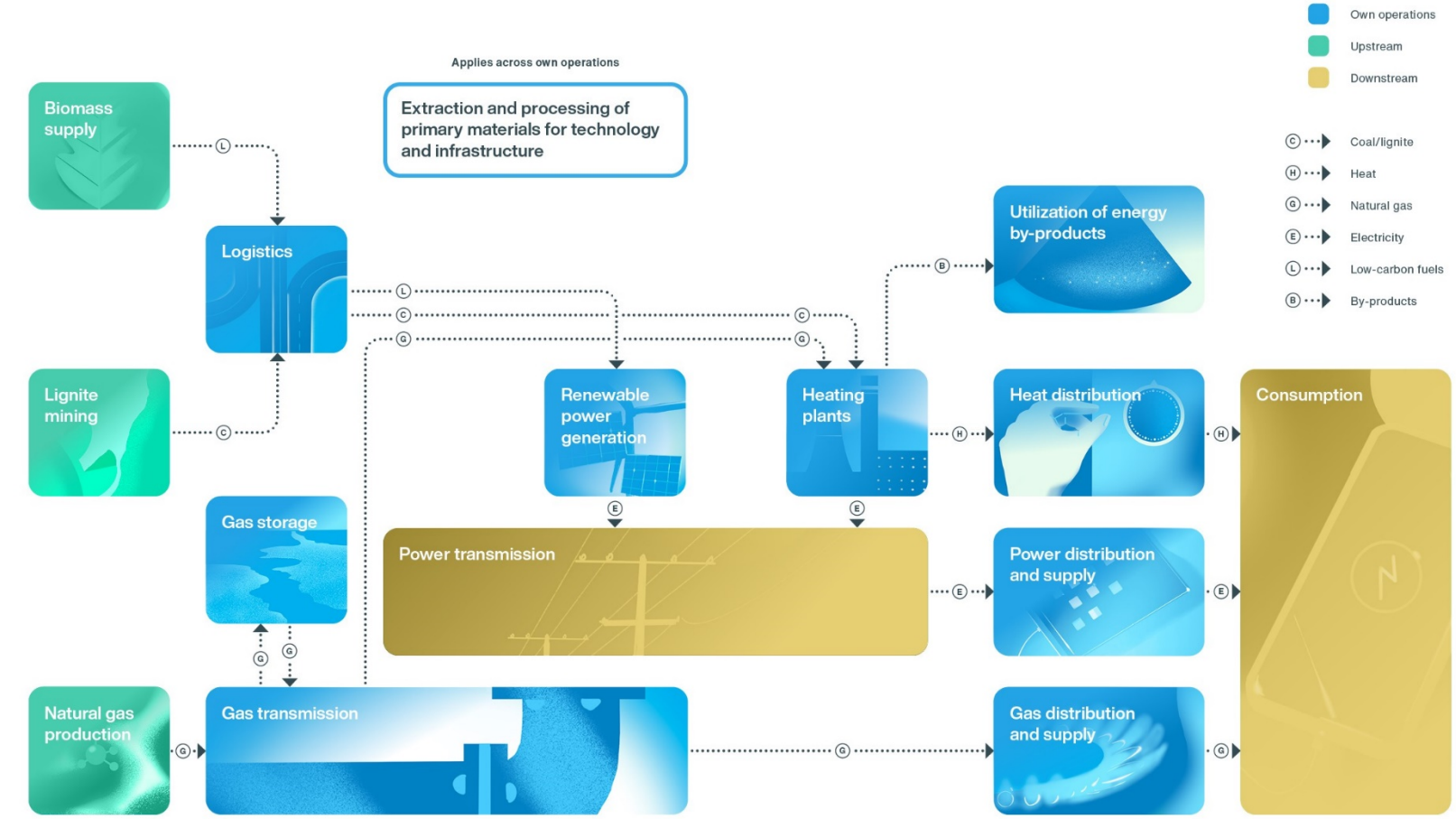
2.1. Timeline



2.2. Group structure and geographical presence



2.3. Value chain



Note: This overview is not exhaustive, but depicts the main activities, and indicates where EPIF has some level of involvement. There are a lot of flows between EPIF companies as depicted here, but also with third parties that are not depicted.

2.4. Business segments overview

EPIF has principal operations in the Slovak Republic and the Czech Republic, while being also present in Germany. We focus on four main business segments: gas transmission, gas and power distribution (including their retail supply), gas storage, and heat infrastructure.

Gas transmission

EPIF's subsidiary eustream operates a gas transit pipeline in Slovakia. Although the transported volumes of gas have declined in recent years, eustream continues to play a critical role in ensuring regional security of supply. The corridor's strategic location allows it to deliver gas to both Central and Southern European markets, regardless of the gas source or flow pattern, thanks to its connections with all neighboring countries. Eustream is currently adapting its network in preparation for the EU's forthcoming 2% hydrogen blend requirement for TSOs. With four to five parallel pipelines in operation, the system is well-equipped to transport methane and pure hydrogen simultaneously on dedicated lines. As a member of both the European Clean Hydrogen Alliance and the European Hydrogen Backbone, eustream actively supports Europe-wide hydrogen adoption. Its network is ideally positioned for hydrogen transport, underscored by a project to refurbish one pipeline for pure hydrogen transit, which was granted the Important Project of Common European Interest (IPCEI) status in February 2024.

Gas and power distribution

EPIF operates the gas distribution network in Slovakia via its subsidiary SPP – distribúcia ("SPPD") delivering gas to more than 1.5 million offtake points, accounting for over 98% of the gas volume distributed in the country. Over 94% of all inhabitants of the Slovak Republic have access to natural gas, making Slovakia second in Europe in terms of gas network density. SPPD also plays a crucial role in transitioning from natural gas to hydrogen, preparing the network gradually for hydrogen distribution through the replacement of the older steel pipes with hydrogen-ready polyethylene material. Concurrently, SPPD facilitates the connection of the first biomethane stations into its network and operates a registry of renewable gases to connect biomethane producers and offtakers.

EPIF's subsidiary Stredoslovenská distribučná ("SSD") operates the power distribution network in central Slovakia, delivering electricity to nearly 800 thousand offtake points. Over the past five years, 89% of the newly connected capacity in our power distribution grid has been renewable energy sources, mainly solar facilities. To accommodate an increasing share of intermittent decentralized renewables, SSD needs to continuously invest to enhance the resilience of the network. SSD also enables end consumers to actively influence their consumption and achieve energy savings through the installation of smart meters.

Besides operating physical infrastructure, EPIF subsidiaries are also engaged in retail supply of electricity and gas to end consumers. In the Czech Republic, EP Energy Trading and Dobrá Energie serve approximately 100,000 electricity customers and 50,000 gas customers. In Slovakia, Slovenská energetika supplies electricity to nearly 700,000 customers and gas to over 55,000 customers.

Gas storage

EPIF operates more than 61.5 TWh of gas storage capacities in Slovakia, Czech Republic, and Germany. EPIF subsidiaries have extensive experience in underground gas storage, with limited involvement in the exploration and production of hydrocarbons. The storage facilities in Slovakia and the Czech Republic are connected to the Slovak distribution grid, the gas transit system of eustream and the Virtual Trading Point in Austria. Via its subsidiary Nafta, EPIF is exploring the feasibility of storing hydrogen blended with natural gas. Project Henri by Nafta is one of the first Important Projects of Common European Interest (IPCEI) in the hydrogen area. Nafta seeks to identify appropriate locations

for storing hydrogen mixed with natural gas and the maximum possible concentration that could be stored in a porous geological structure.

Heat infrastructure

EPIF operates combined heat and power plants as well as adjacent district heating networks, supplying heat to more than 150,000 end consumers in three regions in the Czech Republic. In addition to vital heat supplies, the plants provide grid-balancing services to the Czech transmission system operator. The plants operate in a highly efficient cogeneration mode, utilizing the heat as a by-product of power production. EPIF has launched a conversion process to replace its predominantly lignite-based heating plants with a balanced mix of hydrogen-ready CCGT units, waste incinerator plants, complemented by existing biomass units and potentially other technologies such as electric boilers or heat pumps. EPIF is committed to phasing out lignite by 2030, while striving to achieve the conversions already by 2028/2029.

Both the CCGT units and waste incinerator plants have been granted investment subsidies from the Modernization Fund, with final approvals in place. In addition, the CCGT units are eligible for an operating cogeneration subsidy received for each MWh produced in the combined heat and power mode. The subsidy is granted for a 15-year period via an auction process and is recalculated annually to reflect the commodity prices on the market to ensure adequate compensation. EPIF subsidiaries participated in the inaugural cogeneration subsidy auction in September 2024, receiving a subsidy for an installed capacity of 693 MWe, and the company plans to submit additional capacity in the 2025 auction.

Construction of the initial projects is already underway, with EPIF subsidiary United Energy beginning work on a waste incineration plant. Additional projects are scheduled to commence in 2025 and 2026.

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INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of EP Infrastructure, a.s.

Having its registered office at: Pařížská 130/26, Josefov, 110 00 Prague 1

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of EP Infrastructure, a.s. and its subsidiaries (hereafter the "Group") included in section Consolidated sustainability statement of the Annual Financial Report including the information incorporated in the Consolidated Sustainability Statement by reference, as disclosed in section BP-2 – Disclosures in relation to specific circumstances (the "Consolidated Sustainability Statement") as at 31 December 2024 and for the year then ended.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Board of Directors of the Company in order to satisfy the requirements of Article 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note IRO-1 – Description of the processes to identify and assess material IROs ; and
- Compliance of the disclosures in subsection EU Taxonomy assessment within Environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

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We draw your attention to the following specific limitations discussed in section ESRS 2 – General disclosures of the Consolidated Sustainability statement:

- Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. Consolidated Sustainability Statement contains also forward-looking statements on strategy, investment plans and future management performance. Such statements are, by their nature, subject to risk and uncertainty as they depend on whether future events and developments take place. Actual results could therefore differ from those announced due to various factors, including: the market outlook, supply and prices, overall macroeconomic conditions, geopolitical factors such as international tensions and socio-political instability, the impact of energy and environmental legislation, successful development and implementation of new technologies, changes in stakeholder expectations and other changes in business conditions. For the avoidance of doubt, the scope of our engagement and our responsibilities will not include performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.

- Any supply chain emissions metrics listed in the Consolidated Sustainability Statement may include information provided by suppliers and third-party sources. Our procedures do not include obtaining assurance over the information provided by suppliers or third parties.

Responsibility of the Company's Board of Directors and Supervisory Board for the Consolidated Sustainability Statement

The Board of Directors is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in note IRO-1 – Description of the processes to identify and assess material IROs of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Article 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy assessment within Environmental section of the Consolidated Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

The Supervisory Board are responsible for overseeing the Group's sustainability reporting process.

Our Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement 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 a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note IRO-1 – Description of the processes to identify and assess material IROs .

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. 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.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management; and
    - reviewing the Group's internal documentation of its Process;
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note IRO-1 – Description of the processes to identify and assess material IROs .

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the consolidated sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement;
- Conducted site visits at selected locations to test the application of the Company's reporting procedures.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Article 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in note IRO-1 – Description of the processes to identify and assess material IROs ; and
- Compliance of the disclosures in subsection EU Taxonomy assessment within Environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods presented in the Consolidated Sustainability report.

In Prague on 19 March 2025

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

David Batal
registration no. 2147

Consolidated Sustainability Statement

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1. ESRS 2 – General disclosures

In this report, we provide sustainability-related disclosures aligned with regulatory reporting requirements, including the Corporate Sustainability Reporting Directive (CSRD). To ensure clarity and manage expectations, the following interpretive context assumptions apply:

1. The Consolidated Sustainability Statement contains forward-looking statements on strategy, investment plans and future management performance. Such statements are, by their nature, subject to risk and uncertainty as they depend on whether future events and developments take place. Actual results could therefore differ from those announced due to various factors, including: the market outlook, supply and prices, overall macroeconomic conditions, geopolitical factors such as international tensions and socio-political instability, the impact of energy and environmental legislation, successful development and implementation of new technologies, changes in stakeholder expectations and other changes in business conditions.

2. While the term "material" is used in various contexts throughout this report, it should not be assumed that every topic, disclosure, or statement has been assessed and confirmed as material to the company through our materiality assessment framework.

3. Some CSRD-related disclosure topics inherently involve elements of uncertainty. Factors such as evolving regulatory interpretations, incomplete data, and assumptions used in assessments may impact the accuracy or completeness of some statements.

4. Achieving deep insight into our value chain is an ongoing effort. Due to its complexity, certain information, particularly regarding upstream and downstream activities, is based on our current limited visibility or estimations.

5. Any supply chain emissions metrics listed in the Consolidated Sustainability Statement may include information provided by suppliers and third-party sources.

6. As a holding company, we respect the operational independence of our subsidiaries and operating companies. While group-level expectations are set, some disclosures may reflect the diverse contexts, capabilities, and approaches of individual entities.

7. Whilst the data included in this report has been prepared with due care, it is subject to potential inaccuracies or gaps due to data collection complexities. Should any flaws or errors come to our attention, we will take appropriate corrective action and update disclosures as necessary.

8. Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts.

9. Many of the assessments and disclosures provided in this report are qualitative in nature and are based on our existing knowledge and information available at the time of reporting.

10. Mandatory sustainability reporting is an evolving discipline. We are committed to enhancing our reporting practices in response to emerging standards, stakeholder feedback, improved methodologies, and emerging best practice.

This statement may require updates or revision of disclosures as new information becomes available or as sustainability standards, requirements, and disclosures by companies in our value chain and sector mature.

1.1. BP-1 – General basis for preparation of sustainability statement

Despite the evolving regulatory landscape and increasing complexity and uncertainty of sustainability reporting requirements, EPIF remains focused on the issues most critical to our business resilience and stakeholder value. Our sustainability strategy is anchored in materiality, ensuring that our efforts and disclosures reflect the most significant impacts, risks, and opportunities.

This is the seventh annual sustainability statement (hereinafter referred to as the "Report") published by the EPIF Group. The aim of this report is to highlight and address the material environmental, social, and governance aspects of our operations as determined in our inaugural double materiality assessment ("DMA"). This report was prepared in accordance with the European Sustainability Reporting Standards ("ESRS") for the period 1st January 2024 – 31st December 2024 (FY24).

EPIF's scope of consolidation for the sustainability statement aligns with the scope used for the preparation of financial statements for consistent reporting across financial and non-financial disclosures. This consolidated report is prepared to satisfy the requirements of Article 32k of the Czech Accounting Act implementing Article 29a of Directive 2013/34/EU (the Accounting Directive), and the amendments made to this directive detailed under 2022/2464 (the Corporate Sustainability Reporting Directive (CSRD)). The sustainability statement provides broader information than the financial statements by including information about impacts, risks, and opportunities (IROs) arising from our own operations and our upstream and downstream value chain.

For purposes of this report, "*own operations*" refers to entities and activities within our control. In alignment with the International Financial Reporting Standards (IFRS) requirements for the preparation and presentation of consolidated financial statements, and to ensure the alignment with our own financial statements, operational control is where EPIF has power over the investee, exposure to variable returns from its involvement with the investee and is able to use its power over the investee to affect the amount of its returns. This approach has been taken when considering all topics except for those relating to climate change, where we have instead aligned with the Greenhouse Gas (GHG) Protocol. Under the GHG protocol, operational control is where we have '*the ability to direct the operational activities and relationships of the entity, site, operation or asset*' and where we have the full authority to introduce and implement the operating policies. No operations or ventures under the direct control of EPIF have been excluded. We have not opted to omit information corresponding to intellectual property, know-how, results of innovation, impending developments or matters in the course of negotiation, but in this first year of preparation of the sustainability statement we opted to use the phase-in provisions listed in ESRS 1 Appendix C applicable to us. Similarly, all voluntary disclosures that we consider required for a fair representation have been included.

We have performed a DMA to enable us to evaluate our own operations as well as our upstream and downstream value chain to identify where material IROs may arise or be concentrated. We evaluated the environmental and social impacts of our value chain to identify where value chain operations, or services contribute to significant effects. EPIF cannot account for all possible impacts of a value chain actor under Application Requirements (AR) 16 of the ESRS sub-sub-topics but instead focused on considering our contribution to those impacts, and influence to limit or mitigate those impacts directly or indirectly. This includes determining the extent to which our actions enable, exacerbate, or mitigate the identified impacts within our value chain.

Our sustainability statement includes disclosures that relate to the upstream and downstream segments of our value chain, with the extent of coverage based on the materiality of the identified impacts. In cases where value chain information was potentially material but not readily available, we have made efforts to obtain it from the corresponding value chain actors or relied on reasonable and supportable information that was available to us at the time of reporting. Management discretion has been applied to determine the granularity and materiality of information provided to satisfy the ESRS disclosure requirements.

The disclosures integrate relevant reporting requirements from the EU Taxonomy Regulation, components of the Corporate Sustainability Due Diligence Directive (CSDDD), and elements of the Global Reporting Initiative (GRI) where applicable.

The sustainability statement follows the structure set forth in the current version of the ESRS. Disclosures align with the applicable Disclosure Requirement (DRs) headings of these standards, detailed within the respective sections of this statement.

All statements on strategies, policies, actions, metrics and targets refer to the EPIF Group unless indicated separately. As this is the first year of reporting based on the ESRS standards, EPIF does not report any changes in preparation or presentation of the sustainability statement or any errors in prior periods. Where material metrics have been reported previously, comparative information is presented.

We recognize that the CSRD and the ESRS are not mere regulatory requirements, but useful tools for refining our strategic priorities and business model over time. EPIF aims to leverage the insights from our analysis and reporting to achieve greater alignment between sustainability objectives and corporate strategy, resilience, competitiveness, and value creation in a rapidly evolving energy landscape in the ways summarized in the table below.

The contents of this sustainability statement are subject to assurance work performed by an external auditor providing limited assurance in accordance with International Standard on Assurance Engagements ("ISAE 3000 (Revised)"). The assurance report can be found in section Independent Auditor's Reports.

Table 1 Sustainability IRO assessment and reporting contributions to strategic and operational business enablers

Business enablers	Sustainability IRO assessment and reporting contribution
Enhanced risk management	• CSRD's emphasis on double materiality helps us assess the external impacts of our operations (impact materiality) and the financial risks posed by environmental, social, and governance (ESG) factors (financial materiality).
Opportunity identification	• Through ESRS-aligned reporting, we can uncover opportunities to expand our portfolio and improve operational efficiencies.
	• Better insights into stakeholder expectations and regulatory trends further enable us to tailor our offerings to meet emerging demands.
Performance benchmarking	• By reporting metrics such as emissions intensity, injury frequency rate, or diversity in our workforce, we can benchmark our performance against peers and industry standards.
Driving innovation in our business model	• Our ESRS-aligned reporting tracks progress toward our decarbonization targets, providing actionable insights into the effectiveness of our strategy.
	• Enhanced transparency is an enabler for green financing, such as through the Green Finance Framework, which directly supports our decarbonization initiatives.
Value chain optimization	• The value chain disclosures and insights required under CSRD will help us optimize our operations by identifying inefficiencies and potential risks and impacts in our value chain and to enhance existing measures through a risk-based approach to due diligence of our supply chain.
Strengthening stakeholder relationships	• Detailed sustainability reporting fosters stronger relationships with stakeholders by ensuring that our actions align with their expectations through transparency, accountability, engagement, and collaboration.

Business enablers	Sustainability IRO assessment and reporting contribution
Informing strategic decisions and policies	• CSRD and ESRS reporting deliver actionable insights that impact our strategic decisions including capital allocation toward higher impact projects, such as hydrogen-ready infrastructure or accelerated coal phase out.
	• Insights from our preparatory efforts for disclosures shape internal policies, ensuring alignment with regulatory requirements and global expectations and sustainability standards.
Creating long-term value	• Our ongoing and iterative assessment of sustainability-related impacts, risks, and opportunities ensures that sustainability reporting is not only a compliance exercise but a driver of long-term value creation to pursue improved financial performance, resilience, and competitiveness.
	• Transparent reporting builds confidence among investors and others users of our sustainability statements, including regulators, safeguarding our social license to operate.
Monitoring and continuous improvement	• Continuous monitoring of ESG performance, and annual reporting, allows us to adapt our strategy in response to evolving risks and opportunities and to refine our business model.

Inclusion of non-material disclosures

In our commitment to transparency and providing meaningful information to our stakeholders, this sustainability statement includes certain disclosures on topics that, while not assessed as material at the group level, offer valuable context and insight into our sustainability practices. These disclosures help provide a more comprehensive understanding of our approach to responsible business conduct, risk management, and our broader social and environmental impacts. Additionally, some of these disclosures reflect key performance indicators (KPIs) that we already track as part of our ongoing business operations and performance management. These non-material KPIs were not subject to external assurance.

Table 2 Disclosures related to non-material topics

Sustainability topic	Reference in sustainability statement	Comment
Responsible marketing practices and access to quality information for end consumers	S4-4	EPIF's direct interaction with end consumers is limited as it is mainly involved in power and heat generation and operation of energy transmission and distribution infrastructure. Direct contractual relationship with end consumers is present predominantly in the retail supply of power and gas. Within these segments, EPIF prioritizes transparency towards consumers and refuses to engage in any aggressive sales techniques to acquire new customers. EPIF decided to report on these matters to reflect its importance, although the matters is not treated as material from EPIF Group perspective

Management relationships with suppliers including payment practices	G1-2	Due to low supplier concentration and low risk perceived by EPIF in respect of unfavorable treatment of suppliers, EPIF assessed this topic as no material. However, EPIF considers it important to inform on its supplier related policies and actions which are ultimately linked to management of risks related to workers in the value chain.

1.2. BP-2 – Disclosures in relation to specific circumstances

To facilitate connectivity between sustainability and financial reporting, the time horizons used for all the assessments within this report follow the ESRS 1 definition of short (the reporting year), medium (end of the reporting year up to 5 years), and long term (more than 5 years), unless indicated otherwise.

Table 3 ESRS Time Horizons

Time horizon	Year	Description
Short-term	2024	EPIF financial year reporting period
Medium-term	2025 – 2029	End of the short-term up to 5 years
Long-term	2030 – 2060	More than 5 years

1.2.1 Information about indirect metric sources

All metrics disclosed relate to our own operations and not our value chain unless otherwise stated. The identification of IROs in our value chain focused on where in the value chain they are most likely to materialize, and indirect data sources were used to support the process where direct data was unavailable.

The metrics and estimates that utilize value chain data from indirect sources were developed using proxy data, modeling techniques, and assumptions that align with best practices in the sector where available. The level of accuracy for the metrics based on value chain data from indirect sources is considered to be within acceptable margins, given the methodologies applied. Nevertheless, inherent uncertainty remains, stemming primarily from limitations in data availability, especially regarding value chain impacts, as well as the need for assumptions in the absence of primary data.

The following table discloses metrics that include value chain data estimated using indirect sources:

Table 4 Metrics that include value chain data estimated using indirect sources:

Metrics	Factor	Source	Comments
Scope 2 emissions – location-based method	Grid emission factors	European Environment Agency (EEA)	Average grid factors reflecting the national fuel mix were used
Scope 2 emissions – market-based method	Residual electricity mix factors	Association of Issuing Bodies (AIB)	Residual grid factors reflecting the electricity supply not covered with Guarantees of Origin
Scope 3 emissions	Well-to-tank factors, cradle-to-gate factors	DEFRA, US Environmental Protection Agency (EPA), Exiobase, GHG Protocol	All assumptions used are summarized in detail in section E1-6

Whilst estimates are a fundamental part of forward-looking disclosures, we know that measurement techniques, dependence on future events, and the quality or availability of data from the value chain are all contributors to this uncertainty. We have applied reasonable assumptions and estimates to maintain the usefulness of information that is subject to high levels of uncertainty.

While financial figures used for historical periods are primarily based on final information supported by audited financials, non-financial KPIs may carry a degree of uncertainty due to the unavailability of final figures at the time of reporting. This uncertainty can affect metrics such as waste generation, by-product disposal, and other environmental KPIs. In such cases, preliminary data or estimates informed by expert assessments from operating companies are used.

1.2.2 Reporting errors from prior reports

As part of our commitment to transparency and accuracy in sustainability reporting, we have conducted a review of our reported sustainability-related information for the prior reporting cycles and have identified inaccuracies in the EU Taxonomy alignment and eligibility assessment for the financial year 2023. These were corrected and a restated taxonomy disclosure for 2023 is presented in the EU Taxonomy section. Should any additional errors be identified in future reporting cycles, we will disclose them in accordance with ESRS requirements or EU Taxonomy requirements.

1.2.3 Incorporation by reference

We have incorporated the following by reference from other publicly available reports and documents:

Table 5 Incorporation by reference

ESRS requirement	Report and document used as a reference
SBM-1 – Strategy, business model and value chain	Management report - Business segments overview
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	G1-1 Reporting of serious concerns and whistleblowers
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	G1-1 Reporting of serious concerns and whistleblowers
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	G1-1 Reporting of serious concerns and whistleblowers

This approach ensures consistency and alignment with our broader corporate reporting while avoiding unnecessary duplication. References to these documents are clearly indicated within the relevant sections of this sustainability statement, and they remain accessible in their original format.

1.3. GOV-1 – The role of the administrative, management and supervisory bodies

1.3.1 Governance of sustainability reporting

The EPIF Master Sustainability Policy establishes a commitment to the management of group-wide sustainability-related issues. This policy defines the overarching sustainability objectives and principles that guide all our operations, setting a clear direction for sustainable development, within the communities and the environment in which we operate, and creating value within the economies in which we operate, while maintaining economic feasibility of the EPIF Group’s businesses.

EPIF’s governance is based on a two-tier management structure consisting of the Board of Directors and the Supervisory Board. The administrative, management, and supervisory bodies of EPIF include members with extensive experience in the energy sector, covering both traditional and renewable energy sources. The Board of Directors (“the Board”) is responsible for the overall management of the Company’s business, which includes ensuring compliance with regulatory reporting obligations, including mandatory sustainability-related disclosures. The Board of Directors’ record-keeping and accounting mandate includes the responsibility to ensure that all information required by laws and regulations, including sustainability-related disclosures, is appropriately prepared and made available to relevant stakeholders.

The Supervisory Board oversees the activities of the Board, ensuring that the company conducts its business in accordance with applicable legislation. As part of its supervisory role, the Supervisory Board has the authority to review all relevant documents and records to verify compliance with legal and regulatory requirements.

Since August 2021, Garry Mazzotti holds the position of the CEO and ESG Officer within the Group. The ESG Officer holds the ultimate responsibility for ESG matters and directly oversees the work of the ESG team and reviews key sustainability-related decisions, ensuring alignment with corporate strategy. Sustainability-related impacts, risks and opportunities are monitored through an internal management system, with periodic reporting to the Board.

Management is responsible for implementing the sustainability strategy and ensuring compliance with sustainability regulations. The Sustainability Manager is a single point of coordination and management for all Group operating companies ("OpCos"). The ESG Officer together with the Sustainability Manager controls overall ESG focus areas in the Group and regularly report to the Board. They also closely cooperate with the EPIF's Health, Safety & Environmental (HSE) Committee.

EPIF is a sub-holding of EPH that was created as a result of reorganization in 2016. In 2017, EPH completed the sale of a 31% stake in EPIF, which was agreed upon with a consortium of global institutional investors led by Macquarie Asset Management ("MAM"). The remaining 69% of EPIF remains with EPH, which holds management control over EPIF. Robust corporate governance is reinforced by MAM's strong minority shareholder rights in the Shareholder's Agreement. MAM's infrastructure experience complements the regional industry expertise of EPH.

1.3.2 Board of Directors and oversight

The Board is equipped with diverse expertise, including environmental, legal, and financial disciplines, ensuring holistic oversight over sustainability matters. The Board consists of individuals with backgrounds in electric and gas utilities, as well as sustainability-related fields, including climate risk, environmental policy, health & safety, and corporate responsibility.

The Board's sustainability-related skills are aligned with our most material sustainability topics, energy transition and decarbonization. Where skill or knowledge gaps are identified, targeted training or external advisory support is utilized to enhance knowledge in emerging and complex sustainability topics. This approach supports strategic decision-making and ensures effective oversight of key sustainability initiatives.

In addition to financial statements, the Board must also ensure that EPIF provides appropriate annual reporting, which includes impacts, risks, and opportunities related to sustainability. This responsibility is embedded within the company's governance framework to support transparency and regulatory compliance. The Board also oversees the setting of targets related to material sustainability IROs, and monitors progress towards achieving those targets on an annual basis.

In 2024, the Board continued to monitor the implementation of EPIF's decarbonization roadmap, the utilization of its Green Finance Framework (GFF) for issuance of the first green instrument, and the alignment of its operations with the European Union's climate targets. The Board was regularly updated on the requirements stemming from the new ESG reporting regulation and the stakeholder dialogue as part of the DMA.

1.3.3 Specialized Committees

The EPIF Board and executive leadership are supported by the following committees and structures to enable integration of sustainability matters into operations:

A. **The EPIF Health, Safety, and Environmental (HSE) committee** has a Board representation, meets at least quarterly, and oversees the Group management of IROs and the associated policies, actions, and targets for:

1. Health and safety of own workforce including external contractors working on EPIF sites
2. Climate change adaptation and mitigation
3. Energy use
4. Pollution
5. Water
6. Biodiversity
7. Circular economy and waste

B. **The EPH Compliance committee** established at the level of EPH as a parent company represents a shared function for its sub-holdings and provides all necessary expertise to EPIF regarding compliance matters. It meets regularly, and oversees the Group management of IROs and the associated policies, actions, and targets for the following matters:

1. For the EPIF workforce:
    a. Business conduct related matters (including anti-bribery and corruption (ABC) and whistleblower protection)
    b. Work-related rights (equal treatment and opportunities for all)
    c. Training on relevant policies
2. For the supply chain:
    a. Matters related to KYC and due diligence on counterparties engaged in business with EPIF companies
3. For affected communities:
    a. Rights of indigenous peoples
    b. Communities’ civil and political rights
    c. Communities’ economic, social and cultural rights

C. The **EPIF Risk committee** has board representation, meets quarterly, and oversees the Group management of financial risks such as commodity exposure, hedging, liquidity risk, or counterparty credit risk.

D. The **EPIF ESG team** reports directly to the ESG Officer and provides day-to-day oversight and support to these governance structures and facilitates the implementation of Group policy objectives, actions, targets and the collection and internal controls over metrics and sustainability reporting across Group entities.

Oversight of sustainability matters is complemented by functions at the OpCo level who have ESG as part of their agenda and who are responsible for implementing ESG initiatives within their respective businesses. Interaction between these functions and EPIF is facilitated by the EPIF ESG team, facilitating alignment and better consistency in sustainability efforts. Additionally, OpCo representatives participate in the HSE committee, providing a structured forum for collaboration, knowledge sharing, and integration of sustainability priorities across the organization.

1.3.4 Integration of ESG into strategy

EPIF's governance framework ensures that sustainability is not treated as a standalone initiative but is integrated into the Group's broader strategy, decision-making processes, and stakeholder engagements. It establishes shared objectives that enable consistency in addressing global sustainability challenges, such as climate change, resource efficiency, social equity, and ethical governance, while allowing subsidiaries to tailor implementation based on local contexts and sector-specific requirements.
In addition to this, EPIF employs data analytics to track performance indicators and progress against sustainability targets, including greenhouse gas emissions, energy efficiency, and employee metrics.

1.3.5 Identity and composition of the Board

The Board has seven members, where the role of Chairman of the Board is separated from the Group's Chief Executive Officer (CEO). The Board of Directors is the EPIF Group's statutory body, which directs operations and acts on behalf of the Group. The Supervisory Board of EPIF has six members elected by the General Meeting of Shareholders responsible for reviewing the activities of the Group and of the Board in its management of the Group, as well as resolving matters defined in the Czech Corporations Act and the Articles of Association. The Board does not have specific employee representatives. No members of the Board of Directors or the Supervisory Board are considered independent as they are either representatives of shareholders with control or significant influence or are members of EPIF's executive management.

Table 6 Number of administrative, management, and supervisory body members

Entity	Male	Female	Total	Female ratio	Link
Board of Directors	7	0	7	0%	https://www.epinfrastructure.cz/en/about-us/management-board/
Supervisory board	5	1	6	16.6%	https://www.epinfrastructure.cz/en/about-us/supervisory-board/

1.4 GOV-2 – Information provided to, and sustainability matters addressed by, our administrative, management and supervisory bodies

The Board of Directors and relevant committees of EPIF Group are regularly informed about material sustainability matters and actively consider these when overseeing company strategy, key decisions, and major transactions. This is primarily achieved through the exercise of the following functions:

Table 7 Governance functions

Governance function	Integration with business model and strategy
Strategic oversight	Material sustainability IROs are integrated into the annual strategy review process, ensuring that long-term goals and operational plans reflect sustainability priorities.
Risk-driven decision-making	Governing bodies evaluate IROs during decisions such as market entry or exit, divestments, or acquisitions.
Alignment with sustainability goals	Material IROs are a standing agenda item in Board or relevant committee meetings, ensuring that they are embedded in discussions about financial and operational performance.

In the reporting period, the Board was informed, among other matters, about the following key sustainability matters:

Table 8 Key sustainability matters discussed by the Board

Sustainability matter	Content
DMA debrief	Governing bodies have been briefed on all material IROs identified in the materiality section of this report.
Decarbonization roadmap	The Board has approved the emission reduction targets and strategy to achieve them
Green financing	The Board has approved the establishment of the green finance framework and issuance of the inaugural green instrument

1.5 GOV-3 – Integration of sustainability-related performance in incentive schemes

EPIF has integrated sustainability-related performance into incentive schemes for selected executives across the Group. The development and implementation of any incentive schemes related to sustainability performance, including climate considerations, require approval by the Board of Directors ensuring alignment with corporate governance principles and the Group's overarching sustainability strategy.

The EPIF CEO, who also holds the position of the ESG Officer, receives an incentive linked to the achievement of sustainability goals. The remuneration has a variable portion comprising 50% of the total remuneration which is linked to meeting financial targets (40%), maintenance of an investment-grade credit rating (15%), ensuring robust risk management (15%), health & safety considerations (15%) and other ESG considerations (15%). At present, sustainability-related incentives are not consistently integrated into remuneration policies across the Group for other roles.

We remain committed to advancing our sustainability performance and will re-evaluate the potential role of incentive schemes in supporting these objectives. This process will consider stakeholder input, benchmarking against industry best practices, and alignment with the Group's governance framework.

1.6 GOV-4 – Statement on due diligence

We understand the importance of effective due diligence processes and ensuring its integration into business operations. The following table details the locations of the core elements of our due diligence process within this report.

Table 9 Elements of Due Diligence and location in the sustainability statement

Core elements of due diligence	Paragraphs in the sustainability statement
a. Embedding due diligence in governance, strategy and business model	3.6.2
b. Engaging with affected stakeholders in all key steps of the due diligence process	3.6.3
c. Identifying and assessing adverse impacts	3.6.4
d. Taking actions to address those adverse impacts	3.6.5
e. Tracking the effectiveness of these efforts and communicating them	3.6.6

1.6.1 Our due diligence process and approach to preparing for CSDDD[7]

We are committed to embedding due diligence into our governance, strategy, and operations to effectively identify, assess, and address adverse sustainability impacts and risks. This process is being structured around the five core elements of due diligence as outlined in the international instruments of the United Nations Guiding Principles (UNGP) on Business and Human Rights (BHR) and the OECD Guidelines for Multinational Enterprises (MNE Guidelines). We have established a procurement roadmap that focuses on supplier due diligence to identify, assess, and mitigate impacts and risks across our operations and supply chain. The roadmap supports the anticipated requirements of the Corporate Sustainability Due Diligence Directive (CSDDD), reflecting our proactive approach to addressing sustainability risks and opportunities.

While several core elements of the due diligence framework exist, they are not yet formalized, consistently applied across the Group, or systematically monitored. This disclosure outlines the current state and the planned actions to address these gaps, based on the five core elements of due diligence.

1.6.2 Embedding due diligence in governance, strategy and business model

EPIF recognizes the need to embed due diligence into its governance, strategy, and business model to effectively manage sustainability-related IROs. While some foundational elements exist, there is work to be done to formalize oversight structures and ensure that sustainability considerations are consistently integrated into decision-making processes across the Group.

[7] Depending on the outcome of the so-called “Omnibus” proposal implications

Current state:	**Governance**: Responsibility for due diligence is distributed between the ESG and Compliance teams at the group level and procurement teams at the OpCo level. However, formal structures to monitor and report on due diligence are not yet established.
	Strategy: While material IROs have been identified through a double materiality assessment, their integration into business strategy is not yet consistent across the group.
	Policies: The EPH Procurement Policy sets minimum supplier standards and serves as a basic Code of Conduct. The Know Your Customer (KYC) Policy mandates screening of business partners but does not currently include a clear mandate to assess human rights or other ESG considerations.
Planned actions for the next reporting cycle:	1. Assign formal governance responsibilities for due diligence oversight to the ESG and Compliance teams with regular reporting to the Board.
	2. Ensure Procurement Policy principles are embedded into all contracts across OpCos.
	3. Expand the KYC Policy to include certain high-risk ESG considerations, particularly human rights, and ensure alignment with group-level double materiality assessment outcomes.

1.6.3 Engaging with affected stakeholders in all key steps of the due diligence process

Engaging with affected stakeholders to ensure their perspectives are considered in identifying and addressing adverse impacts is critical to effective due diligence. While we have taken initial steps to develop stakeholder engagement practices, especially throughout our value chain, certain efforts are needed to apply these processes consistently across EPIF.

Current state:	Stakeholder engagement is primarily re-active and limited to informal interactions and participation in relevant initiatives
	The whistleblowing channel is accessible to suppliers including employees in the supply chain. The existence of such a channel might not be clearly and effectively communicated to these stakeholders.
Planned actions for the next reporting cycle:	1. Ensure that the applicability of the whistleblowing channel to workers in the supply chain is articulated clearly in appropriate communications, ensuring accessibility for reporting human rights concerns.
	2. Formalize engagement processes with affected stakeholders, particularly in high-risk supply chain areas.

1.6.4 Identifying and assessing adverse impacts

Our processes for identifying and assessing adverse human rights and environmental impacts throughout the value chain are still evolving. While our DMA outcome has enabled an initial view of some higher risk areas, comprehensive risk mapping and assessment frameworks are not yet consistently applied across EPIF.

Current state:	The double materiality assessment has identified material IROs, across the value chain. However, supplier risk assessments are not yet formalized or consistently applied across the group meaning that these assessments of necessity include assumptions.
	The existing KYC questionnaire is focused on key business risks such sanctions or anti-money laundering, lacking insightful questions related to human rights and environmental impacts.
Planned actions for the next reporting cycle:	1. Implement a supplier risk scoring system to categorize suppliers based on geography, industry, and other risk dimensions.
	2. Expand the KYC questionnaire to include ESG considerations, allowing OpCos to tailor the questions to their specific needs.
	3. Develop formal processes for assessing supplier risks and conducting systematic evaluations of adverse impacts.

1.6.5 Taking actions to address adverse impacts

We are committed to improving our ability to address adverse impacts effectively. Current efforts are limited to specific areas, and we recognize the need to develop a structured approach, including tiered due diligence processes, response plans, and proactive monitoring systems, to manage risks consistently.

Current state:	Actions to address adverse impacts are reactive and inconsistent. Focused efforts are limited to specific areas, such as health and safety reviews and environmental audits, without a comprehensive framework for addressing human rights risks.
Planned actions for the next reporting cycle:	1. Develop a tiered due diligence approach based on supplier risk levels.
	2. Create response plans to address identified adverse impacts, with clear protocols for remediation.

1.6.6 Tracking the effectiveness of measures put in place and communicating them

We are in the early stages of developing mechanisms to track the effectiveness of our actions to address adverse impacts and implementing adequate measures. While some progress has been made, there is a clear need for robust monitoring frameworks and enhanced visibility and reporting to ensure accountability and alignment with stakeholder and regulatory expectations.

Current state:	Monitoring and evaluation of due diligence efforts are not formalized or consistently tracked across the group. Reporting on these efforts is limited to high-level summaries in sustainability reports.
Planned actions for the next reporting cycle:	1. Introduce a structured monitoring framework to track the effectiveness of due diligence processes, differentiated by supplier risk levels.
	2. Provide tailored training for employees responsible for implementing due diligence, with a focus on management of adverse risks and impacts in procurement.
	3. Enhance transparency by publishing detailed updates on due diligence efforts and outcomes in the Group’s sustainability reports.

The actions outlined above are designed to address key due diligence gaps in alignment with best practices and regulatory requirements. Whilst the planned timeframe for implementation of the actions listed above is the 2025 reporting year, we will continue to monitor developments in the regulatory landscape with regards to due diligence requirements.

1.7 GOV-5 – Risk management and internal controls over sustainability reporting

Sustainability reporting related controls and procedures are embedded into our group governance and operational framework and cascaded to all operating companies. Whilst we have not yet established an Enterprise Risk Management framework at the Group level, the sustainability risk assessment process is aligned and integrated with our current risk management approach.

Our risk management includes continuous monitoring of key risks through data analytics and regular reviews. We integrate findings into detailed annual reports, for transparency and accountability. This approach not only protects EPIF's operational integrity but also supports stakeholder confidence in our ability to manage complex risks.

The main risks related to sustainability reporting pertain to the completeness and integrity of the reported data, uncertainty in regulatory shifts of mandatory reporting elements, accuracy of data or estimations, availability of upstream and/or downstream value chain data and timing of data collection.

To mitigate these risks, we maintain and continuously improve a well-defined collection and centralized KPI management database. This allows the ESG team to view and verify data inputs, perform trend analysis, and rectify inconsistencies or errors in data provided by our OpCos.

Comprehensive non-financial KPIs are collected annually, and critical performance indicators (such as health & safety KPIs) are collected on a monthly basis. The collection process distinguishes between flow KPIs, aligned with profit and loss (P&L) reporting periods, and point-in-time KPIs, synchronized with balance sheet dates. This helps ensure consistency with financial reporting cycles and enhances data availability.

1.8 SBM-1 – Strategy, business model and value chain

EP Infrastructure has principal operations in the Slovak Republic and the Czech Republic, while being also present in Germany. We focus on four main business segments: gas transmission, gas and power distribution, gas storage, and heat infrastructure. The segments are described in section Business segments overview as part of the Management report preceding the Sustainability statement.

EPIF's core strategy is to operate critical infrastructure, safeguard security of supply, and contribute to affordability of essential commodities.

Table 10 Strategic pillars

Strategic pillar	Achievement target for pillar	Challenge being addressed
Enabling development of markets with green gases such as hydrogen or biomethane	For our gas infrastructure, we aim to gradually achieve hydrogen-readiness across our gas midstream and downstream infrastructure	Uptake of green hydrogen market being slower than anticipated. As a facilitator of gas transit and distribution, EPIF depends on broader hydrogen adoption
Reduction of emissions from existing gas infrastructure	While natural gas still dominates the gas market, we aim to minimize the carbon footprint by reducing methane leakage or electrification of compressors	Methane leakage inherently linked to gas pipeline operations. Compressor electrification is only partial, ensuring gas compressors remain available for diversification in case of grid disruptions.

Reinforcing the power distribution network to enable electrification of the wider system	Increased electrification and decentralization of energy production requires adaptation of the network for increased volatility	Grid management more challenging due to the growing number of small decentralized sources in the network.

As stated within our financial statements, our total revenue in FY24 was 3,581 EURm. The following table details the total revenue by breakdown of sectors:

Table 11 ESRS Sectors significant to EPIF and associated revenue

ESRS Sector Group	ESRS Sector	Revenue (EUR million)
Utilities	Power Production and Energy Utilities	2,945
Mining	Oil and Gas	830
Transportation	Other Transportation	46
	Other and intersegment eliminations	(240)
Consolidated revenue		**3,581**

EPIF is engaged in the fossil fuel sector, primarily through its ownership and operation of key natural gas infrastructure. This includes extensive gas pipelines and storage facilities, playing a crucial role in the transportation and storage of natural gas across Central and Eastern Europe. EPIF also operates and predominantly lignite-based combined heat and power plants. Additionally, EPIF is engaged in retail gas supply to end consumers. EPIF is also engaged in limited extraction of oil and gas in Slovakia as part of its gas storage operations.

The breakdown of this revenue related to fossil fuels is as follows:

Table 12 Revenue breakdown by fossil fuel

Sector	Revenue (EUR million)
Gas transmission	483
Gas distribution	508
Gas storage	298
Gas trading and supply	385
Coal-fired heat and power generation	168
Oil and gas extraction	49
Total revenue related to fossil fuels	**1,891**

For full details on EPIF's European Union (EU) Taxonomy activities, please see section EU Taxonomy assessment.

1.8.1 The resilience of our strategy

A central theme in the European energy market is the commitment to achieving climate neutrality by 2050, as outlined in the European Green Deal and written into law by the European Climate Law. This regulatory environment enables our group strategic ambitions to facilitate development of green gases such as hydrogen or biomethane, phase out coal, and enhance the resilience of our electricity network infrastructure to support higher penetration of renewables in the energy system. However, we also recognize the challenges posed by this transition, including the need to balance decarbonization efforts with the demand for reliable and affordable energy.

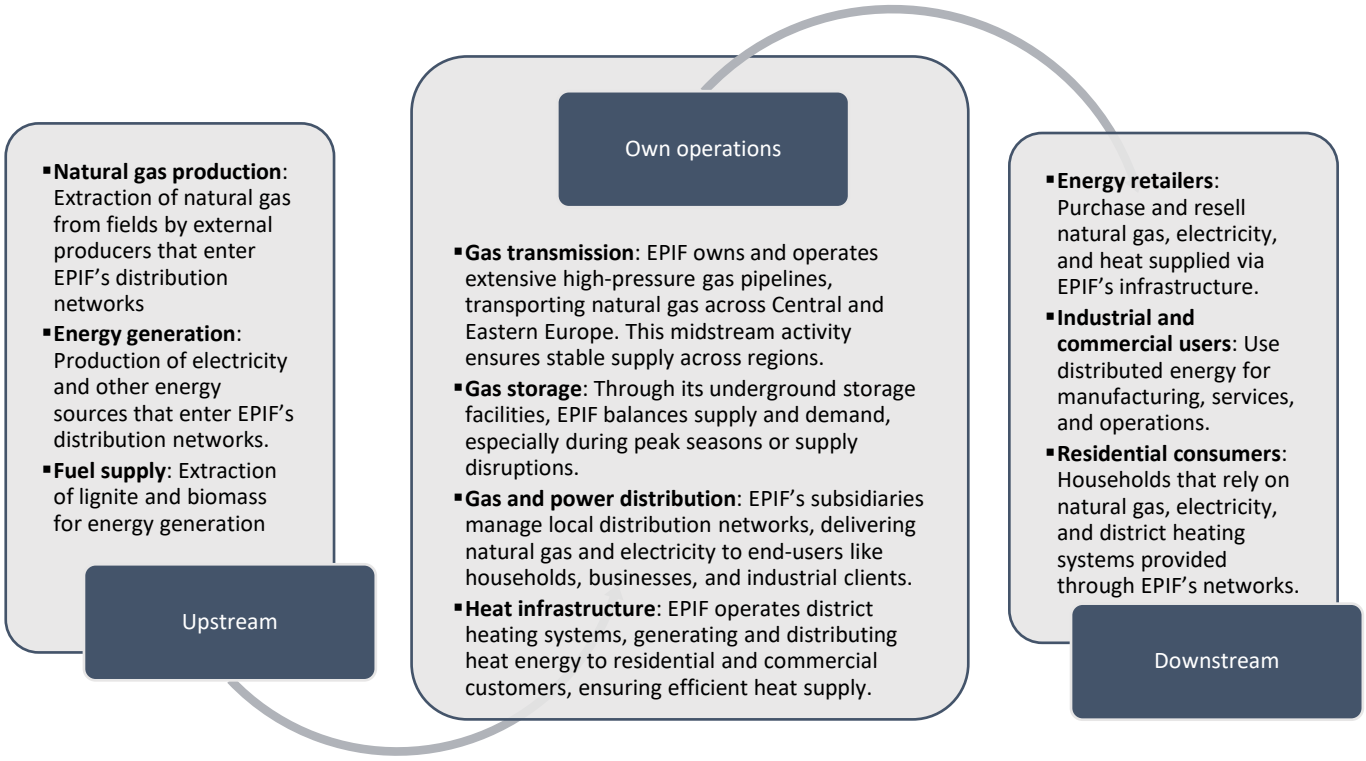
Geopolitical developments, particularly in 2022 and 2023, have underscored the importance of energy security. Disruptions in energy supply chains and fluctuations in commodity prices have heightened the need for robust infrastructure and diversified energy sources. Our integrated business model, which spans gas transmission and storage, gas distribution, power distribution, and district heating positions us well to navigate these challenges. In the turbulent developments in energy markets in the last few years, we have contributed to mitigating market volatility and ensuring energy availability during periods of uncertainty. At the same time, we have not compromised on our continuous efforts to decarbonize our operations and ensure we are on track to meet our emission reduction targets.

In addition to regulatory and geopolitical factors, technological innovation is reshaping our landscape. Advances in renewable energy, energy storage, and hydrogen technologies are opening new opportunities for us to lead in the transition to a sustainable energy future. EPIF has embraced this trend by advancing hydrogen readiness across its gas operations midstream and downstream infrastructure and being a frontrunner in replacing its Czech lignite-based district heating plants with alternative sources.

Despite these opportunities, the market remains competitive, with increasing expectations from customers, investors, and regulators. EPIF addresses these challenges by maintaining a diversified portfolio, leveraging its operational expertise, and aligning its business strategy with sustainability goals. By staying ahead of market trends and adapting to external pressures, EPIF continues to strengthen its position as a reliable and innovative energy infrastructure utility.

1.8.2 Explanation of our value chain

EPIF is a leading European energy infrastructure utility focused on gas transmission, gas and power distribution, district heating, and gas storage. EPIF has its principal operations in Slovakia and the Czech Republic, while being also present in Germany. EPIF holds a large and diverse infrastructure asset base.



1.8.3 Upstream activities

Our upstream operations include the procurement and development of energy resources. We source primarily fuels for heat generation such as lignite, biomass, or municipal waste while actively transitioning toward alternative resources. Upstream activities are guided by stringent environmental and ethical standards, ensuring compliance with international regulations on human rights, labor practices, and environmental protection.

1.8.4 Own operations

We operate gas and power distribution networks, gas storage facilities, a gas transit corridor, and a fleet of heating plants including adjacent district heating networks. Our assets play a key role in ensuring energy security, especially during periods of the market volatility. EPIF assets provides a buffer against supply disruptions and seasonal demand fluctuations, stabilizing energy markets for both its own operations and the broader European energy system. Our gas infrastructure is well positioned to secure transit, storage, and distribution of alternative gases such as hydrogen, ensuring energy system stability in a zero-carbon future. Beyond the physical infrastructure, EPIF is engaged in retail supply of power and gas to the end consumers. Our direct involvement in the extraction segment is limited to relatively small oil & gas extraction in Slovakia by our subsidiary Nafta.

1.8.5 Downstream activities

EPIF's direct contractual relationships with end consumers are primarily limited to the retail supply of power and gas, as well as heat distribution through its own district heating networks. Electricity generated by EPIF combined heat and power plants is sold on the market via energy exchanges, without direct customer contracts. In the gas midstream sector, EPIF's infrastructure supports gas transit and storage for shippers and traders. Within the gas and power distribution segments, EPIF operates the infrastructure, including the final offtake points.

1.8.5.1 Value creation

Table 13 Value creation and business activities

Business activity	Description
Economic value	Consistent revenue generation from operation of existing energy infrastructure is complemented by investments in long-term sustainable projects to ensure resilience in fluctuating energy markets. As the energy markets are increasingly regulated, EPIF expects that a significant share of its economic value will continue to be derived from regulated tariffs, long-term contracts, various subsidy schemes, or be otherwise supported by regulatory frameworks.
Environmental value	Reduction in greenhouse gas emissions through replacing most emission-intensive assets, facilitating wide-spread adoption of renewable gases, and efficiency upgrades.
Social value	Providing stable energy access to communities, fostering economic growth in operating regions with a commitment to workforce development, safety, and fair labor practices.

1.8.6 Stakeholder integration

We align our business model with stakeholder interests, including:

Table 14 Key stakeholders

Stakeholder	Description
Governments and regulators	Ensuring compliance with EU climate and energy directives.
Investors	Delivering financial returns while maintaining transparency on sustainability performance.
Employees	Upholding safety and development opportunities across the workforce.
Communities	Providing security of supply, contributing to the affordability of basic commodities, while reducing the environmental and social impacts of our operations.

1.8.7 Key challenges and opportunities

EPIF's business model combines traditional gas transmission, gas and power distribution, heat generation, and gas storage with forward-looking sustainability goals, leveraging its existing strengths while proactively addressing future challenges. This approach ensures EPIF remains a key player in Europe's energy landscape while contributing to global climate objectives.

Our key opportunities and challenges exist in enabling system flexibility and security of supply, investing in renewable and low-carbon infrastructure, supporting infrastructure readiness for hydrogen adoption and ensuring long-term energy security.

Table 15 Key challenges and opportunities

Key challenges	Key opportunities
Regulatory pressures to phase out most emission-intensive sources.	Growing demand for renewable and low-carbon energy.
Market volatility in energy pricing and resource availability.	Technological advancements in energy efficiency and storage.
Stakeholder expectations for rapid energy transition.	Potential for strategic acquisitions to strengthen market position.

1.9 SBM-2 – Interests and views of stakeholders in strategy and business model

We value the role that stakeholder engagement plays in shaping and achieving our sustainability objectives and aligning our business practices with the expectations of society, regulators, and

communities on material sustainability topics. Stakeholder engagement is recognized in our Operational Policy as a key aspect of our business operations and we are committed to monitoring our stakeholders throughout the year, ensuring that we regularly engage with them through a range of channels as summarized in the table below.

Our approach to stakeholder engagement also varies depending on the stakeholder group, and we utilize a mix of informal and formal channels and methods to maintain dialogue. The interests and views of our key stakeholders vary due to the nature of the relationship.

We engage with internal subject-matter experts, with responsibilities and insights into specific parts of our business model and operations, to understand IROs. In relation to complex sustainability matters, we utilize external advisors with in-depth domain knowledge to edify our integration of these considerations into our business model. Selected external stakeholders are also interviewed and their concerns and inputs are documented. The stakeholder engagement in addition, forms a key part of the DMA carried out by EPIF to pinpoint our material IROs. The Board receives stakeholder feedback through multiple channels, including investor briefings, updates from the HSE and Risk committees, and debriefs on the group's DMA process, insights, and outcome.

While we have taken steps to engage with key stakeholder groups, our current stakeholder engagement process has not yet been systematized across all operating entities, and does not capture the full range of stakeholder concerns and expectations which may result in gaps in understanding stakeholder priorities.

As part of our ongoing efforts to integrate stakeholder interests into our strategic and business model development, we are taking targeted steps in the next reporting cycle to strengthen our understanding of key stakeholder perspectives, particularly within our supply chain. A key initiative in this regard is the implementation of our Procurement Roadmap, which will enable us to enhance supply chain transparency, improve collaboration, and align procurement practices with sustainability objectives, ultimately fostering more resilient and responsible business relationships.

In addition, we will continue our ongoing engagement in industry forums and the regions where we operate, ensuring that we maintain a dynamic understanding of evolving stakeholder expectations. By actively participating in these discussions as a group and via our OpCos, we can integrate industry best practices, regional considerations, and emerging sustainability trends into our business strategy.

Table 16 EPIF's Stakeholder engagement

Stakeholders	Purpose of engagement	Current engagement mechanisms	Planned engagement initiatives for the next reporting cycle
Employees	These stakeholders are engaged in day-to-day business activities. Employees are essential to the operations and growth of our business. • Promote workplace safety, health, and satisfaction. • Ensure alignment with corporate ESG objectives. • Foster talent retention and development. • Identify and validate IROs for DMA	• Performance and development dialogue • Employee surveys • Social events	• Raising awareness on sustainability and ethics.
Local Communities	These stakeholders have varying interests in EPIF's sustainability activities based on their origins. EPIF often interacts with these stakeholders during local consultation, as their concerns tend to be legislation-based (e.g. building permits and Environmental Impact Assessments (EIA)). The location of these	• Local partnerships and outreach programs funded by Group Foundation (established at parent level). • Consultations on new projects that have direct	• Continuing current practice.

Stakeholders	Purpose of engagement	Current engagement mechanisms	Planned engagement initiatives for the next reporting cycle
	stakeholders determines the level of their interest in EPIF's sustainability activities. • Mitigate environmental and social impacts of operations. • Support community development and sustainability initiatives. • Enhance social acceptance. • Identify and validate IROs for DMA	impacts on communities.	
Customers and end users	These stakeholders are very important for EPIF's business, as their decisions determine the Group's success. • Provide reliable, affordable energy while promoting renewable options. • Address customer needs related to energy transition. • Identify and validate IROs for DMA	• Transparent reporting on pricing, energy mix, and renewable offerings. • Satisfaction surveys. • EPIF website.	• Continuing current practice.
Regulators and Governments	These stakeholders consist of various national and transnational institutions, making their interest in EPIF's sustainability commitments quite broad. Therefore, both policy decisions and social change strongly influence EPIF's business activities. For example, local groups are concerned with the performance of individual EPIF entities, while European institutions are concerned with EPIF's business from a transverse perspective. • Ensure compliance with environmental, social, and corporate governance laws. • Influence policy development for climate and energy goals. • Identify and validate IROs for DMA	• Regulatory filings and compliance reviews. • Collaboration during policy consultation processes.	• Continuing current practice.
Investors	These stakeholders are predominantly banks, bond holders or minority shareholders whose capital is crucial for EPIF's successful development. Their interest in EPIF's sustainability performance is demonstrated at both the EPIF level and local level, depending on their involvement in financing within the Group. • Provide transparency on financial and sustainability performance. • Strengthen alignment of operations with ESG priorities. • Identify and validate IROs for DMA	• Annual sustainability and financial reports. • Green bond disclosures and frameworks.	• Ongoing collaboration.
Suppliers and Contractors	These stakeholders can have both a local and global reach (social and economic performance), which can affect EPIF at the Group or subsidiary level. This holds especially true for contractors who are engaged in centralized processes (e.g. large tenders, Information Technology (IT) procurement and construction or maintenance work). • Ensure adherence to human rights and environmental standards.	• Engagement via current due diligence process and KYC questionnaire.	• Establish a risk-based due diligence. approach to identify high-risk areas. • Supplier screening processes focused on human rights and environmental stewardship.

Stakeholders	Purpose of engagement	Current engagement mechanisms	Planned engagement initiatives for the next reporting cycle
	• Implement ethical procurement practices. • Identify and validate IROs for DMA		
Non-Governmental Organizations (NGOs)	These stakeholders are predominantly Environmental NGOs, therefore significant emphasis is placed on environmental activities at both a local and global level. These stakeholders provide valuable information regarding the concerns and expectations of the general public. • Partner for biodiversity conservation and sustainable development. • Address societal concerns regarding environmental impacts. • Identify and validate IROs for DMA	• Ad hoc	• Continuing current practice.
Media and Public	These stakeholders are active at both a local and global level (particularly in the Czech Republic, where EPIF is headquartered). • Communicate progress on ESG initiatives. • Foster corporate transparency and public trust.	• Press releases, media briefings, and online public engagements.	• Continuing current practice.

1.9.1 Integration of stakeholder engagement into company strategy and business model

Table 17 Integration of stakeholder engagement

Driver	Integration
Materiality assessments	EPIF conducts regular double materiality assessments to identify and prioritize the most significant sustainability IROs affecting our stakeholders. These assessments are informed by direct engagement with stakeholders or suitable proxies, including employees, investors, regulators, communities, and NGOs. The insights gathered help shape the Group's strategic focus areas.
Risk management and resilience	Engaging stakeholders helps EPIF anticipate and address potential risks that could impact its operations or reputation. For instance, dialogues with representatives of affected communities help identify and mitigate risks related to land use and environmental degradation, while interactions with regulators ensure proactive compliance with emerging energy policies.
Resource allocation	Stakeholder engagement highlights key areas for investment and resource allocation. For example, requirements from banks and investors regarding GHG emission reductions has reinforced EPIF's commitment to accelerated coal exit and increased focus on alternative solutions, driving the Group's transition to a low-carbon business model.
Operational enhancements	EPIF integrates stakeholder concerns into operational practices to ensure efficiency and sustainability. For example, input from stakeholders led to increased central oversight over biomass sourcing practices.

1.9.2 Value creation for stakeholders

Our business model is designed to create a shared value for stakeholders in the following ways:

Communities	Investors	Employees
• Benefit from a stable energy access, job creation, and infrastructure development.	• Gain from long-term profitability driven by sustainable practices and market adaptation.	• Experience improved working conditions, training, and career growth opportunities.

1.10 SBM-3 – Material IROs and their interaction with strategy and business model

We conducted our first CSRD-aligned double materiality assessment in this reporting year, whilst prior assessments provided a robust foundation for understanding our IROs.

Through the double materiality assessment process, we identified the sustainability related IROs that are material to EPIF. Priority has been given to negative impacts, and financial risks. As a result, there are fewer opportunities presented, and we have concluded that positive impacts created by EPIF are inherently embedded in its core business which consists in providing basic commodities to wider society, and are therefore not presented as material positive impacts from the DMA perspective. Throughout the report, there are case studies to illustrate the positive benefits that EPIF's actions are having, although these are in addition to addressing the impacts as reported.

EPIF actively monitors the material risks and opportunities associated with climate change, due to the nature of EPIF's business and reliance on the fossil fuel sector. Our investors also consider this to be their number one priority when engaging with EPIF and our efforts to address our climate change-related impacts and risks therefore reflect this leading theme. Full details on our climate change impact, risk and opportunity analysis, and the associated resilience of our business, can be found under E1 Climate Change.

Table 18 EPIF's Material IROs

Sustainability matter	Current effect	Impact statement	Risk statement	Actual/ potential	Affected part of value chain	Time horizon
Environment						
E1 Climate Change						
Climate change adaptation	Climate change is a central challenge for the energy sector, directly impacting EPIF's operations, value chain, and strategic direction. EPIF's greenhouse gas emissions contribute to global warming, posing regulatory, reputational, and financial risks. Addressing climate change through decarbonization and transitioning to renewable energy aligns with EPIF's long-term business strategy to remain competitive, comply with global climate commitments, and meet stakeholder expectations.	Climate resilience is vital for EPIF, as physical climate impacts, such as extreme weather, can disrupt operations and affect energy supply stability. EPIF relies on infrastructure that may not be fully adapted to withstand increasing extreme weather events. Insufficient adaptation measures increase the vulnerability of communities dependent on energy services, posing a risk of outages and service instability during extreme weather.	Without adequate adaptation, physical climate events can disrupt energy supply, causing operational downtime and increased costs for repairs. The risk includes potential legal liabilities if disruptions affect critical services for communities.	Actual	Own operations	Short
Climate change mitigation		Reducing greenhouse gas emissions is essential for EPIF to align with global climate targets, avoid reputational damage, and meet evolving regulatory and market requirements. EPIF's current direct or indirect reliance on fossil fuels contributes significantly to carbon emissions. High emissions contribute to global warming, amplifying climate impacts that affect ecosystems, communities, and economic stability.	Failing to mitigate emissions exposes EPIF to stricter regulations, carbon pricing, and market demand for low-emission energy, potentially reducing competitiveness and profitability.	Actual	Own operations	Short
Energy	EPIF's reliance on energy-intensive processes affects both costs and emissions, impacting profitability and regulatory compliance. Optimizing energy use through efficiency measures and integrating renewable energy sources supports EPIF's strategy to enhance operational resilience, reduce costs, and align with the global energy transition.	Energy intensity and efficiency in operations are directly related to cost management and environmental impact, especially for energy companies with high power requirements. EPIF's operations involve high levels of energy use, particularly in heat and power production. This energy demand amplifies emissions and resource depletion, impacting the company's carbon footprint. Inefficient energy use increases environmental strain and raises operational costs, potentially impacting regulatory compliance.	High energy demand increases operating costs and intensifies carbon emissions, posing financial and environmental regulatory risks. Inefficiency can lead to higher energy costs and potential non-compliance with energy efficiency standards.	Actual	Own operations	Short
E2 Pollution						

Air Pollution	Release of air pollutants in the environment is an inherent part of operating combined heating and power plants, and gas compressor stations. Core operations of EPIF contribute to this and can have lasting impacts on human health and ecosystems. Furthermore, this is seen as an area where EPIF can have influence, and high effort has been put already into remediation work/minimizing it.	Emissions from EPIF's core and value chain activities contribute to air quality deterioration by releasing pollutants like NOx, SO2, mercury, methane, CO, and particulate matter into the air. These emissions can cause long-term and irreversible harm to human health and ecosystems.	Not Material	Actual	All	Short
E3 Water Resources						
Water withdrawals	High withdrawals for cooling in district heating plants. Significant water withdrawals from rivers for cooling processes can lower water levels, affecting local water supply for agriculture, drinking, and ecosystem services. Over-extraction in already stressed water bodies can lead to severe ecological consequences, including habitat loss and species decline.	Not Material	Reliance on water withdrawals in water-scarce regions can expose EPIF to operational disruptions, increased costs, and reputational damage. Regulatory limits on water use or community resistance may hinder operations.	Potential	Own operations	Short
Water discharges	High risk of thermal pollution and contaminant discharge from district heating plants. Discharge of heated water and effluents from cooling systems into rivers can raise water temperatures, disrupt aquatic ecosystems, and lead to oxygen depletion, causing fish kills and reducing biodiversity. Chemical discharges can further contaminate water, impacting both flora and fauna.	Not Material	Improper water discharge practices can result in legal penalties, stricter environmental regulations, and reputational harm. Contaminated water bodies may also lead to community pushback, impacting EPIF's social license to operate.	Potential	Own operations	Short
E4 Biodiversity and Ecosystems						
Biodiversity loss as a result of Climate Change	Impact from GHG emissions from district heating plants contribute significantly to global warming. Large-scale CO_2 emissions from power plants and methane leaks from gas infrastructure. These contribute heavily to the greenhouse effect, accelerating climate change and affecting global and local ecosystems.	GHG emissions from generation sources contribute to global warming, affecting climate patterns and leading to habitat loss and species extinction. The loss of biodiversity weakens ecosystem resilience, which can harm resource availability and operational stability.	Biodiversity loss due to climate change increases regulatory scrutiny and stakeholder pressure while amplifying the physical risks of ecosystem degradation, which can affect raw material supply and operational stability.	Actual	Own operations and upstream	Short

Land degradation	Impact from infrastructure development, which can degrade soil quality and lead to erosion. These activities can strip land of vegetation, increase susceptibility to desertification, and reduce agricultural productivity, causing long-term ecological and economic damage.	EPIF's processes linked to extraction of resources in its upstream value chain including lignite mining and biomass sourcing contributes to land degradation. Land degradation supports fewer species, reduces agricultural productivity, and disrupts ecosystem services essential for human livelihoods and climate regulation.	Not Material	Actual	Upstream	Short
Land-use change and fresh water-use change	Impact from infrastructure expansion, which requires extensive land clearance, potentially contributing to leading to deforestation, habitat fragmentation, and soil erosion. This destruction of natural habitats displaces wildlife and alters freshwater systems, leading to reduced biodiversity and changes in local ecosystem dynamics.	EPIF's operations and dependency on resource extraction for energy production alter land, and freshwater ecosystems. These changes may fragment habitats, reduce biodiversity, and disrupt critical ecosystem services such as carbon sequestration, flood regulation, and water purification, impacting local communities and global ecological stability.	Not Material	Actual	All	Short
Direct exploitation	High impact from exploitation of lignite, biomass and other resources. Extensive mining activities result in the direct exploitation of natural resources, degrading habitats, and reducing biodiversity. The removal of large quantities of earth and rock for access can destroy ecosystems and alter the natural landscape, leading to long-term ecological impacts.	EPIF's reliance on raw materials from its upstream value chain involves direct exploitation of natural ecosystems which degrades habitats, reduces biodiversity, and causing long-term (and sometimes irreparable) ecological damage.	Not Material	Actual	Upstream	Short
E5 Resource Use and Circularity						
Waste	Impact due to presence of hazardous waste related to electrical and gas infrastructure operations. Also, coal byproducts from power generation contain toxic substances that need careful management. Improper disposal or management of these wastes can contaminate soil and water, posing long-term environmental and health risks and necessitating extensive remediation efforts.	EPIF generates industrial waste during energy production, storage and distribution. Improper waste disposal may contaminate soil, water, and air, harming ecosystems and human health. Accumulation of waste also increases landfill use and undermines circular economy efforts.	Not Material	Actual	Own operations	Short
Social						
S1 Own Workforce						

Training and skills development	Equipping EPIF's workforce with the necessary skills to adapt to technological advancements and the energy transition is integral to operational success. Training and skills development improve employee performance, foster innovation, and ensure alignment with EPIF's strategic focus on sustainable growth, workforce satisfaction, and competitiveness in a rapidly evolving sector.	A lack of targeted training for workers in EPIF's workforce can result in significant safety risks and accidents, potentially leading to injuries or fatalities. Failing to develop people or not providing opportunities to upskill them, especially in areas such as renewable energy technologies reduces workforce adaptability to industry shifts, potentially leading to job losses and reduced innovation.	Failure to have targeted training programs in place that pro-actively address reskilling and use of new technologies could contribute to slower adaptation to industry changes, potentially affecting compliance and competitive positioning. The risk associated with being unable to attract a new, young workforce to replace retiring employees is already being felt by EPIF.	Actual	Own operations	Short
Health and safety	Risks stemming from operation of gas pipelines, power distribution network and combined heat and power plants. Workers in cogeneration plants and compressor stations face risks from machinery, high-pressure systems, and exposure to toxic substances, which could lead to accidents and long-term health issues.	EPIF's workforce is exposed to high-risk environments, including exposure to hazardous materials and equipment which could lead to workplace incidents and harming employees' physical and mental health.	Failure to adequately address health and safety risks in areas such as electricity and gas networks and cogeneration power plant operations can result in increased workplace accidents, leading to legal liabilities, regulatory fines and reputational damage.	Actual	Own operations	Short
Diversity	There is a need to consider diversity in the workforce, particularly in technical and operational roles. The energy sector often lack diversity, especially in senior and technical positions. Initiatives to attract a more diverse workforce, attract new talent, and create an inclusive culture are essential for fostering innovation and improving operational performance. Additionally, EU directives in the future will likely focus on diversity, gender parity, and equal pay, this can be an opportunity to further inclusive activities. There must also be consideration for the aging workforce and how to transition while still building new talent pipelines.	A lack of diversity in leadership and technical roles at EPIF can lead to exclusionary practices, and ultimately can enable a culture where discrimination is allowed to continue and thrive. This may foster conflict, and promote a dangerous singular perspective that marginalizes others, causing employees to feel unsafe at work.	Not Material	Actual	Own operations	Short
Social dialogue	There is a need for a robust workforce engagement. In high-risk sectors like energy, there is often a limited opportunity for workers to engage in decision-making or participate in collective bargaining. Enhancing these rights can improve worker satisfaction, safety, and overall productivity. It is understood that this topic will vary greatly by country, and that will be incorporated into the assessments.	Inconsistent engagement across the EPIF group workforce on critical issues like job security and the energy transition could lead to weakened trust and reduced morale.	Failing to establish effective social dialogue can result in operational disruptions, increased absenteeism, and higher turnover rates due to employee dissatisfaction. Conflicts may escalate, leading to costly strikes, legal disputes, and regulatory risks. These disruptions can cause project delays, increasing operational costs and impacting EPIF's performance and stability.	Potential	Own operations	Medium, Long

Secure employment	As EPIF transitions away from certain activities (e.g. lignite-based heating plants), it can affect job security of affected people. Ensuring job stability and security is vital to maintaining workforce morale, especially as the industry faces transitions due to environmental regulations and market shifts. Additionally, EPIF should incorporate alternative projects to enable the shifting workforce to have new opportunities through initiatives like retraining.	As the industry faces transition due to environmental regulations and market shifts, employees may feel that their roles are at risk. This could result in anxiety, lower morale and financial instability for employees, reducing job satisfaction and long-term workforce loyalty.	Not Material	Actual	Own operations	Short
Freedom of association and collective bargaining	There is a need for robust workforce engagement. In high-risk sectors like energy, there is often limited opportunity for workers to engage in decision-making or participate in collective bargaining. Enhancing these rights can improve worker satisfaction, safety, and overall productivity. It is understood that this topic will vary greatly by country, and that will be incorporated into the assessments.	Limited opportunities for workforce to engage in decision, hindering to form or join associations or unions making can lead to feelings of exclusion, disempowerment, lowering their job satisfaction.	Limited opportunities for workers to engage in decision-making or effective collective bargaining can lead to increased turnover rates and absenteeism, increasing recruitment, training, and operational cost.	Potential	Own operations	Medium, Long
Measures against violence and harassment in the workplace	Clear reporting mechanisms and a zero-tolerance approach are necessary to prevent incidents and ensure a supportive work environment. Regulated environments with formal employment practices may work as a deterrent for this risk.	Instances of workplace harassment or violence may arise from inadequate prevention measures, poor reporting systems or cultural norms that contribute to such behaviour. This could lead to a hostile work environment mental health issues and a reduced level of job satisfaction.	Not Material	Potential	Own operations	Short, Medium, Long
S2 Workers in the Value Chain						
Sustainability matter	**Current effect**	**Impact statement**	**Risk statement**	**Actual/ potential**	**Affected part of value chain**	**Time horizon**

Health and safety	Inadequate health and safety protocols in high-risk operations like lignite extraction, plant maintenance, or heavy manufacturing can lead to accidents, injuries, or fatalities, which could further result in shutdowns, and legal liabilities for suppliers which may further impact production and service offering. EPIF must ensure that its suppliers are committed to robust health and safety programs to prevent accidents and occupational hazards.	Some of EPIF's suppliers and contractors operate in hazardous environments, such as mining and logistics. Poor safety standards can lead to workplace accidents, illnesses, and fatalities, negatively impacting workers and their families while increasing disruptions in EPIF's supply chain.	If EPIF fails to secure proper health and safety standards across its value chain (for activities such as the use of contractors for construction, maintenance, transportation, or other high-risk projects), workers facing hazardous working conditions may be injured seriously or fatally or develop long-term health issues.	Actual	Upstream and downstream	Short
Training and skills development	A lack of adequate training for workers in the value chain, for e.g. those involved in energy production, especially in the adoption of new technologies or safety procedures, can lead to operational inefficiencies and safety risks.	Not Material	Training and skills development for value chain workers ensures a capable and efficient workforce, improves productivity, and reduces operational risks. Failure to ensure adequate training for value chain workers can lead to safety breaches, project delays, higher operational costs, and reputational damage for EPIF.	Potential	Upstream and downstream	Medium, Long
Child labour	The presence of child labor in EPIF's value chain, especially in lower-tier suppliers or contractors involved in raw material extraction, can result in severe legal, financial, and reputational consequences. e.g. There is a higher risk of child labor in the supply chain where raw materials such as lignite or metals are sourced from regions with weaker labor regulations. Discovery of child labor could halt supply chains and lead to regulatory sanctions.	Certain upstream value chain activities (such as resource extraction) may be more prone to involve child labor due to weak labor protections. Child labor denies children education and endangers their physical and mental health, creating reputational, regulatory, and operational risks for EPIF.	Not Material	Potential	Upstream	Medium, Long
Forced labour	The presence of forced labor in EPIF's supply chain could lead to immediate regulatory action, legal liabilities, and significant reputational harm, especially in regions with poor labor oversight. This is more significant for suppliers in developing regions (e.g., parts of Asia or Africa). In these areas, forced labor practices might go unnoticed, and a failure to properly vet suppliers could expose EPIF to serious legal risks, including sanctions or boycotts from international partners.	Limited visibility and oversight in EPIF's value chain, particularly in upstream resource extraction, increases the risk of undetected cases of forced labor which exploits vulnerable individuals, undermines human rights, and damages communities.	Not Material	Potential	Upstream	Medium, Long
S3 Affected Communities						

Freedom of expression	EPIF's business activities may have implications on the local communities which are located near operations and facilities. If EPIF does not have sufficient mechanisms for these communities to raise concerns, and incorporate them where feasible into future business model and strategy decisions, local communities are negatively impacted and could have their fundamental human right to freedom of expression infringed upon.	Denying freedom of expression can significantly erode trust between communities and EPIF, as individuals may feel that their concerns and voices are dismissed or ignored. This suppression not only stifles community engagement and dialogue but also worsens feelings of marginalization, ultimately hindering social cohesion and jeopardizing relationships with these communities, increasing tensions and causing conflicts.	Not Material	Potential	Upstream and downstream	Medium, Long
S4 Consumers and End Users						
Access to products and services (Energy reliability and Security)	Access to energy products and services is critical for EPIF due to its role in providing reliable, affordable, and sustainable energy. Ensuring equitable access supports societal development, meets regulatory and stakeholder expectations, and strengthens EPIF's position in the energy transition while mitigating social and reputational risks.	EPIF's energy supply reliability and affordability directly impact residential, industrial, and governmental users. Any interruptions in energy production or distribution can directly impact consumers' access to electricity, heating, or cooling, particularly in regions heavily dependent on EPIF's infrastructure.	Not Material	Potential	Downstream	Short, Medium, Long
Governance						
G1 Business Conduct						
Sustainability matter	**Current effect**	**Impact statement**	**Risk statement**	**Actual/ potential**	**Affected part of value chain**	**Time horizon**
Incidents, prevention and detection of corruption and bribery including training	Corruption can severely damage the company's reputation, lead to legal penalties, and disrupt operations. Inadequate anti-corruption measures could lead to violations of international anti-bribery laws, resulting in substantial fines and legal challenges. Corrupt practices could result in unethical business dealings, compromising the integrity and sustainability of operations.	Not Material	Without continuous and targeted training programs, especially in relation to procurement, partnerships, and permitting processes, there is a risk for EPIF of corruption and bribery in its operations. This can result in reputational risks, leading to legal penalties, substantial fines and legal challenges affecting day-to-day operations and profitability especially in regions heavily affected by corruption.	Potential	Own operations and upstream	Medium, Long

Political engagement	EPIF's operations require engagement with regulatory bodies and government entities, necessitating transparent and ethical political engagement practices to avoid undue influence and ensure compliance with legal standards. Close monitoring of political activities is essential to maintain integrity. EPIF is exposed to the risk that it will be seen as advocating (through its direct political interactions or indirect via trade initiatives) for fossil fuel lock-in rather than credible contributor to the energy transition. This can jeopardize access to financing from Tier 1 banks and investors.	Not Material	If EPIF can be seen as advocating (through its direct political interactions or indirect via trade initiatives) for fossil fuel lock-in rather than credible contributor to the energy transition, this can jeopardize access to financing from Tier 1 banks and investors, as well as undermining public trust and credibility of EPI commitments.	Potential	Downstream	Short, Medium, Long

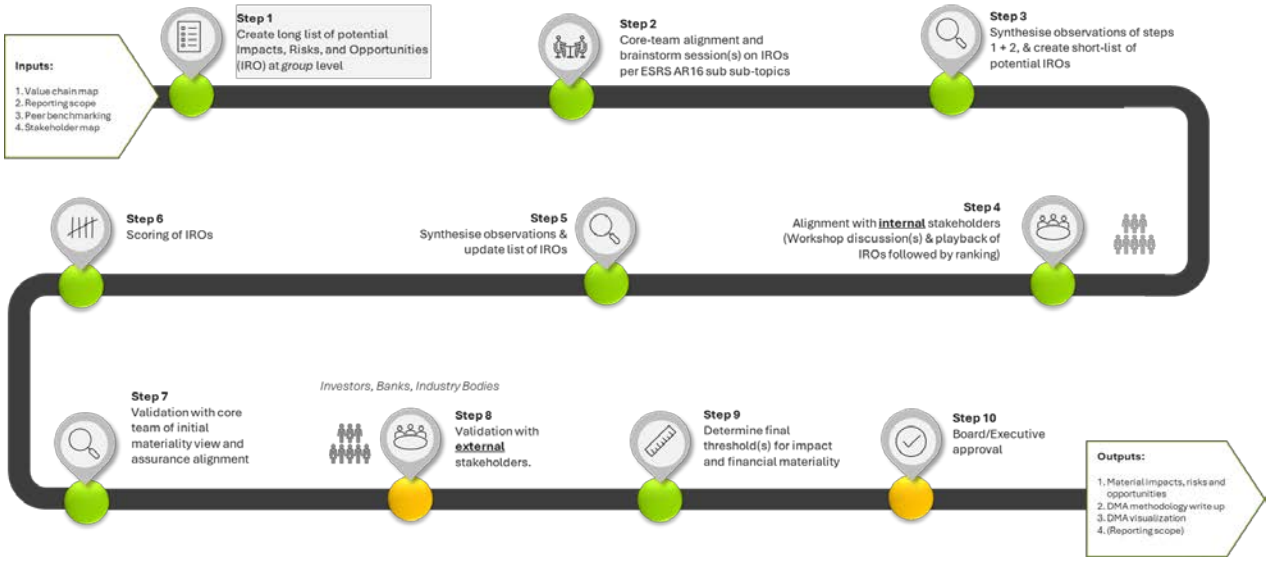
Sustainability matter	**Current effect**	**Impact statement**	**Risk statement**	**Actual/ potential**	**Affected part of value chain**	**Time horizon**
Protection of whistle-blowers	EPIF needs to establish strong protections for employees who report safety violations, environmental hazards, or unethical behaviour. Effective whistle-blower protection policies can prevent incidents from escalating and ensure compliance with laws and ethical standards. Without effective whistle-blower protections, there is a risk of underreporting issues, leading to undetected safety violations, environmental damage, or compliance breaches that could escalate into major incidents. Failure to protect whistle-blowers or address reported concerns effectively can lead to reputational damage and loss of employee trust. Due to regulatory requirements to implement a Whistleblowing system according to national requirements of EU countries, a whistleblowing system that does not fulfil the regulatory requirements can lead to financial penalties.	Ineffective whistle-blower protection mechanisms for employees and external parties could result in whistle-blowers facing severe backlash, causing emotional distress, and potentially leading to a culture of fear and intimidation.	Not Material	Potential	Own operations	Short, Medium, Long

1.11 IRO-1 – Description of the processes to identify and assess material IROs

Our DMA has been conducted to identify and assess sustainability matters that are material from either an impact perspective ("inside-out") or a financial perspective ("outside-in"). This is our first ESRS-aligned double materiality assessment, and we have captured key learnings that will help us to improve our methodology in the coming years. The objective of our approach was to ensure that we identify the key environmental, social, and governance (ESG) factors that we affect and that affect our operations, our value chain, and our stakeholders.

We have screened all topics, sub-topics and sub-sub-topics (sustainability matters) presented in the Application Requirement (AR) 16 in ESRS 1, distilled them down to a long list of potential impact, risk and opportunity statements through stakeholder engagement sessions, and scored these statements for materiality from both an impact as well as a financial perspective. We also considered whether there were any sustainability matters specific to EPIF which were not covered in AR 16.

We have purposefully prioritized the consideration of negative impacts and risks over positive impacts and opportunities.



1.11.1 Our DMA approach

1.11.1.1 Understanding the value chain

The DMA process started by mapping the value chain, which includes EPIF's own operations as well as the upstream and downstream activities on which EPIF depends. We know there are limitations to the extent of visibility we have into our end-to-end value chain and for the purpose of this initial DMA exercise, we primarily used existing sources, secondary data, as well as EPIF's internal knowledge and experience informed by the insights from the due diligence and other business processes of our operating companies. This was especially true when identifying and assessing impacts related to "S2 Workers in the Value Chain".

When identifying IROs, the impact on and risks deriving from key actors in the value chain were interrogated, with a particular emphasis on areas where there could be a concentration of IROs with particularly grave impacts (so-called "hot spots") and the business dependencies EPIF has on various aspects throughout the value chain.

1.11.1.2 IRO identification process

The DMA was performed at the Group level to create a more holistic and consolidated understanding of material sustainability matters, ensuring that the most important issues are captured across the entire organization. Where we identified unique IROs that are very specific or concentrated to a subsidiary or portion of our business, these have been disclosed separately.

Our internal experience and understanding of our business and how we interact with people and planet formed the basis of our DMA. Recognizing that sole reliance on internal knowledge could lead to bias and potentially miss impacts which had not previously been considered, we supplemented internal stakeholder engagement with external data sources to inform our understanding of impacts[8]. These sources have provided useful insights into environmental dependencies, social impacts, and industry trends given that the extent of potential impacts at points in the value chain outside of EPIF's direct purview was not always clear.

1.11.1.3 Stakeholder engagement:

We identified subject-matter experts in the business and group functions with insights into the topics and deep knowledge of our day-to-day work for each of the ten ESRS topics. Care was taken to engage a diverse and representative group of internal stakeholders across our operating companies. Several onboarding sessions helped to gain a common understanding of the regulation and the objectives of the DMA exercise.

EPIF employed a three-phased engagement approach to ensure comprehensive input:

1.11.1.4 Core team assessment:

EPIF, with the support of an external consultant, facilitated several rounds of discussions with the EPIF core ESG team and top management (including EPIF CEO Gary Mazzotti, CFO of EPIF and various other functional representatives) to identify and interpret the AR16 sustainability matters and their relevance for EPIF and the value chain, and to solicit any entity-specific IROs. These preliminary views were summarized in topical presentations and represented the "long list" of potential IROs used to guide wider internal stakeholder engagement.

1.11.1.5 Internal expert consultation

We organized interactive materiality assessment workshops for every ESRS topic to receive feedback from relevant internal subject-matter experts within the EPIF Group. Internal stakeholders were chosen for their expertise, group responsibilities and proximity to the ESRS sustainability matters, as well as their ability to provide value chain insights across the ESRS topical areas, ensuring no potentially material themes were overlooked.

As certain stakeholder groups could not be directly reached or sampled in an unbiased way, proxies were identified to represent them based on several criteria, such as their role in EPIF, their expertise in a certain field, their understanding of operational processes and their relation to a certain stakeholder group (for e.g. including HR function leads in operating companies as a proxy and informed voice representing the own workforce EPIF employee base). We used our insights from the value chain mapping process we performed to identify key internal proxies.

The outcome of these engagement sessions was used during the IRO scoring sessions that followed to validate the alignment of the scoring against stakeholder views. The survey questionnaires also included open-ended questions designed to identify any sustainability matters not identified in the long list.

[8] We leveraged tools such as ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure); WWF Water Risk Filter; Aqueduct Water Risk Atlas; Climate Risk Data; Peer benchmarking of IROs; Previous impact materiality exercise outcomes and GRI; and external market and regulatory reports.

We know that not all affected stakeholders can be identified or engaged in any single process and that stakeholder identification and engagement is an iterative process. For example, nuances in regional community concerns or supplier-specific risks may not be fully captured by internal proxies. As we continue to review our DMA outcomes and perform further assessments to understand how these may change over time, we will enhance this process as appropriate.

1.11.1.6 External stakeholder validation

As part of the DMA, we engaged with upstream financial partners as well as non-profit organizations to develop a more comprehensive understanding of the IROs across EPIF's value chain and to invite additional perspectives on the insights from our internal analysis. Engagement with upstream financial partners allowed us to assess their sustainability expectations, risk tolerance, and alignment with environmental, social, and governance priorities, particularly in relation to financing energy projects and supply chain activities. Our dialogue with an industry relevant non-profit organization provided valuable insights into industry-wide standards for improving social, environmental, and ethical performance in our Group supply chain. These engagements strengthened our ability to address and score upstream impacts and ensure alignment with best practices and stakeholder expectations.

1.11.1.7 Board approval

After the DMA results were aligned and validated with the internal and external stakeholders, they were presented to the Board for acknowledgement. The DMA results are approved alongside the full Sustainability Statement as part of the overall approval process.

1.11.2 Scoring methodology

EPIF developed a quantitative scoring system for the identified IROs, aligned to the ESRS requirements, to evaluate impact and financial materiality separately. All the IROs were scored at a gross level, and a sustainability topic was deemed material if any of the IROs crossed the threshold from either a financial or impact perspective. The scoring of the IROs was carried out by the EPIF ESG Core team, in collaboration with our external advisors. In total, 173 IROs were scored.

1.11.2.1 Impact Materiality

Based on the ESRS requirements and implementation guidance, impact materiality was assessed based on severity and likelihood of the impact. Severity was assigned a score on a scale of 1-5, with 1 representing a minimal impact and 5 representing an absolute impact. The severity score was determined based on the following parameters:

- **Scale** - refers to the gravity or seriousness of the potential or actual negative impact;
- **Scope** - refers to the reach or extent of the potential or actual negative impact, for example, the number of individuals that are or will be affected;
- **Irremediability** - refers to the irreversible nature of the negative impact by looking at the limits on the ability to restore the individuals or environment affected to a situation equivalent to their situation before the negative impact (there is no irremediability for positive impacts).

For actual negative impacts, materiality is based on the severity of the impact, while for potential negative impacts it is based on the severity and likelihood of the impact. Impact materiality was assessed over short, medium, and long-term horizons, with actual negative impacts always being recognized as short-term and potential negative impacts as medium or long-term.

1.11.2.2 Financial Materiality

Based on the ESRS requirements and implementation guidance, financial materiality was assessed based on magnitude and likelihood of the risk. Magnitude was assigned a score on a scale of 1-5, with 1 representing an insignificant financial impact, and 5 representing a significant financial impact.

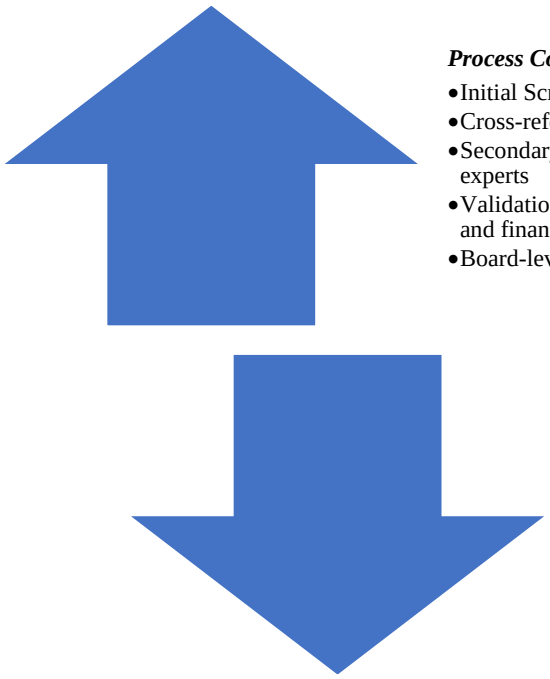
Magnitude was assessed across five risk dimensions: Strategic Risk, Operational Risk, Reputational or Legal Risk, Client Risk, and Employee Risk. The risk dimension with the highest score was used to determine the final magnitude of the IRO statement. The assessment of risk was performed primarily from a qualitative perspective due to the immaturity of quantifiable sustainability thresholds. Where appropriate, we also identified sustainability-related opportunities that could have a positive financial impact on our business, although much of this exercise is captured in our climate transition plan in more practical terms.

With climate change being our most material topic, we performed a more in-depth climate risk assessment. Following the identification of a long list of climate risks and opportunities, stakeholder engagement with our operating companies, and scenario analysis, we qualitatively scored the risks and opportunities on magnitude and likelihood. For magnitude, we considered exposure (the proportion of the business impacted by the risk or opportunity), sensitivity (severity of the impact on the affected portion of the business), and adaptive capacity (expected developments or measures taken by others (e.g. governments) that lower the exposure and/or sensitivity for EPIF).

1.11.2.3 Thresholds and internal controls:

We considered all sustainability matters (with the exception of climate change) with an impact or financial materiality score of 3 and higher as material. For climate change, risks and opportunities the threshold was a magnitude score over 2.5 and a likelihood score of more than 2.5 or a magnitude score above 3.5 and a likelihood score above 1.5.

Our DMA Process incorporates systematic controls to ensure completeness and reliability. These include:



Process Controls:

- Initial Screening and validation by core ESG team
- Cross-referencing with AR-16 sub-topics to ensure completeness
- Secondary alignment with internal stakeholders, and subject matter experts
- Validation by external stakeholders including supply chain experts and financial institutions
- Board-level approval of materiality outcome and results

Documentation controls:

- Documentation of each step followed and outcomes
- Detailed records of scoring decisions and rationales in a centralized DMA methodology and scoring document

Limited calibration across topics, with rationale, took place before finalizing the assessment.

1.11.3 Integration of impact and risk assessment into EPIF's overall risk management process, and general management process:

This was the first full DMA that EPIF has carried out for purposes of its sustainability reporting. We will keep evaluating the results of the DMA, and review them on at least an annual basis to ensure we actively capture the most relevant and material issues. The results of the assessment influences EPIF's strategic priorities, ensuring alignment between material topics and the Group's sustainability goals.

1.11.4 Current effects on the business model

EPIF recognizes the significant effects of its material IROs across various domains of sustainability and our business model as articulated in our IRO table.

1.11.5 Resilience against material IROs

EPIF demonstrates resilience against its material IROs through a combination of governance structures, risk management, and strategic investment. We have implemented sustainability initiatives that align with international standards and prioritizes the mitigation of climate-related risks and the efficient use of resources. Investments in renewable energy infrastructure enhance our ability to adapt to changing regulatory environments and market dynamics. Additionally, EPIF's governance framework provides oversight of IRO-related risks by senior leadership, embedding resilience into its operational and strategic decision-making processes.

Financial resilience is further supported by our focus on diversifying our energy portfolio and optimizing operational efficiency. While the transition to low-carbon solutions requires substantial upfront investment, EPIF has established a phased approach to integrate renewable energy and energy-efficient practices, which reduces exposure to external risks over time. Moreover, our commitment to workplace safety, diversity, and stakeholder engagement fosters strong stakeholder relationships, reducing the likelihood of disruptions and ensuring a stable operational environment.

Despite these strengths, EPIF recognizes areas for improvement and is actively working to enhance its resilience by identifying location-specific action plans to mitigate risks where appropriate and continuing to invest in innovative technologies and partnerships. Similarly, EPIF recognizes the need for further integration of sustainability metrics into financial planning and risk assessments to better address emerging IROs. These ongoing efforts, coupled with our adaptive capacity and forward-looking approach, underscores our commitment to building resilience against IROs while maintaining sustainable growth.

1.12 IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

For the full list of data points derived from other EU legislation, please see ESRS 2 IRO-2 - List of datapoints in cross-cutting and topical standards that derive from other EU legislation. For the full list of ESRS Disclosure Requirements complied with in preparing this sustainability statement, please see ESRS 2 IRO-2 Disclosure Requirements complied with in preparing the sustainability statement, following the outcome of the materiality assessment, following the outcome of the materiality assessment.

1.13 Policies MDR-P – Policies adopted to manage material sustainability matters

EPIF maintains a suite of policies governing our material sustainability topics, reflecting our strategic objectives and guiding our actions to identify, manage, and mitigate material risks, impacts, and opportunities. As part of our preparatory work under the CSRD and the DMA process, we have gained a deeper understanding of the effectiveness, depth of coverage, and implementation maturity of our

existing policy framework across our OpCos as well as the areas where additional refinements are required. These insights include addressing gaps in policy content and improving alignment with evolving stakeholder expectations, industry best practices, and regulatory requirements.

1.13.1 Current policy objectives

The EPIF Master Sustainability Policy outlines several core objectives, including:

1. **Decarbonization:** Aligning operations with the European Green Deal by reducing greenhouse gas emissions and transitioning to renewable energy sources.

2. **Ethical practices:** Upholding the highest standards of transparency, accountability, and ethical behavior across the organization.

3. **Stakeholder engagement**: Fostering strong relationships with employees, communities, and business partners through open dialogue and collaborative initiatives.

1.13.2 Implementation and monitoring

We implement the EPIF Master Sustainability Policy principles through:

- **Operating company alignment**: All operating companies are required to integrate the policy into their local operations and adapt it to comply with national regulations and cultural contexts.

  Performance tracking: EPIF employs KPIs to measure progress against policy objectives, including metrics for emissions intensity, employee matters, and health and safety.

  Reviews and reporting: Internal and external reviews validate adherence to policy objectives and data collection processes.

1.13.3 Policy Overview

The following table provides an overview of our sustainability related policies, in line with policy requirements set out by ESRS.

Table 19 Sustainability policies

Key content	General objective	Related sustainability matter	Monitoring process	Scope of policy	Accountable role for implementation	Third-party standards/initiatives
Master Policy						
The ESG Master policy is a comprehensive policy framework and basic guidelines for the EPIF Group as well as defining the core principles for sustainability related policies within the EPIF Group and its subsidiaries.	EPIF is conscious of its important economic, social and environmental impact. Along with proven business results, EPIF strives to respond to its key stakeholders' priorities facing main challenges by providing the highest quality in its operations.	E1 Climate change adaptation E1 Climate change mitigation E1 Energy E2 Air pollution E2 Pollution of living organisms E5 Waste S1 Training and skills development S1 Health and safety S1 Diversity S1 Secure employment S1 Freedom of association and collective bargaining S1 Measures against violence and harassment in the workplace S2 Health and safety S2 Forced labor S2 Child labor S3 Freedom of expression S4 Access to products and services (Energy reliability and security)	*EPIF and its subsidiaries ensure the implementation and monitoring of the appropriate environmental standards and certifications (if required by law) relevant to their operations in the territories in which they manage their assets. * EPIF will monitor all resources usage and placing appropriate programs to improve their efficiency.	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership.	Paris Agreement GHG Protocol EU Taxonomy Regulation Best Available Techniques (BAT) Council Directive 2011/70/Euratom EU waste hierarchy Local conservation goals. UN Global Compact
Environmental policy						

Environmental policy describes 15 principles that EPIF follows in terms of climate change and carbon footprint reduction, protection of biodiversity, Environmental Management System, environmental impacts of the product portfolio, customer efficiency, regulatory compliance, renewable and clean energy promotion, resource and energy efficiency, waste management and end cycle management.	EPIF is committed to conducting its business activities in an environmentally safe and responsible manner. To make sure that we uphold this commitment to the environment, all the impacts, whether positive or negative, are monitored and managed with the aims to decrease negative impacts and to improve positive imprint on the environment.	E1 Climate change adaptation E1 Climate change mitigation E1 Energy E2 Air pollution E2 Pollution of living organisms E3 Water discharges E5 Waste	*EPIF ensures this policy is upheld through continuously monitoring and modernising its operations * Potential risks in planning and operations are monitored and evaluated on a regular basis * EPIF monitors resources used to improve its resource efficiency	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership	Paris Agreement GHG Protocol EU Taxonomy Regulation Best Available Techniques (BAT) Council Directive 2011/70/Euratom EU waste hierarchy Local conservation goals.
Biodiversity Policy						
Biodiversity policy ensures that potential risks in planning and operations are monitored and evaluated on a regular basis. These activities are complemented by consultations with experts and communication with local communities, which leads to a mitigation of potential negative impacts. The Policy also specifies the EPIF goal not only to minimize the negative impact, but also to play an active role in supporting and protecting ecosystems and endangered species. Encouragement of economic and social development, respect for the environment and promotion of biodiversity are paramount corporate values for EPIF, informing all of its actions.	Encouragement of economic and social development, respect for the environment and promotion of biodiversity are paramount corporate values for the EPIF, informing all of its actions.	E4 Biodiversity loss as a result of Climate Change E4 Land degradation E4 Land-use change, fresh water-use change and sea-use change E4 Direct exploitation E5 Waste S3 Freedom of expression	*EPIF Group Companies ensure implementation and monitoring of the appropriate environmental standards and certifications (if required by law) relevant to their operations in the territories in which they manage their assets. *Integrates the preservation of biodiversity into the strategy of the EPIF Group, including consideration thereof in decisions on the construction, operation and decommissioning phases of infrastructure projects. * EPIF incorporates this preventive approach into the environmental and social impact assessments of new infrastructure projects, particularly in natural areas that are sensitive, biologically diverse or protected. * Integrating Biodiversity into the Environmental Management Systems (EMS) to identify risks and to ensure that the environmental performance meets the requirements of the regulation.	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership	Convention for Biological Diversity (CBD) Nagoya Protocol
Operational policy						

Operational Policy defines our commitments in regard to the behaviour that has a direct or indirect impact on the safety and efficiency. This Policy concerns the basic principles we follow in matters of the access to basic services to our customers in the form of affordable, high quality and reliable electricity, gas and heat supply, health and safety management of our employees, contractors, customers and all stakeholders, reliable, quality and environmentally safe operation of facilities, social impacts of our products, innovation and modernization in all our business areas of generation, transmission and distribution, emergency management, stakeholder engagement and responsible marketing.	Operational policy covers the basic principles we follow in matters of the access to basic services, health and safety management, environmentally safe operation of facilities, social impacts of our products, innovation and modernisation, emergency management, stakeholder engagement and responsible marketing.	S1 Health and safety	* EPIF Group aims for maintaining or obtaining its certification standards at minimum meeting the regulatory requirements, if feasible also on par with international levels at major group companies. * Updating information on the safety risks associated with its services and operations. * Renovates its transmission and distribution networks in compliance with legal requirements and regulation * Developing business models that contribute to local social development and improve people's quality of life * Updating and improving EPIF's emergency plans * Setting an open constructive dialogue with its key stakeholders to understand expectations to EPIF's business decisions	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels (The subsidiary companies follow at minimum these main principles and implement them in their own binding internal policies in their country)	EPIF board and executive leadership	|SO 145001 OSHA standard
Procurement policy						
Procurement policy makes sure that the EPIF Group upholds its commitment, thorough screening of a material supplier is carried out, to make sure that the supplier is conscious of the stated principles and we encourage the suppliers to share our commitments to law and regulation, ethical business conduct, human rights and working conditions, health and safety, and environmental protection. In addition, the EPIF Group expects its suppliers to uphold the eight fundamental Conventions of the International Labour Organization	Procurement policy is committed to conducting its business activities in a transparent and operationally excellent manner and expects the same of its suppliers.	S2 Health and safety S2 Training and skills development S2 Forced labor S2 Child labor	* EPIF Group monitors compliance with local external regulations on procurement processes, thorough screening of a material supplier will be carried out * Suppliers will ensure that worker's working environment complies with all health and safety standards required by the legislation and where feasible to permanently monitor the safety and health of employees, business partners and the communities surrounding it.	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership	Conventions of the International Labour Organization ISO 45001 certifications
Code of conduct						

The Code of Conduct defines EPIF's standards of behaviour, managed as a practical value for our day-to-day business and making all employees personally responsible for the performance and reputation of the Group, ensuring a good relationship with all our stakeholders.	The EPIF Group Code of Conduct contains standards of behavior to be upheld by employees and is designed to ensure good relationships with all stakeholders.	S1 Health and safety S1 Secure employment S1 Diversity S1 Freedom of association and collective bargaining S2 Health and safety S2 Forced labour S2 Child labour S3 Freedom of expression S4 Access to products and services (Energy reliability and security)	* EPIF Group ensures that all working facilities and assets are fully covered at the minimum by the quality standards given by the respective laws and regulations, and where feasible permanently monitors the safety and health of employees	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership	Ten Principles of the United Nations Global Compact ISO 45001 certifications
Tax Governance Policy						
The Tax Governance policy ensures compliance with all applicable tax laws and regulations within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions. To address the risk of tax non-compliance, as well as other identified tax risks, material transactions are assessed by approved tax experts. The purpose of the Policy is to ensure compliance with tax rules in various countries and territories in which the Group operates, prevention and reduction of significant tax risks and strengthening of the relationships with tax authorities.	Tax Governance Policy ensures compliance with tax rules in various countries and territories in which the Group operates, prevention and reduction of significant tax risks and strengthening of the relationships with tax authorities.	N/A	N/A	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels, within the countries and territories of operation.	EPIF board and executive leadership	N/A
Equity, diversity and inclusion policy						

Equity, diversity and inclusion policy is to provide equality, fairness and respect for all in our employment; not unlawfully discriminate because of the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex and sexual orientation; oppose and avoid all forms of unlawful discrimination, and Promote equal opportunity amongst all company employees.	Equity, diversity and inclusion policy is to provide equality, fairness and respect for all in our employment and to oppose and avoid all forms of unlawful discrimination.	S1 Training and skills development S1 Diversity S1 Secure employment S1 Measures against violence and harassment in the workplace S2 Training and development	*EPIF monitors the make-up of the workforce in encouraging equality, diversity and inclusion, and in meeting the aims and commitments set out in the Policy.	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership	Ten Principles of the United Nations Global Compact ISO 45001 certifications
Asset Integrity Policy						
Asset Integrity Policy outlines the principles and practices that govern decisions on asset management at EPIF to ensure that EPIF responsibly manages asset integrity risks across all facilities that we design, construct or operate and thus accomplishes its mission of providing high-quality products and services in a sustainable and safe environment.	Asset integrity policy outlines the principles and practices that govern decisions on asset management at EPIF to ensure that EPIF responsibly manages asset integrity risks across all facilities that we design, construct or operate.	E1 Climate change adaptation E1 Climate change mitigation E1 Energy E3 Water withdrawals E3 Water discharges	*Monitor and review the effectiveness of asset management processes and the wider asset management system in supporting the delivery of strategic objectives.	All assets owned by EPIF and all aspects of each asset, including design, construction, operation, maintenance and disposal. EPIF may rely on natural assets or other assets it does not own. Where operations are supported by these assets, EPIF will work collaboratively with the asset owners.	EPIF board and executive leadership	N/A
Anti-corruption and anti-bribery Policy						

Anti-corruption and anti-bribery policy is to ensure compliance with all applicable Anti-Corruption and Anti-Bribery laws and regulations of all the countries in which we do or intend to do business, and to ensure our business is conducted in a socially responsible manner.	Anti-corruption and anti-bribery policy highlights that the acceptance of gifts and donations including charitable donations is regulated. Receipt or payment of bribes including facilitation payments is strictly prohibited.	G1 Incidents, prevention and detection of corruption and bribery including training	* EPIF Group Company ensures that a regular review of the implementation of this Policy is conducted, considering its suitability, adequacy and effectiveness, and that any identified improvements are made as soon as possible. * EPIF Group Company ensures that internal control systems and procedures are subject to regular audits to provide assurance that they are effective in countering Bribery and Corruption.	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership	EU anti-money laundering directives
KYC Directive						
KYC Directive outlines the process that seeks to verify and validate the business partner's identity and suitability in order to support EPIF's actionable decisions to mitigate financial, regulatory and reputational risk and ensure regulatory compliance. It also sets basic principles for division of powers and responsibilities concerning the performance of the KYC procedure according to the KYC Directive among EPIF Group Company's departments and bodies including the four eyes principle.	KYC Directive obliges each EPIF Group Company to implement measures and processes concerning business partner's identification and suitability that are necessary and appropriate with regard to the respective EPIF Group Company's profile and character of its activities and business relationships into its internal processes and rules of operations.	S2 – Workers in the value chain	*EPIF Group Company collects information and data from public and other reliable sources or completion of a KYC Questionnaire by a prospective business partner and provision of necessary documentation * EPIF Group Company evaluates and verifies the information and data, checks whether the business partner is subject to sanctions	N/A	N/A	N/A
Sanctions Policy						
Sanctions Policy is to ensure compliance of EPIF with Sanctions, i. e. to ensure that EPIF and/or its Employees does not establish or maintain business relations or process any transactions for/on behalf of sanctioned persons, entities or countries.	EPIF is committed to avoiding trade with sanctioned parties or anyone in sanctioned countries.	N/A	N/A	*EPIF Group Company ensures that internal control systems and procedures are subject to regular audits to provide assurance that they are effective in preventing a breach of Sanctions	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership
Anti-trust law Policy						

Anti-trust law policy is to ensure compliance with all applicable Anti-Trust Law of all the countries in which we do or intend to do business, and to ensure our business is conducted in a socially responsible manner. The Policy aims to ensure that all Employees observe Anti-Trust law and are aware of serious consequences that any infringement of Anti-Trust law may have.	All employees and directors are obliged to observe anti-trust laws and are aware of serious consequences that any infringement of anti-trust laws may have.	N/A	N/A	*EPIF Group Company ensures that internal control systems and procedures are subject to regular audits to provide assurance that they are effective in preventing an infringement of Anti-Trust Law	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership
Whistleblower Policy						
The Policy's purpose is to provide employees the means of reporting compliance concerns and compliance violations without fear of retaliation or retribution, and to set out the way in which any serious concerns that they have may be raised and how these concerns are dealt with including a model procedure to be followed.	EPIF believes that speaking out and reporting serious concerns is essential for safety, legal and financial compliance and ultimately a successful business.	G1 Protection of whistle blowers	*Adoption of a detailed procedure for investigating of concerns. A model Procedure attached in the policy (Annex 1) which may be appropriately adapted to reflect the EPIF Group Company structure.	All Employees in all countries and territories that EPIF Group operates in and relates to reporting in Good Faith of a serious concern about any suspected, actual or potential violation of law, regulations or EPIF Group Policies.	EPIF board and executive leadership	N/A
Anti-financial crime policy						
Anti-financial crime policy sets principles for preventing financial crime, including the KYC procedure, the "four-eyes" principle and limits on cash payments and highlights the importance of business partner due diligence. The Policy also covers communication, training, concern raising, monitoring and review, as well as sanctions.	Anti-Financial Crime Policy is to prevent EPIF, our employees and our business partners from being exposed to financial crime covering money laundering and terrorist financing.	N/A	N/A	* EPIF Group Company ensures that internal control systems and procedures are subject to regular audits to provide assurance that they are effective in countering Financial Crime activities	EPIF, their subsidiaries and companies controlled by EPIF Group on all operational levels	EPIF board and executive leadership

1.13.4 Commitment to policy refinement

EPIF recognizes the need for continuous improvement of our policy framework, taking into account a dynamic regulatory environment, shifting stakeholder expectations, and a maturing governance and operational context within EPIF. To this end, we will prioritize the refinement of existing policies in the next reporting cycle to ensure closer alignment with the material sustainability topics and ensure that policies are aligned with the disclosure principles set out under ESRS and other relevant upcoming regulatory requirements such as the CSDDD.

1.13.5 Policy review and update process

To refine and enhance our policy framework, we will follow a structured process in the upcoming reporting cycle, comprising at least the following steps:

1.13.5.1 Gap analysis and benchmarking

We will conduct a comprehensive review of existing policies against the topical MDR-P requirements to identify gaps in content, alignment, and implementation mechanisms and include policy narratives to address other sustainability regulatory imperatives as appropriate (e.g. stemming from CSDDD, the Omnibus regulation, or otherwise). We will also benchmark policies against peer organizations and industry standards to identify best practices.

1.13.5.2 Stakeholder engagement

We will engage with operating companies to gather detailed feedback on the current policies and areas for improvement, incorporating insights from the DMA process to ensure alignment with their priorities and expectations and making sure the Group sustainability objectives are consistently interpreted.

1.13.5.3 Drafting and alignment

The work we have done to identify our material impacts, risks and opportunities and the stakeholder insights we gather will guide the extent of updates we make to our existing policy framework, in alignment with the requirements articulated in the MDR-P topical standard requirements and our operational needs.

1.13.5.4 Review and approval

Should we make substantial changes to our policy framework and content, we will subject the updated policies to review by the governance bodies, including the HSE committee, Compliance committee, and the Board, to ensure they meet strategic and compliance objectives.

1.13.5.5 Implementation and monitoring

We will communicate updated policies to all relevant stakeholders, including employees, suppliers, and operating companies through appropriate channels and as appropriate to the policy coverage. We will also monitor the effectiveness of the updated policies through regular reviews, stakeholder feedback, and sustainability reporting metrics. We plan to support effective implementation of updated policies through targeted training interventions with appropriate process and data owners.

1.13.5.6 Disclosure and transparency

EPIF will report on the progress of policy refinements and its implementation in our next reporting cycle.

1.13.5.7 Commitment to continuous improvement

EPIF is committed to maintaining a policy framework that reflects our sustainability priorities and evolving regulatory requirements. The integration of insights from this initial CSRD reporting period and our first DMA process into the refinement of policies will strengthen our ability to address material topics effectively and transparently.

1.14 Actions MDR-A – Actions and resources in relation to material sustainability matters

The focus of our Minimum Disclosure Requirements of Actions (MDR-A) is on significant actions that support the achievement of sustainability objectives. As such, the specific actions that address material topics are included as part of the topical disclosures below. These actions do not generally cover routine operational activities we pursue to further our progress against these topics.

The actions we have articulated are designed to either address potential adverse impacts, manage identified sustainability-related risks, or build resilience and capitalize on opportunities to enhance sustainable practices.

1.14.1 Expected outcomes

Our key actions are determined to deliver measurable benefits, including reduced environmental impacts, enhanced social outcomes, and improved governance practices. Outcomes will be linked to performance indicators.

Estimates of the operational expenditure (Opex) and capital expenditure (Capex) required to implement actions are provided where the actions require significant resources to be implemented. We will review, and update where required, our related KPIs to track the effectiveness of these actions.

1.15 Metrics MDR-M – Metrics in relation to sustainability matters

Our approach to disclosing key metrics integrates topic-specific ESRS requirements to provide a comprehensive view of our performance in managing sustainability matters. Specific metrics are disclosed alongside the topical disclosures. By monitoring these metrics, we can evaluate progress, identify areas for improvement, and ensure accountability in our sustainability practices.

To ensure the effectiveness and relevance of our sustainability initiatives, we apply metrics that are carefully selected based on an assessment of the materiality of the information. This assessment evaluates the significance of each metric in terms of its relevance and importance for decision-making by our stakeholders, as well as its ability to reflect our performance on critical environmental, social, and governance issues.

The metrics we employ are designed to demonstrate alignment with goals, provide measurable evidence of how our actions support the achievement of our strategic sustainability objectives and enable clear communication of our performance to stakeholders, ensuring transparency and trust.

We are committed to refining and evolving our metrics as necessary to maintain alignment with regulatory requirements, industry best practices, and the evolving expectations of our stakeholders.

1.16 Targets MDR-T – Tracking effectiveness of policies and actions through targets

1.16.1 Key targets related to sustainability

We have already embedded a structured approach to performance management, ensuring that our current sustainability efforts are tracked. This reporting year enabled a deeper understanding of our material sustainability related impacts, risks, and opportunities through our DMA and we see the value of our continued efforts to define clear objectives and key performance indicators (KPIs) to guide our progress.

EPIF understands that of all the material impacts which have been identified through the CSRD-aligned DMA process, the greatest is climate change. As an energy infrastructure utility, not only does EPIF have a responsibility to ensure the provision of an essential utility service remains stable and viable for all, but there is an expectation of accountability to reduce fossil fuel reliance and support the transition to net zero.

EPIF announced its decarbonization targets in 2023. These are regularly evaluated and have been assessed as still relevant in the context of EPIF ambitions. The targets are as follows:

1. Reduce CO_2 emissions (Scope 1 & 2) by 60% by 2030 compared to 2022 (base year)
2. Phase out coal by 2030
3. Achieve carbon neutrality in respect of Scope 1 & 2 emissions by 2040
4. Achieve net zero operations in respect of Scope 1 & 2 emissions by 2050
5. Reduce methane emissions in line with the Global Methane Pledge, i.e. by 30% between 2020 (base year) and 2030

To date we have achieved the following reductions:

- The Scope 1 &2 CO_2 emissions were reduced from 3,414 thousand tonnes CO_2 in 2022 (base year) to 1,673 thousand tonnes CO_2 in 2024
- Methane emissions were reduced already by 45% between 2020 (base year) and 2024. EPIF has therefore already met its reduction target and will continue to implement best practices to reduce methane leakage

In the next reporting cycle, we will review whether setting specific Group-level targets for additional material topics would be useful to progress our related impact, risks, and opportunity management efforts. We will perform this review by engaging with internal stakeholders, assessing data availability and reporting capabilities, and benchmarking against industry peers.

Environmental section

2. ESRS E1- Climate change

EPIF acknowledges its crucial role in reducing emissions in our industry. We have concentrated our efforts on developing internal policies, implementing programs, and enhancing energy efficiency within our Group's operations.

EPIF continues to understand the extent to which climate change threatens the wellbeing of people and the environment. The reality of climate change and the associated transitional and physical risks have been the leading driver in increasing the intensity of our efforts to reduce GHG emissions and increase operational efficiencies across the Group.

2.1 E1.GOV-3 - Integration of sustainability-related performance in incentive schemes

The CEO of EP Infrastructure who also holds the position of ESG Officer receives an incentive linked to the achievement of sustainability goals. The remuneration has a variable portion comprising 50% of the total remuneration which is linked to meeting financial targets (40%), maintenance of an investment-grade credit rating (15%), ensuring robust risk management (15%), health & safety considerations (15%) and ESG considerations (15%), where emission reduction efforts are considered.

2.2 E1-1 – EPIF's Climate Transition Plan

EPIF's core strategy is to operate critical infrastructure, safeguard security of supply, and contribute to the affordability of essential commodities, while concurrently reducing its GHG footprint and ensuring readiness for renewable gases in the medium to long term. EPIF's transition plan ensures that each asset has a clearly defined role in a net zero energy system. Capital expenditures (Capex) are primarily directed towards the replacement of emission-intensive assets such as lignite-fired heating plants, enhancement of the power distribution network, gradual retrofit of gas distribution infrastructure with hydrogen-compatible pipes, or reduction of methane leakage. In instances where the path to renewable gases is still developing, Capex is limited to maintenance to ensure safe and reliable operation. No material Capex is spent on expansion of infrastructure dedicated to fossil fuels where conversion to renewable gases is not foreseen.

In April 2023, the Board of Directors of EPIF approved a comprehensive set of new decarbonization targets. These targets are accompanied by long-term emission reduction pathways that have been developed for each individual segment within the EPIF Group. The approval of these targets followed extensive discussions with key management personnel of each subsidiary, to ensure that the emission pathways are aligned with the business plans at the subsidiary level.

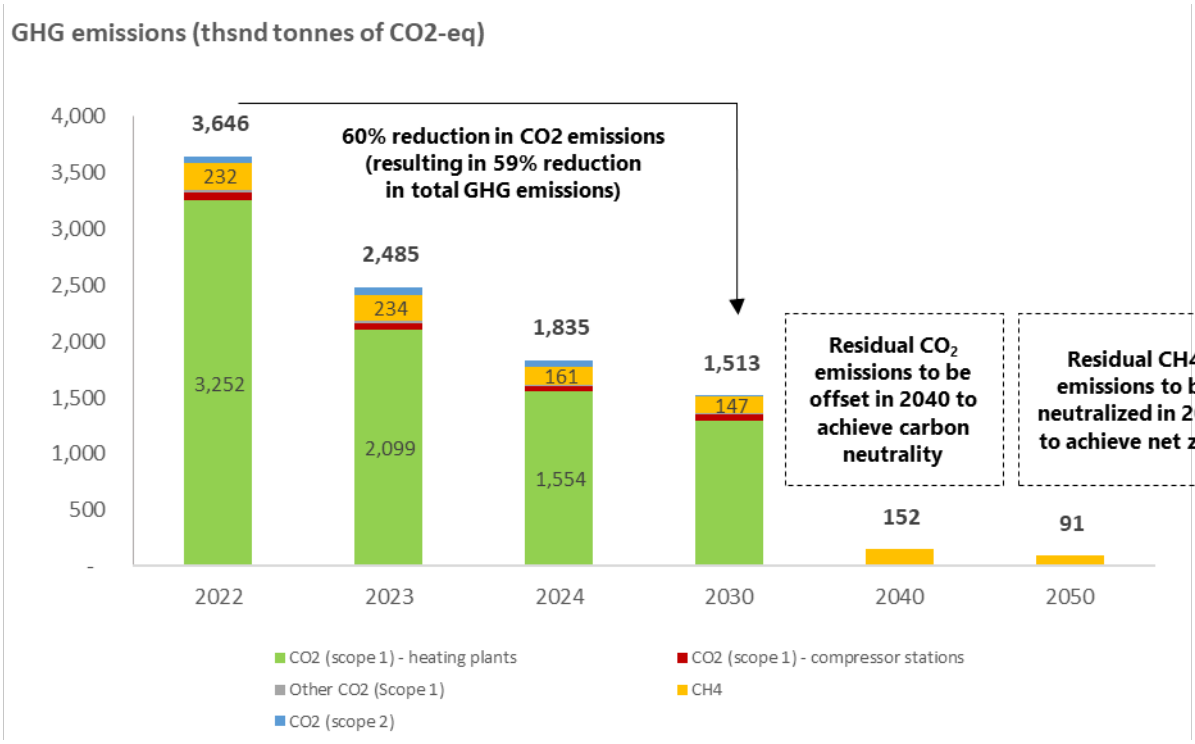
The primary objective when developing the Group's decarbonization goals and emission reduction pathways was to ensure alignment with scientific principles and the Paris Agreement's aim to limit global warming to no more than 1.5°C. To achieve this, EPIF aimed to align its pathway with the Science Based Targets initiative (SBTi), which is widely regarded as the gold standard for science-based target setting. However, EPIF is classified as an Oil & Gas Group by SBTi, which means it cannot currently seek verification of its targets from SBTi. Nevertheless, EPIF endeavored to align the pace of its GHG emission reductions with the SBTi's absolute target criteria, which involves a target of reducing emissions by at least 42% by 2030 relative to the 2022 level. EPIF aims to surpass this requirement by targeting a 60% reduction in emissions during the same period. Regarding its long-term objective, EPIF complies entirely with the SBTi's requirement and is committed to achieving net zero emissions by 2050.

The segmental pathways have been consolidated into a comprehensive pathway for the EPIF Group, as depicted in the chart below. Furthermore, a detailed action plan has been formulated for each segment, outlining the specific measures and strategies to be implemented to achieve the decarbonization targets. These plans also include specific decarbonization levers.

The chart shows a major gradual decrease in GHG emissions between 2022, used as the baseline year, to 2024. This decline was primarily due to the reduced activity of lignite heating plants in response to normalization of power spreads, lower utilization of gas compressors in the gas transit network, as well as reduced methane leakage. Achieving the 2030 goal mainly depends on the successful transition of all heating plants from lignite to hydrogen-ready gas units, waste incinerator plants, complemented by existing biomass units.

The performance of each segment in meeting these targets is monitored by the respective segmental directors, as well as the EPIF Board. Regular oversight and review mechanisms are in place to ensure that progress is tracked, and necessary actions are taken to achieve the decarbonization goals set forth by EPIF.

Projected GHG emissions



2.2.1 EPIF's exposure to locked-in GHGs and decarbonization measures

All EPIF assets related to fossil fuel emissions are potentially exposed to locked-in GHG emissions[9]. EPIF addresses all key fossil asset groups in its transition plan.

2.2.2 Coal-fired generation

EPIF has commenced conversion of its lignite-fired combined heat and power plants in the Czech Republic into a balanced mix of hydrogen-ready CCGT units, waste-to-energy plants, which will be complemented by existing biomass units. The projects will ensure that EPIF will phase out coal by 2030, while share of coal is expected to be limited already in 2028.

[9] E1.SBM-3 section 4.3.2 describes how locked-in GHG exposure can affect EPIF's strategy and business model.

2.2.3 Gas-fired generation

EPIF conducts efforts to stimulate the market adoption of renewable gases (hydrogen, biomethane). Nevertheless, a potential delayed availability and affordability of green gases could make the transition of EPIF's assets to low carbon power generation not economically feasible in the coming years. Therefore, EPIF plans to upgrade older plants or build new plants to be hydrogen-ready, while operating on natural gas until renewable gases are commercially available. The other measure to gradually reduce exposure to locked-in emissions is gas phaseout, as older gas plants reach the end of their operational lifetime. The extension of their lifetime would be conditional on decarbonization of the power production through adoption of green gases.

2.2.4 Gas infrastructure

EPIF currently advances hydrogen readiness across its gas midstream and downstream infrastructure. EPIF aims to primarily repurpose existing infrastructure to the extent possible to minimize Capex requirements, while development of additional infrastructure is expected to be limited. We are exploring establishment of two parallel systems: one dedicated hydrogen grid shaped around the initial industrial adopters in key clusters, and a natural gas grid to meet the continued demand from consumers transitioning more gradually away from natural gas. In addition, the natural gas in the network is projected to be gradually replaced by biomethane, further contributing to decarbonization of the gas mix. Successful execution of this transformation relies on development of a large-scale market for renewable gases, where EPIF aims to facilitate the connection between producers and consumers. However, development of the planned hydrogen infrastructure might face delays due to an absence of market incentives, regulatory uncertainties, or a lack of commitment from broader stakeholder groups to renewable gases.

Table 30 in E1-3 section 4.6 lists EPIF's direct and indirect decarbonization levers including the corresponding projected GHG emissions reductions per lever. EPIF’s direct decarbonization levers align with EPIF’s target to reduce Scope 1 & 2 CO_2 emissions by 60% by 2030 and aim to enable the integration of renewable energy in the wider energy system. Furthermore, the table includes planned Capex to realize the GHG emission reduction.

2.2.5 EU Taxonomy-aligned activities and Capex related to fossil fuels

In the reporting period, EPIF’s EU Taxonomy-aligned activities included the operation of the power distribution network, district heating networks, heat and power generation from biomass and other smaller renewable generation sources. Capex aligned with the EU Taxonomy includes the same activities and also investments into the gas distribution and transit networks aligned with hydrogen adoption and development of hydrogen-ready cogeneration heating plants.

In 2024, 67% of Capex was spent on Taxonomy-eligible activities, of which 59% was fully aligned. Based on the Capex plan of EPIF communicated in section **E1-3 Climate-related actions**, the share of Taxonomy aligned Capex is expected to exceed 60% in the medium term.

In 2024, coal-related Capex was limited to necessary maintenance of the lignite-heating plants and amounted to 16 M EUR (7% of total Capex), gas-related Capex represented mainly gas midstream and downstream infrastructure (83 M EUR, 37% of total Capex) and limited initial Capex on the gas-fired heating plants (16 M EUR, 7% of total Capex). Gas-related Capex was spent largely on assets where future alignment with hydrogen is envisaged. No material Capex has been allocated to oil-related economic activities.

2.2.6 Green finance framework

In August 2023, EPIF issued its inaugural Green Finance Framework to link future financing to execution of its transition plan. Establishing a framework for green financing represented a logical step

for EPIF to increase its transparency and accountability towards investors and financing banks. We believe this step was helpful for all stakeholders to better understand our ESG ambitions and will contribute to the diversification of our investor base. The framework received second party opinions ("SPO") from Shades of Green, now a part of S&P Global which assigned a Light Green shading to the framework and Sustainable Fitch which assigned a score of "Good" to the framework. Both SPO providers consider the framework as aligned with the ICMA Green Bond Principles. In March 2024, EPIF issued its first green instruments, green Schuldschein loans. Strong interest from the investor community indicated acceptance of EPIF's approach to energy transition and consequently also increased the original minimum volume of EUR 100 million to the final amount of EUR 285 million. The proceeds have been allocated to projects aligned with the green financing criteria in the framework. EPIF is currently not part of any equity or bond indices and therefore cannot be excluded from Paris Aligned Benchmarks (PAB Equity or Bond Index).

2.2.7 Governance of the climate transition plan

EPIF's Board of directors approves sustainability reports with the decarbonization targets (including the transition plan), the underlying decarbonization strategy and Capex plans that underpin the emission reduction goals, with each segment's directors responsible for preparing their respective Capex plans.

2.2.8 EPIF's progress update in implementing the transition plan

In 2024, EPIF achieved major progress in implementing its transition plan across its segments:

- EPIF has taken the final investment decisions in respect of the conversion of its lignite-based heating plants to hydrogen-ready gas-fired units and waste-to-energy plants. EPIF received formal approval for investment subsidies from the Modernization Fund and was successful in the inaugural auction for operating cogeneration subsidies awarded to highly efficient combined heat and power plants for 15 years.

- EPIF continued to retrofit its gas distribution network to enable hydrogen adoption in the future, while securing certification for distribution of 10% hydrogen blend in local networks and 5% blend in high-pressure pipes.

- EPIF secured an IPCEI status for its planned retrofit of one gas transit pipeline in Slovakia to enable 100% hydrogen transit. Securing IPCEI status creates a viable path for obtaining grants from national or EU sources, bringing the entire project closer to realization.

- EPIF continued the R&D phase of Project Henri, recognized as an IPCEI project, aiming to establish criteria for selecting suitable geological structures for large-scale hydrogen storage. Subsequently, the preselected geological structures will undergo laboratory testing to confirm their capability for storing pure hydrogen or to determine the maximum allowable hydrogen concentration for safe reservoir storage.

- EPIF continued to incur substantial Capex related to reinforcement of the power distribution network in central Slovakia. The Capex comprised new connections, more efficient transformers, underground cables in areas more prone to physical damage from adverse weather events, and installation of smart metering systems.

2.3 E1.SBM-3 Material R&Os and their interaction with strategy and business model

EPIF acknowledges the importance of understanding its climate-related risks and opportunities (R&Os) as they could affect EPIF's strategy and business model. Therefore, EPIF reviews climate-related risks for its activities and assets continuously with a formal regular reporting to the HSE committee and

Board of Directors, and reviews what response measures, such as climate mitigation and adaptation actions, are appropriate to address these risks. Furthermore, EPIF continuously scouts for opportunities that may arise from the transition to a low carbon economy.

EPIF conducted a resilience analysis against the climate R&Os prioritized in the R&O assessment[10]. EPIF uses the outcome of the resilience analysis to increase its resilience against these climate R&Os, and to inform stakeholders about how EPIF manages its prioritized R&Os. Section 4.3.1 describes how EPIF conducted the resilience analysis. Section 4.3.2 provides the results of the resilience analysis.

2.3.1 Resilience analysis methodology

EPIF conducted a resilience analysis in 2024 to evaluate whether its prioritized climate R&Os and corresponding adaptation/mitigation actions align with its strategy and business model (SBM). EPIF analyzed climate scenarios over EPIF's defined time horizons to assess the implications of each R&O to EPIF's SBM. EPIF's resilience analysis is based on financial effects resulting from climate R&Os. EPIF assessed these financial effects quantitatively and qualitatively:

Quantitative assessment: EPIF assessed exposure of assets[11] and net revenues to two types of physical risks[12] and one transition risk[13], for which the uncertainties and limitations are noted in the E1-9 method sections[14].

Qualitative assessment: Several transition R&Os are assessed qualitatively, as these R&Os could not be assessed quantitatively due to their complexity and the high uncertainty of related key variables underpinning these risks.

EPIF incorporated planned mitigation and adaptation actions[15] in the resilience analysis. These climate actions, together with EPIF's other risk response measures, inform the overall ability of the EPIF to adjust or adapt its strategy and business model to the R&Os. Risk response measures are described for each prioritized R&O in the resilience analysis results (section 4.3.2).

The scope of the resilience analysis includes all subsidiaries within EPIF that can experience noteworthy effects from physical risks and transition risks/opportunities to EPIF.

Regarding physical risk, EPIF assessed the risks affecting EPIF's own operations, with the upstream/downstream value chain being excluded from the analysis as EPIF deprioritized these risks in the IRO assessment16. Within EPIF's own operations, the scope of assessment is further described in E1-9 section 4.10.1.

The resilience analysis covers the short- (FY2024), medium- (2025-2029) and long-term (2030-2060) time horizons16 for three climate scenarios to capture the extremes from physical risks and transition risks/opportunities that could impact both EPIF's own operations (physical/transition) and/or value chain (transition). EPIF used the "shared socioeconomic pathway" (SSP) scenarios[16]: SSP1-2.6 "Sustainability" , SSP3-7.0 "Regional rivalry", and SSP5-8.5 "Fossil fueled development" to capture the range of transition and physical R&O extremes within scenario analysis. The compatibility of climate scenarios used in the scenario analysis with critical climate-related assumptions in EPIF's

[10] A selection of EPIF's climate R&Os is defined as material, with immaterial R&Os being excluded from the resilience analysis. See E1.IRO-1 section 3.4 for the materiality assessment method

[11] Carrying amount of assets

[12] Acute and chronic physical risk in own operations, see E1-9 further information

[13] Exposure to locked-in GHG emissions, see E1-9 for further information

[14] See E1-9 section 3.10.1

[15] E1-3 section 3.6 lists the climate mitigation and adaptation actions

[16] Further information on time horizons and climate scenarios is provided in E1.IRO-1 section 3.4.2

financial statements has not been assessed, as such critical climate-related assumptions are not yet present in EPIF's reporting.

While the aforementioned SSP scenarios are widely adopted in the climate community to plan for climate change mitigation and adaptation, the SSPs have their limitations[17]. EPIF is aware of the scenario's limitations and uses the SSP scenarios as a tool to envision different futures, rather than to assume that the scenario will exactly happen as projected. EPIF chooses three out of five[18] SSP scenarios to cover the full range of possible R&Os regarding transition and physical R&Os. Moreover, EPIF used information from additional scenarios from other sources, such as the International Energy Agency (IEA), in alignment with the SSP scenarios.

2.3.2 Implications of prioritized R&Os for EPIF's strategy and business model

This section provides the results of the resilience analysis of EPIF's strategy and business model concerning its prioritized climate-related R&Os. EPIF considers its assets and business activities at risk when defining or reviewing its strategy and planned adaptation/mitigation actions. EPIF also reviews the R&Os when making investment decisions.

EPIF addresses assets/activities affected by physical risks through adaptation actions[19] such as increasing the resilience of our electricity distribution grid against extreme weather events, and contingency plans for critical infrastructure affected by extreme weather events.

EPIF addresses assets/activities affected by transition risks through mitigation actions[20] such as phasing out coal to reduce EPIF's GHG emissions or focusing on operating activities vital for the energy sector transition which are often supported by regulatory frameworks or government funding in the form of investment or operating subsidies.

EPIF includes transition opportunities in EPIF's decision-making, as successful implementation of opportunities causes benefits for both EPIF's market competitiveness as well as our sustainability goals.

EPIF's current strategy and business model already integrates climate-related risks and opportunities, and EPIF remains flexible to further adapt to climate change across the short-, medium-, and long-term time horizons. EPIF's strategy considers various climate scenario narratives[21] that capture the extremes from physical and transition risk, ensuring resilience to transition and physical climate developments.

EPIF is continuously seeking to improve its ability to adapt to climate-related R&Os, including securing ongoing access to finance at an affordable cost of capital; redeploying, upgrading or decommissioning EPIF's existing assets; and shifting EPIF's products and services portfolio.

EPIF created its Green Financing Framework (GFF) to present EPIF's sustainability ambitions transparently to investors to aid their decision-making. The GFF is verified by reputable external rating agencies. Upon issuance of a green finance instrument, the allocation of proceeds is subject to limited assurance from an audit company.

Table 20 and Table 21 describe the acute & chronic physical climate risks, and the Table 27 shows the transition R&Os. All R&Os include scenario analysis based on the SSP scenarios relevant to each R&O. Furthermore, EPIF's ability to adapt to each R&O is detailed out in each table.

[17] O'Neill et al. (2020)

[18] EPIF did not assess R&Os for the other two SSP scenarios SSP4 "Inequality" and SSP2 "Middle of the road", as EPIF expects the impacts from physical and transition R&Os from these scenarios to be within the range of the other SSP scenarios.

[19] See E1-3 Table 25 for the list of adaptation actions

[20] See E1-3 Table 24 for the list of mitigation actions

[21] SSP1-2.6, SSP3-7.0 and SSP5-8.5 from the IPCC. EPIF applied the IEA NZE scenario on top of the SSPs where relevant.

Table 20 Acute physical climate risk

Risk		**Increased operational impacts from acute physical climate events**		
Type, subtype		Physical risk, acute		
Cause		Global warming increases frequency and severity of climate-related acute extreme weather events (e.g. floods, etc., see below)		
Effects[23]		Increased impacts to assets that are exposed[22] to acute physical climate hazard risks. EPIF assessed the following acute hazards[23] that can impact assets[24]: ▪ Flooding, e.g., buildings inundated ▪ High wind speeds, e.g., electricity poles blown over ▪ Cold waves, e.g., power lines failing after ice-forming ▪ Wildfires, e.g., electricity poles catching fire ▪ Lightning, e.g., electricity poles struck by thunder The resulting impacts from assets being affected by hazards can lead to: ▪ Increased expenses due to asset damage, higher insurance premiums, fines from outages ▪ Decreased revenues due to operational downtime ▪ Asset devaluation		
Scope[23]		All physical assets		
Value chain		Operational		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ SSD's electricity grid is exposed to cold waves and wind risks. ▪ A small share of critical assets[25] is exposed to flood risk. ▪ EPIF found no exposure to other risks related to the hazards included in the physical risk assessment scope.	▪ Similar as in short-term.	▪ SSD's electricity grid is less affected by cold waves due to increased temperatures, but experiences a slight increase in high wind speeds. ▪ Regarding the critical assets exposed to flood risk higher flood depths increase the severity[26] of negative financial effects.
	High carbon scenario (SSP5-8.5)	▪ Same as in orderly transition scenario	▪ Similar as in short-term.	▪ SSD's electricity grid exposure to: ▪ Cold wave risk reduces significantly due to intensified global warming ▪ Wind speed risk increases more than in the orderly transition scenario ▪ Assets exposed to flood risk are more severely[26] affected, as they experience higher flood depths compared to the orderly transition scenario.
Response measures	Current	▪ EPIF scans critical assets against climate projections to identify assets exposed to acute physical climate impacts. EPIF's infrastructure subsidiaries have contingency plans to respond effectively to acute physical climate impacts. ▪ EPIF's subsidiary SSD implements adaptation actions[27] to make the electricity grid more resilient to extreme weather events.		
	Planned	▪ EPIF will evaluate whether any additional adaptation actions for assets exposed to acute risk are appropriate.		

Table 21 Chronic physical climate risk

[22] An asset is exposed to a hazard risk, if the hazard is projected to surpass the asset's hazard exposure threshold at a plausible probability (e.g. once in a 100 years) in a given year and climate scenario. Further details in E1-9.

[23] Other acute hazards that can materially affect EPIF, such as landslides, could not be assessed due to climate data limitations. See Table 34 in section 3.10.1.1 for the hazards excluded from the scope.

[24] See E1-9 section 3.10.1.1 for the method describing the subcompanies, asset classes, financial flows and hazards included in scope for physical risk exposure.

[25] Critical assets exposed to material flood risk are a gas compressor station in Slovakia, and a gas storage station in Germany

[26] Severity of the impact to the assets exposed to the material risk. E.g., an asset may fail at 0.5m flood depth (exposed to material risk), but a 1m flood depth causes worse impacts (increase in severity).

[27] Adaptation actions to improve SSD's grid resilience include building stronger poles etc. See E1-3 for more information.

Risk		**Increased operational impacts from chronic physical climate events**		
Type, subtype		Physical risk, chronic		
Cause		Global warming causes more severe chronic events such as higher temperatures and more frequent and severe droughts		
Effects		Increased impacts to assets that are exposed[28] to chronic climate hazard risks. EPIF assessed the following chronic hazards[29] that can impact assets[30]: ▪ Water stress, e.g., plants not able to operate due to their cooling water requirements being constrained by low river levels ▪ Higher temperatures, e.g., plants have lower energy efficiency due to higher temperatures The resulting impacts from assets being affected by hazards can lead to: ▪ Increased expenses due to asset damage, higher insurance premiums, higher fuel costs due to lower plant efficiencies, unplanned outages due to cooling water shortage, increased water prices, fines from accidentally breaching water temperature limits ▪ Decreased revenues due to operational downtime ▪ Asset devaluation		
Scope		All physical assets		
Value chain		Operational		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ All heating plants can have their energy efficiency impacted by higher air temperatures, leaving them exposed to this risk. ▪ Certain plants might be exposed to water stress risk due to cooling water constraints.	▪ Similar as in short-term.	▪ Air temperatures rise further, and water scarce areas become more water stressed. ▪ Lignite plants are not exposed to abovementioned hazard risks, as they are phased out. ▪ New gas-fired units will be exposed to abovementioned hazard risks. The increased severity[31] from higher temperatures and water stressed areas is partly mitigated by alternative cooling solutions such as air-based cooling used for new technologies
	High carbon scenario (SSP5-8.5)	▪ Similar as in orderly transition scenario.	▪ Similar as in orderly transition scenario.	▪ Higher increase in air temperatures and water stressed areas compared to the orderly transition scenario. This increases the severity of the assets exposed to these hazard risks (the orderly transition describes how each asset group is exposed).
Response measures	Current	▪ EPIF scans critical assets against climate modelling data to identify assets exposed to chronic physical climate impacts. ▪ EPIF's subsidiary SSD implements adaptation actions[32] to make the electricity grid more resilient to higher temperatures.		
	Planned	▪ EPIF to investigate whether any additional adaptation actions for high-risk exposed assets are appropriate. ▪ EPIF plans to use enhanced cooling systems in the new CHP units, increasing the resilience of assets exposed to water stress risk and/or eliminating their exposure to this risk.		

[28] An asset is exposed to a material hazard risk, if the hazard is projected to surpass the asset's hazard exposure threshold in a given year and climate scenario. Further details in E1-9.

[29] Other chronic hazards that can materially affect EPIF, such as soil erosion, could not be assessed due to climate data limitations. See Table 34 for the material hazards out of scope.

[30] See E1-9 section 3.10.1 for the method describing the subcompanies, asset classes, financial flows and hazards included in scope for physical risk exposure

[31] Severity of the impact to the exposed assets. E.g., a power plant is exposed if it experiences efficiency reduction from higher air temperatures, but extremely high air temperatures cause the efficiency reduction to be worse, increasing the severity of the impact.

[32] Adaptation actions to improve SSD's grid resilience include using more robust cables against high temperatures etc. See E1-3 for more information.

Table 22 Withdrawal/delay of regulatory incentives for low carbon projects

Risk		**Withdrawal/delay of regulatory incentives for low carbon projects**		
Type, subtype		Transition risk, policy and legal		
Cause		Withdrawal/delay of government funding reserved for low carbon projects due to regional differences in the disorderly transition.		
Effects		Lack of regulatory incentives or uncertain regulatory environment may jeopardize economic viability of decarbonization projects, leading to the inability of EPIF to reach final investment decisions and execute its transition plan.		
Scope		All subsidiaries		
Value chain		All of the value chain		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ Same as in disorderly transition scenario.	▪ The orderly transition scenario does not project delays in low carbon projects, as governments prioritize these projects.	▪ Same as in medium term.
	Disorderly transition scenario (SSP3-7.0)	▪ Regulatory frameworks are gradually adapted to ensure viability of decarbonization projects, albeit at a slower pace than optimal to ensure smooth planning and implementation	▪ EPIF could face lack of regulatory incentives regarding EPIF's planned GHG mitigation actions in regions that pursue sustainability-averse policies. ▪ Nevertheless, funding is often provided at EU-scale, derisking the potential of differences between countries.	▪ Same as in medium term.
Response measures	Current	▪ EPIF carefully monitors market/geopolitical developments and is in close discussions with policymakers and regulators to ensure that the regulatory environment is conducive to execution of decarbonization projects		
	Planned	▪ No additional measures planned on top of current measures		

Table 23 Reduced customer demand, leading to lower capacity requirements

Risk		**Reduced customer demand, leading to lower capacity requirements**		
Type, subtype		Transition risk, technology & market		
Cause		Innovations provide consumers with decentralized technologies representing an alternative to traditional energy dispatch, leaving consumers an option to reduce demand for centralized energy production		
Effects		▪ Decreased revenues resulting from lower demand for centralized heat and power ▪ Stranded assets (gas infrastructure or heating plants stranded before planned end-of-life)		
Scope		All of EPIF's subsidiaries except electricity distribution company SSD[33]		
Value chain		Operational, downstream		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ No notable effect, need for centralized provision of all commodities.	▪ Same as in short-term	▪ EPIF's gas infrastructure and district heating operations would be substantially impacted if most consumers shift to low-cost alternatives such as heat pumps.
	Disorderly transition scenario (SSP3-7.0)	▪ Same as in orderly transition scenario (no notable effect).	▪ Same as in short-term	▪ Same as in medium-term
Response measures	Current	▪ EPIF carefully monitors market/technological developments to anticipate to this risk promptly. ▪ EPIF already utilizes subsidy schemes for assets that provide energy security of supply.		
	Planned	▪ Based on market development insights, EPIF can further respond to technological innovations by adequately diversifying/upgrading its portfolio when required.		

[33] SSD is not exposed to this material risk, as almost no buildings are projected to become completely decentralized from the electricity grid **(**Kleinebrahm et al., 2023**).** Electricity generators are still included in scope, as a demand reduction may influence their profitability.

Table 24 Increased costs for low carbon products and services (other than fuel)

Risk		**Increased costs for low carbon products and services (other than fuel)**		
Type, subtype		Transition risk, market		
Cause		Increased competition[34] for low carbon products and services (other than fuel), such as increased demand for plant equipment, low carbon raw materials such as steel/plastics, and skilled labor.		
Effects		▪ Higher than anticipated increase in costs of products and services required for EPIF's decarbonization goals. ▪ Difficulty in finding skilled labor and external contractors for realizing EPIF's sustainability goals. This results in higher CAPEX (products) and OPEX (products/services)		
Scope		All of EPIF's subsidiaries		
Value chain		Operational		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ While the scarce labor market presents challenges to find skilled staff to facilitate EPIF's sustainability ambitions, the risk is currently manageable and not a limiting factor to achieve EPIF's low carbon ambitions. ▪ Higher than usual inflation is impacting all products and services (including technologies needed for decarbonization).	▪ EPIF could experience increased prices due to increased competition for low carbon products and services. ▪ Demand for low-carbon technologies could rapidly increase while supply has not ramped up to meet this increased demand.	▪ While the effects of the medium term continue, the effect of increased costs of products is reduced due to economies of scale for low carbon products. ▪ The increase of costs of services remains uncertain due to other non-climate related effects[35].
	Disorderly transition scenario (SSP3-7.0)	▪ Same as in orderly transition scenario.	▪ There would be a lower (if at all) price increase effect from increased competition than in the orderly transition, as low carbon products/services demand experience a slower growth. ▪ Nevertheless, inflation is higher than in the orderly transition due to trade barriers, resulting in cost increases for low carbon products and services.	▪ Similar as in the medium term. ▪ The increase in costs of services remains uncertain due to other non-climate related effects
Response measures	Current	▪ Any future costs increases are partially mitigated by timely implementing low carbon solutions in existing maintenance upgrade procedures (e.g., the replacement of regular gas pipes with H_2-friendly pipes as part of standard maintenance).		
	Planned	▪ EPIF's sustainability ambitions can potentially further attract skilled labor required for low carbon services.		

[34] Resulting from the products/services required to facilitate the energy transition.

[35] Europe's aging population, automation/AI, among other effects.

Table 25 Not meeting investors' sustainability expectations

Risk		**Not meeting investors' sustainability expectations**		
Type, subtype		Transition risk, reputation		
Cause		EPIF's GHG mitigation strategies might not be perceived ambitious enough by green finance investors		
Effects		Increased pressure from green finance investors and/or no willingness of these investors to invest in EPIF. This can result in: ▪ Increased expenses: higher reporting and compliance costs ▪ Increased interest expenses: less opportunities for new capital, leading to an increased cost of capital ▪ Reduced reputation		
Scope		EPIF Group		
Value chain		Upstream, operational		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ EPIF has managed to attract and maintain a significant investor base owing to its sustainability credentials and commitment to real energy transition. This was reinforced by establishment of the green finance framework and issuance of its inaugural green instruments in 2024. Maintaining this investor base secures a competitive cost of capital for EPIF.	▪ Both the gap between green and regular interest rates, and the share of green versus regular finance investors increase, limiting the options for securing regular finance. ▪ While the orderly transition enables EPIF to complete mitigation actions on time, critical investors may want to see successful showcases (e.g., phasing out coal according to the transition plan, investment in low-carbon solutions) before providing green finance, which could impact EPIF's access to competitive cost of capital rates.	▪ The interest rate gap and share of green finance investors increase further. ▪ Successful showcases (e.g., gradual integration of renewable gases in power plants or gas infrastructure) strengthen the credibility of EPIF's strategy. ▪ As a result, more critical green finance investors are willing to invest in EPIF, reducing the magnitude of this risk in the long term.
	Disorderly transition scenario (SSP3-7.0)	▪ Same as in orderly transition scenario.	▪ Both the gap between green and regular interest rates, and the share of green versus regular finance investors increase, albeit at a slower pace than in the orderly transition scenario. ▪ While EPIF would experience more difficulties to secure green finance than in the orderly transition scenario (due to infrastructure delays postponing completion of mitigation actions), the costs are lower than in the orderly transition due to the lower overall growth of green finance.	▪ The interest rate gap and share of green finance investors increase, but remain lower than in the orderly transition scenario. ▪ EPIF would experience difficulties to secure green financing if delayed key low carbon infrastructure (e.g., H_2) restricts the timely completion of EPIF's low carbon dispatchable load mitigation actions. This results in an increase in magnitude of the risk due to less willingness to invest from green finance investors. Nevertheless, this increasing magnitude is suppressed by the availability of competitive regular investment rates.
Response measures	Current	▪ EPIF implemented the Green Financing Framework (GFF) to address this risk. This framework is verified by external rating agencies. The GFF presents EPIF's sustainability ambitions transparently to investors to help their decision making. The GFF explains EPIF's approach to energy transformation and defines role of each asset in a decarbonized world		
	Planned	▪ EPIF to assess which green finance instruments are suiting EPIF's investment needs. EPIF can leverage the GFF, along with investor stakeholder engagement, to inform green finance investors. This aids EPIF in issuing the appropriate green finance instruments.		

Table 26 Increase in demand for electric dispatch capacity

Opportunity		**Increase in demand for electric dispatch capacity**		
Type, subtype		Transition opportunity, products & services		
Cause		Increased demand for dispatchable load as the effect of electrification exceeds the impact from customers switching to decentralized energy sources		
Effects		Increased revenues, by providing low carbon dispatch solutions to meet the increased demand		
Scope		SSD electricity DSO, potentially also gas infrastructure		
Value chain		All of the value chain		
Time horizons		Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ Increasing penetration of renewables manifests in more volatile electricity prices which turn negative more frequently. This increases the need for dispatch capacity where natural is likely to play an important role in the short to medium term	▪ It is likely that demand for dispatch capacity increases, as electrification is expected to increase. The IEA net-zero scenario[36] (aligned with the orderly transition scenario) projects that the rate of electrification increases electricity demand more than that energy efficiency improvements would reduce it. ▪ All of EPIF's generation, storage and distribution assets can contribute to increased dispatchable load from electrification. As the dispatchable load will be partly provided by gas power plants, the gas infrastructure might benefit as well.	▪ At the start of the long term, a similar as in the medium term would continue. ▪ Towards the end of the long term, large-scale storage solutions and other efficiency innovations may reduce this opportunity for EPIF, while opening new options in the storage segment.
	Disorderly transition scenario (SSP3-7.0)	▪ Same as in orderly transition scenario.	▪ Not possible to assess[37]	▪ Not possible to assess[37]
Response measures	Current	▪ EPIF replaces emission-intensive sources with alternative dispatchable capacities and advances hydrogen readiness across its gas infrastructure		
	Planned	▪ Ensure that the plants and gas infrastructure are able to accommodate renewable gases		

Table 27 Using EPIF's existing infrastructure to build new low carbon solutions

Opportunity	**Using EPIF's existing infrastructure to build new low carbon solutions**		
Type, subtype	Transition opportunity, products & services		
Cause	The demand for low carbon solutions will grow, at a fast pace in the orderly transition scenario and at a relatively lower pace in the disorderly transition scenario. EPIF owns land and infrastructure suitable to meet the increased demand for low carbon solutions (see response measures below to view solution examples).		
Effects	▪ Increased revenues: New revenue streams from distribution and storage of new low-carbon fuels (green gases) ▪ Enhanced credibility: Implementing low carbon solutions provides credibility for EPIF's decarbonization strategy		
Scope	All EPIF's subsidiaries		
Value chain	Operational, downstream		
Time horizons	Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)

[36] **IEA (2024)** provides a detailed description of the IEA net-zero scenario

[37] Unable to assess, as no IEA energy forecast scenario can be aligned with the SSP3-7.0 disorderly transition scenario.

Opportunity		**Using EPIF's existing infrastructure to build new low carbon solutions**		
Current and anticipated effects	Orderly transition scenario (SSP1-2.6)	▪ EPIF is already leveraging this opportunity by looking at potential new projects at existing sites. While most EPIF locations are related to this opportunity, conditions[38] must be suitable for installing new low carbon capacity.	▪ It is likely that EPIF can use owned land and infrastructure to install low carbon technologies as this scenario stimulates development of such solutions.	▪ The opportunity increases in the long term when renewable gases are expected to become commercially available on the market, enabling decarbonization of gas heating plants and infrastructure.
	Disorderly transition scenario (SSP3-7.0)	▪ Same as in orderly transition scenario.	▪ Similar as in the orderly transition scenario, although the opportunity is smaller due to relative lower demand for low carbon solutions.	▪ Similar as in the orderly transition scenario, although the opportunity is smaller (see rationale in medium term).
Response measures[39]	Current	▪ Assessment of low carbon solutions for sites with suitable conditions ▪ Stakeholder engagement with regulators, and local communities.		
	Planned	▪ The abovementioned current low carbon solutions are planned to be advanced where appropriate. ▪ Additionally, examples of planned response measures to install low carbon solutions are presented in the Capex plan in section E1-3:		

[38] Conditions need to overcome hurdles such as: technoeconomic limitations, limitations from land tenants, resistance from local communities ("Not in my backyard" (NIMBY)), regulators delaying permits.

[39] The low carbon solutions mentioned in the response measures are aligned with the GHG mitigation actions in section E1-3.

2.4 E1.IRO-1 Description of the processes to identify and assess material climate-related IROs.

EPIF identified and assessed climate-related IROs informed by input from stakeholders (including key OpCos) and climate experts. The methods are specified in the subsequent sections; first for impacts and then for risks and opportunities and the outcomes have been integrated into our DMA.

2.4.1 Impacts identification and assessment

The identification and assessment of impacts was performed as in the general DMA described in ESRS 2 IRO-1[40]. Through this process, EPIF identified its GHG emissions as a material impact on climate change.

EPIF is conscious of its vital role in the energy transition. Global warming has a considerable impact on the climate with increasing frequency and severity of acute and chronic climate events, and impacts are expected to worsen. GHG emissions related to EPIF's operations drive anthropogenic global warming and climate change. EPIF is currently reliant on fossil fuels as part of its business model and expects to remain operating with fossil fuels to supply the energy demand forecasted in all IEA energy outlook scenarios (including the IEA net-zero scenario aligned to a 1.5°C pathway)[41]. EPIF projects a gradually declining share of lignite in its heat and power generation fleet which shall be limited already in 2028, in line with its commitment to phase out coal by 2030. EPIF's gas infrastructure will continue to facilitate transit, storage, and distribution of natural gas until low carbon and renewable gas alternatives or other substitutes become economically available.

Total scope 1 & 2 GHG emissions are being monitored and reduced in line with EPIF's decarbonization targets. Scope 3 emissions are disclosed for the first time in this report, and EPIF is exploring targets that may be set for scope 3 emissions.

2.4.2 Risk and opportunities identification and assessment

EPIF identified and assessed climate-related risks and opportunities (R&Os) to determine which R&Os are material. Material R&Os are included in EPIF's climate change resilience analysis[42]. The next section explains what R&Os are, and what scenarios and time horizons are used in the R&O identification and assessment.

2.4.2.1 Defining risks and opportunities, climate scenarios, and time horizons

EPIF defines climate-related risks and opportunities (R&Os) as follows:

A risk indicates the degree to which the business is susceptible to the impacts of an event (with the event related to the transition to a low-carbon economy or physical climate change), given the probability of that event happening in the future.

An opportunity indicates the degree to which the business can capture the benefit from an event related to the transition to a low-carbon economy, given the probability of that event happening in the future.

R&Os vary between climate scenarios and time horizons. EPIF used the "Shared Socioeconomic Pathway" (SSP) climate scenarios to analyze how R&Os could impact EPIF's own operations or value chain. The SSPs are among the standard scenarios used in the Coupled Model Intercomparison Project

[40] See "IRO-1 Description of the processes to identify and assess material IROs" for further details

[41] IEA (2024)

[42] E1.SBM-3 section 3.3 shows how EPIF conducted the resilience analysis, including the results

(CMIP6)[43] from the Intergovernmental Panel on Climate Change (IPCC)[44]. EPIF used three SSP scenarios to identify and assess its physical and transition R&Os:

- SSP1-2.6 “Sustainability” is used for the orderly transition scenario which emphasizes transitional R&Os from a fast, orderly transition.
- SSP3-7.0 “Regional rivalry” is used for the disorderly transition scenario which emphasizes transitional R&Os from a fragmented, disorderly transition.
- SSP5-8.5 “Fossil fueled development” is used for the high carbon scenario which emphasizes physical climate risks.

Table 28 provides the main narratives corresponding to the selected SSP scenarios. While these chosen IPCC scenarios contain the main drivers for R&O identification, additional scenarios (e.g., IEA) were used along (aligned) SSP scenarios to provide further detail when required for an R&O.

[43] CMIP6 data is scientifically robust and represents the most current global climate model data available **(IPCC, 2024)**.

[44] IPCC is the United Nations body for assessing the science related to climate change **(IPCC, 2024)**.

Table 28 – Use of SSP scenarios for Climate R&O identification[45].

SSP scenario	Physical / Transition analysis	Description
SSP1-2.6 "Sustainability"	Physical & Transition	Taking the Green Road "The world shifts gradually, but pervasively, toward a more sustainable path, emphasizing more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts toward a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented toward low material growth and lower resource and energy intensity."
SSP3-7.0 "Regional Rivalry"	Transition	A Rocky Road "A resurgent nationalism, concerns about competitiveness and security, and regional conflicts push countries to increasingly focus on domestic or, at most, regional issues. Policies shift over time to become increasingly oriented toward national and regional security issues. Countries focus on achieving energy and food security goals within their own regions at the expense of broader-based development. Investments in education and technological development decline. Economic development is slow, consumption is material-intensive, and inequalities persist or worsen over time. Population growth is low in industrialized and high in developing countries. A low international priority for addressing environmental concerns leads to strong environmental degradation in some regions."
SSP5-8.5 "Fossil fueled development"	Physical	Taking the Highway "This world places increasing faith in competitive markets, innovation, and participatory societies to produce rapid technological progress and development of human capital as the path to sustainable development. Global markets are increasingly integrated. There are also strong investments in health, education, and institutions to enhance human and social capital. At the same time, the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. All these factors lead to rapid growth of the global economy, while global population peaks and declines in the 21st century. Local environmental problems like air pollution are successfully managed. There is faith in the ability to effectively manage social and ecological systems, including by geo-engineering if necessary."

Table 29 defines the time horizons used for the climate-related R&Os assessment.

Table 29 Short-, medium- and long-term time horizons

Time horizon	Year (ESRS-aligned)	ESRS minimum requirement	Rationale
Short-term	2024	EPIF financial year reporting period	ESRS prescribes that the short term should be aligned with the financial year
Medium-term	2025 – 2029	End of the short-term up to 5 years	5 years after short-term, closest to EU "Fit for 55" target by 2030
Long-term	2030 – 2060	More than 5 years	Aligned with EPIF's long-term strategic planning horizons and capital allocation plans

[45] SSP narratives are quoted directly from Riahi et al., (2017). Drivers behind every SSP scenario are documented in the supplementary documentation of Riahi et al. (2017).

2.4.2.2 R&O identification and materiality assessment

EPIF used a two-staged approach for the risk & opportunity identification and assessment, with scenario analysis using time horizons and climate scenarios featured in both stages. Below, we describe these stages in more detail.

Stage 1: R&O identification

R&Os were identified based on inputs from previous risk assessments, historical damages, and relevant R&Os derived from industry peer reports. Subcompany representatives from EPIF were interviewed to align on any potential climate risks & opportunities. Interviewers first explained the scenario pathways (Table 28) and asked interviewees to identify R&Os that could occur within these scenarios and R&O subcategories[48] until 2060. Then, the longlist was validated with the interviewees. EPIF identified physical and transition R&Os with the stakeholders:

When considering physical risks, EPIF identified which climate-related hazards[46] are potentially material, by assessing per hazard whether assets and business activities[47] might be exposed and/or sensitive to these hazards.

When considering transition R&Os, EPIF identified which climate-related R&Os are potentially material regarding the TCFD transition risk/opportunity categories[48].

After the interviews, the climate R&O longlist was finalized, and individual R&Os were mapped to applicable climate scenarios (Table 28) and time horizons (Table 29). Potential overlap with other business risks was assessed by cross-comparing to EPIF risk practices[49].

Stage 2: R&O scoring

EPIF qualitatively scored longlisted R&Os on likelihood and magnitude:

Likelihood is defined as the cumulative probability of the event occurring in the specified period.

Magnitude is defined as the financial effect of the event on EPIF when it occurs, and for climate-related IROs is scored based on a more detailed qualitative assessment of exposure, sensitivity, and adaptive capacity.

- Exposure: The proportion of the business impacted by the risk or opportunity
- Sensitivity: Severity of the impact to the affected portion of the business
- Adaptive capacity: Expected developments or measures taken by others (e.g. governments) that lower the exposure and/or sensitivity for EPIF

EPIF qualitatively scored each R&O on a 5-point scale for EPIF's subsidiaries, with the most relevant[50] time horizon and scenario determining the score of each R&O. EPIF scores were aggregated at EPIF level to form the total EPIF score. R&Os are prioritized if one of the following conditions apply:

[46] To review all hazards, see Table 34 in E1-9 section 3.10.1

[47] To review all of EPIF's activities, see Table 31 in E1-9 section 3.10.1

[48] Risk categories are: policy and legal, technology, market, reputation, acute physical and chronic physical. Opportunity categories are: Resource Efficiency, Energy Source, Products & Services, Markets, Resilience. (**TCFDhub, 2017)**

[49] EPIF's existing risk management team aims to look for possibilities to integrate climate risks & opportunities further in the overall risk management process and use them to evaluate the undertaking's overall risk profile and risk management processes.

[50] The scenario and time horizon combination with the highest potential impact for the R&O i.e. with the highest potential likelihood and magnitude.

- Magnitude ≥ 2.5 and likelihood ≥ 2.5, or
- Magnitude ≥ 3.5 and likelihood ≥ 1.5

R&Os with magnitude scores below or equal to 2.5 are not considered material regardless of the likelihood score, as EPIF stakeholders confirmed that these magnitudes are accepted within the risk appetite of business operations. High-magnitude (3.5 or higher) R&Os are considered material even with low likelihood (1.5 or higher), whereas events with such low likelihood and lower magnitude are not considered material. Representatives of EPIF's main OpCos within EPIF validated scores and rationales.

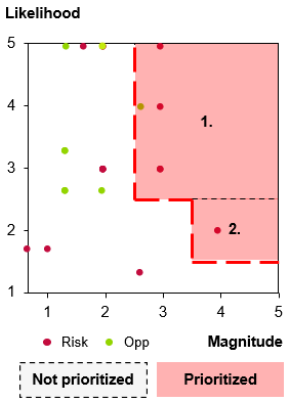


Figure 1 Prioritization matrix, a R&O is considered prioritized within the red marked area. A red dot indicates a risk, a green dot indicates an opportunity.

The list of R&Os and their position in the prioritization matrix were validated with key company stakeholders. After this process, EPIF decision-makers decided which of the prioritized R&Os are material. Most of the prioritized R&Os were determined to be material, with some R&Os excluded from materiality (e.g. to account for factors not captured in the scoring methodology).

2.5 E1-2 – Climate-related policies

EPIF Group understands that envisaged climate change poses a severe risk and thus respecting and following the European decarbonization goals and GHG emissions reduction targets is of the utmost importance. The Group strives to achieve its GHG emissions reduction in line with these targets by continuously adapting its operations to maintain a portfolio of assets consistent with this objective. As part of the planned continuous improvement of our policy framework, taking into account a dynamic regulatory environment, shifting stakeholder expectations, and a maturing governance and operational context within EPIF, we will prioritize the refinement of existing climate policies in the next reporting cycle to facilitate more targeted stakeholder engagement on policy implementation and integration within our operating companies, greater specificity in addressing material sustainability topics and ensure that policies are aligned with the disclosure principles set out under ESRS and other relevant upcoming regulatory requirements such as the CSDDD.

Within our existing Environmental Policy, we guide our OpCos to address climate change and carbon footprint reduction. The objective is to minimize the negative impact of our operations on the environment, to comply with the applicable local and international environmental laws and to increase climate resilience. EPIF's operational activities are driven by the policy and our responsibility to adhere to national energy legislation and local operational regulations, which provide us with further efficiency guidance. Our "Asset integrity policy" outlines the requirements we have for OpCos to address the risks associated with our facilities, and ensure they are striving for high levels of efficiency to lessen environmental impacts.

2.6 E1-3 – Climate-related actions

To address our material climate change IROs, we have established the following actions, listed below in Table 30 and Table 31, with related example measures and corresponding Capex. EPIF has evaluated the Opex related to these actions as not material.

The successful completion of these mitigation/adaptation actions is dependent on various factors, of which important ones are EPIF's access to capital and external market/infrastructure developments. These factors have been analyzed over the orderly[51] and disorderly[52] transition scenarios. The Capex plan needs to be perceived in the context of the following factors:

1. Ongoing access to finance at an affordable cost of capital is critical for the implementation of the EPIF mitigation and adaptation actions. Finance is not only relevant for constructing new projects, but also relevant for any low carbon acquisitions and R&D costs to create new projects.

2. Sufficient supply and demand of hydrogen and biomethane are critical for achieving EPIF's long-term climate mitigation goals, as widespread green gas adoption is a prerequisite for decarbonization of the gas-fired heat and power generation and gas midstream and downstream infrastructure.

3. The execution of the Capex plan also depends on the existence of stable regulatory frameworks and incentives to provide certainty for investors and support the transformation of the broader energy system.

4. The Capex plan only includes actions where the projects have a reasonable likelihood of realization. It does not include any other potential projects which might be realized.

5. The Capex plan shall not be perceived as Capex projections, but rather indicative financial resources needed to enable us execute the communicated transition plan.

Table 30 Mitigation actions to reduce carbon emissions

Mitigation actions (decarbonization levers)	Example measures	Current Capex (2024) (M€)	Planned Capex (up to 2030) (M€)
1. Conversion of lignite-based combined heat and power plants	Construction of H2-ready CCGT units and waste incinerator plants	63	600-700
2. Gas infrastructure GHG emissions reduction	Reducing methane leakage Electrification of compressor fleet	2	100
3. Green gas adoption	Preparing the gas midstream and downstream infrastructure for H2 (can also be related to R&D)	38	400-500
4. Preparing electricity grid for increased intermittency	Investments to reduce grid congestion and/or other intermittency issues	22	150

Table 31 Adaptation actions to address exposure to physical risk

Adaptation actions	Example measures	Current Capex (2024) (M€)	Planned Capex (up to 2030) (M€)
Increasing grid resilience to reduce physical risk	Investments in electricity grid resilience to reduce physical risk	9	50

[51] SSP1-2.6 "Sustainability" scenario, more info in E1-IRO Table 22

[52] SSP3-7.0 "Regional Rivalry" scenario, more info in E1-IRO Table 22

Other adaptation actions	Installing cooling systems to reduce exposure to water stress	0	Not quantified

2.6.1 Conversion of lignite-based combined heat and power plants

EPIF has initiated a conversion program to transition its predominantly lignite-based heating plants to a diversified and sustainable energy mix. This transformation includes the deployment of hydrogen-ready combined cycle gas turbine (CCGT) units and waste incineration plants, supplemented by existing biomass facilities and potentially other technologies such as electric boilers and heat pumps. EPIF remains committed to phasing out lignite by 2030, with the goal of completing these conversions as early as 2028/2029. Both CCGT units and waste incineration plants have secured investment subsidies from the Modernization Fund, with final approvals already in place. The presented Capex represents the net Capex after deduction of investment subsidies

2.6.2 Gas infrastructure GHG emissions reduction

The direct 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. EPIF'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, EPIF will focus on the partial electrification of its compressor fleet, replacing the current compressors driven by gas turbines.

Gas storage segment

- Replacement of natural gas actuating systems with compressed air for remote-controlled devices.
- Leak Detection and Repair (LDAR) program, aimed at locating, immediately repairing, and quantifying gas leaks.
- Pilot installation of non-purging systems for turbo compressors, with proven applicability to other compressors.
- Seal gas recompression for compressor units.
- Implementation of a gathering system to capture vented emissions from maintenance and investment works, utilizing them at the central station.
- Replacement of injection pumps with electric-powered alternatives.
- Development of a well recovery concept for post-workover operations.

Gas Transit Segment

- Minimizing venting during operations through the use of mobile pumping compressors, enabling gas transfer from closed pipeline sections to active parts of the transmission network during maintenance.
- Implementing an advanced LDAR program, employing detailed methodologies to detect and quantify gas leaks, ensuring targeted maintenance.
- Modernizing the network, with a particular focus on compressor station efficiency by phasing out obsolete and less efficient technologies.

Gas Distribution Segment

- LDAR program, conducting surveys on foot and by vehicle based on asset condition assessments.
- Utilization of drones for leak detection in hard-to-reach areas.
- Remote monitoring of corrosion protection effectiveness for buried steel pipelines.
- Internal pipeline inspections of strategic high-pressure pipelines using in-line sensors.
- Non-destructive surface-based detection of coating defects in steel pipelines.

2.6.3 Other direct Scope 1 and/or Scope 2 emissions reduction

EPIF plans to pursue other complementary technologies such as electric boilers or industrial heat pumps in its district heating business. Feasibility of these technologies will be evaluated in the context of market development, especially the seasonal and intra-day development of electricity prices.

2.6.4 Green gas adoption

EPIF'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, EPIF has already launched hydrogen-dedicated research and development projects. The unique, geographically strategic position for future hydrogen transmission further positions EPIF 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.

EPIF is involved in several projects across its midstream and downstream gas infrastructure to enable adoption of hydrogen. EPIF'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. EPIF'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.

2.7 E1-4 – Climate-related targets

EPIF recognizes that across its business segments, it emits greenhouse gases (GHGs)[53]. As a result, EPIF is committed to tracking and reducing its emissions as outlined in our decarbonization roadmap to be aligned with the targets set at the EU as well as national levels and our own GHG emission targets. EPIF implements and plans decarbonization levers[54] to achieve its GHG reduction targets. Furthermore,

[53] More information about the GHG impact in the E1-IRO section

[54] Table 24 in section 3.6 E1-3 describes the decarbonization levers and their contributions towards reaching the GHG reduction targets.

EPIF considered a diverse range of climate scenarios[55] to detect transition developments relevant to these decarbonization levers. EPIF monitors its progress continuously with public reporting on an annual basis. To manage the negative impact of fossil fuel GHG emissions from EPIF's business activities, and the transition risk of locked-in GHG emissions, the following targets have been set.

- CO_2 emissions reduction target (Scope 1 &2)
- Methane reduction target
- Carbon neutrality target (Scope 1 &2)
- Net zero target (Scope 1 &2)

Table 32 shows the target base year, target baseline value and target projections that correspond to these targets. The targets are further described in the target-specific sections below.

Table 32 EPIF GHG reduction targets

Target	Unit	2020 base year	2022 base year	2024 current year	2030 target	2040 target	2050 target
CO_2 emissions (Scope 1&2)	thsnd. tonnes CO_2eq	N/A	3,414	1,673	1,366	0	0
Methane reduction target	thsnd. tonnes CO_2eq	295	N/A	161	147	N/A	0
Net zero GHG emissions (Scope 1 & 2)	thsnd. tonnes CO_2eq	N/A	3,646	1,835	N/A	N/A	0

[55] See Table 22 in E1.IRO-1 section 3.4.2.1 to view the scenarios used. Furthermore, E1.SBM-3 includes an analysis of how prioritized risks and opportunities impact EPIF's strategy and business model, including decarbonization levers.

2.7.1 CO_2 emissions reduction target (Scope 1 & 2)

The primary driver to achieve the 60% reduction in CO_2 emissions between 2022 and 2030 is the replacement of lignite in the district heating. This will be further supported by reduction in CO_2 emissions from combustion of natural gas in gas compressors as the compressor fleet will be partly electrified. The overall reduction in Scope 1&2 CO_2 emissions will be mainly driven by Scope 1, which accounts for approximately 97% of the projected emission reductions, while Scope 2 contributes the remaining share.

2.7.2 Methane reduction target

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. The target is aligned with the established scientific understanding presented at COP26. This target continues to be measured through the monitoring protocols described. 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.

2.7.3 Carbon neutrality target (Scope 1 &2)

To achieve carbon neutral operations, EPIF intends to offset the remaining CO_2 emissions through projects realized internally or financed through carbon credits. These may include afforestation, or the development of our own renewable generation sources, where additionality can be demonstrated. As we approach the year 2040, EPIF envisions a gradual increase in the share of renewable gases to replace natural gas as the dominant fuel in its operations. The attainment of full carbon neutrality is contingent upon the availability of sufficient volumes of renewable gases, such as biomethane, synthetic methane, and hydrogen, by 2040, along with the necessary transit and distribution infrastructure in place. EPIF acknowledges that achieving 100% combustion of renewable gases by 2040 may necessitate accelerated upgrades of turbine technologies to ensure readiness for this transition.

2.7.4 Net zero target

EPIF has set the target to achieve net zero operations by 2050. EPIF 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, EPIF will explore internal projects to generate negative emissions.

Table 30 in the previous section E1-3 highlights the decarbonization levers related to the GHG reduction targets.

2.7.5 Basis for target setting

For the purpose of target setting, the year 2022 was used as a baseline year for CO_2 emissions as this was the most recent year at the time of setting the target (April 2023). For methane emission reduction, the year 2020 was selected to align with the Global Methane Pledge initiative.

2.8 E1-5 – Energy consumption and mix

In 2024, EPIF's total energy consumption decreased by 13% compared to last year, which corresponds to the overall decrease in power production by its combined heat and power plants in response to unfavorable market spreads. EPIF reported an overall energy production efficiency of 50%, an improvement compared to 2023 as increased portion of energy was generated in a highly efficient cogeneration mode.

As an energy production company, all of EPIF's business activities are classified as high climate impact sectors as they all belong to NACE sections A to H or L as defined in the ESRS. EPIF bases its primary energy efficiency metric on segments engaged in energy production, i.e "D35.1.1 - Production of electricity" and NACE sector "D.35.3: Electricity, gas, steam and air conditioning supply". This metric covers activities which are responsible for more than 99% of total EPIF GHG emissions based on 2024 figures.

Table 33 Energy consumption and mix

GWh	2020	2021	2022	2023	2024	% 24/23
Lignite	8,818	10,356	10,043	6,578	4,982	(24%)
Natural Gas	4,894	1,063	533	426	361	(15%)
Oil	6	6	5	6	3	(58%)
Diesel	1	1	2	6	9	43%
Petrol	–	–	–	–	2	
Purchased Electricity	50	96	491	555	579	4%
Purchased Heat	–	–	0	–	–	
Purchased Cooling	–	–	–	–	–	
Biomass	765	1,140	1,374	1,041	1,526	47%
Other	287	284	277	289	285	(1%)
Total	**14,820**	**12,945**	**12,726**	**8,901**	**7,746**	(13%)
Renewable share %	*5.2%*	*8.8%*	*10.8%*	*11.7%*	*19.7%*	*68%*
Energy intensity (GWh/EURm)	*4.6*	*4.6*	*2.7*	*2.1*	*2.2*	*4%*
Energy efficiency (%)	***54.5%***	***44.8%***	***41.7%***	***47.1%***	***49.8%***	

Accounting Principles:
Total energy mix: *represents all energy coming from fuels, electricity, district heating, and cooling consumed across all operational activities. The mix includes fossil as well as renewable sources.*
Energy intensity (GWh/EURm)*: full energy consumption is divided by Revenues as reported in the EPIF Consolidated statement of comprehensive income*
Energy efficiency (%)*: power and heat production of relevant companies is divided by their energy consumption*

2.9 E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

As illustrated by the actions that EPIF has committed to, reducing GHG emissions across Scopes 1, 2 and 3 is a key priority to achieve EPIF's GHG emissions reduction targets and reduce the impact of human-induced global warming. Table 34 shows EPIF's scope 1, 2 and 3 emissions. Gross scope 3 emissions for the EPIF value chain are disclosed per each significant scope 3 category.

EPIF has gradually improved the accuracy and coverage of its disclosed GHG emissions. EPIF reports the full Scope 1 & 2 emissions since 2022 when it had its GHG emissions externally assured in line with the ISAE 3000 for the first time. Prior to 2022, CO_2 emissions not covered by the EU & UK ETS were not fully reported (e.g. emissions from a company car fleet or small back-up generation sources). However, the share of these emissions is approximately 2-4% of total GHG emissions.

EPIF disclosed its Scope 3 emissions in 2024 for the first time. The share of Scope 3 emissions on total GHG emissions in 2024 was 69%.

Table 34 EPIF's full scope 1, 2 and 3 emissions

thsnd. tonnes CO_2 eq.	2020	2021	2022	2023	2024
Scope 1 CO_2 emissions	**3,752**	**3,459**	**3,351**	**2,181**	**1,617**
CO2 emissions - subject to EU & UK ETS	3,752	3,459	3,273	2,107	1,544
CO2 emissions - outside of EU & UK ETS	–	–	78	74	73
Other Scope 1 GHG emissions	**295**	**257**	**232**	**234**	**162**
Methane emissions	295	257	232	234	161
Other GHG emissions	–	–	–	0	1
Scope 1 GHG emissions	**4,046**	**3,717**	**3,583**	**2,415**	**1,779**
Scope 1 covered by ETS in %	***93%***	***93%***	***91%***	***87%***	***87%***
Scope 2 GHG emissions (location-based)	**44**	**19**	**63**	**70**	**56**
Scope 2 GHG emissions (market-based)	N/A	N/A	N/A	N/A	**214**
Scope 3 GHG emissions	N/A	N/A	N/A	N/A	**4,119**
Fuel and energy-related (Cat. 3)					2,347
Use of sold products (Cat. 11)					1,690
Other Scope 3 emissions					82
Total GHG emissions (location-based)	**4,091**	**3,735**	**3,646**	**2,485**	**5,955**
Total GHG emissions (market-based)	**N/A**	**N/A**	**N/A**	**N/A**	**6,113**

Accounting Principles:
Scope 1 GHG emissions: *These include mainly CO_2 emissions from fuel combustion – to produce power and heat, to power gas compressor stations, or to operate company vehicles. The emissions from power and heat production and gas compressors are directly measured for EU ETS purposes. Emissions from company vehicles and combustion of fuel in smaller installations (below the EU ETS threshold) are calculated centrally based on the volume of fuel consumed using emission factors. Besides CO_2, EPIF also reports direct methane emissions and other GHG emissions defined in the Kyoto protocol. Emission factors are sourced from the recognized databases such as GHG Protocol or DEFRA.*
Methane emissions: *these typically result from natural gas leaks, with its CO_2-equivalent emissions calculated using a Global Warming Potential (GWP) factor of 29.8 from the latest IPCC report.*
Scope 2 GHG emissions: *Emissions related to purchased and directly consumed electricity or heat, where central emission factors are applied on electricity and heat purchased*
EPIF applies 2 methods to calculate Scope 2 emissions:
(i) location-based method where the average emission factor of the country grid is applied on power and heat consumption in each country
(ii)market-based method where specific factors are used for directly sourced power (e.g. based on PPA), while residual emission factors (i.e. excluding energy consumption supported by energy attribute certificates) are applied on the unknown portion
Emission factors are primarily sourced from European Environment Agency and Association of issuing bodies.
Scope 3 GHG emissions: *The reporting of indirect scope 3 emissions is based on the Greenhouse Gas Protocol, which divides the scope 3 inventory into 15 categories (C1- C15)*

2.9.1 Further contextual information about Scope

The most significant categories, categories 3 and 11 accounted for approximately 98% of total Scope 3 emissions in 2024. These are calculated by accurately collecting data on electricity/fuel consumption and the volume of final product sold, then multiplying by the relevant emission factor. For less material categories, in some cases estimations are used in the calculations.

Emission factors are sourced from publicly available databases, including DEFRA 2024, EEA, EEA 27, Ecoinvent 3.10, EPA, EXIOBASE, and BEIS.

C1 (Purchased goods and services): Calculated by multiplying the financial value of relevant Opex subcategories in EUR by the relevant emission factor assigned to the corresponding subcategory.

C2 (Capital goods): Calculated by multiplying the financial value of relevant Capex subcategories in EUR by the relevant emission factor assigned to the corresponding subcategory.

C3 (Fuel- and energy-related activities): Determined by multiplying the direct fuel consumption by the relevant emission factor assigned to that specific fuel type. This is EPIF's most material scope 3 category (2.3 million tonnes of CO_2 eq) and consists mainly of

- Combustion of fuel to produce electricity which is then sold by EPIF to its retail customers (1.9 million tonnes of CO_2 eq)
- Fuel extraction/production and transport for external power generation which is then sold by EPIF to its retail customers, plus power for transmission and distribution losses coverage (0.2 million tonnes of CO_2 eq)
- Gas extraction/production and transport connected to gas received and gas network losses coverage, both associated with gas transmission and distribution (0.2 million tonnes of CO_2 eq)

C4 (Upstream transportation and distribution): Calculated by multiplying the average mass transported by the total distance traveled and the corresponding emission factor. When precise data are unavailable, average transport weight estimates are used (e.g., cargo ship: 20,000 tonnes; rail: 12,500 tonnes; truck: 30 tonnes; sea tanker: 20,000 tonnes; van: 3.5 tonnes).

C5 (Waste generated in operations): Calculated by multiplying the quantity of waste generated (DEFRA waste type) and the appropriate emission factor to the waste type.

C6 (Business travel): Calculated by multiplying the total distance traveled by employees (using a particular vehicle type) by the emission factor based on the fuel used. Additionally, if employees stay in hotels, the number of nights is multiplied by the country-specific rooms' emission footprint.

C7 (Employee commuting): Determined by multiplying the number of employees by their average daily round-trip commuting distance, and then applying the emission factor corresponding to their mode of transport and fuel type.

C8 (Upstream leased assets): Calculated by multiplying the fuel or energy consumption of a leased item by the appropriate emission factor, which is selected based on the type of leased item and its energy or fuel source.

C9 (Downstream transportation and distribution): Determined by multiplying the average weight of a shipment by the total distance traveled and the corresponding emission factor. When precise data are unavailable, average transport weight estimates are used (e.g., cargo ship: 20,000 tonnes; rail: 12,500 tonnes; truck: 30 tonnes; sea tanker: 20,000 tonnes; van: 3.5 tonnes).

C10 (Processing of sold products): Calculated by multiplying the energy use per unit by the quantity of the specific product sold, and then applying the emission factor based on the product's processing type.

C11 (Use of sold products): Determined by multiplying the quantity of the final product sold by the relevant emission factor selected according to the specific final product type. This is EPIF's second most material scope 3 category after C3 (1.7 million tonnes of CO_2 eq) and consist mainly of:

- Emissions associated with gas sold to EPIFs' retail customers (0.9 million tonnes of CO_2 eq)
- Gas sold across other segments (0.7 million tonnes of CO_2 eq)

C12 (End-of-life treatment of sold products): Calculated by multiplying the quantity of product sold by the emission factor that corresponds to the waste treatment method employed.

C13 (Downstream leased assets): Determined by multiplying the fuel or energy consumption of the specific leased item by the relevant emission factor, selected based on the item's type and its energy or fuel source.

C14 (Franchises): This category is not relevant for EPIF operations.

C15 (Investments): Determined by multiplying the GHG Scope 1 & 2 emissions of companies where EPIF has a non-controlling share by the investment's percentage share.

EPIF did not incur significant changes regarding the upstream and downstream value chain in the reporting period.

EPIF emitted also biogenic GHG emissions from combustion of biomass which are not presented in the table above. Combustion of biomass is treated as carbon neutral in line with the EU Renewable Energy Directive (RED). All EPIF plants source solely biomass meeting all RED sustainability criteria. In 2024, the Scope 1 biogenic emissions amounted to 617 thousand tonnes CO_2eq.

Scope 2 biogenic emissions result from purchase of electricity for own consumption where a portion of the electricity was produced from biomass. EPIF considers these emissions immaterial.

2.9.2 Scope 2 contractual instruments

In the reporting period, EPIF did not use material Scope 2 related contractual instruments for the purchase of electricity used for own consumption.

EPIF bases its emission intensity metric on heat and power generation activities classified under NACE sectors D: Electricity, gas, steam and air conditioning supply. EPIF measures its emission intensity in respect of its energy production as well as in respect of the net revenue.

Table 35 CO_2 emission intensity of energy production

g CO_2 eq. / kWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Scope 1 CO_2 emissions (thsnd. tonnes CO_2)	3,752	3,459	3,350	2,181	1,617	(17%)
of which not related to energy production	207	181	92	76	56	(21%)
Scope 1 CO_2 emissions from energy production	**3,544**	**3,279**	**3,258**	**2,105**	**1,560**	**(17%)**
Energy produced (GWh)	7,383	5,295	5,041	3,932	3,629	(6%)
Emission intensity (g CO_2 eq. / kWh)	**480**	**619**	**646**	**535**	**430**	**(16%)**

Table 36 GHG emission intensity based on net revenue

tonne CO_2 eq. / EUR million	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Net revenue (EUR million)	3,195	2,789	4,695	4,268	3,581	(16%)
GHG emission intensity (location-based)	1,280	1,339	777	582	1,663	186%
GHG emission intensity (market-based)	N/A	N/A	N/A	N/A	1,707	

Accounting Principles:

- ***CO_2 emission intensity (g CO_2 eq. / kWh):*** *Total absolute emissions from energy producing companies divided by total energy production*
- ***GHG emissions intensity (tonne CO_2 eq. / EUR million)****: Total GHG emissions (scope 1, 2 and 3), both market-based and location-based divided by total net revenue*
- ***Net revenue (EUR million):*** *Revenues as presented in the Consolidated statement of comprehensive income in the EPIF Group Consolidated Financial Statements as of and for the year ended 2024*

2.10 E1-9 – Financial effects from climate-related risks and opportunities

This chapter presents anticipated financial effects from climate-related risks and opportunities R&Os to EPIF. First, the approach and methodology are described, and then the results are presented.

For climate-related opportunities, refer to section **2.3.2 Implications of prioritized R&Os for EPIF's strategy and business model**.

When quantifying financial effects from climate-related risks and opportunities, EPIF ensured to use assumptions consistent with the assumptions in the financial statements.

2.10.1 Methods

Physical and transition climate risks cause negative financial effects to assets (carrying amount) and net revenues. EPIF assessed financial effects for its assets and business activities subject to these climate risks.

For physical risks we assess whether assets are subject to acute and chronic climate hazards

For transition risks we assess assets at risk of becoming stranded due to locked-in GHG emissions. Although this is not directly quantifying transition risks, it is easily calculated, and it drives most transition risks. Therefore, we consider it a good proxy for our stakeholders.

The methodology to quantify financial effects of physical/transition risks is detailed in the following subsections:

- 4.10.1.1 Scope
- 4.10.1.2 Time horizons and scenarios
- 4.10.1.3 Calculation methods
- 4.10.1.4 Critical assumptions and parameters
- 4.10.1.5 Limitations

2.10.1.1 Scope

This section describes how we scoped the financial effects assessment in terms of subsidiaries, asset and revenue categories, and climate hazards (for physical risks). The risks were assessed for the operational part of the value chain[56].

EPIF subsidiaries with primary activities that can be notably affected by physical/transition risk (see Table 37) were included in the scope. Other out-of-scope activities were unlikely to be notably affected by a climate-related hazard (physical risk) or to have locked-in GHGs (transition risk). "Energy trading"-related and "holding company" activities are not notably impacted, as these activities do not depend on physical assets related to transition or physical risks[57]. "Energy services" activities are of marginal size compared to the other activities and can therefore not result in notable impacts at EPIF level.

Table 37 **Primary activities included (green color) in scope for physical/transition risk financial effects assessment**

[56] Operational exposure of EPIF's carrying amount of assets and net revenues to climate risk. The upstream and downstream parts of EPIF's value chain are excluded from the assessment as EPIF found those immaterial (see E1.IRO-1).

[57] Non-physical assets cannot be exposed to locked-in GHGs (transition), nor be directly impacted by physical climate hazards.

Primary activity categories (each EPIF OpCo is mapped to one primary activity category)	Included in physical exposure scope?	Included in transition exposure scope?
By-products trading		
Combined heat and power generation from coal, gas, biomass, and municipal waste	✓	✓
District heating/cooling distribution	✓	✓
Electricity generation from hydropower	✓	✓
Electricity generation from wind power	✓	✓
Electricity generation using solar photovoltaic technology	✓	✓
Energy related services		
Freight rail transport	✓	
Gas storage	✓	✓
Holding companies		
Supply and trading		
Transmission and distribution of natural gas	✓	✓
Transmission and distribution of electricity	✓	✓

Asset and revenue categories

For the in-scope subsidiaries, only certain asset categories were determined to be potentially at risk, while the non-physical asset categories were excluded. The asset categories included specifically:

- For physical risk exposure, the value of Property, plant and equipment, Investment property, and Inventories was considered to assess the assets at risk.
- For transitions risk exposure, the value of Property, plant and equipment, Investment property, Inventories, and Intangible assets and Goodwill was considered

From the revenue perspective, all revenue categories which are considered to be exposed to physical risks or locked-in GHG emissions were included:

Climate hazards

Table 38 depicts the climate hazards[58] relevant to EPIF's assets based on the R&O identification process[59]. The analysis excluded certain relevant hazards (grey in table), as existing climate modelling data could not project these hazards

Table 38 **Hazards in scope for the physical risk financial effects assessment**

Type	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changing temperature (air	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Changing temperature freshwater		Precipitation or hydrological variability	Soil degradation

[58] Hazards derived from the ESRS E1 guidance (EFRAG, 2023)

[59] Section 3.4.2.2 provides further detail on the R&O identification process

	Changing temperature marine water		Ocean acidification	Soil erosion
	Heat stress		Saline intrusion	Solifluction
	Temperature variability		Sea level rise	
	Permafrost thawing		Water stress	
Acute	Heat wave	Extratropical cyclone	Drought	Avalanche
	Cold wave/frost	Storm (including blizzards, dust and sandstorms)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
			Glacial lake outburst	

Not applicable	Relevant, **excluded** in assessment of financial effects	Relevant, **included** in assessment of financial effects

2.10.1.2 Time horizons

EPIF applies the short, medium, and long-time horizons[60] for three Shared Socioeconomic Pathways (SSP) climate scenarios[61] to assess financial effects related to the physical/transition risks.

Regarding physical risk, climate data providers project hazards for multi-year intervals. EPIF mainly used data from Jupiter Intelligence (Jupiter) and the World Resources Institute (WRI). EPIF matched its time horizons with the closest time intervals available from Jupiter and WRI data to project hazards.

Regarding transition risk, the long-term horizon end-year is set to 2050 instead of 2060, as EPIF's exposure to locked-in GHGs is expected to be close to zero by 2050. When EPIF's net-zero GHG target is achieved, no notable financial effects related to this transition risk are expected.

Type of assessment	Time horizons	Climate scenarios
Physical	Climate data providers project hazards for multi-year intervals. EPIF mainly used data from Jupiter Intelligence (Jupiter)[62] and the World Resources Institute (WRI)[63]. EPIF matched its time horizons with the closest time intervals available from Jupiter[64] and WRI[65] data to project hazards.	EPIF uses SSP1-2.6 and SSP5-8.5 scenarios to assess physical climate risks, as these scenarios project the lower and upper levels of global warming (and resulting climate effects), respectively.

[60] See Table 23 in the E1.IRO-1 section for the time horizons

[61] See Table 22 in the E1.IRO-1 section for the relevant climate scenarios

[62] Jupiter Intelligence Climate Score Global (CSG)

[63] WRI's tool is called Aqueduct 4.0

[64] The chosen Jupiter intel CSG years to assess time horizons are: Short term 2025, medium term 2030, long term 2060

[65] The chosen WRI Aqueduct years to assess time horizons for water stress are: Short term 2030, medium term 2030, long term 2050. An exception holds for Aqueduct flood risk (no future time horizons are available for floods, therefore only the current flood risk could be used and is assumed to be equal across scenarios and time horizons in the future)

Transition	The long-term horizon end-year is set to 2050 instead of 2060, as EPIF's exposure to locked-in GHGs is expected to be close to zero[66] by 2050. When EPIF's net-zero GHG target is achieved, no exposure to this material risk remains.	EPIF uses the SSP1-2.6 climate scenario to assess transition climate risks, as this scenario considers the most ambitious and strict climate policies, translating in the highest risks from exposure to locked-in GHGs.

2.10.1.3 Calculation methods

Physical climate risk

Physical climate risks are assessed by comparing hazard probabilities from climate projections to asset-hazard failure thresholds. Climate data providers (see below), determine the probability of the hazard occurring per climate scenario and year. Asset-hazard failure thresholds can differ per asset and hazard, as the robustness of each asset type towards climate hazards varies.

When hazards are projected to exceed the thresholds, they are considered to create a notable risk of negative financial effects such as increased costs from damages, less revenues from downtime and/or asset devaluation. For example, an electric substation is exposed when the expected flood depth reaches the failure threshold.

For critical assets such as combined heat and power plants and gas compressor stations, highly granular location-specific climate projections are used provided by Jupiter Intelligence. For SSD's electricity grid and SPPD's gas grid Jupiter Intelligence data is used for a sample of coordinates in infrastructure-dense parts of the operating areas to represent the distributed grid assets. Other assets are not assessed using Jupiter Intelligence data, but they are scanned for floods and water stress in Aqueduct climate projection data. Renewables and logistics assets are deemed exposed to both acute and chronic physical risk across all climate scenarios and time horizons based on literature[67]. All above-mentioned asset groups are assumed to be exposed to heat risk across all climate scenarios and time horizons, as all scenarios and time horizons project significant temperature increases.

Transition risk (exposure to locked-in GHG emissions)

The transition risk assessment determines the exposure to locked-in GHG emissions. Locked-in emissions are defined by ESRS as fossil emissions from active or firmly planned key assets in the remainder of their operating lifetime. This is quantified in terms of carrying amount of exposed assets and net revenues of exposed EPIF operations.

The exposure to locked-in GHG emissions is assessed on a subsidiary level for each time horizon. Due to its scheduled coal-phaseout, EPIF will no longer be exposed to locked-in coal emissions after 2030. For other activities, we assume (for unmitigated exposure) that the operational lifetime will be extended.

For mitigated exposure, we take into consideration how EPIF is planning to decarbonize its activities in line with the mitigation actions listed in the transition plan. If a mitigation action fully decarbonizes the activity, the activity is consider no longer exposed. When a mitigation action only partially decarbonizes the activity, the activity is still considered fully exposed (to be conservative and transparently reflect the presence of remaining locked-in GHG emissions).

[66] Emissions that remain after 2050 are planned to be offset by negative emissions to meet EPIF's 2050 net-zero GHG target

[67] (Juhola, 2023; UNEF PI, 2024)

2.10.1.4 Critical assumptions and parameters

Table 39 lists critical assumptions and parameters used to quantify financial effects of the physical/transition risks.

Table 39 **Critical assumptions/parameters regarding transition/physical exposure assessment**

#	Physical/ Transition risk	Assumptions/ parameters	Description/reference
1	Physical	Assets affected by higher temperatures (chronic risk)	All thermal cogeneration heating plants, and electricity grid assets are considered at risk to higher temperatures regardless of a threshold, due to notable global temperature increase in both the orderly transition and high carbon scenario.
2	Physical	Setting of failure thresholds	Failure thresholds that determine whether an asset is subject to notable physical risk (exposed), are not based on engineering studies but are based on expert judgments.
3	Physical & transition	Exclusion of asset decommissioning	No asset decommissioning is considered in the exposure assessment to be conservative, as asset lifetimes may be extended (i.e., when an asset reaches its planned decommissioning year, exposure will not be reduced by removing the asset from the portfolio). EPIF made an exception for coal assets[68], which are assumed to be decommissioned in the long-term time horizon.
4	Transition	Extrapolation of current mitigation actions into the long term	The long-term planning horizon for mitigation actions is derived from the extrapolation of currently identified measures. Thus, mitigation actions planned until 2030 are projected to extend into the long term.

[68] Decommissioning of coal assets is included, as these assets are planned to be fully phased out by 2030

2.10.1.5 Limitations

Table 40 provides the limitations of the physical/transition exposure assessment. EPIF strives to reduce these limitations to increase robustness of results.

Table 40 Limitations regarding transition/physical exposure assessment

#	Physical/ Transition risk	Limitation	Description/reference
1	Physical & transition	Financial effects not quantified, but merely proxies	ESRS does not provide an unambiguous definition for quantifying financial effects from locked-in GHG emissions (transition risk) and climate hazards (physical risk). The financial effects' results are proxies showing the exposure of current asset values and net revenues to climate risk. These effects are not quantitative, and do not project effects on EPIF's balance sheet and profit/loss sheet as a margin erosion assessment would.
2	Physical	Limited data at subcompany level to assess exposure to physical risk	The coarse granularity of asset/revenue and location data reduces the accuracy of physical risk exposure assessments. Subcompany data often included a single coordinate per subcompany for climate exposure scans. While most subcompanies had one critical asset location, some did have multiple locations that may have been excluded due to lack of data.
3	Physical	Thresholds are defined for asset groups and not differentiated by individual assets.	EPIF classified each subcompany into a broad asset group based on its primary activity, unless individual asset data was provided. Standard hazard-specific failure thresholds were applied to these groups, though actual thresholds likely vary among specific assets within the groups.
4	Physical	Variation in exposure assessment methods	EPIF had to implement multiple climate data methods (see section 4.10.1) to assess EPIF's exposure to physical risk. The variation in these climate data methods decreases consistency of results, as each climate data provider or literature source has their own assumptions.
5	Physical	No revenue data for standalone assets	Revenue data was only available at the subcompany level, not at the asset level. To estimate individual asset revenue contributions, we proportionally allocated revenues based on each asset's value relative to the total asset value.
6	Physical	Not all relevant hazards could be assessed	The climate projection data could not assess all hazards that could notably affect EPIF, such as landslides. Table 38 highlights all hazards, and specifies which of the hazards are included in the physical risk financial effects assessment scope.
6	Transition	Use of subcompany-activity mapping to assess exposure to locked-in GHGs	EPIF assessed subcompanies' transition risk exposure based on their primary activity's relation to locked-in GHG emissions. This approach reduces accuracy, as it overlooks alternative activities that subcompanies may engage in alongside their primary activity. Also, when the activity label contained both fossil and non-fossil operations, the activity was classified as ''exposed to locked-in GHGs'' to be conservative.
7	Transition	Unknown long term mitigation actions	Current mitigation actions planned until 2030 are assumed to extend into the long term. However, it is uncertain if these actions alone will achieve EPIF's decarbonization, as new mitigation efforts that are not yet identified may also contribute.

2.10.2 Results

2.10.2.1 Financial effects physical risk

Table 41 provides quantification for the assets and revenues that are anticipated to be exposed to physical climate risks in each scenario and for each time horizon. The assets and revenues are quantified based on the consolidated financials of EPIF Group for the year 2023. Assets are expressed in terms of € carrying amount. The table also depicts how many assets (again in terms of € carrying amount) are addressed by planned risk adaptation actions[69]. The two climate scenarios show similar results, as chronic risk exposure stays constant and acute risk exposure shows slight differences between scenarios and time horizons.

EPIF's exposure to chronic hazards is mostly explained by EPIF's thermal generation and electricity grid assets that are exposed to higher air temperatures and/or water stress. Exposure to these chronic hazards decreases in the long term compared to the short/medium term, because exposed coal assets are phased out by 2030.

EPIF's exposure to acute risk remains largely stable across time horizons and scenarios. Most of EPIF's exposure to acute hazards is related to floods, with a smaller amount of EPIF assets exposed to cold and wind hazards. Between scenarios and time horizons, the minor variations in acute risk exposure are due to cold and wind hazards affecting EPIF's electricity distribution grid in Slovakia. SSP5-8.5 projects a reduction in cold waves and increase in high wind speeds compared to SSP1-2.6 in the long-term, which affects SSD's exposure to these risks.

E1.SBM-3 section 4.3.2 describes the implications of the financial effects highlighted in the table below on EPIF's strategy and business model, and describes how the assets exposed to physical risk are addressed by adaptation actions.

[69] For further detail on adaptation actions, see Table 25 in E1-3 section 3.6.

Table 41 EPIF's exposure to material physical risk, and share of exposure addressed

Parameter	Unit	Risk type	ssp126			ssp585		
			Short (FY2024)	Medium (2025-2029)	Long (2030-2060)	Short (FY2024)	Medium (2025-2029)	Long (2030-2060)
Exposed assets	M€ carrying amount	Acute	1,305	1,335	1,305	1,335	1,305	1,275
		Chronic	1,248	1,248	795	1,248	1,248	795
		Total[70]	2,222	2,222	1,768	2,222	2,222	1,768
	% of total carrying amount	Acute	10%	10%	10%	10%	10%	10%
		Chronic	10%	10%	6%	10%	10%	6%
		Total[70]	17%	17%	14%	17%	17%	14%
Exposed assets addressed by adaptation actions	M€ carrying amount	Acute	322	352	322	352	322	292
		Chronic	1,239	1,239	785	1,239	1,239	785
		Total[70]	1,239	1,239	785	1,239	1,239	785
	% of exposed carrying amount	Acute	25%	26%	25%	26%	25%	23%
		Chronic	99%	99%	99%	99%	99%	99%
		Total[70]	56%	56%	44%	56%	56%	44%
Exposed revenues	M€	Acute	240	250	240	250	240	230
		Chronic	417	417	258	417	417	258
		Total[70]	551	551	391	551	551	391
	% of total revenue	Acute	6%	6%	6%	6%	6%	5%
		Chronic	10%	10%	6%	10%	10%	6%
		Total[70]	13%	13%	9%	13%	13%	9%

[70] May contain exposure to either chronic, acute or acute & chronic. No double counting is conducted in this metric.

Table 42 Reconciliation of asset values and revenues used for physical risk assessment to the financial statements

Type of risk	ESRS	Financial statements relevant to carrying amount exposure	Rationale	Do not include	Rationale
Physical (assets affected by acute & chronic events)	E1-9 68a	- Property, plant and equipment - Investment property - Inventories, extracted minerals and mineral products	- These financial statements are related to physical assets affected by acute and chronic events	- Intangible assets and goodwill - Equity accounted investees - Financial instruments and other financial assets - Trade receivables and other assets - Contract assets - Prepayments and other deferrals - Income tax receivables - Restricted cash - Cash and cash equivalents	- Non -physical assets assumed not affected by acute and chronic events
Transition (stranded assets from locked in emissions)	E1-9 68b	- Property, plant and equipment - Investment property - Inventories, extracted minerals and mineral products - Intangible assets and goodwill - Equity accounted investees	- Physical assets related to PPE, Investment property and inventories can be potentially stranded if having locked in emissions - Other intangible assets types can be stranded (or ‘’impaired’’) by reputation/regulation related to locked in emissions	- Financial instruments and other financial assets - Trade receivables and other assets - Contract assets - Prepayments and other deferrals - Income tax receivables - Restricted cash - Cash and cash equivalents	- Financial instruments, trade/tax receivables, contracts and prepayments not impacted by locked in emissions - "Restricted cash",and "Cash and cash equivalents" can be used for all purposes, not related to locked in emissions
Physical (revenues affected by acute & chronic events)	E1-9 68a	- Electricity - Gas - Heat - Coal - Other energy products - Logistics and freight services	-All revenue streams from physical assets can be affected by chronic and acute physical events.	- Other revenues - Gain/(loss) from commodity derivatives for trading - Revenues from waste management	- Derivative and similar revenues assumed not affected by physical acute and chronic events - EPH states that waste management and "other revenues" are not material to physical climate risk
Transition (affected revenues from locked in emissions)	E1-9 68b	- Electricity - Gas - Heat - Coal - Other energy products - Logistics and freight services	- All revenue streams from key carbon assets are potentially affected	- Other revenues - Gain/(loss) from commodity derivatives for trading - Revenues from waste management	- Derivative and similar revenues assumed not affected by transition events - EPH states that waste management and "other revenues" are not material to physical climate risk

Table 43 Locations exposed to material physical risk (Y = exposed in at least one time horizon & scenario, N = not exposed)

Primary activity	Company name	Asset name	Exposed to		NUTS3 region
			Acute	Chronic	
Combined heat and power generation from coal and biomass	Elektrárny Opatovice, a.s.	Heating plant	N	Y	CZ053
	Plzeňská teplárenská, a.s.	Heating plant	N	Y	CZ032
	United Energy, a.s.	Heating plant	N	Y	CZ042
Electricity generation from bioenergy	Alternative Energy, s.r.o.	Biogas plant	Y	Y	SK010
Electricity generation from wind	VTE Pchery, s.r.o.	Wind park	Y	Y	CZ010
Electricity generation using solar photovoltaic technology	ARISUN, s.r.o.	Solar park	Y	Y	SK010
	POWERSUN a.s.	Solar park	Y	Y	CZ010
	Triskata, s.r.o.	Solar park	Y	Y	SK010
Gas storage	Nafta Speicher	Gas storage facility	Y	N	DE21K
Transmission and distribution networks for renewable and low-carbon gases	eustream, a.s.	Gas compressor Kapusany	Y	N	SK010
	SPP-distribúcia	Gas distribution network	Y	N	SK021,SK010,SK023,SK032, SK042,SK041,SK031,SK022
Transmission and distribution of electricity	Stredoslovenská distribučná, a.s. (“SSD”)	SSD poles&lines	Y	Y	SK021,SK031,SK032
	SSD	SSD transformers	Y	Y	SK021,SK031,SK032
	SSD	SSD other	Y	Y	SK021,SK031,SK032
	SSD	All remaining assets	Y	Y	SK021,SK031,SK032

2.10.2.2 Exposure to locked-in GHG emissions

Table 43 provides quantification for the assets and revenues that are anticipated to be exposed to locked-in GHG emissions for each time horizon. Only the orderly transition scenario (SSP1-2.6) is considered relevant for this metric. Assets are expressed in terms of € carrying amount. The table also depicts how many assets (again in terms of € carrying amount) are addressed by planned risk mitigation actions.

Overall, asset exposure to locked-in GHG emissions reduces over time. Coal phaseout by 2030 reduces exposed assets by 6% in the long-term compared to the medium term. Besides the coal phaseout, gas-fired generation and gas infrastructure assets and revenues remain exposed to locked-in GHGs, but this exposure is projected to be fully addressed in the long term. Fossil power plants are planned to be either retrofitted or replaced to be hydrogen-ready, or decommissioned. For gas infrastructure EPIF is planning to reduce methane leakage and to prepare gas grids for hydrogen adoption.

The section E1.SBM-3 describes the implications of the financial effects regarding locked-in GHG emissions exposure on EPIF's strategy and business model.

Table 44 **Exposure of carrying amount of assets and net revenues to locked in GHGs**[71]

Parameter	Unit	Risk type	ssp126		
			Short-term (FY2024)	Medium-term (2025-2029)	Long-term (2030-2060)
Exposed assets	M€ carrying amount	Transition	9,625	9,625	8,960
	% of total carrying amount	Transition	75%	75%	69%
Exposed assets addressed by mitigation actions	M€ carrying amount	Transition	NA	666	8,960
	% of exposed carrying amount	Transition		7%	100%
Exposed revenues	M€	Transition	1,402	1,402	1,243
	% of total revenue	Transition	33%	33%	29%

[71] Including exposed carrying amount of assets addressed by mitigation actions

3. EU Taxonomy assessment

In July 2020, the European Commission adopted the Taxonomy Regulation ("EU Taxonomy" or "Regulation"), a classification system establishing a list of environmentally sustainable economic activities which is supposed to direct investments towards sustainable projects. The EU Taxonomy establishes 6 environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The list of individual environmentally sustainable activities was subsequently published in the first Climate Delegated Act and is applicable from January 2022. The decision on classification of gas and nuclear power and heat generation was postponed until March 2022, when the Complementary Climate Delegated Act was adopted by the European Commission, giving gas and nuclear energy generation a status of transitional activities. The complementary delegated act applies from January 2023 and is expected to accelerate the shift from emission-intensive fossil fuels. On 27 June 2023, the Commission adopted a Taxonomy Environmental Delegated Act, including a new set of EU Taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

These delegated acts establish technical screening criteria to assess alignment with the EU Taxonomy. The technical screening criteria include:

- Substantial contribution criteria – to determine whether the economic activity substantially contributes to any of the six environmental objectives above
- Do no significant harm ("DNSH") criteria – to determine whether the economic activity does no significant harm to any of the other environmental objectives

The EU Taxonomy requires companies to disclose share of their turnover, operating expenditures ("Opex") and capital expenditures ("Capex") which are associated with environmentally sustainable activities as defined in the EU Taxonomy and the delegated acts. The activity is considered as taxonomy-eligible if it is listed and described in the delegated acts irrespective of whether that economic activity meets any or all the technical screening criteria laid down in those delegated acts. The activity is considered as taxonomy-aligned if it meets all substantial contribution criteria, all do no significant harm ("DNSH") criteria and complies with the minimum social safeguards stated in article 18 of the Regulation.

EPIF fully supports the goals of the EU Taxonomy which provides definitions of which economic activities can be considered as environmentally sustainable and protect private investors from greenwashing. The increased clarity shall enable the private sector to direct investments to sectors with substantial contribution to sustainable development.

3.1 Application by EPIF

In its first disclosure for the financial year 2021, EPIF used the option to report only on the taxonomy eligibility and not on the taxonomy alignment of its economic activities. Since 2022, EPIF has regularly performed a full assessment of the taxonomy alignment of its activities. As a first step, taxonomy-eligible economic activities were identified across the EPIF Group, based on their inclusion in the delegated acts. The second step included an assessment of whether any portion of the activity contributes to any of the six environmental objectives which are described by the EU Taxonomy. For this purpose, the substantial contribution criteria in Annex 1 and Annex 2 of the Climate Delegated Act and the Environmental Delegated Act were assessed. The third step was to ensure that the activity does no significant harm to other environmental objectives based on assessment of the DNSH criteria. The last step was to assess compliance of the activity with minimum safeguards. Assessment of compliance with minimum safeguards has been performed for all activities at once as EPIF Group standards are implemented across the entire Group.

The economic activities below have been identified by EPIF as potentially contributing to the climate change mitigation and were subsequently assessed for taxonomy eligibility and alignment. EPIF has assessed its activities also for potential contribution to the other environmental objectives and concluded that the contribution of EPIF activities is solely limited to climate change mitigation. This conclusion is based on the nature of EPIF's operations, where the primary focus is reducing greenhouse gas emissions.

Activity code	Taxonomy-eligible activity
4.1.	Electricity generation using solar photovoltaic technology
4.3.	Electricity generation from wind power
4.5.	Electricity generation from hydropower
4.8.	Electricity generation from bioenergy
4.9.	Transmission and distribution of electricity
4.10.	Storage of electricity
4.14.	Transmission and distribution networks for renewable and low-carbon gases
4.15.	District heating/cooling distribution
4.20.	Cogeneration of heat/cool and power from bioenergy
4.30.	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels
6.2.	Freight rail transport

3.2 Minimum safeguards

The EU Taxonomy establishes a set of minimum safeguards that provide guidelines to ensure companies classifying their activities as sustainable and taxonomy-aligned adhere to essential standards related to human rights, bribery and corruption, taxation, and fair competition. These safeguards serve as a protective measure to prevent companies engaged in green investments from being recognized as sustainable if they violate human rights or engage in corrupt or unethical practices. The minimum safeguards require companies to align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

3.2.1 Human rights

In the area of human rights, EPIF has implemented processes to safeguard the rights of its employees and those within its supply chain. Within its own operations - exclusively located in EU countries, the UK, and Switzerland - EPIF has assessed the risk of human rights violations, such as child labor or forced labor, to be minimal. However, the company remains cautious by maintaining robust safeguards, including a grievance mechanism that allows employees to report human rights-related concerns.

Within its supply chain, EPIF follows a Procurement Policy that encourages suppliers to adhere to the principles embedded in EPIF's own policies. Furthermore, EPIF expects its suppliers to uphold the eight fundamental Conventions of the International Labour Organization (ILO). To ensure compliance, the company conducts supplier screenings in accordance with its Know Your Customer (KYC) Directive, which verifies business partners' identities and assesses potential human rights risks before initiating a business relationship. EPIF is committed to formalizing and standardizing its KYC process across the Group while integrating a risk-based classification of its supply chain. A comprehensive action plan outlining these efforts is detailed in the Procurement Roadmap under GOV-4 – Statement on due diligence.

3.2.2 Bribery and corruption

EPIF has established comprehensive policies and procedures across the Group to uphold high ethical standards and ensure zero tolerance for corruption or any form of inappropriate behavior. The Anti-Corruption and Anti-Bribery Policy is designed to ensure full compliance with all applicable anti-corruption and anti-bribery laws and regulations in the countries where EPIF operates or plans to conduct business. It also reinforces the company's commitment to conducting business in a socially responsible and ethical manner. The policy clearly outlines that the acceptance of gifts and donations, including charitable contributions, is regulated, and that the receipt or payment of bribes, including facilitation payments, is strictly prohibited. To maintain the integrity and effectiveness of this policy, EPIF Group conducts regular reviews to assess its suitability, adequacy, and effectiveness.

3.2.3 Tax transparency

The Tax Governance Policy ensures compliance with all applicable tax laws and regulations while aligning with the company's corporate interests and long-term business strategy. It is designed to minimize tax risks and inefficiencies in business decision-making. To mitigate the risk of tax non-compliance and other identified tax risks, material transactions are thoroughly assessed by approved tax experts. The policy's primary objectives include ensuring compliance with tax regulations across all countries and territories where the Group operates, preventing and minimizing significant tax risks, and strengthening relationships with tax authorities through transparency and responsible tax practices. By adhering to this policy, EPIF maintains a robust tax governance framework that supports sustainable business operations while upholding regulatory obligations.

3.2.4 Fair competition

Compliance with all applicable anti-trust laws in the countries where EPIF operates or plans to conduct business is ensured by the Anti-Trust Law Policy. It is designed to uphold fair competition, open markets, and ethical business practices while aligning with socially responsible corporate conduct. The policy mandates that all employees and directors strictly adhere to anti-trust regulations and fully understand the serious consequences of any violations. EPIF is committed to ethical business operations and actively supports a culture of compliance through well-defined measures and procedures that help prevent anti-trust infringements. As part of its compliance strategy, EPIF focuses on raising awareness of potential conflicts with EU competition law and ensuring that employees, middle management, and top executives are equipped with the necessary knowledge to identify and avoid such risks. This proactive approach reinforces EPIF's dedication to maintaining fair and competitive market practices.

3.2.5 Conclusion

The policies governing matters described above are publicly available on EPIF website **https://www.epinfrastructure.cz/en/esg-policies/**. The underlying principles in EPIF policies are built upon the Ten Principles of the United Nations Global Compact or eight fundamental Conventions of the International Labour Organization. There have been no instances of breaches of any of the defined standards based on regular communication and reporting from EPIF subsidiaries. EPIF ensures that principles embedded in our policies are regularly shared with employees across the Group. Therefore, EPIF believes that its activities comply with the minimum safeguards. When assessing eligible activities, we have concluded that all activities meeting the DNSH criteria fulfil also minimum safeguards.

3.3 EU Taxonomy alignment assessment

3.3.1 Eligible activities

3.3.1.1 Electricity generation using solar photovoltaic technology (4.1.)

EPIF operates a portfolio of photovoltaic power generation sources in Czech Republic and Slovakia with the total installed capacity of 15 MWe. Full revenues, Opex and Capex related to this activity were further considered for taxonomy alignment as the activity corresponds to the definition "*The activity generates electricity using solar PV technology*".

The operations of renewable generation sources have been assessed in respect of the following do no significant harm ("DNSH") criteria:

- *Circular economy* – The photovoltaic facilities represent durable assets which are easy to dismantle once they reach the end of their useful lives. This practice is commonly mandated by relevant laws, and companies are typically obliged to allocate funds for the associated decommissioning costs.

- *Biodiversity* – Biodiversity considerations including the Environmental Impact Assessment or similar assessments are commonly a vital part of the permitting procedures, ensuring that facilities are not located near biodiversity-sensitive areas or do not pose any threat to these areas.

As a result of the assessment above, the full revenues, Opex and Capex related to electricity generation from photovoltaic sources were classified as aligned.

3.3.1.2 Electricity generation from wind power (4.3.)

EPIF operates a wind park in Czech Republic with the installed capacity of 6 MWe. Full revenues, Opex and Capex related to this activity were further considered for taxonomy alignment as the activity corresponds to the definition "*The activity generates electricity from wind power*".

The operations of renewable generation sources have been assessed in respect of the following do no significant harm ("DNSH") criteria:

- *Climate change adaptation* – EPIF has performed a physical climate risk analysis at the Group level. The wind parks are considered as being at low risk of direct damage from more extreme weather events. The turbines can be switched off in case of extremely strong winds with the potential to damage the turbines.

- *Circular economy* – The wind turbines represent durable assets which are recycled once they reach the end of their useful lives. Specifically for the wind turbines operated by EPIF, the facility will either continue to be operated if it remains financially viable, or the technology will be dismantled and sold, with the foundation subsequently remediated. Another option is the complete dismantling

and disposal of the technology, followed by the remediation of the foundations. Alternatively, repowering may be carried out, which essentially involves the same process as the previous two options but includes the installation of new technology.

- *Biodiversity* – Biodiversity considerations including the Environmental Impact Assessment or similar assessments are commonly a vital part of the permitting procedures, ensuring that facilities are not located near biodiversity-sensitive areas or do not pose any threat to these areas.

As a result of the assessment above, the full revenues, Opex and Capex related to electricity generation from wind power were classified as aligned.

3.3.1.3 Electricity generation from hydropower (4.5.)

EPIF operates a small portfolio of hydroelectric power plants in Slovakia with total installed capacity of 3 MWe. Full revenues, Opex and Capex related to these activities were further considered for taxonomy alignment as these activities correspond with definitions in the substantial contribution criteria, specifically "*The electricity generation facility is a run-of-river plant and does not have an artificial reservoir*". The plants operated by EPIF are of a small scale with limited impact on surrounding ecosystems.

The operations of renewable generation sources have been assessed in respect of the following do no significant harm ("DNSH") criteria:

- *Climate change adaptation* – EPIF has performed a physical climate risk analysis at the Group level. All hydroelectric plants are considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.

- *Water* – None of the facilities have been identified in breach of any of the provisions of the criteria.

- *Biodiversity* – Biodiversity considerations including the Environmental Impact Assessment are commonly a vital part of the permitting procedures, ensuring that facilities are not located near biodiversity-sensitive areas or do not pose any threat to these areas.

As a result of the assessment above, the full revenues, Opex and Capex reported by renewable generation sources were classified as aligned.

3.3.1.4 Electricity generation from bioenergy (4.8.)

EPIF operates a biogas plant in Slovakia through its subsidiary Alternative Energy s.r.o. The activity is classified as taxonomy-eligible as it corresponds to the taxonomy definition "*Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids*". The activity also meets the substantial contribution criterion #3 as the facility uses anaerobic digestion of organic material, where the biogas production further meets the criteria of activity "*Anaerobic digestion of bio-waste*", specifically:

- The facility has a monitoring system in place to minimize methane leakage.
- The produced biogas is directly used to generate electricity.
- The bio-waste that is used for anaerobic digestion is segregated and collected separately.
- The produced digestate is used as a fertilizer.
- The share of food and feed crops as defined in Article 2, point (40), of Directive (EU) 2018/2001, on total processed waste is less than 10%.

As the activity currently exceeds the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193, it does not meet the DNSH criteria related to Pollution prevention.

As a result of the assessment above, the full revenues, Opex and Capex were classified as eligible but not as aligned.

3.3.1.5 Transmission and distribution of electricity (4.9.)

EPIF operates the electricity distribution network in central Slovakia via its subsidiary Stredoslovenská distribučná a.s. ("SSD"). This activity is associated with NACE code D35.13 (Distribution of electricity). Full revenues, Opex and Capex reported from this activity were classified as taxonomy-eligible as the activity corresponds to the description "*Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems*".

Operation of SSD's electricity distribution network was further considered for taxonomy alignment as it meets one of the three substantial contribution criteria in Annex I, 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*". The sustainability aspect of this operation is further supported by the significant presence of low-carbon sources connected to the network. In 2019-2023, 89% of the newly connected capacity have been renewable energy sources, mainly solar installation. By facilitating the expansion of renewable power generation sources, SSD plays a vital role in helping the EU achieve its decarbonization goals. In addition, the overall emission intensity of the power generation sources in Slovakia (84 kg/MWh in 2023) is significantly below the average intensity of the EU countries (210 kg/MWh in 2023). The fuel mix in Slovakia is dominated by nuclear plants and hydroelectric power stations.

The activity of SSD has been assessed in respect of the following do no significant harm ("DNSH") criteria:

- *Climate change adaptation* – Power distribution networks are among the assets most susceptible to increasingly frequent and severe weather events, including storms, high winds, and wildfires. Based on the EPIF physical climate risk assessment performed centrally at the Group level, the main physical risks for SSD are higher wind speeds and more frequent storms. SSD has observed an increasing number of calamities with incremental costs incurred. As part of increasing the resilience of the network against extreme weather events, SSD regularly evaluates and identifies critical parts of the network that need to be reconstructed to enhance their resilience. To reduce risks, preventive and corrective maintenance activities are regularly carried out, especially patrols, drone monitoring, and vegetation management operations in the most exposed areas. Additionally, in the forestry area, SSD conducts line relocations and burying previously overhead lines underground. By installing smart grid elements, SSD increases the volume and quality of data used for system monitoring. There is adequate insurance coverage in place for the high voltage lines. When expanding the network into new areas, resilience to weather impacts is a primary factor considered, and the technical solution is designed accordingly. As a critical infrastructure operator, SSD has a business continuity plan in place to ensure timely resolution of all issues, regardless of their cause.

- *Circular economy* – SSD adheres to the laws and regulations in Slovakia which are harmonized with EU regulation. SSD has dedicated internal guidelines in place on the treatment of hazardous and non-hazardous waste. The produced waste results largely from maintenance and reconstruction works at the distribution network which is vital to ensure reliable operation and security of supply. It includes construction waste (concrete, soil), ferrous and non-ferrous metals, and hazardous waste such as electrical waste or oil-polluted parts. In line with internal directives, SSD always follows the waste hierarchy, preferring recycling over landfilling where it is safe and possible. Disposal of hazardous waste is performed through certified third parties.

- *Pollution prevention* – Robustness of environmental protection is demonstrated by the environmental management system ("EMS") which is certified to ISO 14001. The EMS is subject to an annual external audit, where no misalignment of SSD's system with ISO 14001 has been identified to date. SSD's internal policies are also aligned with EPIF group-wide Environmental Policy. In line with the EU regulation, SSD has replaced all technology which was contaminated with polychlorinated biphenyls ("PCBs") which were widely used within the industry as coolants in electrical equipment. SSD also focuses specifically on the disposal of waste containing asbestos, a material commonly utilized in construction for insulation purposes.

  Further environmental risks stem from the operation of electrical substations containing oils. The operation of such equipment presents a risk of water and soil contamination in case of technical failure and oil leakage due to leaks. Any leaks, whether large or small, are reported immediately to the environmental team, which subsequently ensures and manages remediation works to remove contamination and restore the area to its original condition. For all these substations, the environmental team has developed emergency plans approved by the Slovak Environmental Inspection, which oversees compliance. Each emergency plan is specifically tailored for each individual substation with a thorough description of risks and a system set up for their elimination. Regular tests of the impermeability of containment and emergency tanks in the facilities are carried out, including the pumping of captured water and cleaning. Regular emergency preparedness training courses are organized for employees every year to ensure their thorough preparation in case of an emergency event.

  All products and components of the distribution system are designed and operated in accordance with the EU and Slovak standards and regulations. If a specific element requires it, it is also in line with those concerning electromagnetic radiation. Each construction is permitted by the relevant competent authorities, which in most cases require opinions from relevant bodies responsible for assessing any adverse impact of our equipment on the public. SSD is not aware of any objections regarding the assessment of the impact of electromagnetic fields on the public.

- *Biodiversity* – The distribution network operated by SSD might pose a danger for wildlife, especially birds as the network cannot entirely avoid areas with higher prevalence of vulnerable species. In cooperation with the State Nature Conservation of the Slovak Republic, SSD regularly takes part in activities that help assess and prevent serious bird injuries that often occur along distribution networks. As a result, SSD is continuously installing protective and diverting elements to prevent collisions of birds with high-voltage power lines. Additionally, in cooperation with both the nature conservation and municipal authorities, SSD performs relocations of stork nests within our distribution network to areas within southern Slovakia.

As a result of the assessment above, the full revenues and Opex reported by SSD were classified as aligned as they are related to power distribution as the sole business activity of SSD. In respect of Capex, the EU Taxonomy does not allow the investments in non-smart metering equipment to be treated as aligned. This Capex portion (less than 2% of the total Capex) was therefore classified as non-aligned.

3.3.1.6 Storage of electricity (4.10.)

While development of battery energy storage systems (BESS) is not its major area of focus, EPIF is exploring investments into BESS to complement its existing activities. Its subsidiary Stredoslovenská energetika has historically provided grid-balancing services to the Slovak transmission system operator and is now developing a BESS system to expand this service. The Capex associated with the BESS system is treated as taxonomy-eligible as it corresponds to description "*Construction and operation of facilities that store electricity and return it at a later time in the form of electricity.*"

This Capex has been assessed in respect of the following do no significant harm ("DNSH") criteria:

- *Climate change adaptation* – EPIF has performed a physical climate risk analysis at the Group level. No identified risks are expected to significantly influence the functionality of the BESS systems.

- *Circular economy* – Aligned with the waste hierarchy principle in its Environmental Policy, EPIF is committed to upholding the highest standards of battery recycling. With the commissioning of the first BESS systems, battery recycling is expected to become a key focus in the medium to longer term.

- *Biodiversity* – EPIF primarily develops projects on existing sites, with greenfield projects being minimal. Biodiversity considerations, including Environmental Impact Assessments, play a crucial role in permitting procedures, ensuring that facilities are not located near sensitive biodiversity areas or pose any risk to them.

3.3.1.7 Transmission and distribution networks for renewable and low-carbon gases (4.14.)

EPIF operates critical gas transit and distribution infrastructure in Slovakia via its subsidiaries eustream, a.s. ("EUS") and SPP - distribúcia, a.s. ("SPPD"). These activities are primarily associated with NACE codes D35.22 (Distribution of gaseous fuels through mains) or H49.50 (Transport via pipeline). Both network systems are well positioned to transit and distribute hydrogen or other renewable or low-carbon gases in the future. The gas networks can already accommodate biomethane or synthetic methane, i.e. gases with the same characteristics as natural gas. EUS and SPPD have already introduced projects to retrofit its gas infrastructure for large scale transit and distribution of hydrogen.

According to the EU Regulation on renewable and natural gases and hydrogen, all gas transmission system operators will be required to accept gas flows with a hydrogen content of up to 2% by volume at interconnection points between Union Member States. The adjustments should primarily consist of replacing the metering equipment and other network components. Eustream's pipeline system is well positioned for transit of pure hydrogen as it consists of four to five parallel pipelines, making it suitable for potential simultaneous transport of natural gas and pure hydrogen in a dedicated line in the future. The hydrogen related Capex of eustream is currently limited and mainly includes replacements of metering equipment and other minor adjustments to comply with the obligation for TSOs to accept 2% hydrogen blends.

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). In 2024, 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. The network of SPPD is relatively modern and a high share of polyethylene pipes (57% of local networks) with superior permeability characteristics makes the network ideally positioned to accommodate hydrogen in the future. In the case of SPPD, all newly laid pipelines at local networks are made of polyethylene which is proven to be compatible with 100% hydrogen.

As of now, the share of renewable gases in the networks is marginal and limited to small volumes of biomethane. To assess taxonomy alignment of activities which currently transit and distribute almost solely natural gas but are undergoing a gradual retrofit to adopt hydrogen, EPIF followed the notice of the European Commission on the interpretation of certain provisions of the EU Taxonomy and related delegated acts approved in principle on 29 November 2024. For activity 4.14., this guidance specifies that such companies should report only their Capex related to retrofit of their existing infrastructure to enable transit and distribution of a hydrogen blend as eligible, while Turnover and Opex need to be reported as non-eligible. In addition, the eligible Capex needs to be instrumental for the adoption of renewable gases in the broader system.

In respect of Capex, we have identified investments which make the networks ready for future accommodation of hydrogen and which comply with the substantial contribution 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 gasses in the gas system*". Both SPPD and eustream have distribution and transit of purely renewable gases as a cornerstone of their long-term transition strategy. In the transitional period, the networks are expected to be used for transport of natural gas, while all necessary adjustments to the networks and blending trials are performed, with the ultimate goal to dedicate the pipelines to 100% renewable gases in the future.

Based on the assessment above indicating that the identified hydrogen-compatible Capex is part of a long-term transition plan, the Capex was further considered for taxonomy alignment, subject to the assessment of DNSH criteria below. We also note that the hydrogen-compatible Capex identified at eustream was rather immaterial.

The Capex incurred as part of the transmission and distribution network operations has been assessed in respect of the following DNSH criteria:

- *Climate change adaptation* – Both networks are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change as the gas pipelines are predominantly laid down under the ground, providing significant protection. The gas distribution network is particularly resilient against severe weather conditions such as extreme winds. However, a more tangible risk arises from extreme local rainfall and subsequent floods, which could potentially lead to damage through landslides and erosion. SPP-D conducts regular monitoring of geological factors, including landslides, erosion, and waterlogging resulting from groundwater rise after floods. Based on this monitoring, the high-pressure network is segmented into 10 risk levels according to the likelihood of potential damage. The higher the risk assessment, the more frequent physical visits are conducted on-site for monitoring purposes. Over the past two decades, the incidence of damages caused by geological factors has remained stable.

- *Water* – Operation of existing gas transmission and distribution networks does not pose direct risk for any water bodies and both entities have complied with local regulation and internal environmental policies. At the gas transmission network, each compressor station has a preventive plan to avoid discharge of pollutants into the environment in line with Act no. 364/2004 Coll., on Waters. The expansion of the networks leading to potential harm to waters during the construction phase is relatively limited. The exception was a construction of the Poland-Slovakia gas interconnector completed by EUS in October 2022, for which an Environmental Impact Assessment (EIA) had been carried out and the environmental permit had been issued by the competent authority. At the gas distribution network, SPPD has implemented an Integrated Management System, which integrates occupational health and safety, environment, and quality processes. Additionally, the Methodological Guideline for Environmental Management contains specific guidelines for water pollution prevention. All individuals involved in the transportation of hazardous goods undergo regular training, and their activities are monitored. At locations where handling of more than 1000 litres of dangerous substances occurs, emergency plans are developed and approved, and emergency drills are conducted annually.

- *Pollution prevention* – EUS and SPPD are certified as compliant with the requirements of ISO 14001 (environmental management). Both entities further hold the certification ISO 3834-2 (welding quality), while EUS also holds certification ISO 50001 (energy management) and SPPD holds certification ISO 55001 (asset management). EUS and SPPD ensure compliance with EU requirements regarding efficiency and other parameters in the technology used (such as compressors operated by EUS and regulation stations operated by SPPD) through their procurement process.

- *Biodiversity* – The pipelines of EUS and SPPD in Slovakia cross several wetland areas which are protected by the international Ramsar Convention on Wetlands. For all development and reconstruction works which were performed in the respective areas, all required permits were

obtained. Impact on biodiversity is a primary consideration in the decision-making process on the development and subsequent operation of the networks. In line with its biodiversity policy, SPPD generally strives not to interfere with areas of the highest biological diversity through its activities. SPPD continues its efforts to preserve biodiversity after the construction of a facility, both during operation and when decommissioning facilities. The goal of SPPD is to restore the landscape affected by its activities to a state that is as natural as possible for the given locality, creating viable habitats for original species in that area.

As a result of the assessment above, the identified hydrogen-compatible Capex reported by SPPD and EUS was classified as taxonomy-aligned.

3.3.1.8 District heating/cooling distribution (4.15.)

EPIF operates district heating networks in major regional cities in the Czech Republic, associated with NACE code D35.30 (Steam and air conditioning supply). The full turnover, Opex and Capex reported from this activity was classified as taxonomy eligible as the activity corresponds to the description "*Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger*".

Operation of EPIF's district heating networks was further considered for full taxonomy alignment as it meets one of the two criteria in Annex I, specifically "*the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU*". This criterium requires the district heating or cooling system to use at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat. EPIF operations are aligned with the requirement as the heat distributed through its network is produced solely in cogeneration mode by the adjacent cogeneration heating plants which are also in ownership of EPIF. The exceptions are occasional short periods with peak heat demand which need to be partly covered by back-up hot water boilers.

The district heating operations have been assessed in respect of the following DNSH criteria:

- *Climate change adaptation* – The distribution networks are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change. The pipes are predominantly laid down under the ground. The lines located above the ground might be partly located in forest areas and exposed to falling trees. However, the network mainly consists of large-diameter pipes with a wall thickness of 10mm, and no damage has been historically caused by falling trees on the pipeline. Moreover, a protective zone of 2.5 meters from the edge of the pipeline is maintained along the route.

- *Water* – The district heating networks represent closed systems where water is circulated from the main heat exchanger at the heat generation source to the heat exchange station in the proximity of the end consumers and subsequently returned to the heat generation source for re-heating. Water in the network is regularly resupplied to compensate for water lost through evaporation. However, no water is discharged to the water bodies.

- *Pollution prevention* – the EU efficiency requirements for the compressors used across the networks are binding already for manufacturers of this technology, from whom EPIF entities source the equipment.

- *Biodiversity* – None of our district heating systems have been identified to be located near biodiversity-sensitive areas.

As a result of the assessment above, the full third-party revenues, Opex and Capex related to operation and maintenance of district heating networks were classified as taxonomy-aligned. Where the entities operating heating networks also own and operate the adjacent heating plants, the financials of these

entities were split into the generation business and distribution business mainly based on internal cost centers.

3.3.1.9 Cogeneration of heat/cool and power from bioenergy (4.20.)

EPIF combusts biomass in some of its heating plants which operate in cogeneration mode. Biomass is combusted in dedicated biomass units as well as co-combusted with lignite. The EU Taxonomy considers only heat and power generation exclusively from biomass as taxonomy-eligible, specifically "*Construction and operation of installations used for cogeneration of heat/cool and power exclusively from biomass, biogas or bioliquids, and excluding cogeneration from blending of renewable fuels with biogas or bioliquids*". Therefore, we have classified only a dedicated biomass cogeneration unit operated by Plzeňská teplárenská, a.s. („PLTEP") as taxonomy-eligible.

Operation of the biomass unit was further considered for taxonomy alignment as it meets the substantial contribution criteria in Annex I related to the source of biomass and the transport distance:

- Biomass combusted by PLTEP is sourced locally within the Czech Republic, predominantly from the Plzeň Region. Owing to the limited transport distance (< 500km), the saving of greenhouse gases compared to a fossil fuel alternative exceeds the threshold required by the Taxonomy Regulation of 80% (based on the typical values of greenhouse gas savings as indicated in Annex VI to Directive (EU) 2018/2001). In addition, when approaching potential supplier of biomass, PLTEP strongly prefers railway transport over road transport where feasible.

- Taxonomy regulation allows forest and agricultural biomass to be considered as taxonomy-aligned provided that some conditions are fulfilled such as legality of harvesting, forest regeneration of harvested areas and other criteria ensuring sustainability of biomass production. This is ensured through certification which is required by PLTEP from each supplier including declaration that the biomass complies with the regulation specifying criteria on sustainability and greenhouse gas savings. The suppliers are also obliged to provide evidence that they are entitled to harvest wood from the land based on direct ownership or the agreement with the landowner.

The cogeneration of heat and power from biomass by PLTEP has been assessed in respect of the following DNSH criteria:

- *Climate change adaptation* – Based on the EPIF central physical climate risk assessment, the exposure of the site of the biomass unit is mainly related to general increase in temperatures in the long term which might negatively affect the production efficiency. This risk is not anticipated to materially affect biomass unit operations.

- *Water* – Based on the integrated permit, the heating plant is allowed to withdraw cooling water from the adjacent river and discharge it back. The amount of water discharged from our plants is not materially different from the amount of water withdrawn, i.e. vast majority of water is returned back to the source. The cooling flow-based systems in the cogeneration heating plants represent closed systems, whereby the water discharged is of the same or better quality and similar temperature, at which it was withdrawn from the source.

- *Pollution prevention* – after major refurbishments aimed at reduction of dust particles, PLTEP follows the best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for large combustion plants.

- *Biodiversity* – The plant is not located near any biodiversity-sensitive area.

As a result of the assessment above, the full revenues, Opex and Capex related to operation and maintenance of the biomass unit were classified as aligned. The financials of the biomass unit were derived based on internal cost centres used by PLTEP.

3.3.1.10 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels (4.30.)

EPIF operates a portfolio of cogeneration heating plants in the Czech Republic, supplying heat to adjacent district heating networks, while contributing to power grid stability by providing dispatchable power capacity. EPIF heating plants are still predominantly lignite-based, complemented by biomass boilers and a waste incinerator plant. EPIF aims to convert all plants away from lignite to a balanced mix of hydrogen-ready gas-fired units and additional waste incinerator plants, while keeping certain volume of biomass in place. Natural gas is expected to play a key role in the fuel mix as the decommissioned coal capacities will be mainly replaced by combined cycle gas turbine ("CCGT") units. These technologies are ideally positioned not only to cover the needed heat demand but also as highly flexible power generation sources which shall complement and support the increased share of intermittent renewable generation sources.

EPIF has already commenced development of these technologies. In the financial year 2024, Capex incurred was primarily related to preparatory works as the final investment decision depended on the approval of investment and operating subsidies. The technologies are expected to be gradually commissioned in 2026-2029. No revenues and Opex have been reported yet.

The construction and operation of CCGT cogeneration units falls under the category of taxonomy-eligible activities, specifically described as "*Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels*." The activity was therefore further assessed for taxonomy alignment based on the following substantial contribution criteria which apply to facilities for which the construction permit is granted by 31 December 2030:

(i) *The activity achieves primary energy savings of at least 10% compared with the references to separate production of heat and electricity; the primary energy savings are calculated on the basis of formula provided in Directive 2012/27/EU.*

Based on the expected cogeneration efficiency of the heating plants in the range of 85-90% and assumed split of 50:50 between heat and power, the cogeneration plants create primary energy savings of ca 21-25% compared to separate heat and power production, using harmonized efficiency reference values for separate production of electricity and heat as per Regulation (EU) 2015/2402. The calculation was based on the formula provided in the Directive 2012/27/EU (**https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012L0027**).

(ii) *Direct GHG emissions of the activity are lower than 270 g CO_2e/kWh of the output energy.*

EPIF cogeneration plants are planned to achieve an overall efficiency (i.e. including cogeneration and condensation generation) of at least 75%, resulting in the emission intensity of ca 264 g CO_2e/kWh. This assumes sole combustion of natural gas. As the turbines shall be ready for partial hydrogen combustion (share of ca 15% is indicated in the initial stage) with envisaged gradual increase, the emission intensity is expected to be further reduced upon adoption of green gas blends.

(iii) *The power and/or heat/cool to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation.*

1) Power production: the CCGT units represent highly flexible generation sources ideally positioned to support the ramp up of intermittent renewable generation sources. The Czech power generation is still significantly dependent on coal (37% share in 2024). According to the Resource Adequacy assessment of the power grid of the Czech Republic until 2040 prepared

by ČEPS[72], role of gas in power generation will grow in all considered scenarios. Accelerated phase out of lignite further necessitates adequate capacities of flexible gas-fired plants.

2) Heat production: EPIF has performed an internal assessment of three potential viable renewable alternatives to generate the heat needed for the residential and commercial customers currently supplied by EPIF. The alternative solutions considered are (i) retrofitting existing lignite boilers to enable sole biomass combustion, (ii) heat pumps powered by renewable energy sources and (iii) geothermal energy.

Biomass boilers

While biomass is a suitable complementary fuel which can be sustainably locally sourced at limited volumes, EPIF is of the view that using biomass on a mass scale would be detrimental to the EU decarbonization goals and not aligned with the sustainability criteria. Reliance on biomass at the required scale to replace all lignite and provide sufficient heat volumes would dramatically increase usage of biomass, where its availability would be uncertain, and its sustainability characteristics would likely be compromised. EPIF is currently able to source sufficient biomass volumes from local sources with limited transport distance. The biomass is certified and aligned with EU Taxonomy criteria. We consider as not feasible to substantially increase biomass usage, while maintaining these standards.

Heat pumps

Heat pumps are generally considered as a viable solution to decarbonize heating. However, their large-scale deployment depends on three key factors: (i) a sufficient supply of renewable electricity in the grid, aligned with the seasonal variations in heating demand, (ii) reinforcement of transmission network capacity to accommodate fluctuations caused by heating needs, and (iii) an accelerated rollout of heat pumps. EPIF entities provide heat to major regional cities, including densely populated apartment blocks where the demand for reserved capacity could exceed the current grid limits. Renewable electricity is expected to come primarily from solar panels, which have limited output during the heating season. Additionally, many older apartment buildings and houses have radiator systems designed for higher water temperatures that heat pumps cannot efficiently supply. Regarding the accelerated deployment of heat pumps, even the most progressive scenarios in the Resource Adequacy assessment of the Czech Republic's power grid, prepared by ČEPS[73], project a gradual increase in heat pump adoption. By 2040, penetration is expected to reach approximately 1.5 million units, covering about 30% of the country's current households.

Geothermal energy

Utilization of geothermal energy in the Czech Republic is limited, there are only a handful of existing projects. Geothermal might be a suitable complement and EPIF is in the process to explore potential of geothermal energy in its areas of operation. However, geothermal energy is not likely to serve as the flexible source reflecting major seasonal fluctuations in heat offtake. The capacities of the geothermal source need to be designed to cover the peak heat demand during winter which might not be utilized during summer. The solution might not be therefore cost-effective if not complemented by other flexible heat sources.

Conclusion

While heat pumps and geothermal energy represent zero carbon alternatives in the long term when it is conceivable to deploy these technologies on a large scale, a rapid reduction in

[72] **https://www.mpo.cz/assets/en/energy/electricity/2023/5/91737_ceps-maf-2022-eng.pdf**

[73] **https://www.mpo.cz/assets/en/energy/electricity/2023/5/91737_ceps-maf-2022-eng.pdf**

emissions which is vitally needed in the short term, will be more reliably achieved through replacement of the lignite plants with highly efficient CCGT units. The crucial aspect is the envisaged adaptation of the CCGT units for renewable gases, making these assets fully compatible with net zero energy system and preventing the emissions from natural gas from being locked in. In addition, these dispatchable sources do not only supply heat but are also vital contributors to grid stability, enabling the ramp up of renewable generation sources and accelerated coal phase-out. We therefore consider the CCGT units best positioned to contribute to the energy transition.

As part of the EU Taxonomy disclosure, EPIF would like to encourage stakeholders to provide feedback on the EPIF position. EPIF already engages in regular open discussions with banks, investors, local communities, or non-governmental organizations, offering explanations for its strategic choices.

(iv) The activity replaces an existing high emitting combined heat/cool and power generation activity, a separate heat/cool generation activity, or a separate power generation activity that uses solid or liquid fossil fuels.

CCGT technologies at all sites operated by EPIF represent a replacement of existing technologies reliant on lignite. The emission intensity of the CCGT units is substantially lower than for the lignite-based technologies.

(v) The newly installed production capacity does not exceed the capacity of the replaced facility.

The installed thermal capacity of the CCGT units is below the capacity of the replaced units at all plants.

(vi) The facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December 2035, with a commitment and verifiable plan approved by the management body of the undertaking.

The gas turbines at all facilities shall be ready for partial hydrogen combustion from the outset with 15% currently guaranteed by suppliers of the technology with optionality to increase the share up to 100% once such technology is commercially deployed by the turbine manufacturers. This shall enable EPIF to combust either sole hydrogen or a combination of hydrogen and biomethane. The pace of increasing the share of renewable gases in the mixture will largely depend on commercial availability of hydrogen or biomethane.

EPIF is committed to using solely renewable gases in the gas turbines in the cogeneration heating plants for heat and power generation by 2035, in line with the EU Taxonomy criteria, subject to sufficient commercial availability of these gases (hydrogen, biomethane, synthetic methane) and adequate infrastructure in place for their distribution. As EPIF's influence on the development of the market with renewable gases is peripheral, EPIF's commitment needs to be perceived as a commitment to technical readiness to combust renewable gases.

(vii) The replacement leads to a reduction in emissions of at least 55% GHG per kWh of output energy.

The emission intensity of existing lignite units is in the range of 600-900 g/kWh, depending on share of cogeneration and condensation production. The new CCGT units are planned to have emission intensity below the threshold of 270 g/kWh, achieving emission reduction of at least 55%.

(viii) The refurbishment of the facility does not increase production capacity of the facility.

The thermal installed capacity of the CCGT units is below the capacity of the replaced units at all plants, reducing the thermal energy generation potential.

(ix) Where the activity takes place on the territory of a Member State in which coal is used for energy generation, that Member State has committed to phase-out the use of energy generation from coal and has reported this in its integrated national energy and climate plan referred to in Article 3 of Regulation (EU) 2018/1999 or in another instrument.

The Czech government has communicated its intention to phase out coal in energy generation by 2033 in the National Energy and Climate Plan (NECP) approved in December 2024.

The EU Taxonomy criteria also require verification from an independent third party, specifically to certify the level of direct GHG emissions referred to in point (ii) above and credibility of the trajectory to renewable gases as referred to in point (vi) above. EPIF intends to seek such verification in order to report the Capex related to development of the CCGT heating plants as aligned. As such verification is currently not in place, the Capex is presented only as eligible. However, EPIF performed full assessment of all technical screening criteria including all DNSH criteria further below and considers the activity as aligned.

The activity also needs to meet the following additional criteria related to methane leakage:

(a) at construction, measurement equipment for monitoring of physical emissions, including those from methane leakage, is installed or a leak detection and repair program is introduced;

(b) at operation, physical measurement of emissions are reported and any leak is eliminated

EPIF aims to implement all measures to prevent gas leaks, including a leak detection and repair program across all sites.

Capex associated with construction of gas-fired heating plants was further assessed against the following DNSH criteria below:

- *Climate change adaptation* – For the cogeneration heating plants source, a significant risk identified is the potential scarcity of cooling water. Periods of droughts might completely cut off the plants from a vitally needed medium. EPIF monitors these risks centrally as part of its formal physical risk assessment as well as regularly updated water stress analysis to monitor which locations are most vulnerable to water shortages. The existing lignite heating plants have been able to operate despite occasional water shortages in the adjacent water bodies. Resilience to potential drought will further increase after transitioning to CCGT units, where the gas turbines and electric generators are air-cooled and do not require water. However, the existing steam turbines will continue to use water for cooling.

- *Water* – Based on the integrated permit, the heating plants are allowed to withdraw cooling water from the adjacent water bodies and discharge it back. The amount of water discharged from our plants is not materially different from the amount of water withdrawn, i.e. vast majority of water is returned to the source. The cooling flow-based systems in the cogeneration heating plants represent closed systems, whereby the water discharged is of the same quality and similar temperature, at which it was withdrawn from the source.

- *Pollution prevention* – all new CCGT units are planned to comply with the limits given by best available techniques (BAT) conclusions.

- *Biodiversity* – The plants are not located near any biodiversity-sensitive area.

3.3.1.11 Freight rail transport

EPIF operates a fleet of locomotives and wagons in Czech Republic transporting a variety of materials, including fuels, energy by-products, or chemical substances. As the activity corresponds to the description "*Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads*", we have classified full revenues and Opex as taxonomy-eligible. The taxonomy-aligned revenues and Opex were then calculated by excluding fleet dedicated to transport of fossil fuels and operation of diesel locomotives.

The freight rail transport activity has been assessed in respect of the following DNSH criteria:

- *Climate change adaptation* – The assets needed for the activity are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.

- *Circular economy* – Decommissioning of obsolete technology is followed by recycling of materials where technologically feasible. During the operation of a diesel locomotive, various types of waste are generated, including oils, lubricants, and other operational fluids leaking from the traction motor or locomotive engine, and micro-particles from wheel-rail interaction. After decommissioning, waste includes diesel fuel, oils, and lubricants, which require eco-friendly recycling, while metal parts such as railings, plows, hoods, and pipes are scrapped. Some key components, like the main frame, fuel tank, traction motors, and generators, can be reused for modernization, extending the locomotive's lifespan by up to 40 years; otherwise, they are scrapped. Rubber and rubber-metal parts, electrical and hydraulic equipment, and batteries require ecological recycling, while combustion engine parts may be utilized as spare parts or scrapped.

- *Pollution prevention* – Only electrical locomotives were considered for taxonomy alignment.

3.3.2 Non-eligible activities

Activities not eligible under the EU Taxonomy of EPIF are mainly represented by the categories below:

- Gas storage - this activity will be continuously evaluated in the future to determine its potential taxonomy eligibility or full alignment. Further research and trials need to be carried out to have improved visibility on the steps needed to convert existing gas storage facilities to accommodate hydrogen.

- Cogeneration of heat and power from lignite or municipal waste.

- Supply and trading of power, gas, and other commodities – supply and trading activity is not addressed by the Taxonomy Regulation. As the supply and trading business reports relatively high turnover from resale of power and gas, the percentage share of the taxonomy-eligible activities for the entire Group is significantly affected by this segment which is relatively minor in terms of operating profit contribution.

3.4 Calculation methodology

The KPIs to assess eligibility and alignment have been calculated as a portion of Turnover, Opex and Capex associated with the taxonomy-eligible and taxonomy-aligned activities listed above (numerator) divided by the Turnover, Opex and Capex for the EPIF Group (denominator).

In the determination of turnover, Opex and Capex according to the Taxonomy Regulation, the same accounting and valuation methods have been applied as in the notes to EPIF Group Consolidated Financial Statements as of and for the year ended; see Note 7 − Revenues, Note 15 − Property, plant and equipment and Note 16 − Intangible assets and goodwill.

Turnover, Opex and Capex were sourced from the same sets of financial data used for the preparation of the EPIF Group's consolidated financial statements in accordance with IFRS. Underlying data

included consolidated financial data after intercompany eliminations as well as stand-alone financial data of individual companies before intercompany eliminations. The stand-alone financial data before intercompany eliminations were used in instances where revenues from a taxonomy-aligned activity are realized via another subsidiary with non-aligned activities. This included (i) delivery of power produced by an aligned entity to the energy exchange through a non-aligned trading entity which only serves as an intermediary and (ii) revenues from electricity distribution which are realized through a non-aligned Group entity which operates as a supplier of electricity and the distribution tariffs are ultimately charged by this supplier. As one of these entities was always treated as taxonomy-non-aligned, there was no risk of double counting.

Turnover

Numerator: Total revenues that were assigned to taxonomy-eligible or taxonomy-aligned activities listed above. *Taxonomy-aligned revenues* reported for 2024 mainly included tariffs for distribution of electricity (59% of Taxonomy-aligned turnover), and sales of heat via district heating networks to end customers (34%).

Denominator: *Revenues* as presented in the Consolidated statement of comprehensive income in the EPIF Group Consolidated Financial Statements as of and for the year ended 31 December 2024. Total revenues of EPIF Group mainly comprise revenues from sales of power and heat produced by heating plants, fees for booked capacities in the gas transit network and the gas storage facilities, fees for distribution of electricity and gas, and revenues from supply of power and gas to end consumers.

Operating expenses (OpEx)

Numerator: Total OpEx that was assigned to taxonomy-eligible or taxonomy-aligned activities listed above. *Taxonomy-aligned OpEx* reported for 2024 mainly included maintenance of the electricity distribution network (81% of Taxonomy-aligned OpEx), and maintenance of district heating networks (10%).

Denominator: in line with the EU Taxonomy definition of Opex, EPIF calculated Opex as a sum of the following items from the Consolidated statement of comprehensive income in the EPIF Group Consolidated Financial Statements as of and for the year ended 31 December 2024:

- *Repairs and maintenance – sourced from the Note 9 - Services*
- *Rent expenses – sourced from the Note 9 - Services*
- *Personnel costs related to day-to-day servicing of the operating assets* – these costs were identified by individual subsidiaries using their internal cost centers

Other Opex categories were assessed as not material, specifically non-capitalized costs related to research and development, and building renovation measures.

Total Opex incurred by EPIF is mainly related to maintenance and repair of own infrastructure comprising gas transmission and distribution networks, gas storage facilities, a power distribution network, and cogeneration heating plants including adjacent district heating networks. This maintenance and repair is performed internally by own employees as well as externally outsourced.

Capital expenditure (Capex)

Numerator: Total Capex that was associated with taxonomy-eligible or taxonomy-aligned activities listed above. EPIF did not use Capex plan to demonstrate taxonomy alignment of Capex which is intended to transition taxonomy-eligible activities to become taxonomy-aligned. *Taxonomy-aligned Capex* reported for 2024 mainly included development and capitalized maintenance of the electricity

distribution network (64% of Taxonomy-aligned Capex), replacement of steel pipes in the gas distribution network by hydrogen-compatible polyethylene pipes (29%), and development or capitalized maintenance of district heating networks (6%).

Denominator: In line with the EU Taxonomy definition, Capex represents additions to Property, Plant, and Equipment, Intangible Assets, and Leases recognized as right-of-use assets according to IFRS 16. Capex includes also additions resulting from business combinations. Total Capex incurred by EPIF is mainly related to reconstruction and development of own infrastructure comprising power plants, cogeneration heating plants, gas transmission and distribution networks, gas storage facilities, a power distribution network, district heating assets, and locomotives and trucks.

3.5 Results of the Taxonomy assessment for 2024

The results of the Taxonomy assessment for the financial year 2024 are presented in the following tables:

Turnover 2024 – taxonomy alignment

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	**Codes (2)**	**Turnover 2024 (EURm) (3)**	**Proportion of turnover 2024 (%) (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Portion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023 (18)**	**Category enabling activity (19)**	**Category transi-tional activity (20)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	5	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y	0.1%		
Electricity generation from wind power	CCM 4.3.	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	0.0%		
Electricity generation from hydropower	CCM 4.5.	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.0%		
Transmission and distribution of electricity	CCM 4.9.	323	9.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	10.0%	E	
District heating/cooling distribution	CCM 4.15.	189	5.3%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	3.8%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	18	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.1%		
Freight rail transport	CCM 6.2.	12	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.4%		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**550**	**15.4%**	**15.4%**													**14.4%**		
Of which enabling		**323**	**9.0%**	**9.0%**															
Of which transitional		**12**	**0.3%**	**0.3%**															
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation from bioenergy	CCM 4.8.	3	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Freight rail transport	CCM 6.2.	33	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		T
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**36**	**1.0%**	**1.0%**	**0.0%**												**0.2%**		
Total (A.1 + A.2)		**586**	**16.4%**	**16.4%**	**0.0%**												**14.6%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**2,995**	**83.6%**																
Total (A+B)		**3,581**	**100.0%**																

Legend:

CCM - Climate change mitigation

Y – Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N – No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL – Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL – Eligible (taxonomy-eligible activity for the relevant environmental objective)

Opex 2024 – taxonomy alignment

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Codes (2)**	**OpEx 2024 (EURm) (3)**	**Proportion of OpEx 2024 (%) (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Portion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023 (18)**	**Category enabling activity (19)**	**Category transi-tional activity (20)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	0	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y	0.1%		
Electricity generation from wind power	CCM 4.3.	0	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	0.6%		
Electricity generation from hydropower	CCM 4.5.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.0%		
Transmission and distribution of electricity	CCM 4.9.	31	23.6%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	25.7%	E	
District heating/cooling distribution	CCM 4.15.	4	2.8%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	2.8%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	0	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.2%		
Freight rail transport	CCM 6.2.	3	2.4%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	1.1%		T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**39**	**29.2%**	**29.2%**													**30.4%**		
Of which enabling		**31**	**23.6%**	**23.6%**															
Of which transitional		**3**	**2.4%**	**2.4%**															
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation from bioenergy	CCM 4.8.	0	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Freight rail transport	CCM 6.2.	8	6.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		T
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**9**	**6.6%**	**6.6%**	**0.0%**												**0.5%**		
Total (A.1 + A.2)		**48**	**35.8%**	**35.8%**	**0.0%**												**31.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities (B)		**85**	**64.2%**																
Total (A+B)		**133**	**100.0%**																

Legend:

CCM - Climate change mitigation

Y – Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N – No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL – Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL – Eligible (taxonomy-eligible activity for the relevant environmental objective)

Capex 2024 – taxonomy alignment

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Codes (2)**	**CapEx 2024 (EURm) (3)**	**Proportion of CapEx 2024 (%) (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Portion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023 (18)**	**Category enabling activity (19)**	**Category transi-tional activity (20)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y	0.0%		
Electricity generation from hydropower	CCM 4.5.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.0%		
Transmission and distribution of electricity	CCM 4.9.	83	37.5%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	29.2%	E	
Storage of electricity	CCM 4.10.	1	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.0%	E	
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	38	17.2%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	14.0%		
District heating/cooling distribution	CCM 4.15.	7	3.3%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	4.3%		
Freight rail transport	CCM 6.2.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	0.0%		T
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**131**	**58.7%**	**58.7%**													**47.4%**		
Of which enabling		**85**	**38.2%**	**38.2%**															
Of which transitional		**0**	**0.0%**	**0.0%**															
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation from bioenergy	CCM 4.8.	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transmission and distribution of electricity	CCM 4.9.	1	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.6%	E	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	16	7.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.5%		
Freight rail transport	CCM 6.2.	0	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		T
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**18**	**8.0%**	**8.0%**	**0.0%**												**2.3%**		
Total (A.1 + A.2)		**148**	**66.6%**	**66.6%**	**0.0%**												**49.7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		**74**	**33.4%**																
Total (A+B)		**223**	**100.0%**																

Legend:

CCM - Climate change mitigation

Y – Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N – No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL – Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL – Eligible (taxonomy-eligible activity for the relevant environmental objective)

Disclosure According to Annex 12 of Regulation 2021/2178

The EU Taxonomy imposes an additional obligation to report on newly classified eligible activities – nuclear and natural gas energy. To meet this obligation, EPIF is presenting an overview and quantification of revenues, Opex and Capex from activities related to nuclear energy and fossil gas. In 2024, EPIF reported Revenues, Opex, or Capex related to activities 4.29 (Electricity generation from fossil gaseous fuels) and 4.30 (High-efficiency co-generation of heat/cool and power from fossil gaseous fuels).

Turnover 2024 related to nuclear energy and fossil gas

Turnover 2024 (EURm)		CCM + CCA		Climate change		Climate change	
Activity	**Code**	**Turnover (EURm)**	**%**	**Turnover (EURm)**	**%**	**Turnover (EURm)**	**%**
Taxonomy-aligned economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-aligned economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Taxonomy-non-eligible economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-non-eligible economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**

OpEx 2024 related to nuclear energy and fossil gas

OpEx 2024 (EURm)		CCM + CCA		Climate change		Climate change	
Activity	**Code**	**OpEx (EURm)**	**%**	**OpEx (EURm)**	**%**	**OpEx (EURm)**	**%**
Taxonomy-aligned economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-aligned economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Taxonomy-non-eligible economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-non-eligible economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**

CapEx 2024 related to nuclear energy and fossil gas

CapEx 2024 (EURm)		CCM + CCA		Climate change		Climate change	
Activity	**Code**	**CapEx (EURm)**	**%**	**CapEx (EURm)**	**%**	**CapEx (EURm)**	**%**
Taxonomy-aligned economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-aligned economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	16	7.3%	16	7.3%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas		**16**	**7.3%**	**16**	**7.3%**	**-**	**0.0%**
Taxonomy-non-eligible economic activities related to nuclear energy and fossil gas							
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	4.26	-	0.0%	-	0.0%	-	0.0%
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	4.27	-	0.0%	-	0.0%	-	0.0%
Electricity generation from nuclear energy in existing installations	4.28	-	0.0%	-	0.0%	-	0.0%
Electricity generation from fossil gaseous fuels	4.29	-	0.0%	-	0.0%	-	0.0%
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	4.30	-	0.0%	-	0.0%	-	0.0%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	-	0.0%	-	0.0%	-	0.0%
Total amount and proportion of taxonomy-non-eligible economic activities related to nuclear energy and fossil gas		**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**

3.6 Results of the Taxonomy assessment for 2023

As part of the 2024 Taxonomy assessment process, EPIF identified several inconsistencies in the calculation approach applied for the preparation of the Taxonomy disclosure for the financial year 2023. Therefore, EPIF decided to restate the information retrospectively. The main changes were related to the following:

- Capex was aligned with the definition used in the EU Taxonomy where also additions to tangible and intangible assets resulting from business combinations has been included

- Opex was aligned with the definition used in the EU Taxonomy where also maintenance of assets performed by own employees has been included

- Revenues and Opex related to activity 4.14 (Transmission and distribution networks for renewable and low-carbon gases) were reclassified from eligible to non-eligible categories, reflecting the notice of the European Commission on the interpretation of certain provisions of the EU Taxonomy and related delegated acts approved in November 2024

- Revenues, Opex, and Capex related to activities 4.29 (Electricity generation from fossil gaseous fuels) and 4.30 (High-efficiency co-generation of heat/cool and power from fossil gaseous fuels) were reclassified from aligned to eligible as the full alignment is conditioned on receiving an independent third-party verification of compliance with certain technical screening criteria. EPIF will proceed to obtain the verification for these activities

The restated results of the Taxonomy assessment for the financial year 2023 are presented in the following tables. Taxonomy disclosure for the financial year 2023 has not been subject to assurance in prior year as well as not in current financial year:

Turnover 2023 – taxonomy alignment

Economic activities (1)	Codes (2)	Turnover 2023 (EURm) (3)	Proportion of turnover 2023 (%) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Category enabling activity (19)	Category transi-tional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Electricity generation using solar photovoltaic technology	CCM 4.1.	6	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y		
Electricity generation from wind power	CCM 4.3.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y		
Electricity generation from hydropower	CCM 4.5.	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Transmission and distribution of electricity	CCM 4.9.	429	10.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	E	
District heating/cooling distribution	CCM 4.15.	160	3.8%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	3	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Freight rail transport	CCM 6.2.	17	0.4%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**616**	**14.4%**	**14.4%**														
Of which enabling		**429**	**10.0%**	**10.0%**														
Of which transitional		**17**	**0.4%**	**0.4%**														
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																		
Electricity generation from bioenergy	CCM 4.8.	2	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL									
Freight rail transport	CCM 6.2.	31	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL									T
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**32**	**0.8%**	**0.8%**	**0.0%**													
Total (A.1 + A.2)		**648**	**15.2%**	**15.2%**	**0.0%**													
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities (B)		**3,620**	**84.8%**															
Total (A+B)		**4,268**	**100.0%**															

Legend:

CCM - Climate change mitigation

Y – Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N – No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL – Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL – Eligible (taxonomy-eligible activity for the relevant environmental objective)

OpEx 2023 – taxonomy alignment

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	Codes (2)	OpEx 2023 (EURm) (3)	Proportion of OpEx 2023 (%) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Category enabling activity (19)	Category transi-tional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Electricity generation using solar photovoltaic technology	CCM 4.1.	0	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y		
Electricity generation from wind power	CCM 4.3.	1	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y		
Electricity generation from hydropower	CCM 4.5.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Transmission and distribution of electricity	CCM 4.9.	32	23.7%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	E	
District heating/cooling distribution	CCM 4.15.	4	2.6%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	0	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Freight rail transport	CCM 6.2.	4	3.1%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**41**	**30.2%**	**30.2%**														
Of which enabling		**32**	**23.7%**	**23.7%**														
Of which transitional		**4**	**3.1%**	**3.1%**														
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																		
Electricity generation from bioenergy	CCM 4.8.	0	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL									
Freight rail transport	CCM 6.2.	8	5.7%	EL	EL	N/EL	N/EL	N/EL	N/EL									T
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**8**	**5.9%**	**5.9%**	**0.0%**													
Total (A.1 + A.2)		**49**	**36.1%**	**36.1%**	**0.0%**													
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Opex of Taxonomy-non-eligible activities (B)		**87**	**63.9%**															
Total (A+B)		**136**	**100.0%**															

Legend:

CCM - Climate change mitigation

Y – Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N – No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL – Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL – Eligible (taxonomy-eligible activity for the relevant environmental objective)

CapEx 2023 – taxonomy alignment

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	**Codes (2)**	**CapEx 2023 (EURm) (3)**	**Proportion of CapEx 2023 (%) (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Category enabling activity (19)**	**Category transi-tional activity (20)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Transmission and distribution of electricity	CCM 4.9.	68	29.2%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	E	
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	33	14.0%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
District heating/cooling distribution	CCM 4.15.	10	4.3%	Y	N	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y		
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**111**	**47.4%**	**47.4%**														
Of which enabling		**68**	**29.2%**	**29.2%**														
Of which transitional		**0**	**0.0%**	**0.0%**														
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																		
Transmission and distribution of electricity	CCM 4.9.	2	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								E	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	4	1.5%	EL	EL	N/EL	N/EL	N/EL	N/EL									T
Freight rail transport	CCM 6.2.	0	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL									T
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**5**	**2.3%**	**2.3%**	**0.0%**													
Total (A.1 + A.2)		**117**	**49.7%**	**49.7%**	**0.0%**													
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Capex of Taxonomy-non-eligible activities (B)		**118**	**50%**															
Total (A+B)		**235**	**100%**															

Legend:

CCM - Climate change mitigation

Y – Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N – No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL – Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL – Eligible (taxonomy-eligible activity for the relevant environmental objective)

3.7 Commentary on the results of the Taxonomy assessment

The share of eligible Turnover on the total Turnover reported for 2024 was 16%, while the share of aligned Turnover was 15%. The Turnover metric is significantly affected by the supply business with a high turnover from the resale of power and gas which is relatively minor in terms of operating profit contribution. These shares were very similar to shares calculated for 2023 as there have been no major changes in the business activities in 2023 and 2024.

The share of eligible Capex on the total Capex reported for 2024 was 67%, while the share of aligned Capex was 59%. The eligible Capex is mainly invested into the power distribution network and hydrogen-compatible sections of the gas distribution network. Compared to 2023, the share of aligned Capex increased (59% in 2024 compared to 47% in 2023) as Capex in 2023 in non-eligible segments (e.g. gas storage) was more sizeable.

The share of eligible Opex on the total Opex reported for 2024 was 36%, while the share of aligned Opex was 29%. The lower share of alignment compared to Capex reflects the non-eligibility of gas distribution where only Capex aimed at retrofit of the network is treated as eligible. The share of eligible and aligned Opex remained broadly comparable between 2023 and 2024 due to the stable nature of Opex of aligned activities, primarily maintenance of the electricity distribution network.

4. ESRS E2 – Air pollution

EPIF recognizes that, in addition to the effects of our GHG emissions, there are other air pollutants that can harm air quality and contribute to environmental pollution. We closely monitor the air pollutants related to our operations and are dedicated to reducing these emissions. Our management approach emphasizes continual improvement, modernization, and optimization of our business processes.

4.1 E2.IRO-1 Identifying Pollution-related IROs

To support the identification of IROs specific to pollution, EPIF also conducted a screening of our full value chain to identify impact areas. Internal stakeholder engagement sessions were also held to ensure that key operational areas were thoroughly evaluated. Engagement conducted as part of the DMA can be found in the **1.10 SBM-3 – Material IROs and their interaction with strategy and business model** section, although these pollution-related consultations were not conducted with potentially affected communities. EPIF identified the following material impact related to air pollution through this process:

Emissions from EPIF's core activities, such as energy production in combined heat and power plants (CHPs), or combustion of natural gas in compressors used in the gas midstream infrastructure contribute to air quality deterioration by releasing pollutants like sulfur dioxide (SO2), nitrogen oxides (NOx), mercury, carbon monoxide (CO), particulate matter, or methane. These emissions can cause long-term and irreversible harm to human health and ecosystems.

4.2 E2-1 – Pollution-related Policies

EPIF has established policies to mitigate negative environmental impacts related to air pollution, as detailed in our "ESG Master Policy", and "Environmental Policy". The policy outlines our commitment to reducing emissions and complying with local environmental regulations. EPIF's operational activities are driven by these policies and principles and by our responsibility to adhere to national legislation and local operational regulations, which provide us with further guidance.

We are looking to update our policies in order to address the specific pollution related impact identified within the DMA process, and align with ESRS requirements; for full information about this, refer to Policies MDR-P – Policies adopted to manage material sustainability matters. As part of this update, we will look to specifically address EPIF's most significant atmospheric pollutants associated with our activities. Our primary goal is proactively managing pollution-related impacts across all our group entities, enhancing environmental quality and protecting community well-being. This will include identifying, assessing, managing, and remediating pollution impacts throughout our operations and supply chain. Additionally, our policies will be designed to prevent pollution-related incidents and, in the event of any such incidents, to control and minimize their impact on both people and the environment.

4.3 E2-2 – Pollution-related Actions

EPIF's pollution-related actions are currently focused on our own operations and do not extend to the upstream or downstream value chain. Therefore, we have implemented the following management approaches to address pollution-related situations within our direct activities. These actions reflect EPIF's commitment to managing and mitigating pollution-related impacts and risks across its entire value chain, enhancing environmental quality and safeguarding the communities in which we operate.

All EPIF heating plants are located in EU member states, ensuring that they operate in compliance with the Best Available Techniques (BAT) as outlined in the BAT Reference Documents (BREF) for Large

Combustion Plants. These facilities are obliged to meet the emission limits specified by the Industrial Emissions Directive (IED).

A limited number of plants within EPIF operate under temporary exemptions from the IED limits. These exemptions are granted in cases where compliance would require disproportionate investments, particularly when the plants are close to decommissioning or replacement in the near future. At present, these temporary exemptions primarily apply to district heating plants in the Czech Republic, which are in the advanced stages of decommissioning lignite units and transitioning to alternative technologies. All of our combined heat and power plants have historically invested in refurbishments in order to reduce not only CO_2 but also other air emissions as presented below.

4.3.1 Elektrárny Opatovice

Almost EUR 100 million investments made between 2014 and 2016 in desulphurisation and denitrification technology.

4.3.2 Plzeňská Teplárenská – facility Energetika

Almost EUR 15 million investments made between 2019 and 2020 in desulphurisation and denitrification technology.

4.3.3 Plzeňská Teplárenská – facility Teplárna

PLTEP has gradually increased the share of biomass in its energy mix, which resulted in the reduction of CO_2, sulphur dioxide and dust emissions.

4.3.4 United Energy

Refurbishment of a former lignite boiler to enable 100% biomass combustion in 2021, which resulted in the reduction of CO_2, sulphur dioxide and dust emissions.

Our climate mitigation policies, actions and targets as reported on above also form part of the framework for mitigating our air pollution related impacts.

Table 45 **EPIF's management of major air emissions**

Emission	EPIF’s Management Approach
SO_2	The combustion of sulfurous coal in CHPs is the primary source of our SO_2 emissions. EPIF addresses its SO_2 emissions through flue gas desulfurization technologies with high removal efficiency exceeding 95% of SO_2 emissions. Significant reduction in these emissions is also achieved through a gradual coal phase out. Other fuels such as biomass or natural gas produce marginal amounts of SO_2 compared to coal.
NOx	Nitrogen oxides (NO_x) are primarily generated during the combustion process in CHPs, as nitrogen in the air reacts with oxygen at high temperatures. EPIF addresses these emissions by optimizing combustion processes and employing advanced denitrification technologies with high removal efficiency. Since NO_x emissions are a direct result of the combustion process, they are also present in gas-fired plants. However, they are more challenging to reduce compared to SO_2 or particulate matter due to their intrinsic link to combustion dynamics.
Dust	Dust particles are primarily emitted through our CHPs. EPIF manages these emissions through highly sophisticated filters. Similarly to SO_2, significant reduction in dust will be naturally achieved via the planned coal exit.

Management of air emissions is further strengthened through the implementation of an ISO 14001-certified Environmental Management System (EMS), which is operational across the majority of EPIF

entities (covering 95% of EBITDA generated in 2024). The ISO-certified EMS plays a key role in air pollution management by identifying relevant environmental impacts, implementing effective operational controls, and conducting regular monitoring and measurement. Additionally, it provides enhanced assurance of compliance with regulatory requirements.

4.4 E2-3 – Pollution-related Targets

EPIF actively monitors air pollutants associated with our operations and is committed to decreasing these emissions. Our management approach focuses on the continual improvement, modernization and optimization of our business processes. EPIF has not previously established any targets related to the identified IROs related to air pollution. We will continue to monitor the risks associated with air pollution. If it becomes necessary to set a target for monitoring potential future actions, this will be communicated in upcoming reporting cycles.

EPIF acknowledges the negative impact of methane leakage from our gas midstream and downstream infrastructure, however, we understand that the contributions that methane makes as a GHG are of greater importance than as potential pollution incidents. Therefore, addressing methods to reduce our overall GHG footprint, targets and reduction strategies related to methane can be found in more detail under E1-3 – Climate-related actions.

4.5 E2-4 – Pollution of air

Air pollution emissions are continuously monitored using Continuous Emission Monitoring Systems (CEMS), which directly measure emission concentrations in flue gases from the generation process. These emissions are reported to national authorities and are typically included in publicly accessible registers. The European Environment Agency (EEA) aggregates this data at the EU level and publishes it on a public portal, ensuring transparency for external stakeholders.

For EPIF reporting purposes, data is collected from all entities operating large industrial facilities or other equipment with a significant environmental footprint. The aggregated data is then reported at the country level for the EPIF Group.

Table 46 Emissions to air by country 2024

tonnes	SO_2	NOx	Dust	CO
Czech Republic	2,350	1,751	46	579
Slovakia	7	44	2	14
Total	**2,357**	**1,795**	**48**	**593**

The most significant atmospheric pollutants associated with our activities are SO_2, NOx and dust. SO_2 emissions result primarily from our predominantly lignite-based CHPs in the Czech Republic, driven by high sulfur content in lignite. NOx emissions are created not only by CHPs but also combustion of gas in gas compressor stations mainly in Slovakia. Dust particles are emitted from the lignite-based CHPs.

Table 47 Emissions to air by pollutant – absolute volume

tonnes	2020	2021	2022	2023	2024	% 24/23
CO	N/A	N/A	N/A	N/A	593	
SO_2	4,648	3,282	4,439	2,590	2,357	(9%)
NOx	3,237	3,280	3,410	2,204	1,795	(19%)
Dust	115	109	100	59	48	(18%)

Table 48 Emissions to air by pollutant – intensity of energy production

kg/GWh	2020	2021	2022	2023	2024	% 24/23
CO intensity	N/A	N/A	N/A	N/A	159	
SO_2 intensity	629	620	881	657	648	(1)%
NOx intensity	412	586	663	545	486	(11%)
Dust intensity	15	20	19	14	13	(11%)

Accounting Principles:
Emissions to air *- include CO, nitrogen oxides (NOx), sulphur oxides (SOx), and dust released from owned or controlled sources, both from producing and non-producing companies.*
Emission intensity *for SO_2, NOx, and dust is calculated using the absolute volume of emissions from energy producing companies divided by total energy production*

Overall, EPIF saw a decrease across all types of air emissions when compared to 2023. This was driven by overall reduction in power generation by the CHPs due to less favorable power spreads on the market. As a result, the production was limited to a must-run generation driven by the heat offtake needs. In addition, EPIF CHPs increased the volume of biomass consumed, partly replacing lignite. Going forward, a major reduction in SO2 and dust emissions is expected as the remaining lignite units are gradually replaced with gas-fired units and waste-to-energy plants.

5. ESRS E3 - Water resources

EPIF understands the crucial role that access to clean water plays in our environment and society, be it on the global or local scale. For EPIF, water is extremely important to its energy production, and heat distribution activities.

5.1 E3.IRO-1 Identifying Water-related IROs

In addition to the DMA process described in IRO-1 – Description of the processes to identify and assess material IROs, EPIF conducted a detailed screening of its assets and activities to identify actual and potential IROs related to water resources across our operations, upstream and downstream value chain.

To screen our assets and activities, EPIF analyzed the World Resources Institute (WRI)'s Aqueduct Water Risk Atlas, a widely recognized tool for assessing water-related risks. Aqueduct's tools use open-source, peer reviewed data to map water risks such as floods, droughts and water stress. This tool allowed us to evaluate water stress and overall water risk across the geographies of our OpCos. The analysis included projections for different time periods, specifically 2030 and 2050, to account for long-term changes in water-related risks driven by climate change. In addition, we used ENCORE and the WWF Water Risk Filter to assess further water-related impacts and dependencies. From these tools, we have identified areas within our operations where interactions with water occur, including areas at heightened water stress, and conducted a high-level preliminary review of related dependencies and impacts. Based on the insights gathered from this assessment, EPIF will evaluate the need for further analysis and take additional steps as necessary.

Currently, there are no consultations conducted with affected communities regarding water-related impacts, although broader stakeholder engagement, which fed into this process, can be found under the SBM-3 – Material IROs and their interaction with strategy and business model. EPIF identified two material risks through this process:

Reliance on water withdrawals in water-scarce regions can expose EPIF to operational disruptions, increased costs, and reputational damage. Regulatory limits on water use or community resistance may hinder operations.

Improper water discharge practices can result in legal penalties, stricter environmental regulations, and reputational harm. Contaminated water bodies may also lead to community pushback, impacting EPIF's social license to operate.

EPIF understands the potential negative impact that discharging contaminated water, particularly water which exceeds thermal thresholds, has on the surrounding water systems, and how it could disrupt aquatic ecosystems and biodiversity. The identified material risk stems from the actualization of such an impact, although during the DMA process, the impact associated with water discharges was not found to be material. Our efforts to mitigate the risk of improper water discharges support the prevention of this negative impact actualizing.

5.2 E3-1 – Water-related Policies

EPIF recognizes water as one of the planet's most precious resources and has therefore enshrined a commitment to actively addressing its water-related impacts within its "EPIF Environmental Policy". The policy currently addresses responsible water management by reducing water use, improving water efficiency, and reducing effluent load in water discharges.

We are looking to update our policy in order to address the specific IROs identified within the DMA process, and align with ESRS requirements; for full information about this, refer to IRO-1 – Description of the processes to identify and assess material IROs. As part of this update, we are looking to establish

a water-related policy which will prioritize continuous gathering of high-quality data to understand the impacts, assessment of exposure to water stress, responsible water management, water treatment requirements, and procedures to actively address the prevention and abatement of water pollution, at OpCo sites where this has been identified as a material issue. Currently, our Group policy is intended to provide a broad overview and direction for all OpCos across all regions, and does not incorporate these specific requirements for the individual OpCos; within this updated policy, there will also be directions for OpCo sites which operate in areas at water risk to consider pursuing alternative cooling solutions to reduce dependency on cooling water from adjacent water bodies. This is a practice already in place at OpCo level.

5.3 E3-2 – Water-related Actions

Ultimately, ensuring the best water management practices is a top priority for all EPIF operations. Our aim is to optimize our water consumption throughout our business, as we recognize that climate change will continue to pose a serious threat to water scarcity. Beyond this, we also continuously monitor our water-related impacts to guide us in setting the most accurate and appropriate plans.

The Czech district heating plants operated by EPIF possess flexibility regarding their cooling processes. The reliance on flow-based cooling using water withdrawn from adjacent water bodies has been reduced due to their capability to partly rely on circular cooling through cooling towers. Offtake is only required to compensate for the loss of water through evaporation within the circular cooling system and is therefore limited. The key measure to reduce offtake of surface water is further utilization of discarded concentrated water from the circular system, as a cooling medium in other technological processes, rather than direct disposal. Concentrated water that is disposed of is cleaned and discharged back into the river, where there is constant control and appropriate parameterization of the processes associated with the treatment and use of water.

5.3.1 Monitoring water risks and impacts

The information from the stakeholder engagement and the supporting external sources have helped us identify material risks to our business and expand our understanding of the broader impacts of EPIF's activities on water resources. We did not find any of the identified impacts EPIF's operations have as they relate to water to be material, but we remain committed to monitoring our impacts to ensure this does not change, and that we remain in a position to have full oversight of impacts as they materialize.

In 2021, we began analyzing and assessing the water-related risks of our operations, where areas with high risk were identified through the Water Exploitation Index Plus (WEI+) for river basin districts. According to the European Environment Agency (EEA), the WEI+ aims to illustrate the threat posed for renewable freshwater sources of a defined territory (country, river basin, sub-basin etc.) during a specified period (e.g. seasonal, annual), as a result of water use for supporting human-related activities. In 2022, due to a lack of available data, we made the decision to switch to WRI's Aqueduct Water Risk Atlas, where detailed data for the required period were available.

For this year's reporting, we continued to use the WRI Aqueduct Atlas, as well as the WWF Water risk filter tool, to gain further insights into a range of potential risks and impacts, as well as pinpoint our operations, which are at the highest risk of water stress.

To complement our overall water management strategy for water stress areas, we will continue to use external sources to monitor water-related risks operations. To enhance these efforts, we plan to integrate our climate risk assessment into our water risk assessment framework in future reporting cycles.

5.3.2 Water management

EPIF aims to ensure that we provide verifiable compliance with the statutory threshold values, as this ensures that we not only adhere to the local standards in which we operate, but that we also avoid any potential for negative effects on surrounding communities and natural habitats.

EPIF incorporates mitigation measures to address risks associated with general water stress and extreme droughts when developing new projects or upgrading existing assets in water-stressed areas. These measures include exploring alternative cooling technologies such as air-based cooling, closed-circuit cooling systems utilizing cooling towers, and modifications to water intake systems to maintain sufficient withdrawals even during periods of lower water levels.

The risk of thermal pollution is managed through regulatory requirements that mandate district heating plants to ensure discharged water does not exceed specified temperature limits. Additionally, the implementation of the aforementioned cooling technologies helps reduce thermal impact on water bodies by dissipating a portion of the heat into the air.

5.4 E3-3 – Water-related Targets

EPIF has not previously established any targets related to the identified IROs related to water. We will continue to monitor the risks associated with water resources. If it becomes necessary to set a target for monitoring potential future actions, this will be communicated in upcoming reporting cycles. Water withdrawals are closely linked to power and heat production, as water is primarily used for cooling. Setting a credible target presents a challenge, given that EPIF is evaluating various options for its future optimal energy mix, which will significantly affect the trend of water withdrawals. We will continue to report on our water-related metrics, which provide quantitative insights into how our actions are making progress as intended.

5.5 E3-4 – Water consumption

The majority of EPIF's water withdrawals come from surface water, with only minimal amounts sourced from groundwater and municipal supplies. Water is primarily used in the cooling process during power and heat generation. The vast majority of water withdrawn for cooling by EPIF is returned to water bodies (94% in 2024), resulting in only a minimal net water consumption by EPIF.

Table 49 Water metrics 2024

million m^3	**Water withdrawn**	**Water discharged**	**Water consumed**
Czech Republic	41	36	5
Slovakia	0	0	–
Germany	0	0	–
Total	**41**	**36**	**5**

Compared to last year, in 2024, EPIF's water withdrawal and discharge saw a decrease of 51% and 55% respectively. Our water intensity in 2024 was registered at 10 thousand m3/GWh, showcasing an increase by 50% compared to the previous year. This was driven by lower power production in condensation mode (which requires cooling) in response to unfavorable power spreads on the market.

Table 50 Water withdrawn by type of water

million m^3	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Surface water	43	41	94	84	40	(53%)
Ground water	0	0	0	0	0	(42%)
Municipal water supplies	0	0	0	0	0	7%
Other	1	–	–	–	1	
Total	**44**	**41**	**94**	**84**	**41**	**(51%)**

Table 5150 Water discharged by country

Quantity of water discharged by country						
million m^3	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	24	34	88	81	36	(51%)
Slovakia	0	0	0	0	0	(56%)
Germany	0	0	0	0	0	(86%)
Hungary	13	–	–	–	–	
Total water withdrawn	**37**	**34**	**88**	**81**	**36**	**(55%)**

Table 51 Water intensity of energy production

million m^3	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Cooling water - withdrawal	41	39	91	81	38	(53%)
Cooling water - discharge	34	32	86	79	35	(55%)
Net energy production (GWh)	7,383	5,295	5,041	3,932	3,629	(8%)
Water intensity (000 m3 / GWh)	**5.6**	**7.3**	**18.1**	**20.6**	**10.4**	**(50)%**

Accounting *Principles:*

Total water withdrawal: *represents all water sourced and used across organizational activities. It includes* ***surface water*** *(from rivers or other water bodies),* ***groundwater*** *(from underground sources),* ***rainwater*** *(collected and stored by the organization),* ***wastewater*** *from third parties, and municipal* ***water supplies*** *(provided through standard piping systems).*

Water intensity (000 m3 / GWh): *calculated as water withdrawal per total energy production*

Total water discharged: *sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period.*

Furthermore, ***water storage*** *is recorded, covering water held in reservoirs and storage facilities. This metric is not material for EPIF.*

6. ESRS E4 - Biodiversity and ecosystems

EPIF is aware of the importance of protecting biodiversity, as we understand the value of ecosystems and the environmental benefits that they provide, as well as the critical role of biodiversity in maintaining ecological balance and the potential impact of our operations on local habitats.

6.1 E4-1 –Transition plan and consideration of biodiversity and ecosystems in strategy and business model

EPIF has located and identified sites we operate that create high pressure on local biodiversity. Leveraging the WWF BRF to conduct a preliminary high-level assessment, we were able to analyze biodiversity and ecosystems-related risks and dependencies across EPIF's value chain. Based on this assessment, land, freshwater, and sea use change, forest canopy loss, and pollution have been identified to be key impact drivers. In future reporting cycles, EPIF will consider enhancing the assessment to understand and quantify impacts and dependencies on biodiversity and ecosystems.

6.2 E4.SBM-3 Material IROs and their interaction with strategy and business model

Based on this assessment, EPIF has a broad overview of biodiversity-sensitive areas at greatest risk to EPIF activities and understands that, predominantly, these activities contribute to land degradation. The high-level biodiversity assessment has provided an indication that species' global extinct risk is not a material topic to EPIF.

In the upcoming reporting cycle, EPIF will continue to assess its biodiversity impacts. This will enable us to refine biodiversity-specific materiality thresholds, enabling EPIF to pinpoint the most material sites, and take action accordingly.

Based on the initial analysis, we identified certain sites with the highest potential biodiversity impact in Slovakia, with no sites considered very high risk.

6.3 E4.IRO-1 Identifying biodiversity and ecosystem-related IROs

EPIF has conducted a high-level biodiversity assessment consisting of a sector-level and site-level analysis, identifying sites which are located within or close to biodiversity-sensitive areas, and therefore have greater potential to cause negative impacts. This has allowed EPIF to understand where these impacts are most likely to occur, but also which types of operational activities contribute to such impacts. EPIF also conducted a screening of its value chain to identify impact areas across upstream, downstream, and its own operations. Internal stakeholder engagement sessions were also held to thoroughly evaluate key operational areas. As part of the identification process, we looked to understand the full extent of impacts, considering their size, scale, timeframe of impacts and frequency with which they occur. Full details on this engagement can be found in SBM-3 – Material IROs and their interaction with strategy and business model.

Through this process, EPIF identified (1) climate change, (2) land degradation, (3) land-use change, and (4) direct exploitation as material topics. These topics were evaluated for their potential negative impacts on biodiversity and ecosystems, and for associated reputational, legal, and financial risks.

ENCORE and the WWF Biodiversity Risk Filter (BRF) were used to support the process to determine EPIF's actual and potential impacts on biodiversity. Through the ENCORE tool, we have identified activities with a medium to very high impact on biodiversity. The WWF BRF was then used to provide a localized, site-level understanding of the potential and actual site impacts on biodiversity and ecosystems. A full assessment of EPIF's key dependencies on biodiversity and ecosystems has not been

performed, as we are still in the early stages of assessing our interactions at sites and along the value chain. Based on spatial analysis and stakeholder engagement, the following key impacts and risks have been identified:

GHG emissions from conventional fuels (like lignite and gas) contribute to global warming, affecting climate patterns and leading to habitat loss and species extinction. The loss of biodiversity weakens ecosystem resilience, harming resource availability and operational stability. Biodiversity loss due to climate change increases regulatory scrutiny and stakeholder pressure while amplifying the physical risks of ecosystem degradation, which can affect raw material supply and operational stability.

EPIF operates extensive gas infrastructure for the transmission, storage, and distribution of natural gas. Given the scale of the pipeline system, interactions with biodiversity-sensitive areas, including Ramsar-protected wetlands, are inherent.

EPIF operates a power distribution network in central Slovakia which might pose a danger for wildlife, especially birds as the network cannot entirely avoid areas with higher prevalence of vulnerable species.

EPIF operates cogeneration plants with limited direct interaction with biodiversity-sensitive areas. EPIF will continue to explore if any mitigations are necessary. This will be further evaluated into the next phases of biodiversity and ecosystems-related assessments.

EPIF's cogeneration plant fleet depends on resources extracted in the upstream value chain. EPIF sources lignite, or biomass from its suppliers. The extraction process involves direct exploitation of natural ecosystems which degrades habitats, reduces biodiversity, and can cause long-term (and sometimes irreparable) ecological damage.

The impacts and risks described above associated with climate change, air pollution, or water resources are covered in greater detail under ESRS E1, ESRS E2, and ESRS E3.

When developing a new project, local communities are engaged in the form of focus groups and consultations to foster transparency of business activities and its impacts, encourage local community involvement, and manage crisis risk. EPIF will ideate and publicly disclose plans to minimize unavoidable negative impacts and implement mitigation measures that aim to maintain value and functionality of priority services in upcoming reporting cycles.

As part of our approach to biodiversity risk and impact assessment, we utilized the ENCORE biodiversity modeling tool to identify key activities of concern. This assessment indicated that GHG emissions and water use are the most significant biodiversity impact drivers across our operations.

To further refine our understanding of site-specific biodiversity risks, we screened our operational locations using the WWF Risk Filter for Biodiversity. This initial analysis identified sites with the greatest potential impact on biodiversity and ecosystems in Slovakia.

Whilst we have not concluded on direct contributions to the impact drivers of land-use change, freshwater -use change and/or sea-use change, insights from these early risk screenings inform the biodiversity and ecosystem-related IROs assessed in our DMA for our own operations. We have not identified any material dependencies on biodiversity and ecosystems or specifically incorporated local and indigenous knowledge and nature- based solutions into biodiversity and ecosystems -related actions. While this assessment did not specifically evaluate how biodiversity impacts in our upstream value chain affect local communities, it provides an essential first step in our ongoing efforts to assess and mitigate biodiversity-related risks and to confirm the area in or near protected areas or key biodiversity areas negatively impacted by our operations.

6.4 E4-2 – Biodiversity-related Policies

The “EPIF Bio-Diversity Policy” outlines our expectations of our OpCos to address their impacts and risks concerning biodiversity and ecosystems. This includes specific directions for taking a preventive approach and looking to ensure that biodiversity is integrated into our Environmental Management Systems. We are looking to update our policy in order to address the specific IROs identified within the DMA process, and align with ESRS requirements; for full information about this, refer to Policies MDR-P – Policies adopted to manage material sustainability matters.

Within our updated policy, we will incorporate guiding principles to manage climate change-driven biodiversity loss, land use change, land degradation and direct exploitation, as identified in our biodiversity and ecosystem IROs.

Currently, these policy requirements do not relate to dependencies or physical and transition risks and opportunities, as the assessment required to identify these is still underway. The policy currently only prescribes actions to be taken as they relate to EPIF’s own operations and does not extend to the full extent of our value chain, either through product traceability or sourcing and production of materials. Presently, this also means the policy does not extend to consider the management of social consequences of biodiversity and ecosystem impacts.

6.5 E4-3 – Biodiversity-related Actions

6.5.1 Biodiversity and Reclamation Actions

EPIF considers reclamation at all stages of its operations, from project expansion to decommissioning, we ensure to restore sites to their original state. As a result, EPIF created specific reclamation measures that are applied across the Group; all entities must have updated plans and contingencies for site closures and other rehabilitation activities. The activities within the reclamation process may include:

- Restoration and reclamation of affected areas
- Dismantling and removing structures
- Dismantling operating facilities
- Closing plant and disposal sites

Refer to Note 24 – Provisions in the Notes to the consolidated financial statements for further details on provisions related to restoration and decommissioning, including a breakdown by subsidiary.

6.5.2 Other Biodiversity Actions

At the power distribution network, the risk for local species, particularly birds, is mitigated by a set of measures. These involve installing various technical elements within our distribution network, thereby reducing exposure to high-voltage power lines. Every year, Stredoslovenská distribučná (“SSD”) treats several kilometers of sections that can potentially pose a risk to birds. As part of the LIFE Energy project, where SSD is an unofficial partner, systematic monitoring (from 2014–2016) was carried out on a range of 6,235 km on distribution lines of 22 kV and 110 kV.

The impact of gas transmission and distribution pipelines has been managed via robust permitting process throughout the development of this infrastructure. Since no further material expansion of the gas network is currently envisaged, no new interactions with additional sensitive areas are anticipated.

The entire cogeneration power plant fleet of EPIF is located within EU countries, where an Integrated Environmental Permit is mandatory for large industrial installations. This integrated approach ensures comprehensive environmental management, covering air, water, soil, and waste management, while

preventing mitigation efforts in one area from negatively impacting another. Additionally, new development projects are exclusively carried out at existing sites, with greenfield projects expected to play only a minor role.

In its supply chain, EPIF strives to understand the impacts stemming from its reliance on biomass for its operations. In this respect, we work to ensure sustainable sourcing via external certifications which are mandated by the Renewable Energy Directive for biomass to be treated as a carbon neutral fuel.

Our objective for the upcoming years is to further refine our understanding of the links between our key activities of concern and our site-specific biodiversity risks, enabling prioritization and action plans as well as overall transition planning and resilience analysis.

6.6 E4-4 – Biodiversity-related Targets and Metrics

At present, EPIF does not have group-wide targets specifically addressing ecosystem health and biodiversity. We are in the process of utilizing the insights from our DMA to map out where our main impacts are across our own operations and upstream value chain on ecosystems and biodiversity. Once this work is complete, we will determine whether setting group targets related to biodiversity will contribute to the effective management of this IRO.

As EPIF has not identified any biodiversity sensitive areas being materially impacted by EPIF operations, EPIF does not collect any metrics related to its impacts.

7. ESRS E5 - Resource use and circular economy

EPIF operates critical physical infrastructure where waste generation is an inherent aspect of standard maintenance and new project development. Much of this is driven by our expansion of gas pipeline infrastructure, and new gas turbines within our heating plants. Additionally, EPIF might rely on the availability of critical raw materials to advance new business opportunities, such as battery energy storage systems. In alignment with these activities, EPIF is committed to minimizing waste production and promoting circular economy principles.

EPIF prioritizes waste reduction, invests in decommissioning and conversion strategies, and focuses on waste recovery, reuse, and responsible disposal based on material composition. Notably, by-products from certain power and heat generation are not classified as waste, as most have a lifecycle extending beyond EPIF's operations.

Furthermore, EPIF has strengthened its transparency by disclosing its Scope 3 carbon footprint, which includes emissions from purchased external materials and components, among other value chain impacts.

As part of maintenance, modernization, and extension of our networks EPIF produces waste primarily by power and gas distribution system operators. As we further develop our network, thereby working towards ensuring a reliable supply for all, construction waste will be unavoidable. Therefore, we concentrate our efforts on maximizing the amount of waste reused and recycled. As the majority of our construction waste is disposed of by our suppliers, who provide the construction services to our network, we include a binding condition in our supplier contracts. It emphasizes a supplier's duty to always follow EPIF's waste disposal hierarchy and, where feasible, to always first dispose of waste through methods of reusing and recycling over landfilling.

7.1 E5.IRO-1 Identifying resource use and circularity-related IROs

EPIF has screened assets and activities to identify actual and potential IROs in its own operations and its upstream and downstream value chain. Through this identification process, we determined that EPIF's business model does not lend itself to a circular model, and instead we aim to address the waste generated through our processes and sites. We aim to incorporate circularity principles in the operational activities where possible, but currently addressing waste, and where necessary, specifically addressing hazardous waste, is the most material issue for EPIF within this area. Further detail on the methodology used can be found under IRO-1 – Description of the processes to identify and assess material IROs.

EPIF has engaged key stakeholders in matters relating to waste and resource use. Full details of our stakeholder engagement process can be found under SBM-3 – Material IROs and their interaction with strategy and business model.

7.2 E5-1 – Resource use and circularity-related Policies

EPIF acknowledges the impacts we have as they relate to resource use and waste management and has therefore enshrined this commitment within our "EPIF Environmental Policy". The policy focuses solely on addressing the impacts of waste and, where applicable to OpCos, specifically addressing hazardous waste. This includes managing waste in line with the European waste management hierarchy and incorporating the principles of circular economy. At present, it does not extend to sustainable sourcing or the use of renewable resources.

We are looking to update our policy in order to address the specific IROs identified within the DMA process, and align with ESRS requirements; for full information about this, refer to Policies MDR-P – Policies adopted to manage material sustainability matters.

7.3 E5-2 – Resource use and circularity-related Actions

As directed by the "EPIF Environmental Policy", our OpCos take appropriate action to reduce overall waste generation, and reuse their waste based on circular economy principles.

7.3.1 Tackling Waste Management

Our waste disposal strategy prioritizes recycling whenever feasible, with landfill use as a last resort. EPIF also disposes of its waste through third parties and suppliers (e.g. in cases where a construction supplier is responsible for disposal of the associated waste), where we have limited oversight of the final destination or further use of the waste. To uphold responsible waste management, EPIF integrates strict waste disposal requirements into binding supplier contracts, ensuring alignment with the Group's best practices and environmental standards.

The following case studies highlight specific actions taken by individual OpCos to tackle waste management. These actions are ongoing and will continue to be monitored by the OpCos.

7.3.1.1 Plzeňská teplárenská

At Plzeňská teplárenská, we invest in metal separation, generating almost 2,300 tonnes of separated iron in 2024. This investment also supports continual research into separation of non-ferrous metals in the future (e.g. copper and aluminium). The proposed ferromagnetic materials separation occurs in two stages. The first stage separates the coarse metal waste and in the second stage, the remaining slag passes through a permanent magnet, where finer metal particles are separated.

7.3.1.2 SPP - distribúcia

As one of the largest contributors of waste produced by EPIF (62% in 2024), the gas distribution operator 7.3.1.2 SPP - distribúcia ("SPP-D") implements measures to not only reduce its waste, but to also to maximize the share of waste that gets reused or recycled.

The waste is mainly linked to the extension and modernization of the gas distribution network, and it primarily consists of stone and soil. As we further develop our network, thereby working to ensure a reliable supply for all, construction waste will be unavoidable.

Therefore, we concentrate our efforts on maximizing the reusing and recycling of waste. As most of our construction waste is disposed of by our suppliers, who provide the construction services to our network, we include a binding condition in our supplier contracts. It emphasizes a supplier's duty to always follow EPIF's waste disposal hierarchy and, whenever feasible, to first dispose of waste through methods of reusing and recycling over landfilling. The suppliers are obliged to recycle at least 70% of the waste resulting from their activities.

7.3.1.3 Elektrárny Opatovice & United Energy

At our heating plants in Opatovice and Labem and Komořany, we are preparing for the development of projects that will replace the current coal fuel base with other sources. One of the planned alternatives involves partially replacing coal with mixed municipal waste as a fuels source for power and heat production. In alignment with the European Union's circular economy package, the Czech Republic has introduced changes to waste management through the new Waste Act No. 541/2020 Coll. Under this framework, approximately 65–70% of waste is targeted for recycling, while up to 25% of the remaining waste will be utilized as a renewable energy source. In the Czech Republic, only four waste incinerator plants are currently in operation, a relatively low number compared to Western Europe. This gap presents an opportunity for further development of additional facilities to support the country's waste management and energy transition goals.

7.3.2 By-product Management

Our heat and power generation assets produce fly ash, slag, gypsum from the combustion of coal as secondary energy products. Given that this waste is all a by-product of our energy generation, we are unable to redesign the processes to eliminate this waste. Instead, we work to reuse byproducts, which are further used towards land reclamation and the adjustment of terrains, or it is sold particularly for construction purposes. Our OpCos ensure that all energy by-products are certified before they continue to explore other options for their use.

7.3.2.1 Fly ash

Fly ash is used mainly by construction companies for the production of concrete, aerated concrete, bricks, cement, dry plaster and mortar mixtures, artificial aggregates, and ceramics. Utilization of coal ash in the construction industry saves the primary materials which would be used instead (limestone, clay, sand). The major customers sourcing fly ash from our companies include concrete plants and cement plants. The ash from pure biomass combustion can be also used by farmers as a fertilizer.

7.3.2.2 Slag

Slag is used to construct road embankments, backfill road support structures, fill and backfill utility network linear structures (water, sewage and gas pipelines) and also as base sand in manufacturing fired bricks. Slag is an alternative to gravel, eliminating the need for its extraction. Key customers comprise brick plants and road construction companies.

7.3.2.3 Energy gypsum

Energy gypsum is used in the production of plasterboard and plaster, as a setting time regulator and activator in the hardening process of aerated concrete, in cement production, and in the production of plaster mixes. Additionally, gypsum can be utilized as an agricultural fertilizer, reducing the volume of gypsum that needs to be mined.

7.3.2.4 Granulated and stabilized mixtures

Granulated and stabilized mixtures are certified compounds made from energy by-products and binders, primarily used to reinforce the subgrade in road construction, other linear structures, dams, terrain modelling, land reclamation, and similar projects.

7.4 E5-3 – Resource use and circularity-related Targets

EPIF has not previously established any targets related to the identified IROs for waste. We will continue to monitor the impacts and risks associated with resource use and circularity. If it becomes necessary to set a target for monitoring the effectiveness of potential actions, this will be communicated in upcoming reporting cycles.

We aim to take a proactive approach and based on our intended updates to sustainability related policies, we will explore ways to establish meaningful targets in future reports. As part of this update, we will look to guide OpCos to set targets in accordance with the requirements of the ESRS, should such targets meaningfully contribute enable these objectives to be met.

7.5 E5-5 – Resource outflows

In 2024, EPIF produced 42,593 tonnes of waste, relatively stable volume compared to 2023.

Table 52 Solid waste other than byproducts by disposal

tonnes	2020	2021	2022	2023	2024	% 24/23
Non-hazardous	**45,914**	**47,272**	**38,811**	**43,214**	**41,597**	(4%)
Recycling	17,703	21,838	28,828	28,017	27,307	(3%)
Landfill	2,802	3,024	2,385	1,719	4,605	>100%
Other	25,410	22,410	7,598	13,479	9,686	(28%)
HJazardous	**872**	**1,134**	**889**	**1,025**	**996**	(3%)
Recycling	392	301	129	256	311	21%
Landfill	209	210	267	419	273	(35%)
Other	271	623	493	350	412	18%
Total	**46,786**	**48,406**	**39,701**	**44,239**	**42,593**	**(4%)**
% recycled	***39%***	***46%***	***73%***	***64%***	***65%***	**0%**

Table 53 Solid waste other than byproduct by type

2024	Hazardous		Non-hazardous	
	tonnes	%	tonnes	%
Recycling	311	31%	27,307	66%
Landfill	273	27%	4,605	11%
Other	412	41%	9,686	23%

Table 54 Byproducts by type

thsnd. tonnes	2020	2021	2022	2023	2024	% 24/23
Additised granulate	238	326	354	174	122	(30)%
Ash	481	522	532	337	280	(17%)
Slag	150	185	186	108	103	(4%)
Gypsum	119	163	192	117	79	(32%)
Additional material - hydrated lime	10	9	8	3	2	(36%)
Additional material - water	84	74	83	48	42	(12%)
Other own production	2	2	3	3	3	(13%)
Other additional material	–	7	13	7	2	(72%)
Total	**1,084**	**1,288**	**1,370**	**796**	**632**	**(21)%**

Accounting Principles:
Total waste other than byproducts: *include both hazardous and non-hazardous waste*
Waste by means of disposal is split into *waste that has been recycled, landfilled and other (this category represents mainly disposal of waste by a third party (e.g. a contractor performing some construction works) where the exact form of disposal is not tracked*

Social section

8. ESRS S1 - Own workforce

EPIF recognizes the value in all our relationships, placing special importance on those with our employees. We understand that our ability to maintain the high standards we take pride in delivering to our customers depends on the dedication of each team member. With this in mind, we are committed to fostering strong connections across the Group, ensuring that together we drive both transformational energy advancements and lasting, sustainable development.

8.1 S1.SBM-2 Interests and views of stakeholders

For full details on EPIF's stakeholders and the ways in which we engage to understand their interests and perspectives, refer to **SBM-2 – Interests and views of stakeholders in strategy and business model**.

In assessing the ways in which EPIF interacts with our employees, we sought to engage with stakeholders. This was done through representative views of various departments, including HR and management bodies, and we intend to perform Group-wide surveys on a regular basis to continually assess these views.

In the process of engagement to understand the perspectives of our employees, we did not find any issues that were raised which have not already been considered. Therefore, we have not felt it pertinent to amend our business model in light of these views; EPIF works to ensure that our business model, which relies on our employees for the operation and ultimately growth, already aligns with their best interests.

8.2 S1.SBM-3 Material IROs and their interaction with strategy and business model

EPIF has identified IROs and associated actions to tackle these for the entirety of our workforce, as outlined in **SBM-3 – Material IROs and their interaction with strategy and business model.** EPIF considers all employees to be potentially impacted by the IROs found to be material, and this extends to any employee who works within any OpCo, including any contractors, agency workers, or other and temporary workers.

EPIF has found seven sustainability matters relating to our workforce to be material and have potentially negative impacts and associated business risks; these impacts are all agnostic across our OpCos, but may be slightly different given the varying nature of these entities. For example, we prioritize health and safety and aim to ensure that all our employees have the right to the highest quality health and safety procedures, but the specific processes to address these will differ depending on the OpCos and the jobs which employees perform. As EPIF, we have not identified any highly specific impacts, instead focusing on these broader issues, but we encourage OpCos to assess their entities individually.

EPIF has not identified any material positive impacts in this current reporting period, as we believe it is more beneficial to focus on tackling negative impacts in the initial stages of our sustainability journey. We will continue to monitor any potential positive impacts as they arise; we also consider how actions to mitigate and remediate negative impacts could result in potential positive impacts with proper management. Within the IRO identification process, EPIF found there to be four of the seven material matters to have associated risks and opportunities; EPIF is reliant on our workforce performing to the best of their ability – something we take pride in supporting – and addressing these negative impacts will support the mitigation of these risks and the resulting opportunities.

As EPIF shifts away from activities like conventional lignite-based heat and power generation, the required structure and skillset of our workforce are evolving. We are committed to equipping our employees with the necessary training and upskilling opportunities, enabling them to apply their

expertise in the transition toward a climate-neutral energy system. We anticipate that workforce reductions resulting from the transition away from the labor-intensive coal sector will occur primarily through gradual natural attrition, minimizing the need for significant layoffs.

EPIF's own workforce does not operate in regions which are at significant risk of forced or compulsory labor, nor of child labor. Our types of operation are also not at risk of these forms of forced labor. These issues are considered within ESRS S2 - Workers in the value chain.

When identifying potential IROs relating to our workforce, we took a holistic approach to consider the broadest spectrum of our workforce rather than focusing on people with particular characteristics or specific groups of people. This approach extends to our consideration of risks arising from dependencies. As diversity was identified as a material impact, we will consider how specific groups are affected, and tailor our recommended actions to accommodate them.

8.3 S1-1 – Own Workforce-related Policies

EPIF looks to manage the impacts, risks and opportunities associated with our employees and workforce through our suite of policies. As outlined in Policies MDR-P – Policies adopted to manage material sustainability matters, EPIF is looking to update our policies in light of the DMA outcomes to more effectively manage these matters, and build upon the foundation we have already established.

EPIF works to respect our employees' human rights through the implementation of non-discriminatory guidelines. EPIF aligns with the UNGC Principles on Human Rights and Labor, mandating EPIF and our suppliers respect human rights as defined by the UN's Universal Declaration of Human Rights. EPIF 's process to provide and enable remedies for human rights impacts is aligned with the UNGP on Business and Human Rights, which outline actions businesses should take in the event of a negative human rights impact. EPIF will follow this guidance if a human right incident were to occur. Whilst we have not found matters relating to forced labor, child labor, or human trafficking to be material, EPIF does not tolerate any form of human rights violation within our workforce, and have taken measures to incorporate such a stance into our policy. In addition to this, EPIF supports our employee's labor rights by maintaining a good standing relationship with trade and labor unions.

We aim to engage with our employees on an ongoing basis and are looking to conduct a full employee satisfaction survey in the upcoming reporting cycle as part of this. Following this, we will consider how these outcomes could be incorporated into our employee strategy.

EPIF's core values for its own workforce are based on providing a workplace that prioritizes a healthy and safe environment, where every employee feels included, and is free to express any concerns or grievances without fear of retaliation. This is achieved through the quality of our health and safety and workplace accident prevention management, detailed in our "Diversity Policy", "Operational Policy", "Code of Conduct", and "Policy on Reporting of Serious Concerns".

We are also committed to promoting diversity, secure employment, providing training and skills development, and upholding a zero-tolerance policy towards violence and harassment in the workplace. This is outlined in our "Diversity Policy", highlighting our commitment towards creating such an environment with our OpCos, and echo the expectations set out by the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Within this policy, EPIF sets out the grounds for discrimination, which include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, color, nationality, ethnic or national origin, religion or belief, sex, and sexual orientation. Currently the policy does not establish key commitments to include or promote the positive action of these groups, which we leave up to the discretion of our OpCos.

In addition to this policy, EPIF aligns itself with relevant local labor codes and legal regulations in its employment processes. This ensures that we promote employment, and recruit and treat talent on the

sole basis of their qualifications, thereby avoiding discrimination of any kind. Our employment practices and procedures are reviewed at least once a year and updated to include any internal changes or those imposed by new legislation. At the time of publication, EPIF has not yet established specific procedures to ensure our diversity policy is sufficiently implemented, but as part of our ongoing work to embed sustainability into our business, we are looking to address this in the upcoming year. This will also include establishing formal training on issues of diversity and the associated procedures.

8.4 S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

EPIF recognizes the importance of incorporating workforce perspectives into its decision-making processes, particularly when addressing actual and potential impacts on employees. Therefore, regular engagement with our workforce is a core part of EPIF. While feedback channels and surveys are used to gather direct insights from our employees, EPIF does not have centralized formal methods for assessing the effectiveness of our engagement with our own workforce or for evaluating the outcomes of agreements reached. We recognize this gap and are committed to developing more comprehensive tools and processes to ensure meaningful engagement in its workforce. Therefore, EPIF will implement a group-wide survey in future reporting years, with plans to conduct it annually. The survey will be designed around our IROs and aims to foster engagement with our workforce, enabling the collection of key insights. EPIF's Board and executive leadership have overall operational responsibility for overseeing all employee engagement.

We are working towards establishing a consistent approach across our company for assessing and addressing the human rights of workers. As EPIF does not operate on a global basis, we have not established a specific Global Framework Agreement.

In the initial stages of updating this process, EPIF is looking to take a holistic view and understand the broad perspectives of all employees, rather than specifically targeting potentially vulnerable members of the workforce. As we mature on this journey, we will look to incorporate these viewpoints with specific questions and discussion points.

Although not centrally mandated, employee satisfaction surveys are widely conducted across OpCos. These surveys occur regularly or whenever feedback on a specific topic is needed. As 92% of employees were covered by collective bargaining agreements in 2024, employee interests are actively represented, and their voices are heard through labor union representatives.

8.5 S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

EPIF has established grievance mechanisms related to employee matters to ensure that employees can voice their concerns in a safe, confidential, and transparent manner. This allows them to report any issues without fear of retaliation and/or retribution, the procedures, and its implementation. In our "Policy on Reporting of Serious Concerns", the channels are operated in a manner that ensures the confidentiality (to the extent possible) of the identity of the reporting person and prevents access to non-authorized employees.

If a negative impact is identified, corrective measures may include removing the defective condition, implementing specialized employee training, taking disciplinary action against the responsible individual, or providing compensation to the affected person.

For information on how EPIF ensures the protection of whistleblowers, and assesses employees trust and awareness of these processes, please see Reporting of Serious Concerns and Whistleblowers.

8.6 S1-4 – Own Workforce-related Actions

EPIF is working to take action on our identified IROs as they relate to our own workforce. As these actions form part of our regular and ongoing business strategy, no additional significant resources are necessary. We outline the specific actions we are taking to tackle our identified IROs in this section. We anticipate these actions to be complete in the upcoming reporting cycle, whilst the specific actions will be an ongoing process that we review periodically to ensure they are sufficient in managing identified IROs.

We will review our Code of Conduct to ensure that key principles on ethical business practices, human rights, and environmental responsibility stemming from the insights we gathered during our DMA exercise are adequately covered and enable an annual acknowledgment of its content by employees via the operating companies.

To better understand employee perspectives and continuously improve our approach, we will enhance employee feedback and engagement by encouraging pulse surveys that assess sentiment on topics such as inclusion, well-being, and workplace ethics across our operating companies. This engagement will also support us in establishing what the best course of action is when looking to prevent and mitigate specific impacts and risks.

We will also facilitate targeted awareness campaigns on material topics such as whistleblowing, diversity, and workplace harassment. These campaigns will utilize various formats which may include email correspondence, interactive or other digital content. To enhance visibility and impact, we plan to align these campaigns with existing global awareness days.

8.6.1 Actions related to Diversity

EPIF understands that a lack of diversity can cause a conflict and dissatisfaction within the workplace and is looking to take actions to address this matter. While initiatives are currently decentralized, EPIF sets fundamental principles through its DEI policy, which OpCos are expected to follow. The purpose of the Policy is to ensure that our commitment to encouraging equality, diversity and inclusion among our workforce, and eliminating unlawful discrimination is fulfilled. The aim is for our employees to be truly representative of all sections of society and our customers, and for each employee to feel respected and able to give their best.

We offer equal and fair employment and ensure to treat all of our employees with respect and inclusion. EPIF's commitments are highlighted in our Code of Conduct and Equality, Diversity and Inclusion Policy, and echo the expectations set out by the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. These commitments include avoiding unlawful discrimination based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, color, nationality, ethnic or national origin, religion or belief, sex, and sexual orientation. In addition to our internal policies, EPIF aligns itself with relevant labor codes and legal regulations when conducting employment processes. This ensures that we promote employment, recruit and treat talent on the sole basis of their qualifications, thereby avoiding discrimination of any kind. Our employment practices and procedures are reviewed at least once a year, thereby ensuring that any internal changes, or those imposed by new legislation, are appropriately updated within the policy. EPIF strives to ensure that our employees feel supported and comfortable at work.

EPIF recognizes that our staff are our greatest asset and aims to attract and retain people with diverse skills, experience and background to deliver high-quality products and services. EPIF appreciates that our employees bring a range of differing skills and ideas to the workplace. EPIF is also committed against unlawful discrimination of customers or the public.

8.6.2 Actions related to Training and Skills development

Equipping EPIF's workforce with the necessary skills to adapt to technological advancements and the energy transition is integral to operational success. Training and skills development improves employee performance, foster innovation, and ensure alignment with EPIF's strategic focus on sustainable growth, workforce satisfaction, and competitiveness in a rapidly evolving sector.

Without proper training and upskilling of the workforce, operational inefficiencies and increased safety risks can lead to costly accidents, equipment damage, and production delays. Furthermore, failure to have targeted training programs in place that pro-actively address reskilling and use of new technologies could contribute to slower adaptation to industry changes, potentially affecting compliance and competitive positioning. Investing in reskilling and upskilling programs aligned with green energy can enhance operational efficiency, employee retention, and innovation capacity.

EPIF's subsidiary Stredoslovenská energetika ("SSE") implemented training programs in digital skills, enhancing proficiency in MS Office, Power BI, and AI-driven process improvements. Soft skills training focused on professional communication, emotional intelligence, teamwork, and psychological well-being, particularly for customer service employees.

The Young Gas Worker program organized by EPIF's subsidiary SPP distribúcia ("SPPD") trains future mechanics in maintenance and measurement across Slovakia, addressing workforce aging and a shortage of skilled labor. It targets final-year students from engineering and electrotechnical secondary schools, offering internships and potential employment. From September to May, students train eight days per month under skilled instructors while receiving scholarships and protective equipment. Since its launch in 2013, 69 students have participated, 23 joined full-time, and 15 remain with us today.

EPIF's subsidiary Plzeňská Teplárenská („PLTEP") officially opened a new training center for students from the local secondary vocational school of electrical engineering. This unique initiative in the Czech heating industry aims to develop skilled professionals by providing practical training aligned with modern energy and electrical technologies. The center, established in a repurposed heat exchanger station, includes classrooms, workshops, and a fully operational model of a heat exchange station for hands-on experience. It also features EV charging stations and rooftop solar panels, giving students exposure to current industry trends. This project, launched in partnership with the secondary school, reinforces PLTEP's commitment to securing future talent and maintaining its role as a key employer in the region.

8.6.3 Actions related to social dialogue, freedom of association and collective bargaining

EPIF understands that inconsistent engagement can lead to weakened trust and escalated labor disputes, as well as leading to operational disruptions and increased employee attrition. EPIF prioritizes open dialogue with its employees and labor unions, with 92% of its workforce covered by collective bargaining agreements in 2024. Social dialogue is especially crucial in managing the energy transition, particularly in phasing out labor-intensive coal operations.

8.6.4 Actions related to secure employment

Providing secure employment is fundamental to EPIF's ability to retain talent, maintain workforce motivation, and sustain long-term productivity. Stability in employment practices directly supports EPIF's operational strategy and aligns with its commitment to fair labor practices and international standards. EPIF understands that a lack of secure employment, caused by temporary contracts or a lack of cohesive social protection plans can cause issues with retention of talent, loss of workforce motivation and a loss of long-term productivity. EPIF offers long-term perspective to its employees by its strategy of converting emission-intensive assets into alternative technologies rather than disposing of them without replacement. Please refer to the ESRS E1 section for detail on EPIF's decarbonization strategy and projects. As EPIF operates exclusively in EU member states, secure employment is further reinforced by local labor laws.

8.6.5 Actions related to measures against violence and harassment in the workplace

EPIF understands that failure to address violence and harassment in the workplace creates a culture of fear, creating serious harm to individuals suffering, and is looking to take actions to address this. In line with our "Policy on Reporting of Serious Concerns", all OpCos are obliged to establish a reporting channel to enable employees report and instances of violence and harassment without fear of retribution. Please refer to ESRS G1 14.3.2 Reporting of Serious Concerns and Whistleblowers.

8.6.6 Actions related to Health and Safety

EPIF understands that safety can only be achieved if well-being is firstly addressed. That is why we have strong commitments for both the well-being and safety of our stakeholders, which include providing training, and ensuring that regular improvements are made to our governance and internal policies. We make the health and safety of our stakeholders top priority by constantly learning, sharing and improving our approach to embedding a "health and safety first" culture throughout the Group.

We continuously work to improve and monitor the health and safety mechanisms within our Group, as we understand the risk associated with their mismanagement. As a result, we are highly focused on identifying, mitigating, and preventing such risks. We have implemented high standards for the health and safety management of our stakeholders, and we constantly seek to improve our attention to wellness and level of safety within the Group. We also understand the possible risks associated with mismanagement, such as those arising from poorly managed equipment or avoidable human errors.

We ensure that our employees are provided with the training required to meet the expectations of our H&S policies and governance. We strive to implement management that is complemented by appropriate measures and guidance.

The Group is compliant with the certification standards and legislative requirements for health and safety within the countries in which we operate. These requirements may differ among the Group's entities, but our commitment to meet best practices and legal expectations is consistent throughout. In 2024, 81% of EPIF employees worked in subsidiaries covered with health & safety management system certified to ISO 45001. This does not mean that the rest of our employees work in unsafe and unhealthy environments. Entities without any physical operations typically do not seek this certification.

The most significant exposure to serious injury incidents is present at EPIF's subsidiary Stredoslovenská distribučná („SSD") which operates the power distribution network in central Slovakia. In response to unfortunate fatal incidents in 2022 and 2023, SSD hired a leading provider of operations management consulting services as its external consultant to perform a detailed assessment of procedures, controls, and overall company culture in the health & safety area. The assessment confirmed the existence of high-quality procedures, standards, and rules within the company. On the other hand, the consultant recommended certain enhancements to reinforce an independent safety culture through defining a vision and strategy for safety and building the foundation for a risk-based mindset across SSD. The company has implemented the recommendations across its operations. In 2024, SSD continued to enhance its approach to occupational health and safety through several initiatives such as increased frequency of hands-on safety inspections by senior management, dedicated workshops for management employees, as well as H&S days for all employees. These initiatives were implemented throughout SSD, and happily there were no fatalities in the reporting year.

8.7 S1-5 – Own Workforce-related Targets

Currently, EPIF does not have specific targets in place to manage the impacts and risks of its own workforce. EPIF will consider setting targets in future reporting cycles if assessed as meaningful to reach EPIF objectives. We track the effectiveness of our actions through a robust KPI process, which each OpCo reports into; monitoring these KPIs is one way we ensure we are progressing on our sustainability journey.

8.8 S1-6 – Characteristics of EPIF's employees

The following tables give a detailed breakdown of our employees and their characteristics.

Table 55 Employees by country

FTE average	2020	2021	2022	2023	2024	% 24/23
Czech Republic	1,889	1,459	1,461	1,485	1,491	0%
Slovakia	4,272	4,289	4,311	4,231	4,241	0%
Germany	58	61	62	62	66	6%
Hungary	207	–	–	–	–	
Netherlands	2	2	2	2	2	0%
Total employees	**6,428**	**5,811**	**5,837**	**5,780**	**5,800**	**0%**
Representative employees	*6,219*	*5,809*	*5,835*	*5,778*	*5,798*	*0%*
Representing percentage	*96%*	*99%*	*99%*	*99%*	*99%*	*(0%)*

Table 56 Employees by gender and country - 2024

Gender distribution 2024	C-level executives		Middle management		Other employees	
FTE average	Male	Female	Male	Female	Male	Female
Czech Republic	28	5	37	19	1,080	322
Slovakia	38	3	252	49	3,040	859
Germany	2	–	–	–	56	8
Netherlands	–	–	–	–	1	1
Total	**68**	**8**	**288**	**68**	**4,177**	**1,190**

Table 57 Contract type distribution metrics

FTE	Full-time	Part-time	% Full	Permanent	Temporary	% Perm.	Total
Czech Republic	1,450	41	97%	1,405	86	94%	1,491
Slovakia	4,222	19	100%	3,763	478	89%	4,241
Germany	62	4	94%	63	3	95%	66
Netherlands	–	2	0%	–	–	0%	2
Total	**5,734**	**66**	**99%**	**5,231**	**567**	**90%**	**5,800**

Table 58 Employee turnover rate

%	2020	2021	2022	2023	2024
Czech Republic	9%	9%	8%	8%	9%
Slovakia	4%	6%	8%	10%	7%
Germany	3%	12%	8%	5%	3%
Total	**6%**	**7%**	**8%**	**10%**	**8%**

Table 59 Contract type by gender

FTE	Full-time	Part-time	% Full	Permanent	Temporary	% Perm.
Male	4,486	48	99%	4,101	431	90%
Female	1,248	18	99%	1,130	136	89%
Total	**5,734**	**66**	**99%**	**5,231**	**567**	**90%**

Accounting Principles:
Headcount (FTE) *represents the total number of employees in an employment relationship with the organization, including those on parental leave. It excludes workers under contract for services or trade licenses.* ***The average value of FTEs*** *is calculated as the number of hours worked by all employees (excluding overtime), including holidays, sick leave, and non-working time due to work obstacles, divided by the standard working hours of a full-time employee for the reporting period.*
Tiers:

- ***C-level Executives*** *Includes members of the top executive management, such as the Chief Executive Officer, Chief Financial Officer, and similar roles.*
- ***Middle Management*** *Includes individuals in managerial roles reporting to C-level executives, typically Heads of individual departments (e.g., Head of IT, Head of Controlling, Head of HSE, Head of HR, etc.).*
- ***Other Employees*** *Covers all employees who are not classified as C-level executives or middle management.*

Contract type:

- ***Permanent employment contract****: contract with an employee, for fulltime or part-time work, for an indeterminate period*
- ***Temporary employment contract:*** *contract with limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees*

The turnover rate *is calculated as the total number of own employees who left during the year divided by the average number of employees during the year.*
Representative employees: *employees in countries where the company has 50 or more employees representing at least 10% of its total number of employees*

8.9 S1-7 – Characteristics of EPIF's non-employee workers

As part of our own workforce EPIF also utilizes indirectly employed workers. To EPIF, this means people who are self-employed or are employed by a third party such as an employment agency. The indirectly employed workforce for EPIF includes 24 in Czech Republic, and 4 in Slovakia. These numbers have been calculated in the same way as our own employee numbers and are not estimated.

8.10 S1-8 – Collective bargaining coverage and social dialogue

At EPIF, we also support freedom of association throughout the Group. This is not only for compliance with European and national regulations, but because we see value in allowing employees to coordinate and negotiate with their employers. The Group respects its employees' rights to participate and engage with trade unions and we do not tolerate any type of retaliation or hostile action towards employees who choose to do so.

Table 60 Employees with collective bargaining agreements - covered rate

Covered rate %	2020	2021	2022	2023	2024
Czech Republic*	88%	82%	80%	80%	80%
Slovakia*	99%	99%	99%	97%	97%
Germany	88%	88%	87%	87%	88%
Hungary	100%				

* above: Representing more than 10% of total employees

EPIF does not have any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

8.11 S1-9 – Diversity metrics

As committed as we are to equal employment in our talent, we still see a disproportionate number of women to men in our Group. This is currently the norm in energy-focused fields and is reflected in the rates experienced by our peers, with roughly 26% and 20% of women in non-executive and top and middle management, respectively. In 2024, this was represented by a 10% and 19% breakdown within EPIF.

Table 61 Employees diversity

Diversity	FTE average		% share	
%	Male	Female	Male	Female
C-level executives	68	8	90%	10%
Middle management	288	68	81%	19%
Other employees	4,177	1,190	78%	22%

Table 62 Employees age structure

Age structure	FTE average		% share	
	2023	2024	2023	2024
< 30 years old	465	487	8%	8%
30-50 years old	2,716	2,686	47%	46%
> 50 years old	2,601	2,626	45%	45%
Total	**5,782**	**5,800**		

Table 63 Employees with disabilities by country

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	18	13	18	16	18	0%
Slovakia	133	148	158	167	169	1%
Germany	3	4	4	2	2	(11%)
Total	**154**	**164**	**180**	**185**	**189**	2%

Accounting Principles:
Age distribution: *The total headcount of employees is categorized into three groups: under 30 (i.e. max 29 years old), 30-50, and over 50 years old (i.e. 51 and older).*
Employees with disability: *FTE average of employees with physical or mental disability as defined by local legislation.*

8.12 S1-13 – Training and skills development metrics

We are committed to providing the right tools and environment for our employees to grow and develop professionally. In an effort to better understand the strengths of our employees, we perform regular work assessments and evaluations. This not only allows us to improve the allocation of talent within the Group, but it allows us to understand where our employees could benefit from further support.

In 2024, the total amount of employee training hours and average training hours per employee were stable compared to last year.

Table 64 Employees Reviews

Employee Reviews	# or %
Employees that participated in regular performance and career development reviews	3,279
Attendance at regular performance and career development reviews	57%

Table 65 Training hours per employee

Hours per employee	2020	2021	2022	2023	2024	% 24/23
Czech Republic	10	10	12	14	12	(13%)
Slovakia	30	35	39	47	47	(1%)
Germany	6	19	17	39	129	>100%
Hungary	26	–	–	–	–	
Total	**24**	**29**	**32**	**38**	**39**	**1%**

Table 66 Training hours by gender

Hours per employee	Male	Female
Total training hours	175,242	48,893
Hours per employee	39	39

8.13 S1-14 – Health and safety metrics

As part of EPIF's commitment to ensuring the highest standards of health and safety within our operations, we track the following metrics.

Table 67 Key health and safety metrics for own employees

Own employees H&S metrics	2020	2021	2022	2023	2024	Δ
Fatal injuries (#)	–	–	1	1	–	(1)
Lost-time injuries (#)	30	27	30	18	15	(3)
Worked hours (mil. hours)	11	10	9	9	10	1
Injury Frequency rate (index)	3	3	3	2	2	(1)

Table 68 Worked days lost related to H&S incidents in 2024

Country	Work days lost	Work days lost per injury
Czech Republic	379	63
Slovakia	637	71
Total	**1,016**	**68**

Accounting Principles:
Registered and fatal injuries: *All lost time injuries (injuries that resulted in absence of the employee) are reported, plus the number of fatalities*
Worked hours lost: *Number of work days that the employees were not present due to a work related injury which was reported as "Lost time injuries"*

8.14 S1-16 – Remuneration metrics (pay gap)

EPIF is actively monitoring upcoming EU legislation on pay transparency and has begun aligning its reporting accordingly. The Company intends to comply with the requirements outlined in the Pay Transparency Directive, along with any related national legislation that provides more detailed guidance on data collection and disclosure. As a result, EPIF prefers not to disclose an unadjusted average Group-wide metric until a more detailed reporting framework is established, ensuring greater clarity and insight.

8.15 S1-17 – Incidents, complaints and severe human rights impacts

In accordance with the EPIF Policy on Reporting of Serious Concerns, employees are encouraged to first discuss any issues with their line manager before utilizing the formal reporting channels available at the OpCo or EPIF holding level. In most cases, concerns raised with line managers or designated personnel are resolved without the need for a formal investigation.

In 2024, no cases were formally reported to EPIF by EPIF Group employees through the internal grievance reporting mechanism. All concerns were settled informally by designated personnel. As a result, there were no related fines, penalties, or compensation for damages. Similarly, no severe human rights incidents were recorded during the reporting year, and therefore, no associated fines, penalties, or compensations were incurred.

There were also no fatal incidents within any EPIF subsidiaries.

Metrics related to human rights impacts and discrimination harassment incidents are reported as part of the standard KPI collection process.

9. ESRS S2 - Workers in the value chain

EPIF's workforce does not end at the gates of our operations. As part of our duty to be a responsible business, we work to ensure that workers within our value chain are given the same respect and high standards of employment as we offer our own employees.

9.1 S2.SBM-2 Interests and views of stakeholders

For full details on EPIF's stakeholders and the ways in which we engage to understand their interests and perspectives, refer to SBM-3 – Material IROs and their interaction with strategy and business model.

In assessing the ways in which EPIF interacts with value chain workers, we sought to engage with stakeholders. At present, we are unable to target the specific views of individual workers, instead relying on the representative views of our suppliers and those relationships. We want to expand upon this form of engagement to ensure that our suppliers are upholding their contractual obligations to ensure high quality employment conditions in line with our supply management practices. We want to understand how individual value chain workers are treated, with particular emphasis on ensuring that there are no potential violations of human rights such as incidents of forced or child labor, and that the health and safety of these workers meets our stringent expectations. Currently, there are no plans to amend our business model as we have yet to understand the full views of this group of stakeholders.

9.2 S2.SBM-3 Material IROs and their interaction with strategy and business model

EPIF is in the early stages of engagement with its value chain workers and does not currently distinguish between types of value chain workers. At present EPIF has not undertaken any in-depth analysis or considerations to various specific characteristics of value chain workers, but is looking to generate an understanding of the following for future reporting cycles:

- the types of value chain workers most materially affected throughout supply chain; and
- specific geographies within the value chain that are of significant risk of child, compulsory, and forced labor.

As part of this further analysis, EPIF will look to consider how it evaluates the occurrence of material negative impacts on value chain workers applying a risk-based approach.

EPIF has identified health and safety, training and development, child labor, and forced labor to be material IRO topics pertaining to workers in the value chain.

Ensuring health and safety in EPIF's value chain is critical for maintaining stable operations, minimizing supply disruptions, and safeguarding the Group's reputation. High-risk activities such as resource procurement and extraction, and transportation pose significant challenges. Addressing these risks aligns with EPIF's commitment to operational excellence and ensures compliance with global health and safety standards, strengthening the Group's resilience and long-term strategy.

Some of EPIF's suppliers and contractors operate in hazardous environments, either upstream or directly at EPIF sites. Poor safety standards can lead to workplace accidents, illnesses, and fatalities, negatively impacting workers and their families while increasing disruptions in EPIF's supply chain. If EPIF fails to secure proper health and safety standards across its value chain (for activities such as the use of contractors for construction, maintenance, transportation, or other high-risk projects), workers facing hazardous working conditions may be injured seriously or fatally or develop long-term health issues. By promoting stringent health and safety measures and ensuring supplier compliance, EPIF can

minimize accidents, strengthen supply chain resilience, and position itself as a leader in responsible operations.

Developing a skilled workforce across the value chain is essential for EPIF to maintain operational efficiency, adapt to technological advances, and support the transition to sustainable energy. A lack of training within the supplier and contractor workforces can lead to inefficiencies, safety risks, and missed opportunities for innovation, directly impacting EPIF's ability to execute its strategy and remain competitive in a rapidly evolving energy market.

Training and skills development for value chain workers ensures a capable and efficient workforce, improves productivity, and reduces operational risks. Failure to ensure adequate training for value chain workers can lead to safety breaches, project delays, higher operational costs, and reputational damage for EPIF.

By investing in comprehensive training programs targeted for supplier workers who perform work on EPIF sites, EPIF can enhance productivity, reduce incidents, and improve long-term operational outcomes, fostering stronger partnerships with suppliers. However, EPIF has limited control over the training and expertise that suppliers provide to their employees.

The presence of forced or child labor in the supply chain poses severe reputational, legal, and operational risks to EPIF. Resource extraction in regions with weak labor protections can undermine the Group's ethical standing and stakeholder trust. Proactively addressing these issues aligns with EPIF's values and compliance with international labor standards, strengthens its supply chain resilience, and supports the Group's strategy of sustainable and ethical energy production.

Limited visibility and oversight in EPIF's value chain, particularly in upstream resource extraction, increases the risk of undetected cases of forced or child labor which exploits vulnerable individuals, undermines human rights, and damages communities.

In regard to identifying the main types of value chain workers who are or could be negatively affected by material IROs, EPIF will develop an understanding of how workers with particular characteristics are at greater risk of harm. Furthermore, EPIF will determine whether any of its material IROs arising from impacts and dependencies on value chain workers relate to specific groups of value chain workers.

9.3 S2-1 – Value-chain Workers-related Policies

EPIF outlines the expectations we have of our suppliers in relation to the treatment of their workers (and therefore EPIF's value chain workers) in our "Procurement Policy", as well as within our "Master ESG Policy" and "Code of Conduct". In the "Master ESG Policy", human rights policy commitments are outlined; EPIF follows the 10 principles of the United Nations Global Compact on Human Rights, labor, environment and anticorruption and encourages our business partners to endorse the same commitment.

In the "Procurement Policy", EPIF expects suppliers to uphold the eight fundamental Conventions of the International Labor Organization and outlines the requirements we have of suppliers with regard to respecting human rights, modern slavery, freedom of association, living wages, working hours, non-discrimination, no harassment, health & safety.

At present, EPIF engages with value chain workers indirectly as part of our supplier screening processes. As noted in Policies MDR-P – Policies adopted to manage material sustainability matters, we are looking to update this to align with CSDDD when required. This will also include updates to remedy any potential human rights impacts which are identified within our value chain.

EPIF has a supplier code of conduct, “Procurement Policy”, under which forced/compulsory and child labor are addressed. Currently, EPIF has not found there to be any incidents of human rights infringements.

9.4 S2-2 – Engaging with value chain workers about impacts

Presently, EPIF only engages indirectly with our value chain workers through our suppliers. This is done through our procurement process, which is guided by our “Procurement Policy” and our “KYC Directive”. The KYC Directive outlines the process that seeks to verify and validate the business partner’s identity and identify any potential adverse human rights impacts prior to commencement of the business relationship. As part of our ongoing efforts to enhance our understanding of impacts and progress our sustainability journey, EPIF is working to update our policies, as detailed in Policies MDR-P – Policies adopted to manage material sustainability matters.

9.5 S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Our current channel to receive concerns or grievances is available for all, extending to any value chain worker who may require its use. Information on Designated Persons and communication channels are available online/EPIF websites. Information on these resources is also circulated internally in the form of emails and is embedded in training materials. EPIF does not currently track issues which are raised/addressed or the effectiveness of its current mechanisms. Further information about the protection of whistleblowers and ensuring these channels are trusted can be found under Reporting of Serious Concerns and Whistleblowers.

9.6 S2-4 – Value-chain Workers-related Actions

The actions EPIF has taken to address the material IROs related to value chain workers stem from the contractual obligations we require our suppliers to adhere to. As part of engaging with new and existing suppliers, we conduct due diligence through our KYC Directive. These actions aim to prevent identified impacts before they actualize. Currently, no actions have been taken to remedy actual IROs, as only potential impacts and risks have been identified. While we are working to ensure these actions are fully implemented throughout EPIF, we are not prioritizing initiatives to deliver positive impacts or pursue financial opportunities. As noted throughout this report, our focus is on preventing and mitigating negative impacts and risks first and foremost.

There are no planned actions to mitigate dependencies on value chain workers; our efforts to ensure high standards of health and safety mitigate the risks associated with unsafe working conditions. No further material dependencies were identified in the DMA process.

We clearly communicate our expectations to suppliers throughout our working relationship, including social issues and the treatment of workers. These actions align with the Ethical Trading Initiative (ETO) and detail the required expectations to ensure no instances of forced or child labor within our supply chain. This also extends to providing a working environment that meets our Health and Safety standards and local legislation. These expectations ensure that our practices do not contribute to negative impacts on our value chain workers.

As part of updating our procurement processes in line with our newly established procurement roadmap, EPIF stipulates a set of minimum standards for suppliers. We aim to ensure these principles are included by OpCos in their general contracts with suppliers. These standards and all actions we take to ensure suitable outcomes for value chain workers are based on best practices related to managing and preventing child and forced labor in the supply chain, such as alignment with the UNGP on Business and Human Rights, the OECD, and the ILO Labor Standards and ETO.

As part of our updated KYC, we are expanding the central questionnaire to include all potential questions, including those related to human rights. Individual OpCos can adjust the questionnaire and remove any questions they do not consider relevant to their operations.

To address the potential risks and impacts associated with our value chain, we are conducting a risk mapping of our suppliers. EPIF understands that our supply chain is not particularly complex, and our exposure to developing countries prone to human rights violations is limited. However, there are specific areas of higher risk, such as material sourcing or resource extraction. This scoring will be based on geography, industry, and other dimensions that support the identification of areas with increased risk.

In our continuous improvement efforts for our sustainability journey, we are working to update and formalize our due diligence process. As noted in Commitment to policy refinement, we aim to update this process in line with the upcoming CSDDD requirements. Currently, our due diligence process focuses on specific areas such as health and safety reviews of suppliers within risky operations, like the power distribution network, or environmental audits of biomass audits. There are no human rights risks systematically addressed by this process currently. If potential impacts were to actualize, we would work to remedy such impacts in line with international frameworks, such as the UNGP on Business and Human Rights and OECD.

This work also supports our alignment with the required minimum social safeguards set out in Article 8, which must be met to achieve EU Taxonomy-aligned activities. Our efforts to ensure our supply chains are free of forced and child labor through our updated KYC process and Procurement policy align with these requirements, and we use these safeguards to guide our updates. No significant resources have been allocated to managing the impacts associated with our value chain workers; the work to update our roadmap and implement this strategy forms part of our overall business operations to continuously improve our sustainability journey.

9.7 S2-5 – Value-chain Workers-related Targets

EPIF has not previously set any targets related to the value chain workers-related identified IROs. The impacts on value chain workers will continue to be monitored and if setting a target to monitor any potential future actions is required, this will be communicated in future reporting cycles. We aim to take a proactive approach, and based on our updated policies, we will explore ways to establish meaningful targets in future reports. As part of the policy that relates to value chain workers, OpCos are directed to set targets in line with the requirements of ESRS if such a target supports the objective to be met.

10. ESRS S3 - Affected communities

EPIF understands that its operations have extended reach to people and communities outside the bounds of our operations and that we, therefore, have a responsibility to ensure the prevention and potential remediation of any negative impacts on these communities. Furthermore, EPIF also strives to be proactive in its community partnership efforts, and through the EPH Foundation, we promote initiatives, such as grant and community partnership programs.

10.1 S3.SBM-2 Interests and views of stakeholders

For full details on EPIF's stakeholders and the ways in which we engage to understand their interests and perspectives, refer to SBM-3 – Material IROs and their interaction with strategy and business model.

In assessing the ways in which EPIF interacts with potentially affected communities, we sought to engage with stakeholders. Typically, this engagement is conducted during local consultation, as most concerns are oriented around legislation, such as building permits or EIAs. We also regularly engage with local communities through the EPH Foundation, whose work to strengthen our community relations and enable positive social impact is detailed under Supporting Communities through the EPH Foundation.

The main relation which communities have to EPIF's strategy is through our license to operate when expanding our operations in these areas. The main risk identified (but not found to be material) stems from any potential negative impact we may have on these communities, and the associated backlash to our reputation.

10.2 S3.SBM-3 Material IROs and their interaction with strategy and business model

EPIF evaluated the social impacts of its value chain to identify where our operations or services contribute to significant effects. EPIF cannot account for all possible impacts of a value chain actor under *AR16 Sustainability Matters* but instead focuses on our contribution to those impacts, assessing both direct and indirect influence. This includes determining the extent to which our actions enable, exacerbate, or mitigate the identified impacts within our value chain. Affected communities arise at different parts of the value chain, as illustrated under Explanation of our value chain. The scope of the disclosure includes all these communities that have been identified as potentially being materially impacted. EPIF identified the most material affected communities to be those who are located around operating sites, primarily within EPIF's own operations, although there is the understanding that some potential impacts may arise in upstream activities, notably in areas of raw mineral extraction like coal and lignite mines.

The impacts of these identified affected communities are relatively localized and contained to the locations of operations; EPIF does not have any impacts through its services or product offerings. These impacts are also related to the systemic approach of EPIF's business, due to the nature of large-scale energy infrastructure, as opposed to isolated and infrequent incidents.

EPIF is not dependent on affected communities in a way that creates associated risks or opportunities. The identified potential negative impact is relevant to all communities that may be affected. Among the communities impacted, none are Indigenous groups, as EPIF does not operate in areas where interactions with these groups could occur. Beyond establishing that EPIF does not have any IROs related to Indigenous peoples, there have been no further developments to understand particular characteristics which may be at greater risk of impacts – the primary driver of impacts on affected communities is their proximity to our operations.

The risk EPIF has identified, but found to be immaterial, in relation to affected communities stems from the failure to address the impact. By effectively establishing a grievance mechanism and channel for stakeholder engagement, as well as working to track and monitor that it is effective and accessible, EPIF is simultaneously addressing the risk. No material opportunities related to affected communities were identified during the DMA process, and EPIF has no material risks arising from potential dependencies on such communities.

10.3 S3-1 – Affected community-related Policies

EPIF outlines in the "Code of Conduct" the expectations it has set, which are expected to be cascaded throughout the OpCos in order to consider the potential negative impacts of affected communities. The policy does not have any specific provisions which consider indigenous peoples, as EPIF and our value chain does not operate in areas which interact with these communities.

The "Code of Conduct" incorporates the provisions to uphold any relevant international human rights instruments, with a first focus on the established guidance from the UN Guiding Principles on Business and Human Rights. EPIF works to comply with these principles by continuing to monitor and assess any potential impacts that EPIF or our OpCos may have on affected communities. This includes avoiding causing or contributing to adverse human rights impacts, through the monitoring of our impacts.

As part of the updates we are looking to make to our policies (see Policies MDR-P – Policies adopted to manage material sustainability matters), we will incorporate specific objectives and guidance for OpCos to address these issues. These updates will seek to direct OpCos who operate in these sensitive locations to conduct a further in-depth assessment of these communities and what the specific implications of EPIF's operations may be to fully support appropriate engagement and if required, interventions and remediation plans.

The "Group Code of Conduct" currently establishes basic principles of stakeholder dialogue which considers the needs of local communities when making business decisions. Any engagement which OpCos may perform as a result of these requirements are expected to align with the requirements of local and national legislation, particularly through our EIA processes, which typically occur at the point of impact/event – such as when we are looking to expand or construct new infrastructures. This engagement already forms part of our license to operate, and we will support our OpCos to gain the opinions and views of these communities through town halls and open calls for input either with communities directly or an established delegate who is able to speak on their behalf. We also consider the provision of guidance to OpCos to ensure there are sufficient mechanisms in place for them to raise any concerns they may have before they arise.

Our approach to providing and enabling remedies for these human rights impacts is based on this engagement. We seek to incorporate the views of communities within our business model to the extent feasible, allowing us to proactively head off impacts before they occur. We also aim to ensure that these mechanisms are offered without fear of victimization (see Reporting of Serious Concerns and Whistleblowers for further details).

EPIF does not prescribe a single method of remediation for potential human rights impacts. This is down to the OpCos who engage directly with the affected communities and have been altered to any potential impacts through the aforementioned stakeholder engagement processes. EPIF provides direction on the required fundamental principles, which are aligned with the UNGP on BHR. This enables the EPIF and its OpCos to handle community impacts in the best way possible and ensure the most specific instances.

As of 2024, EPIF has had no reported cases of non-respect of human rights. If, in future, a case of non-respect of human rights were to arise, EPIF would report in line with the requirements of these international instruments.

10.4 S3-2 – Engaging with affected communities about impacts

Currently, EPIF does not have a formal process to engage with affected communities, presently engaging directly with communities through the OpCos on an ad-hoc basis at the point of impact/event, such as when a new infrastructure expansion is being made. This engagement is captured in our commitment to building positive relationships with communities in the vicinity of our operations, as detailed in our "EPIF Group Operational Policy". As enshrined as part of this policy, the ultimate responsibility for ensuring such dialogue is conducted sits with the Board.

As part of the work to formally establish and integrate the requirements of CSRD, and anticipate the requirements of CSDDD, EPIF is working to establish a formalized process which will be cascaded through our OpCos, directing those subsidiaries which interact with affected communities most closely to consider these impacts and work to incorporate them into future business model and strategy decisions wherever feasible. These updates will also seek to establish a process to assess the effectiveness of such engagement, and ensure that the perspectives of particularly vulnerable groups are heard and considered.

10.5 S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

EPIF has established a dedicated channel to receive concerns or grievances, ensuring accessibility not only for individuals protected under the whistleblowing legislation but also for all stakeholders who may be affected by EPIF's actions, including members of affected communities. Further information on this can be found in the policy and under Reporting of Serious Concerns and Whistleblowers. This directly supports the mitigation and remediation of our identified potential impact on freedom of expression.

10.6 S3-4 – Affected community-related Actions

10.6.1 Ensuring affected communities are able to freely express concerns

EPIF's most material negative impact on affected communities lies within the failure to provide an adequate means of raising concerns. In order to tackle this impact, EPIF has designated its whistleblowing channel for all external stakeholders to raise concerns. Our operational policy also enshrines the basic principles we expect of our OpCos when engaging with affected communities. No significant resources are required to manage this impact, as it forms part of our ongoing business strategy and engagement processes with affected communities.

This publicly accessible grievance mechanism supplements the ongoing dialogue between OpCos and local communities as part of regular engagement preceding any new development project. These mechanisms help prevent and mitigate any infringements on local communities' freedom of expression prior to any new construction or expansion of infrastructure. These actions aim to ensure that freedom of expression is upheld in accordance with all local, national and international instruments, and prevent potential future impacts. Any impacts related to the denial of freedom of expression are potential impacts; there have been no known instances of EPIF contributing to this so far.

Following the establishment of our affected community engagement process, EPIF will track and assess this through an ongoing monitoring system. Monitoring the use of the method and how frequently it is used, and what it is being used for will allow us to see if some changes or improvements need to be made. This may include understanding how accessible it is, if there is sufficient information about how to use it, how to raise concerns, and if applicable, additional guidance can be published to ensure that any individuals who require such a channel are equipped to use it.

To identify the most appropriate actions, EPIF is aligned with international frameworks that deal with issues and implications of freedom of expression. Given the well-understood impact of denying this freedom, well-established mechanisms exist to remedy this, and EPIF is aligning with these. We will also incorporate the findings from any stakeholder engagement with affected communities into the actions we take to manage potential negative impacts.

EPIF has identified the solution to denying freedom of expression is working to ensure that anyone who wants to express themselves is given a free and accessible method through which to do so. This method is free, easily accessible to all, and without prerequisites/ the mechanism will also be open at all times; when there is a specific instance of our OpCos looking to expand or construct new infrastructure, specific engagement will address these. They are actively looking to hear from communities in these times, which will also form part of the new due diligence process (which is in the works and ultimately aims to align with CSDDD).

As the process has been recently set up, EPIF is looking to ensure its external channel to receive concerns and grievances is available and effectively used by all. This includes making sure that the process is available in multiple languages, is clearly signposted, is not fee-based and does not give preferential treatment to any group – aims to ensure that there are no potential biases or discrimination within the channel; the effectiveness of these methods will be assessed on an ongoing basis, by monitoring the use of the channels, and asking those who use it how they found the process – incorporating this feedback further to ensure that it is as user-friendly and accessible as possible.

EPIF is looking to re-affirm internally, through awareness campaigns with operating companies, the importance of enabling effective engagement with communities impacted by our operations and that the EPIF policy is to ensure that individuals or community groups who express concerns about environmental or human rights impacts will not face intimidation or retaliation. No significant resources have been allocated to manage this impact; the management of the impact forms part of our ongoing strategy without the need for further resources.

There are no further human rights issues connected with affected communities which have been identified. The work that EPIF is undertaking to establish the grievance mechanism process is part of our ongoing work to further improve our stakeholder engagement and align ultimately with CSDDD in time.

10.7 S3-5 – Affected community-related Targets

EPIF has not previously collected any metrics related to affected communities and as such, has not set any targets related to the identified IROs. The impact on affected communities will continue to be monitored and if setting a target to monitor any potential future actions is required, this will be communicated in future reporting cycles. We aim to take a proactive approach, and based on our updated policies, we will explore ways to establish meaningful targets in future reports. As part of the policy that relates to affected communities, OpCos are directed to set targets in line with the requirements of ESRS if such a target supports the objective to be met.

11. ESRS S4 - Consumers and end-users

EPIF's energy supply reliability and affordability directly impact residential, industrial, and governmental users. Energy disruptions or limited access to reliable power sources harm economic development and public trust, particularly in underserved regions or regions where EPIF is a major or monopoly energy provider. We understand our leading role in the supply and distribution of power, gas and heat. We work hard to ensure that we reliably meet customer demand with quality products and services.

Resilience is key to ensuring that energy is provided securely and stably during the transition from traditional fossil fuels to clean, renewable power. EPIF is committed to mitigating any potential disruptions in the provision of this essential commodity. To achieve this, we focus on retrofitting distribution infrastructure, particularly gas pipelines, ensuring that we can continue to supply energy to people in all its forms.

EPIF works to maintain our current business operations while continuing to divest from coal-powered enterprises. Our goal is to reduce our reliance on coal while still serving a similar demographic and purpose, ensuring that reliable energy is available for all, with or without fossil fuels.

In light of the recently published Clean Industrial Deal (CID) from the EU Commission, EPIF recognizes its pivotal role in supporting this transition. Access to affordable energy is a cornerstone of the CID and is fundamental to our business strategy. By upgrading existing grid infrastructure and investing in retrofitting and other initiatives, EPIF aligns itself with EU ambitions for a hydrogen economy. At the same time, we prioritize the needs of everyday energy users, ensuring that the stability and security of energy supply are maintained.

EPIF not only ensures compliance with regulations, but we aim to go beyond the imposed standards. We do this by taking the time to understand our customers' demands and provide affordable access to basic services accordingly. EPIF is committed to regularly implementing and improving our products and services. Our goal is to offer a viable option for all. EPIF strives to ensure affordable access to modern energy, uphold sustainable consumption patterns and promote inclusive societies. This is accomplished through our continuous interactions with customers.

As operators of key infrastructure for transmission, storage and distribution of gas and distribution of electricity and heat, EPIF is well aware of our duty to ensure reliable supply of basic commodities, particularly in distribution segments, through which we deliver them to nearly 2.5 million end consumers.

11.1 S4.SBM-2 Interests and views of stakeholders

For full details on EPIF's stakeholders and the ways in which we engage to understand their interests and perspectives, refer to SBM-3 – Material IROs and their interaction with strategy and business model.

In assessing the ways in which EPIF interacts with consumers and end users, we sought to engage with stakeholders. As part of the requirements of EPIF as a major energy provider, we also engage closely with regulators and policymakers to ensure that our consumers and end-users are provided with a high quality and fair service. For the OpCos which have direct contractual relationships with consumers, we maintain open communication, providing transparent information about issues such as energy pricing and access to our services. We engage with consumers to understand their needs, particularly in relation to the energy transition.

We understand that without understanding these considerations, EPIF may undermine our own success if consumers decide to take their business elsewhere. There have not been any amendments to our

overall business strategy in light of consumer views from this round of engagement, as no issues materialized which have not already been considered and integrated.

11.2 S4.SBM-3 Material IROs and their interaction with strategy and business model

All consumers EPIF has direct interactions with have been considered within the scope of both the DMA and IRO identification process, as well as within the scope of this report. Retail suppliers of power and gas and district heating operators have direct interactions with consumers as a customer-facing business model, compared to other OpCos that deal in business-to-business sales. Power and gas distribution network operators are responsible for delivery up to the offtake point, without having the direct contractual relationship with the end consumer which is held by the retail supplier.

Table 69 power, gas, and heat distribution offtake points

#	2020	2021	2022	2023	2024	% 24/23
Heat	150,179	151,015	151,984	153,126	153,759	0%
Power	765,742	773,177	779,661	785,092	791,297	1%
Gas	1,530,508	1,532,104	1,526,057	1,523,977	1,518,662	(0%)
Total	**2,446,429**	**2,456,296**	**2,457,702**	**2,462,195**	**2,463,718**	0%

Table 70 power supply customers

#	2020	2021	2022	2023	2024	% 24/23
Residential	564,885	672,288	683,213	695,691	704,054	1%
Mid-size	86,926	63,486	65,519	59,624	68,520	15%
Large	25,150	22,565	23,114	23,217	14,485	(38%)
Total	**676,961**	**758,339**	**771,846**	**778,532**	**787,059**	**1%**

Table 71 gas supply customers

#	2020	2021	2022	2023	2024	% 24/23
Residential	55,149	88,492	90,383	108,840	96,937	(11%)
Mid-size	7,661	5,200	5,339	7,698	6,468	(16%)
Large	878	629	490	418	385	(8%)
Total	**63,688**	**94,321**	**96,212**	**116,956**	**103,790**	**(11%)**

EPIF has identified these end consumers to be the only type of consumers to face a material impact; this impact arises as the consumers are dependent on the reliable and secure energy services which EPIF provides. EPIF's direct consumers are potentially impacted by a failure to ensure this service is provided reliably and securely; EPIF also understands that these impacts are heightened for those who are vulnerable or financially disadvantaged. These consumers were identified as part of the overall DMA process, but no in-depth investigations into the specifics of consumers at a potentially heightened impact were conducted.

11.3 S4-1 – Consumer-related Policies

To ensure that EPIF and our OpCos strive to provide our customers with the highest quality products and services, we outline our expectations in the “Code of Conduct” policy. It outlines Group-level expectations for ethical and transparent business conduct with our customers. We have created clear and easily accessible communication channels for our customers because we place great importance on providing exceptional service.

The “Master ESG Policy” incorporates the provisions to uphold any relevant international human rights instruments, with a first focus on the established guidance from the UN Guiding Principles on Business and Human Rights. This includes working to ensure that EPIF and our OpCos respect our consumers' overall human rights and that any processes for engagement and grievance mechanisms are aligned with these principles.

Within our “Group Operational Policy”, we acknowledge the impact our products may have on consumers, and work to improve them by developing business models that contribute to local social development and seek to improve people’s quality of life.

As of this reporting cycle, there have been no known incidents of non-respect of human rights as they relate to consumers. This will be monitored and reported in compliance with ESRS if such an incident were to occur.

As part of the updates we are looking to make to our policies (see Policies MDR-P – Policies adopted to manage material sustainability matters), we will incorporate specific objectives and guidance for OpCos to address the impacts related to consumers and end users which were identified as part of our DMA process.

11.4 S4-2 – Engaging with consumers about impacts

Given the varying nature of EPIF’s businesses, there is no centralized procedure to engage with consumers about the impacts they may face through interactions with EPIF. Instead, we prioritize ensuring that the channels to raise concerns from consumers established at OpCo level are of the highest standard, working to ensure they are easily accessible for all who may need to use them. This form of open communication, intended to support customers and solve their needs, is enshrined within the principles of our “Code of Conduct”.

This form of communication is not bound to any timeframe or regular frequency; instead, it remains open for those who need it whenever required. As this forms part of our Code of Conduct, the ultimate operational responsibility sits with the EPIF Board, and where it is feasible to do so, these insights then are considered in relation to EPIF’s business strategy. At present, there are no methods of assessing the effectiveness of this engagement. Ensuring there are clear channels for all consumers to raise concerns enables EPIF to gain valuable insights about consumers and their perceived impacts. EPIF can then work to address any impacts raised, without the need to establish a new engagement process.

11.5 S4-3 – Processes to remediate negative impacts and channels for consumers to raise concerns

As outlined in our “Code of Conduct”, we have set out requirements for OpCos to ensure there are clear communication channels which are easily accessible to all customers. We have created clear and easily accessible communication channels for our customers because we place great importance on providing exceptional service.

The general approach to providing a remedy for the material impact is to ensure that EPIF operates to the best of its ability and through our efforts to future-proof our business. This has been demonstrated

through our commitment to phasing out coal and putting an emphasis on renewable energy. This ensures the stability of EPIF as a business and allows us to diversify our portfolio of energy sources more securely to deliver energy as we are not solely dependent on one commodity.

In addition to these business-specific channels, EPIF provides its own channel, available on our website, and accessible to anyone who may need to use it to raise a concern they have about the service that EPIF provides. This is monitored by EPIF and is not a third-party mechanism.

This channel is related to EPIF and its direct consumers, although we welcome anyone to provide feedback through these channels – they are open forums of communication which are available to all. We strive to ensure that everyone feels capable of raising concerns without fear of retaliation.

Issues raised and addressed are tracked and effectiveness of channels is ensured. We work to ensure that the channels are easily accessible, and monitor this through the number of messages we receive. For further information on these channels, refer to Reporting of Serious Concerns and Whistleblowers.

11.6 S4-4 – Consumer-related Actions

Energy is essential for a country's economic and social development, as well as for facilitating and enriching people's daily lives in the modern world. We focus on using new technologies and implementing projects that will help provide access to basic services to the communities in which we operate. In compliance with state regulations, we always offer our customers reasonable prices. In Slovakia, we offer better prices to vulnerable and disadvantaged customers in line with the country's regulations.

As operators of key infrastructure for transmission, storage and distribution of gas, and distribution of electricity and heat, we are aware of our duty to ensure reliable supply of basic commodities. In our gas, power, and heat distribution segments, we deliver basic commodities to nearly 2.5 million end consumers.

To ensure there are no significant negative impacts on EPIF's consumers, it is crucial that EPIF operates at its best, working toward the long-term sustainability and viability of our operations.

So far, the identified potential negative impact has not materialized, and as a result, no remedial actions have been necessary. This means that for this reporting cycle, we do not have a method in place to track the effectiveness of any actions taken. Additionally, there is no standardized approach to identify which actions are needed, but as part of our long-term sustainability plan, we will consider ways in which a standardized approach to identifying and remedying actions can be established.

EPIF does not have significant opportunities related to consumers and end-users, and has not identified any material risks. If functioning as intended, EPIF's business operations do not result in major negative impacts. EPIF maintains a clear policy against aggressive marketing tactics.

No severe human rights issues or incidents have been identified in connection to consumers and end users. EPIF works to ensure that all consumers have a clear method of reporting concerns and raising issues, which further ensures other human rights impacts are not infringed upon. Additionally, within our "Master ESG Policy" we outline our commitment to following the 10 principles of the UNGC on Human Rights, labor, environment and anticorruption, which extends to our expectations as they relate to our consumers and end-users. No significant resources have been allocated to manage this impact; the management of the impact forms part of our ongoing strategy without the need for further resources.

As well as working to ensure that EPIF continues to supply reliable and affordable energy to its customers, we also work to promote energy efficiency through our customer energy efficiency programs, enabling consumers to purchase "green energy" and supporting a transition to net zero at all levels.

The service EPIF provides to its consumers is not exclusively limited to the supply or distribution of our commodities (gas, power and heat). We understand that it is equally important to provide sustainable products along with energy savings in order to achieve EPIF's decarbonization goals.

Customer programs are an effective way for EPIF to strengthen its ties with consumers and the surrounding communities. The positive response to these programs reinforces EPIF's commitments to their further development and implementation.

11.6.1 Stredoslovenská energetika

At Stredoslovenská energetika, we are dedicated to building our online communication through our Hints and Tips webpage. This page provides our customers and communities with energy efficiency and energy-related advice. On our webpage, customers receive practical advice on how to reduce energy consumption quickly and effectively within their homes. They can also learn about other household energy tips, such as the most affordable rates for their homes, how much their electrical appliances consume and the difference between modern LEDs and classical incandescent bulbs.

Our online program is enriched with search engine optimization content series. They include various article topics, such as the advantages and disadvantages of electrical and gas hobs in Slovakian homes or methods on how to responsibly prepare for the heating season. Overall, we find that our customers show greater interest in renewable sources, along with tips on how to further reduce electricity and gas consumption.

In addition to further educating households in Slovakia about the path to practical and easy achieve energy efficiency, Stredoslovenská energetika offers certified "green energy" to customers. This relates to electricity that is guaranteed to have been produced free from emissions and adverse environmental impacts, as it is sourced from renewable energy such as water, wind, solar or biomass.

By purchasing "green energy" from Stredoslovenská energetika, customers will:

- make a significant contribution to protecting the environment,
- contribute to reducing the negative impact on the global climate,
- support the development of green power plants in Slovakia,
- reduce CO_2 emissions by 55.5 kg for each megawatt-hour of electricity,
- create for themselves a green household, and
- receive a certificate guaranteeing the origin of electricity from renewable sources.

11.7 S4-5 – Consumer-related Targets

EPIF has not currently set any targets to ensure energy security and reliability. The impact on consumers and end-users will continue to be monitored and if setting a target to monitor any potential future actions is required, this will be communicated in future reporting cycles. We aim to take a proactive approach, and based on our updated policies, we will explore ways to establish meaningful targets in future reports. As part of the policy that relates to consumers and end-users, OpCos are directed to set targets in line with the requirements of ESRS if such a target supports the objective to be met.

Governance section

12. ESRS G1 - Business conduct

We have built our business on moral principles and values, and we continue to ensure that they are effectively promoted throughout EPIF. It is imperative that we unify our business approach across the Group, which we support with a shared culture, internal policies, and strong governance.

EPIF is committed to strong behavioral standards, which bring practical value to our day-to-day business. These standards set employee expectations, which are reflected in the performance and reputation of the Group and ensure that we maintain good relationships with our stakeholders. EPIF maintains high ethical standards throughout its operations and supply chain, and we do not tolerate corruption or inappropriate behavior.

EPIF is committed to conducting business activities in a transparent and operationally excellent manner. To continue developing and improving our internal and external interactions, we commit to following our principles, which are the foundation on which we build relationships with our partners, employees, and society.

12.1 G1.GOV-1 The role of the administrative, supervisory and management bodies

EPIF takes its responsibility to operate as a sustainable business with great importance and believes that everyone has a role to play in maintaining and upholding the highest standards of business conduct. We have established positions within our Board and executive leadership which are accountable for this conduct. Gary Mazzotti, EPIF CEO and Vice Chairman of the Board of Directors, has assumed the role of ESG Officer, allocating responsibility to sustainability and the Group's sustainability agenda. Accountability for EPIF's business conduct and the way in which we operate ultimately falls under this position, but is cascaded through our management committees, our OpCos, right through to our individual employees.

The Compliance Committee is situated at EPH Group-level and is responsible for the preparation and review of central policies, the whistleblowing system, the Know Your Customer (KYC) program and assists on other business conduct matters as appropriate. Further, the Compliance Committee works to ensure compliance with legislation and addresses issues of non-compliance and provides support for incidences. The Compliance Committee oversees these activities together with the ESG Officer, and is assisted in all business conduct matters by the Group ESG department. EPIF, as a subsidiary of the EPH Group, has not established a separate compliance committee, instead relying on this centralized resource to ensure transparency and consistency across the approach to managing business conduct issues. EPIF has established its own policies, which are aligned with the policies established by the EPH Group.

These committees, with the support of the Group ESG department and overview from the Board, are well positioned to tackle such matters, thanks to their expertise in the area of business conduct.

Gary Mazzotti has more than 30 years of experience in finance and operations. Before joining EPIF, Mr. Mazzotti was a member of the board of Vienna Insurance Group, CFO of Kooperativa and Česká podnikatelská pojišťovna, and was responsible for VIG Group's operations in Ukraine. He previously held the positions of Senior Investment Director and CFO of PPF Private Equity Division. He has been active in the energy sector since 2016 and serves as the primary point of contact for bondholders and banks. He is responsible for ensuring that EPIF's decarbonization strategy aligns with their expectations.

Members of the Compliance Committee were invited to join the committee based on their skills and expertise in legislation and compliance, as well as their understanding of EPH's business operations and conduct. As outlined in the Rules of Procedure for the Compliance Committee, we expect members to demonstrate expertise and an ongoing commitment to further development of understanding of business conduct issues that may arise within the corporate landscape.

12.2 G1.IRO-1 Identifying business conduct related IROs

EPIF has screened assets and activities to identify actual and potential IROs in its own operations and its upstream and downstream value chain. Ensuring that EPIF's operations are conducted in a responsible and ethical manner is already a central part of our strategy; within the DMA process we found sustainability matters relating to political engagement and addressing anti-bribery and corruption incidents and ensuring the protection of whistleblowers to be most material for EPIF within this area. Further detail on the methodology used can be found under IRO-1 – Description of the processes to identify and assess material IROs.

EPIF has engaged key stakeholders in matters relating to business conduct. Full details of our stakeholder engagement process can be found under SBM-3 – Material IROs and their interaction with strategy and business model.

12.3 G1-1 – Business conduct policies and corporate culture

To ensure that EPIF's business operations are conducted in the manner we expect, we have outlined our requirements within our "Master ESG Policy", "Anti-Corruption and Anti-Bribery Policy", "Code of Conduct", "Reporting of Serious Concerns and Whistleblowing", as well as the "Operational Policy". Our Anti-Corruption and Anti-Bribery Policy is aligned with the United Nations Convention against Corruption. Further information about our approach to Anti-Corruption and Anti-Bribery can be found under G1-3 – Procedures to address corruption or bribery.

In line with expected regulations under the upcoming Corporate Sustainability Due Diligence Directive (CSDDD), we plan to establish an updated Supply Chain Due Diligence Policy, which will capture our existing policy expectations as they relate to Anti-Financial Crimes, and Sanctions.

Our policies on other business conduct matters (Tax Governance, Anti-Trust Law, Asset-Integrity, and Cybersecurity) remain unchanged, as they were not identified as material sustainability matters through the DMA process. They are subject to the same level of rigorous assessment and Board accountability as all policies, and are readily available to any stakeholder who may need it, through our internal communication channels with OpCos and through our website.

12.3.1 Corporate Culture

EPIF's core values are based on a healthy and safe working environment. Our corporate culture is set by our Board and is cascaded through our OpCos. Due to the diversity of EPIF's OpCos, each OpCo further defines their corporate culture, as well as the measures and actions taken to establish, develop, promote and evaluate their cultural values. Activities may include special programs for managers, online trainings, the inclusion of corporate values in the employee's performance evaluation and questionnaires for evaluating employee's perception of the corporate culture.

The corporate culture as defined by individual OpCos is evaluated at this level. A suggested evaluation and training process will be set out within the updated policy we are looking to create in the upcoming reporting cycle, and the outcomes of such an evaluation will be reported back to the Group as part of the regularly established sustainability updates.

12.3.2 Reporting of Serious Concerns and Whistleblowers

To ensure that any unlawful behavior, or behavior which is in direct conflict with the established Code of Conduct and business conduct policies, is properly addressed, EPIF has established a Reporting of Serious Concerns and Whistleblowing mechanism which encourages any employee to report on any concerns they may have.

Within the “Reporting of Serious Concerns and Whistleblowing Policy”, we require OpCos to ensure compliance with the national requirements of the Directive where this enforces measures outside the scope expected of EPIF’s policy. This policy amends the Whistleblower policy enacted in 2021, and is supported by the group-wide internal whistleblowing system introduced in 2023. The policy also incorporates the procedures presented in the International Chamber of Commerce (ICC) Guidelines on Whistleblowing. This system encourages reporting of concerns regarding violation of applicable laws, EPIF policies and internal regulations by offering confidentiality to ensure that individuals do not fear retaliation of disclosures. EPIF complies with the Czech Whistleblowing Act, the national transposition of Directive (EU) 2019/1937 regarding the protection of person reporting breaches of Union law.

Reports can encompass a range of issues, from infringements that have already occurred to those that are anticipated, promoting a proactive approach to compliance and ethical conduct within the Group. The internal whistleblowing system is intended for all persons who perform activities for EPIF, including employees, job applicants, contractors, business partners, employees of business partners and others.

The process for reporting is structured to encourage thoroughness, requiring individuals to fill out a detailed form with as much information as possible. Upon submission, the report is handled by a designated, authorized person, and the whistleblower is informed of receipt within seven days, along with a unique case number and verification code. This code allows for ongoing communication and follow-up, ensuring that the whistleblower is kept informed of the progress and outcomes of their report. The initial assessment of the report aims to determine its alignment with the Whistleblower Protection Act and if remedial action is necessary, with feedback provided within a specified timeframe. Depending on the severity of the reported concerns different follow-up actions are taken. A person is designated to lead the investigation, involving external bodies if needed.

The Compliance Committee addresses any raised allegations or incidents of corruption and bribery and includes if necessary EPIF's board to decide on appropriate follow-up actions. The Compliance Officer responsible for the raised case is located at EPH Group level and separated from the management of OpCos. Division of powers and responsibilities according to the Policy among EPIF’s departments and bodies is set in its internal processes and rules of operations in line with the “four eyes principle”. In the absence of such division of powers and responsibilities, the Human Resources Department is accountable for receiving, initiating, and investigating all reported concerns in accordance with the Policy procedure. Other departments or bodies in EPIF may be included in the investigation process based on the relevance and EPIF’s internal processes and rules of operations.

EPIF's employees are informed about the Whistleblower system in place. The Compliance Committee is responsible for the Whistleblowing system and is managing the complaints, and received training upon its establishment.

12.4 G1-2 – Management of relationships with suppliers

Supply chain management is an integral part of EPIF's business; without establishing a collaborative partnership with our suppliers, we are unable to operate with the high standards we have come to expect. We therefore continuously reflect on our long-term targets so that we may create and maintain meaningful partnerships within our supply chain. We have determined that regular monitoring and close management of our end-to-end processes will only benefit our business value.

EPIF's procurement goals consider the social and environmental aspects of our individual subsidiaries, specifically how decisions at a Group level can affect business practices. EPIF has a centralized procurement function managed by EPH Group Procurement. The key role of EPH Group Procurement is to develop and apply best practices across the supply chain of the entire Group. Their aim is to minimize the total cost of ownership of external purchases within our individual subsidiaries, thereby allowing for strategic procurement.

In 2020, we introduced, approved, and implemented the Procurement Policy in an effort to improve our previous policies and processes, as we understand the risk associated with a mismanaged supply chain.

To ensure full alignment with our business approaches, we thoroughly screen all our potential suppliers. Screening includes our commitments to laws and regulations, ethical business conduct, human rights and working conditions, health and safety, and environmental protection.

In 2021, EPIF implemented a KYC Directive, which provides acceptance guidelines for all business partners, including suppliers. Since the implementation, we continue to experience the benefits of the Directive. It effectively verifies and validates the identity and suitability of business partners, mitigates financial and reputational risk, and ensures regulatory compliance.

Key tenders from across the EPIF Group are publicly disclosed on the EPH Procurement web page, which has led to increased supplier participation and transparency. In 2024, there were no significant changes to EPIF's supply chain. Additionally, there were no reported incidents in the supply chain in this year.

Using the Procurement Policy and KYC Directive as foundations, we are looking to establish a risk-based approach to our due diligence, which will account for the requirements set out within CSDDD and further strengthen our approach to supply chain management.

At present, EPIF does not have an established centralized policy to prevent late payments to suppliers of any size.

12.5 G1-3 – Procedures to address corruption or bribery

EPIF's measures to prevent, detect and address allegations or incidents of corruption and bribery are guided by Anti-Corruption and Anti-Bribery Policy. This sets basic principles and clear guidelines to prevent any incidents, including the "four-eyes principle" and the Whistleblowing System that collects any allegations or incidents. The Compliance Committee is addressing any allegations raised or incidents of corruption and bribery and, when necessary, involves EPIF's Board to decide on appropriate follow-up actions. All reported instances of corruption and bribery are investigated by designated persons who are independent of those involved in the reported case.

The Anti-Corruption and Anti-Bribery Policy outlines a comprehensive approach to mitigating risks related to corruption and bribery, embedding basic principles of ethical conduct, ensuring continuous monitoring and review, providing clear guidelines on raising concerns, and detailing consequences for breaches of the policy.

To combat corruption and bribery risks, EPIF conducts regular risk assessments to understand its exposure and adopts adequate measures that are continuously refined. The basic principles of the Anti-Corruption and Anti-Bribery Policy are structured to ensure integrity and compliance across all operations. We strictly adhere to the “four-eyes principle”, ensuring all legally binding documents and money transfers are approved by at least two representatives, which helps to prevent unilateral decisions that could potentially involve corrupt practices. The Policy outlaws facilitation payments, regardless of local customs, to uphold our stance against corruption. Regarding gifts and hospitality, the Policy mandates these must fall within customary business practices and not be intended to influence business decisions, with a clear maximum value established to guide appropriateness. Political contributions are avoided to prevent any implication of attempting to gain improper business advantages, while charitable contributions are scrutinized to ensure they do not serve as a facade for bribery.

The Policy also requires employees to avoid any conflicts of interest, promoting transparency and the prioritization of EPIF’s interests in all business decisions. Internal control systems and procedures are audited regularly to counter bribery and corruption, maintaining the integrity of EPIF's operations. Employees and business partners are also encouraged to report any suspicions of bribery, corruption, or policy breaches as early as possible. Violations of the Policy may lead to disciplinary actions, including termination of employment, claims for damages, and criminal prosecution. The Anti-Corruption and Anti-Bribery Policy is communicated throughout the Group and is accessible to every employee. All employees (regardless of the function) are obliged to receive the same training on bribery & corruption, including senior managers. The form of the training is up to our OpCos, and EPIF Group hosts e-learning once a year.

EPIF's OpCos have their own training plan implemented based on their operation's needs. The target audience, frequency and depth of coverage is subject to the OpCos decision. EPIF is currently developing a group-wide training policy and training plan to implement group-wide common training requirements. The functions that are most at risk in respect of corruption and bribery depend on the operating environment of OpCos. Identification of at-risk functions is the responsibility of OpCos, whereby EPIF requires to always include senior management among these functions. Other common at-risk-functions include members of sales and procurement departments and, in some instances, front office employees. EPIF has recently implemented a new metric to track the coverage of at-risk functions with targeted annual training. In response, OpCos have begun identifying these at-risk functions and will initiate training programs starting in 2025. Under EPIF's guidance, this more in-depth training will be mandatory for members of administrative, management, and supervisory bodies. Meanwhile, all employees were covered by the basic anti-corruption and anti-bribery training which will remain compulsory for all employees.

12.6 G1-4 – Incidents of corruption or bribery

EPIF takes incidents of corruption and bribery seriously, and we work to ensure these incidents are minimized to the fullest extent. To do so, we ensure that training on anti-corruption and anti-bribery is provided to those who require it, and the anti-corruption and anti-bribery policy is circulated regularly. This training is provided to all OpCos, and we request that it is disseminated throughout the OpCos to all relevant employees. We have introduced the metrics to track the share of at-risk functions who take the training on an annual basis.

For the reporting year 2024, EPIF recorded zero convictions for violations of anti-corruption and anti-bribery laws. As a result, EPIF incurred no fines related to violations of anti-corruption and anti-bribery laws.

12.7 G1-5 – Political influence and lobbying activities

Transparent, proactive engagement in favor of clean energy policies and just transitions can enhance EPIF’s reputation, foster stakeholder trust, and align the company with long-term sustainability goals.

Responsible engagement can support fair policies and energy access. Shaping future regulatory environment which is more conducive to implementation of decarbonization projects is a real business opportunity.

As part of our commitment to upholding the highest standards of business conduct, EPIF ensures that our funding is transparently managed, that it does not support any illegal or unethical activities, and that it is aligned with our sustainability commitments. We consider ourselves responsible investors, choosing to not support political parties, neither directly nor through the funding of other Groups' activities. We actively participate in discussions with governments and organizations regarding the development of proposed legislation and regulations that affect our business.

For the financial year 2024, EPIF did not make any material financial or in-kind political contributions to any political party, either directly or indirectly. There have been no appointments to management positions made in the last year by individuals who held comparable positions in public office. Membership to the Czech Chamber of Commerce is voluntary; EPIF is not a member of the chambers.

EPH Group, EPIF's parent company, is registered on its local transparency register; the EU Transparency Register, registration number 563139795101-61, and renewed its registration on 12/12/2024. A member of the Board of Directors holds the legal responsibility for this registration and associated matters, though oversight of the matters which EPIF is involved in, and the interactions with our business strategy sits with the Board as a whole. In addition, EPIF subsidiaries might pursue separate lobbying activities, reflecting their sectoral exposure and also complying with the unbundling requirements.

EPIF holds representative interest at national, regional and local, and European levels. The main EU legislative proposals and policies which EPIF targets are around European legislation in the energy sector, which includes Strategy 2050; Energy Union; European Green Deal, Climate law and consecutive legislation; energy efficiency; renewables, internal energy market; energy infrastructure, CEF and network codes; Just Transition; EU Battery value chain; Hydrogen value chain; European environmental legislation; ETS system revision/ MSR; European legislation in the area of public procurement; EU competition law; and European Sustainable finance legislation.

As part of our lobbying activities, we are members of the following associations, networks and other bodies through our OpCos: European Network of Transmission System Operators for Gas; H2eart for Europe; European Hydrogen Backbone; H2EU+Store; Central European Hydrogen Corridor; Ready4H2; Gas Infrastructure Europe; Association for District Heating of the Czech Republic.

13. ESRS INDEX

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13.2 ESRS 2 IRO-2 - List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	Material information?	Legislation	Page in sustainability statement
ESRS 2 GOV-1 - Board's gender diversity paragraph 21 (d)	Material	SFDR/CBSR	14
ESRS 2 GOV-1 - Percentage of board members who are independent paragraph 21 (e)	Material	CBSR	14
ESRS 2 GOV-4 - Statement on due diligence paragraph 30	Material	SFDR	15
ESRS 2 SBM-1 - Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Material	SFDR/EBA3/ CBSR	19
ESRS 2 SBM-1 - Involvement in activities related to chemical production paragraph 40 (d) ii	Not material		
ESRS 2 SBM-1 - Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material		
ESRS 2 SBM-1 - Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material		
ESRS E1-1 - Transition plan to reach climate neutrality by 2050 paragraph 14	Material	EUCL	53
ESRS E1-1 - Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Material	EBA3/ CBSR	53
ESRS E1-4 - GHG emission reduction targets paragraph 34	Material	SFDR/EBA3/ CBSR	74
ESRS E1-5 - Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Material	SFDR	76
ESRS E1-5 - Energy consumption and mix paragraph 37	Material	SFDR	77
ESRS E1-5 - Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Material	SFDR	77
ESRS E1-6 - Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Material	SFDR/EBA3/ CBSR	78
ESRS E1-6 - Gross GHG emissions intensity paragraphs 53 to 55	Material	SFDR/EBA3/ CBSR	80
ESRS E1-7 - GHG removals and carbon credits paragraph 56	Not material		
ESRS E1-9 - Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Material	CBSR	88
ESRS E1-9 - Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Material	EBA3	88
ESRS E1-9 - Location of significant assets at material physical risk paragraph 66 (c).	Material	EBA3	90
ESRS E1-9 - Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). - ESRS E1-9	Not material		
ESRS E1-9 - Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Material	CBSR	81
ESRS E2-4 - Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Material	SFDR	123
ESRS E3-1 - Water and marine resources paragraph 9	Material	SFDR	125
ESRS E3-1 - Dedicated policy paragraph 13	Material	SFDR	125

ESRS E3-1 - Sustainable oceans and seas paragraph 14	Not material		
ESRS E3-4 - Total water recycled and reused paragraph 28 (c)	Not material		
ESRS E3-4 - Total water consumption in m3 per net revenue on own operations paragraph 29	Material	SFDR	127
ESRS 2 IRO-1 - E4 paragraph 16 (a) i	Material	SFDR	129
ESRS 2 IRO-1 - E4 paragraph 16 (b)	Material	SFDR	129
ESRS 2 IRO-1 - E4 paragraph 16 (c)	Material	SFDR	129
ESRS E4-2 - Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material		
ESRS E4-2 - Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material		
ESRS E4-2 - Policies to address deforestation paragraph 24 (d)	Not material		
ESRS E5-5 - Non-recycled waste paragraph 37 (d)	Material	SFDR	136
ESRS E5-5 - Hazardous waste and radioactive waste paragraph 39	Material	SFDR	136
ESRS 2 SBM-3 - S1 - Risk of incidents of forced labor paragraph 14 (f)	Material	SFDR	139
ESRS 2 SBM-3 - S1 - Risk of incidents of child labor paragraph 14 (g)	Material	SFDR	139
ESRS S1-1 - Human rights policy commitments paragraph 20	Material	SFDR	140
ESRS S1-1 - Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21	Material	CBSR	140
ESRS S1-1 - processes and measures for preventing trafficking in human beings paragraph 22	Material	SFDR	140
ESRS S1-1 - workplace accident prevention policy or management system paragraph 23	Material	SFDR	140
ESRS S1-3 - grievance/complaints handling mechanisms paragraph 32 (c)	Material	SFDR	141
ESRS S1-14 - Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Material	SFDR/CBSR	148
ESRS S1-14 - Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Material	SFDR	148
ESRS S1-16 - Unadjusted gender pay gap paragraph 97 (a)	Material	SFDR/CBSR	149
ESRS S1-16 - Excessive CEO pay ratio paragraph 97 (b)	Material	SFDR	149
ESRS S1-17 - Incidents of discrimination paragraph 103 (a)	Material	SFDR	149
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Material	SFDR/CBSR	149
ESRS 2 SBM-3 – S2 - Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Material	SFDR	150
ESRS S2-1 - Human rights policy commitments paragraph 17	Material	SFDR	151
ESRS S2-1 - Policies related to value chain workers paragraph 18	Material	SFDR	151
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Material	SFDR/CBSR	151
ESRS S2-1 - Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19	Material	CBSR	151

ESRS S2-4 - Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Material	SFDR	152
ESRS S3-1 - Human rights policy commitments paragraph 16	Material	SFDR	155
ESRS S3-1 - non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Material	SFDR/CBSR	155
ESRS S3-4 - Human rights issues and incidents paragraph 36	Material	SFDR	156
ESRS S4-1 - Policies related to consumers and end-users paragraph 16 - ESRS S4-1	Material	SFDR	160
ESRS S4-1 - Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Material	SFDR/CBSR	160
ESRS S4-4 - Human rights issues and incidents paragraph 35	Material	SFDR	161
ESRS G1-1 - United Nations Convention against Corruption paragraph 10 (b)	Material	SFDR	165
ESRS G1-1 - Protection of whistle- blowers paragraph 10 (d)	Material	SFDR	165
ESRS G1-4 - Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Material	SFDR/CBSR	168
ESRS G1-4 - Standards of anti- corruption and anti- bribery paragraph 24 (b)	Material	SFDR	168

Legend:

SFDR	Sustainable Finance Disclosure Regulation
CBSR	Climate Benchmark Standards Regulation
EBA3	EBA Pillar 3
EUCL	EU Climate Law

13.3 Glossary of Terms

Abbreviation	Term
ABC	Anti-bribery and corruption
AR	Application Requirement
BAT	Best Available Technique
Capex	Capital Expenditure
CCUS	Carbon Capture, Utilization, and Storage
CCS	Carbon Capture and Storage
CEMS	Continuous Emission Monitoring Systems
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHP	Combined Heat and Power
CO	Carbon Monoxide
CO2	Carbon Dioxide
CBD	Convention for Biological Diversity
COP	Conference of Parties
CMIP6	Coupled Model Intercomparison Project
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity and Inclusion
DMA	Double Materiality Assessment
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ENCORE	Exploring Natural Capital Opportunities Risks and Exposure
EEA	European Economic Area
EFRAG	European Financial Reporting Advisory Group
EIA	Environmental Impact Assessment
EPH	Energetický a průmyslový holding, a.s.
EPIF	EP Infrastructure, a.s.
ESG	Environmental, Social, Governance
ESRS	European Sustainability Reporting Standards
ETI	Ethical Trading Initiative
ETS	Emissions Trading Scheme
EU	European Union
EWC	European Works Council
GFF	Green Financing Framework
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HSE	Health, Safety & Environment
IPCC	Intergovernmental Panel on Climate Change
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPCEI	Important Project of Common European Interest
IRO	Impact, Risks and Opportunities

ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicator
KYC	Know Your Customer
LEAP	Locate, Evaluate, Assess, and Prepare
LTIFR	Lost Time Injury Frequency Rate
MDR	Minimum Disclosure Requirement
MWh	Megawatt hour
NACE	Nomenclature of Economic Activities
NGO	Non-governmental Organisation
Nimby	Not In My Backyard
NOX	Nitrous Oxides
OECD	Organisation for Economic Co-operation and Development
OpCo	Operating Company
Opex	Operational Expenditure
PAB	Paris Aligned Benchmark
P&L	Profit & Loss
PV	Photovoltaic
R&D	Research & Development
R&Os	Risks & Opportunities
SBM	Strategy and Business Model
SO2	Sulphur Dioxide
SSP	Shared Socio-economic Pathway
TCFD	Taskforce for Climate Related Disclosures
TNFD	Taskforce for Nature Related Disclosures
TRIR	Total Recordable Incident Rate
TWh	Terawatt hour
UK	United Kingdom
UN	United Nations
UNGC	United Nations Global Compact
VC	Value Chain
WEI+	Water Exploitation Index
WRI	World Resource Institute
WWF	World Wildlife Fund
WWF BRF	Biodiversity Risk Filter
WWF WRF	Water Risk Filter

13.4 Supplementary tables

13.4.1 ESRS Environment

E1 Climate change

13.4.1.1

Energy consumption by country						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	9,995	11,855	11,749	7,969	6,883	(14%)
Slovakia	1,169	964	882	825	789	(4%)
Germany	55	126	95	107	74	(30%)
Hungary	3,602	–	–	–	–	
Total	**14,820**	**12,945**	**12,726**	**8,901**	**7,746**	(13%)

Share of fuels on energy consumption						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Lignite	59%	80%	79%	74%	64%	(13%)
Natural Gas	33%	8%	4%	5%	5%	(3%)
Biomass	5%	9%	11%	12%	20%	68%
Other	2%	3%	6%	10%	11%	18%

Electricity losses in the power distribution network						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Electricity inflows to the grid	7,542	7,991	7,769	7,598	N/A	
Network losses	421	442	351	367	419	14%
Network losses in %	*5.6%*	*5.5%*	*4.5%*	*4.8%*	N/A	

Scope 1 CO_2 emissions by segment						
thsnd. tonnes CO_2 eq.	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Gas Transmission	168	121	18	15	16	11%
Gas and Power Distribution	3	4	11	9	10	13%
Gas Storage	36	56	67	56	34	(39%)
Heat Infra	3,544	3,278	3,254	2,101	1,556	(26%)
Total	**3,752**	**3,459**	**3,350**	**2,181**	**1,617**	(26%)

Scope 1 CO_2 emissions by country						
thsnd. tonnes CO_2 eq.	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	2,826	3,284	3,257	2,105	1,558	(26%)
Slovakia	195	152	78	58	47	(19%)
Germany	8	23	15	18	12	(34%)
Hungary	722	–	–	–	–	
Total	**3,752**	**3,459**	**3,350**	**2,181**	**1,617**	(26%)

Scope 2 CO2 emissions by country						
thsnd. tonnes CO_2 eq.	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	33	9	8	8	8	(2%)
Slovakia	6	8	53	61	47	(23%)
Germany	3	2	2	2	2	(1%)
Hungary	3	–	–	–	–	
Total	**44**	**19**	**63**	**75**	**56**	(20%)

Scope 1 methane emissions						
thsnd. tonnes CO_2 eq.	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Gas transmission	87	72	54	92	33	(64%)
Gas distribution	179	158	137	112	107	(5%)
Gas storage	29	28	40	30	22	(26%)
Other	–	–	–	–	(0)	
Total	**295**	**257**	**232**	**234**	**161**	**(31%)**

13.4.1.2 E2 Pollution

SO_2 emissions by country						
tonnes	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	4,645	3,279	4,436	2,582	2,350	(9%)
Slovakia	3	3	3	8	7	(18%)
Total	**4,648**	**3,282**	**4,439**	**2,590**	**2,357**	**(9%)**

NOx emissions by country						
tonnes	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	2,655	3,097	3,335	2,138	1,751	(18%)
Slovakia	193	183	75	66	44	(33%)
Hungary	388	–	–	–	–	
Total	**3,237**	**3,280**	**3,410**	**2,204**	**1,795**	**(19%)**

Dust emissions by country						
tonnes	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	110	105	97	56	46	(18%)
Slovakia	5	4	3	3	2	(27%)
Total	**115**	**109**	**100**	**59**	**48**	**(18%)**

13.4.1.3 E3 Water resources

Quantity of water withdrawn by country						
million m^3	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	31	41	94	84	41	(51%)
Slovakia	0	0	0	0	0	(5%)
Germany	0	0	0	0	0	(87%)
Hungary	13	–	–	–	–	
Total water withdrawn	**44**	**41**	**94**	**84**	**41**	**(51%)**

13.4.1.4 E5 Resource use and circular economy

Byproducts by means of disposal						
thsnd. tonnes	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Sales	268	318	457	316	300	(5%)
Storage - own stock	109	145	–	–	–	
Storage - external	–	176	241	145	104	(28%)
Stabilizate production	509	627	627	301	195	(35%)
Storage - chargeable waste	5	23	44	35	33	(7%)
Other	–	–	1	0	–	(100%)
Total	**891**	**1,288**	**1,370**	**796**	**632**	**(21%)**

Waste by country						
tonnes	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	2,570	1,846	2,468	2,094	1,179	(44%)
Slovakia	43,567	44,660	36,262	41,177	40,562	(1%)
Germany	503	1,900	971	969	853	(12%)
Hungary	146	–	–	–	–	
Total	**46,786**	**48,406**	**39,701**	**44,240**	**42,594**	**(4%)**

13.4.2 ESRS Social

13.4.2.1 S1-6 Characteristics of EPIF's employees

Male employees						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	1,530	1,168	1,136	1,151	1,145	(1%)
Slovakia	3,402	3,406	3,418	3,333	3,330	(0%)
Germany	51	54	55	56	58	5%
Hungary	173	–	–	–	–	
Netherlands	1	1	1	1	1	0%
Total	**5,158**	**4,629**	**4,609**	**4,541**	**4,534**	**(0%)**

Female employees						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	359	291	326	333	346	4%
Slovakia	870	883	894	897	911	2%
Germany	7	7	7	6	8	19%
Hungary	34	–	–	–	–	
Netherlands	1	1	1	1	1	0%
Total	**1,271**	**1,182**	**1,227**	**1,238**	**1,266**	**2%**

Ratio of female						
%	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	19%	20%	22%	22%	23%	3%
Slovakia	20%	21%	21%	21%	21%	1%
Germany	12%	11%	11%	10%	12%	12%
Hungary	16%					
Netherlands	50%	50%	50%	50%	50%	0%
Total	**20%**	**20%**	**21%**	**21%**	**22%**	**2%**

Full-time job						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	1,870	1,428	1,420	1,450	1,450	(0%)
Slovakia	4,260	4,277	4,298	4,208	4,222	0%
Germany	56	60	61	59	62	5%
Hungary	2	–	–	–	–	
Total	**6,188**	**5,765**	**5,779**	**5,718**	**5,734**	**0%**

Part-time job						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	20	31	42	36	41	15%
Slovakia	12	12	14	24	19	(20%)
Germany	2	1	1	3	4	31%
Hungary	205	–	–	–	–	
Netherlands	2	2	2	2	2	0%
Total	**241**	**46**	**59**	**65**	**66**	**2%**

Employees with a permanent contract						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	1,813	1,382	1,379	1,400	1,405	0%
Slovakia	3,861	3,923	3,919	3,798	3,763	(1%)
Germany	57	59	59	59	63	6%
Hungary	207	–	–	–	–	
Netherlands	2	2	2	2	2	0%
Total	**5,940**	**5,366**	**5,359**	**5,259**	**5,233**	**(0%)**

Employees with a temporary contract						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	76	76	83	87	86	(1%)
Slovakia	411	367	393	434	478	10%
Germany	1	2	3	3	3	6%
Hungary	0	–	–	–	–	
Total	**488**	**445**	**479**	**523**	**567**	**8%**

Number of leavers						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	165	131	124	121	141	17%
Slovakia	184	263	344	429	305	(29%)
Germany	2	7	5	3	2	(41%)
Hungary	18	–	–	–	–	
Total leavers	**369**	**401**	**473**	**553**	**448**	**(19%)**

13.4.2.2 S1-8 Collective bargaining coverage and social dialogue

Employees with collective bargaining agreements						
FTE	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	1,672	1,200	1,170	1,187	1,188	0%
Slovakia	4,220	4,236	4,259	4,101	4,109	0%
Germany	51	54	54	54	58	7%
Hungary	206	–	–	–	–	
Total	**6,148**	**5,489**	**5,483**	**5,341**	**5,355**	0%
Covered% of total headcount	**96%**	**94%**	**94%**	**92%**	**92%**	(0%)

13.4.2.3 S1-9 Diversity metrics

Age structure					
FTE	**2020**	**2021**	**2022**	**2023**	**2024**
Under 30 years old	454	457	451	465	487
Between 30 and 50 years old	3,202	2,779	2,807	2,716	2,686
Over 50 years old	2,772	2,576	2,580	2,601	2,626
Total	**6,428**	**5,812**	**5,839**	**5,782**	**5,800**

Age structure					
%	**2020**	**2021**	**2022**	**2023**	**2024**
Employees under 30 years old	7%	8%	8%	8%	8%
Employees between 30 and 50 years old	50%	48%	48%	47%	46%
Employees over 50 years old	43%	44%	44%	45%	45%

13.4.2.4 S1-13 Training and skills development metrics

Total training hours						
hours	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	18,332	13,988	17,209	21,056	18,327	(13%)
Slovakia	128,965	151,231	167,859	198,268	197,331	(0%)
Germany	335	1,142	1,041	2,445	8,478	>100%
Hungary	5,472	–	–	–	–	
Total training hours	**153,104**	**166,360**	**186,109**	**221,768**	**224,136**	**1%**

13.4.2.5 S1-14 Health and Safety

Fatal injuries						
#	**2020**	**2021**	**2022**	**2023**	**2024**	Δ
Slovakia	–	–	1	1	–	(1)
Total fatal injuries	–	–	1	1	–	**(1)**

Lost-time injuries						
#	**2020**	**2021**	**2022**	**2023**	**2024**	Δ
Czech Republic	11	13	10	6	6	-
Slovakia	19	14	19	12	9	(3)
Total registered injuries	**30**	**27**	**30**	**18**	**15**	**(3)**

Injury Frequency Rate						
Index	**2020**	**2021**	**2022**	**2023**	**2024**	Δ
Czech Republic	3.4	5.0	3.9	2.2	2.2	(0.0)
Slovakia	2.7	2.0	3.0	1.9	1.3	(0.7)
Germany	–	–	10.9	–	–	-
Total injury frequency rate	**2.8**	**2.8**	**3.3**	**2.0**	**1.5**	**(0.5)**

Worked Hours						
mil.hours	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	3.3	2.6	2.6	2.7	2.7	0%
Slovakia	6.9	7.0	6.7	6.7	7.2	8%
Germany	0.1	0.1	0.1	0.1	0.1	5%
Hungary	0.3	–	–	–	–	
Total worked hours	**10.6**	**9.6**	**9.3**	**9.4**	**10.0**	6%

Employees covered by ISO 45001					
Covered rate %	**2020**	**2021**	**2022**	**2023**	**2024**
Czech Republic	861	423	426	426	429
Slovakia	2,453	3,777	3,814	3,734	3,756
Germany	–	–	–	62	66
Total	**3,314**	**4,200**	**4,240**	**4,221**	**4,251**
Covered in % of total headcount	**52%**	**72%**	**73%**	**73%**	**73%**

13.4.3 EPIF specific metrics

13.4.3.1 Net installed capacity

Electricity - installed capacity by fuel						
MW	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Conventional	**928**	**904**	**904**	**902**	**902**	0%
Lignite	848	824	824	822	822	0%
OCGT and other natural gas	50	50	50	50	50	0%
Oil	20	20	20	20	20	0%
Other	11	11	11	11	11	0%
Renewable	**40**	**64**	**64**	**66**	**66**	0%
Wind	6	6	6	6	6	0%
Photovoltaic	15	15	15	15	15	2%
Hydro	3	3	3	3	3	0%
Biomass	14	37	37	39	39	0%
Other	3	3	3	3	3	(5%)
Total	**968**	**968**	**968**	**968**	**968**	**0%**

Electricity - installed capacity by country						
MW	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	900	900	900	900	900	0%
Slovakia	68	68	68	68	68	(0%)
Total	**968**	**968**	**968**	**968**	**968**	**0%**

Heat - installed capacity by fuel						
MW	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Lignite	2,767	2,600	2,590	2,570	1,951	(24%)
OCGT and other natural gas	18	18	18	18	–	(100%)
Oil	229	229	229	229	229	0%
Biomass	39	136	135	154	235	52%
Other	32	32	32	32	23	(29%)
Total	**3,085**	**3,015**	**3,003**	**3,003**	**2,438**	**(19%)**

Heat - installed capacity by fuel						
MW	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	3,085	3,015	3,003	3,003	2,438	(19%)
Total	**3,085**	**3,015**	**3,003**	**3,003**	**2,438**	**(19%)**

13.4.3.2 Energy production

Total net energy production						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Total	7,383	5,295	5,041	3,932	3,629	(8%)

Electricity production by fuel						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Conventional	**3,132**	**2,280**	**2,250**	**1,343**	**972**	(28%)
Lignite	1,784	2,231	2,199	1,297	926	(29%)
CCGT	1,301	–	–	–	–	
OCGT and other natural gas	0	1	1	0	1	>100%
Oil	–	–	–	–	(0)	
Other	46	48	50	46	46	(0%)
Renewable	**205**	**288**	**328**	**231**	**304**	32%
Wind	8	5	5	7	7	0%
Photovoltaic	17	17	17	15	15	(2%)
Hydro	7	6	4	8	7	(8%)
Biomass	162	247	292	191	262	37%
Other	11	13	10	10	13	34%
Total	**3,337**	**2,568**	**2,578**	**1,574**	**1,276**	**(19%)**

Electricity production by country						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	2,005	2,535	2,549	1,544	1,244	0%
Slovakia	31	33	29	29	32	10%
Hungary	1,301	–	–	–	–	
Total	**3,337**	**2,568**	**2,578**	**1,574**	**1,276**	**(19%)**

Heat production by fuel						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Lignite	2,262	2,460	2,168	1,979	1,851	(6%)
CCGT	1,476	–	–	–	–	
OCGT and other natural gas	57	0	0	0	1	>100%
Oil	3	1	4	5	2	(68%)
Biomass	173	207	257	299	423	42%
Other	76	58	35	76	76	0%
Total	**4,046**	**2,726**	**2,463**	**2,359**	**2,353**	**(0%)**

Heat production by country						
GWh	**2020**	**2021**	**2022**	**2023**	**2024**	**% 24/23**
Czech Republic	2,571	2,726	2,463	2,359	2,353	0%
Hungary	1,476	–	–	–	–	
Total	**4,046**	**2,726**	**2,463**	**2,359**	**2,353**	**(0%)**