

Consolidated Annual Report 2024



24



EPH

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Year 2024

Group Performance

[EUR]

23.3billion

Consolidated revenues

2.6billion

Underlying EBITDA

1.4billion

Free Cash Flow

1.7×

Net Underlying Leverage Ratio

Performance in Segments

[Underlying EBITDA in EUR]

1.0billion

Flexible Power Generation

0.2billion

Renewable Energy

0.4billion

Gas Transmission

0.6billion

Gas and Power Distribution

0.3billion

Gas Storage

0.1billion

Heat Infrastructure

Green Finance Framework
established and inaugural green bond
issued in May 2024

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Financial and Operational Highlights

of the Year

Financial and Operational Highlights of the Year

		2024	2023 (restated)
INCOME STATEMENT			
Revenues	€ million	23,331	23,981
Gross profit ¹	€ million	5,366	6,782
Earnings before interest, taxes, depreciation and amortization (Underlying EBITDA) ²	€ million	2,550	3,576
Earnings before interest and tax (EBIT) ³	€ million	1,701	2,805
Net financial income (expense)	€ million	(516)	1,315
Profit before income tax	€ million	1,588	5,212
Profit for the year	€ million	1,036	4,715
BALANCE SHEET			
Total assets	€ million	26,410	28,855
Equity total	€ million	8,139	9,210
Net working capital ⁴	€ million	503	1,445
Net financial debt ⁵	€ million	4,396	4,828
CASH FLOW STATEMENT			
Cash flow from operating activities	€ million	3,497	3,620
Cash flow from investing activities	€ million	(1,084)	(1,332)
Cash flow from financing activities	€ million	(2,464)	(1,796)
Change in cash and cash equivalents	€ million	(51)	492
Cash and cash equivalents ⁶	€ million	3,451	3,502
Capital expenditures (CAPEX) ⁷	€ million	640	788
Income tax paid	€ million	501	970
Free Cash flow (FCF) ⁸	€ million	1,409	1,818

		2024	2023 (restated)
RATIOS			
Net leverage ⁹	×	1.7×	1.4×
Cash conversion ¹⁰	%	55.3%	50.8%
Operating KPIs			
Average number of employees	#	10,518	10,966
Net installed capacity	MW	14,624	13,911
Net power production	TWh	32.0	36.1
Emission intensity	t CO ₂ /GWh	499	519

1 Grofit profit represents Revenues less Purchases and consumables

2 Underlying EBITDA has been prepared in accordance with the definition set out in the note 5 to the Consolidated financial statements.

3 EBIT =Profit (loss) from operations

4 Net working capital = Trade receivables and other assets (non-current and current) + Inventories, extracted minerals and mineral products + Prepayments and other deferrals (current) – Trade payables and other liabilities (non-current and current)

5 Net financial debt = Loans and borrowings + Issued bills of exchange – Cash and cash equivalents

6 Includes EUR 133 million presented under Asset held for sale

7 Capital expenditure (CAPEX) represents Acquisition of property, plant and equipment and intangible assets, which does not include discontinued operations

8 Free Cash flow is defined as Underlying EBITDA less CAPEX less Income tax paid

9 Net leverage = Net financial debt / Underlying EBITDA

10 Cash conversion = (Underlying EBITDA – CAPEX – Income tax paid) / Underlying EBITDA

Introduction

by the Chairman of the Board of Directors and CEO

Dear Stakeholders,

we are pleased to introduce you to the consolidated annual report of Energetický a průmyslový holding, a.s. (“EPH” or the “Group”) for 2024 – a year marked by large-scale investments into future growth amid challenging market environment.

EPH’s business model has always been based on stable, regulated or contracted revenues from the energy infrastructure segment, complemented by the power generation segment’s ability to seize opportunities in volatile markets while ensuring consistent secured income through long-term capacity contracts and the provision of electricity network balancing services.

This is why, despite declining electricity prices and high market volatility, the Group delivered strong financial results also in the past year – our consolidated EBITDA¹ reached €2,550 million. The main EBITDA contributors were the energy infrastructure segment under EP Infrastructure generating €1,387 million, and the power generation segment under EP Power Europe with €1,173 million. Consolidated free cash flow² of €1,409 million and net leverage³ of 1.7× provide indisputable evidence of operational excellence, high cash conversion and commitment to financial discipline,

These numbers though do not yet reflect the Group’s potential for the years to come. The past year was a year of significant investments into future growth through new-builds, refurbishment and acquisitions. We continue to expand our installed capacity with long-term contracted revenue streams.

In Italy, we are commissioning a new 806 MW CCGT power plant in Tavazzano, finalizing the construction of a 881 MW CCGT power plant Ostiglia, and building



Daniel Křetínský
Chairman of the Board

several battery storage facilities with up to 760 MWh of capacity. In the UK, we have commissioned a 647 MW OCGT in Kilroot and we are preparing the construction of a 698 MWh battery storage project.

1 EBITDA has been prepared in accordance with the definition set out in the note 5 to the consolidated financial statements.

2 Defined as EBITDA less CAPEX less Income tax paid.

3 Defined as Net financial debt / EBITDA whereas Net financial debt represents Loans and borrowings plus Issued bills of exchange less Cash and cash equivalents.

We are also planning the refurbishment of several CCGT units and launching decarbonization investments in our lignite-based combined heat and power plants in the Czech Republic, demonstrating our commitment to sustainable energy and further reduction of the Group’s environmental footprint.

On 18 December 2024, we signed an agreement with Enel Produzione S.p.A. to acquire its share in Slovak Power Holding BV, which will, upon completion, raise the Group’s stake in Slovenské elektrárne (“SE”) to 66%. SE is Slovakia’s largest electricity producer, generating power exclusively from zero emission assets – nuclear, hydro, and solar. If combined, and before taking into account the positive effects of all the above outlined investment initiatives, the 2024 EBITDA of EPH and SE would amount to almost €4.3 billion.

In 2024, the Group fully aligned with the Corporate Sustainability Reporting Directive (CSRD). Our tenth annual sustainability report presents the outcomes of our first double materiality assessment and tracks our environmental, social, and governance (ESG) progress. Key milestones include decommissioning coal units at Mehrum in Germany and advancing the transition of the MIBRAG Energy Group to EP Energy Transition in 2025. This move supports the environmentally responsible transformation of our lignite business while respecting social and regional considerations.

In the final months of 2024, we separated the role of the Chairman of the Board and CEO, formalizing the already existing division of tasks between Daniel Křetínský and Jan Špringl. Over the last years, Jan has been leading the day-to-day business and



Jan Špringl
Vice-Chairman of the Board and CEO

operational management of EPH, while Daniel focused on the overall strategy of EPH and the wider EP group. We also increased the size of the Board of Directors to 12 members, reflecting the size, geographical diversity and business complexity of the Group’s operations.

Moving forward, we would like to extend our sincere thanks to our employees for their dedication, creativity, and resilience. Your contributions have been essential to the Group’s success. We also want to express our gratitude to our partners, customers, and stakeholders for their continued trust and collaboration. Our mission remains unchanged: supporting the energy transition in a socially responsible and reliable manner, while maintaining the highest standards of quality and security of supply. Together, we are shaping the future of a resilient, sustainable, and innovative energy landscape across Europe.

Sincerely,

Daniel Křetínský
Chairman of the Board

Jan Špringl
Vice-Chairman of the Board and CEO

I. Combined Review of Operations

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1. Major events in 2024

Acquisitions and disposals

Decommissioning of hard coal-fired Mehrum power plant

On 28 March 2024, the closure of the German hard coal-fired power plant Mehrum (690 MW) was finalized as a part of Group’s dedication to a sustainable future without coal. The decommissioning of this coal power plant underscores the Group’s commitment to transforming towards sustainable electricity production.

Acquisition of 50% stake in West Burton Energy from TotalEnergies

On December 16, 2024, EP UK Investments, subsidiary of EPH in the UK, has acquired a 50% stake in West Burton Energy from TotalEnergies, which acquired 100% ownership during 2024. West Burton Energy owns a 1.3 GW gas power plant and a 49 MW battery storage system.

Commissioning of solar capacity with 43 MW PV Peres West I

On December 16, 2024, MIBRAG, a subsidiary of EPH, has commissioned PV Peres West I, its third photovoltaic plant. Built on a recultivated area of the Vereinigtes Schleenhain open-cast mine, located south of Leipzig, the plant will provide 43 MW of solar energy, primarily for MIBRAG’s own electricity supply. PV Peres West I will generate enough electricity to support the equivalent of 16,000 households annually.

Agreement to acquire Enel’s stake in Slovenské elektrárne

On December 18, 2024, EPH has signed an agreement with Enel Produzione S.p.A. to acquire the remaining 50% stake in Slovak Power Holding BV (SPH), which owns 66% of Slovenské elektrárne, a.s. This follows an early call option introduced in 2020, amending the original 2015 contract. EPH previously acquired 50% of SPH in 2016 and will now complete the transaction, valued at EUR 150 million, all of which has already been prepaid. The deal, expected to close in the first half of 2025, is subject to regulatory approvals. Slovenské elektrárne, Slovakia’s largest electricity producer, now operates solely with carbon-free energy sources.

Financing

EPIF successfully issued €285 million green Schuldschein

On 5 March 2024, EP Infrastructure, a.s. has raised EUR 285 million through Schuldschein loan agreements under German law issued in line with EPIF’s green principles (so called “green Schuldschein”). Initially targeting a minimum volume of EUR 100 million, strong demand from the Schuldschein investor community led to an increase in the offering amount. 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. COMMERZBANK AG acted as the arranger of the green Schuldschein.

EPIF has allocated the proceeds from the Schuldschein loan agreements in accordance with its Green Finance Framework established in August 2023.

EP Infrastructure 2024 Notes

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

EPH successfully issues its inaugural €500 million green bonds

To provide a link between its transition strategy and external financing, EPH introduced its Green Finance Framework in May 2024 and subsequently issued its inaugural green bond of 500 million EUR via its subsidiary EPH Financing International, a.s. The EUR-denominated green bonds, maturing in November 2029, bear an annual coupon of 5.875%. An amount equivalent to the net proceeds from the issuance will be allocated in line with EPH’s Green Finance Framework to a portfolio of eligible green projects.

EPH Financing International 2028 Notes additional emission

On 29 July 2024, EPH Financing International, a.s. successfully sold additional EUR 100 million of its 6.651% 2028 Notes, i.e. increased the volume of the first notes issue under its programme. The notes were privately placed at 103.989% of their nominal value. Applicable effective interest rate associated with the additional issue is 5.599%. The net proceeds were upstreamed to EPH.

EPIF Facility agreement

On 8 November 2024, EPIF signed a new EUR 400 million revolving facility agreement, replacing the revolving facility made available under the senior term and revolving facilities agreement from January 2020. New financing will provide EPIF with an unsecured revolving facility until 8 November 2027.

The debts of EPIF under the EPIF’s Facilities 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.

Selected events that occurred after the reporting date

Events occurring after the end of the reporting period are listed in Note 35. in the Notes to the Consolidated Financial Statements.

2.

Business performance

Operational performance

Performance of infrastructure assets

Majority of EPH critical energy infrastructure assets are bundled under umbrella of EPIF. These assets represent one of two key pillars of EPH business with stable financial performance and minimal carbon footprint.

Operational performance of infrastructure assets is driven namely by development of economic activity as well as weather conditions in Central Europe. Additionally, Gas Transmission is influenced by the gas market development in Europe nowadays driven mainly by the war in Ukraine. These factors influenced all segments of the infrastructure business.

The volume of transited gas was 17.8 bcm, representing an increase of 11% (16.1 bcm in 2023).

In segment of Gas and Power Distribution, EPH Group distributed 47.3 TWh of gas representing an increase of 4% (45.5 TWh in 2023) and 6.1 TWh of power representing an increase of 2% (6.0 TWh in 2023).

The Group supplied 7.4 PJ of heat (7.4 PJ in 2023). Majority of supply volumes belong to our highly efficient CHP plants in the Czech Republic under EPIF Group, with minor supply volumes provided also by our German operations under Power Generation Group.

KPI	Unit	2024	2023	2024–2023	%
Performance of EPH infrastructure assets					
Gas Transmission Flows	bcm	17.8	16.1	1.7	11%
Gas Storage Capacity	TWh	64.4	64.3	0.1	0%
Gas Distribution	TWh	47.3	45.5	1.7	4%
Power Distribution	TWh	6.1	6.0	0.1	2%
Heat Supply	PJ	7.4	7.4	(0.1)	(1%)

Performance of power generation assets

Power generation assets represent the second pillar of EPH operations providing diversification to its operations, with majority of these are bundled under Power Generation Group. EPH Group consolidates 14.6 GW of net installed power capacity (13.9 GW in 2023). The capacities generated 32.0 TWh of power (36.1 TWh in 2023).

EPIF Group consolidates 1.0 GW of net installed power capacity (1.0 GW in 2023) represents highly efficient combined heat and power plants (CHP), with minor renewable wind, solar and biogas generation capacities. EPIF Group generated net power volume of 1.3 TWh of power (1.6 TWh in 2023).

Power Generation Group consolidates 13.7 GW of net installed power capacity in Germany, the UK, Ireland, France, Italy and the Netherlands (12.9 GW in 2023). These assets generated 30.7 TWh of power (34.5 TWh in 2023). Lower generation across power generation assets driven by commodity prices softening.

KPI	Unit	2024	2023	2024–2023	%
Net installed capacity – Electricity – Total					
EPIF Group					
Czech Republic	MW	900	900	–	–%
Slovakia	MW	68	68	–	–%
Total – EPIF Group	MW	968	968	–	–%
Power Generation Group					
France ⁴	MW	845	837	8	1%
Netherlands	MW	2,603	2,585	18	1%
Germany	MW	1,012	1,658	(646)	(39%)
UK	MW	3,971	3,489	482	14%
Ireland	MW	384	384	–	–%
Italy ⁵	MW	4,840	3,989	851	21%
Total – Power Generation Group	MW	13,655	12,943	712	6%
Total – EPH Group					
	MW	14,624	13,911	712	5%

4

The number includes installed capacity of Emile Huchet 6 (EH6). EH6 was already off the merchant operations (since March 2022). However, due to situation on the fragile French energy market, the power plant was recommissioned during 2022 to support the electricity grid and security of supply and remained in operation during whole 2024.

5

The number includes installed capacity of new power plant in Tavazzano. Power plant in Tavazzano was in advance stage of commissioning as of year end and was already providing power to network in test regime.

KPI	Unit	2024	2023	2024 - 2023	%
Net power production – Total					
EPIF Group					
Czech Republic	TWh	1.2	1.5	(0.3)	(19%)
Slovakia	TWh	0.0	0.0	0.0	10%
Total – EPIF Group	TWh	1.3	1.6	(0.3)	(19%)
Power Generation Group					
France	TWh	0.5	0.8	(0.3)	(41%)
Netherlands ⁶	TWh	6.4	7.4	(1.0)	(13%)
Germany	TWh	4.6	4.3	0.3	8%
UK	TWh	7.4	9.0	(1.6)	(18%)
Ireland	TWh	0.7	1.1	(0.4)	(33%)
Italy	TWh	11.1	12.0	(0.9)	(8%)
Total – Power Generation Group	TWh	30.7	34.5	(3.8)	(11%)
Total – EPH Group	TWh	32.0	36.1	(4.1)	(11%)

Significant power generation assets are owned by equity accounted investees. Companies belonging to this group disposed with 4.7 GW of net installed power capacity (4.9 GW in 2023) and generated 20.6 TWh of power (20.9 TWh in 2023). Major share of this is represented by Slovenské elektrárne Group.

Sustainability performance and Environmental, Social and Governance matters

Throughout 2024, EPH 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, EPH 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 EPH Annual Report.

Financial performance

EPH achieved solid financial results in the year under the review, despite challenging market conditions with electricity prices declining from their peaks in the previous periods. Results confirm the ability of EPH to adapt and maintain operational efficiency, even in a volatile market environment.

6 EP Netherlands power production in 2023 pro-forma adjusted as if acquired on 1 January 2023.

Revenues

Total revenues amounted to EUR 23,331 million (EUR 23,981 million in 2023).

External Revenues of EPIF Group reached EUR 3,475 million (EUR 4,105 million in 2023). Substantial part of the revenues is dependent on already pre-booked capacities, such as ship-or-pay contracts for the Gas Transmission Business, store-or-pay contracts for the Gas Storage Business, fixed tariff components for the Gas and Power Distribution Business and fixed heat price component for the Heat Infra Business.

External Revenues of Power Generation Group reached EUR 19,654 million (EUR 19,690 million in 2023) and remained on relatively stable level compared to the previous year.

External Revenues	Unit	2024	2023 restated	2024 - 2023	%
EPIF Group					
Gas Transmission	million EUR	472	260	212	82%
Gas and Power Distribution	million EUR	2,411	3,141	(730)	(23%)
Gas Storage	million EUR	306	403	(97)	(24%)
Heat Infra	million EUR	273	293	(20)	(7%)
EPIF Other	million EUR	13	8	5	63%
Total EPIF Group	million EUR	3,475	4,105	(630)	(15%)
Power Generation Group					
Flexible Power Generation	million EUR	18,957	18,984	(27)	(0%)
Renewable Energy	million EUR	697	706	(9)	(1%)
Total Power Generation Group	million EUR	19,654	19,690	(36)	(0%)
EPH Other					
	million EUR	189	181	8	4%
Holding Entities					
	million EUR	13	5	8	160%
Total EPH Group	million EUR	23,331	23,981	(650)	(3%)

Underlying EBITDA

Underlying EBITDA of EPH Group reached EUR 2,550 million (EUR 3,576 million in 2023). The presented Underlying EBITDA⁷ is defined as profit from operations plus depreciation, amortisation and impairment charges and is further netted for eventual impact of bargain purchase gain. Apart from this, the Underlying EBITDA calculation does not include any further adjustments.

Underlying EBITDA of the EPIF Group amounted to EUR 1,387 million (EUR 1,225 million in 2023). The 13% increase in Underlying EBITDA is mainly attributable to Gas transmission, which improved by EUR 274 million, or 197%, largely due to the absence of one-off risk

7 For reconciliation of Underlying EBITDA to closest IFRS measure refer to Note 5 of EPH's IFRS consolidated financial statements for 2024.

mitigation measures that adversely impacted performance in 2023. Gas Storage results deteriorated by EUR 88 million, or 24 %, primarily due to lower volatility and decreased spreads, and also Heat Infra recorded a decrease by EUR 29 million, or 23%, as a result of lower heat offtakes and adverse power spread development affecting electricity production and revenues from ancillary services. Gas and Power Distribution segment remained broadly stable.

Underlying EBITDA of the Power Generation Group reached EUR 1,173 million (EUR 2,367 million in 2023). Flexible Power Generation segment decreased by EUR 1,102 million, or 53%, which was primarily driven by lower spreads and a downturn in commodity prices, reflecting challenging market conditions and pricing pressures. A similar trend was observed also in the renewable energy segment, which decreased by EUR 92 million, or 33%.

Underlying EBITDA	Unit	2024	2023 restated	2024 - 2023	%
EPIF Group					
Gas Transmission	million EUR	413	139	274	197 %
Gas and Power Distribution	million EUR	598	596	2	0 %
Gas Storage	million EUR	276	364	(88)	(24 %)
Heat Infra	million EUR	95	124	(29)	(23 %)
EPIF Other	million EUR	5	2	3	150 %
Total EPIF Group	million EUR	1,387	1,225	162	13 %
Power Generation Group					
Flexible Power Generation	million EUR	983	2,085	(1,102)	(53 %)
Renewable Energy	million EUR	190	282	(92)	(33 %)
Total Power Generation Group	million EUR	1,173	2,367	(1,194)	(50 %)
EPH Other					
	million EUR	36	37	(1)	(3 %)
Holding Entities					
	million EUR	(46)	(53)	7	(13 %)
Total EPH Group	million EUR	2,550	3,576	(1,026)	(29 %)

CAPEX

CAPEX of EPH Group reached EUR 640 million (EUR 788 million in 2023). The presented CAPEX is defined as additions to tangible and intangible assets plus advances paid for tangible and intangible assets less emission allowances, additions to right of use assets and goodwill. CAPEX excludes entities presented under discontinued operations

CAPEX of EPIF Group reached EUR 242 million (EUR 196 million in 2023). EPIF continued its effort to increase production efficiency, reduce environmental impact of its operations and enhance reliability of its services. Increase in CAPEX was primarily driven by higher spending on reconstruction and development of the gas and power distribution networks, and progress in Heat Infra decarbonisation projects.

CAPEX of Power Generation Group reached EUR 380 million (EUR 563 million in 2023). The high level of CAPEX in Flexible Power Generation segment is largely due to continuing construction of 3 major development projects, namely Tavazzano CCGT and Ostiglia CCGT in Italy, and also

Kilroot OCGT in Northern Ireland, which was successfully commissioned in 2024. These projects represent together over EUR 171 million. Other significant part of CAPEX represents mainly major overhauls of power plants.

CAPEX ⁸	Unit	2024	2023 restated	2024 - 2023	%
EPIF Group					
Gas Transmission	million EUR	3	5	(2)	(40 %)
Gas and Power Distribution	million EUR	130	104	26	25 %
Gas Storage	million EUR	20	25	(5)	(20 %)
Heat Infra	million EUR	89	62	27	44 %
Total EPIF Group	million EUR	242	196	46	23 %
Power Generation Group					
Flexible Power Generation	million EUR	327	535	(208)	(39 %)
Renewable Energy	million EUR	53	28	25	89 %
Total Power Generation Group	million EUR	380	563	(183)	(33 %)
EPH Other and Holding entities					
	million EUR	18	29	(11)	(38 %)
Total EPH Group	million EUR	640	788	(148)	(19 %)

Net financial debt, Leverage and Cash conversion

Net financial debt stood at EUR 4,396 million at the end of the year under review (EUR 4,828 million in 2023). The presented figure is calculated summing up Loans and borrowings together with Issued bills of exchange (presented as part of Financial instruments and financial liabilities), netted for Cash and cash equivalents.

The net financial debt decreased by EUR 432 million, or 9%, which is related to lower balance of received loans and borrowings in 2024.

Net Leverage worsened to 1.7x (1.4x in 2023) mainly due to lower EBITDA in 2024, but EPH Group is still very well-positioned in terms of the leverage within the industry peer group.

Net financial debt and Leverage	Unit	2024	2023 restated	2024 - 2023	%
Loans and borrowings	million EUR	7,714	8,330	(616)	(7 %)
(less) Cash and cash equivalents	million EUR	3,318	3,502	(184)	(5 %)
Net financial debt	million EUR	4,396	4,828	(432)	(9 %)
Underlying EBITDA	million EUR	2,550	3,576	(1,026)	(29 %)
Net Leverage		1.7x	1.4x	0.3x	-

8 Capital expenditure (CAPEX) represents Acquisition of property, plant and equipment and intangible assets, which does not include discontinued operations

Cash conversion was 55.3% (50.8% in 2023). While EBITDA declined, the decrease in income tax paid was even more substantial. This was due to significantly higher tax payments in 2023, which stemmed from the exceptional financial results in 2022.

Cash conversion	Unit	2024	2023 restated	2024 - 2023	%
Underlying EBITDA	million EUR	2,550	3,576	(1,026)	(29%)
CAPEX	million EUR	(640)	(788)	148	(19%)
Income tax paid	million EUR	(501)	(970)	469	(48%)
FCF	million EUR	1,409	1,818	(409)	(22%)
Cash conversion	%	55.3%	50.8%	4.4%	-

The part of CAPEX consists of development CAPEX, which is related to development projects focused mainly on the support of grid stability and reliable supply of power. Most of these expenditures represent constructions of gas turbine power plants in Northern Island and Italy mentioned in the previous chapter. Development CAPEX of EPH Group reached EUR 369 million (EUR 490 million in 2023). Then free cash flow excluded development CAPEX in 2024 is EUR 1,778 million (EUR 2,308 million in 2023), which makes cash conversion of 69.7% (64.5% respectively).

3. Other Information

Description of the diversity policy applied to the statutory body, supervisory body or other similar body

The Company is committed to encouraging equality, diversity, and inclusion among its workforce, and eliminating unlawful discrimination, in line with the ILO Convention No. 111 on discrimination. 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 strive to ensure that our employees feel supported and comfortable at work as we recognise that our staff are our greatest asset. We aim to attract and retain people with diverse skills, experience, and background to deliver high-quality products and services. These commitments are articulated by the Group Equality, Diversity and Inclusion policy and apply in full to the process of selecting suitable candidates for the position of the member of Company’s statutory and supervisory body.

Rights and obligations associated with shares

Act No. 90/2012 Coll., Commercial Companies, as amended, and the Company’s Articles of Association govern the rights and obligations associated with the Company’s shares. The current version of Articles of Association is placed into the collection of documents of the Commercial Register maintained by the Municipal Court in Prague.

LEI code

The company Energetický a průmyslový holding, a.s. was registered with LEI (Legal Entity Identifier) code No. 31570010000000090208 CDCP (Centrální depozitář cenných papírů). LEI code of other companies within the EPH Group can be found on <https://search.gleif.org/#/search/>.

Branches

The EPH Group has the following organizational units abroad:

- AISE, s.r.o., organizačná zložka located in Slovakia;
- NAFTA a.s. – organizační složka located in the Czech Republic;
- EP ENERGY TRADING, a.s. – organizačná zložka located in Slovakia;
- EP COMMODITIES A.S. LONDON BRANCH located in the United Kingdom;
- EP Commodities, a.s., Prag, Zweigniederlassung Zug located in Switzerland;
- Karotáž a cementace, s.r.o. Hodonín odštepný závod Michalovce located in Slovakia;
- ÚJV Řež a.s. – organizačná zložka Slovensko located in Slovakia;
- LokoTrain s.r.o. – organizačná zložka located in Slovakia;
- LokoTrain s.r.o. oddział w Polsce located in Poland; and
- Spedica, s.r.o., organizačná zložka Slovensko located in Slovakia.

Research and development activities

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

Acquisition of own shares or own ownership interests

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

Risks and risk management policies

The EPH Group is exposed to a variety of financial and market risks. The risk management policies are set out in the notes to the consolidated financial statements.

Outlook for 2025

EPH Group expects to continue being key participant on European power market, where our top priority remains the same: guaranteeing the health, safety and well-being of the Group’s employees, and safeguarding of the essential power grid security in countries where the Group operates. The Group management plans to continue developing its central business activities both in the Power Generation and EPIF Groups.

The Group believes its medium- to long-term market position stays resilient, primarily as I) the Group operates the critical infrastructure in gas and power distribution, gas transportation and storage and power generation, and II) major operated assets are regulated or semi-regulated and/or long-term contracted with high quality counterparties. At the same time, EPH Group maintains robust credit and liquidity risk management system which underpins EPH Group’s financial stability. The Group expects to continue in developing its current business while concentrating on own development and acquisitions to access new markets.

The EPIF Group is currently evaluating the potential transfer of certain lignite-based heat infrastructure assets to EP Heat & Power, a sister company of EPH. EP Heat & Power will be focusing on transforming traditional lignite coal energy operations into more environmentally sustainable solutions, while maintaining a socially responsible approach. If approved, the company would lead the conversion of these assets to gas, waste-to-energy, and biomass technologies. The potential impacts of the transfer are being assessed as part of the ongoing analysis.

4.

Market development

Macroeconomic developments

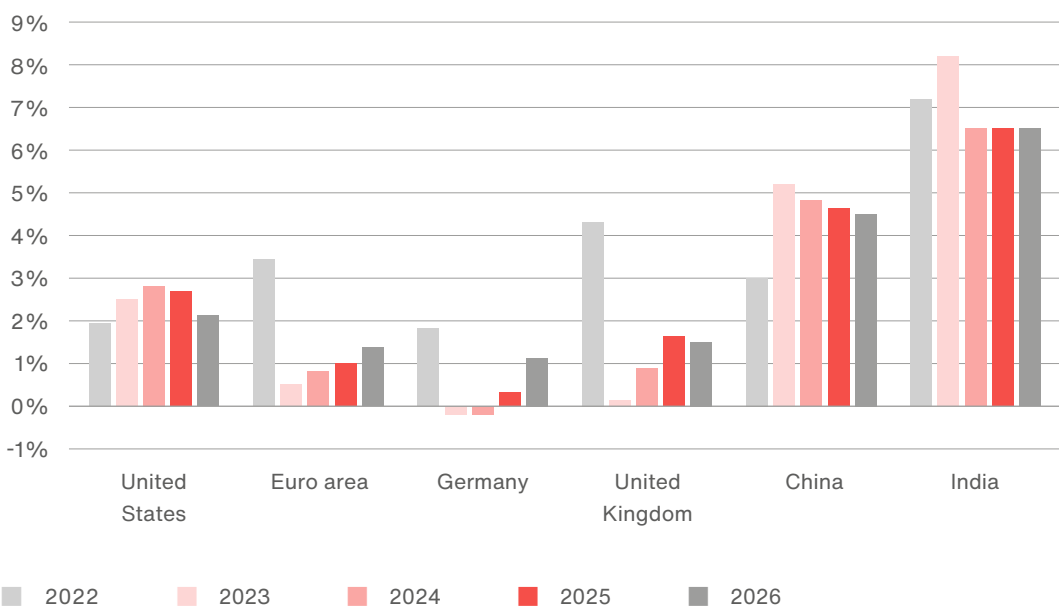
Global economic growth slightly slowed in 2024, with sticky inflation resulting in central banks moving more cautiously in the easing cycle, and a few central banks raising rates. The IMF in its January 2025 World Economic Outlook Update pegged global economic growth at 3.2% in 2024 compared to 3.3% in 2023.

Nominal wage growth is beginning to moderate, accompanied by ongoing signs of labour market normalization. While core goods price inflation has returned to or fallen below its historical trend, services price inflation remains above pre-COVID-19 levels in many economies, particularly in the United States and the euro area. Additionally, some emerging market and developing economies in Europe and Latin America continue to experience pockets of elevated inflation due to various unique factors.

China’s economic growth stood at 4.7 percent year-over-year (y/y), falling short of analysts' expectations. While net exports grew faster than anticipated, this only partially offset a sharper-than-expected slowdown in consumption, driven by delayed stabilization in the property market and persistently weak consumer confidence.

India also experienced a greater-than-expected slowdown, primarily due to a pronounced decline in industrial activity. In the euro area, growth remained sluggish, with Germany lagging other member countries, as manufacturing and goods exports continued to struggle despite a pickup in consumption driven by recovering real incomes. Japan saw a mild contraction in output due to temporary supply disruptions. In contrast, the US economy maintained strong momentum, expanding by 2.7 percent y/y in the third quarter, fuelled by robust consumer spending.

IMF GDP growth projections



Source: IMF, World Economic Outlook, January 2025 Update

Commodity markets will remain a key driver of global economic growth this year. In 2024, crude prices largely stayed within the mid-\$70/bbl range, with occasional spikes into the \$80s due to geopolitical tensions. Despite the possibility of stricter sanctions on Iran and Russia, upside to crude prices remains capped due to weaker oil demand growth in China and anticipated strong non-OPEC supply increases in the coming months.

Global gas prices saw a sharp decline from their 2022-23 peaks last year, driven by a mild European winter that kept storage levels high, stagnant industrial gas demand, strong renewable energy expansion, improved French nuclear power output, and increased Norwegian gas exports. However, the expiration of the Russia-Ukraine transit agreement has tightened Europe’s gas market, pushing The Dutch Title Transfer Facility (TTF) prices up to nearly 60 EUR/MWh. These price spikes could once again fuel inflationary pressures while dampening industrial activity and overall consumption.

Overall, the IMF expects global growth to remain broadly stable in 2025, albeit lackluster. Current projections point to global economic growth of 3.3% in both 2025 and 2026, below the historical (2000-19) average of 3.7%. With Donald Trump elected as US president November 2024, economic policy uncertainty has risen sharply, particularly on the trade and fiscal fronts.

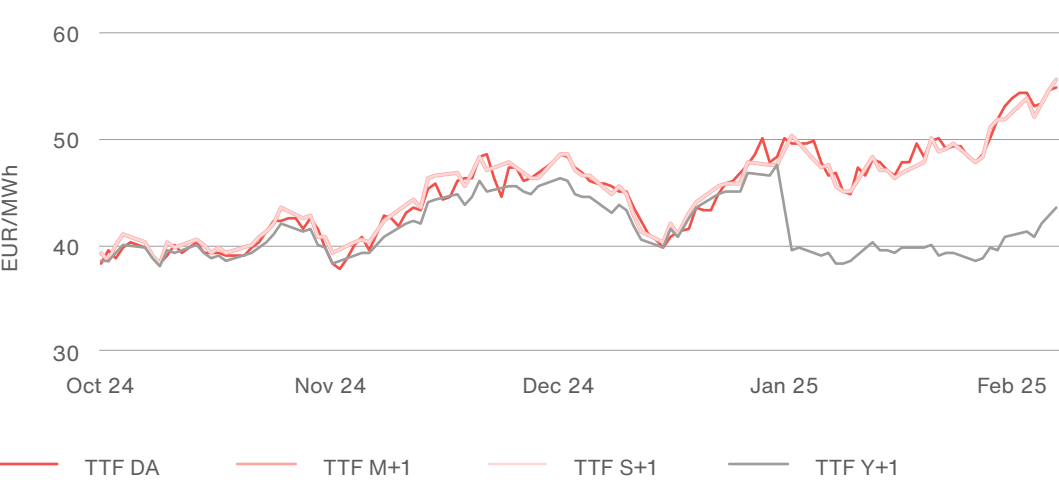
Energy market developments

Latest developments

European natural gas prices have remained highly volatile in the first few weeks of 2025, driven by supply constraints, geopolitical uncertainties, and evolving demand dynamics. TTF prices have been on an upward trajectory since Q1 2024, rising from 28 EUR/MWh in late February 2024 to nearly 60 EUR/MWh by early February 2025, marking a two-year high.

A major driver of this price surge was the uncertainty over the continuation of Russian gas transit via Ukraine. With existing transit contracts expiring at the end of 2024, fears grew that all piped gas deliveries from Russia through Ukraine would cease, increasing Europe’s reliance on LNG and tightening the global gas market. Flows halted on 1 January 2025.

TTF spot and forward prices over Win-24 and Feb-25



Source: EEX, ICE, EPC UK

Despite entering winter 2024 with comfortable storage levels, Europe faced higher-than-usual gas withdrawal rates, depleting reserves faster than in the previous couple of years. By March 15, 2025, EU gas storage was at just 35% capacity, having dropped significantly due to colder weather and reduced Russian supply. This rapid drawdown has raised concerns about replenishing storage ahead of the following winter, as Europe will need to secure additional LNG imports. The European Commission had set a storage fullness target of around 45% by February 2025, but some countries fell short of this target, highlighting ongoing vulnerabilities in supply management. There are broader concerns over a potential inventory shortfall against the European Commission’s 1 November 2025 target of 90% fullness, as reflected by positive Summer vs. Winter TTF forward spreads.

To address this, some European countries such as Germany are considering lowering storage gates and mulling mechanisms to subsidise potentially uneconomic gas injections into storage during the summer months.

These factors highlight the persistent volatility in European gas markets, with geopolitical uncertainties, supply risks, and policy responses continuing to drive price movements into 2025. Given potential market tightness and LNG’s role as the marginal fuel, TTF prices are expected to trade above the upper bound of the traditional coal-to-gas switching range, as to maximize gas displacement in the power sector and attract as much flexible LNG supply as possible.

European power markets maintained its bullish momentum into the start of this year on the continued uplift in gas prices following the cessation of Russian pipeline gas supply via Ukraine at the end of 2024. Gains in the price of EU carbon allowances have provided further support, with the benchmark Dec-25 futures contract surpassing 80 EUR/t in early February amid increasing length built by speculative investors. In Germany, spot baseload prices averaged 114.14 EUR/MWh for January, its highest monthly level since the start of 2023.

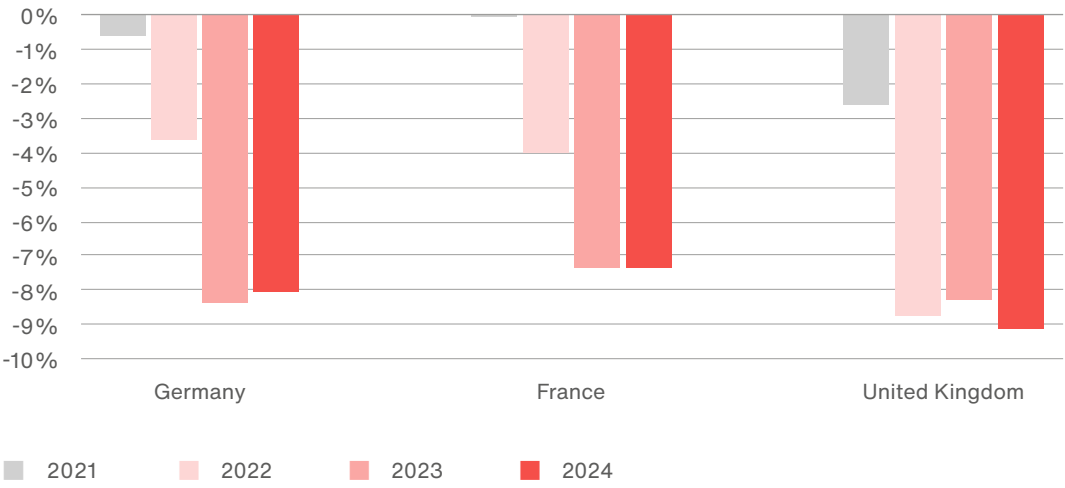
However, the subsequent drop in TTF gas prices from mid-February amid ongoing efforts to secure a ceasefire deal between Russia and Ukraine has pressured European power prices. With TTF prices moving back into the fuel switch channel, this somewhat helped to improve the relative competitiveness of gas generation within the thermal mix. Nevertheless, forward baseload Clean Spark Spreads in Germany continue to trade deeply out of the money and below equivalent Clean Dark Spreads for the remainder of 2025.

In France, EDF has continued to proceed with its programme of nuclear controls and repairs without major incident through 2024. Across the year, the group achieved 361 TWh of nuclear generation across its nuclear fleet versus an initial estimate of 315–345 TWh. For the next three years (2025–2027), the group updated its nuclear output estimate for each year to 350–370 TWh, which would include generation from the new Flamanville 3 EPR which was commissioned in H2 2024 and currently undergoing a testing phase. Elsewhere, Belgium is set to decommission three of its nuclear reactors this year leaving the country with only the Doel 4 and Tihange 3 reactors, which is expected to run through to 2035, following a 10-year lifetime extension agreed at the end of 2023.

Meanwhile in Germany, a new government coalition was formed following the country’s federal election on February 23, with CDU/CSU Friedrich Merz becoming the next chancellor. In terms of energy policy, the governing coalition has outlined plans to increase infrastructure spending, introduce incentives to build up to 20 GW of gas power plant capacity by 2030 under a new power plant strategy, and reduce electricity prices by ‘at least 5 cents per kilowatt hour’ by reducing electricity tax to the EU minimum and lowering grid fees. In addition, there have been explanatory discussions for plans to be able to call up reserve capacity to the market when day-ahead prices rise above 150 EUR/MWh as a means to alleviate price spikes.

European gas and power markets remain finely balanced and prone to significant volatility until 2027, when sizeable LNG liquefaction capacity expansions are expected to be commissioned. Any major LNG or upstream production outage affecting European supply could quickly send prices towards the top of the coal-to-gas fuel-switching range – or potentially above it – depending on the magnitude of the event.

Changes in power demand relative to 2019



Source: IEA, ODRE, GOV.UK

Power consumption

European power demand showed little sign of recovery in 2024, as weak economic conditions, high inflation, and elevated interest rates continued to weigh on consumption. The industrial sector suffered from instances of permanent demand destruction, with energy-intensive industries scaling back operations in response to sustained cost pressures. Nowhere was this more evident than in Germany, where production in energy-intensive sectors remained near financial crisis-era lows. The chemical and motor vehicle industries saw particularly steep declines, reflecting broader structural shifts in industrial output. While there were marginal improvements in electricity consumption relative to 2023, overall demand across the EU remained firmly below pre-pandemic levels in 2019.

Policy-driven shifts in consumption patterns further reinforced the sluggish demand recovery. The sustained impact of high energy prices in 2022 and 2023 led to long-term behavioural changes, with households and businesses curbing non-essential electricity use. Additionally, EU-wide decarbonization policies accelerated demand-side flexibility, driving greater efficiency and self-sufficiency, further weighing on overall power consumption.

Despite these headwinds, power consumption in Germany edged 0.3% above pre-COVID levels, while France remained flat, and the UK continued to decline. However, in all three countries, demand remained well below 5% of pre-pandemic levels. The UK's sharper decline was driven by a combination of weaker industrial activity, aggressive energy efficiency measures, increased self-generation, and consumer adaptation to high electricity prices, reinforcing a long-term structural shift toward lower reliance on grid electricity. This was accelerated with UK interest rates holding much higher compared to the Eurozone.

Power production

In 2024, weak power demand recovery, coupled with the continued phase-out of coal and lignite capacity and the accelerated expansion of renewable energy, led to another year of year-on-year declines in fossil fuel generation across the EU-27. Total fossil fuel-based electricity production fell 10% year-on-year (y/y) to 610 TWh, marking a new multi-decade low.

Germany saw a particularly sharp contraction in its lignite and coal-fired capacity, which declined by 35% y/y to 24 GW, driven by ongoing decarbonization efforts and government policies aimed at reducing reliance on carbon-intensive energy sources. As a result, reliance on cross-border electricity flows surged, with average interconnector utilization doubling to 3.4 GW per day throughout the year to compensate for the lost baseload generation previously provided by decommissioned thermal plants.

The expansion of renewable capacity, bolstered by favourable weather conditions, drove a 49 TWh increase in wind and solar generation (7.5% y/y). For the first time, wind and solar output surpassed fossil fuel-based generation by a notable 86 TWh, highlighting a fundamental shift toward cleaner energy and the continued displacement of carbon-intensive power sources.

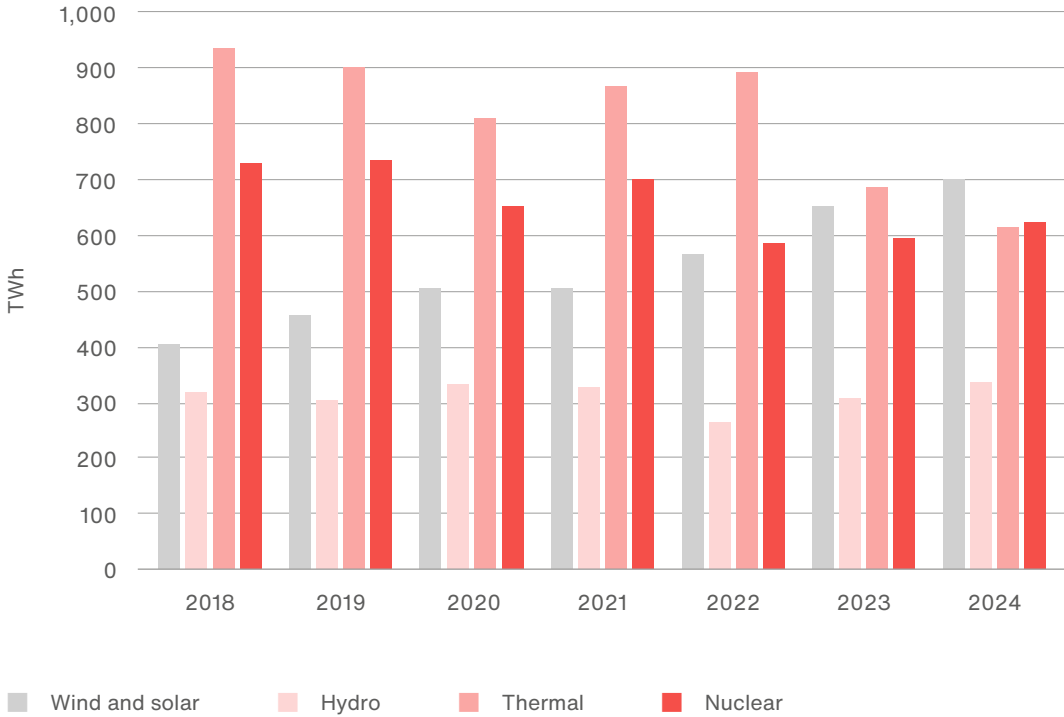
A key driver of this transition was the rapid growth in solar capacity, particularly in mainland Europe, where Germany led the expansion with 14 GW of new installations in 2024. This surge contributed to a 20% y/y increase in solar generation across Europe, making solar the largest single factor behind renewables overtaking fossil fuel-based power production.

Meanwhile, hydroelectric balances, particularly in the Alpine and Continental European regions, showed marked improvement compared to the previous year. Unlike 2023, when hydro reserves were firmly in deficit, 2024 saw a notable surplus against seasonal norms, allowing for a 31 TWh (10.2% y/y) increase in hydroelectric generation across the EU-27.

Nuclear generation also experienced a rebound, largely due to improved reactor availability in France, where the absence of stress corrosion issues – previously a major concern – enabled a significant recovery. EDF’s nuclear generation in 2024 totalled 360 TWh, landing within its revised target range of 358–364 TWh and significantly exceeding the initial guidance of 315–345 TWh. This strong performance was driven by improved reactor availability, streamlined maintenance operations, and enhanced industrial efficiency throughout the year. As a result, total EU-27 nuclear output increased by 29 TWh, reaching 618 TWh, a 5% y/y gain.

Despite gas prices declining further within the fuel-switching range compared to 2023, and clean dark spreads – an indicator of coal-fired power profitability – turning firmly negative, the proliferation of cheaper energy sources reduced the reliance on gas-fired power generation. Although clean spark spreads, a measure of gas plant profitability, remained largely positive in the first half of the year (unlike in 2023, when they were predominantly negative), total gas-based power production still declined for the fifth time in a year, by 25 TWh (7% y/y) as the overall generation mix continued shifting toward low-carbon alternatives.

EU-27 power production by source



Source: ENTSO-E, Energy-charts.info

Power prices

In 2024, European power prices saw a significant decrease compared to 2023, with the average wholesale electricity price settling around 82 EUR/MWh, marking a drop from the previous year of 97 EUR/MWh. The decline was attributable to lower fuel and carbon prices and as an increasing share of renewables and nuclear in the power mix contributed to reduce the overall number of running hours for thermal generation.

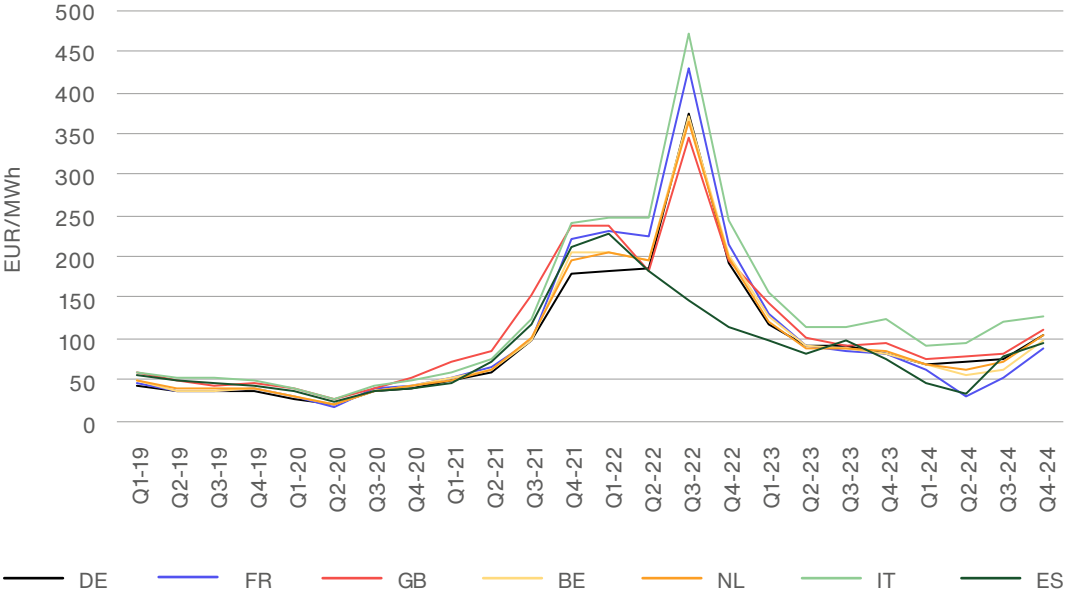
While overall baseload power prices were lower year-on-year through 2024, the growing influence of renewables in the European power system has resulted in higher price volatility. While the frequency of negative prices set another record across the region, there was also a greater incidence of price spikes across several markets reflecting the increased risk of system stress events during periods of low renewable output amid declining thermal generation capacity.

European power markets opened the year with a bearish undertone as high pre-winter gas storage inventories and mild temperatures allowed gas prices to derisk and as high renewable output, particularly from a surge hydro generation, helped to limit the need for thermal generation sources. In Germany, spot baseload prices averaged 68 EUR/MWh for Q1 2024, a decrease of around 40% year-on-year.

Prices began to rebound early into the summer period for most power markets, in line with gains in fuels and carbon as rising tensions in the Middle East added to geopolitical risks from the ongoing conflict between Russia and Ukraine. Despite an uplift in prices for most EU power markets, the abundance of non-thermal generation source (nuclear and hydro), alongside the implementation of cross-border export restrictions allowed France to decouple from the wider NW EU region through Q2 2024. Average spot prices in France delivered below 30 EUR/MWh for the quarter, marking a 47 EUR/MWh discount versus Germany. Through Q3 2024, there continued to be notable divergences in regional power price spreads, with heatwave conditions and unplanned thermal outages driving significant upside in SEE power prices.

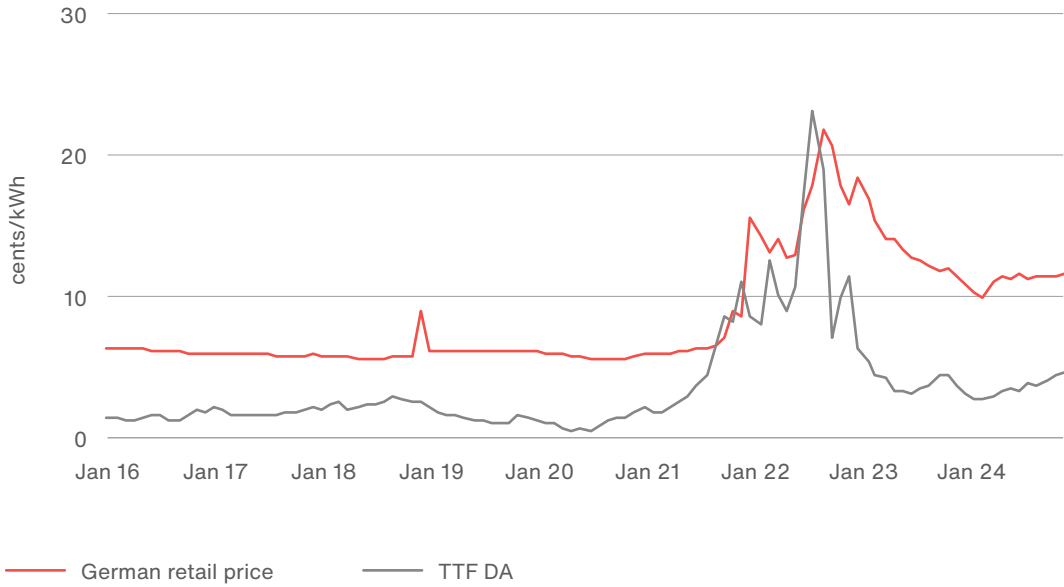
The upward momentum to prices extended into Q4 2024 as uncertainty surrounding Russian pipeline gas supply to Europe supported gains across the energy complex. Colder temperatures and below normal wind speeds further placed stress on European power systems, with hourly prices across multiple markets spiking to levels not observed since the energy crisis. This highlights the increasing upside price sensitivity to intermittent renewable output amid a decline in thermal generating capacity in recent years.

European power spot deliveries



Source: EPEX, EP Commodities

Germany retail price, TTF DA



Source: Verivox, PEGAS, EP Commodities

Gas consumption

European natural gas consumption slipped slightly y/y in 2024, continuing a three-year downward trend. Lingering price-driven demand losses coupled with additional closures of large industrial consumers were only partially offset by demand gains owing to relatively colder weather conditions y/y.

Northwest European and Italian local distribution company (LDC) demand reflecting burn for heating rose slightly by 1.1 bcm y/y to 138 bcm in 2024, largely on the back of colder weather compared to 2023. Retail prices remained relatively elevated last year compared to historical averages, keeping a lid on demand recovery across the region.

Meanwhile, European power sector gas declined, mostly due to the growth in renewable generation and higher French nuclear availability. Non-LDC demand, which includes demand for power generation and industrial use was 121.7 bcm in 2024, down by 1.6 bcm y/y.

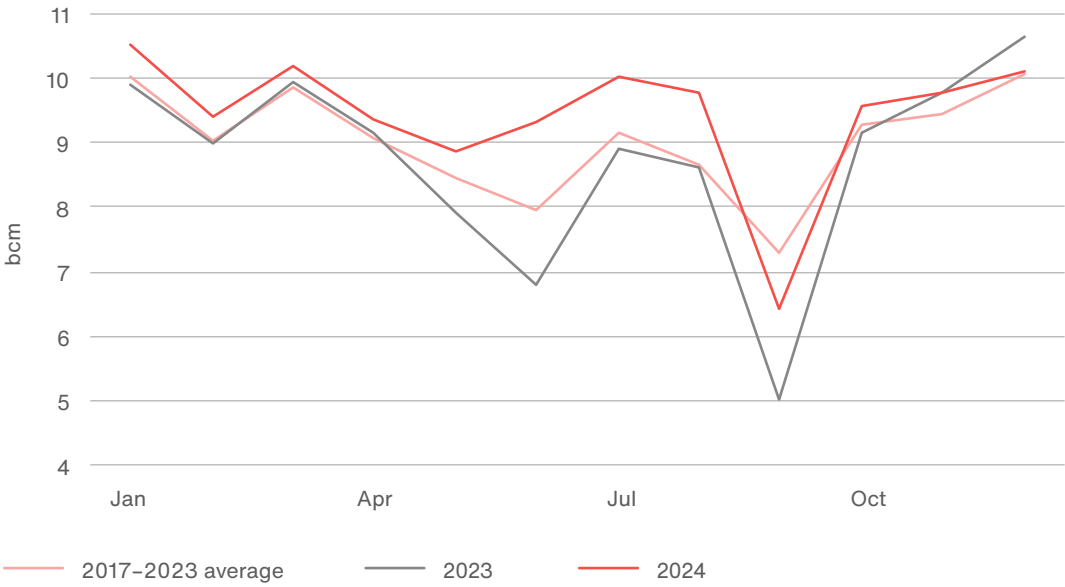
Gas supply

Norway remained the largest single gas supplier to Europe via pipeline in 2024.

Exports to Europe grew from 2023, moving 7.6% higher to 113 bcm. Lower maintenance overruns was the key contributor relative to an outage-affected 2023. High gas prices relative to oil meant producers continued to spurn using gas for enhanced oil recovery (EOR).

State-owned Equinor was granted a production permits of more than 40 bcm and 7 bcm for key flexible field Troll for Oseberg respectively – keeping them at the record levels of previous gas years.

Norwegian gas pipeline exports to Europe



Source: Gassco, EP Commodities

Russian pipeline exports remained a fraction of their historic norm with Gazprom continuing to supply a few contractual buyers via the Ukrainian and Turkstream routes. Flows totalled approximately 34 bcm in 2024, higher than 2023 but still a fraction of their 168 bcm peak in 2021.

Even when the 12 bcm/y OMV-Gazprom supply contract was terminated over arbitration proceedings in November, flows remained unchanged. However, flows into Ukraine ceased at the start of 2025 on the expiration of the Gazprom-Naftogaz transit deal, with no new agreement signed.

UK Continental Shelf (UKCS) production continued to suffer from age-related declines, with deliveries down 14% y/y to 30 bcm in 2024.

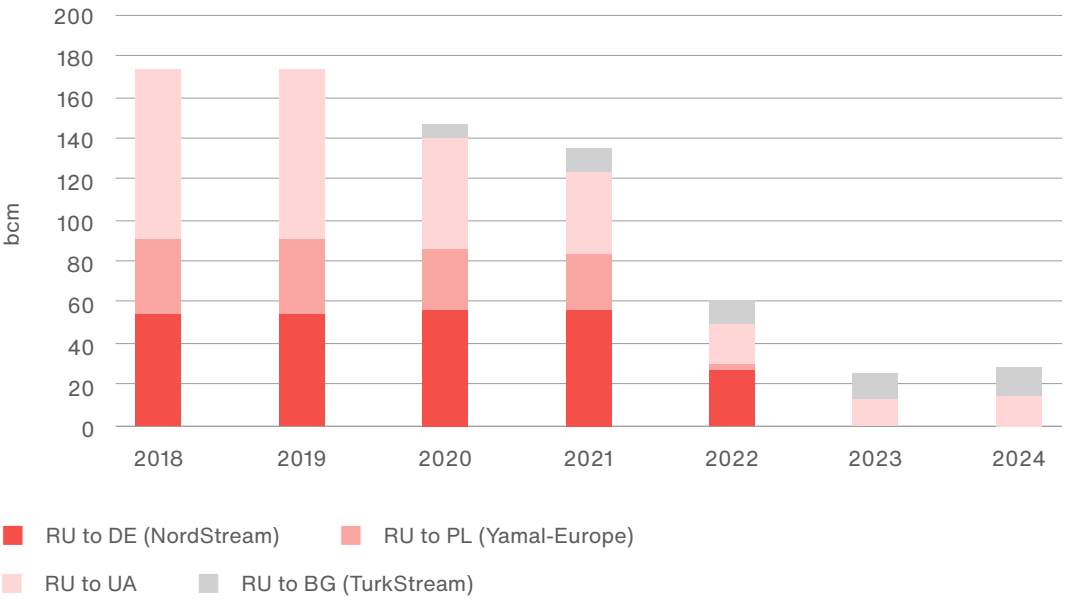
Dutch production dropped 13% y/y to 9 bcm in 2024. Operator NAM wound down production at the Groningen field early in 2023, leaving small fields as the source of domestic production in the Netherlands, with some residual Danish volumes arriving via the NOGAT pipeline.

Denmark struggled to ramp up production the Tyra field though 2024 after four years of redevelopment. Operator Total restarted the field but full production was consistently pushed back through the year. Flows to the Danish grid totalled 0.4bcm from Tyra and smaller fields, well below the 3 bcm/year capacity of the Tyra alone.

North African flows to Italy and Spain inched 6% lower to 31 bcm with Algeria accounting for most exports and Libya delivering just 4% of the total. The Hassi R'Mel booster project mitigated the effect of high depletion rates from Algeria's more mature fields. Algerian exports to Spain remain constrained by the cessation of transit via Morocco on the MEG pipeline in 2022.

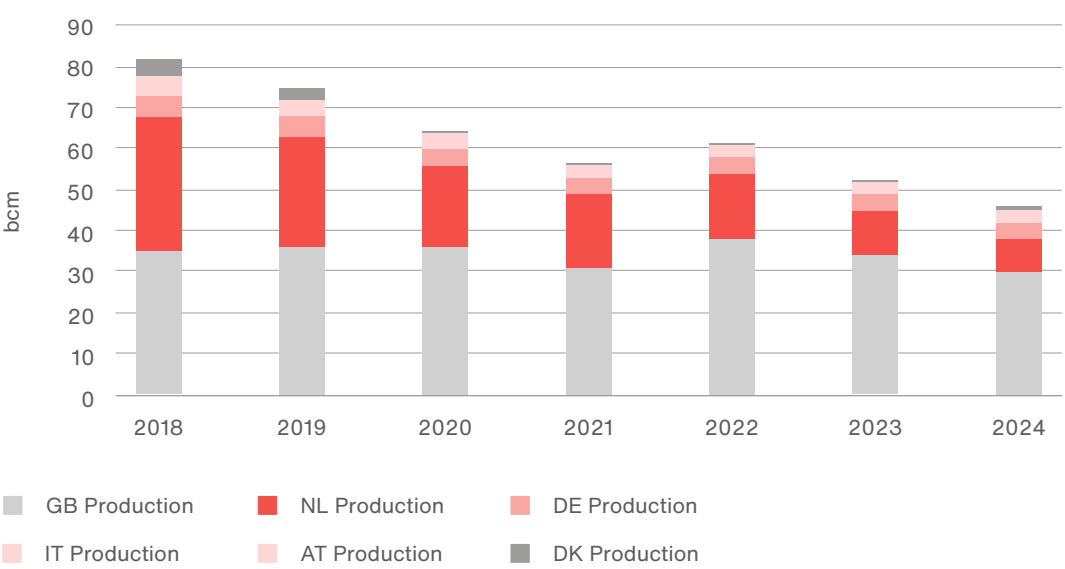
Azeri flows into Italy climbed to 10 bcm, up 11% from 2023. There was some offtake into the Balkan region via the IGB pipeline but Italy continued to take most contractual and spot deliveries.

Russian pipeline exports to Europe by transit route



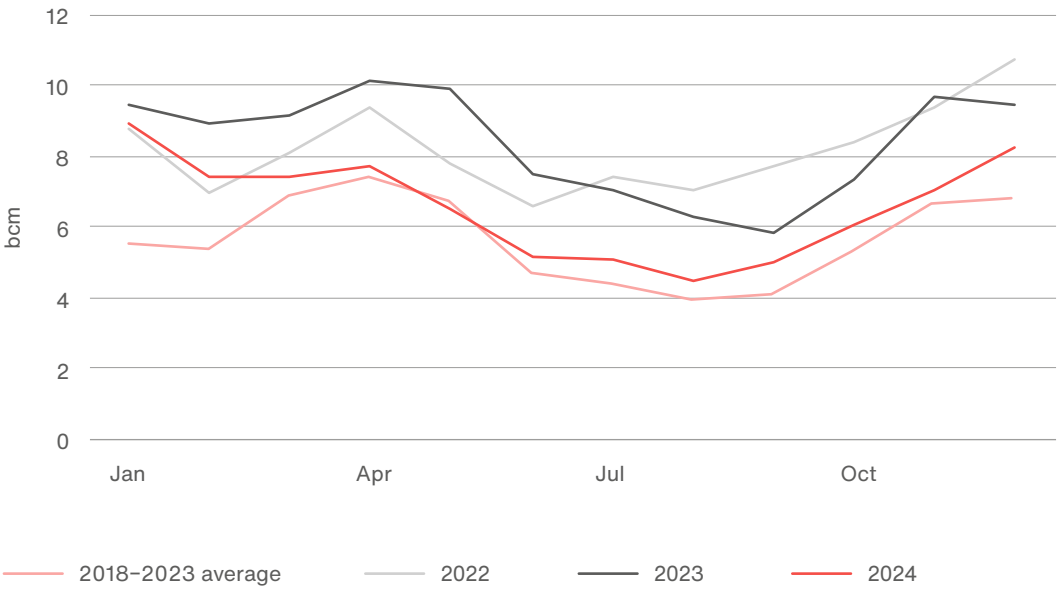
Source: ENTSOG, GTSOU, EP Commodities

European domestic gas production



Source: ENTSOG, EP Commodities

European LNG sendout, balances in our perimeter



Source: ENTSOG, Transmission System Operators

LNG

European LNG sendout for Northwest Europe and Italy dropped 22 bcm y/y in 2024, driven by a mild winter, lack of recovery in LDC and industrial demand, strong renewable growth, and higher y/y pipeline imports from Norway, all of which lowered the call on LNG at the margin.

That said, European LNG sendout of 79 bcm in 2024 remained well above the 2018–2023 average of 68 bcm. Europe’s lower call on LNG led to a steady de-risking of TTF prices, which averaged 35 EUR/MWh in 2024, down from 120 EUR/MWh in 2022 and 41 EUR/MWh in 2023. Lower flat TTF prices, in turn, incentivized gas demand growth in several price-sensitive countries, most notably China, India, Bangladesh, and Thailand, all of which saw higher y/y LNG takes. Overall, Asian LNG imports rose by 25 bcm y/y in 2024.

China’s total gas demand increased by 38 bcm y/y, with most of the growth coming from the city gas and industrial sectors, while gas-to-power and chemical feedstock demand also rose vs. 2023. This strong demand growth persisted despite slowing overall economic expansion, underscoring natural gas’s positioning in the broader energy mix. City gas consumption, in particular, was bolstered by rising LNG demand in the heavy truck sector. LNG is viewed as a cleaner-burning alternative to diesel—a crucial factor in China, where air pollution remains a pressing issue. The government has been promoting LNG adoption through tighter emissions standards and subsidies for LNG-fueled trucks.

Indian LNG imports hit a record 36 bcm in 2024, up 6 bcm y/y, supported by lower flat TTF prices, rising industrial demand, subsidies for the fertilizer sector, and changes to the pipeline tariff mechanism. Stagnating domestic production, which grew by less than 0.5 bcm y/y, also contributed to an increased reliance on LNG.

On the supply side, global LNG exports rose only marginally y/y, by 0.9 bcm, with just the small Altamira and Congo FLNG projects coming online. The US remained the largest exporter, followed by Australia and Qatar. Russian exports increased by just 1.4 bcm y/y, as US sanctions on Arctic LNG 2 hampered the project’s startup, leaving it mothballed at the time of writing.

Meanwhile, feedgas availability remained constrained across several legacy exporters– including Indonesia, Malaysia, Algeria, and Trinidad – due to upstream depletion rates. Most notably, Egypt shifted from being a net LNG exporter in 2019–2023 to a net importer in 2024. This reversal was driven by water cut issues at the Zohr field – Egypt’s largest gas field – along with continued demand growth from the power sector, leading to sustained LNG imports from June 2024 onward. In Nigeria, feedgas availability slightly improved amid better security conditions in the Niger Delta, though operating rates at the NLNG plant remained well below technical capacity.

Europe’s ongoing reliance on LNG has been exacerbated by the complete halt of Russian gas exports via Ukraine, and the potential for unplanned outages at major LNG export plants remains a significant factor influencing TTF price volatility.

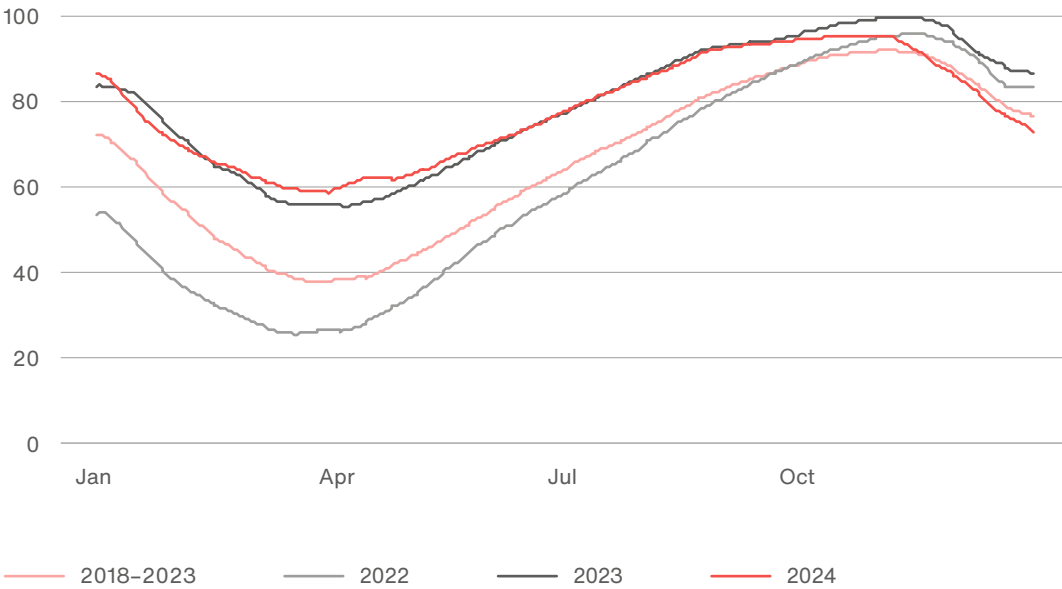
Gas storage

European underground storage sites broke a new end-winter stock level at the end of March 2024 with 58.5 bcm in storage, which equates to 58% full. Higher inventories against previous years were largely the result of milder than usual weather suppressing heating demand and allowing stocks to be preserved during the peak winter season.

European storage sites flipped to net injections in April with steady flows continuing until November. All European markets (except Denmark) met their respective stock targets for 1 November 2024 as mandated by EU regulation or superseding national law.

Stocks surpassed the mandated targets across several European markets, with inventories on 1 November 2024 reaching 95.2 bcm (94% full), which is however lower on a yearly basis as stocks were 98.3 bcm (98%) as of 1 November 2023. In October 2024 forward European gas contracts began trading at a premium to contracts for delivery in winter 2025–2026. This occurrence, highly unusual for the European gas market, has cast uncertainty over commercial storage injections across Europe in meeting the 1 November 2025 stock target.

European gas inventories fill rate (%)



Source: AGSI, EP Commodities

Gas prices

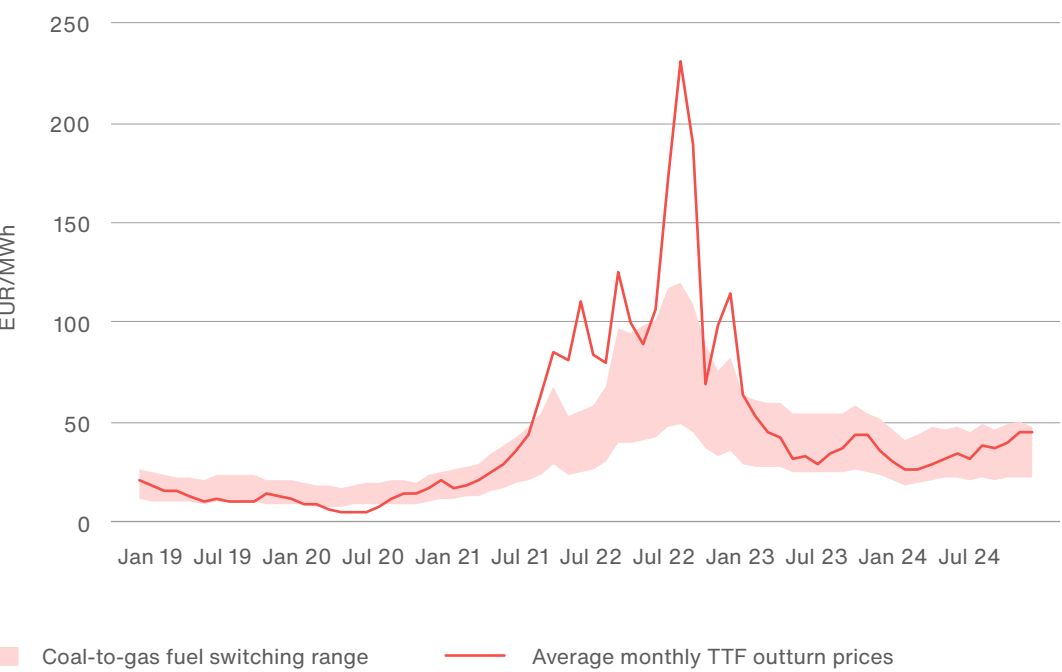
TTF prices continued their downward trend at the start of 2024, driven by record-high pre-winter inventories, ample supply, and subdued demand amid mild winter temperatures and ongoing weakness in industrial consumption. In January, average day-ahead prices hovered around 30 EUR/MWh, significantly lower than the January 2023 average of 63 EUR/MWh, when supply security concerns were still supporting prices.

Although day-ahead prices saw a brief uptick in early February following a short-lived outage at Norway’s Nyhamna processing plant, they quickly retreated as seasonal demand waned throughout March. By the end of Q1 2024, day-ahead prices had averaged 28 EUR/MWh. However, from late Q1 into Q2, prices rebounded to an average of 32 EUR/MWh, largely due to a recovery in Asian LNG demand, which tightened the global market, as well as an outage at the Freeport LNG plant on the US Gulf Coast, where operations remained restricted until mid-May. Additional upward pressure came from risks to Israeli gas production and exports to Egypt, amid intermittent strikes between Israel and Iran throughout the quarter.

The price rally extended into Q3 2024, with day-ahead prices averaging 35 EUR/MWh. The rally was primarily fueled by continued strong Asian LNG demand but was further exacerbated by concerns over Russian gas flows via Ukraine. These fears intensified after Ukraine’s unexpected incursion into Russia’s Kursk region, where it seized control of the Sudzha metering station. Persistent geopolitical tensions in the Middle East also added to supply concerns.

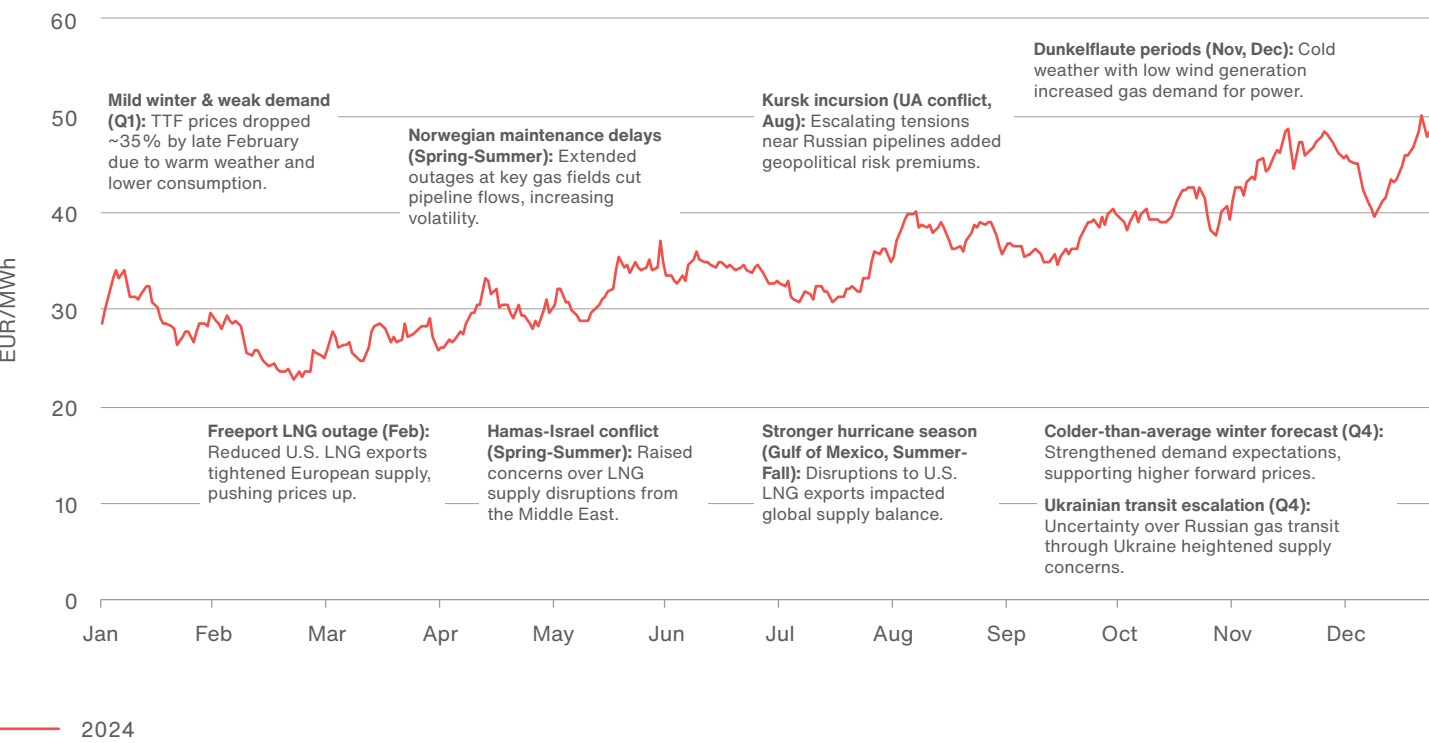
In Q4 2024, prices climbed further, with day-ahead prices averaging 43 EUR/MWh, once again driven by uncertainty surrounding Russian gas supply to Europe. Speculation mounted over the fate of gas transit through Ukraine, as political statements fueled volatility. The prospect of an immediate supply cut under Austria’s OMV long-term contract also supported prices.

Average TTF outturn prices versus coal-to-gas fuel switching range



Source: ICE, NYMEX, EP Commodities

TTF outturn (day ahead) prices in EUR/MWh



Source: ICE, EP Commodities

In mid-November, OMV was awarded EUR 230 million in damages by the International Chamber of Commerce due to irregular Russian gas deliveries to Germany. The company later announced plans to recover these damages, along with interest and costs, by offsetting them against future payments to Gazprom Export under Austria’s long-term gas supply contract. This development sparked concerns that Russian pipeline gas flows to Austria and Slovakia via Ukraine could be halted prematurely.

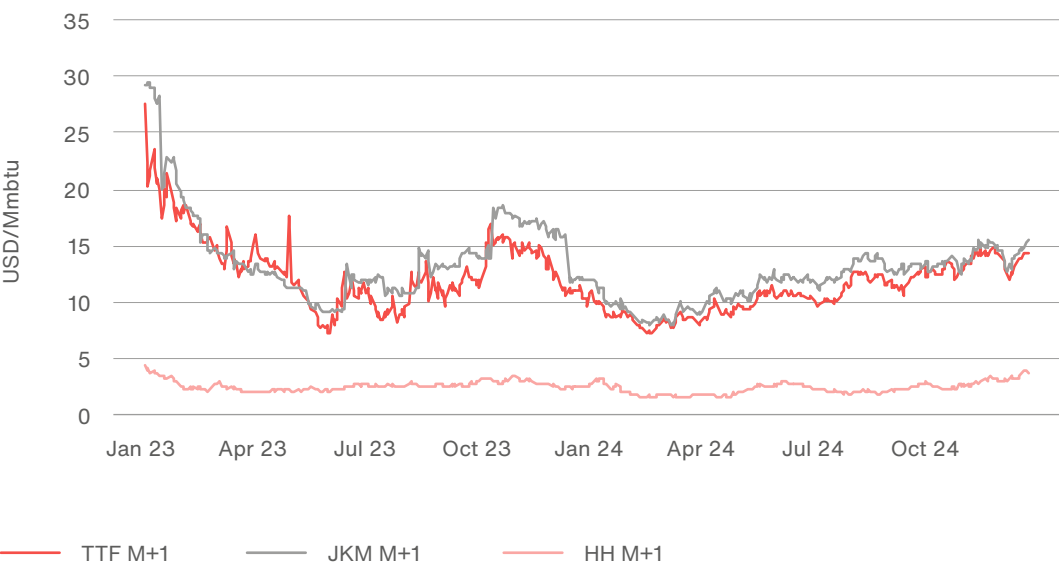
JKM-TTF spreads averaged \$1/MMBtu in 2024, down slightly from the 2023 average of \$1.5/MMBtu. Several factors influenced the spread consistently throughout the year.

A sharp rise in Asian gas demand in 2024 led to a higher reliance on cross-basin US spot cargoes, with US LNG exports to Asia increasing to 41 bcm from 33 bcm in 2023. Despite Gatun Lake’s water levels returning to normal from Q2 2024, transit via the Panama Canal remained limited. US LNG carriers continued to favor the longer Cape of Good Hope route due to difficulties in securing prompt transit slots, as LNG carriers ranked lower than other vessel classes. Meanwhile, US LNG exports to Asia via the Suez Canal remained minimal due to ongoing geopolitical tensions in the Middle East.

Although longer voyage distances for cross-basin cargoes could have supported a wider JKM-TTF spread, this effect was offset by a significant loosening in shipping balances. Over 100 new LNG carriers entered the fleet in 2023–2024, while several major greenfield LNG projects, such as Golden Pass on the US Gulf Coast, faced delays. With LNG supply expansion lagging behind fleet growth, spot and term freight rates declined, limiting the upside to JKM-TTF spreads.

Henry Hub prices averaged \$2.2/mmbtu in 2024, the lowest annual average in inflation-adjusted terms ever recorded, reflecting a 16% decline from 2023 and a 68% drop from 2022 – the largest two-year decrease on record. Strong domestic production and limited demand growth kept prices low for most of the year, except in January, when a severe cold snap drove space-heating demand and temporarily pushed the Henry Hub spot price to a yearly high of \$13.5/mmbtu.

Global gas prices



Source: ICE, NYMEX, EP Commodities

Prices then steadily declined through February and March as production remained robust, weather moderated, and natural gas storage levels stayed high following the warmest winter on record, with end-of-season inventories on 31 March coming in 25% higher than in 2023, and 39% above the five-year average. Prices remained subdued through the second and third quarters, as lower seasonal heating demand in April and May, flat net exports, and stagnant LNG capacity (mostly owing to EPC issues at the Golden Pass LNG project) further limited upward price pressure.

Although summer air-conditioning demand led to increased consumption in the power sector, storage injections were below average, gradually reducing the surplus, yet the market still entered the 2024–2025 winter season with the highest storage levels since 2016. By December, prices began to rise as seasonal temperatures returned to more typical winter conditions, increasing demand for space heating.

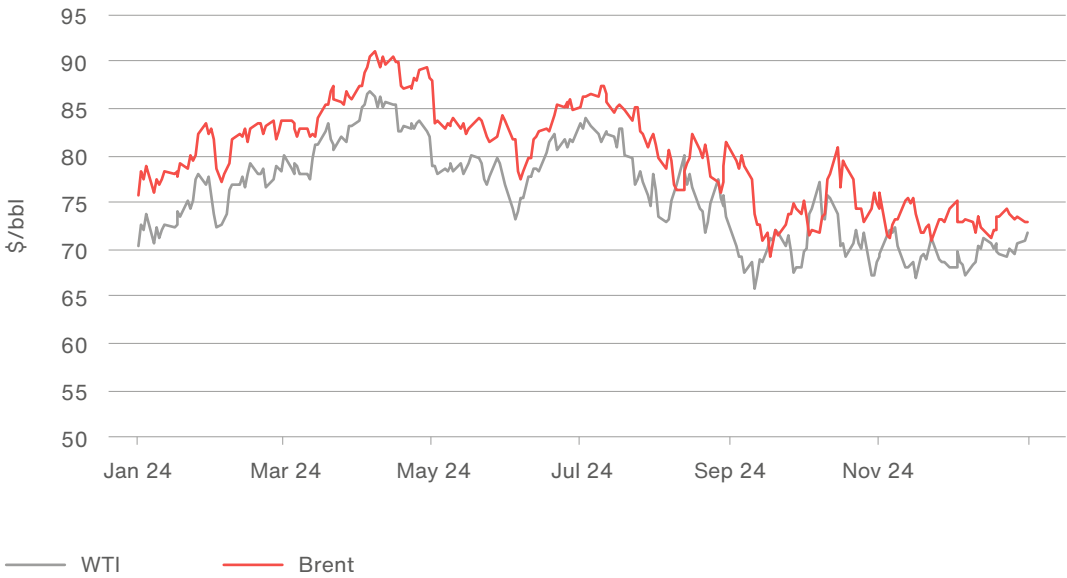
Oil

Crude oil prices ended 2024 at around \$70/bbl, marginally down from \$75/bbl at the start of the year. Lacklustre Asian demand battled with Middle East tensions and US policy and kept crude prices in check this year. Crude prices reached a high in March at around \$83/bbl and were the lowest in November at just above \$68/bbl.

The year kicked off with security concerns in the Gulf of Aden which resulted in supply disruption and major shipping lanes being diverted away from the Red Sea. But a reduction in crude prices during the first quarter prompted OPEC+ to prolong voluntary production cuts until the end of the second quarter.

Ukraine’s attacks on Russian oil refineries intensified in the second quarter, with the notable strike on the 240 kbd Tuapse plant on 17 May. Overall Ukraine targeted 12 refineries causing however only minor disruptions to throughput volumes.

Key oil benchmark prices



Source: ICE, EP Commodities

Fears of weak global economic slowdown took centre stage early in the third quarter, with investors beginning to expect interest rates cuts. July’s Chinese GDP data missed analyst expectations to the downside, which revived concerns about global oil demand. In September, the US Federal Reserve began reducing interest rates with a first 0.5% cut.

OPEC extended production cuts through October and December, while Libya imposed an oil export ban due to a dispute between rival governments.

The fourth quarter began with escalating tensions in the Middle East as Iran launched a series of large air strikes against Israel. OPEC extended production cuts through December and into Q1 2025. In October, Libya reopened its oilfields.

Iran and Venezuela remained under US sanctions during the whole year, but oil exports from these two countries increased in 2024, with exports reaching new high levels.

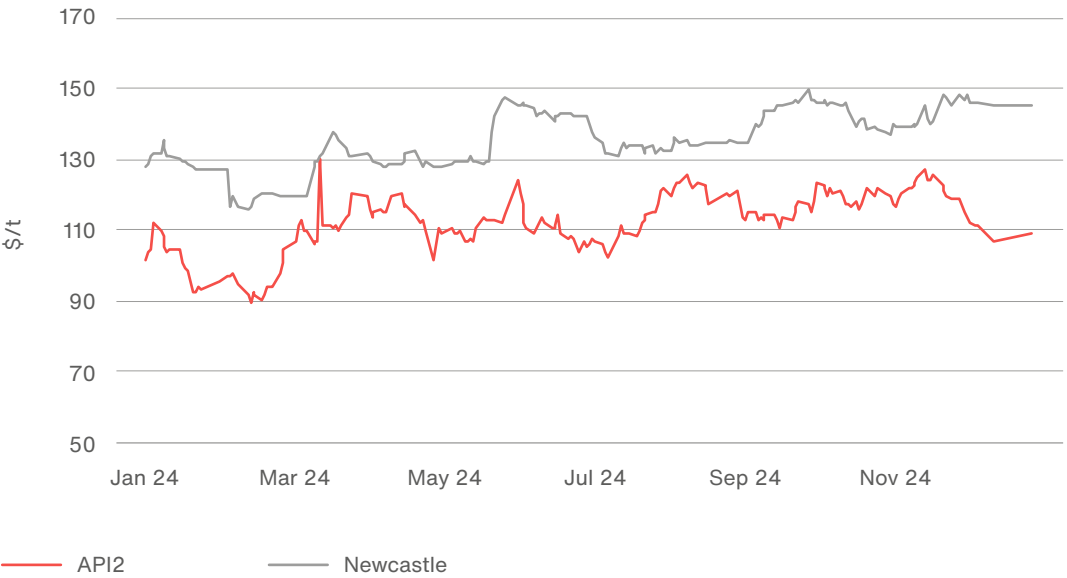
Towards the end of the year the re-election of Donald Trump as US president drove a short-lived rally in oil prices with US equities and the dollar also edging higher. The year ended with ongoing uncertainties on the demand side as well as risks of trade wars, further deterioration in US-China relations as Donald Trump enters the White House.

Coal

API2 prices fell throughout 2024, driven by persistent oversupply and weak demand signals. Prices declined from around \$118/t at the beginning of 2024 to approximately \$95/t by year-end. The IEA estimates global coal demand reached 8,630 Mt in 2024, a modest 1.2% y/y increase.

European Union coal demand further contracted, dropping an additional 15% in 2024. Accelerated renewable energy deployment and improved performance from nuclear continued to displace thermal generation. There were similar trends in the US where demand dropped 10% has renewable buildout and competitive natural gas prices accelerated coal-fired power plant retirements. Both Japan and South Korea also lost around 5–7% of coal demand from 2023, pressured by renewables and nuclear restarts.

Global coal prices



Source: ICE, EP Commodities

China’s coal demand grew 2.3% year on year in 2024. Despite slowing economic growth, the electricity sector maintained steady coal-fired power generation, with total consumption reaching approximately 3,100 Mt. Indian demand rose 6.5% y/y in 2024. Power generation remained the primary driver, with coal consumption for electricity increasing to around 997 Mt. India’s continued industrial expansion and electricity infrastructure development sustained coal demand, though at a moderated pace compared to previous years.

The global coal supply continued to grow in 2024, with the IEA estimating supplies reaching approximately 8,730 Mt (up 1.7% y/y). China continued to drive supply dynamics, increasing domestic production to around 4.4 billion tonnes to further reduce import dependence.

India's domestic production continued its strong growth trajectory, increasing by approximately 8% to more than 1,080 Mt in 2024. Captive mine operators remained a key growth driver, with the IEA estimating captive block output growth of around 22%. NTPC, India's largest power producer, further expanded production in its captive blocks, estimated to have increased by an additional 45% to approximately 33 Mt.

While coal stocks declined in those regions actively moving away from coal, the stayed high in major consumers like China or India. The latter helped pressure seaborne coal prices as key importers were able to manage their own supplies.

EUA

Europe’s overall stagnant macroeconomic outlook contributed to exert downward pressure on EU carbon allowances (EUAs), with the average price of the benchmark front-December futures contract falling from 85 EUR/t in 2023 to 66.5 EUR/t in 2024.

After reaching an all-time high of above 100 EUR/t in early 2023, the EUA Dec futures contract retreated significantly through the second half of 2023, with the downtrend persisting into 2024, with EUA demand dwindling on reduced emissions from the power sector, and as stagnant economic conditions continued to dampen any significant industrial recovery.

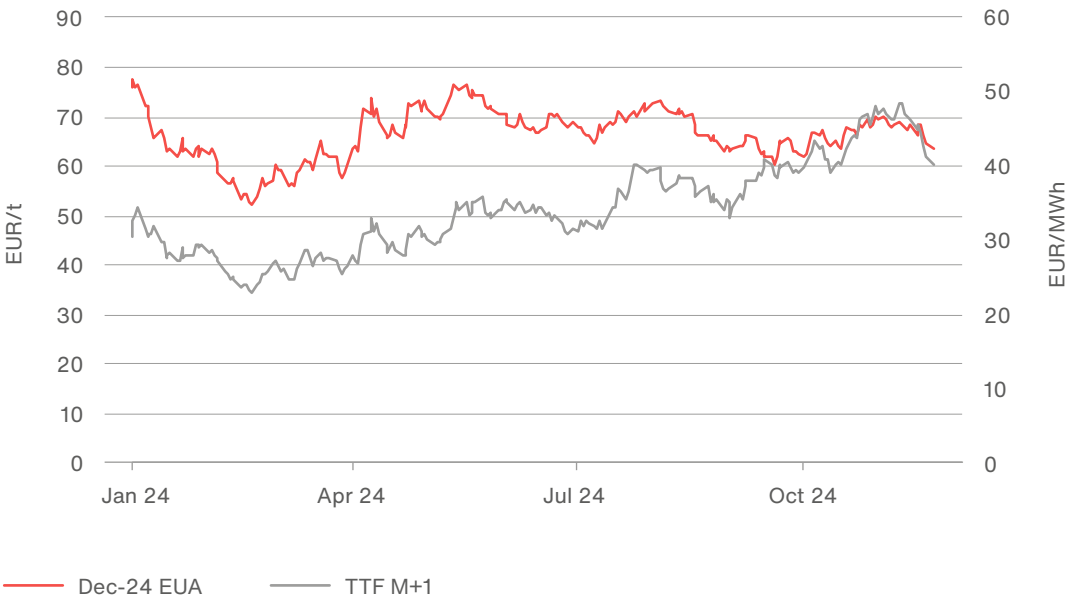
During H1 2024, weakening European gas prices further weighed on carbon, whose fluctuations continued to display a high correlation to gas price movements. With gas pricing relatively low in the fuel-switching channel, this helped to squeeze out more carbon-intensive coal out of the power generation mix. Moreover, an increasing share of renewables and nuclear in the power mix further contributed to reduce the overall space for thermal generation, with a notable increase year-on-year in hydropower output across the region.

When this situation reversed on the rally in TTF gas prices in early spring, carbon also started a steady recovery that lasted until June. However, the positive correlation between EUAs and gas prices began to weaken into the second half of the year. While TTF gas prices steadily increased in anticipation of a potential cessation in Russian pipeline flows via Ukraine, EUAs held relatively steady within a 60–70 EUR/t trading range on persistently weak fundamentals and as speculation about a possible increase in volumes sold to co-finance the REPowerEU programme weighed on EUAs until the European Commission clarified in November that no adjustment would be made before September 2025.

On the supply side, overall volumes increased as cuts in the issuance of allowances under the broader ETS cap trajectory were offset by the scope expansion to include emissions from the maritime sector and larger auctions. In addition, the frontloading of EUA auction volumes to help finance the REPowerEU programme added 87 m EUAs to the market. A total of 1,134 m EUAs were issued in 2024, which was around 5% year-on-year, with auction volumes only affected by additional supply from REPowerEU in the second half of 2023.

From a policy perspective, the European Commission released its communication and impact assessment on a 2040 climate target in February 2024, with a 90% reduction in greenhouse gas emissions proposed as an intermediate target to bridge the 55% target for 2030 and climate neutrality by 2060. However, this topic was somewhat overshadowed by increasing concerns about Europe’s industrial competitiveness, exemplified by a report presented by former ECB chief Mario Draghi in September and by the European Commission’s pledge to present a Clean Industrial Deal to address increasing uncompetitiveness of European industries with other global economies.

EUA price in EUR/t



Source: ICE, EP Commodities



II. Management Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Energetický a průmyslový holding, a.s. (further “the Company”) for the year ended 31 December 2024, which is prepared in accordance with the Czech accounting legislation.

The Statutory Financial Statements of the Company have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, and relevant regulations and decrees applicable to entrepreneurs, in particular Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting.

The Consolidated Financial Statements of the EPH Group have been prepared in accordance with International accounting standards (IAS) and International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as adopted by the European Union.

In our opinion, both accompanying financial statements give true and fair view of the assets, liabilities, financial position, profit or loss as well as cash flows for the financial year 2024. In addition, the Group’s review of operations includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

We recommend the Annual Report for authorisation and approval at the Annual General Meeting.

Prague, 25 March 2025



Marek Spurný

Vice-Chairman of the Board of Directors



Mgr. Pavel Horský

Vice-Chairman of the Board of Directors

III. Report on Relations



Report on relations

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

prepared by the Board of Directors of Energetický a průmyslový holding, a.s. (“the Company”), with its registered office at Pařížská 130/26, Josefov, 110 00 Praha 1, Corporate ID: 283 56 250, in accordance with Section 82 (1) of the Business Corporations Act (Act No. 90/2012 Coll., as amended)

(“the Report”)

I. Preamble

The Report has been prepared pursuant to Section 82 (1) of the Business Corporations Act (Act No. 90/2012 Coll., as amended).

The Report has been submitted for review to the Company’s Supervisory Board in accordance with Section 83 (1) of the Business Corporations Act (Act No. 90/2012 Coll., as amended), and the Supervisory Board’s position will be communicated to the Company’s General Meeting deciding on the approval of the Company’s regular financial statements and on the distribution of the Company’s profits 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 Energetický a průmyslový holding, a.s., with its registered office at Pařížská 130/26, Josefov, 110 00 Praha 1, Corporate ID: 283 56 250, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, file 21747.

Controlling entity

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

Indirectly controlling entity

EP Investment S.à r.l.
Registered office: L-2314 Luxembourg, Place de Paris 2, Luxembourg
Reg. No.: B 184.488,
Legal form: société à responsabilité limitée

Other controlled entities

The structure of relations of the controlling entity, EP Investment S.à.r.l., and groups of entities controlled by this controlling entity is presented in Appendix 1 to this Report. The Appendix therefore does not include the complete ownership structure of EP Investment S.à.r.l., nor does it list shareholders with 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 the group of directly or indirectly controlled entities
- providing financing and developing financing systems for group entities
- optimising the services utilised/provided to improve the entire group’s performance
- managing, acquiring, and disposing of the Company’s ownership interests and other assets

Method and means of control

The controlling entity holds a majority share of voting rights in Energetický a průmyslový holding, a.s. over which it exercises a controlling influence.

IV. Overview of acts specified by Section 82 (2) (d) of Act No. 90/2012 Coll., on Business Corporations and Cooperatives

During the 2024 accounting period, the Company paid a profit share and a profit share prepayment in excess of 10% of the Company's equity.

In addition, agreements to purchase shares of EP UK Investments Ltd, EP Produzione S.p.A., EP France S.A.S. and EP NL B.V. were signed by and between Energetický a průmyslový holding, a.s., as the buyer and EP Power Europe, a.s. as the seller in the aggregate amount exceeding 10% of the Company’s equity, individually listed under V.1.3.

Apart from the above, no other actions were taken in the interest or at the initiative of the controlling entity or entities controlled by the controlling entity during the 2024 reporting period that would relate to assets exceeding 10% of the controlled entity’s equity as presented in the latest financial statements.

V. Agreements concluded between Energetický a průmyslový holding, a.s. and other related entities

V.1.1

In 2024, the following loan agreements concluded with companies in the Energetický a průmyslový holding, a.s. Group were in place:

On 26 January 2017, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Logistics International, a.s. as the debtor.

On 14 March 2019, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing SK, a.s. as the creditor.

On 24 April 2019, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing CZ, a.s. as the creditor.

On 18 July 2019, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Logistics International, a.s. as the debtor.

On 13 March 2020, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing CZ, a.s. as the creditor.

On 23 March 2020, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and ABS PROPERTY LIMITED as the debtor.

On 20 October 2020, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the debtor and EP France S.A.S. as the creditor.

On 14 December 2020, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Logistics International, a.s. as the debtor.

On 16 December 2021, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Logistics International, a.s. as the debtor.

On 26 January 2022, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Produzione S.p.A. as the creditor.

On 19 July 2022, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing CZ, a.s. as the creditor.

On 7 February 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Logistics International, a.s. as the debtor.

On 6 March 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Produzione S.p.A. as the debtor.

On 15 September 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EPH Financing International, a.s. as the debtor.

On 27 October 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Logistics International, a.s. as the debtor.

On 31 October 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Produzione S.p.A. as the debtor.

On 13 November 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing International, a.s. as the creditor.

On 20 December 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing International, a.s. as the creditor.

On 9 April 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Produzione S.p.A. as the creditor.

On 31 May 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EPH Financing International, a.s. as the creditor.

On 2 September 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP UK Investment Ltd. as the debtor.

On 5 September 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Produzione S.p.A. as the debtor.

On 10 December 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP UK Investment Ltd. as the debtor.

On 16 December 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Produzione S.p.A. as the creditor.

In 2024, the following loan agreements concluded with companies in the EP Group, a.s. Group were in place:

On 30 June 2023, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Group, a.s. as the debtor.

In 2024, the following loan agreements concluded with companies in the EP Power Europe, a.s. Group were in place:

On 28 February 2018, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Mehrum GmbH as the creditor.

On 31 December 2018, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 4 January 2021, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 22 March 2021, a loan agreement, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 15 September 2021, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 18 February 2022, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Power Europe, a.s. as the creditor.

On 12 April 2022, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 25 November 2022, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 19 December 2022, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 20 December 2022, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 29 May 2023, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 6 June 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Power Europe, a.s. as the creditor.

On 26 June 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Commodities, a.s. as the debtor.

On 26 June 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Netherlands B.V. as the debtor.

On 22 August 2023, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 4 September 2023, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 31 October 2023, a loan agreement, including valid amendments, was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 30 April 2024, a loan agreement including valid amendments was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Netherlands B.V. as the debtor.

On 30 April 2024, a loan agreement including valid amendments was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Commodities, a.s. as the debtor.

On 24 June 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Power Europe, a.s. as the creditor.

On 1 July 2024, a loan agreement including valid amendments was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Commodities AG as the creditor.

On 1 August 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Power Europe, a.s. as the debtor.

On 1 August 2024, a debt assumption agreement including valid amendments was signed between Saale Energie GmbH as the creditor, EP Power Europe, a.s. as the original debtor and Energetický a průmyslový holding, a.s. as the new debtor.

On 19 November 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the creditor and EP Netherlands B.V. as the debtor.

On 23 December 2024, a loan agreement was signed between Energetický a průmyslový holding, a.s. as the debtor and EP Resources AG as the creditor.

V.1.2

In 2024, the following guarantee issuance agreements and guarantee fee agreements were in effect between Energetický a průmyslový holding, a.s. and the related entities:

- Aerodis, S.A.
- Biomasse Italia S.p.A.
- C.S.E. Coulomb
- Dynamo S.A.S.
- Eggborough Power Limited
- EP Cargo Invest a.s.
- EP Centrale Tavazzano Montanaso S.p.A.
- EP Commodities AG
- EP Commodities, a.s.
- EP Energy Developments Ltd.
- EP France Management & Services
- EP France S.A.S
- EP Kilroot Limited
- EP Logistics International, a.s.
- EP NI Energy Limited

- EP Power Europe, a.s.
- EP Produzione S.p.A.
- EP Resources AG
- EP RESOURCES PL Spółka Akcyjna
- EP UK Investments Ltd
- Fiume Santo S.p.A.
- Fusine Energia S.r.l. a socio unico
- Gazel Energie Generation SAS
- GAZEL ENERGIE RENOUVELABLES
- Gazel Energie Solutions S.A.S.
- Illico SAS
- Lausitz Energie Kraftwerke AG
- PZEM Energy Company B.V.
- RVA Consulting Engineers Limited
- Surschiste S.A.
- Tynagh Energy Limited
- Windpark Breundorf I GmbH
- Locon Logistic & Consulting AG
- EP Energie Deutschland GmbH

V.1.3

Other contracts concluded with companies in the EP Infrastructure, a.s. Group that were in place in 2024:

On 1 August 2013, an ISDA 2002 Master Agreement and a Schedule to the 2002 Master Agreement were signed between Energetický a průmyslový holding, a.s. and EP Energy, a.s.

On 7 February 2023, a Personal Data Processing Agreement was signed between United Energy, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 7 February 2023, a Personal Data Processing Agreement was signed between Severočeská teplárenská, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 7 February 2023, a Personal Data Processing Agreement was signed between GABIT spol. s.r.o. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 20 February 2023, a Personal Data Processing Agreement was signed between NAFTA a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 21 February 2023, a Personal Data Processing Agreement was signed between PT měření, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 3 May 2023, a Personal Data Processing Agreement was signed between Stredoslovenská energetika, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 10 May 2023, a Personal Data Processing Agreement was signed between Stredoslovenská distribučná, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

On 1 June 2023, a Personal Data Processing Agreement was signed between SPP - distribúcia, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

Other contracts concluded with companies in the Energetický a průmyslový holding, a.s. Group that were in place in 2024:

SAP software rights transfer agreement concluded between EP UK Investments Ltd. and Energetický a průmyslový holding, a.s. as the supplier on 10 November 2017.

Financial guarantee for debts of EPH Financing CZ, a.s. issued by Energetický a průmyslový holding, a.s. on 10 February 2020.

On 28 February 2022, a Personal Data Processing Agreement was signed between EP Investment Advisors, s.r.o. as the processor and Energetický a průmyslový holding, a.s. as the controller.

On 1 June 2023, a Personal Data Processing Agreement was signed between Plzeňská teplárenská, a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor.

Financial guarantee for debts of EPH Financing CZ, a.s. issued by Energetický a průmyslový holding, a.s. on 24 June 2022.

On 2 August 2023, a Personal Data Processing Agreement was signed between LokoTrain s.r.o. as the controller and Energetický a průmyslový holding, a.s. as the processor.

Financial guarantee for debts of EPH Financing International, a.s. issued by Energetický a průmyslový holding, a.s. on 12 October 2023.

On 29 January 2024, an agreement on the provision of an additional equity contribution was signed between Energetický a průmyslový holding, a.s. as the shareholder and EP Slovakia B.V.

On 8 April 2024, an agreement on the provision of an additional equity contribution was signed between Energetický a průmyslový holding, a.s. as the shareholder and EP Slovakia B.V.

On 10 June 2024, an agreement on the provision of an additional equity contribution was signed between Energetický a průmyslový holding, a.s. as the shareholder and Adconcretum real estate Ltd.

On 23 October 2024, an agreement on the provision of an additional equity contribution was signed between Energetický a průmyslový holding, a.s. as the shareholder and EP Slovakia B.V.

Other contracts concluded with companies in the EP Group, a.s. Group that were in place in 2024:

On 10 April 2024, an agreement on the set-off of receivables was signed between Energetický a průmyslový holding, a.s. and EP Group, a.s.

Other contracts concluded with companies in the EP Power Europe, a.s. Group that were in place in 2024:

On 1 August 2024, agreements on the set-off of receivables were signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 24 September 2024, agreements on the set-off of receivables were signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 28 November 2024, an agreement on the purchase of shares of EP UK Investments Ltd. was signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 29 November 2024, an agreement on the purchase of shares of EP France S.A.S. was signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 29 November 2024, an agreement on the purchase of shares of EP Produzione S.p.A. was signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 29 November 2024, an agreement on the purchase of shares of EP NL B.V. was signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 12 December 2024, agreements on the set-off of receivables were signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 23 December 2024, an agreement on the set-off of receivables was signed between Energetický a průmyslový holding, a.s. and EP Power Europe, a.s.

On 27 December 2024, a deposit agreement was signed between Energetický a průmyslový holding, a.s. and EP Resources CZ a.s.

V.1.4

In 2024, the following operating agreements were in place in the Energetický a průmyslový holding a.s. Group:

An agreement on the provision of support and advisory on acquisition projects was signed between EP Investment Advisors, s.r.o. as the provider and Energetický a průmyslový holding, a.s. as the interested party on 10 December 2014.

A intermediation agreement was signed between EP Investment Advisors, s.r.o. as the intermediary, and Energetický a průmyslový holding, a.s. as the customer on 4 January 2016.

A sublease agreement concluded between EP Investment Advisors, s.r.o. as the tenant and Energetický a průmyslový holding, a.s. as the subtenant on 15 June 2017.

A professional services agreement concluded between EP Logistics International, a.s. as the interested party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A professional services agreement concluded between EPIF Investments a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A professional services agreement concluded between EP Investment Advisors s.r.o. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A professional services agreement concluded between EP Investment Advisors s.r.o. as the provider and Energetický a průmyslový holding, a.s. as the ordering party on 28 February 2022.

A professional services agreement concluded between EP Slovakia B.V. as the interested party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2022.

A professional services agreement concluded between ABS PROPERTY LIMITED as the ordering party and Energetický a průmyslový holding, a.s. as the provider, with effect from calendar year 2023.

A Personal Data Processing Agreement concluded between ABS PROPERTY LIMITED as the ordering party and Energetický a průmyslový holding, a.s. as the provider, with effect from calendar year 2023.

In 2024, the following operating agreements were in place in EP Infrastructure, a.s. Group:

A professional services agreement concluded between EP Infrastructure, a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A professional services agreement concluded between EP Infrastructure, a.s. as the provider and Energetický a průmyslový holding, a.s. as the ordering party on 12 April 2022.

In 2024, the following operating agreements were in place in the EP Power Europe, a.s. Group:

An agreement on the transfer of rights to SAP software concluded between EP Power Minerals GmbH and Energetický a průmyslový holding, a.s. as the supplier on 23 December 2021.

A professional services agreement concluded between EP Power Europe, a.s. as the provider and Energetický a průmyslový holding, a.s. as the ordering party on 14 February 2022.

A professional services agreement concluded between EP Power Europe, a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A consulting services agreement concluded between RVA Consulting Engineers Limited as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 19 October 2022.

A Personal Data Processing Agreement concluded between Slovenské elektrárne, a.s. as the provider and Energetický a průmyslový holding, a.s. as the intermediary on 13 April 2023.

In 2024, the following operating agreements were in place within the EP Group a.s.:

A professional services agreement concluded between EP Group, a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 20 February 2023.

A professional services agreement concluded between EP BidCo a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

A professional services agreement concluded between EP Real Estate a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 14 March 2023.

A professional services agreement concluded between Nadace EP Group as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

A Personal Data Processing Agreement concluded between Nadace EP Group as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

In 2024, the following operating agreements were in place within the EP Energy Transition, a.s. Group:

A professional services agreement concluded between EP Energy Transition, a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

In 2024, the following operating agreements were in place within the EP Equity Investment S.à r.l. Group:

A professional services agreement concluded between EP Equity Investment S.à.r.l as the interested party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A Personal Data Processing Agreement was signed between EP Equity Investment S.à.r.l as the interested party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

In 2024, the following operating agreements were in place within the EC Investments a.s. Group:

A professional services agreement concluded between Košík.cz s.r.o. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 26 January 2023.

A Personal Data Processing Agreement was signed between Košík.cz s.r.o. as the controller and Energetický a průmyslový holding, a.s. as the processor on 26 January 2023.

A professional services agreement concluded between EC Investments a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 14 February 2022.

A professional services agreement concluded between DIVR LABS s.r.o. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

A professional services agreement concluded between FAST ČR, a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

A Personal Data Processing Agreement concluded between FAST ČR, a.s. and Energetický a průmyslový holding, a.s. on 15 February 2023.

In 2024, the following other operating agreements were in place:

A professional services agreement concluded between EP Global Commerce a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A professional services agreement concluded between EP Global Commerce GmbH as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A professional services agreement concluded between EP Global Commerce III GmbH as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A professional services agreement concluded between EP Global Commerce IV GmbH as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A professional services agreement concluded between EP Global Commerce V GmbH as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A professional services agreement concluded between EP Global Commerce VI GmbH as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A professional services agreement concluded between EP Global Commerce VII GmbH as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce GmbH as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce III GmbH as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce IV GmbH as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce V GmbH as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce VI GmbH as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A Personal Data Processing Agreement concluded between EP Global Commerce VII GmbH as the controller and Energetický a průmyslový holding, a.s. as the processor on 8 February 2023.

A professional services agreement concluded between Old Queen Street a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

A Personal Data Processing Agreement concluded between Old Queen Street a.s. as the controller and Energetický a průmyslový holding, a.s. as the processor on 15 February 2023.

A professional services agreement concluded between Paris Real Estate SNC as the interested party and Energetický a průmyslový holding, a.s. as the provider on 15 February 2023.

A professional services agreement concluded between NEW CO SAB 279 as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 20 February 2023.

A professional services agreement concluded between PERIGO a.s. as the ordering party and Energetický a průmyslový holding, a.s. as the provider on 20 February 2023.

A Personal Data Processing Agreement concluded between NEW CO SAB 279 as the controller and Energetický a průmyslový holding, a.s. as the processor on 21 February 2023.

A professional services agreement concluded between SPRITER, a.s. as the interested party and Energetický a průmyslový holding, a.s. as the provider on 23 February 2023.

A professional services agreement concluded between 1890s holdings a.s. as the interested party and Energetický a průmyslový holding, a.s. as the provider on 19 January 2023.

All the above contracts were concluded at arm’s length. Energetický a průmyslový holding, a.s. incurred no harm based on these contracts.

V.2.

Other juridical acts made between Energetický a průmyslový holding, a.s. and other related entities

Apart from the above, no other agreements were concluded between Energetický a průmyslový holding, a.s. and the related entities, and no supplies or considerations were provided between Energetický a průmyslový holding, a.s. and the related entities.

Energetický a průmyslový holding, a.s. did not adopt or carry out any other juridical acts or measures in the interest or at the initiative of related entities.

V.3.

Transactions, receivables and payables of Energetický a průmyslový holding, a.s. vis-à-vis related entities

The receivables and payables of Energetický a průmyslový holding, a.s. from/to related entities as of 31 December 2024 are disclosed in the notes to the financial statements, which form part of the consolidated annual report.

- agreements between related entities
- supplies and considerations 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.

that was known to us as of the date of this Report.

VI.

We hereby confirm that this Report on relations between related entities of Energetický a průmyslový holding, a.s., prepared pursuant to Section 82 (1) of the Act on Business Corporations and Cooperatives (Act No. 90/2012 Coll., as amended), for the reporting period from 1 January 2024 to 31 December 2024 includes all information regarding

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

In Prague on 25 March 2025

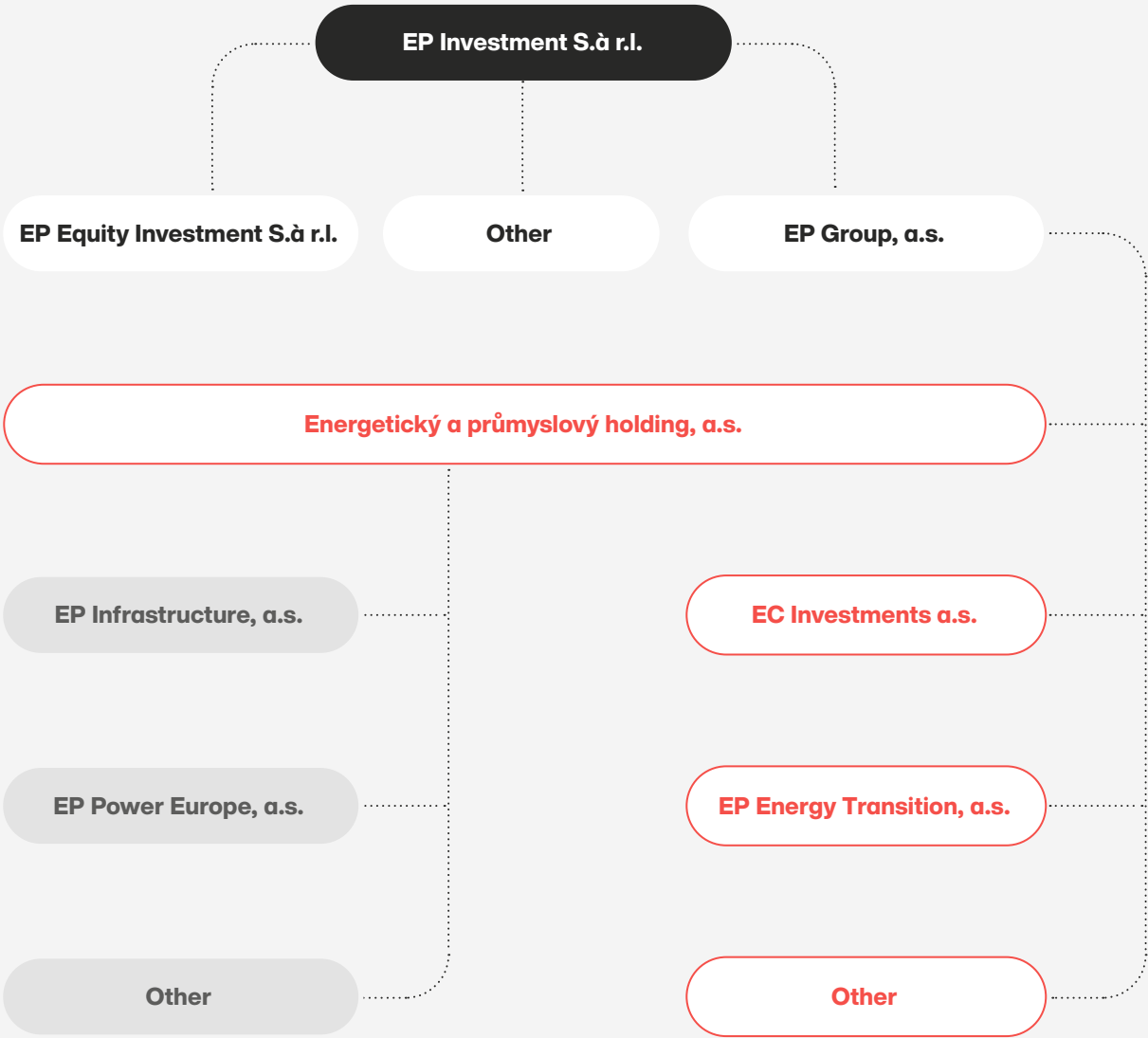


Mgr. Marek Spurný
Vice-Chairman of the Board of Directors



Mgr. Pavel Horský
Vice-Chairman of the Board of Directors

Appendix 1



IV. Consolidated Audit Report

Deloitte.

Deloitte Audit s.r.o.
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Section C, File 24349
ID. No.:49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of

Energetický a průmyslový holding, a.s.

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

Opinion

We have audited the accompanying consolidated financial statements of Energetický a průmyslový holding, a.s. and its subsidiaries (the “Group”) prepared on the basis of International Financial Reporting Standards (IFRS® Accounting Standards) adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, and the 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 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.

Other Information in the Consolidated Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Consolidated Annual 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 consolidated financial statements; and
- The other information with the exception of the sustainability statement is prepared in compliance with applicable law or regulation.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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.

In Prague on 25 March 2025

Audit firm:

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



Statutory auditor:

Ladislav Šauer
registration no. 2261



V. Consolidated financial statements

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Energetický a průmyslový holding, a. s.

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

2024

Consolidated statement of comprehensive income

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Note	2024	2023 (restated)*
Revenues	7	23,331	23,981
Purchases and consumables	8	(17,965)	(17,199)
Subtotal		5,366	6,782
Services	9	(873)	(837)
Personnel expenses	10	(663)	(640)
Depreciation, amortization and impairment	15, 16	(849)	(774)
Emission rights, net	11	(1,350)	(1,505)
Bargain purchase gain	6	–	3
Own work, capitalized		37	35
Other operating income (expense), net	12	33	(259)
Profit from operations		1,701	2,805
Finance income	13	161	1,940
Change in impairment on financial instruments and other financial assets	13	–	(10)
Finance expense	13	(677)	(615)
Net finance expense		(516)	1,315
Share of profit of equity accounted investees, net of tax	17	353	996
Gain from disposal of subsidiaries, joint ventures, joint operations and associates	6	50	96
Profit before income tax		1,588	5,212
Income tax expenses	14	(530)	(617)
Profit from continuing operations		1,058	4,595
Profit (loss) from discontinued operations, net of tax	22	(22)	120
Profit for the year		1,036	4,715

Consolidated statement of comprehensive income

(continuing)

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Note	2024	2023 (restated)*
Items that are not reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment, net of tax	14, 15	(139)	479
Fair value reserve included in other comprehensive income, net of tax	14	22	(45)
Share of the other comprehensive income of equity accounted investees, net of tax		(1)	2
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	14	21	(62)
Effective portion of changes in fair value of cash-flow hedges, net of tax	14	(155)	218
Share of the other comprehensive income of equity accounted investees, net of tax		(122)	441
Share of the other comprehensive income of equity accounted investees reclassified to profit or loss on disposal, net of tax		–	53
Other comprehensive income for the year, net of tax		(374)	1,086
Total comprehensive income for the year		662	5,801
Profit attributable to:			
Owners of the Company		643	4,389
Non-controlling interest	24	393	326
Profit for the year		1,036	4,715
Total comprehensive income attributable to:			
Owners of the Company		374	4,959
Non-controlling interest	24	288	842
Total comprehensive income for the year		662	5,801

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

The notes presented on pages 77 to 267 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2024

In millions of EUR (“MEUR”)

	Note	31 December 2024	31 December 2023 (restated)*
Assets			
Property, plant and equipment	15	12,693	13,260
Intangible assets and goodwill	16	582	799
Investment property		22	21
Equity accounted investees	17	1,092	874
Restricted cash		29	23
Financial instruments and other financial assets	28	646	546
Trade receivables and other assets	20	152	117
Prepayments and other deferrals		8	8
Deferred tax assets	18	199	266
Total non-current assets		15,423	15,914
Inventories, extracted minerals and mineral products	19	576	1,007
Trade receivables and other assets	20	2,733	3,364
Contract assets		135	75
Financial instruments and other financial assets	28	2,792	4,718
Prepayments and other deferrals		94	102
Current income tax receivable	14	128	140
Restricted cash		5	33
Cash and cash equivalents	21	3,318	3,502
Assets/disposal groups held for sale	22	1,206	–
Total current assets		10,987	12,941
Total assets		26,410	28,855
Equity			
Share capital	23	161	161
Reserves	23	1,182	1,249
Retained earnings		2,693	3,629
Total equity attributable to equity holders		4,036	5,039
Non-controlling interest	24	4,103	4,171
Total equity		8,139	9,210

Consolidated statement of financial position

(continuing)

As at 31 December 2024

In millions of EUR (“MEUR”)

	Note	31 December 2024	31 December 2023 (restated)*
Liabilities			
Loans and borrowings	25	6,211	7,460
Financial instruments and financial liabilities	28	280	173
Provisions	26	863	1,430
Deferred income	27	78	84
Contract liabilities		138	120
Deferred tax liabilities	18	2,163	2,026
Trade payables and other liabilities	29	25	20
Total non-current liabilities		9,758	11,313
Trade payables and other liabilities	29	3,035	3,133
Contract liabilities		123	105
Loans and borrowings	25	1,503	870
Financial instruments and financial liabilities	28	841	2,157
Provisions	26	1,145	1,578
Deferred income	27	74	57
Current income tax liability	14	313	432
Liabilities from disposal groups held for sale	22	1,479	–
Total current liabilities		8,513	8,332
Total liabilities		18,271	19,645
Total equity and liabilities		26,410	28,855

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 4.

The notes presented on pages 77 to 267 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Attributable to owners of the Company													
	Note	Share capital	Share premium	Reserves							Total	Non-controlling interest	Total Equity	
				Other capital funds from capital contributions	Non-distributable reserves	Translation reserve	Fair value reserve	Revaluation reserve	Other capital reserves	Hedging reserve				Retained earnings
Balance as at 1 January 2024 (A)		161	-	23	17	(174)	59	1,024	(56)	356	3,629	5,039	4,171	9,210
Total comprehensive income for the year:														
Profit or loss (B)		-	-	-	-	-	-	-	-	-	643	643	393	1,036
Other comprehensive income:														
Foreign currency translation differences for foreign operations	14, 23	-	-	-	-	32	-	-	-	-	-	32	(11)	21
Fair value reserve included in other comprehensive income, net of tax	14, 23	-	-	-	-	-	22	-	-	-	-	22	-	22
Revaluation reserve included in other comprehensive income, net of tax	14, 23	-	-	-	-	-	-	(47)	-	-	-	(47)	(92)	(139)
Effective portion of changes in fair value of cash-flow hedges, net of tax	14, 23	-	-	-	-	-	-	-	-	(153)	-	(153)	(2)	(155)
Share of the other comprehensive income of equity accounted investees, net of tax		-	-	-	-	4	(1)	-	-	(126)	-	(123)	-	(123)
Total other comprehensive income (C)		-	-	-	-	36	21	(47)	-	(279)	-	(269)	(105)	(374)
Total comprehensive income for the year (D) = (B + C)		-	-	-	-	36	21	(47)	-	(279)	643	374	288	662
Contributions by and distributions to owners:														
Increase of share capital and other capital funds	23	-	-	201	-	-	-	-	-	-	-	201	-	201
Dividends to equity holders	24	-	-	-	-	-	-	-	-	-	(1,572)	(1,572)	(298)	(1,870)
Transfer to retained earnings		-	-	-	-	-	-	(36)	-	-	36	-	-	-
Transfer to non-distributable reserves – creation of legal fund		-	-	-	37	-	-	-	-	-	(37)	-	-	-
Total contributions by and distributions to owners (E)		-	-	201	37	-	-	(36)	-	-	(1,573)	(1,371)	(298)	(1,669)
Effects of acquisition of non-controlling interests	6	-	-	-	-	-	-	-	-	-	(6)	(6)	(58)	(64)
Total changes in ownership interests in subsidiaries (F)		-	-	-	-	-	-	-	-	-	(6)	(6)	(58)	(64)
Total transactions with owners (G) = (E + F)		-	-	201	37	-	-	(36)	-	-	(1,579)	(1,377)	(356)	(1,733)
Balance at 31 December 2024 (H) = (A + D + G)		161	-	224	54	(138)	80	941	(56)	77	2,693	4,036	4,103	8,139

The notes presented on pages 77 to 267 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(continuing)

For the year ended 31 December 2023

In millions of EUR (“MEUR”)

In millions of EUR ("MEUR")			Attributable to owners of the Company											
				Reserves										
	Note	Share capital	Share premium	Other capital funds from capital contributions	Non-distributable reserves	Translation reserve	Fair value reserve	Revaluation reserve	Other capital reserves	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total Equity
Balance as at 1 January 2023		161	-	23	18	(132)	111	895	(56)	(136)	2,595	3,479	3,651	7,130
Total comprehensive income for the year:														
Profit or loss (B)		-	-	-	-	-	-	-	-	-	4,389	4,389	326	4,715
Other comprehensive income:														
Foreign currency translation differences for foreign operations	14, 23	-	-	-	-	(41)	-	-	-	-	-	(41)	(21)	(62)
Fair value reserve included in other comprehensive income, net of tax	14, 23	-	-	-	-	-	(44)	-	-	-	-	(44)	(1)	(45)
Revaluation reserve included in other comprehensive income, net of tax	14, 23	-	-	-	-	-	-	162	-	-	-	162	317	479
Effective portion of changes in fair value of cash-flow hedges, net of tax	14, 23	-	-	-	-	-	-	-	-	(3)	-	(3)	221	218
Share of the other comprehensive income of equity accounted investees, net of tax		-	-	-	-	(1)	2	-	-	442	-	443	-	443
Share of the other comprehensive income of equity accounted investees reclassified to profit or loss on disposal, net of tax		-	-	-	-	-	-	-	-	53	-	53	-	53
Total other comprehensive income (C)		-	-	-	-	(42)	(42)	162	-	492	-	570	516	1,086
Total comprehensive income for the year (D) = (B + C)		-	-	-	-	(42)	(42)	162	-	492	4,389	4,959	842	5,801
Contributions by and distributions to owners:														
Increase of share capital		-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	24	-	-	-	-	-	-	-	-	-	(3,384)	(3,384)	(341)	(3,725)
Transfer to retained earnings		-	-	-	-	-	-	(33)	-	-	33	-	-	-
Total contributions by and distributions to owners (E)		-	-	-	-	-	-	(33)	-	-	(3,351)	(3,384)	(337)	(3,721)
Changes in ownership interests in subsidiaries:														
Effect of disposed entities	6	-	-	-	(1)	-	(10)	-	-	-	11	-	-	-
Effect of changes in shareholding on non-controlling interest		-	-	-	-	-	-	-	-	-	(15)	(15)	15	-
Total changes in ownership interests in subsidiaries (F)		-	-	-	(1)	-	(10)	-	-	-	(4)	(15)	15	-
Total transactions with owners (G) = (E + F)		-	-	-	(1)	-	(10)	(33)	-	-	(3,355)	(3,399)	(322)	(3,721)
Balance at 31 December 2023 (H) = (A + D + G)		161	-	23	17	(174)	59	1,024	(56)	356	3,629	5,039	4,171	9,210

The notes presented on pages 77 to 267 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Note	2024	2023 (restated)*
OPERATING ACTIVITIES			
Profit for the year from continuing operations		1,058	4,595
Adjustments for:			
Income tax expenses	14	530	617
Depreciation, amortization and impairment	15, 16	849	774
Dividend income	13	(9)	(6)
Change in impairment on financial instruments and other financial assets	13	–	10
Change in fair value of property, plant and equipment		4	–
Non-cash (gain) loss from commodity and freight derivatives, net		271	220
(Gain) loss on disposal of property, plant and equipment, investment property and intangible assets	12	(1)	2
Emission rights, net	11	1,350	1,505
Share of profit of equity accounted investees	17	(353)	(996)
Gain from disposal of subsidiaries, joint ventures, joint operations and associates	6(d)	(50)	(96)
Gain from financial instruments	13	71	(1,678)
Net interest expense	13	244	244
Change in allowance for impairment to inventories and other assets	12	(6)	99
Change in provisions	26	(68)	(99)
Bargain purchase gain	6	–	(3)
Other non-cash transactions		155	212
Unrealized foreign exchange (gains) losses, net		7	(105)
Operating profit before changes in working capital		4,052	5,295
Change in trade receivables, other assets, prepayment and other deferrals and contract assets		452	2,754
Change in inventories, extracted minerals and mineral products		364	155
Purchase and sale of emission rights		(1,285)	(1,651)
Change in trade payables and other liabilities, deferred income and contract liabilities		390	(1,970)
Change in restricted cash		–	(15)
Cash generated from (used in) operations		3,973	4,568
Income taxes paid		(501)	(970)
Cash flows generated from (used in) operating activities from discontinued operations		25	22
Cash flows generated from (used in) operating activities		3,497	3,620

Consolidated statement of cash flows

(continuing)

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Note	2024	2023 (restated)*
INVESTING ACTIVITIES			
Dividends received from associates and joint-ventures		14	4
Dividends received, other		8	3
Purchase of financial instruments		(21)	(2)
Repayment of bills of exchange		–	(213)
Loans provided to other entities		(812)	(404)
Repayment of loans provided to other entities		280	397
Proceeds from sale (settlement) of financial instruments		37	93
Acquisition of property, plant and equipment and intangible assets	5	(640)	(788)
Proceeds from sale of property, plant and equipment and intangible assets		26	19
Acquisition of associates and joint ventures		(8)	–
Acquisition of subsidiaries and joint operations, net of cash acquired	6	–	(456)
Net cash inflow from disposal of subsidiaries	6	49	–
Increase in participation in existing subsidiaries, joint-ventures and associates	6	(64)	4
Capital contributions paid from associates and joint ventures		12	2
Interest received		89	75
Cash flows from (used in) investing activities from discontinued operations		(33)	(66)
Cash flows from (used in) investing activities		(1,084)	(1,332)

Consolidated statement of cash flows

(continuing)

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Note	2024	2023 (restated)*
FINANCING ACTIVITIES			
Contribution to equity from shareholders		121	–
Proceeds from borrowings received	25	1,635	4,839
Repayment of borrowings	25	(2,260)	(5,152)
Proceeds from bonds issued, net of transaction fees	25	641	538
Repayment of bonds issued	25	(547)	(203)
Transaction fees	25	(16)	(31)
Payment of lease liability	25, 31	(84)	(70)
Interest paid	25	(344)	(298)
Dividends paid to non-controlling interests	25	(256)	(202)
Dividends paid to the owners of the Company	25	(1,364)	(1,216)
Cash flows from (used in) financing activities from discontinued operations		10	(1)
Cash flows from (used in) financing activities		(2,464)	(1,796)
Net increase in cash and cash equivalents		(51)	492
Cash and cash equivalents at beginning of the year		3,502	3,010
Effect of exchange rate fluctuations on cash held		–	–
Cash and cash equivalents at end of the year		3,451	3,502
Out of which cash and cash equivalents attributable to entities presented as held for sale		133	–

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 5.

The notes presented on pages 77 to 267 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Background

Energetický a průmyslový holding, a.s. (the “Parent Company” or “the Company” or “EPH”) is a joint-stock company, with its registered office at Pařížská 130/26, 110 00 Praha 1, Czech Republic. The Company was founded on 7 August 2009 and entered in the Commercial Register on 10 August 2009.

The main activities of the Company are corporate investments in the energy infrastructure and power generation. Besides energy infrastructure and power generation activities the Group also operates in logistics.

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, joint ventures and joint operations (together referred to as the “Group” or the “EPH Group”). The Group entities are listed in Appendix 2.

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

In millions of EUR	Interest in share capital		Voting rights
	MEUR	%	%
EP Group, a.s.	90	56.00 + 1 share	56.00 + 1 share
J&T ENERGY HOLDING, a.s.	71	44.00 - 1 share	44.00 - 1 share
Total	161	100.00	100.00

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

In millions of EUR	Interest in share capital		Voting rights
	MEUR	%	%
EP Group, a.s.	90	56.00 + 1 share	56.00 + 1 share
J&T ENERGY HOLDING, a.s.	71	44.00 - 1 share	44.00 - 1 share
Total	161	100.00	100.00

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

- Daniel Křetinský (Chairman of the Board of Directors)
- Marek Spurný (Member of the Board of Directors)
- Pavel Horský (Member of the Board of Directors)
- Jan Špringl (Member of the Board of Directors)

Transaction overview related to the shareholder structure of EPH Group

No changes in the shareholder structure occurred in the years ended 31 December 2024 and 31 December 2023.

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 on 25 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:

- gas transmission pipelines and gas distribution pipelines at revalued amounts;
- gas inventories for trading at fair value less cost to sell;
- investment properties;
- derivative financial instruments;
- non-derivative 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) Recent developments and key events for the Group

Macroeconomic and geopolitical environment

In the context of the ongoing military invasion in the territory of Ukraine and associated sanctions targeting the russian federation, the Parent Company has identified risks and adopted appropriate measures to mitigate impacts on Group’s business activities. Based on the information available and current developments, the Parent Company’s management has been continuously analysing the situation and assessing its direct impact on the Group. The Parent Company’s management has assessed the potential impacts of this situation on Group’s operations and concluded that they do not currently have a material impact on 2024 financial statements or going concern assumption in 2025. However, further negative developments as regards this situation cannot be ruled out, which could subsequently have a material negative impact on the Company, its businesses, financial condition, results, 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 14 – assessment of Pillar Two income taxes exposure;
- Note 15 – measurement of gas transmission and gas distribution pipelines at revalued amounts;
- Note 19 – measurement of inventories for trading at fair value less cost to sell;
- Note 22 – classification of entities as held for sale and discontinued operations;
- Note 26 – measurement of defined benefit obligations, recognition and measurement of provisions;
- Notes 25, 28 and 32 – valuation of loans and borrowings and financial instruments;
- Note 34 – litigations.

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, measurement 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 24 – information relating to assessment of control over subsidiaries;
- Note 22 – classification of entities as held for sale and discontinued operations;
- Note 26 – measurement of defined benefit obligations, recognition and measurement of provisions;
- Note 28 – own use exemption application for forward contracts on power and CO₂ emission allowances;
- Note 28 and 32 – hedge accounting application;
- Note 29 – classification of transactions which contain a financing element.

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 thus 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 25 – 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 EPH 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).

Certain comparative amounts in the consolidated statement of financial position have been regrouped or reclassified, where necessary, on a basis consistent with the current period.

A) Changes in accounting policies and restatement of comparative information

I. Changes in accounting policies

Advance payments for long-term tangible and intangible assets

From 1 January 2024, the Group has changed presentation of advance payments for long-term tangible and intangible assets in consolidated statement of financial position. Advance payments previously presented within line item “Trade receivables and other assets” have been reclassified to line item “Property, plant and equipment” and “Intangible assets and goodwill”, respectively. Adjusted presentation reflects more appropriately the substance of the advance payments, which is the acquisition of long-term assets. Comparative information has been adjusted accordingly. For details refer to Appendix 4 – Restated Consolidated statement of financial position.

II. Restatement of comparative information

Adjustments to purchase price allocation

During the year ended 31 December 2024, the purchase price allocation process for certain subsidiaries and a joint operation acquired in 2023 was completed. The completion led to adjustments of the provisional amounts in connection with acquisitions of PZEM and Sloe Group, EP NL Rijnmond 2 C.V. (former MaasStroom Energie C.V.) and Enecogen V.O.F. For details of the restatement refer to Appendix 4 – Restated Consolidated statement of financial position. Since the opening balance as of 1 January 2023 remained unaffected, restated consolidated statement of financial position as of 1 January 2023 is not presented. Adjustments had no impact on consolidated statement of comprehensive income for the year ended 31 December 2023.

Reclassification of mining operations in Germany to Discontinued operations

As part of the Group’s energy transition strategy, the Group intends to transfer participation in MIBRAG Energy Group GmbH (“MIBRAG Energy Group”) and its subsidiaries and associates to EP Energy Transition, a.s., the holding company dedicated to drive the transition from lignite to more environmentally friendly energy solutions. Since selected operations of MIBRAG Energy Group are representing the whole German mining operations, the Group represents these activities as discontinued operations as of and for the year ended 31 December 2024, including restatement of comparatives. For details refer to Appendix 3 – Restated consolidated statement of comprehensive income and Appendix 5 – Restated Consolidated statement of cash flows. Restatement had no impact on the consolidated statement of financial position as of 31 December 2023.

B) Basis of consolidation

I. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the 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. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for under the equity method and are initially recognised at cost. Acquisition related costs are recognized in cost of the investment. 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, including Group’s share of negative other comprehensive income, exceeds the carrying amount of the associate, the carrying amount is reduced to nil and the recognition of further losses or further negative other comprehensive income 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. Joint operations

A joint operation is an arrangement in which the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

On a date a joint control over a joint operation arises, the Group applies acquisition method as defined by IFRS 3 and measures its assets and liabilities in a joint operation (including its share of any assets and liabilities held jointly) at fair values as at the date the joint control commences. Purchase price or any form of consideration transferred is also measured at fair value. Acquisition related costs are recognized in profit or loss as incurred.

Excess of the consideration transferred over the Group’s share of fair value of the net identifiable assets of the joint operation is recognized as goodwill. If the Group’s share of the fair value of identifiable assets and liabilities exceeds the consideration transferred, the excess is recognized in profit and loss in the period the joint control arises.

When the Group undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- its assets and liabilities (including its share of any assets and liabilities held jointly);
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses (including its share of any expenses incurred jointly).

The financial statements of joint operations are included in the consolidated financial statements from the date that joint control commences until the date that joint control ceases.

IV. 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 recognized at the carrying amounts recognized 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 recognized 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, with the exception of 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.

V. 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.

VI. 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.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator, the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group’s consolidated financial statement only to the extent of other parties’ interests in the joint operation.

VII. 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.

VIII. Pricing differences

The Group accounted for pricing differences which arose from establishment of the Group and acquisition of certain new subsidiaries in the subsequent period. Such subsidiaries were acquired under common control of J&T Finance Group (which held controlling interest in the Group at the time of acquisition of the subsidiaries), and therefore excluded from scope of IFRS 3, which defines recognition of goodwill raised from a 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 J&T Finance Group, 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 acquisition date were recorded to consolidated equity as pricing differences presented within other capital reserves.

IX. Reversal of accumulated amortization, depreciation and bad debt allowances in common control acquisitions

Accumulated amortisation and depreciation of intangible and tangible assets acquired as part of a common control transaction were reversed against the gross carrying amount of the underlying intangible and tangible assets, i.e. the intangible and tangible assets were recognised at their net book values as at acquisition date.

Similarly, in acquisitions involving common control transactions, any bad debt allowances were reversed against gross amounts of purchased receivables as at acquisition date.

X. Disposal of subsidiaries, joint operations and equity accounted investees

Gain or loss from disposal of investments in subsidiaries, joint operations 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 disposed by selling the interest in a subsidiary, a joint venture, a joint operation or an associate, the profit or loss from sale is recognised in total under Gain (loss) from disposal of subsidiaries, joint ventures, joint operations 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) viii – 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 the 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 32 – Risk management policies and disclosures.

II. Translation of foreign operations

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, joint ventures, joint operations and associates 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. Derecognition

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.

Transactions for the purchase of commodities may contain a financing element such as extended payment terms. Such items are presented as trade payables if the financing element is insignificant, payment terms are consistent with supply terms commonly provided in the market and the financing period does not exceed 90 days after the physical supply of the commodity.

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 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 do not meet above mentioned conditions fall under the scope of IFRS 9 and are accounted for in line with the requirements of IFRS 9. When for similar contracts the Group has practice of net settlement, a two-book structure and a strict separation of own-use book and trading book is applied.

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 the net realisable value if the net realisable value is lower than production costs.

Inventories used for trading purposes are recognized at fair value less cost to sell. Changes in value are recognized in consolidated statement of comprehensive income in the year in which they occur.

I) Impairment

I. Non-financial assets

The carrying amounts of the Group’s assets, other than inventories (refer to accounting policy (h) – Inventories), investment properties (refer to accounting policy (l) – Investment property) and deferred tax assets (refer to accounting policy (r) – Income taxes) are reviewed at each reporting date to determine whether there is 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 an 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 (l) – 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) IV – 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 (q) – 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. 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 extent 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 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	7–100 years
• Buildings and structures	7–80 years
• Gas pipelines	30–70 years
• Machinery, electric generators, gas producers, turbines and boilers	7–50 years
• Mines and mine property	15–30 years
• Distribution network	10–30 years
• Machinery and equipment	4–40 years
• Fixtures, fittings and others	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/joint operation at the date of acquisition. Goodwill on acquisitions of subsidiaries/joint operations 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.

Internally generated emission allowances (in form of green certificates) obtained from qualifying generation assets are recognized as generation occurs, when it is probable that the expected future economic benefits attributable to them will flow to the Group and their cost can be measured reliably.

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, considering 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 considered 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

Amortization is recognized 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

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

L) Investment property

Investment property is property held by the Group either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment property is measured at fair value. For measurement policy of investment property refer to Note 4(c). Any gain or loss arising from a change in fair value is recognised in profit or loss.

M) 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 the 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). It is in general 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 in and gas storage facilities and coal mines 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 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;
- rehabilitating mines and tailings dams;
- 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 mining 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 unavoidable costs under a contract reflect net cost of exiting from the contract, which is the lower of the costs of fulfilling the contract, and any compensations or penalties arising from failure to fulfil 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.

N) 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 statement of 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.

O) 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 electricity, gas, 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 B2C customers advance payments are required in general based on historical consumption, those are settled when the actual supplied volumes are known. While B2B customers are usually invoiced with higher frequency based on actual 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 the 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 distribution).

The transaction price comprises of fixed 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 a monthly basis.

In case of transmission services part of the remuneration is 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.

The Group has evaluated that 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 the obligation to distribute energy to the customers (a non-cash consideration). These costs approximate the fair value of the obtained assets.

- **Grid balancing services**

The Group provides grid balancing services to transmission system operators (“TSO”) primarily in Italy, Germany, France, Ireland and the United Kingdom. The purpose of grid balancing services is to ensure the reliability of power grid and to maintain the quality of electricity supply. Grid balancing, which can span a wide array of services provided by the Group, includes two main streams of revenues represented by capacity fees and activation fees. The Group earns capacity fees for providing the service regardless of whether the TSO activates it (remuneration for availability), whereas activation fees are earned only when TSO requests the services (remuneration for performance).

Grid balancing services are accounted as ‘stand-ready’ services and recognized over time on a straight line-basis. Capacity fees represent a fixed part of the transaction price and are recognised equally over the contract period. Activation fees represent variable consideration of the contract. The Group does not accrue the activation fees as these are highly susceptible to factors outside Group’s influence (such as weather conditions and fluctuation in energy consumption). The activation fees are recognized when activation (or deactivation) of respective resource is requested by the customer.

- **Coal mining and revenues from sale of coal**

The Group recognises the revenue from sales of coal at a point in time, upon delivery of coal to the customer. The moment of the transfer of control over the product is considered the moment of delivery to the destination specified by the customer, i.e. when the customer gains the benefits, and the Group fulfils the performance obligation. Shipping and handling activities are considered only as fulfilment activities. Sales revenue is commonly subject to adjustments by variable consideration based on inspection of the product by the customer. Where there are agreed differences in volume or quality of delivered products, this is reflected as a reduction or an increase in sales revenue recognised on the sale transaction.

The Group may further guarantee to the customer its mining capacity for which the customer pays a fixed capacity fee. If the mining capacity is booked, the Group recognizes the performance as ‘stand-ready’ performance and respective revenues is recognized over contract period on a straight-line basis.

- **Logistics and freight services**

The Group provides procurement of commodities, freight and logistic connected services. At the inception of each contract, the Group identifies the performance obligations in the contract. Distinct performance obligations may include sale of goods and materials, transport, operation of containers and/or related consulting activities. Revenues from the sale of goods and materials are recognized at the point in time when the control is transferred to the customer. Revenues from freight services are recognized over a period of time as the customer is obliged to pay for the performance completed to date.

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. For the purposes of Group reporting, where trading with commodity derivatives forms a significant part of the Group’s total trading activities, the measurement effect is recognised in “Gain (loss) from commodity and freight derivatives, net”, a separate line item under “Revenues” for commodity derivatives with electricity, gas, coal and freight. 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.

P) 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.

Q) 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.

R) 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.

S) Dividends

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

T) Non-current assets held for sale and disposal groups

Non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (and all assets and liabilities in a disposal group) are re-measured in accordance with the Group’s relevant accounting policies. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of their carrying amount and fair value less costs to sell. If an investment or portion of an investment in associate or joint venture is classified as held for sale, it is measured at the lower of its existing carrying amount and fair value less cost to sell. Equity method of accounting is ceased since the classification as held for sale.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and investment property, which continue to be measured in accordance with the Group’s accounting policies.

Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Gains are not recognised in excess of any cumulative impairment loss.

Any gain or loss on the re-measurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of a discontinued operation is included in profit or loss from continuing operations.

Any separate major line of business or geographical area of operations or significant part of business, which is decided to be sold, is classified as discontinued operation and is presented in consolidated statement of comprehensive income under a separate line Profit (loss) from discontinued operations, net of tax.

Any intercompany transactions between continuing and discontinued operations are fully eliminated within Profit (loss) from discontinued operations.

U) Segment reporting

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. The support is provided by four executive committees: a strategic committee, an investment committee, a risk management committee, and a compliance committee.

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.

Certain items of property, plant and equipment – specifically, gas transmission pipeline owned and operated by eustream, a.s. (“Eustream”) and gas distribution pipelines owned and operated by SPP - distribúcia, a.s. (“SPPD”) – have been recognized at 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. 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. The most recent revaluation was conducted as at 30 June 2024 for Eustream and as at 1 January 2023 for SPPD.

Each revaluation was conducted by an independent expert, primarily using the depreciated replacement cost approach, with the market approach applied to certain types of assets. Generally, the replacement cost method was used, while the indexed historical cost method was applied where reproductive rates were unavailable. The cost approach considered factors such as physical deterioration, as well as technological and economic obsolescence, to determine the fair value of individual assets.

The assumptions used in the revaluation model were 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 reflect the value at which these assets could or will be sold. There are uncertainties regarding future economic conditions, technological advancements, and the competitive environment within the industry, which could potentially result in future adjustments to estimated revaluations and useful lives of assets. Such adjustments could significantly impact 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) Investment property

The fair value of investment property is determined by an independent registered valuer. The fair value is assessed based on current prices in an active market for similar properties in the same location and condition, or where not available, by applying generally applicable valuation methodologies that consider the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation (discounting).

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

D) 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.

The fair value of inventories held by commodity traders (for trading purposes) is based on their listed market price and is adjusted for transport costs.

E) 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.

F) 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.

G) Derivatives

The fair value of forward electricity, gas and emission rights 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

EPH is a leading pan-European utility/energy group that owns and operates assets primarily in the Czech Republic, France, Germany, Ireland, Italy, the Netherlands, the Slovak Republic, Switzerland and the UK. EPH is vertically integrated and covers the complete value chain in the energy sector including electricity and heat production from renewable and conventional sources, including highly efficient cogeneration, electricity and heat distribution, electricity and gas trading and supply to final consumers, lignite extraction and, last but not least, EPH is an important regional player in various segments of the gas industry, including gas transmission, gas distribution and gas storage. In addition, EPH also operates in logistics and in commodity trading business.

EPH Group comprises over 70 companies structured in two main pillars – EP Infrastructure (or “EPIF Group”) and Power Generation Group – that are ringfenced and steered separately. Each group operates in reportable segments under IFRS 8 Operating Segments. The Group identifies its operating segments at the level of each legal entity, the Group management monitors the performance of each entity through monthly management reporting. Operating segments are aggregated to five reportable segments in EPIF Group (Gas Transmission, Gas and Power distribution, Gas Storage, Heat Infra and EPIF Other) and three reportable segments in Power Generation Group (Flexible Power Generation (with its subsegments Contracted/Semi-contracted and Merchant), Renewables and Carbon-neutral) mainly based on the nature of services provided. Each reportable segment aggregates entities with similar economic characteristics (type of services provided, commodities involved and regulatory environment. Reportable segments have been identified primarily on the basis of internal reports used by the Group’s “Chief operating decision maker” (Board of Directors) to allocate resources to the segments and assess their performance. EPH seeks to achieve excellence in all aspects of its operations. Major indicators used by the Board of Directors to measure these segments’ performance is profit (loss) for the year before income tax expenses, finance expense, finance income, change in impairment on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures, joint operations and associates, depreciation, amortization and impairment of tangible and intangible assets and bargain purchase gain (or “Underlying EBITDA”) and capital expenditures (excl. emission rights, right-of-use assets and goodwill) (or “CAPEX”).

EP Infrastructure Group (“EPIF Group”)

The EPIF Group is a leading European energy infrastructure utility focused on gas transmission, gas and power distribution, heat and power generation and gas storage. With principal operations in the Slovak Republic, the Czech Republic and Germany, EP Infrastructure is a unique entity with a large and diverse infrastructure asset base.

The EPIF Group operates critical energy infrastructure through various subsidiaries in five reportable segments under IFRS 8: Gas transmission, Gas and power distribution, Gas storage, Heat Infra and EPIF Other.

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. 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.

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.

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.

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.

EPIF Group is currently evaluating the potential transfer of certain lignite-based heat infrastructure assets to EP Heat & Power a.s., a sister company of EPH. EP Heat & Power will be focusing on transforming traditional lignite energy operations into more environmentally sustainable solutions, while maintaining a socially responsible approach. If approved, the company would lead the conversion of these assets to gas, waste-to-energy, and biomass technologies. The potential impacts of the transfer are being assessed as part of the ongoing analysis.

EPIF Other

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

Power Generation Group

Power Generation Group focuses on the development of a coherent power generation portfolio in Europe. With a total net installed capacity of ca. 13.6¹ GW (on consolidated basis, excluding equity-accounted investees), represented mainly by flexible gas-fired power plants including newly built hydrogen-ready units as well as renewables in the form of biomass, wind and solar power plants and hard coal/lignite-fired power plants critical for power supply in the region, Power Generation Group belongs to the top power producers in Europe. In addition, the Group has been investing into new highly efficient sources in Italy (installed capacity of the new gas-fired hydrogen-ready power plant under construction is approx. 0.9² GW).

Power Generation Group specializes in power generation from conventional and renewable sources, lignite mining and also operates as a trading house.

Power Generation Group is divided into three reportable segments under IFRS 8: Flexible Power Generation with two subsegments – Contracted/Semi-contracted subsegment (including generation activities in Italy, the UK and Ireland) and Merchant subsegment (including generation activities in Germany, the Netherlands and France and supply business activities in France, the Netherlands and Italy), Renewables (including activities in Germany, the UK, Italy and France) and Carbon-neutral (including Slovenské elektrárne, a.s.).

Flexible Power Generation

Contracted/Semi-contracted subsegment

The Contracted/Semi-contracted part of the segment is primarily represented by investments in assets that generate electricity in condensation mode and which are contracted or partially contracted under some regulatory scheme, typically capacity market contracts (Italy, the UK and Ireland) or must run regime (Italy). Overall installed capacity of Group’s gas and coal fired power plant fleet in this segment is 8.7³ GW.

In addition to these, Group’s joint venture operates a power plant with installed capacity of 0.8 GW in Italy.

1 The number includes installed capacity of Emile Huchet 6 (EH6) and new power plant in Tavazzano (0.8 GW). EH6 was already off the merchant operations (since March 2022). However, due to situation on the fragile French energy market, the power plant was recommissioned during 2022 to support the electricity grid and security of supply and remained in operation during whole 2024. New power plant in Tavazzano is included as it is in the advanced stage of commissioning, and it is already providing power to network in the testing stage.

2 Installed capacity does not include new power plant in Tavazzano which is already in the advanced stage of commissioning and is included in the running capacity already (0.8 GW).

3 In addition to 8.7 GW, the Group has been investing into new low emission sources in Italy with the aim to secure stability and reliability of local electricity markets which are also included in this segment of which 0.8 GW for new power plant in Tavazzano is already included as it is in advanced stage of commissioning (additional not yet included installed capacity of the new power plants under construction is approx. 0.9 GW).

Italy

EP Produzione S.p.A. operates a total net installed capacity of 4.8⁴ GW through four gas-fired power plants and one coal-fired power plant, making it one of the most relevant power generation players in the country. Its efficient and high-performance power stations are managed according to the highest environmental, safety and reliability standards, including the hard coal power plant Fiume Santo on the Sardinia Island with an installed capacity of 599 MW which ensures local grid stability. The company operates four gas power plants – Livorno Ferraris, Ostiglia and Tavazzano Montanaso in the north of Italy and Trapani in Sicily and is building two new gas power plants, one in Tavazzano is already in the advanced phase of commissioning and second one is constructed in Ostiglia. Both are to be part of the system to ensure stability of the grid in Italy. The gas-fired power plant Scandale in Calabria, which has a capacity of 814 MW, is managed by Ergosud S.p.A., a joint venture between EPH and A2A.

United Kingdom

EP Langage Limited is a gas-fired power station located near Plymouth, Devon. Construction of the site started in 2008 and was commissioned in 2010. The total site capacity is 807 MW. The high-pressure steam system enables high efficiency (51%), its flexible design is capable of 2-shift operation and low minimum load, enhancing plant option value, and the 2 to 1 configuration provides increased flexibility to the National Grid, the UK’s high voltage electricity transmission network, for alternative services helping grid stability.

EP SHB Limited is a gas-fired power station located near Stallingborough. The total installed capacity of the power plant is 1,297 MW. The site consists of Phase 1 and Phase 2, which are separate power plants with one combined cooling systems and flexible design capable of 2-shift operation and minimum load, enhancing plant option value.

EP NI operates two new OCGT units with total installed capacity of 647 MW on the Kilroot brownfield site supported by awarded capacity contracts. Furthermore, there is an opportunity for further development including additional battery storage.

EP Ballylumford Limited is a power station located in Northern Ireland with a total capacity of 683 MW and operates a mix of flexible gas-fired CCGT and distillate-fired OCGT units. The highly flexible CCGTs can operate in several different modes and has the lowest minimum generation for CCGT on the Irish market. EP Ballylumford is backed by capacity contracts and also is able to trade the power it generates on a single wholesale market across the island of Ireland.

Since December 2024, the UK Group includes also equity accounted investee in West Burton CCGT power plant with installed capacity of 1,332 MW, where the Group owns 50% share.

Ireland

Tynagh Energy Limited is a power producer in the Republic of Ireland that owns 384 MW CCGT power plant (dual fuel natural gas and distillate) in east County Galway. The plant was commissioned in 2006 and its estimated life span is approximately 30 years. The power plant is in a unique position of being the only independent CCGT plant on the Irish market and provides a flexible daily electricity production to the wholesale electricity market but also a significant part of the gross margin comes from fixed capacity market contracts.

4 New power plant in Tavazzano (0.8 GW) is included as it is in the final stage of commissioning, and it is already providing power to network in the testing stage.

Merchant subsegment

The Merchant part of the segment is primarily represented by investments in assets that generate electricity and sell it on the merchant market (Germany, France and the Netherlands) and gas and power supply business activities (France and the Netherlands). Overall installed capacity of Group’s power plant fleet in this segment is 4.2⁵ GW.

France

Power Generation Group through its subsidiary Gazel Energie Generation S.A.S. operated one hard coal-fired power plant with an installed capacity of 595 MW, located near Saint-Avold, which was recommissioned during second half of 2022 to support the electricity grid and security of supply due to necessity driven by situation on energy market, and also 150 MW biomass power plant in Provence, which was awarded with PPA contract since the beginning of 2025 for no less than 8 years. Through its subsidiaries Gazel Energie Solutions S.A.S., Dynamo S.A.S. and Illico S.A.S., it is also active in electricity and gas retail supply for Industrial and Commercial (“I&C”) and small-to-medium enterprises (“SME”) customers.

Germany

Group operates via its subsidiary Kraftwerk Schkopau GmbH a lignite power plant with net installed capacity of 900 MW. The power plant provides primarily specialized products to industrial customers Dow Chemical and Deutsche Bahn.

It also operated via its subsidiary Kraftwerk Mehrum GmbH a hard coal-fired power plant near Hanover with a net installed capacity of 690 MW for part of the year 2024. The power plant was taken from the grid at the end of March 2024 and the Group started with its decommissioning.

The Netherlands

EP NL B.V. operates via its subsidiaries and a joint operation four highly efficient CCGT power plants with total net installed capacity of 2.6 GW. Those power plants operate in a merchant mode, but also provide important balancing services to Tennet. In addition, it is also active on electricity and gas supply for commercial and SME customers, operates gas pipe connection to one of its power plants and provides access to market to third party wind park via PPA (power purchase agreement).

Other

Beside operations this part contains also supporting functions such as trading of energy products related to our power plant portfolio and underground gas storage facility in the UK as well as procurement of commodities and freight requirements of EPH’s power plant facilities.

5 The number includes installed capacity of Emile Huchet 6 (EH6). Power plant was already off the merchant operations (since March 2022). However, due to situation on the fragile French energy market the power plant was recommissioned during 2022 to support the electricity grid and security of supply and remained in operation during whole 2024.

Renewable Energy

The Renewable energy segment consists mostly of biomass-fired power plants located in the UK and Italy as well as of wind farms and solar parks located in Germany and France. Total installed capacity of renewable sources is 0.7 GW.

United Kingdom

Lynemouth Power Limited is the owner and operator of a biomass-fired power station in Northumberland with total net installed capacity of 395 MW (original coal-fired installed capacity 420 MW) commissioned in 2019. Lynemouth holds a Contract for Difference contract for full biomass conversion.

Italy

The biomass-fired power plant Strongoli, owned and operated by Biomasse Italia S.p.A. is situated in the central-eastern part of Calabria. With a total capacity of 46 MW, it is one of the most modern biomass-fired power plants in Europe. The plant is mainly fuelled with biomass made of wood chips, derived from forest maintenance and agro-food residuals coming from local and national markets.

The biomass-fired power plant Crotone, owned and operated by Biomasse Crotone is situated in the central-eastern part of Calabria. Crotone is a biomass-fired power plant with a total capacity of 27 MW. The plant is mainly fuelled with biomass made of wood chips, derived from forest maintenance and agro-food residuals coming from local and national markets.

Fusine Energia operates a biomass-fired power plant in Fusine, province of Sondrio, with an installed capacity of 6 MW.

All three power plants operate under guaranteed price scheme and their revenues are thus fully regulated.

Germany

MIBRAG Neue Energie GmbH operates the “Am Geyersberg” wind farm on the site of the Schleenhain mine near Groitzsch, Saxony, with a total installed capacity of 7 MW and two solar power plants with total installed capacity of 74 MW commissioned in 2023 and 2024, respectively by MIBRAG on a recultivated land. The company strives for further development of wind power in the area of surface mines owned by MIBRAG.

France

Renewable energy portfolio in France comprises six wind farms with a total capacity of 90 MW operated by Aerodis, S.A. and Gazel Energie Renouvelables S.A.S., and two solar parks with a total capacity of 11 MW operated by Gazel Energie Solaire S.A.S.

In addition, this segment also includes EP Power Minerals which is a group of entities and joint ventures providing building material substitutes and abrasives derived from ashes as by-products of coal-fired power plants. In addition, waste management solutions are provided. The headquarters are located in Dinslaken (Germany). Operations of the entity are located mainly in Germany, with branches located also in Poland, the UK, Asia, Finland, France and the Netherlands.

Carbon-neutral

The main entity within this segment is Slovenské elektrárne, a.s. and its subsidiaries, accounted for using equity method with 33% share of the Group. Slovenské elektrárne, a.s. is the largest electricity producer in the Slovak Republic, operating two nuclear, 31 hydroelectric and two photovoltaic power plants, generating 62% of the country’s total electricity production in 2024. With a net installed capacity of 3.9 GW, it is one of the largest electricity producers in Central and Eastern Europe. After closing its last coal power plant in Vojany in March 2024, its unique portfolio enables it to produce 100% of electricity without greenhouse gases. Following the completion of new unit Mochovce 3 of Mochovce Nuclear Power plant in 2023, the company is currently completing unit 4 of the same power plant, which is one of only three nuclear power plant constructions currently underway in Europe.

Other

Segment Other comprises two subsegments, Mining and Other, with the latter primarily involving logistics operations.

Mining

The Mining part of the segment is represented by companies operating in Germany.

MIBRAG GmbH (“MIBRAG”) has its activities focused on the south of Saxony-Anhalt region, where it operates Profen open-cast mine, and in Saxony, where it operates Schleenhein open-cast mine. The produced lignite is supplied to power plants under long-term supply agreements. Two biggest customers are Lippendorf and Schkopau power plants. The company holds shares in three other entities offering a wide range of services from energy generation, landscaping to civil engineering, disposal and mine engineering services. As the Group has announced its intention to transfer this operation to its sister company EP Energy Transition, a.s. until end of 2025, it is presented as discontinued operation in the financial statements.

Other

The subsegment Other consists of companies which are not managed within other segments or subsegments of the Group.

Entities in this subsegment primarily include Group’s logistic companies and other supporting function to Group’s main segments. Mainly it includes EP Cargo Deutschland GmbH, EP CARGO POLSKA, S.A., Lokotrain s.r.o., LOCON Logistik & Consulting AG, EP Cargo Trucking Group and SPEDICA Group, which arrange complex logistical solutions for other Group segments as well as for third parties.

An equity-accounted investee SŽ EP Logistika Group is included in this segment.

Profit or loss

For the year ended 31 December 2024
In millions of EUR

	EPIF Group					Power Generation Group								Consolidated Financial Information
	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations		
Revenues: Energy and related services	483	2,430	349	418	5	17,389	570	-	-	21,644	-	(594)	21,050	
external revenues	472	2,343	302	232	5	17,206	490	-	-	21,050	-	-	21,050	
of which: electricity	-	1,580	-	44	5	11,007	416	-	-	13,052	-	-	13,052	
gas	472	763	300	-	-	6,053	-	-	-	7,588	-	-	7,588	
coal	-	-	-	-	-	125	-	-	-	125	-	-	125	
heat	-	-	-	188	-	-	-	-	-	188	-	-	188	
other energy products	-	-	2	-	-	21	74	-	-	97	-	-	97	
inter-segment revenues	11	87	47	186	-	183	80	-	-	594	-	(594)	-	
Revenues: Logistics and freight services	-	-	-	44	-	347	-	-	178	569	-	(41)	528	
external revenues	-	-	-	19	-	347	-	-	162	528	-	-	528	
inter-segment revenues	-	-	-	25	-	-	-	-	16	41	-	(41)	-	
Revenues: Other	-	19	5	22	8	357	213	-	37	661	19	(63)	617	
external revenues	-	19	4	22	8	317	207	-	27	604	13	-	617	
inter-segment revenues	-	-	1	-	-	40	6	-	10	57	6	(63)	-	
Gain (loss) from commodity and freight derivatives, net	-	49	-	-	-	1,087	-	-	-	1,136	-	-	1,136	
Total revenues	483	2,498	354	484	13	19,180	783	-	215	24,010	19	(698)	23,331	
Purchases and consumables	(31)	(1,663)	(12)	(143)	(3)	(16,275)	(406)	-	(51)	(18,584)	(3)	622	(17,965)	
external purchases and consumables	(16)	(1,296)	(10)	(91)	(3)	(16,090)	(406)	-	(50)	(17,962)	(3)	-	(17,965)	
inter-segment purchases and consumables	(15)	(367)	(2)	(52)	-	(185)	-	-	(1)	(622)	-	622	-	
Services	(9)	(126)	(31)	(79)	(2)	(457)	(142)	-	(99)	(945)	(31)	103	(873)	
Personnel expenses	(31)	(149)	(39)	(54)	(2)	(274)	(47)	-	(39)	(635)	(28)	-	(663)	
Depreciation, amortization and impairment	(112)	(245)	(28)	(53)	(3)	(293)	(76)	-	(39)	(849)	-	-	(849)	
of which: depreciation and amortization	(113)	(245)	(25)	(53)	(3)	(238)	(87)	-	(39)	(803)	(1)	-	(804)	
of which: impairment	1	-	(3)	-	-	(55)	11	-	-	(46)	1	-	(45)	
Emission rights, net	-	-	(1)	(116)	-	(1,233)	-	-	-	(1,350)	-	-	(1,350)	
Bargain purchase gain	-	-	-	-	-	-	-	-	-	-	-	-	-	
Own work, capitalized	1	28	2	2	-	4	-	-	-	37	-	-	37	
Other operating income (expense), net	-	10	3	1	(1)	38	2	-	10	63	(3)	(27)	33	
Profit (loss) from operations	301	353	248	42	2	690	114	-	(3)	1,747	(46)	-	1,701	

Profit or loss (continuing)

For the year ended 31 December 2024
In millions of EUR

	EPIF Group				
	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other
Finance income	19	30	13	11	–
<i>external finance revenues</i>	19	22	5	4	–
<i>inter-segment finance revenues</i>	–	8	8	7	–
Change in impairment on financial instruments and other financial assets	–	2	(1)	–	–
Finance expense	(35)	(16)	(7)	(5)	–
Net finance income (expense)	(16)	16	5	6	–
Share of profit (loss) of equity accounted investees, net of tax	–	–	–	–	–
Gain(loss) on disposal of subsidiaries, joint ventures, joint operations and associates	–	–	–	–	–
Profit (loss) before income tax	285	369	253	48	2
Income tax expenses	(117)	(146)	(68)	(12)	–
Profit (loss) for the year before discontinued operations	168	223	185	36	2
Profit (loss) from discontinued operations	–	–	–	–	–
Profit (loss) for the year	168	223	185	36	2
* EUR 1,915 million is attributable to intra-group dividends primarily recognised by EPPE Germany, a.s., EP Power Europe, a.s, SPP Infrastructure, a.s., EP France S.A.S. and EP UK Investments Ltd.					
Other financial information:					
Underlying EBITDA ⁽¹⁾	413	598	276	95	5

(1) Underlying EBITDA represents profit (loss) for the year from continuing operations before income tax expenses, finance expense, finance income, change in impairment on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures, joint operations and associates, depreciation, amortization and impairment of tangible and intangible assets and bargain purchase gain.

Power Generation Group							Consolidated Financial Information
Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations	
247	20	–	1	341	*1,968	*(2,148)	161
45	19	–	1	115	46	–	161
202	1	–	–	226	*1,922	*(2,148)	–
(1)	–	–	–	–	–	–	–
(351)	(22)	–	(7)	(443)	(467)	233	(677)
(105)	(2)	–	(6)	(102)	1,501	(1,915)	(516)
4	1	323	25	353	–	–	353
–	–	–	–	–	50	–	50
589	113	323	16	1,998	*1,505	*(1,915)	1,588
(105)	(36)	–	–	(484)	(46)	–	(530)
484	77	323	16	1,514	*1,459	*(1,915)	1,058
–	–	–	(22)	(22)	–	–	(22)
484	77	323	(6)	1,492	*1,459	*(1,915)	1,036
983	190	–	36	2,596	(46)	–	2,550

Profit or loss (continuing)

For the year ended 31 December 2023
In millions of EUR

	EPIF Group					Power Generation Group								Consolidated Financial Information
	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations		
Revenues: Energy and related services	264	3,401	457	687	2	17,489	657	-	2	22,959	-	(1,371)	21,588	
external revenues	260	3,097	399	255	1	17,039	535	-	2	21,588	-	-	21,588	
of which: electricity	-	2,219	-	98	1	12,331	467	-	-	15,116	-	-	15,116	
gas	260	878	397	-	-	4,433	-	-	-	5,968	-	-	5,968	
coal	-	-	-	-	-	271	-	-	-	271	-	-	271	
heat	-	-	-	157	-	-	-	-	-	157	-	-	157	
other energy products	-	-	2	-	-	4	68	-	2	76	-	-	76	
inter-segment revenues	4	304	58	432	1	450	122	-	-	1,371	-	(1,371)	-	
Revenues: Logistics and freight services	-	-	-	45	-	376	-	-	195	616	-	(47)	569	
external revenues	-	-	-	23	-	376	-	-	170	569	-	-	569	
inter-segment revenues	-	-	-	22	-	-	-	-	25	47	-	(47)	-	
Revenues: Other	-	29	4	15	7	363	179	-	20	617	13	(53)	577	
external revenues	-	29	4	15	7	337	171	-	9	572	5	-	577	
inter-segment revenues	-	-	-	-	-	26	8	-	11	45	8	(53)	-	
Gain (loss) from commodity and freight derivatives, net	-	15	-	-	-	1,232	-	-	-	1,247	-	-	1,247	
Total revenues	264	3,445	461	747	9	19,460	836	-	217	25,439	13	(1,471)	23,981	
Purchases and consumables	(48)	(2,613)	(17)	(319)	(2)	(15,069)	(345)	-	(53)	(18,466)	-	1,267	(17,199)	
external purchases and consumables	(32)	(1,734)	(12)	(119)	(2)	(14,902)	(345)	-	(53)	(17,199)	-	-	(17,199)	
inter-segment purchases and consumables	(16)	(879)	(5)	(200)	-	(167)	-	-	-	(1,267)	-	1,267	-	
Services	(9)	(127)	(41)	(79)	(2)	(418)	(142)	-	(107)	(925)	(43)	131	(837)	
Personnel expenses	(31)	(138)	(41)	(53)	(2)	(268)	(44)	-	(32)	(609)	(31)	-	(640)	
Depreciation, amortization and impairment	(117)	(240)	(37)	(60)	(4)	(209)	(78)	-	(29)	(774)	-	-	(774)	
of which: depreciation and amortization	(117)	(237)	(25)	(60)	(3)	(207)	(85)	-	(29)	(763)	-	-	(763)	
of which: impairment	-	(3)	(12)	-	(1)	(2)	7	-	-	(11)	-	-	(11)	
Emission rights, net	-	-	(2)	(172)	-	(1,334)	3	-	-	(1,505)	-	-	(1,505)	
Bargain purchase gain	-	-	-	-	-	-	-	-	-	-	3	-	3	
Own work, capitalized	2	23	4	2	-	4	-	-	-	35	-	-	35	
Other operating income (expense), net	(39)	6	-	(2)	(1)	(290)	(26)	-	12	(340)	8	73	(259)	
Profit (loss) from operations	22	356	327	64	(2)	1,876	204	-	8	2,855	(50)	-	2,805	

Profit or loss (continuing)

For the year ended 31 December 2023
In millions of EUR

	EPIF Group				
	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other
Finance income	5	27	17	17	–
external finance revenues	5	14	11	9	–
inter-segment finance revenues	–	13	6	8	–
Change in impairment on financial instruments and other financial assets	–	(4)	(2)	–	–
Finance expense	(35)	(19)	(8)	(3)	(1)
Net finance income (expense)	(30)	4	7	14	(1)
Share of profit (loss) of equity accounted investees, net of tax	–	–	–	–	–
Gain(loss) on disposal of subsidiaries, joint ventures, joint operations and associates	–	–	–	–	–
Profit (loss) before income tax	(8)	360	334	78	(3)
Income tax expenses	2	(87)	(81)	(21)	–
Profit (loss) from continuing operations	(6)	273	253	57	(3)
Profit (loss) from discontinued operations	–	–	–	–	–
Profit (loss) for the year	(6)	273	253	57	(3)
* EUR 1,332 million is attributable to intra-group dividends primarily recognised by EP Power Europe, a.s, SPP Infrastructure, a.s., Czech Gas Holding Investment B.V. and EP Energy, a.s.					
Other financial information:					
Underlying EBITDA ⁽¹⁾	139	596	364	124	2

(1) Underlying EBITDA represents profit (loss) for the year from continuing operations before income tax expenses, finance expense, finance income, change in impairment on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures, joint operations and associates, depreciation, amortization and impairment of tangible and intangible assets and bargain purchase gain.

Power Generation Group							Consolidated Financial Information
Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations	
119	7	–	(1)	191	*3,278	*(1,529)	1,940
39	5	–	(1)	82	1,858	–	1,940
80	2	–	–	109	*1,420	*(1,529)	–
(5)	–	–	–	(11)	1	–	(10)
(374)	(10)	–	(3)	(453)	(359)	197	(615)
(260)	(3)	–	(4)	(273)	2,920	(1,332)	1,315
763	1	225	7	996	–	–	996
3	–	–	–	3	96	(3)	96
2,382	202	225	11	3,581	*2,966	*(1,335)	5,212
(435)	(47)	–	(1)	(670)	53	–	(617)
1,947	155	225	10	2,911	*3,019	*(1,335)	4,595
–	–	–	120	120	–	–	120
1,947	155	225	130	3,031	*3,019	*(1,335)	4,715
2,085	282	–	37	3,629	(53)	–	3,576

Underlying EBITDA reconciliation to the closest IFRS measure

The underlying EBITDA reconciles to the profit from continuing operations as follows:

For the year ended 31 December 2024

In millions of EUR

	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations	Consolidated Financial Information
Underlying EBITDA	413	598	276	95	5	983	190	-	36	2,596	(46)	-	2,550
Depreciation, amortization and impairment	(112)	(245)	(28)	(53)	(3)	(293)	(76)	-	(39)	(849)	-	-	(849)
Bargain purchase gain	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance income	19	30	13	11	-	247	20	-	1	341	1,968	(2,148)	161
Change in impairment on financial instruments and other financial assets	-	2	(1)	-	-	(1)	-	-	-	-	-	-	-
Finance expense	(35)	(16)	(7)	(5)	-	(351)	(22)	-	(7)	(443)	(467)	233	(677)
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	4	1	323	25	353	-	-	353
Gain(loss) on disposal of subsidiaries, joint ventures, joint operations and associates	-	-	-	-	-	-	-	-	-	-	50	-	50
Income tax	(117)	(146)	(68)	(12)	-	(105)	(36)	-	-	(484)	(46)	-	(530)
Profit from continuing operations	168	223	185	36	2	484	77	323	16	1,514	1,459	(1,915)	1,058

For the year ended 31 December 2023

In millions of EUR

	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations	Consolidated Financial Information
Underlying EBITDA	139	596	364	124	2	2,085	282	-	37	3,629	(53)	-	3,576
Depreciation, amortization and impairment	(117)	(240)	(37)	(60)	(4)	(209)	(78)	-	(29)	(774)	-	-	(774)
Bargain purchase gain	-	-	-	-	-	-	-	-	-	-	3	-	3
Finance income	5	27	17	17	-	119	7	-	(1)	191	3,278	(1,529)	1,940
Change in impairment on financial instruments and other financial assets	-	(4)	(2)	-	-	(5)	-	-	-	(11)	1	-	(10)
Finance expense	(35)	(19)	(8)	(3)	(1)	(374)	(10)	-	(3)	(453)	(359)	197	(615)
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	763	1	225	7	996	-	-	996
Gain(loss) on disposal of subsidiaries, joint ventures, joint operations and associates	-	-	-	-	-	3	-	-	-	3	96	(3)	96
Income tax	2	(87)	(81)	(21)	-	(435)	(47)	-	(1)	(670)	53	-	(617)
Profit from continuing operations	(6)	273	253	57	(3)	1,947	155	225	10	2,911	3,019	(1,335)	4,595

Segment assets and liabilities

For the year ended 31 December 2024

In millions of EUR

	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations	Consolidated Financial Information
Reportable segment assets	4,529	6,203	991	979	17	10,390	1,026	1,781	381	26,297	4,904	(4,791)	26,410
Reportable segment liabilities	(2,145)	(2,294)	(350)	(361)	(7)	(8,010)	(436)	–	(1,057)	(14,660)	(8,402)	4,791	(18,271)
Additions to tangible and intangible assets ^{(1), (2)}	4	151	24	194	–	1,462	55	–	132	2,022	2	–	2,024
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights, right-of-use assets and goodwill) ⁽³⁾	3	130	20	89	–	327	53	–	53	675	2	–	677
Equity accounted investees	–	1	–	–	1	74	1	879	128	1,084	8	–	1,092

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

(2) Additions related to entities presented under discontinued operations were EUR 51 million.

(3) Acquisition related to entities presented under discontinued operations was EUR 37 million.

For the year ended 31 December 2023

In millions of EUR

	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible power generation	Renewable Energy	Carbon-neutral	Other	Total segments	Holding Entities	Intersegment eliminations	Consolidated Financial Information
Reportable segment assets	4,335	6,399	1,027	1,054	18	12,368	1,016	684	1,205	28,106	5,735	(4,986)	28,855
Reportable segment liabilities	(2,045)	(2,348)	(364)	(432)	(9)	(9,249)	(410)	–	(823)	(15,680)	(8,951)	4,986	(19,645)
Additions to tangible and intangible assets ^{(1), (2)}	7	133	32	301	–	2,333	30	–	145	2,981	1	–	2,982
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights, right-of-use assets and goodwill) ⁽³⁾	5	104	25	62	–	535	28	–	97	856	1	–	857
Equity accounted investees	–	1	–	–	–	70	2	684	116	873	1	–	874

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

(2) Additions related to entities presented under discontinued operations were EUR 99 million.

(3) Acquisition related to entities presented under discontinued operations was EUR 69 million.

Information about geographical areas

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

For the year ended 31 December 2024

In millions of EUR

	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Property, plant and equipment	738	8,962	224	1,153	842	71	149	550	1	3	12,693
Intangible assets and goodwill	243	46	44	36	55	16	78	64	–	–	582
Investment property	3	–	–	–	19	–	–	–	–	–	22
Total	984	9,008	268	1,189	916	87	227	614	1	3	13,297

In millions of EUR

	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Revenues: Electricity	204	978	1,787	2,423	3,009	246	633	1,384	1,415	973	13,052
Revenues: Gas	296	1,127	369	345	986	1,011	395	184	782	2,093	7,588
Revenues: Coal	47	5	17	–	–	–	–	–	–	56	125
Revenues: Heat	188	–	–	–	–	–	–	–	–	–	188
Revenues: Other energy products	–	1	25	1	6	–	32	8	1	23	97
Revenues: Logistics and freight services	59	5	167	–	5	3	–	3	56	230	528
Revenues: Other	48	23	309	14	129	–	1	2	40	51	617
Gain (loss) from commodity and freight derivatives, net	46	71	263	(22)	441	(5)	217	13	77	35	1,136
Total	888	2,210	2,937	2,761	4,576	1,255	1,278	1,594	2,371	3,461	23,331

The geographical area “Other” comprises income items primarily from Luxembourg, Hungary and Austria.⁽¹⁾

(1) Revenues from Luxembourg include mainly derivative transactions on energy exchanges.

For the year ended 31 December 2023

In millions of EUR

	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Property, plant and equipment	692	9,195	705	983	853	80	121	604	23	4	13,260
Intangible assets and goodwill	316	42	133	19	87	9	71	122	–	–	799
Investment property	3	–	–	–	18	–	–	–	–	–	21
Total	1,011	9,237	838	1,002	958	89	192	726	23	4	14,080

In millions of EUR

	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Revenues: Electricity	1,080	1,409	1,751	2,525	2,811	216	775	1,984	1,230	1,335	15,116
Revenues: Gas	347	1,018	2,070	553	276	1,131	213	222	187	(49)	5,968
Revenues: Coal	84	12	7	–	–	–	22	–	23	123	271
Revenues: Heat	157	–	–	–	–	–	–	–	–	–	157
Revenues: Other energy products	2	2	29	1	7	–	9	3	–	23	76
Revenues: Logistics and freight services	66	5	113	–	34	–	2	3	85	261	569
Revenues: Other	33	32	219	(1)	48	–	1	3	38	204	577
Gain (loss) from commodity and freight derivatives, net	68	(177)	397	181	(221)	–	1,240	80	(117)	(204)	1,247
Total	1,837	2,301	4,586	3,259	2,955	1,347	2,262	2,295	1,446	1,693	23,981

The geographical area “Other” comprises income items primarily from Luxembourg, Hungary and Austria.⁽¹⁾

(1) Revenues from Luxembourg include mainly derivative transactions on energy exchanges.

6.

Acquisitions and disposals of subsidiaries, joint ventures, joint operations and associates

A) Acquisitions and step acquisitions

I. 31 December 2024

In millions of EUR			
	Date of acquisition	Equity interest acquired %	Equity interest after acquisition %
New joint ventures			
West Burton Flexible Generation Limited, UK T-Power 2 Limited, UK Transition Power Ltd. and West Burton B Limited ("West Burton")	13/12/2024	50	50

West Burton

On 13 December 2024, EP UK Investments Ltd., a 100% subsidiary of EPH, acquired a 50% stake in West Burton Energy from TotalEnergies. West Burton Energy owns a 1.3 GW gas power plant and a 49 MW battery storage system, which strengthens our presence in the UK energy market. By partnering with TotalEnergies, EPH collaborates with a leading player in the energy sector. TotalEnergies is renowned for its expertise in renewable and flexible power generation, including modern gas-fired power plants.

Acquisition of non-controlling interest

On 23 December 2024, the Group acquired additional 49% interest in EP New Energy Italia S.r.l. and its subsidiaries and in Biomasse Servizi S.r.l. and as a result has become the sole shareholder in the companies. The transaction led to derecognition of non-controlling interest in amount of EUR 58 million.

II. 31 December 2023

In millions of EUR			
	Date of acquisition	Equity interest acquired %	Equity interest after acquisition %
New subsidiaries			
EP NL Rijnmond 1 B.V. (former Rijnmond Power Holding B.V.; "Rijnmond")	05/01/2023	100	100
PZEM Energy Company B.V., EP NL ZBL B.V. and EP NL Sloe Centrale B.V. ("PZEM and Sloe Group") ⁽¹⁾	25/01/2023	100	100
EP NL Rijnmond 2 B.V. (MaasStroom Energie C.V.; "MaasStroom") ⁽²⁾	23/05/2023	100	100
SGL – Schienen Güter Logistik GmbH	31/10/2023	100	100
New joint operation			
Enecogen V.O.F. ("Enecogen")	23/05/2023	50	50

(1) In February 2025, company PZEM Energy Company B.V. was renamed to EP Commodities B.V. These consolidated financial statements reflect the company's name as of 31 December 2024.
(2) In 2024, company MaasStroom Energie C.V. merged with its parent company Nieuwe Maas Energie B.V. The successor company is in operation under name EP NL Rijnmond 2 B.V.

Rijnmond, PZEM and Sloe Group

On 25 January 2023, EPH closed, via its subsidiary EP Netherlands B.V. ("EP NL"), the acquisition of Sloe power plant with 870 MW installed capacity from ZEH N.V. and French electric utility company EDF S.A. In addition, on 5 January 2023, EP NL acquired Rijnmond power plant with 810 MW installed capacity. Besides the power plant portfolio, EP NL has also acquired PZEM Energy Company B.V. from ZEH N.V. which includes the ZBL pipeline (a 55 km gas pipeline supplying the Sloe Power Plant), trading business and B2B power and gas supply.

MaasStroom and Enecogen

On 23 May 2023, EP NL has successfully concluded an agreement with Castleton Commodities International LLC (CCI), securing the acquisition of two gas-fired power plants. EP NL has acquired full ownership of MaasStroom, a gas-fired power plant located in Rotterdam (Pernis) with an installed capacity of 426 MW. Additionally, EP NL has acquired a 50% stake in Enecogen, a gas-fired power plant situated in Rotterdam (Europoort) with a total installed capacity of 910 MW (share of EPH is 455 MW). The remaining 50% stake in Enecogen will continue to be held by the Dutch energy company, Eneco N.V. These strategic acquisitions, together with the previous Dutch acquisitions, have enabled EP NL to establish a portfolio comprising four highly efficient gas-fired power plants. With a cumulative capacity of 2.6 GW, EP NL now ranks as the third largest operator of power plants in the Netherlands, which will ensure a stable supply of energy in the ongoing complex energy transition.

SGL – Schienen Güter Logistik GmbH

On 31 October 2023, EP Logistics International, a.s. (EPLI), a subsidiary of Energetický a průmyslový holding, a.s., has completed the acquisition of 100% stake in the established German company SGL – Schienen Güter Logistik GmbH, a logistics company which will complement EPLI's portfolio of services in the field of rail freight transportation and construction logistics.

Acquisition of non-controlling interest

On 25 May 2023, the Group acquired additional 20 % interest in Kinet s.r.o. The ownership of the Group in Kinet s.r.o. increased from 80 % to 100 % (effective interest increased from 27.05 % to 33.81 %).

On 4 December 2023, the Group acquired additional 9 % interest in Alternative Energy, s.r.o. The ownership of the Group in Alternative Energy, s.r.o. increased from 90 % to 99 % (effective interest increased from 62.1 % to 68.31 %).

The transactions resulted in the derecognition of non-controlling interest in amount of EUR 1 million.

B) Effect of acquisitions

I. 31 December 2024

Joint ventures

The fair value of the amounts recognized for assets acquired and liabilities assumed as at the acquisition date of West Burton are provided in the following table.

In millions of EUR		2024 Total
Non-current assets		415
Current assets		90
Fair value of assets		505
Non-current liabilities		(619)
Current liabilities		(152)
Fair value of liabilities		(771)
Fair value of identifiable net assets		(266)
Net assets value attributable to the Group's share		(133)



II. 31 December 2023

Subsidiaries and joint operations

The fair value of the amounts recognized for assets acquired and liabilities assumed as at the acquisition dates of Rijnmond, PZEM and Sloe Group, MaasStroom, Enecogen and SGL – Schienen Güter Logistik GmbH are provided in the following table.

In millions of EUR	Carrying amount ⁽¹⁾	Fair value adjustment	2023 Total ⁽¹⁾
Property, plant, equipment, land, buildings	625	(15)	610
Intangible assets	15	(2)	13
Trade receivables and other assets	852	(27)	825
Financial instruments and other financial assets	388	–	388
Inventories	36	–	36
Cash and cash equivalents	171	–	171
Deferred tax assets	68	29	97
Provisions	(117)	–	(117)
Deferred tax liabilities	(20)	(10)	(30)
Loans and borrowings	(626)	–	(626)
Financial instruments and other financial liabilities	(552)	–	(552)
Trade payables and other liabilities	(274)	27	(247)
Net identifiable assets and liabilities	566	2	568
Goodwill on acquisitions of subsidiaries/joint operation			62
Bargain purchase gain on acquisition of subsidiaries			(3)
Cost of acquisition			627
Consideration paid, satisfied in cash (A)			627
Purchase price liability			–
Total consideration transferred			627
Less: Cash acquired (B)			171
Net cash inflow (outflow) (C) = (B – A)			(456)

(1) Represents values at 100 % share for Rijnmond, PZEM and Sloe Group, MaasStroom and SGL – Schienen Güter Logistik GmbH and values at 50 % share for joint operation Enecogen.

III. Rationale for acquisitions

The Group’s strategic rationale for realised acquisitions comprised several factors, including:

- the subsidiaries’ businesses are complementary to EPH’s portfolio;
- potential for synergic effects;
- the subsidiaries have an advantageous position within the market;
- subject industries are expected to grow in the future;
- further vertical integration of the trading activities with the generation activities.

As further expansion in energy sectors of the countries in which the Group currently has operations is one of the strategic aims of the Group, EPH is investing both in energy companies and in companies supplying the energy industry. The Group’s current aim is to further strengthen its position and become an important participant in the energy market in the Central and Western Europe.

The Group’s view is that there is long-term strategic value in these investments due to the development of the market.

In 2023, the Group recognized goodwill of EUR 62 million from the acquisition of Rijnmond, PZEM and Sloe Group and Enecogen and bargain purchase gain of EUR 3 million from the acquisition of SGL – Schienen Güter Logistik GmbH.

The following table provides information on revenues and profit or loss of acquirees that have been included in the consolidated statement of comprehensive income for the reporting period.

In millions of EUR		2023
Revenue of the acquirees recognised since the acquisition date ^{*(1)}		1,957
Profit (loss) of the acquirees recognised since the acquisition date ^{*(1)}		209

* Before intercompany elimination with other Group companies.
(1) Revenues and profit (loss) include figures corresponding to the Group’s share of 50% for joint operation Enecogen.

The following table provides information on the estimated revenues and profit or loss that would have been included in the consolidated statement of comprehensive income, if the acquisition had occurred at the beginning of the reporting period (i.e. as at 1 January 2023); this financial information was derived from the statutory or IFRS financial statements of the acquired entities.

In millions of EUR		2023
Revenue of the acquirees recognised in the year ended 31 December 2023 ^{*(1)}		2,091
Profit (loss) of the acquires recognised in the year ended 31 December 2023 ^{*(1)}		233

* Before intercompany elimination with other Group companies; based on IFRS or local statutory financial information.
(1) Revenues and profit (loss) include figures corresponding to the Group’s share of 50% for joint operation Enecogen.

For details on major acquisitions please refer also to Appendix 1 – Business combinations.

C) Business combinations – acquisition accounting 2024 and 2023

The acquiree’s identifiable assets, liabilities and contingent liabilities were recognised and measured at their fair values at the acquisition date by the parent company Energetický a průmyslový holding, a.s. (except for acquisitions under common control, which are carried in net book values); in line with the above, the established fair values were subsequently reported in the consolidated financial statements of the Company. Allocation of the total purchase price among the net assets acquired for financial statement reporting purposes was performed with the support of professional advisors.

The valuation analysis is based on historical and prospective information prevailing as at the date of the business combination (which also involves certain estimates and approximations such as business plan forecasts, useful life of assets, and the weighted average cost of capital components). Any prospective information that may impact the future value of the acquired assets is based on management’s expectations of the competitive and economic environments that will prevail at the time.

The results of the valuation analyses are also used for determining the amortisation and depreciation periods of the values allocated to specific intangible and tangible fixed assets.

Purchase price allocation was performed for all business combinations within the scope of IFRS 3.

There were no business combinations and thus no fair value adjustments in the year ended 31 December 2024.

Fair value adjustments resulting from business combinations in 2023 are presented in the following table:

In millions of EUR	Property, plant and equipment	Intangible assets	Trade receivables and other assets	Deferred tax asset	Trade payables and other liabilities	Deferred tax liability	Total net effect on financial position
Subsidiary/joint operation							
Rijnmond	(2)	-	-	-	-	-	(2)
Sloe Group	(127)	(2)	-	33	-	(2)	(98)
MaasStroom	77	-	-	-	27	1	105
Enecogen	37	-	(27)	(4)	-	(9)	(3)
Total	(15)	(2)	(27)	29	27	(10)	2

The fair value adjustments resulting the acquisition and purchase price allocation of SGL – Schienen Güter Logistik GmbH were not significant and therefore the management of the Group decided not to recognize any fair value adjustments resulting from this acquisition.

D) Disposal of investments

I. 31 December 2024

During the year 2024 the Group disposed of its investments in:

In millions of EUR		
	Date of disposal	Equity interest disposed%
Subsidiaries disposed		
EP New Energies GmbH	27/06/2024	80

On 27 June 2024, the Group disposed 80% interest in EP New Energies GmbH (renamed to LEAG Renewables GmbH as at the date of disposal) to EP Energy Transition, a.s. (20% interest) and Lausitz Energie Verwaltungs GmbH (part of LEAG Group; 60% interest). The effect of disposal is provided in the following table:

In millions of EUR	
	Net assets disposed in 2024
Trade receivables and other assets	(1)
Cash and cash equivalents	(2)
Trade payables and other liabilities	2
Net identifiable assets and liabilities	(1)
Net assets value disposed (A)	(1)
Consideration received	51
Total consideration received (B)	51
Less: Cash disposed of	(2)
Net cash inflows	49
Gain on disposal (C) = (B) – (A)	50



II. 31 December 2023

During the year 2023 the Group disposed of its investments in:

In millions of EUR		
	Date of disposal	Equity interest disposed %
Subsidiaries and associates disposed		
EPH Financing SK, a.s. v likvidácii	06/04/2023	100
LEAG Holding, a.s., Lausitz Energie Verwaltungs GmbH and its subsidiaries and associates ("LEAG Group")	29/09/2023 and 27/12/2023	50

On 6 April 2023, in connection with the liquidation process of EPH Financing SK, a.s. v likvidácii, the company was deconsolidated without any significant impact on the Group’s financial statements.

LEAG Group

In 2023, the Group announced a plan to transfer energy transition assets from the EPH Group into EP Energy Transition, a.s., the holding company of a newly established group. Subsequent to the announcement, the Group reclassified interest in joint venture LEAG to assets held for sale on 30 June 2023 and ceased to apply equity method prospectively from the date of reclassification. The divestment of 50% share in the LEAG Group took place in two tranches during second half of 2023. The effect is provided in the following table:

In millions of EUR	
	Net assets sold in 2023
Equity accounted investees	(1,783)
Hedging reserve recycled to profit and loss	(53)
Net assets value disposed	(1,836)
Consideration, other ⁽¹⁾	1,932
Total consideration received	1,932
Gain on disposal⁽²⁾	96

(1) Consideration other represents receivable from sale of LEAG. The receivable from sale was assigned in a series of transactions to the shareholders of the Company and the receivable from assignment was ultimately set off with the liability from dividends declared by Energetický a průmyslový holding a.s. (non-cash settlement).
(2) Gain on disposal is presented within line item "Gain from disposal of subsidiaries, joint ventures, joint operations and associates".

Partial disposals

The disposal of LEAG Group led to partial disposal of investments in EP New Energy Italia S.r.l. ("EPNEI Group") and its subsidiaries and EP New Energies GmbH ("EPNE"). The ownership interest of the Group in EPNEI Group decreased from 75.5% to 51% and the ownership interest in EPNE Group decreased from 90% to 80%. The transactions resulted in increase of non-controlling interest by EUR 16 million. In 2024, the share in EPNEI Group was increased to 100% (refer to Note 6(a)) via purchase of share held previously by LEAG.

On 15 August 2023, the Group decreased its ownership interest in Greeninvest Energy, a.s. from 41.67% to 39.73% with immaterial impact on the financial statements of the Group.

7.

Revenues

In millions of EUR	2024	2023 (restated)*
Revenues: Energy and related services		
of which: Electricity	13,052	15,116
Gas	7,588	5,968
Coal	125	271
Heat	188	157
Other energy products	97	76
Total Energy and related services	21,050	21,588
Revenues: Logistics and freight services	528	569
Revenues: Other	617	577
Total Revenues from customers	22,195	22,734
Gain from commodity and freight derivatives, net	1,136	1,247
Total	23,331	23,981

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

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 include revenues from sale of gas of EUR 6,244 million ((2023: EUR 4,762 million) and also revenue from distribution of gas of EUR 512 million (2023: EUR 485 million), gas transmission of EUR 483 million (2023: EUR 264 million) and from gas storage of EUR 349 million (2023: EUR 457 million).

Revenues: Energy and related services: Electricity consists primarily of sale of electricity of EUR 12,865 million (2023: EUR 14,803 million). The amount of EUR 187 million (2023: EUR 313 million) relates to distribution of electricity.

Revenues from logistics and freight services and other revenues are represented mainly by sales 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.

Line item “Gain (loss) from commodity and freight derivatives, net” comprises of transactions related mostly to derivatives held for risk management purposes for which hedge accounting documentation under IFRS is however not prepared. This includes measurement of unsettled derivatives to fair value as at the balance sheet date as well as certain reclassification adjustments between gain (loss) from commodity derivatives and revenues from energy and related services related to derivative contract held for risk management purposes, which are reported as trading derivatives according to IFRS requirements. As a result of IFRS treatment, revenues from sale of underlying commodity are measured using fair value of the underlying commodity as at the date of settlement of the derivative contract and difference between contracted price and fair value is included in Gain (loss) from commodity and freight derivatives.

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

Contract assets and liabilities

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 income statement on a straight-line basis in the amount of depreciation charges of non-current tangible assets acquired free of charge.

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

8.

Purchases and consumables

In millions of EUR	2024	2023 (restated)*
Purchase cost of sold electricity	7,783	7,872
Purchase cost of sold gas and other energy products	6,355	5,205
Consumption of energy	2,407	2,649
Other purchase costs	630	852
Consumption of fuel and other material	591	539
Changes in WIP, semi-finished products and finished goods	4	(76)
Cost of sold logistic and freight services	195	158
Total	17,965	17,199

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

Purchases and consumables presented in the above table contain only purchase cost of sold energy and materials consumed in producing energy output, it does not contain directly attributable overhead (particularly services, personnel expenses, depreciation and amortization, emission rights etc.).

9.

Services

In millions of EUR		
	2024	2023 (restated)*
Repairs and maintenance	218	209
Transport expenses	114	141
Network fees	93	59
Consulting expenses	68	77
Outsourcing and other administration fees	55	55
Information technologies costs	47	41
Insurance expenses	45	43
Rent expenses	40	25
Industrial waste	35	38
Environmental protection	18	27
Advertising expenses	17	12
Training, courses, conferences	8	7
Security services	5	4
Communication expenses	5	4
Other	105	95
Total	873	837

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

Fees payable to statutory auditors

In millions of EUR		
	2024	2023
Statutory audits	8	8
Services in addition to the statutory audits	1	3
Total	9	11

Fees payable to statutory auditors include expenses recorded by all subsidiaries and also joint operations accounted for using proportionate consolidation. Statutory audits include fees payable for statutory audits of financial statements. Services in addition to the statutory audits include primarily the following services: review of the condensed interim consolidated financial statements of EPIF and EPH Groups; assistance with the compilation of the Sustainability Report; expert opinion on R&D allowance; provision of comfort letter and other special reports (covenant compliance; gas flow; AUP over Slovak FS; review report).

10.

Personnel expenses

In millions of EUR		
	2024	2023 (restated)*
Wages and salaries	483	466
Compulsory social security contributions	124	119
Expenses and revenues related to employee benefits (IAS 19)	7	9
Board members' remuneration (including boards of subsidiaries)	6	6
Other social expenses	43	40
Total	663	640

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

The average number of employees during 2024 was 10,518 (2023: 10,967), of which 227 were executives (2023: 274).

11.

Emission rights, net

In millions of EUR		
	2024	2023 (restated)*
Deferred income (grant) released to profit and loss	75	42
Profit (loss) from sale of emission rights	241	(115)
Creation and release of provision for emission rights	(1,223)	(1,239)
Gain (loss) from commodity derivatives for trading with emission rights, net	(443)	(193)
Total	(1,350)	(1,505)

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

12.

Other operating income (expense), net

In millions of EUR		
	2024	2023 (restated)*
Government grants received ⁽¹⁾	38	8
Revenues from payables written-off	31	-
Compensation from insurance and other companies	25	13
Consulting fees	12	13
Rental income	8	7
Contractual penalties	4	3
Profit from sales of material	1	2
Ecological tax reimbursement	1	-
Gain on disposal of tangible and intangible assets	1	-
Property acquired free-of-charge and fees from customers	-	2
Other	51	45
Other operating income	172	93
Taxes and charges	(69)	(96)
Office equipment and other material	(36)	(34)
Trading fees	(9)	(85)
Repairs and maintenance material	(8)	(10)
Gifts and sponsorship	(7)	(7)
Contractual penalties	(4)	(26)
Re-transmission fee	(4)	(6)
Intermediation fees	(3)	(5)
Shortages and damages	(1)	(2)
Change in impairment	6	(97)
Creation and reversal of provision	19	59
Loss on disposal of tangible and intangible assets	-	(2)
Other	(23)	(41)
Other operating expense	(139)	(352)
Other operating income (expense), net	33	(259)

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.
(1) In 2024, the line includes mainly revenues from RET certificates in Italy and REGO certificates in the United Kingdom, both related to renewable energy.

Taxes and charges include carbon price support tax, property tax, electricity tax, gas tax and other taxes and charges.

In 2024, the line includes mainly revenues from RET certificates in Italy and REGO certificates in the United Kingdom, both related to renewable energy.

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

13.

Net finance income (expense)

In millions of EUR	2024	2023 (restated)*
Interest income	142	119
Fee and commission income	10	50
Dividend income	9	6
Finance income	161	175
Profit from revaluation of financial instruments at fair value(1)	-	1,470
Profit from revaluation of contingent consideration(2)	-	210
Net foreign exchange gain	-	87
Profit from trading derivatives(3)	-	21
Profit from hedging derivatives	-	1
Loss from sale of financial instruments	-	(6)
Loss from financial liabilities at amortized cost	-	(18)
Profit from financial instruments	-	1,765
Total finance income	161	1,940
Change in impairment on financial assets (including receivables written off)(4)	-	(10)
Total change in impairment on financial assets	-	(10)

	2024	2023 (restated)*
Loss from revaluation of contingent consideration(2)	(63)	-
Loss from revaluation of financial instruments at fair value(1)	(32)	-
Loss from financial liabilities at amortized cost	(8)	-
Loss from financial assets at amortized cost	(3)	-
Profit from hedging derivatives	4	-
Net foreign exchange gain	22	-
Profit from trading derivatives(3)	31	-
Loss from financial instruments	(49)	-
Interest expense	(369)	(349)
Fees and commissions expense for other services	(242)	(252)
Interest expense from unwind of provision discounting	(17)	(14)
Finance expense	(628)	(615)
Total finance expense	(677)	(615)
Net finance income (expense)	(516)	1,315

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.

(1) Represents mainly result from revaluation of equity option related to call option of EP Slovakia B.V. over additional 50% interest in Slovak Power Holding B.V., the owner of 66% shares in Slovenské elektrárne a.s. For further details of the option scheme refer to Note 17 – Equity accounted investees.

(2) For details refer to Note 28 – Financial instruments.

(3) All derivatives are for the risk management purposes.

14.

Income tax expenses

Income taxes recognized in profit or loss

In millions of EUR

	2024	2023 (restated)*
Current taxes:		
Current year	(411)	(632)
Withholding tax	(4)	(2)
Adjustment for prior periods	4	–
Total current taxes	(411)	(634)
Deferred taxes:		
Origination and reversal of temporary differences ⁽¹⁾	(10)	(3)
Change in tax rate	(109)	20
Total deferred taxes	(119)	17
Total income taxes expense recognised in profit or loss	(530)	(617)

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.
(1) For details refer to Note 18 – Deferred tax assets and liabilities.

Balance of current income tax liability in amount of EUR 313 million (2023: EUR 432 million) is mainly represented by EP Mehrum GmbH of EUR 117 million (2023: EUR 147 million), eustream, a.s. of EUR 56 million (2023: EUR 6 million), EP Netherlands Group of EUR 36 million (2023: EUR 51 million), EP Commodities AG of EUR 28 million (2023: EUR 28 million), NAFTA Germany GmbH of EUR 15 million (2023: EUR 9 million) and EP UK Investments Group of EUR 13 million (2023: EUR 80 million).

Deferred taxes are calculated using currently enacted tax rates expected to apply when the asset is realized or the liability settled. The corporate income tax rates in respective countries were as follows:

Country	Tax rate	
	2024	2023
The Czech Republic	21%	19%
France	25%	25%
Germany	13.83% –32.61%	26.95% –31.93%
Ireland	12.5%	12.5%
Italy	24%	24%
The Netherlands	25.8%	25.8%
Poland	19%	19%
Slovakia	21%	21%
Switzerland	12.5%	12.5%
The United Kingdom	25.0%	19%

Current year income tax includes also special sector tax effective in Slovakia, the Czech Republic, the United Kingdom and Italy.

Pillar Two income tax (Global minimum top-up tax)

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 harbour (“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 and Ireland 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). Only Ireland would fail to meet the 15% minimum ETR with a limited top-up tax potentially due in an amount below EUR 1 million. The potential top-up tax due was calculated based on the 2024 accounting data and the difference between the local statutory tax rate and the minimum tax rate of 15%.

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 ⁽²⁾	Net of income tax
Items that are not reclassified subsequently to profit or loss			
Revaluation reserve included in other comprehensive income	(31)	(108)	(139)
Fair value reserve included in other comprehensive income	24	(2)	22
Share of the other comprehensive income of equity accounted investees ⁽¹⁾	(1)	–	(1)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	21	–	21
Effective portion of changes in fair value of cash-flow hedges	(167)	12	(155)
Share of the other comprehensive income of equity accounted investees ⁽¹⁾	(122)	–	(122)
Total	(276)	(98)	(374)

(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.

(2) Deferred tax recognized in other comprehensive income in the year 2024 includes also impact of change of corporate income tax rate in Slovakia from 21% to 24% applicable from 2025.

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	593	(114)	479
Fair value reserve included in other comprehensive income	(50)	5	(45)
Share of the other comprehensive income of equity accounted investees(1)	2	–	2
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(62)	–	(62)
Effective portion of changes in fair value of cash-flow hedges	319	(101)	218
Share of the other comprehensive income of equity accounted investees ⁽¹⁾	441	–	441
Share of the other comprehensive income of equity accounted investees reclassified to profit or loss on disposal, net of tax ⁽¹⁾	53	–	53
Total	1,296	(210)	1,086

(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.

Reconciliation of the effective tax rate

In millions of EUR				
	%	2024	%	2023
Profit before tax		1,588		5,212
Income tax using the Company's domestic rate (21%)	21.0%	333	19.0%	990
Effect of tax rates in foreign jurisdictions	4.9%	78	3.6%	187
Change in tax rate ⁽¹⁾	6.9%	109	(0.4%)	(20)
Non-deductible expenses ⁽²⁾	7.4%	118	2.0%	106
Non-taxable income ⁽³⁾	(4.8%)	(78)	(10.9%)	(565)
Share of (profit) loss of equity accounted investees	(4.7%)	(74)	(3.6%)	(189)
Tax incentives	(0.1%)	(2)	(0.1%)	(7)
Recognition of previously unrecognized tax losses	(0.5%)	(8)	(0.3%)	(18)
Effect of special levy for business in regulated services ⁽⁴⁾	3.0%	48	0.6%	32
Current year losses for which no deferred tax asset was recognized	0.1%	2	0.1%	7
Change in temporary differences for which no deferred tax asset is recognized	(0.6%)	(10)	(0.1%)	(7)
Current period adjustment for deferred tax recognized in prior period	0.9%	15	1.7%	91
Withholding tax, income tax adjustments for prior periods	(0.1%)	(1)	0.2%	10
Income taxes recognized in profit or loss	33.4%	530	11.8%	617

(1) This item relates mainly to increase of corporate income tax rate in Slovakia from 21% to 24% in 2025 and related recalculation of deferred taxes.

(2) The basis consists mainly of non-deductible interest expenses of EUR 329 million (2023: EUR 156 million), non-deductible expenses from revaluation of contingent consideration and equity option of EUR 93 million and in the year ended 31 December 2023 also non-deductible expenses related to derivatives of EUR 40 million.

(3) The basis consists of gain from sale of EP New Energies GmbH of EUR 50 million (2023: gain from sale of investment in LEAG Group of EUR 96 million) and in the year ended 31 December 2023 also of profit from revaluation of equity option of EUR 1,470 million and profit from revaluation of contingent consideration of EUR 210 million.

(4) The item relates to special industry taxes.

15.

Property, plant and equipment

In millions of EUR								
	Land and buildings ⁽¹⁾	Gas trans- mission pipelines – fair value model	Gas distribution pipelines – fair value model	Technical equipment, plant and machinery ⁽¹⁾	Other equipment, fixtures and fitting	Under con- struction	Advance payments	Total
Cost or revaluation		Level 3	Level 3					
Balance at 1 January 2024	2,737	3,919	4,100	6,154	56	514	626	18,106
Effects of movements in foreign exchange	(9)	–	–	57	(2)	5	–	51
Additions ⁽²⁾	50	–	52	332	1	167	195	797
Revaluation	–	(466)	–	–	–	–	–	(466)
Disposals	(17)	–	(6)	(144)	(1)	(6)	(3)	(177)
Transfers to intangible assets	–	–	–	–	–	(1)	–	(1)
Transfers	99	–	6	611	–	(367)	(349)	–
Change in provision recorded in PPE	14	–	–	11	–	–	–	25
Transfer to assets held for sale	(219)	–	–	(1,318)	–	(20)	–	(1,557)
Balance at 31 December 2024	2,655	3,453	4,152	5,703	54	292	469	16,778
Depreciation and impairment losses								
Balance at 1 January 2024	(1,066)	(381)	(166)	(3,202)	(16)	(15)	–	(4,846)
Effects of movements in foreign exchange	5	–	–	(27)	–	(1)	–	(23)
Depreciation charge for the year	(92)	(90)	(169)	(408)	(3)	–	–	(762)
Revaluation	–	431	–	–	–	–	–	431
Disposals	17	–	6	138	1	–	–	162
Impairment losses recognised in profit or loss	(3)	1	–	(35)	–	(6)	–	(43)
Transfer to assets held for sale	116	–	–	964	–	–	–	1,080
Depreciation related to discontinued operations	(4)	–	–	(80)	–	–	–	(84)
Balance at 31 December 2024	(1,027)	(39)	(329)	(2,650)	(18)	(22)	–	(4,085)
Carrying amounts								
At 1 January 2024	1,671	3,538	3,934	2,952	40	499	626	13,260
At 31 December 2024	1,628	3,414	3,823	3,053	36	270	469	12,693

(1) Including right-of-use assets.
(2) Additions related to entities presented under discontinued operations were EUR 37 million.

In millions of EUR								
	Land and buildings ⁽¹⁾	Gas trans- mission pipelines – fair value model	Gas distribution pipelines – fair value model	Technical equipment, plant and machinery ⁽¹⁾	Other equipment, fixtures and fitting	Under con- struction	Advance payments ⁽²⁾	Total
Cost or revaluation		Level 3	Level 3					
Balance at 1 January 2023	2,626	3,922	3,932	5,402	54	351	–	16,287
Effects of movements in foreign exchange	(13)	–	–	(1)	(3)	5	–	(12)
Additions ⁽³⁾	62	–	11	255	2	261	–	591
Additions through business combinations ⁽⁴⁾	49	–	–	535	11	15	–	610
Reclassification	–	–	–	–	–	–	626	626
Revaluation	–	–	135	–	–	–	–	135
Disposals	(6)	(2)	(6)	(116)	–	(8)	–	(138)
Transfers to intangible assets	–	–	–	–	–	(1)	–	(1)
Transfers	9	(1)	28	73	–	(109)	–	–
Change in provision recorded in PPE	10	–	–	6	(8)	–	–	8
Balance at 31 December 2023	2,737	3,919	4,100	6,154	56	514	626	18,106
Depreciation and impairment losses								
Balance at 1 January 2023	(976)	(295)	(464)	(2,882)	(14)	(7)	–	(4,638)
Effects of movements in foreign exchange	9	–	1	7	–	(3)	–	14
Depreciation charge for the year	(92)	(88)	(163)	(395)	(4)	–	–	(742)
Revaluation	–	–	457	–	–	–	–	457
Disposals	4	2	6	110	–	–	–	122
Transfers	–	–	–	1	2	(3)	–	–
Impairment losses recognised in profit or loss	(7)	–	(3)	4	–	(2)	–	(8)
Depreciation related to discontinued operations	(4)	–	–	(47)	–	–	–	(51)
Balance at 31 December 2023	(1,066)	(381)	(166)	(3,202)	(16)	(15)	–	(4,846)
Carrying amounts								
At 1 January 2023	1,650	3,627	3,468	2,520	40	344	–	11,649
At 31 December 2023	1,671	3,538	3,934	2,952	40	499	626	13,260

(1) Including right-of-use assets.
(2) Reclassification of advance payment for property, plant and equipment from trade receivables into property, plant and equipment in connection with change of accounting policy for recognition of advance payments. Refer to Note 3(a) and Appendix 4 for more details.
(3) Additions related to entities presented under discontinued operations were EUR 69 million.
(4) Purchase of Rijnmond, PZEM and Sloe Group, MaasStroom, Enecogen and SGL – Schienen Güter Logistik GmbH.

Revaluation of gas pipeline

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 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 Group performed regular impairment test assessment of its property, plant and equipment. In relation to the ongoing military invasion in the territory of Ukraine and associated sanctions targeting the Russian Federation (further described in the Note 2(c) Recent developments and key events for the Group), 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 analysed the impacts of the situation on its business and performed an impairment testing in line with its material accounting policy described in Note 3(i) 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.

For assessment of recoverable amount of PPE following assumptions were used:

- commodity prices based on available forward prices;
- discount rates applied are calculated as 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.

In case of Group’s transmission system the following specific underlying assumptions were considered for base scenario:

- 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 decarbonization 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.

Based on the aforementioned 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.

In case of the assets held by other cash-generating units, the Group identified impairment triggers for Sloe power plant and Rijnmond 1 unit. As a result of the performed impairment testing, the Group recognized impairment to property, plant and equipment of EP NL Sloe Centrale B.V. in the amount of EUR 19 million and EP NL Rijnmond 1 B.V. of EUR 11 million. For Rijnmond 1 unit, the value of property, plant and equipment was impaired almost fully due to announcement of its expected closure in 2026.

Idle assets

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

Security

At 31 December 2024, property, plant and equipment with a carrying value of EUR 876 million (2023: EUR 153 million) are subject to pledges from financial indebtedness.

16.

Intangible assets (including goodwill)

In millions of EUR						
	Goodwill	Software	Emission rights	Customer relationship and other contracts	Other intangible assets	Total
Cost						
Balance at 1 January 2024	295	134	439	118	96	1,082
Effect of movements in foreign exchange rates	(1)	–	–	–	–	(1)
Additions ⁽¹⁾	–	9	1,304	–	14	1,327
Disposals	–	(2)	(1,464)	–	(15)	(1,481)
Transfers to tangible assets	–	1	–	–	–	1
Transfers	–	2	–	–	(3)	(1)
Transfers to asset held for sale	(8)	(11)	(13)	(3)	(11)	(46)
Balance at 31 December 2024	286	133	266	115	81	881
Amortization and impairment losses						
Balance at 1 January 2024	(101)	(107)	–	(56)	(19)	(283)
Amortisation for the period	–	(9)	–	(9)	(4)	(22)
Disposals	–	1	–	–	2	3
Impairment losses recognized in profit or loss	(20)	–	–	–	(2)	(22)
Transfers to asset held for sale	5	10	–	3	11	29
Amortization related to discontinued operations	–	(1)	–	–	(3)	(4)
Balance at 31 December 2024	(116)	(106)	–	(62)	(15)	(299)
Carrying amount						
At 1 January 2024	194	27	439	62	77	799
At 31 December 2024	170	27	266	53	66	582

(1) Additions related to entities presented under discontinued operations were EUR 5 million. Additions relate fully to emission rights.

In millions of EUR						
	Goodwill	Software	Emission rights	Customer relationship and other contracts	Other intangible assets	Total
Cost						
Balance at 1 January 2023	234	119	351	115	60	879
Effect of movements in foreign exchange	(1)	–	(2)	3	2	2
Additions(1)	–	8	1,752	–	39	1,799
Additions through business combinations(2)	62	2	11	–	–	75
Disposals	–	(1)	(1,673)	–	(1)	(1,675)
Reclassification	–	–	–	–	1	1
Transfers from tangible assets	–	1	–	–	–	1
Transfers	–	5	–	–	(5)	–
Balance at 31 December 2023	295	134	439	118	96	1,082
Amortization and impairment losses						
Balance at 1 January 2023	(101)	(94)	–	(45)	(12)	(252)
Effect of movements in foreign exchange	–	(4)	–	(1)	(1)	(6)
Amortization for the year	–	(9)	–	(9)	(4)	(22)
Disposals	–	1	–	–	–	1
Impairment losses recognised in profit or loss	–	–	–	(1)	(1)	(2)
Amortization related to discontinued operations	–	(1)	–	–	(1)	(2)
Balance at 31 December 2023	(101)	(107)	–	(56)	(19)	(283)
Carrying amount						
At 1 January 2023	133	25	351	70	48	627
At 31 December 2023	194	27	439	62	77	799

(1) Additions related to entities presented under discontinued operations were EUR 28 million. Additions relate fully to emission rights.
(2) Purchase of Rijnmond, PZEM and Sloe Group, MaasStroom and Enecogen.

In 2024, the Group purchased emission allowances of EUR 1,290 million (2023: EUR 1,679 million). The remaining part of EUR 14 million (2023: EUR 73 million) was allocated to the Group by the respective authorities and counterparties.

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

Other intangible assets comprise valuable rights, capacity market certificates, intangible assets under construction and advanced payments for intangible assets.

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. 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 (no intangible assets with indefinite useful lives were identified):

In millions of EUR	31 December 2024	31 December 2023
EOP Distribuce, a.s.	52	52
EP Power Minerals GmbH	22	22
EP NL Rijnmond 2 B.V.	20	20
Enecogen V.O.F.	17	28
Biomasse Italia S.p.A.	16	16
EP Power Grit GmbH	11	11
Elektrárny Opatovice, a.s.	7	7
LOCON Logistik & Consulting AG	6	6
EP Cargo a.s.	5	5
EP ENERGY TRADING, a.s.	5	5
SPEDICA GROUP COMPANIES, s.r.o.	2	2
PZEM Energy Company B.V.	2	2
EP NL ZBL B.V.	2	2
Dobrá energie s.r.o	1	1
EP Cargo Trucking CZ s.r.o.	1	1
SPV100, s.r.o.	1	1
EP NL Rijnmond 1 B.V.	–	10
Kraftwerk Schkopau GbR	–	3
Total goodwill	170	194

In 2024, the balance of goodwill decreased by EUR 21 million due to impairment of goodwill of Enecogen V.O.F. and EP NL Rijnmond 1 B.V. and by EUR 3 million due to transfer to assets held for sale.

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.

17. Equity accounted investees

The Group has the following investments in associates and joint ventures:

Associates and joint ventures	Country	Ownership 31 December 2024 %	Carrying amount 31 December 2024
SPH Group ⁽¹⁾	⁽⁵⁾	⁽⁶⁾	880
SŽ EP Group ⁽²⁾	⁽⁵⁾	⁽⁶⁾	99
Ergosud S.p.A.	Italy	50.00	74
HHE Group Ventures Group ⁽³⁾	Hungary	50.00	29
EP Lower Saxony GmbH	Germany	31.00	8
Energotel, a.s.	Slovakia	26.60	1
Greeninvest Energy, a.s.	Czech Republic	39.73	1
West Burton ⁽⁴⁾	United Kingdom	50.00	–
Total			1,092

- (1) Refer to Appendix 2 – Group entities for detail of entities included in SPH Group.
- (2) Refer to Appendix 2 – Group entities for detail of entities included in SŽ EP Group.
- (3) Refer to Appendix 2 – Group entities for detail of entities included in HHE Group Ventures Group.
- (4) Refer to Appendix 2 – Group entities for detail of entities included in West Burton.
- (5) Country of incorporation varies, for details refer to Appendix 2 – Group entities.
- (6) Ownership percentage varies, for details refer to Appendix 2 – Group entities.

In millions of EUR

Associates and joint ventures	Country	Ownership 31 December 2023 %	Carrying amount 31 December 2023
SPH Group ⁽¹⁾	⁽⁵⁾	⁽⁶⁾	685
SŽ EP Group ⁽²⁾	⁽⁵⁾	⁽⁶⁾	96
Ergosud S.p.A.	Italy	50.00	70
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Germany	50.00	17
Fernwärme GmbH Hohenmölsen – Webau	Germany	48.96	4
Energotel, a.s.	Slovakia	26.60	1
Greeninvest Energy, a.s.	Czech Republic	39.73	1
Total			874

(1) Refer to Appendix 2 – Group entities for detail of entities included in SPH Group.
(2) Refer to Appendix 2 – Group entities for detail of entities included in SŽ EP Group.
(3) Refer to Appendix 2 – Group entities for detail of entities included in HHE Group Ventures Group.
(4) Refer to Appendix 2 – Group entities for detail of entities included in West Burton.
(5) Country of incorporation varies, for details refer to Appendix 2 – Group entities.
(6) Ownership percentage varies, for details refer to Appendix 2 – Group entities.

Equity accounted investees in MIBRAG Energy Group

From 31 December 2024, the Group classifies entities in MIBRAG Energy Group as held for sale. Upon reclassification into held for sale the Group ceased to apply the equity method prospectively from the date of reclassification to its investments in MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH and Fernwärme GmbH Hohenmölsen – Webau. These equity-investees are part of discontinued operations, thus the Group’s share on profit or loss is presented within result from discontinued operations in the years ended 31 December 2024 and 2023.

HHE Group Ventures Group

Effective 1 January 2024, the Group commenced applying the equity method to its interest in HHE Group Ventures Kft. and its subsidiaries. Prior to this date, HHE Group Ventures Group was held at cost and the equity method was not applied due to immateriality. The initial application of the equity method resulted in the recognition of equity investee in amount of EUR 27 million.

SPH Group

In 2016, EP Slovakia B.V., EPH’s subsidiary, completed the first stage of acquisition of 50% shares in Slovak Power Holding B.V. (“SPH”), which is the owner of 66% shares in Slovenské elektrárne a.s. (“SE”). The second stage involves a put or call option for the remaining 50% shares in SPH which may be used by Enel Produzione SpA (“Enel”) or EP Slovakia B.V. respectively. The total price for both of the two stages of acquisition is subject to an adjustment mechanism, which will be applied upon closing of the second stage of the transaction and will reflect certain parameters, mainly the change in the net financial position of SE and the enterprise value of the Mochovce units 3 and 4 (“EMO34”). Enel provided a loan to SPH in 2018 and subsequently the conditions for the use of the put or call option were amended to reflect the loan.

Enel and EP Slovakia B.V. signed a new agreement in December 2020 that modified a number of amendments to the contract. The agreement specifies how shareholders of SPH will participate on further financing of EMO34 project and extension of maturity of loan provided by Enel until 2032. The agreement regulates the “trigger events” for which parties can exercise the respective options. On 18 December 2024, Enel and EPH via its subsidiary EP Slovakia B.V. entered into agreement to purchase the remaining share in SPH. Under the terms of the Agreement, the total consideration for the acquisition of 100% of SPH’s share capital amounts to EUR 150 million, already paid by EPH during the completion of the first phase of the transaction. As a result, the Group recalculated contingent consideration payment for the first part of the transaction and recognized loss of EUR 63 million (refer to Note 13).

In 2024, the Group recognized share on profit of EUR 323 million (2023: EUR 225 million), share on other comprehensive income of negative EUR 128 million (2023: positive EUR 459 million).

Impairment test and option value of SE were based on the external expert valuation report. Based on estimated free cash flows reflecting power prices forecast and the Group’s estimate of timing of EMO4 block full operation and related CAPEX to finalize this project. Discount rate applied reflects risks connected with the company and it is estimated to be 7.55%. As a result, the Group recognized a loss in finance expense from revaluation of the option (refer to Note 13). Valuation of the option and its presentation as a short-term financial asset is based on a management assumption that closing of the transaction will take place within following twelve months.

A change in discount rate by +1% would cause decrease of option value by negative EUR 267 million and decrease in discount rate by -1% would have effect on the option value of positive EUR 324 million.

The Group calculated simplified sensitivity of option value on power prices. Option value would drop by EUR 72 million, if power prices dropped by 1 EUR/MWh in every year used in value calculation and would increase by EUR 72 million, if price of power increased by 1 EUR/MWh in every year used in value calculation.

The Group has the following shares in the profit (loss) of associates and joint ventures:

In millions of EUR

Associates and joint ventures	Country	Ownership 31 December 2024 %	Share of profit (loss) 2024
SPH Group	⁽¹⁾	⁽²⁾	323
HHE Group Ventures Group	Hungary	50.00	19
SŽ EP d.o.o.	⁽¹⁾	⁽²⁾	6
Ergosud S.p.A.	Italy	50.00	4
Greeninvest Energy, a.s.	Czech Republic	39.73	1
Total			353

(1) Country of incorporation varies, for details refer to Appendix 2 – Group entities.
(2) Ownership percentage varies, for details refer to Appendix 2 – Group entities.

In millions of EUR

Associates and joint ventures	Country	Ownership 31 December 2023 %	Share of profit (loss) 2023
LEAG Group	(1)	50.00	(3)759
SPH Group	(1)	(2)	225
SŽ EP d.o.o.	(1)	(2)	7
Ergosud S.p.A.	Italy	50.00	4
Greeninvest Energy, a.s.	Czech Republic	39.73	1
Total			996

(1) Country of incorporation varies, for details refer to Appendix 2 – Group entities.

(2) Ownership percentage varies, for details refer to Appendix 2 – Group entities.

(3) Includes share of profit of equity accounted investee LEAG from 1 January to 30 June 2023 when LEAG was reclassified to assets held for sale.

The table below provides statement of comprehensive income information for joint venture LEAG presented at 100% for period from 1 January to 30 June 2023 when LEAG was reclassified to assets held for sale.

In millions of EUR

	2024	2023
Statement of comprehensive income information⁽¹⁾		
Revenues	–	5,844
<i>of which: interest income</i>	–	58
Depreciation and amortization	–	(123)
Interest expense	–	(68)
Income tax expense	–	(516)
Profit (loss) for the period/year	–	1,518
Other comprehensive income	–	(33)
Total comprehensive income for the period/year	–	1,485

The table below provides summary financial information for joint venture SŽ EP d.o.o., presented at 100% as at 31 December 2024 and 2023 and for the years then ended.

In millions of EUR

	2024	2023
Statement of financial position information		
Total assets	334	323
Non-current assets	180	212
Current assets	154	111
<i>of which: cash and cash equivalents</i>	52	53
<i>other current assets</i>	102	58
Total liabilities	133	125
Non-current liabilities	77	81
<i>of which: financial liabilities (excluding trade payables)</i>	73	78
<i>other non-current liabilities</i>	4	3
Current liabilities	56	44
<i>of which: financial liabilities (excluding trade payables)</i>	18	14
<i>other current liabilities</i>	38	30
Equity	201	198

Statement of comprehensive income information		
Revenues	227	212
<i>of which: interest income</i>	4	2
Depreciation and amortization	(31)	(27)
Interest expense	(3)	(2)
Income tax expense	(2)	(1)
Profit (loss) for the year	12	15
Other comprehensive income	–	2
Total comprehensive income for the year	12	17

The table below provides summary financial information for joint venture West Burton, presented at 100 % as at 31 December 2024. Income statement information are not presented as joint control over West Burton was obtained at the end of 2024.

In millions of EUR	2024
Statement of financial position information	
Total assets	506
Non-current assets	416
Current assets	90
<i>of which: cash and cash equivalents</i>	<i>10</i>
<i>other current assets</i>	<i>80</i>
Total liabilities	771
Non-current liabilities	619
<i>of which: financial liabilities (excluding trade payables)</i>	<i>568</i>
<i>other non-current liabilities</i>	<i>51</i>
Current liabilities	152
<i>of which: financial liabilities (excluding trade payables)</i>	<i>-</i>
<i>other current liabilities</i>	<i>152</i>
Equity	(265)

The table below provides summary financial information for joint venture HHE Group Ventures Group presented at 100 % as at 31 December 2024 and for the year then ended.

In millions of EUR	2024
Statement of financial position information	
Total assets	145
Non-current assets	87
Current assets	58
<i>of which: cash and cash equivalents</i>	<i>9</i>
<i>other current assets</i>	<i>49</i>
Total liabilities	94
Non-current liabilities	40
<i>of which: financial liabilities (excluding trade payables)</i>	<i>37</i>
<i>other non-current liabilities</i>	<i>3</i>
Current liabilities	54
<i>of which: financial liabilities (excluding trade payables)</i>	<i>10</i>
<i>other current liabilities</i>	<i>44</i>
Equity	51
Statement of comprehensive income information	
Revenues	125
<i>Depreciation and amortization</i>	<i>(7)</i>
Interest expense	(2)
Income tax expense	(25)
Profit (loss) for the year	35
Other comprehensive income	9
Total comprehensive income for the year	44

Summary financial information for standalone associates, presented at 100% as at 31 December 2024 and for the year then ended.

In millions of EUR

Associates	Revenue	Profit (loss)	Other comprehensive income	Total comprehensive income	Assets	Liabilities	Equity
SPH Group	3,736	978	(386)	592	10,757	8,092	2,665
Energotel, a.s.	15	(1)	–	(1)	12	8	4
Greeninvest Energy, a.s.	4	2	–	2	18	1	17
Ergosud S.p.A.	93	8	–	8	242	95	147
EP Lower Saxony GmbH ⁽¹⁾	–	–	–	–	29	–	29
Total	3,848	987	(386)	601	11,058	8,196	2,862

(1) Data from standalone financial statements according to German GAAP.

In millions of EUR

Associates	Non-current assets	Current assets	Non-current liabilities	Current liabilities
SPH Group	9,378	1,379	5,099	2,993
Energotel, a.s.	3	9	–	8
Greeninvest Energy, a.s.	15	3	–	1
Ergosud S.p.A.	146	96	21	74
EP Lower Saxony GmbH ⁽¹⁾	24	5	–	–
Total	9,566	1,492	5,120	3,076

(1) Data from standalone financial statements according to German GAAP.

Summary financial information for standalone associates, presented at 100% as at 31 December 2023 and for the year then ended.

In millions of EUR

Associates	Revenue	Profit (loss)	Other comprehensive income	Total comprehensive income	Assets	Liabilities	Equity
SPH Group	5,195	670	1,848	2,518	10,624	8,552	2,072
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH ⁽¹⁾	50	7	–	7	50	26	24
Fernwärme GmbH Hohenmölsen – Webau ⁽¹⁾	9	–	–	–	13	2	11
Energotel, a.s.	15	(1)	–	(1)	10	6	4
Greeninvest Energy, a.s.	4	3	–	3	19	–	19
Ergosud S.p.A.	82	8	–	8	245	106	139
Total	5,355	687	1,848	2,535	10,961	8,692	2,269

(1) Data from standalone financial statements according to German GAAP.

In millions of EUR

Associates	Non-current assets	Current assets	Non-current liabilities	Current liabilities
SPH Group	9,247	1,377	7,155	1,397
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH ⁽¹⁾	21	29	24	2
Fernwärme GmbH Hohenmölsen – Webau ⁽¹⁾	12	1	1	1
Energotel, a.s.	3	7	–	6
Greeninvest Energy, a.s.	16	3	–	–
Ergosud S.p.A.	157	88	33	73
Total	9,456	1,505	7,213	1,479

(1) Data from standalone financial statements according to German GAAP.

18.

Deferred tax assets and liabilities

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

In millions of EUR

Temporary difference related to:	31 December 2024			31 December 2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	172	(2,289)	(2,117)	167	(2,148)	(1,981)
Intangible assets	2	(26)	(24)	1	(31)	(30)
Inventories	17	-	17	17	-	17
Trade receivables and other assets	9	(1)	8	8	(1)	7
Provisions	119	(6)	113	133	(5)	128
Employees benefits (IAS 19)	28	(53)	(25)	42	(52)	(10)
Loans and borrowings	1	(12)	(11)	-	(11)	(11)
Tax losses	45	-	45	33	-	33
Derivatives	193	(156)	37	407	(359)	48
Right-of-use assets	21	(19)	2	18	(16)	2
Other items	60	(69)	(9)	43	(6)	37
Subtotal	667	(2,631)	(1,964)	869	(2,629)	(1,760)
Set-off tax	(468)	468	-	(603)	603	-
Total	199	(2,163)	(1,964)	266	(2,026)	(1,760)

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 other com- prehensive income	Acquired in business combinations	Transfer	Transfer to assets held for sale	Effect of movements in foreign exchange rate	Balance at 31 December 2024
Property, plant and equipment	(1,981)	(55)	(107)	-	-	30	(4)	(2,117)
Intangible assets	(30)	5	-	-	-	1	-	(24)
Inventories	17	-	-	-	-	-	-	17
Trade receivables and other assets	7	(1)	-	-	-	2	-	8
Provisions	128	(6)	3	-	-	(13)	1	113
Employee benefits (IAS 19)	(10)	(8)	(5)	-	-	(1)	(1)	(25)
Loans and borrowings	(11)	-	-	-	-	-	-	(11)
Tax losses	33	5	-	-	-	(2)	9	45
Derivatives	48	(20)	12	-	(1)	1	(3)	37
Right-of-use assets	2	-	-	-	-	-	-	2
Other	37	(39)	(1)	-	1	(8)	1	(9)
Total	(1,760)	(119)	(98)	-	-	10	3	(1,964)

In millions of EUR

Balances related to:	Balance at 1 January 2023	Recognised in profit or loss	Recognised in other com- prehensive income	Acquired in business combina- tions ⁽¹⁾	Transfer	Transfer to assets held for sale	Effect of movements in foreign exchange rate	Balance at 31 December 2023
Property, plant and equipment	(1,849)	10	(108)	-	(32)	-	(2)	(1,981)
Intangible assets	(34)	2	-	-	-	-	2	(30)
Inventories	13	4	-	-	-	-	-	17
Trade receivables and other assets	5	3	-	-	(1)	-	-	7
Provisions	107	-	2	8	11	-	-	128
Employee benefits (IAS 19)	(10)	(1)	3	-	(2)	-	-	(10)
Loans and borrowings	(11)	-	-	-	-	-	-	(11)
Tax losses	62	(74)	-	-	45	-	-	33
Derivatives	32	56	(101)	60	1	-	-	48
Right-of-use assets	1	-	-	(1)	1	-	1	2
Other	50	17	(6)	-	(23)	-	(1)	37
Total	(1,634)	17	(210)	67	-	-	-	(1,760)

(1) Acquisition of Rijnmond, PZEM and Sloe Group, MaasStroom and Enecogen.

Unrecognised deferred tax assets

A deferred tax asset has not been recognised in respect of the tax losses that are available for carry forward by certain EPH Group entities and certain items of property, plant and equipment:

In millions of EUR		
	31 December 2024	31 December 2023
Tax losses carried forward	1,028	1,400
Property, plant and equipment	–	64
Total	1,028	1,464

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
EP France S.A.S. and its subsidiaries	806	1,001
Humbly Grove Energy Limited	93	89
EP Resources AG	63	186
Slovak Gas Holding B.V.	25	11
SPP Infrastructure, a. s.	20	93
Czech Gas Holding Investment B.V	13	13
EP Resources DE GmbH	6	–
EP Intermodal a.s.	1	–
EP Ukraine B.V.	1	–
EP Energy, a.s.	–	7
Total	1,028	1,400

As of 31 December 2023, a deferred tax asset that was not recognised in respect of property, plant and equipment is fully attributable to EP NI Energy Limited. This deferred tax asset has been recognized during 2024.

Majority of 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 profit were to be achieved in 2024, then the associated tax income (savings) would be up to EUR 250 million (2023: EUR 335 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	8	7	7	1,002	1,028

Tax losses expire over a period of 5 years in the Czech Republic and Slovakia, 6 years (9 years for losses up to 2018) in the Netherlands for standard tax losses and indefinitely in France, Germany and the UK. 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.

19. Inventories

In millions of EUR		
	31 December 2024	31 December 2023
Extracted minerals and mineral products	212	236
Fossil fuel	171	288
Spare parts	89	89
Inventories for trading held at fair value	62	229
Raw materials and supplies	32	89
Finished goods and merchandise	7	40
Work in progress	3	4
Overburden	-	32
Total	576	1,007

In 2024, inventories of EUR 2,635 million (2023: EUR 2,995 million) were recognized as an expense during the year and included in Purchases and consumables. These values exclude expenses reported by EP Commodities, a.s. and EP Commodities AG which are related to trading activities without physical delivery.

Inventories for trading held at fair value are categorized within Level 1 of the fair value hierarchy (for detail of valuation methods refer to Note 2(e) i – Assumption and estimation uncertainties).

As at 31 December 2024, inventories in the amount of EUR 19 million (2023: EUR 20 million) were subject to pledges.

20. Trade receivables and other assets

In millions of EUR		
	31 December 2024	31 December 2023 (restated)*
Trade receivables	1,565	1,813
Margin of stock exchange derivatives	304	655
Value added tax receivables	225	236
Uninvoiced revenues	223	119
Other advance payments	192	238
Accrued income ⁽¹⁾	136	183
Subsidies related to renewable energy	58	22
Defined benefit assets in excess of obligations	49	50
Estimated receivables	42	53
Receivables from emission rights granted free-of-charge	40	5
Deposits for capacity market auctions	20	40
Other taxes receivables, net	15	21
Other receivables and assets	67	106
Allowance for bad debts	(51)	(60)
Total	2,885	3,481
Non-current	152	117
Current	2,733	3,364
Total	2,885	3,481

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 4.
(1) For more detail on accrued income refer to Note 30 – Commitments and contingencies.

In 2024, EUR 4 million receivables were written-off through profit or loss (2023: EUR 8 million).

As at 31 December 2024, trade receivables with a carrying value of EUR 272 million are subject to pledges (2023: EUR 382 million).

As at 31 December 2024, trade receivables and other assets amounting EUR 2,837 million are not past due (2023: EUR 3,425 million) remaining net balance of EUR 48 million is overdue (2023: EUR 56 million). For more detailed aging analysis refer to Note 32(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 32 – Risk management policies and disclosures.

21.

Cash and cash equivalents

In millions of EUR

	31 December 2024	31 December 2023
Current accounts with banks	2,082	2,221
Term deposits	1,186	1,125
Bills of exchange	50	155
Debentures	–	1
Total	3,318	3,502

Term deposits, bills of exchange issued by banks and debentures with original maturity of up to three months are classified as cash equivalents.

As at 31 December 2024 cash equivalents of EUR 76 million are subject to pledges (2023: EUR 45 million) in case the Group defaults on some of its indebtedness. As such, pledged cash is readily available and is not classified as restricted.

For the purpose of the statement of cash flows, cash and cash equivalents as of 31 December 2024 include cash and cash equivalents in amount of EUR 133 million attributable to entities presented under assets held for sale.

22.

Assets and liabilities held for sale and discontinued operations

The following items are presented within assets/disposal groups held for sale:

In millions of EUR	31 December 2024	31 December 2023
Property, plant and equipment	529	–
Intangible assets and goodwill	17	–
Equity accounted investees	20	–
Financial instruments and other financial assets	93	–
Trade receivables and other assets	129	–
Prepayments and other deferrals	7	–
Income tax receivables	41	–
Restricted cash	20	–
Deferred tax assets	7	–
Inventories, extracted minerals and mineral products	210	–
Cash and cash equivalents	133	–
Total	1,206	–

The following items are presented within liabilities from disposal groups held for sale:

In millions of EUR	31 December 2024	31 December 2023
Loans and borrowings	149	–
Provisions	1,057	–
Deferred income	4	–
Deferred tax liabilities	19	–
Trade payables and other liabilities	214	–
Contract liabilities	25	–
Income tax liability	11	–
Total	1,479	–

As at 31 December 2024, balances of assets held for sale and liabilities from disposal groups held for sale are represented by MIBRAG Energy Group GmbH and its subsidiaries and associates (jointly referred to as “MIBRAG Energy Group”), and by companies EP Resources AG, EP Resources CZ a.s., EP Resources PL S.A. and EP Resources DE GmbH (“EPR Group”).

Companies included in MIBRAG Energy Group were reclassified to assets and liabilities held for sale as of 31 December 2024. As part of Group’s energy transition strategy, the Group intends to transfer participation in MIBRAG Energy Group to EP Energy Transition by the end of 2025. Thus, sale of the MIBRAG Energy Group is considered highly probable and as the selected entities in MIBRAG Energy Group represent whole German mining operations of the Group, those entities are reported as discontinued operations as of 31 December 2024, including restatement of comparatives. For the restated comparative version of the consolidated statement of comprehensive income from discontinued operations for the year ended 31 December 2023, refer to Appendix 3.

EP Energy Transition will focus on development of renewable energy projects, replacement of existing network-critical power generation capacities by hydrogen-ready power plants, construction of battery projects to participate on stability of network and active cooperation with unions, regions, and governments to carry out the energy transition with minimum or no socially adverse impact.

Companies included in EP Resources Group were reclassified to assets and liabilities held for sale as of 31 December 2024 due to the intention of the Group to dispose of the controlling share in these operations at the beginning of 2025. As of 31 December 2024, the sale was highly probable as the Group entered into a sale agreement in 2024 and the completion of the transaction was only subject to regulatory approvals which were obtained in January 2025.

The results of the discontinued operations which have been included in the profit for the year were as follows:

In millions of EUR	2024	2023
Revenues	288	343
Expenses	(499)	(387)
Loss from operations	(211)	(44)
Net finance income	179	201
Share of profit of equity accounted investees, net of tax	3	3
Income tax expense from ordinary activities of discontinued operations	7	(40)
Profit (loss) for the year	(22)	120
Total other comprehensive income for the year, net of tax	-	(2)
Total comprehensive income for the year	(22)	118

Profit for the year from discontinued operations is fully attributable to the owners of the Company.

23. Equity

Share capital, share premium

The authorised, issued and fully paid share capital as at 31 December 2024 consisted of 4,000,000 ordinary shares with a par value of CZK 1,000 each (2023: 4,000,000 ordinary shares with a par value of CZK 1,000 each).

As of 1 January 2022, the functional currency of the Parent Company changed from Czech crown to Euro. As of the date of change, all items including equity were translated from Czech crown to Euro using foreign exchange rate as of the date of change. The balance of share capital of EUR 161 million is a result of such recalculation.

The shareholder is entitled to receive dividends and to cast 1 vote per 1 share of nominal value CZK 1000 at meetings of the Company’s shareholders.

In 2024, the Company declared dividends in amount of EUR 1,572 million (2023: EUR 3,384 million) to its shareholders. Dividend declared per share in 2024 was EUR 393 (2023: EUR 846).

31 December 2024	Number of shares 1,000 CZK	Ownership %	Voting rights %
In thousands of pieces			
EP Group, a.s.	2,240,001	56 % + 1 share	56 % + 1 share
J&T ENERGY HOLDING, a.s.	1,759,999	44 % - 1 share	44 % - 1 share
Total	4,000,000	100.00%	100.00%

31 December 2023	Number of shares 1,000 CZK	Ownership %	Voting rights %
In thousands of pieces			
EP Group, a.s.	2,240,001	56 % + 1 share	56 % + 1 share
J&T ENERGY HOLDING, a.s.	1,759,999	44 % - 1 share	44 % - 1 share
Total	4,000,000	100.00%	100.00%

The reconciliation of the number of shares outstanding at the beginning and at the end of the year is provided as follows:

	Number of shares 2024 1,000 CZK
Shares outstanding at the beginning of the year	4,000,000
Shares outstanding at the end of the year	4,000,000

	Number of shares 2023 1,000 CZK
Shares outstanding at the beginning of the year	4,000,000
Shares outstanding at the end of the year	4,000,000

Reserves

Reserves recognised in equity comprise the following items:

In millions of EUR	31 December 2024	31 December 2023
Revaluation reserve	941	1,024
Other capital funds from capital contributions	224	23
Fair value reserve	80	59
Hedging reserve	77	356
Non-distributable reserves	54	17
Other capital reserves	(56)	(56)
Translation reserve	(138)	(174)
Total	1,182	1,249

Non-distributable reserves

The legal reserve of EUR 54 million was reported as at 31 December 2024 (2023: EUR 17 million).

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations of the Group. As at 1 January 2022, EUR has become the Group’s functional as well as presentation currency. Translation reserve arising from entities with EUR functional currency and translation reserve arising from entities with CZK functional currency from historical translation of EUR dividends was transferred to retained earnings as at 1 January 2022.

Translation reserve includes also translation reserve arising from translation of the consolidated financial statements to presentation currency until 31 December 2021. Translation reserve arising historically on translation into presentation currency from entities with CZK functional currency remains to be presented within translation reserve and will not be reclassified subsequently to profit or loss. Translation reserve arising historically on translation into presentation currency from entities with GBP, USD or PLN functional currencies remains to be presented within translation reserve and will be reclassified to profit or loss on disposal of such foreign operations.

Other capital reserves

In 2009, the Group accounted for pricing differences that arose both from establishment of the Group as at 10 August 2009 and acquisition of certain new subsidiaries in the subsequent periods prior to 9 October 2009. Such subsidiaries were acquired under common control of J&T Finance Group, a.s. (which held controlling interest in the Group at the time of acquisition of the subsidiaries), and 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 recorded at the book value, which was presented in the financial statements of J&T Finance Group, a.s. (i.e. including historical goodwill less potential impairment). The difference between the cost of acquisition, carrying values of net assets and original goodwill carried forward as at the acquisition date was recorded in consolidated equity as pricing differences.

In 2010, in relation to the disposal of certain subsidiaries the revaluation reserve increased by EUR 74 million. The amount corresponds not only to pricing differences assigned directly to disposed subsidiaries but also to their direct parent companies (SPEs), which, although they remained in scope, are not cash generating units as standalones and thereby do not carry any goodwill potential.

In 2011, other capital reserves increased further by EUR 56 million in relation to the several subsidiaries that were spun off to EP Industries, a.s. as a part of non-cash dividend distribution.

In 2013, other capital reserves increased by EUR 1 million due to the process of restructuring of SPP Group.

In 2022, other capital reserves decreased by EUR 2 million as a result of the change in the functional currency of the Parent Company as at 1 January 2022.

Hedging reserves

The effective portion of fair value changes in financial derivatives designated as cash flow hedges are recognised in equity (for more details please refer to Note 28 – Financial instruments and Note 32 – Risk management policies and disclosure).

Fair value reserve

Fair value reserve comprises mainly actuarial gains and losses related to IAS 19 pension plan provisions and fair value changes of financial instruments recognized at fair value through other comprehensive income.

Revaluation reserve

Revaluation reserve represents an effect from revaluation of the gas transmission and the gas distribution pipelines as per IAS 16 to fair value. For detail refer to Note 4(a).

24.

Non-controlling interest

31 December 2024	Stredoslovenská energetika, a.s. and its subsidiaries (including SSD	NAFTA a.s. and its subsidiaries	SPP Infrastructure, a.s. and its subsidiaries ⁽⁴⁾	SPP distribúcia, a.s. and its subsidiaries	eustream a.s.	Pížeňská teplárenská, a.s	EP Produzione Centrale Livorno Ferraris S.p.A.	Other subsidiaries ⁽⁵⁾	Total
In millions of EUR									
Non-controlling percentage	⁽⁶⁾ 66.19%	⁽⁶⁾ 52.41%	⁽⁶⁾ 66.19%	⁽⁶⁾ 66.19%	⁽⁶⁾ 66.19%	⁽⁶⁾ 75.85%	25.00%		
Business activity	Distribution of electricity	Gas storage	Holding entity	Distribution of gas	Transmission of gas	Production and distribution of heat	Production of electricity and heat		
Country ⁽¹⁾	Slovakia	Slovakia, Germany	Slovakia	Slovakia	Slovakia	Czech Republic	Italy		
Carrying amount of NCI at 31 December 2024	502	259	(353)	2,041	1,578	206	45	(175)	4,103
Profit (loss) attributable to non-controlling interest for the year	72	71	(7)	69	111	21	4	52	393
Dividends declared ⁽²⁾	(33)	(4)	⁽⁷⁾ (174)	-	-	(5)	(3)	(79)	(298)
Statement of financial position ⁽³⁾									
Total assets	1,156	798	5,595	4,696	4,529	359	297		
of which: non-current	869	555	⁽⁶⁾ 4,942	3,995	3,761	241	115		
current	287	243	653	701	768	118	182		
Total liabilities	398	304	1,035	1,612	2,145	88	117		
of which: non-current	207	253	-	1,532	1,462	29	6		
current	191	51	1,035	80	683	59	111		
Net assets	758	494	4,560	3,084	2,384	271	180		
Statement of comprehensive income ⁽³⁾									
Total revenues	1,120	321	370	550	504	193	382		
of which: dividends received	-	⁽⁹⁾ 23	⁽¹⁰⁾ 353	-	-	0	-		
Profit after tax	109	158	342	105	167	27	16		
Total other comprehensive income for the year, net of tax	(1)	-	-	(61)	(73)	-	-		
Total comprehensive income for the year ⁽³⁾	108	158	342	44	94	27	16		
Net cash inflows (outflows) ⁽³⁾	(20)	50	72	(60)	376	(70)	14		

(1) Principal place of business of subsidiaries and associates varies (for detail refer to Appendix 2 – Group entities).

(2) Dividends declared represent dividends declared to direct non-controlling interest.

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

(4) 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.

(5) Column “Other subsidiaries” represents primarily 31% indirect non-controlling interest in holding entities in EPIF Group. 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.

(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 in December 2024, of which EUR 174 million attributable to non-controlling interest is recognised as a dividend payable in trade payable as of 31 December 2024.

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

(9) Includes dividends from POZAGAS a.s. eliminated in calculation of NCI.

(10) Includes dividends from SPP - distribúcia, a.s., SPP Storage, s.r.o., NAFTA, a.s. and POZAGAS a.s. eliminated in calculation of NCI.

31 December 2023

In millions of EUR

	Stredoslovenská energetika, a.s. and its subsidiaries (including SSD	NAFTA a.s. and its subsidiaries	SPP Infrastructure, a.s. and its subsidiaries ⁽⁴⁾
Non-controlling percentage	⁽⁶⁾ 66.19%	⁽⁶⁾ 52.41%	⁽⁶⁾ 66.19%
Business activity	Distribution of electricity	Gas storage	Holding entity
Country ⁽¹⁾	Slovakia	Slovakia, Germany	Slovakia
Carrying amount of NCI at 31 December 2023	473	275	(345)
Profit (loss) attributable to non-controlling interest for the year	85	103	(7)
Dividends declared ⁽²⁾	(39)	(4)	⁽⁷⁾ (291)
Statement of financial position ⁽³⁾			
Total assets	1,145	829	5,526
of which: non-current	830	555	⁽⁸⁾ 5,420
current	315	274	106
Total liabilities	431	304	966
of which: non-current	182	226	499
current	249	78	467
Net assets	714	525	4,560
Statement of comprehensive income ⁽³⁾			
Total revenues	1,587	414	295
of which: dividends received	–	⁽⁹⁾ 23	⁽¹⁰⁾ 279
Profit after tax	129	219	269
Total other comprehensive income for the year, net of tax	–	(1)	–
Total comprehensive income for the year ⁽³⁾	129	218	269
Net cash inflows (outflows) ⁽³⁾	100	(133)	(22)

(1) Principal place of business of subsidiaries and associates varies (for detail refe to Appendix 2 – Group enti es).

(2) Dividends declared represent dividends declared to direct non-controlling interest.

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

(4) 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.

(5) Column “Other subsidiaries” represents primarily 31% indirect non-controlling interest in holding entities in EPIF Group. 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.

(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 300 million in March 2023 and EUR 271 million in December 2023, of which the unpaid portion of EUR 139 million is recognized as a dividend payable as of 31 December 2023.

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

(9) Includes dividends from POZAGAS a.s. eliminated in calculation of NCI.

(10) Includes dividends from SPP - distribúcia, a.s., SPP Storage, s.r.o., NAFTA, a.s. and POZAGAS a.s. eliminated in calculation of NCI.

SPP distribúcia, a.s. and its subsidiaries	eustream a.s.	Plzeňská teplárenská, a.s	EP Produzione Centrale Livorno Ferraris S.p.A.	Other subsidiaries ⁽⁵⁾	Total
⁽⁶⁾ 66.19%	⁽⁶⁾ 66.19%	⁽⁶⁾ 75.85%	25.00%		
Distribution of gas	Transmission of gas	Production and distribution of heat	Production of electricity and heat		
Slovakia	Slovakia	Czech Republic	Italy		
2,154	1,516	193	44	(139)	4,171
91	(4)	22	4	32	326
–	–	(7)	–	–	(341)
4,810	4,335	355	239		
4,123	⁽⁸⁾ 3,906	253	113		
687	429	102	126		
1,555	2,045	100	63		
1,458	1,894	29	6		
97	151	71	57		
3,255	2,290	255	176		
531	274	216	434		
–	–	1	–		
137	(6)	29	16		
460	272	–	–		
597	266	29	16		
194	125	60	18		

25. Loans and borrowings

In millions of EUR

	31 December 2024	31 December 2023
Issued notes at amortised costs	4,767	4,680
Loans payable to credit institutions	2,262	2,226
Revolving credit facility	399	1,052
Lease liabilities	223	213
Loans payable to other than credit institutions	62	56
Factoring loans	1	103
Total	7,714	8,330
Non-current	6,211	7,460
Current	1,503	870
Total	7,714	8,330

The weighted average interest rate on loans and borrowings (excluding notes) for 2024 was 6.07% (2023: 5.27%).

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	Unamortized transaction cost	Issue date	Maturity	Intrest rate (%)	Effective interest rate (%)
EP Infrastructure 2026 Notes	600	4	(1)	30/07/2019	30/07/2026	1.698	1.795
EP Infrastructure 2028 Notes	500	2	(1)	09/10/2019	09/10/2028	2.045	2.117
EP Infrastructure 2031 Notes	500	8	(2)	02/03/2021	02/03/2031	1.816	1.888
eustream Notes	500	4	(2)	25/06/2020	25/06/2027	1.625	1.759
SPP Infrastructure Financing Notes	500	12	–	12/02/2015	12/02/2025	2.625	2.685
SPP - distribúcia Notes	500	4	(4)	09/06/2021	09/06/2031	1.000	1.079
EPH Financing CZ 2025 Notes	298	4	–	17/03/2020	17/03/2025	4.500	4.870
EPH Financing CZ 2027 Notes	95	3	(1)	19/08/2022	19/08/2027	8.000	8.200
EPH Financing International 2028 Notes	600	5	2	13/11/2023	13/11/2028	6.651	⁽¹⁾ 6.773/5.599
EPH Financing International 2029 Notes	500	3	(3)	31/05/2024	30/11/2029	5.875	6.289
EPH Private placements	138	2	(3)	14/08/2020–23/02/2024	19/07/2025–25/01/2027	⁽²⁾ –	⁽²⁾ –
Total	4,731	51	(15)	–	–	–	–

(1) Different effective interest rates apply for initial EUR 500 million tranche and additional EUR 100 million tranche.
(2) Interest rates vary per issue and are fixed or a combination of reference interest rate (PRIBOR or EURIBOR) and margin set for relevant interest period.

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

In millions of EUR	Principal	Accrued interest	Unamortized transaction cost	Issue date	Maturity	Intrest rate (%)	Effective interest rate (%)
EP Infrastructure 2024 Notes	547	5	–	26/04/2018	26/04/2024	1.659	1.786
EP Infrastructure 2026 Notes	600	4	(1)	30/07/2019	30/07/2026	1.698	1.795
EP Infrastructure 2028 Notes	500	2	(2)	09/10/2019	09/10/2028	2.045	2.117
EP Infrastructure 2031 Notes	500	8	(2)	02/03/2021	02/03/2031	1.816	1.888
eustream Notes	500	4	(2)	25/06/2020	25/06/2027	1.625	1.759
SPP Infrastructure Financing Notes	500	12	–	12/02/2015	12/02/2025	2.625	2.685
SPP - distribúcia Notes	500	3	(3)	09/06/2021	09/06/2031	1.000	1.079
EPH Financing CZ 2025 Notes	303	4	(1)	17/03/2020	17/03/2025	4.500	4.870
EPH Financing CZ 2027 Notes	97	3	(1)	19/08/2022	19/08/2027	8.000	8.200
EPH Financing International 2028 Notes	500	4	(3)	13/11/2023	13/11/2028	6.651	6.773
EPH Private placements	98	1	–	14/08/2020–19/07/2023	22/01/2025–14/06/2026	⁽¹⁾ –	⁽¹⁾ –
Total	4,645	50	(15)	–	–	–	–

(1) Interest rates vary per issue and are fixed or a combination of reference interest rate (6M PRIBOR) and margin set for relevant interest period.

All EPH Financing CZ Notes and EPH Financing International Notes described above contain a covenant limiting certain types of distributions to the shareholders under certain circumstances. The Group has to monitor the ratio of total amount of Group’s net debt to Group’s EBITDA (i.e. net everage) before certain types of distributions are carried out.

All EP Infrastructure 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.

EP Infrastructure 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.

EPH Financing International 2029 Notes

On 31 May 2024, EPH Financing International, a.s., a 100% subsidiary of EPH, issued bonds in the amount of EUR 500 million in the denomination of EUR 100,000 each, under the EUR 3,000,000,000 EMTN Programme, guaranteed by EPH (the “EPH Financing International 2029 Notes”). The EPH Financing International 2029 Notes were issued as “green bonds” with the net proceeds intended specifically to finance or refinance, in whole or in part, a portfolio of eligible green projects in line with the use of proceeds, project evaluation and selection process described in the Green Finance Framework, which is available at <https://www.epholding.cz/> under section ‘Sustainability’ and has been prepared in accordance with the Green Bond Principles published by ICMA. The EPH Financing International 2029 Notes are listed on the Official List of the Irish Stock Exchange and traded on the regulated market of Euronext Dublin. Unless previously redeemed or cancelled, the EPH Financing International 2029 Notes will be redeemed at their principal amount on 30 November 2029.

The EPH Financing International 2029 Notes bear a fixed interest rate of 5.875% p.a. and are stated net of debt issue costs. These costs are allocated to the profit and loss account through effective interest rate of 6.289%.

EPH Financing International 2028 Notes additional emission

On 29 July 2024, EPH Financing International, a.s. successfully sold additional EUR 100 million of its 6.651% 2028 Notes, i.e. increased the volume of the first notes issue under its programme. The notes were privately placed at 103.989% of their nominal value. Applicable effective interest rate associated with the additional issue is 5.599%. The net proceeds were upstreamed to EPH.

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 31/12/2024	Due within 1 year	Due in 1–5 years	Due in following years
Unsecured bank loan	EUR	variable*	2029	1,788	106	1,682	–
Secured bank loan	EUR	variable*	2028	438	30	408	–
Secured bank loan	EUR	fixed	2030	21	4	15	2
Unsecured bank loan	EUR	fixed	2028	15	3	12	–
Unsecured loan	EUR	variable*	2027	47	43	4	–
Secured loan	EUR	fixed	2039	13	1	3	9
Unsecured loan	EUR	fixed	2025	2	2	–	–
Revolving credit facility	EUR	variable*	2026	399	349	50	–
Factoring loan	EUR	variable*	2025	1	1	–	–
Lease liabilities	n/a	n/a	n/a	223	50	132	41
Total interest-bearing liabilities				2,947	589	2,306	52

* 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 31/12/2023	Due within 1 year	Due in 1–5 years	Due in following years
Unsecured bank loan	EUR	variable*	2029	1,993	101	1,832	60
Secured bank loan	EUR	variable*	2028	192	37	155	–
Secured bank loan	EUR	fixed	2030	24	3	16	5
Unsecured bank loan	EUR	fixed	2028	17	4	13	–
Unsecured loan	EUR	variable*	2028	47	2	45	–
Secured loan	EUR	fixed	2039	5	1	2	2
Unsecured loan	EUR	fixed	2025	4	2	2	–
Revolving credit facility	EUR	variable	2026	1,052	11	1,041	–
Factoring loan	EUR	variable*	2025	103	50	53	–
Lease liabilities	n/a	n/a	n/a	213	61	98	54
Total interest-bearing liabilities				3,650	272	3,257	121

* 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.

EPH Term and revolving facilities agreement

EPH is a party to a term and revolving facilities agreement dated 21 June 2023 with a syndicate of banks (the “EPH Facilities Agreement”), pursuant to which EPH has available loan facilities as of 31 December 2024 in the total amount of EUR 3,045 million.

The EPH’s obligations under the EPH Facilities Agreement are general, senior unsecured obligations and rank equally in right of payment with the EPH’s existing and future indebtedness that is not subordinated in right of payment. The EPH Facilities Agreement contains restrictive provisions which, among other things, prohibit the use of the funds from the facilities for coal or lignite related activity, limit the Group’s ability to incur additional financial indebtedness, make distributions and certain other payments, dispose of certain assets or create security over certain Group’s assets, and EPH’s ability to merge with other companies. The agreement obliges EPH to dispose of or close certain coal and lignite assets. The restrictions are subject to a number of exceptions and qualifications. For example, EPH may make distributions and certain other payments if (among other things), the Group net leverage does not exceed a certain limit, EPH and certain other Group members may incur additional financial indebtedness if (among other things) certain net leverage limits set for various Group levels are met. The EPH Facilities Agreement also contains change of control provisions the triggering of which may result in mandatory prepayment.

EPIF Facility agreement

On 8 November 2024, EPIF signed a new EUR 400 million revolving facility agreement, replacing the revolving facility made available under the senior term and revolving facilities agreement from January 2020. New financing will provide EPIF with an unsecured revolving facility until 8 November 2027.

The debts of EPIF under the EPIF’s Facilities 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 and Eustream Finance Contracts

The SPPD and Eustream Finance Contracts 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 or Eustream group’s net debt to group’s EBITDA ratio (i.e. net leverage) is not more than 2.65 to 1.

In addition, both finance contracts contain customary events of defaults, including, among other things, non-payment, misrepresentation, cross-default of the company 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 finance contracts may be declared immediately due and payable on demand.

EP Centrale Ostiglia and EP Centrale Tavazzano Montanaso Project finance facilities

In March 2024, EP Centrale Ostiglia S.p.A. signed a new EUR 320 million project finance facility. This financing will cover costs incurred in relation to construction of a new 881 MW CCGT power plant in Italy.

EP Centrale Tavazzano Montanaso S.p.A. is a party to EUR 230 million project finance facility, which will covers costs incurred in relation to construction of a new 803 MW CCGT power plant in Italy.

Both facilities are subject to financial covenants tested annually. These covenants measure historic and forecast Annual Debt Service Cover Ratio (ratio of available cash flows to pay the debt obligation and the debt obligation) and Debt to Equity ratio. The loans become repayable on demand if the financial covenants are not met at the testing date unless the non-compliance is covered by the equity contribution by the parent company, subject to which the failure is cured. Both companies complied with the covenants in 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
Issued debentures at amortised costs	4,767	4,572	4,680	4,167
Loans payable to credit institutions	2,262	2,274	2,226	2,195
Revolving credit facility	399	401	1,052	1,060
Lease liabilities	223	218	213	209
Loans payable to other than credit institutions	62	62	56	57
Factoring loans	1	1	103	103
Total	7,714	7,528	8,330	7,791

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:

In millions of EUR	31 December 2024	31 December 2023
Financing activities	360	1,932
Total	360	1,932

For the year 2024, non-cash financing activities include partial set-off of liabilities from dividends declared by EPH to its shareholders in amount of EUR 440 million and partial set-off of receivables of EPH from contributions to other capital funds provided by the shareholder in amount of EUR 80 million.

For the year 2023, non-cash financing activities include partial set-off of liabilities from dividends declared by EPH to its shareholders in amount of EUR 1,932 million.

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

In millions of EUR

In millions of EUR	Liabilities				Equity						
	Loans from credit institutions	Loans from other than credit institutions	Revolving credit facility	Factoring loans	Issued notes	Lease liabilities	Share capital / premium	Reserves	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2024	2,226	56	1,052	103	4,680	213	161	1,249	3,629	4,171	17,540
Changes from financing cash flows											
Proceeds from loans and borrowings ⁽¹⁾	1,015	20	610	-	641	-	-	-	-	-	2,286
Repayment of borrowings	(881)	(5)	(1,271)	(103)	(547)	-	-	-	-	-	(2,807)
Transaction cost related to loans and borrowings	(12)	-	-	-	(4)	-	-	-	-	-	(16)
Payment of lease liabilities	-	-	-	-	-	(84)	-	-	-	-	(84)
Proceeds from issue of other capital funds	-	-	-	-	-	-	-	121	-	-	121
Set-off of dividends with receivable	-	-	-	-	-	-	-	80	(440)	-	(360)
Dividend paid	-	-	-	-	-	-	-	-	(1,364)	(256)	(1,620)
Total change from financing cash flows	122	15	(661)	(103)	90	(84)	-	201	(1,804)	(256)	(2,480)
Transfer to held for sale	(109)	(11)	-	-	-	(29)	-	-	-	-	(149)
Total effect of changes in foreign exchange rates	15		-	-	(7)	-	-	36	-	(11)	33
Other changes											
Liability related											
Interest expense	154	2	44	6	154	7	-	-	-	-	367
Interest paid	(146)	-	(36)	(5)	(150)	(7)	-	-	-	-	(344)
Increase of lease liability	-	-	-	-	-	123	-	-	-	-	123
Liability from dividends not paid	-	-	-	-	-	-	-	-	232	(42)	190
Total liability-related other changes	8	2	8	1	4	123	-	-	232	(42)	336
Equity related											
Other equity related changes	-	-	-	-	-	-	-	(304)	636	241	573
Total equity-related other changes	-	-	-	-	-	-	-	(304)	636	241	573
Balance at 31 December 2024	2,262	62	399	1	4,767	223	161	1,182	2,693	4,103	15,853

(1) Proceeds from loans and borrowings in amount of EUR 10 million were received by discontinued operations and are presented within line Cash flows from (used in) financing activities from discontinued operations in the consolidated statement of cash flows.



In millions of EUR

In millions of EUR	Liabilities				Equity						
	Loans from credit institutions	Loans from other than credit institutions	Revolving credit facility	Factoring loans	Issued notes	Lease liabilities	Share capital / premium	Reserves	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2023	1,512	59	1,507	100	4,350	179	161	723	2,595	3,651	14,837
Changes from financing cash flows											
Proceeds from loans and borrowings	3,565	9	1,260	5	538	-	-	-	-	-	5,377
Repayment of borrowings	(3,431)	(14)	(1,704)	(3)	(203)	-	-	-	-	-	(5,355)
Transaction cost related to loans and borrowings	(17)	-	(11)	-	(3)	-	-	-	-	-	(31)
Payment of lease liabilities ⁽¹⁾	-	-	-	-	-	(71)	-	-	-	-	(71)
Set-off of dividends with receivable	-	-	-	-	-	-	-	-	(1,932)	-	(1,932)
Dividend paid	-	-	-	-	-	-	-	-	(1,216)	(202)	(1,418)
Total change from financing cash flows	117	(5)	(455)	2	332	(71)	-	-	(3,148)	(202)	(3,430)
Changes arising from obtaining or losing of control of subsidiaries	598	-	-	-	-	28	-	42	(4)	19	683
Total effect of changes in foreign exchange rates	(31)	2	3		(10)	-	-	(42)	-	(21)	(99)
Other changes											
Liability related											
Interest expense	186	-	25	6	111	6	-	-	-	-	334
Interest paid	(156)	-	(28)	(5)	(103)	(6)	-	-	-	-	(298)
Increase of lease liability	-	-	-	-	-	77	-	-	-	-	77
Liability from dividends not paid	-	-	-	-	-	-	-	-	(236)	(139)	(375)
Total liability-related other changes	30	-	(3)	1	8	77	-	-	(236)	(139)	(262)
Equity related											
Other equity related changes	-	-	-	-	-	-	-	526	4,422	863	5,811
Total equity-related other changes	-	-	-	-	-	-	-	526	4,422	863	5,811
Balance at 31 December 2023	2,226	56	1,052	103	4,680	213	161	1,249	3,629	4,171	17,540

(1) Payments of lease liabilities in amount of EUR 1 million were provided by discontinued operations and are presented within line Cash flows from (used in) financing activities from discontinued operations in the consolidated statement of cash flows.

26.

Provisions

In millions of EUR	Employee benefits	Provision for emission rights	Onerous contracts	Provision for lawsuits and litigations	Provision for restoration and decom-missioning	Other	Total
Balance at 1 January 2024	211	1,356	41	19	1,284	97	3,008
Provisions made during the period ⁽¹⁾	–	1,250	4	3	244	18	1,519
Provisions used during the period	(12)	(1,320)	–	(3)	(38)	13	(1,360)
Provisions released during the period ⁽²⁾	(3)	(5)	(14)	(2)	(89)	(36)	(149)
Actuarial gains/losses	(17)	–	–	–	–	–	(17)
Change in provision recorded in property, plant and equipment	–	–	–	–	27	–	27
Transfer to liabilities held for sale	(12)	(320)	–	(3)	(715)	(7)	(1,057)
Unwind of discount ⁽³⁾	6	–	1	–	10	–	17
Unwind of discount related to discontinued operations	1	–	–	–	12	–	13
Effect of movements in foreign exchange rates	–	5	(1)	–	3	–	7
Balance at 31 December 2024	174	966	31	14	738	85	2,008
Non-current	148	–	16	8	669	22	863
Current	26	966	15	6	69	63	1,145

(1) Provisions made related to entities presented under discontinued operations were EUR 250 million, out of which EUR 225 million is related to provision for restoration and decommissioning and EUR 22 million is related to provision for emission rights.

(2) Provisions released related to entities presented under discontinued operations were EUR 63 million, out of which EUR 62 million is related to provision for restoration and decommissioning.

(3) Unwinding of discount is included in interest expense.

In millions of EUR	Employee benefits	Provision for emission rights	Onerous contracts	Provision for lawsuits and litigations	Provision for restoration and decom-missioning	Other	Total
Balance at 1 January 2023	167	1,614	34	24	1,179	95	3,113
Provisions made during the period ⁽¹⁾	8	1,335	–	12	90	27	1,472
Provisions used during the period	(17)	(1,536)	(10)	(2)	(31)	(2)	(1,598)
Provisions released during the period ⁽²⁾	(4)	(79)	(28)	(15)	(41)	(19)	(186)
Actuarial gains/losses	50	–	–	–	–	–	50
Change in provision recorded in property, plant and equipment	–	–	–	–	8	–	8
Acquisitions through business combinations ⁽³⁾	–	22	44	–	49	2	117
Transfer	–	–	–	–	6	(6)	–
Unwind of discount ⁽⁴⁾	5	–	–	–	9	–	14
Unwind of discount related to discontinued operations	2	–	–	–	13	–	15
Effect of movements in foreign exchange rates	–	–	1	–	2	–	3
Balance at 31 December 2023	211	1,356	41	19	1,284	97	3,008
Non-current	182	–	41	9	1,173	25	1,430
Current	29	1,356	–	10	111	72	1,578

(1) Provisions made related to entities presented under discontinued operations were EUR 85 million, out of which EUR 63 million is related to provision for restoration and decommissioning and EUR 17 million is related to provision for emission rights.

(2) Provisions released related to entities presented under discontinued operations were EUR 4 million, out of which EUR 2 million is related to provision for restoration and decommissioning.

(3) The acquisition of Rijnmond, PZEM and Sloe Group, MaasStroom, Enecogen and SGL – Schienen Güter Logistik GmbH.

(4) Unwinding of discount is included in interest expense.

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 significant amount as 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 provision for employee benefits in the amount of EUR 174 million (2023: EUR 211 million) was recorded primarily by Gazel Energie Generation S.A.S., EP Power Minerals GmbH, NAFTA Germany GmbH, MINERALplus GmbH, Stredoslovenská distribučná, a.s., Kraftwerk Mehrum

GmbH, Fiume Santo S.p.A., SPP - distribúcia, a.s., NAFTA a.s., eustream, a.s., Stredoslovenská energetika Holding, a.s., EP Power Grit GmbH, EP Produzione S.p.A., EP Centrale Ostiglia S.P.A, EP Centrale Tavazzano Montanaso S.P.A., EP Produzione Centrale Livorno Ferraris S.p.A., Elektrárny Opatovice, a.s. and others.

I. **Gazel Energie Generation S.A.S.**

The provision recorded by Gazel Energie Generation S.A.S. amounts to EUR 97 million (2023: EUR 119 million), fully represented by defined benefit pension schemes.

The schedules below summarise information about the defined benefit obligations and plan assets.

In millions of EUR	2024	2023
Plan A		
Fair value of plan asset	-	-
Present value of obligations	(25)	(31)
Total employee benefit (liability) asset	(25)	(31)
Plan B		
Fair value of plan asset	-	-
Present value of obligations	(2)	(2)
Total employee benefit (liability) asset	(2)	(2)
Plan C		
Fair value of plan asset	-	-
Present value of obligations	(69)	(85)
Total employee benefit (liability) asset	(69)	(85)
Plan D		
Fair value of plan asset	-	-
Present value of obligations	(1)	(1)
Total employee benefit (liability) asset	(1)	(1)

During the year ended 31 December 2024, benefits paid by plans were EUR 3 million (2023: EUR 2 million), current service costs amounted to EUR 2 million (2023: EUR 1 million) and current interest costs were less than EUR 1 million in both years. Actuarial gains recognised in other comprehensive income were EUR 26 million (2023: loss EUR 39 million).

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 Slovak 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.

Companies located in the United Kingdom (EP UK Investments Limited and EP Kilroot Limited) and as of 31 December 2023 also in Germany (Helmstedter Review GmbH) report defined benefit plan assets in excess of obligations in amount of EUR 50 million (2023: EUR 5 million). Plan assets are included in trade receivables and other assets (refer to Note 20).

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 lawsuits

A provision of EUR 14 million relates mainly to litigations and claims described in Note 34 – Litigations and claims. As disclosed in Note 34 – Litigations and claims, there are other legal proceedings in which the Group is involved and for which the possibility of an outflow of resources was assessed as remote as at the date of the preparation of these consolidated financial statements, and therefore no provision was recorded as at 31 December 2024 and 31 December 2023.

Provision for restoration and decommissioning

The provision of EUR 738 million (2023: EUR 1,284 million) was primarily recorded by entities in Flexible Power Generation and Renewable Energy segment in Italy (EUR 203 million; 2023: EUR 190 million) and France (EUR 151 million; 2023: EUR 172 million) and by Storage segment (EUR 221 million; 2023: EUR 205 million).

As of 31 December 2023, the provision in amount of EUR 602 million was recorded by entities in Other segment of Power Generation Group in Germany. These entities are presented as held for sale as of 31 December 2024 and the provision is thus included in line item Liabilities from disposal groups held for sale.

I. Storage (POZAGAS a.s., NAFTA a.s., NAFTA Germany GmbH and SPP Storage, s.r.o.)

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: 2.64%) 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.

II. Italy (EP Produzione S.p.A., Fiume Santo S.p.A., EP Centrale Tavazzano Montanaso S.p.A. and EP Centrale Ostiglia S.P.A.)

As at 31 December 2024, the provisions recognized by the companies represent asset retirement provision related to the eventual retirement of tangible assets, provisions for restoration of land in Lombardia (Tavazzano and Ostiglia plants) and Sardegna (Fiume Santo plant) regions, provision for health and safety risk and potential liabilities arising from regulatory rules for Fiume Santo plant.

The average discount rate applied to calculate present value of the provision was 2.23% (2023: 3.39%) and the average escalation rate was 0.80% (2023: 0.86%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 12 million (2023: EUR 11 million), while an increase of 1% would increase the present value of the provisions by EUR 13 million (2023: EUR 12 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 12 million (2023: EUR 11 million), while a decrease of 1% would increase the present value of the provisions by EUR 14 million (2023: EUR 12 million). These analyses assume that all other variables remain constant.

III. France (Gazel Energie Generation S.A.S., Aerodis S.A., Gazel Energie Renouvelables S.A.S., Gazel Energie Solaire S.A.S. and Surschiste S.A.)

As at 31 December 2024, the provisions recognized by the companies in France represent mainly provisions for dismantling the power plants of Gazel Energie Generation S.A.S. (including Emile Huchet and Provence power plants, closed power plants of Hornaing and Lucy and provision for restoration of land) and provision for dismantling the windfarms and solar farms.

The average discount rate applied to calculate present value of the provision was 2.97% (2023: 3.01%) and the average escalation rate was 1.77% (2023: 2.00%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 19 million (2023: EUR 11 million), while an increase of 1% would increase the present value of the provisions by EUR 22 million (2023: EUR 12 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 18 million (2023: EUR 11 million), while a decrease of 1% would increase the present value of the provisions by EUR 23 million (2023: EUR 12 million). These analyses assume that all other variables remain constant.

IV. Other

Other companies estimated the provision for decontamination and restoration and long-term asset retirement using the existing technology and current prices adjusted for expected future inflation and discounted using a discount rate that reflects the current market assessment of the time value of money – risk free rate.

Those sites have not been included in stress testing as the change in provisions due to a change in parameters would have insignificant impact on the Group’s financial statements.

27. Deferred income

In millions of EUR		
	31 December 2024	31 December 2023
Government grants	84	90
Other deferred income	68	51
Total	152	141
Non-current	78	84
Current	74	57
Total	152	141

Balance of government grants in amount of EUR 84 million (2023: EUR 90 million) is mainly represented by eustream, a.s. of EUR 54 million (2023: EUR 56 million), Elektrárny Opatovice, a.s. of EUR 11 million (2023: EUR 13 million) and others. Balance of government grants recognized by Eustream is primarily represented by subsidies from the European Commission relating to projects such as interconnection pipelines between Poland and Slovakia or Hungary and Slovakia.

Balance of other deferred income in amount of EUR 68 million (2023: EUR 51 million) is mainly represented by EP NI Energy Limited of 30 million (2023: EUR 4 million) and EP Ballylumford Limited of EUR 16 million (2023: EUR 10 million).

28.

Financial instruments

Financial instruments and other financial assets

In millions of EUR

	31 December 2024	31 December 2023
Assets carried at amortised cost		
Loans to other than credit institutions	312	179
Bills of exchange at amortized cost	–	1
Impairment of loans to other than credit institutions	(12)	(11)
Total	300	169
Assets carried at fair value		
Hedging: of which	312	731
Commodity derivatives cash flow hedge ⁽¹⁾	302	726
Currency forwards cash flow hedge	10	2
Interest rate swaps cash flow hedge	–	3
Non-hedging: of which	2,653	4,109
Equity option at fair value through PL ⁽²⁾	1,598	1,629
Commodity derivatives reported as trading ⁽³⁾	1,038	2,442
Currency forwards reported as trading	16	22
Other derivatives reported as trading	1	1
Interest rate swaps reported as trading	–	15
Receivables at fair value through PL: of which	75	138
Contingent consideration at fair value through PL ⁽⁴⁾	75	138
Equity instruments at fair value through OCI: of which	98	117
Shares at fair value through OCI	98	117
Total	3,138	5,095
Non-current		
	646	546
Current		
	2,792	4,718
Total	3,438	5,264

(1) Commodity derivatives designated as cash flow hedges primarily relate to forwards or other type of derivative contracts for sale/purchase of electricity, gas and emission allowances.

(2) For more details on equity option, including the use of unobservable inputs and sensitivity analysis, refer to Note 17.

(3) Commodity derivatives reported as trading relate mainly to risk management activities on our supply and generation business for which however the Group does not maintain formal hedge accounting documentation required by IFRS.

(4) In 2016, the EPH Group acquired 33% effective share in SE Group for EUR 150 million which is subject to a price adjustment mechanism. The final purchase price may result in partial return of consideration paid or additional payment for the share. As at 31 December 2024, the Group recognized a receivable of EUR 75 million (2023: EUR 138 million) as an estimated future settlement of the price to be received from the seller which is now expected to offset with the purchase price for additional 33% to be acquired.

Financial instruments and other financial liabilities

In millions of EUR

	31 December 2024	31 December 2023
Liabilities carried at amortised cost		
Other financial liabilities	5	1
Total	5	1
Liabilities carried at fair value		
Hedging: of which	290	612
Commodity derivatives cash flow hedge	244	608
Interest rate swaps cash flow hedge	41	1
Currency forwards cash flow hedge	4	3
Currency swaps cash flow hedge	1	–
Non-hedging: of which	826	1,717
Commodity derivatives reported as trading ⁽¹⁾	815	1,661
Currency forwards reported as trading	4	7
Interest rate swaps reported as trading	3	48
Currency options for trading	2	–
Other derivatives reported as trading	2	1
Total	1,116	2,329
Non-current		
	280	173
Current		
	841	2,157
Total	1,121	2,330

(1) Commodity derivatives reported as trading relate mainly to risk management activities on our supply and generation business for which however the Group does not maintain formal hedge accounting documentation required by IFRS.

The weighted average interest rate on loans to other than credit institutions for 2024 was 8.58% (2023: 8.48%).

Fair values and respective nominal amounts of derivatives are disclosed in the following table:

	31 December 2024			
	Nominal amount buy	Nominal amount sell	Positive fair value	Negative fair value
Hedging: of which	4,724	(4,662)	312	(290)
Commodity derivatives cash flow hedge	3,652	(3,589)	302	(244)
Currency forwards cash flow hedge	897	(891)	10	(4)
Interest rate swaps cash flow hedge	175	(181)	-	(41)
Currency swaps cash flow hedge	-	(1)	-	(1)
Non-hedging: of which	15,869	(13,796)	2,653	(826)
Equity option at fair value through PL	1,598	-	1,598	-
Commodity derivatives reported as trading	12,537	(12,293)	1,038	(815)
Currency forwards reported as trading	977	(947)	16	(4)
Other derivatives reported as trading	157	(156)	1	(2)
Interest rate swaps reported as trading	400	(200)	-	(3)
Currency options for trading	200	(200)	-	(2)
Total	20,593	(18,458)	2,965	(1,116)

	31 December 2023			
	Nominal amount buy	Nominal amount sell	Positive fair value	Negative fair value
Hedging: of which	2,998	(2,772)	731	(612)
Commodity derivatives cash flow hedge	2,333	(2,112)	726	(608)
Interest rate swaps cash flow hedge	83	(81)	3	(1)
Currency forwards cash flow hedge	582	(579)	2	(3)
Non-hedging: of which	13,714	(11,316)	4,109	(1,717)
Commodity derivatives reported as trading	9,192	(8,419)	2,442	(1,661)
Equity option at fair value through PL	1,629	-	1,629	-
Interest rate swaps reported as trading	1,146	(1,146)	15	(48)
Currency forwards reported as trading	1,400	(1,404)	22	(7)
Other derivatives reported as trading	347	(347)	1	(1)
Total	16,712	(14,088)	4,840	(2,329)

Swap derivatives are recognised in respect of interest rate swaps as described in detail in Note 32 – Risk management policies and disclosures.

Commodity derivatives are recognised in respect of contracts for purchase and sale of electricity, gas, emission allowances and other commodities which are denominated in CZK and EUR where the contractual conditions of derivatives do not meet the “own use exemption” as noted in IFRS 9.2.4.

Sensitivity analysis relating to the fair values of financial instruments is included in the Note 32 – Risk management policies and disclosures.

In millions of EUR	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:				
Hedging: of which	-	312	-	312
Commodity derivatives cash flow hedge	-	302	-	302
Currency forwards cash flow hedge	-	10	-	10
Non-hedging: of which	-	1,051	1,602	2,653
Equity option at fair value through PL	-	-	1,598	1,598
Commodity derivatives reported as trading	-	1,034	4	1,038
Currency forwards reported as trading	-	16	-	16
Other derivatives reported as trading	-	1	-	1
Receivables at fair value through PL: of which	-	-	75	75
Contingent consideration at fair value through PL	-	-	75	75
Equity instruments at fair value through OCI: of which	-	-	98	98
Shares at fair value through OCI	-	-	98	98
Total	-	1,363	1,775	3,138
Financial liabilities carried at fair value:				
Hedging: of which	-	290	-	290
Commodity derivatives cash flow hedge	-	244	-	244
Interest rate swaps cash flow hedge	-	41	-	41
Currency forwards cash flow hedge	-	4	-	4
Currency swaps cash flow hedge	-	1	-	1
Non-hedging: of which	-	821	5	826
Commodity derivatives reported as trading	-	812	3	815
Currency forwards reported as trading	-	4	-	4
Interest rate swaps reported as trading	-	3	-	3
Currency options for trading	-	-	2	2
Other derivatives reported as trading	-	2	-	2
Total	-	1,111	5	1,116

In millions of EUR	31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:				
Hedging: of which	-	731	-	731
Commodity derivatives cash flow hedge	-	726	-	726
Interest rate swaps cash flow hedge	-	3	-	3
Currency forwards cash flow hedge		2		2
Non-hedging: of which	-	2,455	1,654	4,109
Commodity derivatives reported as trading	-	2,417	25	2,442
Equity option at fair value through PL	-	-	1,629	1,629
Interest rate swaps reported as trading	-	15	-	15
Currency forwards reported as trading	-	22	-	22
Other derivatives reported as trading	-	1	-	1
Receivables at fair value through PL: of which	-	-	138	138
Contingent consideration at fair value through PL	-	-	138	138
Equity instruments at fair value through OCI: of which	-	-	117	117
Shares at fair value through OCI	-	-	117	117
Total	-	3,186	1,909	5,095
Financial liabilities carried at fair value:				
Hedging: of which	-	612	-	612
Commodity derivatives cash flow hedge	-	608	-	608
Currency forwards cash flow hedge	-	3	-	3
Interest rate swaps cash flow hedge		1		1
Non-hedging: of which	-	1,709	8	1,717
Commodity derivatives reported as trading	-	1,653	8	1,661
Interest rate swaps reported as trading	-	48	-	48
Currency forwards reported as trading	-	7	-	7
Other derivatives reported as trading	-	1	-	1
Total	-	2,321	8	2,329

There were no transfers between fair value levels in either 2024 or 2023.

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

In millions of EUR	Carrying value	Fair value
	31 December 2024	31 December 2024
Financial assets		
Loans to other than credit institutions	⁽¹⁾ 300	309
Total	300	309
Financial liabilities		
Other financial liabilities	5	5
Total	5	5
In millions of EUR		
	Carrying value	Fair value
	31 December 2023	31 December 2023
Financial assets		
Loans to other than credit institutions	⁽¹⁾ 168	177
Other short-term deposits	1	1
Total	169	178
Financial liabilities		
Other financial liabilities	1	1
Total	1	1

(1) Loans to other than credit institutions are stated net of impairment.

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(e) I – Assumption and estimation uncertainties).

Transactions with power, gas and emission rights not recognized on balance sheet

The following information pertains to contracts on delivery or sale of power, gas and emission rights. These contracts meet the requirements of IFRS 9 for the application of the own-use exemption and therefore do not fall in the scope of IFRS 9 (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.

As at 31 December 2024 the Group is contractually obliged to forward purchase 9,664,876 pieces (2023: 21,274,125 pieces) of emission rights at an average price 60.92 EUR/piece (2023: 77.56 EUR/piece), with delivery predominantly in 2025 for risk management purposes to cover for hedged power production in respective year. Amounts presented within commitments for future purchases include only emission allowances that are not already reflected through the provision for the emission allowances on the balance sheet. Contracts for forward purchases of emission rights are for already contracted future power sales held under hedge accounting as per IFRS 9, where the corresponding contingent asset is reported as an off balance sheet item in Note 28. Financial instruments.

For more details about the contractual obligations of forward purchases or forward sales of power, gas and emission allowances refer to Note 30 – Commitments and contingencies.

29.

Trade payables and other liabilities

In millions of EUR		
	31 December 2024	31 December 2023
Trade payables	1,161	1,328
Estimated payables	459	296
Accrued expenses	376	93
Uninvoiced supplies	251	171
Other tax liabilities	193	166
Liabilities from dividends ⁽¹⁾	176	375
Payroll liabilities	125	163
Advance payments received	31	9
Margin of stock exchange derivatives	20	172
Retentions to contractors	9	8
Other liabilities	259	372
Total	3,060	3,153
Non-current	25	20
Current	3,035	3,133
Total	3,060	3,153

(1) In 2024, the balance relates mostly to dividend payable in amount of EUR 174 million declared to SPP, a.s. as a non-controlling shareholder. In 2023, the balance relates to dividend payable in the amount of EUR 236 million declared to shareholders of the Company and 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, no liabilities to social and health insurance or tax authorities were overdue.

Estimated payables are recognised based on contractual conditions or invoices received after the balance sheet date but before the financial statements are published.

As at 31 December 2024 and 2023, the fair values of trade payables and other liabilities equal to their carrying amounts.

The Group’s exposure to currency and liquidity risk related to trade payables and other liabilities is disclosed in Note 32 – Risk management policies and disclosures.

30.

Commitments and contingencies

Off balance sheet liabilities

In millions of EUR		
	31 December 2024	31 December 2023
Commitments for future purchases	1,385	1,938
Granted pledges – securities	121	762
Granted guarantees and warranties	12	50
Other granted pledges	1,298	637
Other granted commitments	83	267
Total	2,899	3,654

Commitments for future purchases

Commitments for future purchases include contractually agreed future purchases of long-term tangible assets, intangible assets including emission allowances (unless covered by provision as of 31 December 2024 or 31 December 2023) and services.

Granted guarantees and warranties

Guarantees given include guarantees in the amount of EUR 12 million (2023: EUR 34 million) used mainly as a collateral for external financing by related parties and in the year ended 31 December 2023 also payment guarantees of EUR 16 million.

As the parent-company guarantee with exposure up to EUR 1,100 million expired on 31 December 2023, we present only outstanding balance as of year-end of liabilities which can be claimed until 29 February 2024.

Granted pledges – securities

Granted pledges represent securities of individual Group companies used as collateral for external financing.

Other granted commitments

In 2018, MIBRAG GmbH (“MIBRAG”) concluded agreements with Saxony’s Upper Mining Authority (“SOBA”) and Saxony-Anhalt’s State Office of Geology and Mining (“LAGB”), to ensure that the expenses for restoring open-cast mines are covered. The concluded agreements provide for the establishment of a special fund designed to financially shore up future liquidity requirements, which is to be set up successively by transferring certain assets to this fund by MIBRAG and by reinvesting the assets within the fund.

The two special purpose vehicles were established in 2020 and have since been funded as contractually agreed. MIBRAG is in close contact with the two mining authorities regarding need for adjustments resulting from the dynamic developments of the recent past.

As of 31 December 2024, this commitment is not recognized on the balance sheet because it is attributable to the entity classified as held for sale.

In case of Lynemouth Power Limited, approximately 75–88% of annual biomass consumption (average annual consumption representing 1.5 megatonnes) has been contracted under two “take or pay” schemes, with a certain flexibility. Both contracts are concluded until 31 December 2027.

Moreover, other granted commitments as of 31 December 2024 include commitment for capacity market penalties in amount of EUR 83 million (31 December 2023: EUR 6 million) recognized by EP Centrale Ostiglia S.p.A, EP Centrale Tavazzano Montanaso S.p.A. and Fiume Santo S.p.A. These commitments relate to future possible underperformance under capacity market contracts (for capacity market contracts refer to off balance sheet assets).

Other granted pledges

In millions of EUR

	31 December 2024	31 December 2023
Property, plant and equipment	876	153
Trade receivables	272	382
Cash and cash equivalents	76	45
Inventories	19	20
Loans granted	1	1
Other	54	36
Total	1,298	637

Off balance sheet asset

In millions of EUR

	31 December 2024	31 December 2023
Received contractual commitments for capacity payments	4,248	4,145
Received loan commitments	2,881	2,372
Received commitments from future sales	3	107
Other received guarantees and warranties	1,150	813
Other received commitments	-	153
Total	8,282	7,590

Received contractual commitments for capacity payments

Received contractual commitments for capacity payments as of 31 December 2024 and 2023 are reported by entities in EPUKI Group of EUR 2,546 million (2023: EUR 2,724 million), EPP Group of EUR 1,683 million (2023: EUR 1,399 million) and by Enecogen V.O.F. of EUR 19 million (2023: EUR 22 million).

Other received guarantees and warranties

Other received guarantees and warranties mainly consist of various financial and non-financial guarantees received from the customers recognized by EP Commodities a.s., entities in EPP Group, PZEM Energy Company B.V. and others of EUR 791 million (2023: EUR 555 million), guarantees received from parent company of the customer to secure trade receivables recognized by eustream, a.s. and SPP - distribúcia, a.s. in the amount of EUR 274 million (2023: EUR 258 million) and of received guarantee by EP Centrale Tavazzano Montanaso S.P.A in connection to power plant construction of EUR 85 million (2023: nil).

31. Leases

Leases as a lessee

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 15).

In millions of EUR	Land and buildings	Technical equipment, plant and machinery	Total
Balance at 1 January 2024	70	142	212
Depreciation charge for the year	(11)	(75)	(86)
Additions to right-of-use assets	13	110	123
Disposals	(1)	(1)	(2)
Transfer to assets held for sale	(1)	(28)	(29)
Modifications to right-of-use assets	2	–	2
Balance at 31 December 2024	72	148	220
Balance at 1 January 2023	43	140	183
Depreciation charge for the year	(10)	(62)	(72)
Additions to right-of-use assets	10	67	77
Additions in business combinations	27	–	27
Effects of movements in foreign exchange rate	–	(3)	(3)
Balance at 31 December 2023	70	142	212

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	12	20
3 months to 1 year	38	43
1–5 years	139	104
Over 5 years	36	48
Total undiscounted contractual cash flows	225	215
Carrying amount	223	213

Amounts recognized in profit or loss

In millions of EUR	2024	2023
Depreciation charge for the year	(85)	(72)
Interest on lease liabilities	(7)	(6)
Expenses related to short-term leases	(11)	(15)
Expenses related to leases of low-value assets, excluding short-term leases of low-value assets	(2)	(2)
Expenses related to variable lease payments not included in measurement of lease liability	(1)	(1)

Amounts recognized in statement of cash flows

In millions of EUR	2024	2023
Payment of lease liabilities	(84)	(71)
Payment of interest related to lease liabilities	(7)	(6)
Total cash outflow for leases	(91)	(77)

32. Risk management policies and disclosures

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, concentration risk and regulatory 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 operates mainly as an energy and power generation and distribution company and thus has a specific customer structure. The distribution companies represent a comparatively low credit risk. The large clients are dependent upon electricity supplies which significantly mitigates the credit risks. In addition, bank guarantees and advance payments are required before active operation with traders. Previous experience shows that such elements are very favourable in terms of credit risk mitigation. Customers of distribution and supply segment of Heat Infra segment are required to pay prepayments which further decrease credit risk. In energy and power generation sector, increasing proportion of the revenues is generated from the regulated and/or state-controlled entities (especially in relation to the green energy production and services provided to grids; refer to Note 3(o) – Revenues for description of grid services), which represent a comparatively low credit risk. At the same time substantial volume of the transactions is done with large clients with solid credit standing and/or are realized through exchanges, which provides for further risk mitigation.

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	Individuals	Other	Total
Assets							
Cash and cash equivalents	–	–	50	3,268	–	–	3,318
Restricted cash	9	–	–	25	–	–	34
Contract assets	63	–	–	–	–	72	135
Trade receivables and other assets	2,341	231	77	194	2	40	2,885
Financial instruments and other financial assets	3,321	–	11	96	–	10	3,438
Total	5,734	231	138	3,583	2	122	9,810

As at 31 December 2023							
In millions of EUR							
	Corporate (non-financial institutions)	State, government	Financial institutions	Banks	Individuals	Other	Total
Assets							
Cash and cash equivalents	–	–	–	3,502	–	–	3,502
Restricted cash	–	–	–	56	–	–	56
Contract assets	75	–	–	–	–	–	75
Trade receivables and other assets	2,659	278	19	492	9	24	3,481
Financial instruments and other financial assets	5,129	–	76	59	–	–	5,264
Total	7,863	278	95	4,109	9	24	12,378

Credit risk by location of debtor

As at 31 December 2024											
In millions of EUR											
	Czech Republic	Slovakia	Switzer- land	Italy	Germany	United Kingdom	France	Ireland	Nether- lands	Other	Total
Assets											
Cash and cash equivalents	856	1,468	86	402	180	134	101	21	60	10	3,318
Restricted cash	1	–	–	–	3	29	–	–	–	1	34
Contract assets	72	63	–	–	–	–	–	–	–	–	135
Trade receivables and other assets	192	191	203	630	382	538	358	(58)	361	88	2,885
Financial instruments and other financial assets	64	1,833	102	80	226	352	512	–	198	71	3,438
Total	1,185	3,555	391	1,112	791	1,053	971	(37)	619	170	9,810

As at 31 December 2023											
In millions of EUR											
	Czech Republic	Slovakia	Switzer- land	Italy	Germany	United Kingdom	France	Ireland	Nether- lands	Other	Total
Assets											
Cash and cash equivalents	1,019	976	92	372	629	223	57	11	103	20	3,502
Restricted cash	2	–	–	–	15	18	–	5	15	1	56
Contract assets	12	63	–	–	–	–	–	–	–	–	75
Trade receivables and other assets	216	143	256	529	729	633	240	103	409	223	3,481
Financial instruments and other financial assets	92	1,716	408	78	442	1,023	1,067	–	338	100	5,264
Total	1,341	2,898	756	979	1,815	1,897	1,364	119	865	344	12,378

As at 31 December 2024, location Other comprises mainly debtors located in Hungary and Austria (2023: Croatia and Hungary).

II. Impairment losses

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	(29)	(7)	(36)	-	(72)
Impairment losses recognized during the year	(22)	(1)	-	-	(23)
Reversal of impairment losses recognized during the year	6	-	3	-	9
Transfer between stages	(6)	-	6	-	-
Transfer to assets held for sale	18	-	-	-	18
Change in credit risk	-	-	(1)	-	(1)
Write-offs	4	-	-	-	4
Effects of movements in foreign exchange rate	1	-	-	-	1
Balance at 31 December 2024	(28)	(8)	(28)	-	(64)

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	(28)	(9)	(34)	-	(71)
Impairment losses recognized during the year	(12)	-	(5)	-	(17)
Reversal of impairment losses recognized during the year	6	-	2	-	8
Change in credit risk	3	2	-	-	5
Write-offs	1	-	-	-	1
Effects of movements in foreign exchange rate	1	-	1	-	2
Balance at 31 December 2023	(29)	(7)	(36)	-	(72)

The most significant change which contributed to change in the loss allowance during 2024 and 2023 was mainly change in the gross carrying amount of trade receivables.

Impairment losses recognized during the year 2024 in amount of EUR 10 million are recognized in relation to discontinued operations.

The ageing of financial assets, excluding cash and cash equivalents and derivatives, at the reporting date was:

Credit risk – impairment of financial assets

As at 31 December 2024

In millions of EUR	Bills of exchange at amortized cost	Contract assets	Loans to other than credit institutions	Trade receivables and other assets	Total
Before maturity (net)	-	111	300	2,837	3,248
After maturity (net)	-	24	-	48	72
Total	-	135	300	2,885	3,320
A – Assets (gross)					
– before maturity	-	111	300	2,865	3,276
– after maturity <30 days	-	24	-	45	69
– after maturity 31–180 days	-	-	-	4	4
– after maturity 181–365 days	-	-	-	2	2
– after maturity >365 days	-	1	12	20	33
Total assets (gross)	-	136	312	2,936	3,384
B – Loss allowances for assets					
– before maturity	-	-	-	(28)	(28)
– 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)	(20)	(33)
Total loss allowances	-	(1)	(12)	(51)	(64)
Total assets (net)	-	135	300	2,885	3,320

Credit risk – impairment of financial assets

As at 31 December 2023

In millions of EUR

	Bills of exchange at amortized cost	Contract assets	Loans to other than credit institutions	Trade receivables and other assets	Total
Before maturity (net)	1	55	167	3,425	3,648
After maturity (net)	–	20	1	56	77
Total	1	75	168	3,481	3,725
A – Assets (gross)					
– before maturity	1	55	167	3,450	3,673
– after maturity <30 days	–	20	1	36	57
– after maturity 31–180 days	–	–	11	8	19
– after maturity 181–365 days	–	–	–	4	4
– after maturity >365 days	–	1	–	43	44
Total assets (gross)	1	76	179	3,541	3,797
B – Loss allowances for assets					
– before maturity	–	–	–	(25)	(25)
– after maturity <30 days	–	–	–	(1)	(1)
– after maturity 31–180 days	–	–	(11)	(1)	(12)
– after maturity 181–365 days	–	–	–	(1)	(1)
– after maturity >365 days	–	(1)	–	(32)	(33)
Total loss allowances	–	(1)	(11)	(60)	(72)
Total assets (net)	1	75	168	3,481	3,725

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 resulting collective loss allowance was not significant as at 31 December 2024 and therefore was not recognized.

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 loss allowance would be negligible and therefore it was not recognized.

B) Liquidity risk

The Group faces the risk that it will experience difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they fall due. In particular, high volatility of commodity prices.

To mitigate its general liquidity risk, the Group focuses on diversifying sources of funds, which gives the Group flexibility and limits its dependency on a single financing source, and also holds a portion of its assets in highly liquid funds. As of 31 December 2024 and 31 December 2023, the Group had available undrawn committed term, revolving credit and overdraft facilities in the amount of EUR 2,881 million and EUR 2,372 million, respectively, providing additional liquidity to the Group.

Liquidity risk is evaluated by monitoring changes in the financing structure and comparing these changes with the Group’s liquidity risk management strategy. The Group typically seeks to have sufficient cash available on demand and assets with short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations, although this excludes the impact of extreme events that cannot be reliably predicted, like natural disasters. As of 31 December 2024 and 31 December 2023, the Group had EUR 3,318 million and EUR 3,502 million, respectively, of cash and cash equivalents. As of 31 December 2024, this amount excludes cash and cash equivalents held within assets held for sale in amount of EUR 133 million.

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.

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⁾ 7,714	8,455	857	838	5,702	1,057
Trade payables and other liabilities	⁽³⁾ 3,029	3,029	2,679	325	25	–
Financial instruments and financial liabilities	⁽⁴⁾ 1,107	1,038	554	203	279	1
Total	11,850	12,522	4,090	1,366	6,006	1,058
Net liquidity risk position ⁽⁵⁾	(2,479)	(3,133)	1,876	1,317	(5,603)	(722)

* Positive net liquidity risk position represents excess of financial assets over financial liabilities and vice versa.

** Contract liabilities in amount of EUR 261 million are not shown in the table above as these items are not expected to cause any future cash outflow.

(1) Contractual cash flows disregarding discounting to net present value and including potential interest.

(2) The Group has available committed undrawn term facilities and revolving facilities in amount of EUR 2,931 million.

(3) Advances received and margin payments in amount of EUR 31 million are excluded from the carrying amount as these items will cause no future cash outflow.

(4) Variation margin payments paid in amount of EUR 14 million are excluded from the carrying amount of financial instruments and other financial liabilities as these items will cause no future cash outflow. Variation margin payments represent already cash-effective changes resulting from derivative financial instruments.

(5) Financial assets in net liquidity risk position exclude advances given and margin payments in amount of EUR 205 million as these items will cause no future cash outflow and equity instruments in amount of EUR 116 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⁾ 8,330	9,218	47	1,043	6,970	1,158
Trade payables and other liabilities	⁽³⁾ 2,974	2,974	2,767	186	18	2
Financial instruments and financial liabilities	⁽⁴⁾ 2,297	2,297	950	1,174	173	–
Total	13,601	14,489	3,764	2,403	7,161	1,160
Net liquidity risk position⁽⁵⁾	(1,850)	(2,708)	3,930	1,082	(6,634)	(1,086)

* Positive net liquidity risk position represents excess of financial assets over financial liabilities and vice versa.

** Contract liabilities in 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 disregarding discounting to net present value and including potential interest.

(2) The Group has available committed undrawn term facilities and revolving facilities in amount of EUR 2,372 million.

(3) Advances received and margin payments in amount of EUR 179 million are excluded from the carrying amount as these items will cause no future cash outflow.

(4) Variation margin payments paid in amount of EUR 33 million are excluded from the carrying amount of financial instruments and other financial liabilities as these items will cause no future cash outflow. Variation margin payments represent already cash-effective changes resulting from derivative financial instruments.

(5) Financial assets in net liquidity risk position exclude advances given and margin payments in amount of EUR 269 million as these items will cause no future cash outflow and equity instruments in amount of EUR 113 million as these items are non-monetary assets.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

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 Group uses interest rate swaps and other types of derivatives to reduce the amount of debt exposed to interest rate fluctuations and to reduce borrowing costs.

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.

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	3,318	–	–	–	3,318
Restricted cash	34	–	–	–	34
Trade receivables and other assets	324	2	–	2,559	2,885
Financial instruments and other financial assets ⁽¹⁾	195	110	1	3,132	3,438
Total	3,871	112	1	5,691	9,675
Liabilities					
Loans and borrowings ⁽²⁾	1,857	4,802	1,052	3	7,714
Trade payables and other liabilities	25	–	–	3,035	3,060
Financial instruments and financial liabilities ⁽¹⁾	43	8	–	1,070	1,121
Total	1,925	4,810	1,052	4,108	11,895
Net interest rate risk position	1,946	(4,698)	(1,051)	1,583	(2,220)
Effect of interest rate swaps	20	(26)	–	–	(6)
Net interest rate risk position (incl. IRS)⁽³⁾	1,966	(4,724)	(1,051)	1,583	(2,226)

(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.

(3) Net interest rate risk position represents financial assets less financial liabilities plus effect of IRS. Positive net interest rate risk position means that increase in interest rates would cause lower net interest expense of the Group and vice versa.

Notional amounts of financial instruments are included in Note 28 – 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	3,502	–	–	–	3,502
Restricted cash	56	–	–	–	56
Trade receivables and other assets	156	–	–	3,325	3,481
Financial instruments and other financial assets ⁽¹⁾	148	25	1	5,090	5,264
Total	3,862	25	1	8,415	12,303
Liabilities					
Loans and borrowings ⁽²⁾	3,946	3,322	1,054	8	8,330
Trade payables and other liabilities	9	–	–	3,144	3,153
Financial instruments and financial liabilities ⁽¹⁾	1	7	–	2,322	2,330
Total	3,956	3,329	1,054	5,474	13,813
Net interest rate risk position					
Net interest rate risk position	(94)	(3,304)	(1,053)	2,941	(1,510)
Effect of interest rate swaps	500	(300)	(200)	–	–
Net interest rate risk position (incl. IRS)⁽³⁾	406	(3,604)	(1,253)	2,941	(1,510)

(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.

(3) Net interest rate risk position represents financial assets less financial liabilities plus effect of IRS. Positive net interest rate risk position means that increase in interest rates would cause lower net interest expense of the Group and vice versa.

Notional amounts of financial instruments are included in Note 28 – Financial instruments.



Sensitivity analysis

The Group performs stress testing using a standardised interest rate shock, for financial assets and liabilities to be repriced 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 market 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)
Interest rate		
<i>Interest rate</i>	<i>EURIBOR</i>	<i>EURIBOR</i>
Increase in interest rates by 1%	(17)	(22)
Decrease in interest rates by 1%	17	22

Changes of other variable interest rates would not have material impact on the profit or loss.

The analysis stated above does not reflect the impact of change in interest rate on the fair value of derivatives.

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 borrowings that are denominated in currency other than the respective functional currencies of Group entities, primarily EUR, CZK, USD and GBP.

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 euro against other 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 level of individual companies within the Group.

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. 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	GBP	Other
Assets					
Cash and cash equivalents	105	21	36	8	46
Trade receivables and other assets	4	14	38	79	4
Financial instruments and other financial assets	17	2	13	349	-
Total (A)	126	37	87	436	50
Off balance sheet assets (B)					
Receivables from forward exchange contracts	529	12	106	241	-
	529	12	106	241	-
Liabilities					
Loans and borrowings	449	14	218	3	43
Trade payables and other liabilities	-	2	14	63	-
Financial instruments and financial liabilities	7	20	27	54	19
Total (C)	456	36	259	120	62
Off balance sheet liabilities (D)					
Payables related to forward exchange contracts	73	-	105	12	-
	73	-	105	12	-
Net FX risk position (E) = (A - C)	(330)	1	(172)	316	(12)
Effect of forward exchange contracts (F) = (B - D)	456	12	1	229	-
Net FX risk position (incl. forward exchange contracts and cash flow hedges on FX risk) (G) = (E + F)	126	13	(171)	545	(12)

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	GBP	Other
Assets					
Cash and cash equivalents	125	7	17	4	6
Trade receivables and other assets	5	3	45	57	42
Financial instruments and other financial assets	35	16	48	7	-
Total (A)	165	26	110	68	48
Off balance sheet assets (B)					
Receivables from forward exchange contracts	559	11	56	581	-
	559	11	56	581	-
Liabilities					
Loans and borrowings	431	-	174	-	2
Trade payables and other liabilities	14	-	59	6	-
Financial instruments and financial liabilities	251	16	9	16	21
Total (C)	696	16	242	22	23
Off balance sheet liabilities (D)					
Payables related to forward exchange contracts	162	38	17	12	-
	162	38	17	12	-
Net FX risk position (E) = (A - C)	(531)	10	(132)	46	25
Effect of forward exchange contracts (F) = (B - D)	397	(27)	39	569	-
Net FX risk position (incl. forward exchange contracts and cash flow hedges on FX risk) (G) = (E + F)	(134)	(17)	(93)	615	25

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 28 – Financial instruments).

The following significant exchange rates applied during the period:

EUR	31 December 2024		31 December 2023	
	Average rate	Reporting date spot rate	Average rate	Reporting date spot rate
CZK 1	0.03981	0.03971	0.04166	0.04045
GBP 1	1.18117	1.20601	1.14971	1.15068
USD 1	0.92389	0.96256	0.92484	0.90498

Sensitivity analysis

A strengthening (weakening) of the Euro, as indicated below, against the CZK, GBP and USD 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 EUR)	(3)	6
GBP (5% strengthening of EUR)	–	(6)
USD (5% strengthening of EUR)	(1)	(3)

A weakening of the Euro against the above currencies 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 is exposed to the risk of volatility and long-term changes in the prices of commodities or items that it generates, transports, distributes or uses for its operations, mainly power, gas, coal, biomass, heat and emission allowances, both on the supply and the demand side. This volatility and changes may result from many factors, including, among other things, weather conditions, seasonality, changes in the prices of primary or alternative fuels, transmission or transportation constraints, global economic conditions and geopolitical developments, price and availability of alternative energy sources, the development of renewable energy sources and state subsidies for them, changes in generation efficiencies or changes in production levels and storage costs of gas, coal and various other factors outside of the Group’s control. In particular, such volatility and changes may adversely affect margins and spreads that the Group realizes in its operations.

Price fluctuations are particularly significant when there is either a major shortage or substantial excess in the wholesale energy markets. While the Group can profit from situations of major shortage or substantial excess in the wholesale energy markets, there is a risk that high volatility combined with any shortage of products or lack of liquidity could limit the Group’s ability to reduce its exposure to risk in the energy markets quickly and efficiently. The Group seeks to limit the risk of commodity price fluctuations using margined, partially margined and non-margined hedging through forward contracts, swaps and other types of derivatives. Commodity derivatives

consist primarily of forward contracts for the purchase or sale of power, gas and emission allowances, which are used to hedge the commodity price primarily for power generating companies, as well as gas-related activities.

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.

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 negative EUR 3 million (2023: negative EUR 3 million).

A change in the market price of electricity of 1 EUR/MWh would have decreased or increased revenues from sales of electricity by EUR 32 million (2023: EUR 36 million). This analysis assumes that all other variables, in particular gas prices and emission rights prices, remain constant.

F) Regulatory risk

The Group is exposed to risks resulting from the state regulation of electricity, gas and heat industries and by a wide range of changing environmental, heritage, health and safety and other requirements in the Slovak Republic, the Czech Republic, Italy, the United Kingdom, Germany, Ireland, France, the Netherlands, Switzerland and the EU, including those governing the discharge and emission of pollutants (such as the recently published best available techniques for large combustion plants on the basis of Industrial Emissions Directive). Changes to existing regulations or the adoption of other 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.

The European energy market has been affected by a continuous increase in power generation from renewables and a decline in electricity production in conventional coal-fired and nuclear power plants. This creates uncertainty as to whether there will be sufficient power generation capacity in the coming years. The EPH Group believes that conventional power production is necessary to ensure security of electricity supply in the European market, in particular in view of the latest events on energy market and variable nature of power generation from renewables.

The energy crises in 2022 proved that European governments can introduce new regulation to tackle unexpected market situations as such. Those can range from extraordinary taxation of profits to capping the revenue that comes from sale of power from selected types of power plants or request restart of standby power plants. Changes or extensions of such regulations can affect the Group’s operational and financial performance.

Particularly given the need for safeguarding security of electricity supply, the EU Member States have introduced capacity remuneration mechanisms aimed to overcome the market and regulatory inefficiency, mainly the fact that at times of power shortage, energy markets are incapable of offering a sufficiently high price for power generation. This inefficiency has increased as it is precisely renewable sources that have almost zero variable costs.

In particular, the risk of price uncertainty in future auction rounds, the risk of market failures, changes in market parameters, and the risk of abolition of the market are associated with capacity markets. These risks might adversely affect the Group’s business, financial position, economic performance, cash flows and prospects.

France

Group’s French operations are affected by regulation of production from renewable sources and coal-fired sources. Group’s renewable sources are mainly on long term power purchase agreements, where the power is sold for a fixed rate. Contracts are entered into with an obliged purchaser (namely EDF OA). Changes in regulations that would affect rules for PPA contracts can affect the Group’s operational and financial performance.

French regulation sets limitation on emissions produced by coal-fired power plants. Such limitation effectively limit economical production of those. Change in this regulation can adversely affect the Groups financial performance.

Germany

As a result of increasing investments in renewable sources by the Group, it has become more exposed to renewable energy regulation in Germany and its potential changes. Regulation is mainly determined by Regulation Energies Act (“EEG”), which governs in particular the remuneration for electricity generated from renewable energy sources. Depending on the type of renewable energy sources used as well as the commissioning date of the plant, the remuneration follows a tender procedure or is based on a mandatory feed-in tariff. Changes in regulation might adversely affect the Group’s business, financial position or future investment decisions.

Further the Group’s coal operations are subject to the Act to Reduce and End Coal-Fired Power Generation (“KVBG”), which set the date for overall coal phase-out at end of 2038. Changes in the Act might adversely affect the Group’s business, financial position, economic performance, cash flows and prospects.

The UK

Renewable power generation of Lynemouth biomass power plant in the UK is awarded by the contract for difference until 2027, which secures a stable level of revenues by earning payment for difference between market and agreed strike price.

Regulation in the UK provide framework for capacity market mechanism. It is based on auctions for capacity market agreements whereby they receive a monthly payment for providing MWh during times of system stress. Existing facilities bid for capacity market agreements on an annual basis. New build facilities or qualifying extensions to existing plant can apply for 15 year capacity market agreements if they satisfy certain criteria relating to levels of investment.

As of January 2021, the EU ETS was replaced by the United Kingdom Emissions Trading Scheme (“UK ETS”). The UK ETS was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (as amended) which requires power generation facilities which produce greenhouse gas emissions to obtain a greenhouse gas emissions permit. Allowances must be submitted to the regulator in accordance with the permit. The UK ETS is very similar in the way it operates to the EU ETS. United Kingdom Emissions Allowances are traded freely in the United Kingdom.

Italy

The 2019 Energy and Climate National Package (so-called “Piano Nazionale Integrato per l’Energia e il Clima” or “PNIEC”), provides for the phase-out of coal-fired power generation by 2025 in the country. More recently, in the Italy adequacy report, Terna has clarified that in order to solve the criticalities in Sardinia and to allow the disposal of coal plants, it will be necessary to realize, in addition to the new Tyrhenian Link connection, a new capacity for about 550 MW of new programmable capacity distributed appropriately on the island. With reference to the Tyrhenian Link, Terna reported that the investment will be completed in 2028 and that the divestiture of the island’s coal generation can therefore take place progressively as the new resources enter into service. Consequently, these declarations impact the future of the Fiume Santo power plant, which operation is considered as technically critical to provide stability of power supply on the island. Currently, Fiume Santo is operated under a “must run” regime allowing full cost recovery by 2026 (under certain conditions).

The Italian energy framework includes a Capacity Market mechanism, introduced in 2019 to ensure the power system’s reliability and support the transition to cleaner energy and operative since 2022 (1st delivery year). The CM aims at encouraging investments in both new and existing capacity to meet peak demand while promoting the integration of renewable energy sources and reducing reliance on coal-fired power generation. By providing stable remuneration to capacity producers, it ensures that system stability is not compromised during this transition. Operators of production units (programmable and non-programmable) can participate in the tender organized by Terna. For the capacity selected as a result of the tender, they have to offer the capacity and have the right to receive an annual fixed premium. Recent auctions (CM 2025 and 2026) have attracted significant investments, including advanced technologies like battery storage (BESS – Battery Energy Storage System) and demand-response systems, highlighting the effectiveness of this approach.

Additionally, Italy has established a Guaranteed Minimum Prices (“GMP”) scheme to support renewable energy producers, ensuring stable revenue for those utilizing technologies such as solar, hydro, biogas, and biomass by protecting them from market price volatility. The scheme ensures coverage of operational costs without including investment expenses and differentiates prices based on plant capacity. It also requires compliance with sustainability criteria outlined in Article 42 of Legislative Decree 199/2021. Administered by ARERA, the GMP scheme is to be updated and confirmed annually to reflect market and inflation dynamics.

The Netherlands

Regulatory changes can impact the profitability of EP NL. Uncertainty with regards to what will change and when, further increases the regulatory risk. For example, the introduction of charging gas customers for CO₂ as of 2026 or the obligation to comingle green gas for those customers as of 2027. The Group entities in the Netherlands have already been signing delivery contracts for those years, even though the specifics were not made clear yet nor the law has been passed yet.

EU Emission Trading System

Despite all the EPH Group’s continuous efforts in the area of environmental sustainability, emission allowances represent a significant cost item and emission allowance’s price affects substantially economic performance of the Group. In order to achieve environmental benefits, the EU legislation established a system of trading with emission allowances according to the Kyoto Protocol. The international market for CO₂ emission allowances is driven by the EU Emissions Trading System (ETS). EU ETS ended its Phase III, which began on 1 January 2013 and ended on 31 December 2020. Within the Phase IV (2021–2030), the overall number of emission allowances was to decline at an annual rate of 2.20 per cent from 2021 onwards. Energy intensive sectors with a high risk of relocation outside of the EU were to be allocated free allowances until 2030 at 100 per cent.

However, in December 2022, European parliament and Council of Ministers agreed on the reform of the ETS, which will become effective from 1 January 2024. This reform was formally adopted by EU on 25 April 2023, when last step in the approval process was taken. Based on this agreement, the greenhouse gas emissions are to be reduced by 62% by 2030 as compared to 2005 (previous target was by 43%). As result, a 4.3% linear decrease in period 2024–2027 and 4.4% linear decrease in period 2028–2030 in the number of EUAs auctioned annually will be implemented. In addition, annually 24% of the surplus certificates in circulations will be held back in market stability reserve until 2030, while previous legislation expected decrease of the rate to 12% in 2024.

From January 2024, the EU ETS also covers the shipping sector, with emissions from maritime transport being subject to the same cap-and-trade principles as other industries covered by the EU ETS. In 2024, the system starts by covering 40% of emissions from eligible vessels, with the coverage increasing to 70% in 2025 and 100% by 2026. At the same time, 2024 will also start to see free allowances for the aviation sector to be phased out. Free allowances will be reduced by 25% in 2024 and 50% in 2025 while the industry will have to pay for 100% of their emissions from 2026.

However, energy crises in 2022 and increasing power prices triggered action from European Commission that decided to front load sales of allowances that were scheduled to be auctioned between 2027–2030 to before 31 August 2026 to raise around 40% of planned EUR 20 billion.

Together with the increase of non-thermal production in EU (mainly French nuclear fleet) and decreasing power demand from industry, we were witnessing decreasing price of EUA in 2024. If prices are to increase again and it is not reflected in power prices, it might have a negative impact on the Group.

G) 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.

The Group monitors its net leverage, defined as net financial debt divided by underlying EBITDA. The Group’s net leverage at the end of the reporting period was as follows:

In millions of EUR	31 December 2024	31 December 2023 (restated)*
Loans and borrowings	7,714	8,330
Less: cash and cash equivalents	3,318	3,502
Net financial debt ⁽¹⁾	4,396	4,828
Underlying EBITDA ⁽²⁾	2,550	3,576
Net leverage	1.7	1.4

* Restated 2023 comparative information includes modifications described in Note 3(a) and Appendix 3.
(1) Net financial debt = Loans and borrowings + Issued bills of exchange (if applicable) – Cash and cash equivalents.
(2) For definition of Underlying EBITDA and its reconciliation to the closest IFRS measure, refer to Note 5 – Operating segments.

H) Hedge accounting

Cash flow hedge

The balance as at 31 December 2024 represents primarily derivative agreements to hedge on interest rate, foreign exchange rate, electricity price, gas price, emission allowances price, coal price and the effect from a cash flow hedge recognised on the EPH 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 133 million (positive impact on profit or loss) from hedging reserves to profit or loss (2023: EUR 27 million (positive 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	Currency forwards – cash flow hedge ⁽²⁾	Equity accounted investees – cash flow hedge	Total
Balance at 1 January 2024	165	(33)	118	106	356
Cash flow hedges reclassified to profit or loss	(87)	–	(46)	–	(133)
Deferred tax – cash flow hedges reclassified to profit or loss	24	–	13	–	37
Revaluation of cash flow hedges	(35)	(8)	6	–	(37)
Deferred tax – cash flow hedges revaluation	(20)	2	(2)	–	(20)
Changes in hedging reserves recognized by equity accounted investees	–	–	–	(126)	(126)
Balance at 31 December 2024	47	(39)	89	(20)	77

(1) Including also hedge of foreign currency risk.
(2) As at 31 December 2024 cash flow hedge reserve related to currency forwards includes revaluation of both currency forwards that are recognised on balance sheet as at 31 December 2024 and currency forwards that were already derecognised in prior periods. The Group concluded that the future hedged cash flows are still highly probable, therefore the revaluation is retained in equity until the hedged forecast transaction occurs.

In millions of EUR	Commodity derivatives – cash flow hedge ⁽¹⁾	Interest rate swaps – cash flow hedge	Currency forwards – cash flow hedge ⁽²⁾	Equity accounted investees – cash flow hedge	Total
Balance at 1 January 2023	115	(18)	156	(389)	(136)
Cash flow hedges reclassified to profit or loss	39	(17)	(49)	–	(27)
Deferred tax – cash flow hedges reclassified to profit or loss	(7)	3	12	–	8
Revaluation of cash flow hedges	77	(2)	(2)	–	73
Deferred tax – cash flow hedges revaluation	(59)	1	1	–	(57)
Changes in hedging reserves recognized by equity accounted investees	–	–	–	442	442
Disposed entities	–	–	–	53	53
Balance at 31 December 2023	165	(33)	118	106	356

(1) Including also hedge of foreign currency risk.
(2) As at 31 December 2023 cash flow hedge reserve related to currency forwards includes revaluation of both currency forwards that are recognised on balance sheet as at 31 December 2023 and currency forwards that were already derecognised in prior periods. The Group concluded that the future hedged cash flows are still highly probable, therefore the revaluation is retained in equity until the hedged forecast transaction occurs.

Share of non-controlling interest on hedging reserve amounted to negative EUR 8 million (2023: negative EUR 6 million). Share of non-controlling interest on effective changes in fair value of cash flow hedges, net of tax, and reclassification of cash flow hedges to profit or loss amounted to negative EUR 2 million (2023: positive EUR 221 million).

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 cash flow hedge reserve of negative EUR 9 million (2023: positive EUR 136 million). For risk management policies, refer to Note 32(d) and (e) – Risk management policies and disclosures.

Cash flow hedges – hedge of commodity price risk of gas and coal

The Group applies hedge accounting for commodity hedging instruments designed to hedge cash flow from sales and purchases of gas and coal. The hedging instruments are commodity swaps concluded with third parties to hedge selling price of gas in-kind or coal sold and purchase price of gas and coal purchased. The hedged items are proportions of expected cash outflows or inflows for commodities purchased or sold that are expected to occur and impact profit or loss in 2025 till 2026. 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 2 million (2023: positive EUR 105 million).

Cash flow hedges – hedge of commodity price risk of emission allowances

The Group applies hedge accounting for commodity hedging instruments designed to hedge cash flow from purchase of emission allowances in the UK and the EU. The hedging instruments are commodity swaps concluded with third parties to hedge purchase price of emission allowances needed to cover the production. The hedged items are proportions of expected cash outflows for emission allowances purchased that are expected to occur and impact profit or loss in 2025 till 2026. As a result of the hedge relationship on the Group level, the Group recorded a change in a cash flow hedge reserve of negative EUR 111 million (2023: negative EUR 190 million).

The following tables provide details of cash flow hedge commodity derivatives gas, power, emission allowances and coal 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	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	43	57	929	1,071
3 months to 1 year	211	159	2,394	2,197
1–5 years	48	28	329	321
Over 5 years	–	–	–	–
Total	302	244	3,652	3,589

In millions of EUR	31 December 2023			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	287	88	967	668
3 months to 1 year	392	479	1,179	1,263
1–5 years	47	41	187	181
Over 5 years	–	–	–	–
Total	726	608	2,333	2,112

The following tables provide 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			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	-	-	-	-
3 months to 1 year	-	1	-	1
1-5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	-	1	-	1

In millions of EUR	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	38	36
1-5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	-	1	38	36

Cash flow hedges – hedge of interest rate risk

The Group applies hedge accounting for hedging instruments designed to hedge interest rate risk of its debt financing. The hedging instruments are interest rate swaps used in order to hedge risk related to repricing of interest rates on its financing. 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 6 million (2023: negative EUR 16 million). For risk management policies, refer to Note 32(c) – Risk management policies and disclosures.

The following tables provide 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	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	-	-	-	-
3 months to 1 year	-	35	155	155
1-5 years	-	6	20	26
Over 5 years	-	-	-	-
Total	-	41	175	181

In millions of EUR	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	2	-	82	80
1-5 years	1	1	1	1
Over 5 years	-	-	-	-
Total	3	1	83	81

Cash flow hedges – hedge of foreign currency risk with financial derivatives

The Group applies hedge accounting for hedging instruments designed to hedge the foreign currency risk cash-flows from biomass purchases denominated in foreign currencies (USD and CAD). The hedging instruments are foreign currency forwards concluded with third parties. Although some of the derivatives were unwound, the hedging is still in place as the hedged items are still expected to materialize. The hedged items are proportions of expected cash outflows in USD and CAD that are expected to occur and impact profit or loss in periods of 2025 to 2027. As a result of the hedge relationship, on the Group consolidated level, the Group reported a change in foreign currency cash flow hedge reserve of negative EUR 29 million (2023: negative EUR 38 million). For risk management policies, refer to Note 32(d) and (e) – Risk management policies and disclosures.

The following table provides details of cash flow hedge currency derivatives for foreign currency risk recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	31 December 2024			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	2	1	240	238
3 months to 1 year	4	3	391	390
1-5 years	4	-	266	263
Over 5 years	-	-	-	-
Total	10	4	897	891

In millions of EUR	31 December 2023			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	-	2	162	163
3 months to 1 year	2	-	382	380
1-5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	2	2	544	543

Cash flow hedges – equity accounted investees

Equity accounted investee Slovenské elektrárne, a.s. applies hedge accounting to hedge exchange rate risk, interest rate risk and electricity price. As a result of the hedge relationship, on the Group consolidated level, the Group reported a change in cash flow hedge reserve of negative EUR 126 million (2023: positive EUR 459 million) As the hedge accounting is applied by equity accounted investee, the hedging derivatives are not recognised on Group’s consolidated statement of financial position.

The joint venture LEAG Group applied hedge accounting for commodity hedging instruments designed to hedge cash-flows to purchase emission rights. The hedging instruments were commodity derivatives designed to hedge purchase price for future purchases of emission rights. As a result of the hedge relationship, on the Group consolidated level, the Group reported a change in a cash flow hedge reserve of negative EUR 17 million during the six-month period ended 30 June 2023. From 30 June 2023, the Group ceased to apply equity method as joint venture LEAG was classified under assets held for sale. With the subsequent disposal of LEAG in the second half of 2023, the Group reclassified hedging reserve of negative EUR 53 million into profit or loss.

33. Related parties

The Group has a related party relationship with its shareholders and other parties, as identified below. The balances with related parties as at 31 December 2024 and 31 December 2023 were as follows:

In millions of EUR	31 December 2024		31 December 2023	
	Trade receivables and other financial assets	Trade payables and other financial liabilities	Trade receivables and other financial assets	Trade payables and other financial liabilities
Companies controlled by ultimate shareholder ⁽¹⁾	116	495	74	1,109
Associates and joint ventures	119	8	105	–
Other related parties	–	1	–	107
Total	235	504	179	1,216

(1) Daniel Křetinský represents the ultimate shareholder.

The summary of transactions with related parties during the years ended 31 December 2024 and 31 December 2023 was as follows:

In millions of EUR	2024		2023	
	Revenues and other income	Expenses	Revenues and other income	Expenses
Companies controlled by ultimate shareholder ⁽¹⁾	1,139	3,376	236	2,605
Associates and joint ventures	14	17	1,252	1,376
Other related parties	1	3	1	12
Total	1,154	3,396	1,489	3,993

(1) Daniel Křetinský represents the ultimate shareholder.

Transactions with the key management personnel

For the financial years ended 31 December 2024 and 2023 the EPH 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., EOP Distribuce a.s., United Energy, a.s., Plzeňská teplárenská, a.s., SPP Storage, s.r.o., EP ENERGY TRADING, a.s, EP Power Europe, a.s., EPUKI Group, EP Commodities, a.s., EP Commodities AG, EP Resources AG, EP Produzione Group, EPNEI Group, EP NL Group, MIBRAG Energy Group, Saale Energie, Kraftwerk Mehrum GmbH, EP France Group, EP Power Minerals Group, EP Investment Advisors, s.r.o. and Energetický a průmyslový holding, 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	138	127
Compensation, fees and rewards	23	22
Compulsory social security contributions	5	4
Total	28	26

Other remuneration of Group management (management of all components within the Group) is included in Note 10 – Personnel expenses or presented within discontinued operations in case of MIBRAG Energy Group. All transactions were performed under the arm’s length principle.

34.

Litigations and claims

Biomasse Italia S.p.A. and Biomasse Crotone S.p.A.

A criminal investigation in connection with which certain former directors of Biomasse Italia S.p.A. and Biomasse Crotone S.p.A. as well as an employee of the company Biomasse Italia S.p.A. was closed and the trial phase started. Further to the closing of the investigation, the proceeding no longer includes the two former directors of the company. However, the employee of Biomasse Italia S.p.A was included. The companies were not subject to any investigation. Based on the information received so far, there are no elements which could indicate that criminal proceedings could be brought against the companies or that proceedings potentially affecting the companies' assets could be initiated. The Group will continue to monitor the progress of the case.

EP Resources AG (“EPR AG”)

EPR AG faces four arbitrations, with three different suppliers, over alleged breaches of Russian coal supply contracts, all arising from international sanctions imposed on Russia in March 2022. As EPR AG considers all claims unsubstantiated, with chance of loss ranging from possible to remote, no provisions were recorded as of 31 December 2024.

First supplier seeks USD 221 million, alleging non-performance of five contracts, while EPR AG argues that fulfilling them would have violated sanctions by making resources available to sanctioned individuals. First supplier also opened a second arbitration on same matter. The Company soke anti-arbitration injunction and based on the partial award, the first arbitration will continue while the second will be terminated. Second and third suppliers seek USD 6 million plus an unspecified amount, asserting contract breaches, while EPR AG maintains that sanctions legally prevented performance. At the moment, it is not possible to predict the outcome of the potential future proceedings nor the actual amount payable.

EPUKI Group

At the date of signing, there is an open investigation raised by Office of Gas and Electricity Markets (“Ofgem”) against two group companies operating in the UK. The Companies are cooperating with Ofgem on this matter, but uncertainty exists in relation to the timing and resolution. No provision has been made for any potential outflow given the stage of the process and uncertainty in future outcome.

35.

Subsequent events

From 28 January 2025, members of the Board of Directors of the Company are as follows:



- **Daniel Křetinský** (Chairman of the Board of Directors)
- **Marek Spurný** (Vice Chairman of the Board of Directors)
- **Pavel Horský** (Vice Chairman of the Board of Directors)
- **Jan Špringl** (Vice Chairman of the Board of Directors)
- **Tomáš David** (Member of the Board of Directors)
- **Jiří Feist** (Member of the Board of Directors)
- **Leif Timmermann** (Member of the Board of Directors)
- **Filip Bělák** (Member of the Board of Directors)
- **Gary Wheatley Mazzotti** (Member of the Board of Directors)
- **Miroslav Haško** (Member of the Board of Directors)
- **Milan Jalový** (Member of the Board of Directors)
- **Peter Černák** (Member of the Board of Directors).

During January and February 2025, the Group disposed of 51% of its share in EP Resources AG, EP Resources DE GmbH, EP Resources CZ a.s., EP Resources PL S.A. and EPR Asia Pte. Ltd. and lost control over the entities. The disposed entities were classified as held for sale as of 31 December 2024.

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.

In February 2025, EPH has successfully raised its debut Japanese term loan credit facility (the “Samurai Loan”) totalling JPY 80.0 billion (equivalent EUR 510 million at current exchange rate). The Samurai Loan marks the largest debut samurai transaction for a global corporate borrower since the global financial crisis. A samurai loan is a predominantly yen-denominated loan issued in Japan by a non-Japanese company. The Samurai Loan comprises a JPY 80.0 billion equivalent 5-year credit facility, maturing February 2030. The loan pays an interest margin of 160bps over TONAR, offering a highly attractive rate for the borrower. It was arranged by SMBC Group which acted as the Sole Coordinator, Sole Bookrunner, and Mandated Lead Arranger.

On 28 February 2025, EPH repaid part of term loan provided by banks in amount of EUR 500 million which was due in 2028.

On 17 March 2025, EPH Financing CZ, a.s. redeemed at their principal the CZK 7,500 million (EUR 300 million) 4.5 per cent. notes due 17 March 2025, issued 17 March 2020.

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.

Appendices*:

- Appendix 1 – Business combinations
- Appendix 2 – Group entities
- Appendix 3 – Restated consolidated statement of comprehensive income
- Appendix 4 – Restated consolidated statement of financial position
- Appendix 5 – Restated consolidated statement of cash flows

* Information contained in the appendices form part of the complete set of these consolidated financial statements.

Date: 25 March 2025


Pavel Horský
Vice Chairman of the Board of Directors

Signature of the authorised representative


Marek Spurný
Vice Chairman of the Board of Directors

Appendix 1 – Business combinations

The following tables provide further information on the amounts recognised for assets acquired and liabilities assumed as at the acquisition date for individually significant business combinations through step acquisitions and acquisitions.

Effect of acquisitions

I. 31 December 2023

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of Rijnmond Power Holding B.V. are provided in the following table.

In millions of EUR	Carrying amount ⁽¹⁾	Fair value adjustment	2023 Total ⁽¹⁾
Property, plant, equipment, land, buildings	20	(2)	18
Trade receivables and other assets	6	–	6
Inventories	1	–	1
Cash and cash equivalents	20	–	20
Deferred tax assets	4	–	4
Provisions	(9)	–	(9)
Loans and borrowings	(7)	–	(7)
Trade payables and other liabilities	(31)	–	(31)
Net identifiable assets and liabilities	4	(2)	2
Goodwill on acquisitions of subsidiaries			10
Cost of acquisition			12
Consideration paid, satisfied in cash (A)			12
Total consideration transferred			12
Less: Cash acquired (B)			20
Net cash inflow (outflow) (C) = (B – A)			8

(1) Represents values at 100 % share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date*	152
Profit (loss) of the acquirees recognised since the acquisition date*	(3)

* Before intercompany eliminations with other Group companies.

In millions of EUR

	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	152
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	(3)

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date PZEM and Sloe Group are provided in the following table.

In millions of EUR	Carrying amount ⁽¹⁾	Fair value adjustment	2023 Total ⁽¹⁾
Property, plant, equipment, land, buildings	367	(127)	240
Intangible assets	4	(2)	2
Trade receivables and other assets	791	–	791
Financial instruments and other financial assets	382	–	382
Inventories	30	–	30
Cash and cash equivalents	127	–	127
Deferred tax assets	60	33	93
Provisions	(81)	–	(81)
Deferred tax liabilities	(2)	(2)	(4)
Loans and borrowings	(573)	–	(573)
Financial instruments and other financial liabilities	(552)	–	(552)
Trade payables and other liabilities	(148)	–	(148)
Net identifiable assets and liabilities	405	(98)	307
Goodwill on acquisitions of subsidiaries			4
Cost of acquisition			311
Consideration paid, satisfied in cash (A)			311
Total consideration transferred			311
Less: Cash acquired (B)			127
Net cash inflow (outflow) (C) = (B – A)			(184)

(1) Represents values at 100% share.

In millions of EUR

	2023 Total
Revenue of the acquirees recognised since the acquisition date*	1,752
Profit (loss) of the acquirees recognised since the acquisition date*	200

In millions of EUR

	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	1,752
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	200

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of MaasStroom Energie C.V. are provided in the following table.

In millions of EUR	Carrying amount ⁽¹⁾	Fair value adjustment	2023 Total ⁽¹⁾
Property, plant, equipment, land, buildings	41	77	118
Trade receivables and other assets	17	–	17
Inventories	5	–	5
Cash and cash equivalents	9	–	9
Provisions	(14)	–	(14)
Deferred tax liabilities	(11)	1	(10)
Loans and borrowings	(39)	–	(39)
Trade payables and other liabilities	(50)	27	(23)
Net identifiable assets and liabilities	(42)	105	63
Goodwill on acquisitions of subsidiaries			20
Cost of acquisition			83
Consideration paid, satisfied in cash (A)			83
Total consideration transferred			83
Less: Cash acquired (B)			9
Net cash inflow (outflow) (C) = (B – A)			(74)

(1) Represents values at 100% share.

In millions of EUR

	2023 Total
Revenue of the acquirees recognised since the acquisition date*	10
Profit (loss) of the acquirees recognised since the acquisition date*	(4)

In millions of EUR

	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	24
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	(10)

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of Enecogen V.O.F. are provided in the following table.

In millions of EUR	Carrying amount ⁽¹⁾	Fair value adjustment	2023 Total ⁽¹⁾
Property, plant, equipment, land, buildings	196	37	233
Intangible assets	11	–	11
Trade receivables and other assets	34	(27)	7
Financial instruments and other financial assets	6	–	6
Cash and cash equivalents	12	–	12
Deferred tax assets	4	(4)	–
Provisions	(12)	–	(12)
Deferred tax liabilities	(7)	(9)	(16)
Loans and borrowings	(7)	–	(7)
Trade payables and other liabilities	(42)	–	(42)
Net identifiable assets and liabilities	195	(3)	192
Goodwill on acquisitions of subsidiaries/ joint operations			28
Cost of acquisition			220
Consideration paid, satisfied in cash (A)			220
Total consideration transferred			220
Less: Cash acquired (B)			12
Net cash inflow (outflow) (C) = (B – A)			(208)

(1) Represents values at 100% and values at 50% share for joint operation Enecogen V.O.F.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date*	40
Profit (loss) of the acquirees recognised since the acquisition date*	16

In millions of EUR	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	140
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	45

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of SGL – Schienen Güter Logistik GmbH are provided in the following table.

In millions of EUR	Carrying amount ⁽¹⁾	Fair value adjustment	2023 Total ⁽¹⁾
Property, plant, equipment, land, buildings	1	–	1
Trade receivables and other assets	4	–	4
Cash and cash equivalents	3	–	3
Provisions	(1)	–	(1)
Trade payables and other liabilities	(3)	–	(3)
Net identifiable assets and liabilities	4	–	4
Bargain purchase gain on acquisitions of subsidiaries			(3)
Cost of acquisition			1
Consideration paid, satisfied in cash (A)			1
Total consideration transferred			1
Less: Cash acquired (B)			3
Net cash inflow (outflow) (C) = (B – A)			2

(1) Represents values at 100% share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date	3
Profit (loss) of the acquirees recognised since the acquisition date	–

In millions of EUR	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	23
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	1

* Before intercompany elimination; based on local statutory financial information.

Appendix 2 – Group entities

The list of the Group entities as at 31 December 2024 and 31 December 2023 is set out below:

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
Energetický a průmyslový holding, a.s.	Czech Republic	–	–	–	–	–	–
EP Power Europe, a.s.*	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EPPE Germany, a.s.*	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
LEAG Renewables GmbH (EP New Energies GmbH) ⁽¹⁾	Germany	–	–	80	Direct	Consolidated	Consolidated
EP Mehrum GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
Kraftwerk Mehrum GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
MIBRAG Energy Group GmbH*	Germany	90	Direct	90	Direct	Discontinued operation	Discontinued operation
MIBRAG GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Consolidated
MIBRAG Consulting International GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
GALA-MIBRAG-Service GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Germany	50	Direct	50	Direct	Discontinued operation	Discontinued operation
Fernwärme GmbH Hohenmölsen – Webau	Germany	48.96	Direct	48.96	Direct	Discontinued operation	Discontinued operation
Ingenieurbüro für Grundwasser GmbH	Germany	25	Direct	25	Direct	Discontinued operation	Discontinued operation
Bohr & Brunnenbau GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
Helmstedter Revier GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
MIBRAG Profen GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
Tagebau Profen GmbH & Co. KG	Germany	100	Direct	100	Direct	Held for sale	Consolidated
MIBRAG Neue Energie GmbH	Germany	50	Direct	50	Direct	Held for sale	Consolidated
MITAFF GmbH & Co. KG	Germany	50	Direct	50	Direct	Held for sale	At cost
Photovoltaikpark Peres I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Breunsdorf I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Profen II GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Wohnwert Hohenmölsen GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
WP Helmstedter Revier I GmbH (Zukunft II GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Groitzscher Wohnwelt GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
MINCA GmbH	Germany	50	Direct	50	Direct	Discontinued operation	Discontinued operation

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
MIB GmbH (Zukunft XV GmbH)	Germany	50	Direct	–	–	Held for sale	At cost
MCS GmbH (Zukunft XIII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Büro für Angewandte Hydrologie GmbH (BAH GmbH) ⁽²⁾	Germany	85	Direct	–	–	Held for sale	–
Erdbaulabor Leipzig GmbH (EBL GmgH) ⁽³⁾	Germany	55	Direct	–	–	Held for sale	–
Geo!D GmbH (BHKW Profen GmbH)	Germany	100	Direct	100	Direct	Held for sale	At cost
GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) ⁽⁴⁾	Germany	100	Direct	–	–	Held for sale	At cost
Photovoltaikpark Peres III GmbH (Zukunft XII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Norddeutsche Gesellschaft zur Ablagerung von Mineralstoffen mbH	Germany	30.5	Direct	30.5	Direct	Held for sale	Consolidated
MIBRAG Schleenhain GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
Tagebau Schleenhain GmbH & Co. KG	Germany	100	Direct	100	Direct	Held for sale	Consolidated
MIBRAG Neue Energie GmbH	Germany	50	Direct	50	Direct	Held for sale	Consolidated
MITAFF GmbH & Co. KG	Germany	50	Direct	50	Direct	Held for sale	At cost
Photovoltaikpark Peres I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Breunsdorf I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Profen II GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Wohnwert Hohenmölsen GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
WP Helmstedter Revier I GmbH (Zukunft II GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Groitzscher Wohnwelt GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
MINCA GmbH	Germany	50	Direct	50	Direct	Discontinued operation	Discontinued operation
MIB GmbH (Zukunft XV GmbH)	Germany	50	Direct	–	–	Held for sale	At cost
MCS GmbH (Zukunft XIII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Büro für Angewandte Hydrologie GmbH (BAH GmbH) ⁽²⁾	Germany	85	Direct	–	–	Held for sale	–
Erdbaulabor Leipzig GmbH (EBL GmgH) ⁽³⁾	Germany	55	Direct	–	–	Held for sale	–
Geo!D GmbH (BHKW Profen GmbH)	Germany	100	Direct	100	Direct	Held for sale	At cost
GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) ⁽⁴⁾	Germany	100	Direct	–	–	Held for sale	At cost
Photovoltaikpark Peres III GmbH (Zukunft XII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Norddeutsche Gesellschaft zur Ablagerung von Mineralstoffen mbH	Germany	30.5	Direct	30.5	Direct	Held for sale	Consolidated

Group entities
(continuing)

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
Zukunft I GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) ⁽⁴⁾	Germany	–	–	100	Direct	Held for sale	At cost
MIB GmbH (Zukunft XV GmbH)	Germany	–	–	100	Direct	Held for sale	At cost
Zukunft XVI GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
Saale Energie GmbH	Germany	100	Direct	100	Direct	Held for sale	Consolidated
Kraftwerk Schkopau Betriebsgesellschaft mbH	Germany	100	Direct	100	Direct	Held for sale	Consolidated
EP Power Minerals GmbH*	Germany	100	Direct	100	Direct	Consolidated	Consolidated
EP Power Minerals CZ, a.s.	Czech Republic	100	Direct	100	Direct	At cost	At cost
Surschiste, S.A.	France	100	Direct	100	Direct	Consolidated	Consolidated
EP Power Grit GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
EP Power Grit N.V.	Belgium	100	Direct	100	Direct	Consolidated	Consolidated
EP Power Grit B.V.	Netherlands	100	Direct	100	Direct	At cost	At cost
EP Power Grit Hamburg GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
EP Power Grit Oy AB	Finland	100	Direct	100	Direct	At cost	At cost
MINERALplus GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
Felix Höltken GmbH	Germany	100	Direct	100	Direct	At cost	At cost
MINERALplus Stork GmbH	Germany	74	Direct	74	Direct	At cost	At cost
Euroment B.V.	Netherlands	50	Direct	50	Direct	At cost	At cost
EP ENERGO MINERAL Sp. Z o.o.	Poland	50	Direct	50	Direct	At cost	At cost
EP Energo Mineral Deutschland GmbH	Germany	100	Direct	100	Direct	At cost	At cost
Power Minerals Ltd.	United Kingdom	100	Direct	100	Direct	At cost	At cost
Powerment GmbH & Co. KG	Germany	50	Direct	50	Direct	At cost	At cost
Powerment Verwaltungs GmbH	Germany	100	Direct	100	Direct	At cost	At cost
Hawar Power Minerals W.L.L.	Qatar	49	Direct	49	Direct	At cost	At cost
EP Power Minerals Iceland ehf. (Myrdalssandur ehf.)	Iceland	100	Direct	100	Direct	At cost	At cost
EP Power Minerals Asia Pte.Ltd.	Singapore	100	Direct	100	Direct	At cost	At cost
Hoang Son Fly Ash and Cement JSC	Vietnam	50	Direct	50	Direct	At cost	At cost
EP Power Minerals Americas INC.	United States	100	Direct	100	Direct	At cost	At cost
EP CTA GmbH	Germany	100	Direct	100	Direct	At cost	At cost
EP UK Investments Limited* ⁽⁵⁾	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
Eggborough Power Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP Eggborough New Energy Developments Limited	United Kingdom	–	–	100	Direct	At cost	At cost
Lynemouth Power Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP UK Power Development Ltd	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP SHB Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
Humberland Limited	United Kingdom	–	–	100	Direct	At cost	At cost
EP Langage Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP Ballylumford Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP Kilroot Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
Tynagh Energy Limited	Ireland	–	–	80	Direct	Consolidated	Consolidated
RVA Group Limited	United Kingdom	–	–	100	Direct	At cost	At cost
RVA Consulting Engineers Limited	United Kingdom	–	–	100	Direct	At cost	At cost
RVA Europe Limited	Cyprus	–	–	100	Direct	At cost	At cost
RVA Engineering Solutions Ltd	United Kingdom	–	–	100	Direct	At cost	At cost
EP UK Finance Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
Humbly Grove Energy Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
Humbly Grove Energy Services Limited	United Kingdom	–	–	100	Direct	At cost	At cost
EP Waste Management Limited	United Kingdom	–	–	100	Direct	At cost	At cost
EP NI Energy Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP Eggborough Limited	United Kingdom	–	–	100	Direct	Consolidated	Consolidated
EP Dublin Energy Limited	Ireland	–	–	100	Direct	Consolidated	At cost
EP Energy Developments Limited	Ireland	–	–	100	Direct	At cost	At cost
EP Invest Limited	United Kingdom	100	Direct	100	Direct	At cost	At cost
EP Commodities, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Commodities Ukraine TOB	Ukraine	100	Direct	100	Direct	At cost	At cost
EPC Energy d.o.o. (6)	Croatia	100	Direct	–	–	At cost	–
EP Commodities London Ltd ⁽⁷⁾	United Kingdom	100	Direct	–	–	At cost	–
EP Produzione S.p.A.* ⁽⁸⁾	Italy	–	–	100	Direct	Consolidated	Consolidated
Fiume Santo S.p.A.	Italy	–	–	100	Direct	Consolidated	Consolidated
EP Produzione Centrale Livorno Ferraris S.p.A.	Italy	–	–	75	Direct	Consolidated	Consolidated
Centro Energia Ferrara S.p.A.	Italy	–	–	100	Direct	Consolidated	Consolidated
Ep Centrale Tavazzano Montanaso S.P.A.	Italy	–	–	100	Direct	Consolidated	Consolidated
Ep Centrale Ostiglia S.p.A.	Italy	–	–	100	Direct	At cost	At cost
EP Energia Italia S.r.l.	Italy	–	–	100	Direct	At cost	At cost
Ergosud S.p.A.	Italy	50	Direct	50	Direct	Equity	Equity
EP New Energy Italia S.r.l. ⁽⁹⁾	Italy	100	Direct	51	Direct	Consolidated	Consolidated
Fusine Energia S.r.L.	Italy	100	Direct	100	Direct	Consolidated	Consolidated
Biomasse Crotone S.p.A.	Italy	100	Direct	100	Direct	Consolidated	Consolidated
Biomasse Italia S.p.A.	Italy	100	Direct	100	Direct	Consolidated	Consolidated
Biomasse Servizi S.r.l. ⁽⁹⁾	Italy	100	Direct	51	Direct	At cost	At cost
EP France Développement SAS	France	100	Direct	100	Direct	At cost	At cost
EP France S.A.S.* ⁽¹⁰⁾	France	–	–	100	Direct	Consolidated	Consolidated

Group entities

(continuing)

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
Gazel Energie Generation S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
Aerodis, S.A.	France	–	–	100	Direct	Consolidated	Consolidated
Société des Eaux de l'Est S.A.	France	–	–	25	Direct	–	At cost
Illico S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
Gazel Energie Renouvelables S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
Gazel Energie Solaire S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
Gazel Energie Solutions S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
Dynamo S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
EP France Management & Services S.A.S.	France	–	–	100	Direct	Consolidated	Consolidated
C.S.E. Coulomb	France	–	–	100	Direct	Consolidated	Consolidated
EP NL B.V. (EP Netherlands B.V.)* ⁽¹¹⁾	Netherlands	–	–	100	Direct	Consolidated	Consolidated
EP NL Rijnmond 1 B.V. (Rijnmond Power Holding B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
EP NL ZBL B.V. (PZEM Pipe B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
PZEM Energy Company B.V.	Netherlands	–	–	100	Direct	Consolidated	Consolidated
PZEM Tolling Sloe B.V. ⁽¹²⁾	Netherlands	–	–	100	Direct	–	Consolidated
Sloe Centrale Holding B.V. ⁽¹²⁾	Netherlands	–	–	50	Direct	–	Consolidated
EP NL Sloe Centrale B.V. (Sloe Centrale B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
Sloe Centrale Holding B.V. ⁽¹²⁾	Netherlands	–	–	50	Direct	–	Consolidated
EP NL Sloe Centrale B.V. (Sloe Centrale B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
Camden B.V. ⁽¹²⁾	Netherlands	–	–	100	Direct	–	Consolidated
Kilburn B.V. ⁽¹²⁾	Netherlands	–	–	100	Direct	–	Consolidated
Hampstead B.V. ⁽¹²⁾	Netherlands	–	–	100	Direct	–	Consolidated
EP NL Europoort Holding B.V. (Primrose Power Holdings B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
EP NL Europoort Tolling B.V. (Belsize Power Holdings B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
Enecogen V.O.F.	Netherlands	–	–	50	Direct	Proportionate	Proportionate
EP NL Rijnmond 2 B.V. (Nieuwe Maas Energie B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
EP NL Rijnmond 2 C.V. (MaasStroom Energie C.V.) ⁽¹²⁾	Netherlands	–	–	99	Direct	–	Consolidated
Spui Energie B.V. ⁽¹²⁾	Netherlands	–	–	100	Direct	–	Consolidated
EP NL Rijnmond 2 C.V. (MaasStroom Energie C.V.) ⁽¹²⁾	Netherlands	–	–	100	Direct	–	Consolidated
EP NL Rijnmond Operations B.V. (Rijnmond Operations B.V.)	Netherlands	–	–	100	Direct	Consolidated	Consolidated
EP Commodities AG	Switzerland	100	Direct	100	Direct	Consolidated	Consolidated
MENH a.s. ⁽¹³⁾	Czech Republic	–	–	100	Direct	–	At cost
EP Energie Deutschland GmbH	Germany	100	Direct	100	Direct	At cost	At cost

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
EP Lower Saxony GmbH (Lindentor 1207. V V GmbH) ⁽¹⁴⁾	Germany	90	Direct	–	–	At cost	–
EP Ukraine B.V.	Netherlands	90	Direct	90	Direct	Consolidated	Consolidated
EP Hungary s.r.o.*	Czech Republic	90	Direct	90	Direct	Consolidated	At cost
HHE Group Ventures Kft.	Hungary	50	Direct	50	Direct	Equity	At cost
Pusztaszer Koncessziós Kft.	Hungary	100	Direct	100	Direct	Equity	At cost
Darany Energy Kft.	Hungary	100	Direct	100	Direct	Equity	At cost
HHE DrávaP Koncessziós Kft.	Hungary	100	Direct	100	Direct	Equity	At cost
Industrial Park Opatovice s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
EP Resources AG	Switzerland	100	Direct	100	Direct	Held for sale	Consolidated
EPR ASIA PTE. LTD. ⁽¹⁵⁾	Singapore	–	–	100	Direct	Held for sale	At cost
EPR ASIA PTE. LTD. ⁽¹⁵⁾	Singapore	100	Direct	–	–	Held for sale	At cost
EP Resources CZ a.s.	Czech Republic	100	Direct	100	Direct	Held for sale	Consolidated
EP Resources PL S.A.	Poland	100	Direct	100	Direct	Held for sale	Consolidated
EP Resources DE GmbH	Germany	100	Direct	100	Direct	Held for sale	Consolidated
Boldore a.s.	Czech Republic	100	Direct	100	Direct	At cost	At cost
Greeninvest Energy, a.s.	Czech Republic	39.73	Direct	39.73	Direct	Equity	Equity
EP Risk Management Services, a.s.	Czech Republic	100	Direct	100	Direct	At cost	At cost
GENETT GAS a.s.	Czech Republic	30	Direct	30	Direct	At cost	At cost
EP Fleet, s.r.o. (EP Fleet, k.s.) ⁽¹⁶⁾	Czech Republic	10	Direct	0.10	Direct	Consolidated	Consolidated
EP Investment Advisors, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Fleet, s.r.o. (EP Fleet, k.s.) ⁽¹⁶⁾	Czech Republic	80	Direct	99.80	Direct	Consolidated	Consolidated
EP Auto, s.r.o.*	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Fleet, s.r.o. (EP Fleet, k.s.) ⁽¹⁶⁾	Czech Republic	10	Direct	0.10	Direct	Consolidated	Consolidated
EP UK Investments Ltd* ⁽⁵⁾	United Kingdom	100	Direct	–	–	Consolidated	Consolidated
Eggborough Power Ltd	United Kingdom	100	Direct	–	–	Consolidated	Consolidated
EP Eggborough New Energy Developments Limited	United Kingdom	100	Direct	–	–	At cost	–
EP UK Construction Ltd	United Kingdom	100	Direct	–	–	At cost	–
EP UK Power Development II Ltd	United Kingdom	100	Direct	–	–	At cost	–
EP UK Power Development III Ltd	United Kingdom	100	Direct	–	–	At cost	–
EP UK Power Development IV Ltd	United Kingdom	100	Direct	–	–	At cost	–
EP UK Power Development V Ltd	United Kingdom	100	Direct	–	–	At cost	–
Lynemouth Power Limited	United Kingdom	100	Direct	–	–	Consolidated	Consolidated
EP UK Power Development Ltd	United Kingdom	100	Direct	–	–	Consolidated	Consolidated
EP SHB Limited	United Kingdom	100	Direct	–	–	Consolidated	Consolidated
Humberland Limited	United Kingdom	100	Direct	–	–	At cost	At cost

		31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Country of incorporation	Ownership %	Ownership interest	Ownership %	Ownership interest	
EP Langage Limited		United Kingdom	100	Direct	–	–	Consolidated
EP Ballylumford Limited		United Kingdom	100	Direct	–	–	Consolidated
EP Kilroot Limited		United Kingdom	100	Direct	–	–	Consolidated
EP Kilroot Energy Park Limited		United Kingdom	100	Direct	–	–	At cost
Tynagh Energy Limited		Ireland	80	Direct	–	–	Consolidated
RVA Group Ltd		United Kingdom	100	Direct	–	–	At cost
RVA Consulting Engineers Ltd		United Kingdom	100	Direct	–	–	At cost
RVA Europe Limited		Cyprus	100	Direct	–	–	At cost
RVA Engineering Solutions Ltd		United Kingdom	100	Direct	–	–	At cost
EP UK Finance Limited		United Kingdom	100	Direct	–	–	Consolidated
Humbly Grove Energy Limited		United Kingdom	100	Direct	–	–	Consolidated
Humbly Grove Energy Services Limited		United Kingdom	100	Direct	–	–	At cost
EP Waste Management Limited		United Kingdom	100	Direct	–	–	At cost
EP NI Energy Limited		United Kingdom	100	Direct	–	–	Consolidated
EP Eggborough Limited		United Kingdom	100	Direct	–	–	Consolidated
EP Dublin Energy Limited		Ireland	100	Direct	–	–	Consolidated
EP Energy Developments Limited		Ireland	100	Direct	–	–	At cost
West Burton Flexible Generation Limited ⁽¹⁷⁾		United Kingdom	50	Direct	–	–	Equity
UK T-Power 2 Limited		United Kingdom	100	Direct	–	–	Equity
UK Transition Power Ltd		United Kingdom	100	Direct	–	–	Equity
West Burton B Limited		United Kingdom	100	Direct	–	–	Equity
UK T-Power Management Ltd		United Kingdom	100	Direct	–	–	Equity
EP Produzione S.p.A.* ⁽⁸⁾		Italy	100	Direct	–	–	Consolidated
Fiume Santo S.p.A.		Italy	100	Direct	–	–	Consolidated
EP Produzione Centrale Livorno Ferraris S.p.A.		Italy	75	Direct	–	–	Consolidated
Centro Energia Ferrara S.p.A.		Italy	100	Direct	–	–	Consolidated
Ep Centrale Tavazzano Montanaso S.P.A.		Italy	100	Direct	–	–	Consolidated
Ep Centrale Ostiglia S.p.A.		Italy	100	Direct	–	–	Consolidated
EP Energia Italia S.r.l.		Italy	100	Direct	–	–	Consolidated
EPP 4 S.R.L.		Italy	100	Direct	–	–	At cost
EP Bess Fiume Santo S.R.L. ⁽¹⁸⁾		Italy	100	Direct	–	–	At cost
EP Solar Fiume Santo S.R.L. ⁽¹⁸⁾		Italy	100	Direct	–	–	At cost
EP France S.A.S.* ⁽¹⁰⁾		France	100	Direct	–	–	Consolidated
Gazel Energie Generation S.A.S.		France	100	Direct	–	–	Consolidated
Aerodis, S.A.		France	100	Direct	–	–	Consolidated
Société des Eaux de l'Est S.A.		France	25	Direct	–	–	At cost

		31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Country of incorporation	Ownership %	Ownership interest	Ownership %	Ownership interest	
Illico S.A.S.		France	100	Direct	–	–	Consolidated
Gazel Energie Renouvelables S.A.S.		France	100	Direct	–	–	Consolidated
Gazel Energie Solaire S.A.S.		France	100	Direct	–	–	Consolidated
Gazel Energie Solutions S.A.S.		France	100	Direct	–	–	Consolidated
Dynamo S.A.S.		France	100	Direct	–	–	Consolidated
EP France Management & Services S.A.S.		France	100	Direct	–	–	Consolidated
C.S.E. Coulomb		France	100	Direct	–	–	Consolidated
EP NL B.V. (EP Netherlands B.V.)* ⁽¹¹⁾		Netherlands	100	Direct	–	–	Consolidated
EP NL Rijnmond 1 B.V. (Rijnmond Power Holding B.V.)		Netherlands	100	Direct	–	–	Consolidated
EP NL ZBL B.V. (PZEM Pipe B.V.)		Netherlands	100	Direct	–	–	Consolidated
PZEM Energy Company B.V		Netherlands	100	Direct	–	–	Consolidated
EP NL Sloe Centrale B.V. (Sloe Centrale B.V.)		Netherlands	100	Direct	–	–	Consolidated
EP NL Rijnmond 2 B.V. (Nieuwe Maas Energie B.V.)		Netherlands	100	Direct	–	–	Consolidated
EP NL Rijnmond Operations B.V. (Rijnmond Operations B.V.)		Netherlands	100	Direct	–	–	Consolidated
EP NL Europoort Holding B.V. (Primrose Power Holdings B.V.)		Netherlands	100	Direct	–	–	Consolidated
EP NL Europoort Tolling B.V. (Belsize Power Holdings B.V.)		Netherlands	100	Direct	–	–	Consolidated
Enecogen V.O.F.		Netherlands	50	Direct	–	–	Proportionate
EPH Financing SK, a.s. v likvidácii		Slovakia	100	Direct	100	Direct	At cost
EPH Financing CZ, a.s.		Czech Republic	100	Direct	100	Direct	Consolidated
EPH Financing International, a.s.		Czech Republic	100	Direct	100	Direct	Consolidated
EP Slovakia B.V.*		Netherlands	100	Direct	100	Direct	Consolidated
Slovak Power Holding B.V.*		Netherlands	50	Direct	50	Direct	Equity
Slovenské elektrárne, a.s.		Slovakia	66	Direct	66	Direct	Equity
Centrum pre vedu a výskum, s.r.o.		Slovakia	100	Direct	100	Direct	Equity
Ochrana a bezpečnosť SE, s.r.o.		Slovakia	100	Direct	100	Direct	Equity
Slovenské elektrárne – energetické služby, s.r.o.		Slovakia	100	Direct	100	Direct	Equity
Slovenské elektrárne Česká republika, s.r.o.		Czech Republic	100	Direct	100	Direct	Equity
SE Služby inžinierskych stavieb, s.r.o.		Slovakia	100	Direct	100	Direct	Equity
REAKTORTEST, s.r.o.		Slovakia	49	Direct	49	Direct	Equity
ÚJV Řež, a.s.		Czech Republic	27.80	Direct	27.80	Direct	Equity
Energotel, a.s.		Slovakia	20	Direct	20	Direct	Equity
Nadácia EPH		Slovakia	100	Direct	100	Direct	At cost
ADCONCRETUM REAL ESTATE DOO BEOGRAD-STARI GRAD		Serbia	100	Direct	100	Direct	At cost

Group entities

(continuing)

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
EP Logistics International, a.s.*	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
SŽ EP Logistika d.o.o.	Slovenia	49	Direct	49	Direct	Equity	Equity
SŽ – Tovorni promet, d.o.o.	Slovenia	100	Direct	100	Direct	Equity	Equity
SI-Cargo Logistics d.o.o.	Serbia	100	Direct	100	Direct	At cost	At cost
FERSPED, d.o.o.	Slovenia	100	Direct	100	Direct	Equity	Equity
VV LOG d.o.o.	Slovenia	100	Direct	100	Direct	At cost	At cost
FERCARGO d.o.o. SARAJEVO	Bosna and Herzegovina	70	Direct	70	Direct	At cost	At cost
Centar za kombinirani transport Zagreb d.d.	Croatia	32.72	Direct	32.72	Direct	At cost	At cost
SI Cargo Hungária Kft. ⁽¹⁹⁾	Hungary	100	Direct	–	–	At cost	–
LOCON Logistik & Consulting AG	Germany	100	Direct	100	Direct	Consolidated	Consolidated
LOCON Service GmbH	Germany	100	Direct	100	Direct	At cost	At cost
LOCON Benelux B.V. (20)	Germany	–	–	51	Direct	–	At cost
LokoTrain s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Lokotrain Deutschland GmbH	Germany	100	Direct	100	Direct	At cost	At cost
LOKOTRAIN POLSKA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100	Direct	99	Direct	At cost	At cost
LokoTrain Slovakia s.r.o.	Slovakia	100	Direct	100	Direct	At cost	At cost
SGL – Schienen Güter Logistik GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
EP Cargo Deutschland GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
EP Merseburg Transport und Logistik GmbH	Germany	51	Direct	51	Direct	At cost	At cost
EP CARGO POLSKA S.A.	Poland	100	Direct	100	Direct	Consolidated	Consolidated
EP Cargo Invest, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Intermodal a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Cargo Trucking CZ s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Cargo Trucking SK s. r. o.	Slovakia	50	Direct	50	Direct	Consolidated	Consolidated
EP CARGO TRUCKING PL Sp.z o.o.	Poland	100	Direct	100	Direct	Consolidated	Consolidated
EP Cargo Trucking SK s. r. o.	Slovakia	50	Direct	50	Direct	Consolidated	Consolidated
SPEDICA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ ⁽²¹⁾	Poland	100	Direct	–	–	Consolidated	–
SPEDICA GROUP COMPANIES, s.r.o.	Czech Republic	83.67	Direct	83.67	Direct	Consolidated	Consolidated
SPEDICA LOGISTIC, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
RAILSPED, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
RM LINES, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
SPEDICA, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
MIBRAG Energy Group GmbH*	Germany	10	Direct	10	Direct	Discontinued operation	Discontinued operation
MIBRAG GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
MIBRAG Consulting International GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
GALA-MIBRAG-Service GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Germany	50	Direct	50	Direct	Discontinued operation	Discontinued operation
Fernwärme GmbH Hohenmölsen – Webau	Germany	48.96	Direct	48.96	Direct	Discontinued operation	Discontinued operation
Ingenieurbüro für Grundwasser GmbH	Germany	25	Direct	25	Direct	Discontinued operation	Discontinued operation
Bohr & Brunnenbau GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
Helmstedter Revier GmbH	Germany	100	Direct	100	Direct	Discontinued operation	Discontinued operation
MIBRAG Profen GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
Tagebau Profen GmbH & Co. KG	Germany	100	Direct	100	Direct	Held for sale	Consolidated
MIBRAG Neue Energie GmbH	Germany	50	Direct	50	Direct	Held for sale	Consolidated
MITAFF GmbH & Co. KG	Germany	50	Direct	50	Direct	Held for sale	At cost
Photovoltaikpark Peres I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Breunsdorf I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Profen II GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Wohnwert Hohenmölsen GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
WP Helmstedter Revier I GmbH (Zukunft II GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Groitzscher Wohnwelt GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
MINCA GmbH	Germany	50	Direct	50	Direct	Discontinued operation	Discontinued operation
MIB GmbH (Zukunft XV GmbH)	Germany	50	Direct	–	–	Held for sale	At cost
MCS GmbH (Zukunft XIII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Büro für Angewandte Hydrologie GmbH (BAH GmbH) ⁽²⁾	Germany	85	Direct	–	–	Held for sale	–
Erdbaulabor Leipzig GmbH (EBL GmgH) ⁽³⁾	Germany	55	Direct	–	–	Held for sale	–
Geo!D GmbH (BHKW Profen GmbH)	Germany	100	Direct	100	Direct	Held for sale	At cost
GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) ⁽⁴⁾	Germany	100	Direct	–	–	Held for sale	At cost
Photovoltaikpark Peres III GmbH (Zukunft XII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Norddeutsche Gesellschaft zur Ablagerung von Mineralstoffen mbH	Germany	30.5	Direct	30.5	Direct	Held for sale	Consolidated
MIBRAG Schleenhain GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
Tagebau Schleenhain GmbH & Co. KG	Germany	100	Direct	100	Direct	Held for sale	Consolidated
MIBRAG Neue Energie GmbH	Germany	50	Direct	50	Direct	Held for sale	Consolidated
MITAFF GmbH & Co. KG	Germany	50	Direct	50	Direct	Held for sale	At cost

Group entities

(continuing)

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
Photovoltaikpark Peres I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Breunsdorf I GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Windpark Profen II GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
Wohnwert Hohenmölsen GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
WP Helmstedter Revier I GmbH (Zukunft II GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Groitzscher Wohnwelt GmbH	Germany	50	Direct	50	Direct	Held for sale	At cost
MINCA GmbH	Germany	50	Direct	50	Direct	Discontinued operation	Discontinued operation
MIB GmbH (Zukunft XV GmbH)	Germany	50	Direct	–	–	Held for sale	At cost
MCS GmbH (Zukunft XIII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Büro für Angewandte Hydrologie GmbH (BAH GmbH) ⁽²⁾	Germany	85	Direct	–	–	Held for sale	–
Erdbaulabor Leipzig GmbH (EBL GmgH) ⁽³⁾	Germany	55	Direct	–	–	Held for sale	–
GeoID GmbH (BHKW Profen GmbH)	Germany	100	Direct	100	Direct	Held for sale	At cost
GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) ⁽⁴⁾	Germany	100	Direct	–	–	Held for sale	At cost
Photovoltaikpark Peres III GmbH (Zukunft XII GmbH)	Germany	50	Direct	50	Direct	Held for sale	At cost
Norddeutsche Gesellschaft zur Ablagerung von Mineralstoffen mbH	Germany	30.5	Direct	30.5	Direct	Held for sale	Consolidated
Zukunft I GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) ⁽⁴⁾	Germany	–	–	100	Direct	Held for sale	At cost
MIB GmbH (Zukunft XV GmbH)	Germany	–	–	100	Direct	Held for sale	At cost
Zukunft XVI GmbH	Germany	100	Direct	100	Direct	Held for sale	At cost
Saale Energie GmbH	Germany	100	Direct	100	Direct	Held for sale	Consolidated
Kraftwerk Schkopau Betriebsgesellschaft mbH	Germany	100	Direct	100	Direct	Held for sale	Consolidated
ABS PROPERTY LIMITED	Ireland	100	Direct	100	Direct	Consolidated	Consolidated
EPIF Investments a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Infrastructure, a.s.*	Czech Republic	69	Direct	69	Direct	Consolidated	Consolidated
EP Energy, a.s.*	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
AISE, s.r.o.	Czech Republic	80	Direct	80	Direct	Consolidated	Consolidated
MARKON PCE s.r.o. ⁽²²⁾	Czech Republic	100	Direct	–	–	At cost	–
PT měření, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
United Energy, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EVO – Komořany, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
United Energy Moldova, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
United Energy Invest, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Nadační fond pro rozvoj vzdělávání	Czech Republic	100	Direct	100	Direct	At cost	At cost

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
EP Sourcing, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP ENERGY TRADING, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Dobrá Energie s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Gazel Energy, a.s.	Czech Republic	100	Direct	100	Direct	At cost	At cost
Elektrárny Opatovice, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
V A H O s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
Farma Lístek, s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
MR TRUST s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
ARISUN, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
POWERSUN a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Triskata, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
VTE Pchery, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Alternative Energy, s.r.o.	Slovakia	99	Direct	99	Direct	Consolidated	Consolidated
Severočeská teplárenská, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
GABIT spol. s r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
EOP Distribuce, a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská energetika Holding, a.s.*	Slovakia	49	Direct	49	Direct	Consolidated	Consolidated
Kinet s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
Kinet Inštal s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská distribučná, a.s.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
Elektroenergetické montáže, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
SSE – Metrológia s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská energetika – Project Development, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
SSE-Solar, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
SPX, s.r.o.	Slovakia	33.33	Direct	33.33	Direct	Equity	Equity
Energotel, a.s.	Slovakia	20	Direct	20	Direct	Equity	Equity
SSE CZ, s.r.o. v likvidaci	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
SPV100, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
SSE – MVE, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
Stredoslovenská energetika, a.s.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
PW geoenergy a.s.	Slovakia	51	Direct	51	Direct	Consolidated	Consolidated
EP ENERGY HR d.o.o. za usluge	Croatia	100	Direct	100	Direct	At cost	At cost
EP Cargo a.s.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
Patamon a.s.	Czech Republic	100	Direct	100	Direct	At cost	At cost
Plzeňská teplárenská, a.s.	Czech Republic	35	Direct	35	Direct	Consolidated	Consolidated
Plzeňská teplárenská SERVIS IN a.s.	Czech Republic	100	Direct	100	Direct	At cost	At cost

Group entities

(continuing)

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
fa Tříska top s.r.o. ⁽²³⁾	Czech Republic	100	Direct	–	–	At cost	–
Plzeňská teplárenská Energetické služby s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
TRAXELL s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
EPiF BidCo I s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
Czech Gas Holding Investment B.V.*	Netherlands	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA a.s.	Slovakia	40.45	Direct	40.45	Direct	Consolidated	Consolidated
Karotáž a cementace, s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
POZAGAS a.s.	Slovakia	65	Direct	65	Direct	Consolidated	Consolidated
NAFTA Services, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Lower Saxony GmbH (Lindentor 1207. V V GmbH) ⁽¹⁴⁾	Germany	10	Direct	–	–	At cost	–
EP Ukraine B.V.	Netherlands	10	Direct	10	Direct	Consolidated	Consolidated
EP Hungary, s.r.o.* ⁽²⁴⁾	Czech Republic	–	–	10	Direct	Consolidated	At cost
HHE Group Ventures Kft.	Hungary	–	–	50	Direct	Equity	At cost
Pusztaszer Koncessziós Kft.	Hungary	–	–	100	Direct	Equity	At cost
Darany Energy Kft.	Hungary	–	–	100	Direct	Equity	At cost
HHE DrávaP Koncessziós Kft.	Hungary	–	–	100	Direct	Equity	At cost
Slovakian Horizon Energy, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA E&P Holding Company a.s. ⁽²⁵⁾	Slovakia	100	Direct	–	–	Consolidated	–
EP Hungary, s.r.o.* ⁽²⁴⁾	Czech Republic	10	Direct	–	–	Consolidated	At cost
HHE Group Ventures Kft.	Hungary	50	Direct	–	–	Equity	At cost
Pusztaszer Koncessziós Kft.	Hungary	100	Direct	–	–	Equity	At cost
Darany Energy Kft.	Hungary	100	Direct	–	–	Equity	At cost
HHE DrávaP Koncessziós Kft.	Hungary	100	Direct	–	–	Equity	At cost
NAFTA Production s.r.o. ⁽²⁶⁾	Slovakia	100	Direct	–	–	Consolidated	–
NAFTA International B.V. *	Netherlands	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Germany GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Bavaria GmbH ⁽²⁷⁾	Germany	–	–	100	Direct	–	Consolidated
NAFTA Speicher Management GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher GmbH&Co. KG	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher Inzenham GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA RV	Ukraine	100	Direct	100	Direct	Consolidated	Consolidated
CNG Holdings Netherlands B.V.	Netherlands	100	Direct	100	Direct	At cost	At cost
CNG LLC	Ukraine	100	Direct	100	Direct	At cost	At cost
EPH Gas Holding B.V. * ⁽²⁸⁾	Netherlands	–	–	100	Direct	–	Consolidated
Seattle Holding B.V. * ⁽²⁸⁾	Netherlands	–	–	100	Direct	–	Consolidated
Slovak Gas Holding B.V. * ⁽²⁸⁾	Netherlands	100	Direct	100	Direct	Consolidated	Consolidated

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
SPP Infrastructure, a.s.	Slovakia	49	Direct	49	Direct	Consolidated	Consolidated
eustream, a.s.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
Central European Gas HUB AG	Austria	15	Direct	15	Direct	At cost	At cost
Eastring B.V. in liquidatie	Netherlands	100	Direct	100	Direct	At cost	At cost
Plynárenská metrológia, s.r.o.	Slovakia	100	Direct	100	Direct	At cost	At cost
SPP - distribúcia, a.s.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
SPP - distribúcia Servis, s.r.o.	Slovakia	100	Direct	100	Direct	At cost	At cost
NAFTA a.s.	Slovakia	56.15	Direct	56.15	Direct	Consolidated	Consolidated
Karotáž a cementace, s.r.o.	Czech Republic	100	Direct	100	Direct	At cost	At cost
POZAGAS a.s.	Slovakia	65	Direct	65	Direct	Consolidated	Consolidated
NAFTA Services, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
EP Lower Saxony GmbH (Lindentor 1207. V V GmbH) ⁽¹⁴⁾	Germany	10	Direct	–	–	At cost	–
EP Ukraine B.V.	Netherlands	10	Direct	10	Direct	Consolidated	Consolidated
EP Hungary, s.r.o. ⁽²⁴⁾	Czech Republic	–	Direct	10	Direct	Consolidated	At cost
HHE Group Ventures Kft.	Hungary	–	Direct	50	Direct	Equity	At cost
Pusztaszer Koncessziós Kft.	Hungary	–	Direct	100	Direct	Equity	At cost
Darany Energy Kft.	Hungary	–	Direct	100	Direct	Equity	At cost
HHE DrávaP Koncessziós Kft.	Hungary	–	Direct	100	Direct	Equity	At cost
Slovakian Horizon Energy, s.r.o.	Slovakia	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA E&P Holding Company a. s. ⁽²⁵⁾	Slovakia	100	Direct	–	–	Consolidated	–
EP Hungary, s.r.o. ⁽²⁴⁾	Czech Republic	10	Direct	–	–	Consolidated	At cost
HHE Group Ventures Kft.	Hungary	50	Direct	–	–	Equity	At cost
Pusztaszer Koncessziós Kft.	Hungary	100	Direct	–	–	Equity	At cost
Darany Energy Kft.	Hungary	100	Direct	–	–	Equity	At cost
HHE DrávaP Koncessziós Kft.	Hungary	100	Direct	–	–	Equity	At cost
NAFTA Production s.r.o. ⁽²⁶⁾	Hungary	100	Direct	–	–	Consolidated	–
NAFTA International B.V.*	Netherlands	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Germany GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Bavaria GmbH ⁽²⁷⁾	Germany	–	–	100	Direct	–	Consolidated
NAFTA Speicher Management GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA Speicher GmbH&Co. KG	Germany	100	Direct	–	–	Equity	At cost
NAFTA Speicher Inzenham GmbH	Germany	100	Direct	100	Direct	Consolidated	Consolidated
NAFTA RV	Ukraine	100	Direct	100	Direct	Consolidated	Consolidated
CNG Holdings Netherlands B.V.	Netherlands	100	Direct	100	Direct	At cost	At cost
CNG LLC	Ukraine	100	Direct	100	Direct	At cost	At cost
GEOTERM KOŠICE, a.s.	Slovakia	95.82	Direct	95.82	Direct	Consolidated	Consolidated

Group entities

(continuing)

	Country of incorporation	31 December 2024		31 December 2023		2024 Measurement	2023 Measurement
		Ownership %	Ownership interest	Ownership %	Ownership interest		
SPP Storage, s.r.o.	Czech Republic	100	Direct	100	Direct	Consolidated	Consolidated
POZAGAS a.s.	Slovakia	35	Direct	35	Direct	Consolidated	Consolidated
SLOVGEOTERM a.s.	Slovakia	50	Direct	50	Direct	Equity	Equity
GEOTERM KOŠICE, a.s.	Slovakia	0.08	Direct	0.08	Direct	Consolidated	Consolidated
GALANTATERM spol. s r.o.	Slovakia	0.5	Direct	0.5	Direct	At cost	At cost
GALANTATERM spol. s r.o.	Slovakia	17.5	Direct	17.5	Direct	At cost	At cost
SPP Infrastructure Financing B.V.	Netherlands	100	Direct	100	Direct	Consolidated	Consolidated

* Holding entity

(1) On 27 June 2024, EP New Energies GmbH was sold out of the Group; on 27 June 2024 EP New Energies GmbH was renamed to LEAG Renewables GmbH.

(2) On 27 June 2024, Büro für Angewandte Hydrologie GmbH was purchased.

(3) On 25 April 2024, Erdbaulabor Leipzig GmbH was purchased.

(4) On 12 February 2024, GWL Grundwasser Leipzig GmbH (Zukunft XIV GmbH) was transferred from MIBRAG GmbH to MCS GmbH (Zukunft XIII GmbH).

(5) On 28 November EP UK Investments Limited was sold from EP Power Europe to Energetický a průmyslový holding, a.s. as a part of internal reorganization.

(6) On 14 June 2024, EPC Energy d.o.o. was established.

(7) On 19 August 2024, EP Commodities London Ltd was established.

(8) On 29 November 2024, EP Produzione S.p.A. was sold from EP Power Europe, a.s. to Energetický a průmyslový holding, a.s. as a part of internal reorganization.

(9) On 23 December 2024, EP Power Europe, a.s. purchased 49% interest of EP New Energy Italia S.r.l. and Biomasse Servizi S.r.l.

(10) On 29 November 2024, EP France S.A.S. was sold from EP Power Europe, a.s. to Energetický a průmyslový holding, a.s. as a part of internal reorganization.

(11) On 14 June 2024 EP Netherlands B.V. was renamed to EP NL B.V.; on 29 November 2024, EP NL B.V. was sold from EP Power Europe, a.s. to Energetický a průmyslový holding, a.s. as a part of internal reorganization.

(12) During 2024, the entities were liquidated or merged as a part of internal reorganization of EP NL Group.

(13) On 16 October 2024, MENH a.s. was sold out of the Group.

(14) On 21 June 2024, Lindentor 1207. V V GmbH was purchased; on 6 July 2024, Lindentor 1207. V V GmbH was renamed to EP Lower Saxony GmbH.

(15) On 27 November 2024, EPR ASIA PTE. LTD was sold from EP Resources AG to EP Power Europe, a.s.

(16) On 1 January 2024, EP Fleet, s.r.o. changed legal form from k.s. to s.r.o.

(17) On 13 December 2024, West Burton Flexible Generation Limited was acquired.

(18) On 28 March 2024, EP Bess Fiume Santo S.R.L. and EP Solar Fiume Santo S.R.L. were established.

(19) On 8 October 2024, SI Cargo Hungária Kft. was established.

(20) On 24 September 2024, LOCON Benelux B.V. was liquidated.

(21) On 1 March 2024, SPEDICA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ was purchased.

(22) On 15 May 2024, MARKON PCE s.r.o. was purchased.

(23) On 18 December 2024, fa Tříska top s.r.o. was purchased.

(24) On 21 November 2024, EP Hungary, s.r.o. transferred from Czech Gas Holding Investment B.V. to NAFTA E&P Holding Company a.s.

(25) On 20 June 2024, NAFTA E&P Holding Company a.s. was founded.

(26) On 17 July 2024, NAFTA Production s.r.o. was founded.

(27) On 30 September 2024, NAFTA Bavaria GmbH merged to NAFTA Germany GmbH. NAFTA Germany GmbH is the successor company.

(28) On 1 October 2024, EPH GAS Holding B.V. and Seattle Holding B.V. merged to Slovak Gas Holding B.V. Slovak Gas Holding B.V. is the successor company.

The structure above is listed by ownership of companies at the different levels within the Group.

Appendix 3 – Restated Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

For the year ended 31 December 2023			
In millions of EUR (“MEUR”)			
	2023 as issued	Restatement of discontinued operations	2023 restated
Revenues	24,208	(227)	23,981
Purchases and consumables	(17,164)	(35)	(17,199)
Subtotal	7,044	(262)	6,782
Services	(888)	51	(837)
Personnel expenses		51	(837)
Depreciation, amortization and impairment	(750)	110	(640)
Emission rights, net	(827)	53	(774)
Bargain purchase gain	(1,522)	17	(1,505)
Own work, capitalized	3	–	3
Other operating income (expense), net	36	(1)	35
Profit from operations	(333)	74	(259)
Finance income	1,944	(4)	1,940
Change in impairment on financial instruments and other financial assets	(12)	2	(10)
Finance expense	(418)	(197)	(615)
Net finance income	1,514	(199)	1,315
Share of profit of equity accounted investees, net of tax	999	(3)	996
Gain from disposal of subsidiaries, joint ventures, joint operations and associates	96	–	96
Profit before income tax	5,372	(160)	5,212
Income tax expenses	(657)	40	(617)
Profit for the year from continuing operations	4,715	(120)	4,595

Consolidated statement of comprehensive income

(continuing)

	2023 as issued	Restatement of discontinued operations	2023 restated
Items that are not reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment, net of tax	479	-	479
Fair value reserve included in other comprehensive income, net of tax	(45)	-	(45)
Share of the other comprehensive income of equity accounted investees, net of tax	2	-	2
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign opera-tions	(62)	-	(62)
Effective portion of changes in fair value of cash-flow hedg-es, net of tax	218	-	218
Share of the other comprehensive income of equity accounted investees, net of tax	441	-	441
Share of the other comprehensive income of equity accounted investees reclassified to profit or loss on disposal, net of tax	53	-	53
Other comprehensive income for the year, net of tax	1,086	-	1,086
Total comprehensive income for the year	5,801	-	5,801
Profit attributable to:			
Owners of the Company	4,389	-	4,389
Non-controlling interest	326	-	326
Profit for the year	4,715	-	4,715
Total comprehensive income attributable to:			
Owners of the Company	4,959	-	4,959
Non-controlling interest	842	-	842
Total comprehensive income for the year	5,801	-	5,801

Appendix 4 – Restated Consolidated

statement of financial position

Consolidated statement of financial position

As at 30 December 2023				
In millions of EUR (“MEUR”)				
	31 December 2023 as issued	Changes in presentation of advance payments	Adjustments to purchase price allocation	31 December 2023 restated
Assets				
Property, plant and equipment	12,697	626	(63)	13,260
Intangible assets and goodwill	749	1	49	799
Investment property	21	-	-	21
Equity accounted investees	874	-	-	874
Restricted cash	23	-	-	23
Financial instruments and other financial assets	546	-	-	546
Trade receivables and other assets	419	(302)	-	117
Prepayments and other deferrals	8	-	-	8
Deferred tax assets	270	-	(4)	266
Total non-current assets	15,607	325	(18)	15,914
Current assets				
Inventories, extracted minerals and mineral prod-ucts	1,007	-	-	1,007
Trade receivables and other assets	3,689	(325)	-	3,364
Contract assets	75	-	-	75
Financial instruments and other financial assets	4,718	-	-	4,718
Prepayments and other deferrals	102	-	-	102
Current income tax receivable	140	-	-	140
Restricted cash	33	-	-	33
Cash and cash equivalents	3,502	-	-	3,502
Total current assets	13,266	(325)	-	12,941
Total assets	28,873	-	(18)	28,855

Consolidated statement of financial position

(continuing)

	31 December 2023 as issued	Changes in presentation of advance payments	Adjustments to purchase price allocation	31 December 2023 restated
Equity				
Share capital	161	–	–	161
Reserves	1,249	–	–	1,249
Retained earnings	3,629	–	–	3,629
Total equity attributable to equity holders	5,039	–	–	5,039
Non-controlling interest	4,171	–	–	4,171
Total equity	9,210	–	–	9,210
Liabilities				
Loans and borrowings	7,460	–	–	7,460
Financial instruments and financial liabilities	173	–	–	173
Provisions	1,430	–	–	1,430
Deferred income	84	–	–	84
Contract liabilities	120	–	–	120
Deferred tax liabilities	2,044	–	(18)	2,026
Trade payables and other liabilities	20	–	–	20
Total non-current liabilities	11,331	–	(18)	11,313
Trade payables and other liabilities	3,133	–	–	3,133
Contract liabilities	105	–	–	105
Loans and borrowings	870	–	–	870
Financial instruments and financial liabilities	2,157	–	–	2,157
Provisions	1,578	–	–	1,578
Deferred income	57	–	–	57
Current income tax liability	432	–	–	432
Total current liabilities	8,332	–	–	8,332
Total liabilities	19,663	–	(18)	19,645
Total equity and liabilities	28,873	–	(18)	28,855

Appendix 5 – Restated Consolidated

statement of cash flows

Consolidated statement of cash flows

For the year ended 31 December 2023			
In millions of EUR (“MEUR”)	2023 as issued	Restatement of discontinued operations	2023 restated
OPERATING ACTIVITIES			
Profit for the year	4,715	(120)	4,595
Adjustments for:			
Income tax expenses	657	(40)	617
Depreciation, amortization and impairment	827	(53)	774
Dividend income	(6)	–	(6)
Change in impairment on financial instruments and other financial assets	12	(2)	10
Non-cash (gain) loss from commodity and freight derivatives, net	220	–	220
(Gain) loss on disposal of property, plant and equipment and intan-gible assets	3	(1)	2
Emission rights, net	1,522	(17)	1,505
Share of profit of equity accounted investees	(999)	3	(996)
Gain from disposal of subsidiaries, joint ventures, joint operations and associates	(96)	–	(96)
Gain from financial instruments	(1,678)	–	(1,678)
Net interest expense	254	(10)	244
Change in allowance for impairment to trade receivables and other assets, write-offs	99	–	99
Change in provisions	(38)	(61)	(99)
Bargain purchase gain	(3)	–	(3)
Other non-cash transactions	–	212	212
Unrealized foreign exchange gains, net	(105)	–	(105)
Operating profit before changes in working capital	5,384	(89)	5,295

Consolidated statement of cash flows

(continuing)

	2023 as issued	Restatement of discontinued operations	2023 restated
Change in trade receivables, other assets, prepayment and other deferrals and contract assets	2,754	–	2,754
Change in inventories, extracted minerals and mineral products	141	14	155
Purchase and sale of emission rights	(1,679)	28	(1,651)
Change in trade payables and other liabilities, deferred income and con-tract liabilities	(1,975)	5	(1,970)
Change in restricted cash	(16)	1	(15)
Cash generated from (used in) operations	4,609	(41)	4,568
Income taxes paid	(989)	19	(970)
Cash flows generated from operating activities from discontinued opera-tions	–	22	22
Cash flows generated from (used in) operating activities	3,620	–	3,620
INVESTING ACTIVITIES			
Dividends received from associates and joint ventures	7	(3)	4
Dividends received, other	3	–	3
Purchase of financial instruments	(2)	–	(2)
Issue (repayment) of bills of exchange	(213)	–	(213)
Loans provided to other entities	(404)	–	(404)
Repayment of loans provided to other entities	397	–	397
Proceeds from sale/settlement of financial instruments	93	–	93
Acquisition of property, plant and equipment and intangible assets	(857)	69	(788)
Proceeds from sale of property, plant and equipment and intangible assets	19	–	19
Acquisition of subsidiaries and joint operations, net of cash acquired	(456)	–	(456)
Increase in participation in existing subsidiaries, joint ventures, joint operations and associates	4	–	4
Capital contributions paid to (from) associates and joint ventures	2	–	2
Interest received	75	–	75
Cash flows used in investing activities from discontinued operations	–	(66)	(66)
Cash flows from (used in) investing activities	(1,332)	–	(1,332)

Consolidated statement of cash flows

(continuing)

	2023 as issued	Restatement of discontinued operations	2023 restated
FINANCING ACTIVITIES			
Proceeds from borrowings received	4,839	–	4,839
Repayment of borrowings	(5,152)	–	(5,152)
Proceeds from bonds issued, net of transaction fees	538	–	538
Repayment of bonds issued	(203)	–	(203)
Finance fees paid from borrowings and bonds issued	(31)	–	(31)
Payment of lease liabilities	(71)	1	(70)
Interest paid	(298)	–	(298)
Dividends paid to non-controlling interests	(202)	–	(202)
Dividends paid to the owners of the Company	(1,216)	–	(1,216)
Cash flows used in financing activities from discontinued operations	–	(1)	(1)
Cash flows from (used in) financing activities	(1,796)	–	(1,796)
Net increase (decrease) in cash and cash equivalents	492	–	492
Cash and cash equivalents at beginning of the year	3,010	–	3,010
Effect of exchange rate fluctuations on cash held	–	–	–
Cash and cash equivalents at end of the year	3,502	–	3,502

VI. Single Auditor's Report



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Section C, File 24349
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

Energetický a průmyslový holding, a.s.

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

Opinion

We have audited the accompanying financial statements of Energetický a průmyslový holding, a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2024, and the profit and loss account, statement of changes in equity and cash flow statement 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 Energetický a průmyslový holding, a.s. as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors 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.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual 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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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 skepticism 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 and the Supervisory Board 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.

In Prague on 25 March 2025

Audit firm:

Statutory auditor:

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

Ladislav Šauer
registration no. 2261

VII. Statutory Financial Statements

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Energetický a průmyslový holding, a.s.

Independent Auditor's Report for the Year Ended 31 December 2024

Balance sheet
full version

Energetický a průmyslový holding, a.s.
Corporate ID 283 56 250
Pařížská 130/26
Josefov
110 00 Praha 1

As of 31-12-24 (in EUR million)		31.12.2024		31.12.2023	
		Gross	Adjustment	Net	Net
TOTAL ASSETS		10,497	6	10,491	7,569
A.	Receivables for subscribed capital				
B.	Fixed assets	8,537	6	8,531	4,699
B.III.	Non-current financial assets	8,537	6	8,531	4,699
B.III.1.	Equity investments – controlled or controlling entity	8,531	6	8,525	4,693
B.III.5.	Other non-current securities and investments	6		6	6
C.	Current assets	1,944		1,944	2,843
C.I.	Inventories				2
C.I.2.	Work in progress and semifinished goods				2
C.II.	Receivables	1,338		1,338	2,340
C.II.1.	Long-term receivables	709		709	1,058
C.II.1.2.	Receivables – controlled or controlling entity	599		599	915
C.II.1.3.	Receivables – associates	108		108	104
C.II.1.5.	Receivables – other	2		2	39
C.II.1.5.4.	Sundry receivables	2		2	39
C.II.2.	Short-term receivables	629		629	1,282
C.II.2.1.	Trade receivables	25		25	31
C.II.2.2.	Receivables – controlled or controlling entity	580		580	1,229
C.II.2.4.	Receivables – other	24		24	22
C.II.2.4.3.	State – tax receivables	5		5	19
C.II.2.4.4.	Short-term prepayments made	1		1	
C.II.2.4.5.	Estimated receivables	2		2	
C.II.2.4.6.	Sundry receivables	16		16	3
C.IV.	Cash	606		606	501
C.IV.2.	Cash at bank	606		606	501
D.	Other assets	16		16	27
D.1.	Deferred expenses	16		16	27



		31.12.2024	31.12.2023
TOTAL LIABILITIES & EQUITY		10,491	7,569
A.	Equity	4,305	564
A.I.	Share capital	162	162
A.I.1.	Share capital	162	162
A.II.	Share premium and capital funds	121	(14)
A.II.2.	Capital funds	121	(14)
A.II.2.1.	Other capital funds	201	
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	(80)	(14)
A.IV.	Retained earnings (+/-)	40	25
A.IV.1.	Accumulated profits or losses brought forward (+/-)	40	25
A.V.	Profit or loss for the current period (+/-)	5,177	1,542
A.VI.	Profit share prepayments declared (-)	(1,195)	(1,151)
B.+C.	Liabilities	6,182	7,005
C.	Payables	6,182	7,005
C.I.	Long-term payables	2,655	3,876
C.I.1.	Bonds issued	70	98
C.I.1.2.	Other bonds	70	98
C.I.2.	Payables to credit institutions	1,380	2,866
C.I.6.	Payables – controlled or controlling entity	1,198	905
C.I.9.	Payables – other	7	7
C.I.9.3.	Sundry payables	7	7
C.II.	Short-term payables	3,527	3,129
C.II.1.	Bonds issued	70	2
C.II.1.2.	Other bonds	70	2
C.II.2.	Payables to credit institutions	437	73
C.II.4.	Trade payables	5	6
C.II.6.	Payables – controlled or controlling entity	3,011	2,803
C.II.8.	Other payables	4	245
C.II.8.1.	Payables to partners		236
C.II.8.3.	Payables to employees		1
C.II.8.6.	Estimated payables	2	1
C.II.8.7.	Sundry payables	2	7
D.	Other liabilities	4	
D.2.	Deferred income	4	

Profit and loss account
structured by the nature of expense method

Energetický a průmyslový holding, a.s.
Corporate ID 283 56 250
Pařížská 130/26
Josefov
110 00 Praha 1

Year ended 31-12-24
(in EUR million)

	31.12.2024	31.12.2023
I. Sales of products and services	12	9
A. Purchased consumables and services	22	27
A.3. Services	22	27
B. Change in internally produced inventory (+/-)	2	(1)
D. Staff costs	10	14
D.1. Payroll costs	8	12
D.2. Social security and health insurance costs and other charges	2	2
D.2.1. Social security and health insurance costs	2	2
III. Other operating income	52	1 957
III.3. Sundry operating income	52	1 957
F. Other operating expenses	57	1 959
F.5. Sundry operating expenses	57	1 959
* Operating profit or loss (+/-)	(27)	(33)
IV. Income from non-current financial assets – equity investments	5,408	1,764
IV.1. Income from equity investments – controlled or controlling entity	5,408	1,764
VI. Interest income and similar income	99	75
VI.1. Interest income and similar income – controlled or controlling entity	70	52
VI.2. Other interest income and similar income	29	23
J. Interest expenses and similar expenses	335	233
J.1. Interest expenses and similar expenses – controlled or controlling entity	185	87
J.2. Other interest expenses and similar expenses	150	146
VII. Other financial income	105	262
K. Other financial expenses	66	290
* Financial profit or loss (+/-)	5,211	1,578
** Profit or loss before tax (+/-)	5,184	1,545
L. Income tax	7	3
L.1. Due income tax	7	3
** Profit or loss net of tax (+/-)	5,177	1,542
*** Profit or loss for the current period (+/-)	5,177	1,542
* Net turnover for the current period	5,676	4,067



Statement
of changes in equity

Energetický a průmyslový holding, a.s.
Corporate ID 283 56 250
Pařížská 130/26
Josefov
110 00 Praha 1

Year ended 31-12-24
(in EUR million)

	Share capital	Share premium	Gains or losses from the revaluation of assets	Accumulated profits brought forward	Profit or loss for the current period	Profit share prepayments declared	TOTAL EQUITY
Balance at 31 December 2022	162		(19)	1,860	354		2,357
Distribution of profit or loss				354	(354)		
Profit share prepayments declared						(1,151)	(1,151)
Profit shares declared				(2,189)			(2,189)
Gains or losses from the revaluation of assets and liabilities			5				5
Profit or loss for the curent period					1,542		1,542
Balance at 31 December 2023	162		(14)	25	1,542	(1,151)	564
Impact of the transition to EUR as the functional currency as of 1 January 2024			16				16
Distribution of profit or loss				391	(1,542)	1,151	
Profit share prepayments declared						(1,195)	(1,195)
Profit shares declared				(377)			(377)
Additional equity contribution		201					201
Gains or losses from the revaluation of assets and liabilities			(82)				(82)
Rounding and gains or losses from the revaluation to functional currency				1			1
Profit or loss for the curent period					5,177		5,177
Balance at 31 December 2024	162	201	(80)	40	5,177	(1,195)	4,305

Cash flow statement

Energetický a průmyslový holding, a.s.
Corporate ID 283 56 250
Pařížská 130/26
Josefov
110 00 Praha 1

Year ended 31-12-24
(in EUR million)

	Year ended 31.12.2024	Year ended 31.12.2023
P. Opening balance of cash and cash equivalents	501	197
Cash flows from ordinary activities (operating activities)		
Z. Profit or loss from ordinary activities before tax	5,184	1,545
A.1. Adjustments for non-cash transactions	(5,187)	(1,483)
A.1.4. Revenues from profit shares	(5,408)	(1,764)
A.1.5. Interest expense and interest income	236	159
A.1.6. Adjustments for other non-cash transactions	(15)	122
A.* Net operating cash flow before changes in working capital	(3)	62
A.2. Change in the non-monetary components of working capital	41	22
A.2.1. Change in operating receivables and other assets	41	18
A.2.2. Change in operating payables and other liabilities	(2)	5
A.2.3. Change in inventories	2	(1)
A.** Net cash flow from operations before tax	38	84
A.3. Interest paid	(295)	(204)
A.4. Interest received	94	62
A.5. Income tax and additionally assessed tax from prior periods	6	(40)
A.*** Net operating cash flows	(157)	(98)
Cash flows from investing activities		
B.1. Fixed assets expenditures		(12)
B.3. Loans and borrowings to related parties	792	(968)
Received profit shares	238	997
B.*** Net investment cash flows	1,030	17
Cash flow from financial activities		
C.1. Change in payables from financing	475	1,571
C.2. Impact of changes in equity	(1,243)	(1,186)
C.2.3. Other cash contributions made by partners and shareholders	121	
C.2.6. Profit shares paid	(1,364)	(1,186)
C.*** Net financial cash flows	(768)	385
F. Net increase or decrease in cash and cash equivalents	105	304
R. Closing balance of cash and cash equivalents	606	501

Notes to the Czech statutory financial statements

(non-consolidated, translated from the Czech original)

Year ended 31 December 2024
(All amounts are shown in millions of EUR)

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B) Receivables – associates	292	Current tax	303
C) Sundry receivables	292	17. Significant off-balance sheet transactions	303
7. Short-term receivables	293	18. Material subsequent events	304
A) Trade receivables	293		
B) Receivables – controlled and controlling entity	293		
C) State – tax receivables	294		
D) Sundry receivables	294		
E) Deferred expenses	294		

1. Incorporation and description of the Company

Energetický a průmyslový holding, a.s. (“the Company” or “EPH”) was registered in the Commercial Register on 10 August 2009 by subscription of the registered capital in the form of a non-monetary contribution of 100 % of shares of Bauliga, a.s., Honor Invest, a.s. and Masna Holding Limited.

The Company is a leading European energy group that owns and operates assets in the Czech Republic, the Slovak Republic, Germany, Italy, the UK, Ireland, France, and Switzerland. EPH is a vertically integrated energy utility covering a complete value chain with a primary focus on gas transmission, distribution and storage as well as power and heat generation and distribution. The Group focuses on regulated and long-term contracted assets in the areas of natural gas transmission, power, gas and heat distribution as well as gas storage and power generation.

Ownership structure

The shareholders of the Company as of 31 December 2024 are:

	Interest in registered capital	Voting rights
EP Group, a.s.	56 % plus 1 share	56 % plus 1 share
J&T ENERGY HOLDING, a.s.	44 % less 1 share	44 % less 1 share
Total	100 %	100 %

Registered office	Identification number
Energetický a průmyslový holding, a.s.	283 56 250
Pařížská 130/26, Josefov	
110 00 Prague 1	
Czech Republic	

Members of the Board of Directors and Supervisory Board as of 31 December 2024

Members of the Board of Directors	Members of the Supervisory Board
JUDr. Daniel Křetínský (Chairman)	Mgr. Petr Sekanina (Chairman)
Mgr. Marek Spurný	Mgr. Tereza Štefunková
Mgr. Pavel Horský	Mgr. Martin Fedor
Ing. Jan Špringl	

On 28 January 2025, there was a change in the composition of the members of the Board of Directors in the Commercial Register, where Mgr. Marek Spurný, Mgr. Pavel Horský, Ing. Jan Špringl were newly registered as Vice-Chairmen and Mgr. Ing. Tomáš David, Ing. Jiří Feist, Dipl. Eng.Univ. Leif Timmermann, Ing. Filip Bělák, Gary Wheatley Mazzotti, Ing. Miroslav Haško, Ing. Milan Jalový and Ing. Peter Černák were registered as new members.

2. Basis of accounting and general accounting policies applied by the Company

The accompanying financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, and relevant regulations, and decrees applicable to entrepreneurs, Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting.

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared as at the balance sheet date of 31 December 2024 for the 2024 calendar year (“the year” or “the accounting period”).

All amounts are shown in millions of EUR, unless stated otherwise.

A) Financial assets

Non-current financial assets include equity investments in subsidiaries and associated companies, debt securities that the Company has the intent and ability to hold to maturity, and other long-term securities for which the Company’s intent is not known upon acquisition.

Securities are initially stated at cost defined under Section 48 of Decree No. 500/2002 Coll. The cost of securities does not include interest on loans taken for their acquisition and expenses associated with their holding.

Equity investments are measured at acquisition cost at the balance sheet date. Where a particular equity investment has been temporarily impaired, a provision is recognised based on performed impairment tests. Impairment tests are carried out in the form of discounted operating cash flows.

Equity investments contributed to the Company’s registered capital are measured based on an expert opinion of an independent expert appointed by court.

If equity investments are held in foreign currencies, they are translated as at the balance sheet date using the current rates of exchange announced by the ECB against gains or losses from the revaluation of assets and liabilities in equity.

Available-for-sale securities and ownership interests are measured at fair value if the value can be determined. A change in fair value of available-for-sale securities is recognised in gains or losses from the revaluation of assets and liabilities in equity, if this is a change in fair value that is unlikely to be permanent. Impairment that is likely to be permanent is recognised as current period costs. If fair value of available-for-sale securities demonstrably increases after the impairment is recognised in finance cost accounts, the increase in fair value recognised up to the amount of formerly recognised impairment is recognised as revenue of the relevant period. The market value of securities as of the date of financial statements is used as the fair value.

If securities are held in foreign currencies, they are translated as at the balance sheet date using the current rates of exchange announced by the ECB against gains or losses from the revaluation of assets and liabilities in equity.

B) Receivables

Receivables are accounted for at their nominal value, assigned receivables are stated at acquisition cost, i.e. including other related costs (Section 25 of Act No. 563/1991 Coll.). As of the balance sheet date, a temporary impairment of doubtful receivables is accounted for using provisions that are debited to expenses and are shown in the correction column in the balance sheet. Provisions are recognised against receivables based on the Company’s own analysis of the credit status of individual customers.

As of the balance sheet date, the value of receivables from provided loans is increased by un-collected interest (except for default interest).

C) Derivatives

Trading derivatives

As of the balance sheet date, derivatives held for trading are recognised at fair value under ‘Other receivables’ or ‘Other payables’, and gains (losses) from changes in their fair values are recognised in profit or loss.

D) Loans received and granted

Short-term and long-term loans are initially recognised at their nominal value upon receipt. Upon the preparation of the financial statements the loan balances are increased by unpaid interest charged by banks or other parties. The part of long-term loans due within one year from the balance sheet date is classified as short-term.

E) Conversion of data in foreign currencies

Based on the amendment to Decree No. 500/2002 Coll., the Company has carried out an analysis of the primary economic environment in which it operates. Based on the analysis, the Company has determined that its functional currency is the Euro. Therefore, as of 1 January 2024, it has switched from the historically used functional currency CZK to the new functional currency Euro.

The Company applies the ECB exchange rates effective on the date of acquisition of an asset or the occurrence of a liability to translate foreign currency transactions to EUR.

Realised foreign exchange gains and losses are recognised in the profit and loss account.

As of the balance sheet date, foreign currency assets and liabilities are translated at the prevailing ECB rates and all foreign exchange differences arising from gains or losses from assets and liabilities were recorded in financial revenues or financial expenses (except for equity investments – see Note 2(a)).

The opening account balances as of the first day of the reporting period from which the accounting currency changed were determined by converting the closing account balances on which these opening account balances are based using the ECB’s exchange rate as of the balance sheet date of the previous reporting period.

The data for the previous reporting period stated in the financial statements were converted using the ECB’s exchange rate as of the balance sheet date of the previous reporting period.

F) Recognition of expenses and revenues

Revenues and expenses are recognised on an accrual basis, i.e. in the period to which they relate in terms of substance and timing. In compliance with the principle of prudence, reserves and provisions are created to cover all risks, losses and impairment known as of the balance sheet date and are debited to expenses.

G) Income tax

Current income tax is calculated using the effective tax rate and the accounting profit increased or decreased by permanent or temporary non-deductible expenses and non-taxable revenues (e.g. the creation and utilisation of other reserves and provisions, representation costs, differences between accounting and tax depreciation).

Deferred income tax is determined for companies constituting a group of companies and for all entities subject to the obligation of having their financial statements audited. It is based on the balance sheet approach, i.e. the temporary differences between the tax base of assets and liabilities and their book value in the balance sheet, multiplied by the income tax rate expected to be valid for the subsequent accounting period.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is presented in ‘State tax receivables’, the net payable (if any) is presented in ‘Income tax provision’.

H) Consolidation

The Company prepares its consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the EU. The consolidated financial statements are part of the consolidated annual report, which may be obtained at the Company’s registered office and at www.ephholding.cz or www.justice.cz in the collection of documents of Energetický a průmyslový holding, a.s.

The consolidated financial statements for the widest group of entities for the year 2024 are prepared by EP Investment S.à r.l, with its registered office at Place de Paris 2, L-2314 Luxembourg, where the consolidated financial statements are available.

I) External financing costs

Costs incurred to obtain external financing (including other associated costs) are accrued over the term of the loans to which they relate.

J) Dividends

Dividend income from investments is recognised when the shareholders’ rights to receive payment have been established. Profit share prepayments are recognised in current year revenues, i.e. in the period when the profit share prepayment was declared.

K) Changes in accounting methods compared to the previous reporting period

Net turnover for the reporting period

In the current reporting period, there has been a change in the accounting legislation, which has changed the method of calculating the net turnover for the reporting period. Newly, net turnover means the amount of revenues from the sales of products, goods and services for the reporting period and other revenues on which the business model of the accounting entity is based. When determining these revenues, account is taken of the industry and market in which the entity operates and the nature of its activities. The method of calculating the net turnover before the change was determined as the sum of all revenues reported on the relevant lines of the profit and loss account in the financial statements.

Since all revenues reported in the profit and loss account are related to the activity on which the entity's business model is based, the Company has decided to continue using the previous method of calculating the net turnover. The net turnover figure stated in the financial statements for the previous reporting period is therefore fully comparable with the data for the current reporting period, and therefore the financial statements also include comparative data for the previous year.

3. Other significant events

War in Ukraine

In the context of the ongoing military conflict in Ukraine and the related sanctions against the Russian Federation, the Company has identified risks and has taken reasonable measures to mitigate the impact on its business. Based on available information and current developments, the Company continuously analyses the situation and assesses its direct impact on the Company. The Company’s management has 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 in this situation cannot be ruled out, which could subsequently have a negative impact on the Company, its business, financial condition, results of operations, cash flows and overall prospects.

In accordance with the accounting policy described in 2(a) 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 that may impact the value of the equity investments. The Company has used various scenarios of future developments, including pessimistic options, which included, among others, a complete cessation of Russian gas flows to EU countries. As part of the impairment testing performed, the Company did not identify any impairment of the equity investments as of 31 December 2024 caused by the ongoing military conflict in Ukraine that would require an adjustment to the respective financial statement measurements under applicable accounting policies. However, future developments cannot be reliably predicted and therefore the need for adjustments to the values of equity investments in future periods cannot be excluded.

Functional currency

Based on the amendment to Decree No. 500/2002 Coll., the Company has carried out an analysis of the primary economic environment in which it operates. Based on the analysis, the Company determined that its functional currency is the Euro. Therefore, as of 1 January 2024, it has switched from the historically used functional currency CZK to the new functional currency Euro.

Pillar 2

The Company is part of a multinational group of enterprises (the Group) that is subject to new minimum taxation rules of 15% for multinational groups from 2024, introduced on the basis of Pillar 2 rules under the BEPS 2.0 initiative.

Simply put, the Pillar 2 rules stipulate that if the effective tax rate (calculated as the ratio of adjusted accounting result to adjusted corporate income tax in a given jurisdiction) in the jurisdictions where the Group operates falls below 15%, the Group will be required to pay a top-up tax to reach the minimum rate of 15%.

The relevant rules also provide for a transitional period during which the affected groups can avoid the complex calculation of the effective tax rate required by the new legislation. Pillar 2 legislation introduces a transitional simplification, the ‘Transitional Safe Harbour’ (TSH), which applies for a maximum of three years from the entry into force of the relevant regulation. TSH replaces the complex calculation under the Pillar 2 rules with simplified calculations that are mainly based on the data provided in the Country-by-Country Report and three types of alternative tests. In each jurisdiction where the Group operates and at least one of the tests is met, the top-up tax is considered zero.

The Company, in cooperation with the Group team responsible for Pillar 2, has carried out an assessment of its potential Pillar 2 top-up tax liability for 2024. This assessment is based on available preliminary financial data of the Group entities for 2024 and data presented in the Country-by-Country Report for 2023.

Based on the assessment carried out, the Company may not meet the conditions of TSH. In this context, a preliminary calculation of the effective tax rate under the Pillar 2 rules has been carried out on the basis of provisional accounting data for 2024, with significant adjustments resulting from the Pillar 2 rules (where applicable). On the basis of this provisional calculation, the Company should not be subject to a top-up tax.

The above analysis is an estimate, as the indicative calculation is based on a comprehensive regulation that has only recently been adopted (and is still subject to change in different jurisdictions). At the same time, not all the required data for a full calculation under the Pillar 2 rules are available.

4. Cash flow statement

The cash flow statement was prepared using the indirect method. Cash equivalents represent short-term liquid assets easily convertible into cash in an amount agreed in advance. Cash and cash equivalents can be analysed as follows:

In EUR million	Balance as of 31/12/2024	Balance as of 31/12/2023
Cash on hand	–	–
Cash at bank	606	501
Total	606	501

Cash flows from operating, investing or financial activities presented in the cash flow statement are not offset.

5. Non-current financial assets

As of 31 December 2024 and 31 December 2023

Equity investments – controlled or controlling entity

In millions of EUR

	Total profit (+) loss (-) for year 2024 (in millions of CZK/EUR/RSD/GBP)	Equity as of 31/12/2024 (in millions of CZK/EUR/RSD/GBP)	Acquisition cost as of 31/12/2024 (in EUR million) less provision	Acquisition cost as of 31/12/2023 (in EUR million) less provision
Adconcretum real estate Ltd.*	665,542 (RSD)	206 (RSD)	4	3
ABS PROPERTY LIMITED*	-126 (CZK)	-106 (CZK)	2	2
MIBRAG Energy Group GmbH (formerly JTSD – Braunkohlebergbau GmbH)*	26 EUR	103 (EUR)	17	16
EP Logistics International, a.s.*	-99 (CZK)	180 (CZK)	5	5
EP Power Europe, a.s.*	5,203 (EUR)	1,323 (EUR)	791	806
EPIF Investments a.s.*	228 (EUR)	3,663 (EUR)	3,616	3,683
EP Investment Advisors, s.r.o.*	4 (CZK)	304 (CZK)	11	12
Nadácia EPH*	0 (EUR)	6 (EUR)	–	–
EPH Financing SK, a.s. v likvidácii**	n/a	n/a	–	–
EPH Financing CZ, a.s.*	7 (CZK)	35 (CZK)	1	1
EPH Financing International, a.s.*	0 (EUR)	4 (EUR)	5	5
EP Slovakia B.V.*	-1 (EUR)	157 (EUR)	175	160
EP Produzione S.p.A.*	20 (EUR)	235 (EUR)	1,755	–
EP UK Investments Ltd*	160 (GBP)	20 (GBP)	1,165	–
EP NL B.V.*	57 (EUR)	134 (EUR)	280	–
EP France S.A.S*	169 (EUR)	555 (EUR)	698	–
Total			8,525	4,693

Acquisition cost includes any provisions.
* Data derived from non-audited financial statements as of 31 December 2024.
** The Company was removed from the Commercial Register on 5 February 2025.

Except for MIBRAG Energy Group GmbH (10%), all equity investments are directly owned. The remaining 90% is indirectly owned by a 100% subsidiary of EP Power Europe, a.s., therefore the company is listed as controlled.

The Company recognised a provision in the amount of EUR 6 million against a financial investment in EP Investment Advisors, s.r.o. (as of 31 December 2023: EUR 6 million).

Registered offices of the companies as of 31 December 2024 were as follows:

Adconcretum real estate Ltd.	Belgrade, Vuka Karadzica 6, Serbia
ABS PROPERTY LIMITED	7 Argyle Square, Morehampton Road, Donnybrook, Dublin 4, D04K3H0, Ireland
MIBRAG Energy Group GmbH	Glück-Auf-Straße 1, 06711 Zeitz, Germany
EP Logistics International, a.s.	náměstí Hrdinů 1693/4a, Nusle, 140 00 Praha 4, Czech Republic
EP Power Europe, a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EPIF Investments a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EP Investment Advisors, s.r.o.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
Nadácia EPH	Plátennícka 19013/2, Bratislava – Ružinov, 821 09, Slovakia
EPH Financing SK, a.s. v likvidácii	Dúbravská cesta 14, Bratislava – mestská časť Karlova Ves, 841 04, Slovakia
EPH Financing CZ, a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EPH Financing International, a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EP Slovakia B.V.	Schiphol Boulevard 477 C-4, 1118BK, Schiphol, Netherlands
EP Produzione S.p.A.	Via Vittorio Veneto, 74 – 00187 Rome, Italy
EP UK Investments Ltd	Byron House, 7 – 9 St James’s Street, London SW1A 1EE, Great Britain
EP NL B.V.	Poelendaelesingel 10, 4335 JA Middelburg, Netherlands
EP France S.A.S.	2 Rue Berthelot 92400 Courbevoie, France

In 2024, there were the following significant changes in non-current financial assets:

- a) On 29 January 2024, the Company increased its shareholding in EP Slovakia B.V. in the form of an additional equity contribution of EUR 474 thousand.
- b) On 8 April 2024, the Company increased its shareholding in EP Slovakia B.V. in the form of an additional equity contribution of EUR 73 thousand.
- c) On 10 June 2024, the Company increased its shareholding in Adconcretum real estate Ltd. in the form of an additional equity contribution of EUR 30 thousand.
- d) On 23 October 2024, the Company increased its shareholding in EP Slovakia B.V. in the form of an additional equity contribution of EUR 20 thousand.
- e) On 28 November 2024, the Company purchased a 100% share in EP UK Investments Ltd from EP Power Europe, a.s.
- f) On 29 November 2024, the Company purchased a 100% share in EP Produzione S.p.A. from EP Power Europe, a.s.
- g) On 29 November 2024, the Company purchased a 100% share in EP France S.A.S from EP Power Europe, a.s.
- h) On 29 November 2024, the Company purchased a 100% share in EP NL B.V. from EP Power Europe, a.s.

The Company did not disclose the amounts for which its equity investments were sold as the Company considers it a trade secret.

Other non-current securities and investments include acquired profit participation certificates measured at fair value of EUR 6 million (EUR 6 million as of 31 December 2023).

6. Long-term receivables

A) Receivables – controlled and controlling entity

31 December 2024

In EUR million

Counterparty	Principal	Outstanding interest	Due date
EP Logistics International, a.s.	4	–	2027
EP Logistics International, a.s.	3	–	2026
EP Netherlands B.V.	235	–*	2026
EP Produzione S.p.A.	55	–*	2028
EP UK Investments Ltd	73	–*	2032
EP UK Investments Ltd	229	–*	2034
Total	599	–	

* Outstanding interest is recognised under Short-term payables – controlled or controlling entity, refer to Note 7(b).

31 December 2023

In EUR million

Counterparty	Principal	Outstanding interest	Due date
EP Commodities, a.s.	501	–*	2026
EP Logistics International, a.s.	5	–	2027
EP Logistics International, a.s.	3	–	2026
EP Netherlands B.V.	326	–*	2026
EP Power Europe, a.s.	25	–	2025
EP Power Europe, a.s.	55	–	2028
Total	915	–	

* Outstanding interest is recognised under Short-term payables – controlled or controlling entity, refer to Note 7(b).

B) Receivables – associates

31 December 2024

In EUR million

Counterparty	Principal	Outstanding interest	Due date
Slovenské elektrárne, a.s.	108	–	2027
Total	108		

The receivable was repaid in full on 30 January 2025.

31 December 2023

In EUR million

Counterparty	Principal	Outstanding interest	Due date
Slovenské elektrárne, a.s.	104	–	2027
Total	104		

C) Sundry receivables

As of 31 December 2024, sundry receivables include receivables arising from positive fair values of derivatives of EUR 2 million due in 2027 where the counterparty is Bank no. 1.

As of 31 December 2023, sundry receivables include loans to non-related parties in the amount of EUR 18 million and receivables arising from positive fair values of derivatives of EUR 21 million described below.

31 December 2023

In EUR million

Forward exchange contracts	Counterparty	Due date	Fair value
Currency forward	Bank no. 1	2027	1
Currency forward	Bank no. 2	2024–2026	9
Currency forward	Bank no. 3	2027	3
Currency forward	Bank no. 4	2025	8
Total			21

7. Short-term receivables

A) Trade receivables

Trade receivables amount to EUR 25 million (EUR 31 million as of 31 December 2023). None of the trade receivables is due in more than five years as of the balance sheet date.

Short-term receivables also include intercompany debit advices resulting from provided guarantees in the amount of EUR 8 million (EUR 19 million as of 31 December 2023).

B) Receivables – controlled and controlling entity

31 December 2024

In EUR million

Counterparty	Principal	Outstanding interest
ABS PROPERTY LIMITED	11	–
EP Commodities AG	1	–
EP Commodities, a.s.	503	1
EP Logistics International, a.s.	31	–
EP Netherlands B.V.	–*	1
EP Power Europe, a.s.	20	–
EP Produzione S.p.A.	–*	1
EP UK Investments Ltd	–*	11
Total	566	14

* The principal is presented under long-term receivables – controlled or controlling entity, refer to Note 6(a).

31 December 2023

In EUR million

Counterparty	Principal	Outstanding interest
ABS PROPERTY LIMITED	7	–
EP Commodities, a.s.	–*	8
EP Logistics International, a.s.	31	–
EP Netherlands B.V.	–*	5
EP Power Europe, a.s.	1,174	–
EP Produzione S.p.A.	–	4
Total	1,212	17

* The principal is presented under long-term receivables – controlled or controlling entity, refer to Note 6(a).

C) State – tax receivables

As of 31 December 2024, State – tax receivables include a receivable arising from value added tax of EUR 1 million (as of 31 December 2023: EUR 1 million) and a receivable arising from income tax prepayments made of EUR 13 million (as of 31 December 2023: EUR 20 million) which was reduced by an income tax provision of EUR 9 million (as of 31 December 2023: EUR 2 million).

D) Sundry receivables

Sundry receivables primarily include loans granted to non-related entities in the amount of EUR 2 million (EUR 1 million as of 31 December 2023), other receivables from operating activities in the amount of EUR 0 million (EUR 1 million as of 31 December 2023) and receivables arising from positive fair value of derivatives in the amount of EUR 14 million as stated below (EUR 1 million as of 31 December 2023).

31 December 2024

In EUR million

Forward exchange contracts	Counterparty	Due date	Fair value
Currency forward	Bank no. 1	2025	7
Currency forward	Bank no. 2	2025	6
Currency forward	Bank no. 3	2025	1
Total			14

31 December 2023

In EUR million

Forward exchange contracts	Counterparty	Due date	Fair value
Currency forward	Bank no	2024	1
Total			1

E) Deferred expenses

As of 31 December 2024, deferred expenses mainly include deferred fees relating to bank loans of EUR 16 million (as of 31 December 2023: EUR 27 million).

8. Equity

As of 31 December 2024, the Company’s share capital amounts to EUR 162 million; it comprises 4,000,000 pieces of ordinary registered shares in certificated form in the nominal value of CZK 1,000.

The change in gains or losses from the revaluation of assets and liabilities is due to foreign exchange differences arising from the revaluation of foreign currency shareholdings.

On 28 June 2024, the General Meeting of the Company decided to transfer the profit for the year 2023 of EUR 391 million to the retained earnings and also decided to settle the profit of EUR 1,151 million against the profit share prepayment declared by the Board of Directors on 22 December 2023.

In July and August 2024, the General Meeting of the Company decided to declare the dividends to its shareholders in the amount of EUR 377 million, which were partially offset against an additional equity contribution and the remaining portion was paid in cash.

In March, April and May 2024, the Company decided to pay profit share prepayments in the total amount of EUR 1,195 million which were partially offset against loans and partially paid in cash.

As of the date of approval of these financial statements, the proposal for distribution of the profit for the year 2024 has not yet been made. The proposal will be prepared by the Board of Directors for the Company’s shareholders and subsequently discussed and approved by the General Meeting.

In 2024, the Company did not acquire treasury shares or ownership interests.

9. Income tax provision

As of 31 December 2024 and 31 December 2023, the income tax provision is reduced by prepayments made and is presented under Short-term receivables – state – tax receivable, refer to Note 7(c).

10. Long-term payables

A) Other bonds

31 December 2024

In EUR million

Bond	Principal	Outstanding interest	Due date
Bond no. 1	28	1	2027
Bond no. 2	10	–	2026
Bond no. 3	20	–	2026
Bond no. 4	12	–	2026
Total	70	1	

31 December 2023

In EUR million

Bond	Principal	Outstanding interest	Due date
Bond no. 1	50	1	2025
Bond no. 2	10	–	2026
Bond no. 3	20	–	2026
Bond no. 4	10	1	2025
Bond no. 5	8	–	2025
Total	98	2	

The bonds have no prospectus and are not listed on any public market.

Outstanding interest of EUR 1 million (as of 31 December 2023: EUR 2 million) is presented in short-term payables in the ‘Other bonds’ line, refer to Note 11(a).

B) Payables to credit institutions

31 December 2024

In EUR million

Bank	Principal	Interest	Form of security	Due date
Bank no. 1	1,095	9	• None	2027, 2028
Bank no. 2	60	–	• None*	2029
Bank no. 3	100	1	• None*	2026
Bank no. 4	50	1	• None*	2028
Bank no. 5	75	1	• None*	2026, 2028
Total	1,380	12		

* Procedurally secured by a blank promissory note.

As of 31 December 2024, outstanding interest of EUR 12 million is presented in short-term payables to credit institutions, refer to Note 11(b).

31 December 2023

In EUR million

Bank	Principal	Interest	Form of security	Due date
Bank no. 1	50	–	• None	2025
Bank no. 2	100	–	• None*	2026
Bank no. 3	75	–	• None*	2025
Bank no. 4	75	1	• None*	2026, 2028
Bank no. 5	70	1	• None*	2025
Bank no. 6	2,496	2	• None*	2025, 2026, 2028
Total	2,866	4		

* Procedurally secured by a blank promissory note.

As of 31 December 2023, outstanding interest of EUR 4 million is presented in short-term payables to credit institutions, refer to Note 11(b).

C) Payables – controlled or controlling entity

31 December 2024

In EUR million

Counterparty	Principal	Outstanding interest	Due date
EPH Financing CZ, a.s.	95	–*	2027
EPH Financing CZ, a.s.	2	–	2028
EPH Financing International, a.s.	605	–*	2028
EPH Financing International, a.s.	496	–*	2029
Total	1,198	–	

* The outstanding interest is presented under 'Short-term payables – controlled or controlling entity', refer to Note 11(d).

31 December 2023

In EUR million

Counterparty	Principal	Outstanding interest	Due date
EPH Financing CZ, a.s.	303	–*	2025
EPH Financing CZ, a.s.	97	–*	2027
EPH Financing International, a.s.	500	–*	2028
EPH Financing International, a.s.	5	–	2028
Total	905	–	

* The outstanding interest is presented under 'Short-term payables – controlled or controlling entity', refer to Note 11(d).

D) Sundry payables

As of 31 December 2024, long-term sundry payables include fair value of derivatives in the amount of EUR 7 million (as of 31 December 2023: EUR 7 million).

31 December 2024

In EUR million

Forward exchange contract	Counterparty	Due date	Fair value
Interest SWAP, Swaption	Bank no. 1	2028, 2029	4
Currency forward, interest SWAP, Swaption	Bank no. 2	2027, 2029, 2030	3
Total			7

31 December 2023

In EUR million

Forward exchange contract	Counterparty	Due date	Fair value
Currency forward, interest SWAP	Bank no. 1	2025, 2028	1
Interest swap	Bank no. 2	2028	6
Total			7



11. Short-term payables

A) Other bonds

As of 31 December 2024, other bonds include principals and interest in the amount of EUR 69 million presented below and outstanding interest on bonds of EUR 1 million, the principal of which is presented in long-term other bonds.

31 December 2024

In EUR million

Bond	Principal	Outstanding interest	Due date
Bond 1	50	1	2025
Bond 2	10	–	2025
Bond 3	8	–	2025
Total	68	1	

As of 31 December 2023, other bonds only include outstanding bond interest in the amount of EUR 2 million, the principal of which is presented in other bonds.

The bonds do not have a prospectus and are not listed on any public market.

B) Payables to credit institutions

As of 31 December 2024, short-term payables to credit institutions include the principal and interest presented below, as well as outstanding interest on the principal of long-term payables to credit institutions presented in Note 10(b) in the amount of EUR 12 million. (as of 31 December 2023: EUR 4 million).

31 December 2024

In EUR million

Bank	Principal	Interest	Form of security	Due date
Bank no. 1	350	–	• None	2025
Bank no. 2	75	–	• None	2025
Total	425	–		

31 December 2023

In EUR million

Bank	Principal	Interest	Form of security	Due date
Bank no. 1	50	–	• None	2024
Bank no. 2	19	–	• None	2024
Total	69	–		

C) Trade payables

None of the trade payables is due in more than five years as of the balance sheet date; none of them are past due.

D) Payables – controlled or controlling entity

As of 31 December 2024, short-term payables – controlled or controlling entity include the principal and interest presented below, as well as payables arising from the purchase of shares in the total amount of EUR 702 million to EP Power Europe, a.s.

31 December 2024

In EUR million

Counterparty	Principal	Outstanding interest
EP Commodities AG	350	4
EP France S.A.S	633	5
EP Mehrum GmbH	271	11
EP Resources AG	14	–
EP Resources CZ a.s.	45	–
EPH Financing CZ, a.s.	298	4
EPH Financing CZ, a.s.	–*	3
EPH Financing International, a.s.	–*	5
EPH Financing International, a.s.	–*	3
Saale Energie GmbH	656	7
Total	2,267	42

* The amounts of loan principal are presented in 'Long-term payables – controlled or controlling entity', refer to Note 10(c).

As of 31 December 2023, short-term payables – controlled or controlling entity include the principal and interest presented below, as well as payables arising from assignments in the total amount of EUR 1,151 thousand to EP Power Europe, a.s.

31 December 2023

In EUR million

Counterparty	Principal	Outstanding interest
EP France S.A.S	598	6
EP Mehrum GmbH	646	14
EP Power Europe, a.s.	351	13
EP Resources CZ a.s.	12	–
EPH Financing CZ, a.s.	1	–
EPH Financing CZ, a.s.	–*	4
EPH Financing CZ, a.s.	–*	3
EPH Financing International, a.s.	–*	4
EPH Financing SK, a.s.	–	–
Total	1,608	44

* The amounts of loan principal are presented in 'Long-term payables – controlled or controlling entity', refer to Note 10(c).

E) Payables to shareholders

As of 31 December 2023, the payables to shareholders include an unpaid dividend in the amount of EUR 236 million declared on 21 December 2023, which was paid by March 2024.

12. Income and Expenses

The increase in revenues was influenced by centralised intercompany services provided, mainly in the area of controlling, financial management, legal advisory, central procurement, and information technologies.

Services relate especially to costs of accounting, audit, consolidation, legal and notary services, travel expenses and rents.

Sundry operating income and sundry operating expenses primarily include income or costs from re-invoicing.

Income from equity investments – controlled or controlling entity includes income from declared dividends and profit share prepayments of EP Power Europe, a.s. of EUR 5,170 million, MIBRAG Energy Group GmbH of EUR 10 million and EPIF Investments a.s. of EUR 228 million.

Other financial expenses and other financial income primarily include foreign exchange losses, losses from revaluation and settlement of derivatives and banking fees, and foreign exchange gains, gains from revaluation and settlement of derivatives and revenues from guarantees.

13. Related parties (except for balances presented above)

In compliance with Section 39b (8) of Decree No. 500/2002 Coll., the Company does not disclose transactions (revenues and expenses) between related entities within EPH Group that are wholly owned by the Company.

In addition to revenues from re-invoicing and revenue/income described in detail in the other notes above, the Company reported the following income from related parties which are not fully owned by the Company:

In EUR million	Revenues 2024	Expenses 2024	Revenues 2023	Expenses 2023
Interest income / expenses	11	–	10	–
Other operating income / expenses	–	5	–	1
Other financial income / expenses	–	–	6	–
Total	11	5	16	1

14. Employees and executives

As of 31 December 2024, the Company had 55 employees (51 employees in 2023). The members of the Board of Directors and the Supervisory Board received no remuneration or loans in relation to their function.

Social security and health insurance liabilities are not overdue.

15. Fees payable to statutory auditors

This information is disclosed in the notes to the consolidated financial statements as of and for the year ended 31 December 2024.

16. Income tax

Current tax

The Company created a provision for income tax for the year 2024 in the amount of EUR 9 million. This reduced the income tax prepayments in the amount of EUR 13 million and the resulting receivable in the amount of EUR 4 million was recognised in State – tax receivables (31 December 2023: net receivable in the amount of EUR 2 million). The income tax amount of EUR 7 million recognised in the profit and loss account represents the provision created for 2024, the difference between the tax liability for 2023 and the release of the provision created as of December 2023, and the income tax liability arising from submitting an additional tax return for 2022.

17. Significant off-balance sheet transactions

The Company has received commitments from bank institutions of up to EUR 1,982 million (EUR 1,651 million as of 31 December 2023).

The Company recognises receivables in the amount of EUR 1,455 million (EUR 1,852 million as of 31 December 2023) and payables in the amount of EUR 1,225 million (EUR 1,857 million as of 31 December 2023) related to currency derivatives presented in off-balance sheet accounts. These receivables and payables represent nominal values of closed derivative transactions performed as of 31 December 2024.

The Company guarantees all liabilities related to bonds issued by EPH Financing CZ, a.s. and EPH Financing International, a.s. The bonds issued by EPH Financing CZ, a.s. as of 31 December 2024 amounted to EUR 393 million (EUR 400 million as of 31 December 2023) and bonds issued by EPH Financing International, a.s. amounted to EUR 1,100 million (EUR 500 million as of 31 December 2023).

As the parent company of the whole EPH Group, the Company issues guarantees for the liabilities of its subsidiaries and associates up to the cumulated amount of EUR 6,586 million (EUR 6,691 million as of 31 December 2023) in favour of third-party beneficiaries.

18. Material subsequent events

In January 2025, an agreement with MIBRAG GmbH (“MIBRAG”) and MIBRAG Energy Group GmbH (“MnEG”) to assume the debt of €472 million owed by MnEG to MIBRAG by EPH became effective. This transaction is part of the overall process of transferring MnEG and its subsidiaries, together with any financial indebtedness, to EP Energy Transition, this process is to be finalized during 2025.

In February 2025, EPH has successfully raised its debut Japanese term loan credit facility (the “Samurai Loan”) totalling JPY 80.0 billion (equivalent EUR 510 million at current exchange rate). The Samurai Loan marks the largest debut samurai transaction for a global corporate borrower since the global financial crisis. A samurai loan is a predominantly yen-denominated loan issued in Japan by a non-Japanese company. The Samurai Loan comprises a JPY 80.0 billion equivalent 5-year credit facility, maturing February 2030. The loan pays an interest margin of 160bps over TONAR, offering a highly attractive rate for the borrower. It was arranged by SMBC Group which acted as the Sole Coordinator, Sole Bookrunner, and Mandated Lead Arranger.

On 28 February 2025, EPH repaid part of term loan provided by bank in amount of EUR 500 million which was due in 2028.

On 14 March 2025, a loan from EPH Financing CZ, s.r.o. in the amount of 300 million EUR (7.5 billion CZK) was repaid, which had been used for the repayment of bonds in the same amount.

Apart from the matters disclosed above and elsewhere in these notes to the financial statements, management is not aware of any other material subsequent events that would have an impact on the financial statements as of 31 December 2024.

Prepared on: 25 March 2025

Mgr. Marek Spurný
Vice-Chairman of the Board of Directors

Mgr. Pavel Horský
Vice-Chairman of the Board of Directors

VIII. Sustainability – Management Review



In this section

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1. Management review

Year 2024 in review

Despite volatile energy markets, geopolitical disruptions, and regulatory uncertainties, EPH remained committed to its mission of driving the energy transition. In 2024, the Group successfully decommissioned several high-emission assets, worked on expansion of its dispatchable capacities, and pursued opportunities in the energy storage sector with focus on battery storage. EPH also continued to advocate for the broader penetration of renewable gases such as hydrogen or biomethane, while recognizing the challenges that hinder their widespread adoption. These actions align with the Group’s overarching strategy: to enable a gradual and socially responsible decarbonization of the energy system, ensure security of supply, replace emission-intensive assets with modern low-carbon technologies, and revitalize affected regions rather than simply abandoning sites.

In March 2024, EPH closed its hard coal power plant Mehrum in Germany and Vojany in Slovakia operated by Slovenské elektrárne where EPH held a 33% equity stake and is currently in the process of increasing its stake to 66% to acquire full control of the company. The hard coal plant EH6 in France has not been producing since late February 2025 and EPH is currently evaluating strategic options for its future, including social considerations. EPH is in the divestment process of its remaining lignite operations in central Germany under MIBRAG Energy Group, set for completion in 2025. Beyond 2025, EPH’s coal exposure will be limited only to critical must-run assets such as the Fiume Santo hard coal power plant on Sardinia or district heating plants in the Czech Republic providing vital supplies of heat for major regional cities, but even there the Group has plans for converting these energy assets into more environmentally friendly solutions.

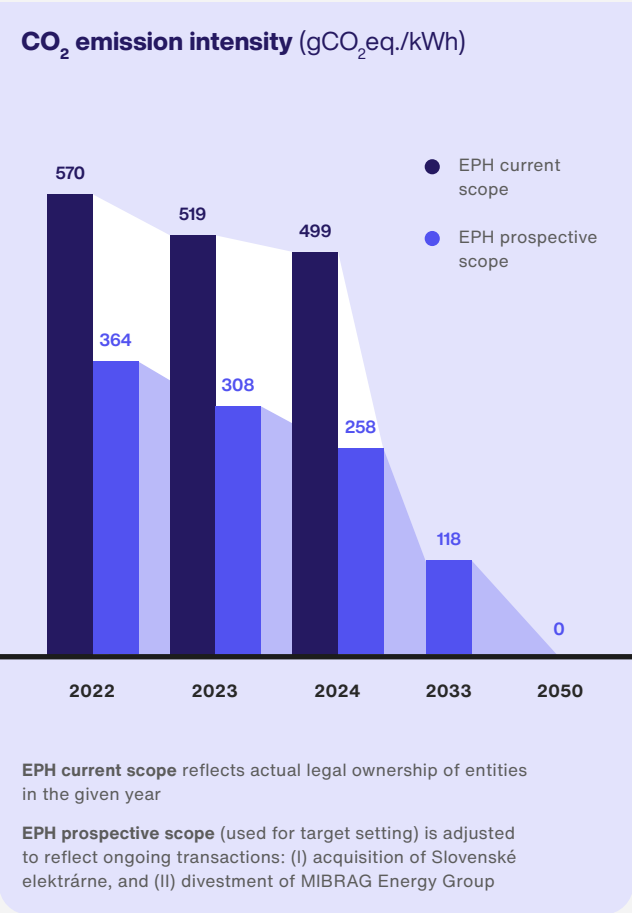
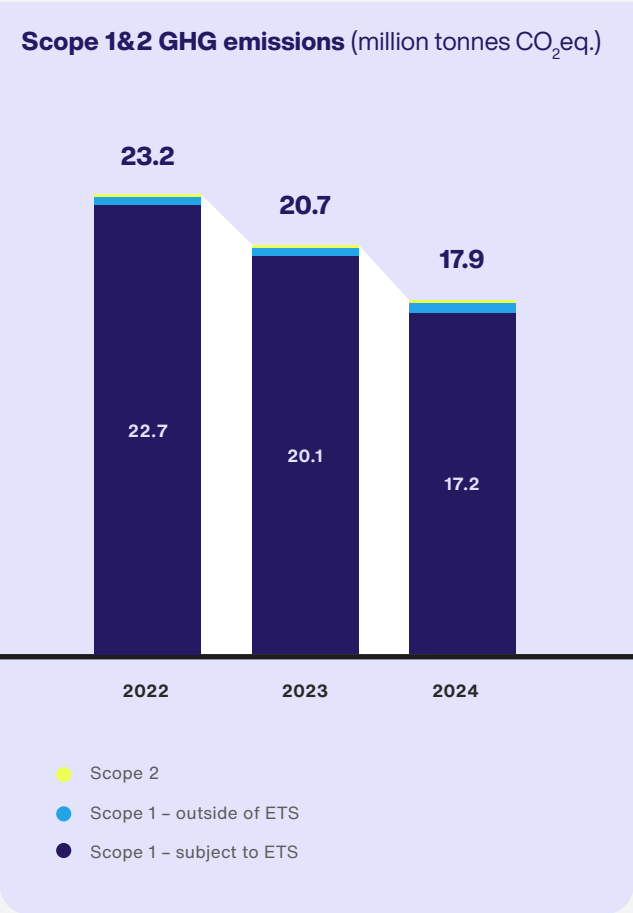
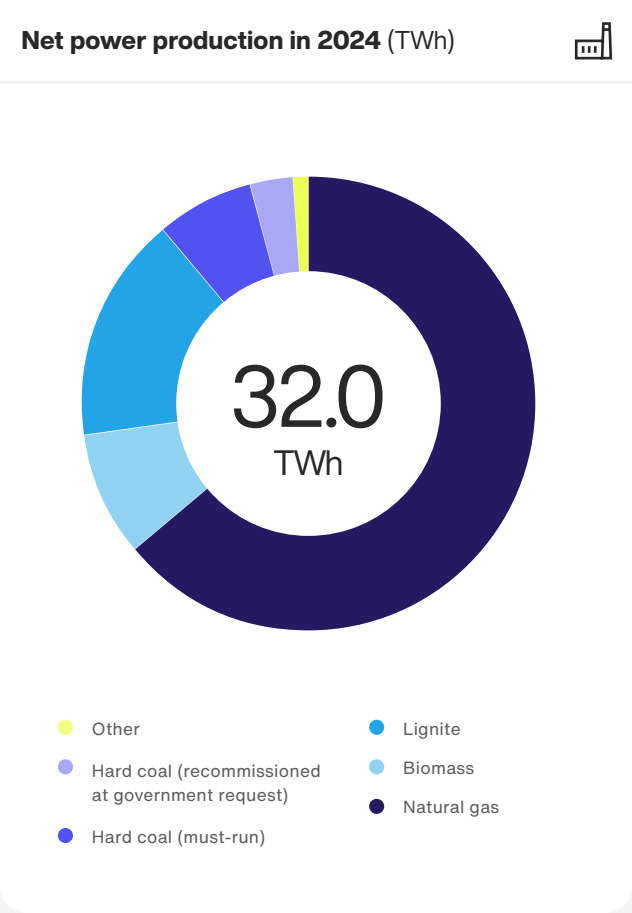
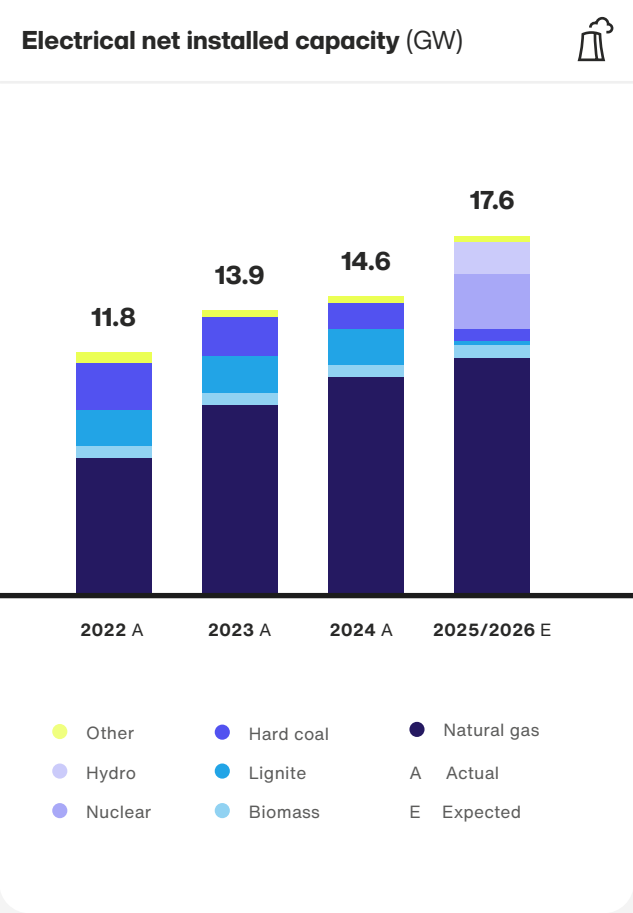
EPH continued to develop modern, highly efficient dispatchable capacities to support the increasing integration of intermittent renewable energy sources in the wider energy system. These are mainly represented by hydrogen-ready gas-fired power plants. In March 2024, the Group commissioned

a new 647 MW open-cycle gas turbine (OCGT) power plant at Kilroot, Northern Ireland, replacing the coal units that were decommissioned in 2023. Designed to cover peak demand periods when supply from other sources is insufficient, the plant operates under various 10-year capacity contracts. In April 2024, EPH successfully connected a new highly efficient and H2-ready combined-cycle gas turbine (CCGT) power plant at Tavazzano, Italy, to the grid, and is currently in an advanced stage of the commissioning process. Additionally, another highly efficient and H2-ready CCGT unit at Ostiglia, Italy, is scheduled for commissioning in the first half of 2026. Together, the two Italian plants will provide 1,680 MW of capacity, both backed by 15-year capacity contracts.

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

As a major operator of district heating assets in the Czech Republic, EPH is actively transitioning its cogeneration plants away from lignite toward a diversified energy mix based on hydrogen-ready CCGT units, waste-to-energy plants, and biomass units. EPH has secured investment subsidies from the Modernization Fund for all major projects, supporting this transformation. Additionally, its subsidiaries successfully participated in the inaugural national cogeneration subsidy auction, securing 15-year subsidies for highly efficient combined heat and power (CHP) operations. In total, EPH plants were awarded

Key performance indicators



Year 2024 in review
(continuing)

subsidies for 693 MW of installed capacity, with plans to submit additional capacity during 2025. This strategic shift will enable EPH to fully phase out lignite from its district heating operations by 2030, while maintaining vital heat supplies and grid balancing capacities.

Recognizing the growing need for energy storage solutions, EPH is pursuing investments in battery energy storage systems (BESS) and has developed a substantial pipeline of potential projects. The Group has already commissioned a 35 MW battery storage facility at the Emile Huchet power plant site in France and has reached a final investment decision for additional BESS projects in France, Italy, and the UK. Meanwhile, further opportunities are continuously being evaluated across all regions where EPH operates, reinforcing its commitment to enhancing grid stability.

Across its gas infrastructure, EPH continued advancing its readiness for hydrogen transit, storage, and distribution. In February 2024, EPH’s subsidiary eustream received an Important Project of Common European Interest (IPCEI) status for its plan to retrofit one of its pipes 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, EPH’s main gas storage subsidiary Nafta progressed with Project Henri, which focuses on identifying suitable sites for hydrogen storage, either blended with natural gas or pure hydrogen. In the gas distribution segment, EPH’s subsidiary SPP-distribúcia completed its certification process to prepare its network for distributing gas blends containing 5-10% hydrogen, ensuring infrastructure readiness for the evolving energy landscape.

To provide a link between its transition strategy and external financing, EPH introduced its green finance framework in May 2024 and subsequently issued its inaugural green bond of 500 million EUR via its subsidiary EPH Financing International, a.s. The EUR-denominated green bonds, maturing in

November 2029, bear an annual coupon of 5.875%. An amount equivalent to the net proceeds from the issuance will be allocated in line with EPH’s Green Finance Framework to a portfolio of eligible green projects.

Europe has recently faced mounting challenges stemming from an increasingly complex geopolitical landscape, ongoing conflicts, and global supply chain disruptions. These factors have intensified concerns over energy security and affordability, as volatility in energy markets puts pressure on households, industries, and economies across the continent. As a major energy company, we recognize our responsibility to ensure stable and reliable energy supplies while advancing a socially responsible path to decarbonization. Through strategic investments in resilient infrastructure, diversification of energy sources, and maintaining critical capacity, we actively contribute to energy security and affordability. At the same time, we remain committed to a just transition, balancing ambitious climate goals with economic and social sustainability.

For more details on our decarbonization efforts, environmental and social responsibility, governance, and business conduct, we invite you to explore our inaugural Sustainability Statement, prepared in accordance with the Corporate Sustainability Reporting Directive. The publication of this report marks a significant milestone for EPH in reinforcing our commitment to transparency and accountability. We fully support the move towards standardized corporate sustainability reporting, as it enhances stakeholders’ ability to make informed decisions. As we navigate the evolving energy landscape, we remain dedicated to driving sustainable progress and building a resilient future.

2024

Key performance indicators



14.6_{GW*}
Net installed capacity – electricity



2.5_{GW}
Net installed capacity – heat



32.0_{TWh}
Net power production



2.6_{TWh}
Net heat production



64.4_{TWh}
Gas storage capacity



47.3_{TWh}
Gas distributed



17.8_{bcm}
Gas transited



6.1_{TWh}
Power distributed



7.4_{PJ}
Heat supplied



24.7_{TWh}
Power supplied



8.9_{TWh}
Gas supplied



10,518_{FTEs}
Headcount

* The installed capacity includes the Tavazzano CCGT power plant which was in an advanced stage of the commissioning process as of year end 2024.

Market developments and regulatory landscape

The year 2024 marked another pivotal period in the transformation of the European energy market

The sector continued to evolve in response to regulatory changes, market dynamics, and sustainability goals, leading to notable progress in decarbonization, energy security, and market stability.

Commodity prices stabilized, with power spreads for coal and gas power plants reducing, creating a more predictable pricing environment. This stabilization coincided with a significant increase in renewable energy production, which reached nearly 50% of total power generation in the EU. Wind power, in particular, became the second-largest source of electricity behind nuclear, reinforcing its central role in the clean energy transition.

Nuclear and hydropower, which had experienced historic lows in 2022, recovered in 2024 due to improved operational conditions, such as reduced outages in the French nuclear fleet and above-average rainfall patterns. These sources provided essential zero-emission dispatchable power, strengthening grid reliability. Alongside nuclear, renewable sources collectively accounted for more than 70% of the EU's electricity generation, marking a significant milestone in the region's decarbonization efforts. Despite the decreasing share of fossil fuels, natural gas maintained a critical role in ensuring system flexibility. Newly developed gas plants are constructed

as hydrogen-ready, ensuring they do not lock in emissions from fossil fuels in the long term. Given their lower utilization rates, these plants rely on government support mechanisms such as capacity payments to remain financially viable.

As renewable energy penetration increased, capacity markets and energy storage solutions, including battery systems, played an increasingly vital role in supporting grid stability. These advancements ensured the availability of backup power during periods of low renewable generation, enhancing system resilience. Meanwhile, the EU successfully reduced its dependence on Russian gas by diversifying supply sources, including liquefied natural gas (LNG) imports and alternative pipeline agreements. This diversification allowed gas to continue serving as a transitional fuel while aligning with the region's broader energy security goals.

Electrification trends across buildings, transportation, and industry gained momentum, driving higher electricity demand. The shift toward electric vehicles and the adoption of heat pumps exemplified the long-term transformation of energy consumption patterns. In parallel, the EU's energy strategy remained anchored in the Fit for 55 and RePowerEU packages, ensuring that policies were aligned with the objective of achieving climate neutrality by 2050. In 2024, the European Commission proposed an ambitious new target of a 90% emissions reduction by 2040, reinforcing its commitment to deep decarbonization.

Despite the momentum behind clean energy, the development of the hydrogen market progressed more slowly than anticipated, as demand for green hydrogen remained below expectations. However, policymakers continued to support initiatives aimed at stimulating industrial demand and fostering infrastructure investment. These developments collectively underscore the EU's sustained progress toward a cleaner, more resilient, and secure energy system. As a major power producer, we remain dedicated to adapting our operations in line with evolving market trends and regulatory frameworks, ensuring our continued contribution to a sustainable and decarbonized energy future.

Role of EPH assets in the energy transition

Investing in dispatchable low-carbon and renewable power

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

Investing in energy storage solutions

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

Securing security of supply

While we remain committed to the energy transition by decommissioning our power plants and phasing out coal, security of supply in the regions where we operate necessitates the continued operation of certain coal

assets. In 2022, amidst new challenges stemming from the European energy crisis, we were asked to keep the Mehrum and Emile Huchet 6 hard coal power plants (both originally set for decommissioning) operational by the German and French governments until March 2024 and March 2025 respectively (EPH is currently evaluating strategic options for the future of EH6 power plant which has not been producing since late February 2025). Beyond 2025, coal assets operated by EPH will be limited to the Fiume Santo hard coal power plant on the Sardinia Island, operating under a must run regime, and district heating plants in the Czech Republic providing vital heat supplies to major regional cities. EPH shall be coal-free by 2030, while it will strive to complete the coal phase out even sooner.

Promoting hydrogen adoption

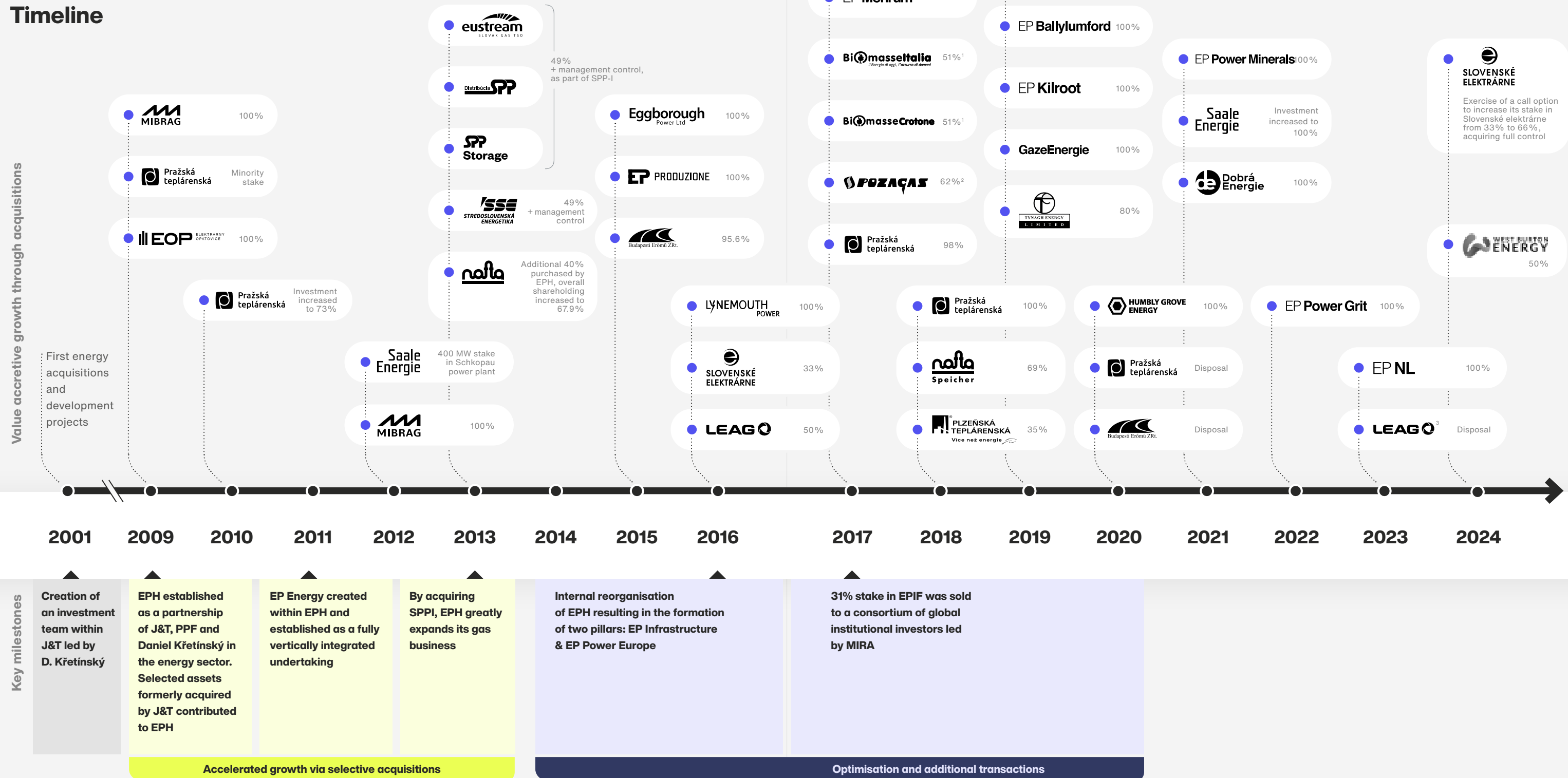
We believe that the flexibility of natural gas makes it an ideal partner for renewables while transitioning to a low-carbon future. EPH is also aware of the temporary role of natural gas in the energy transition and envisages converting its assets away from natural gas to renewable gases once these are available on a commercial scale. EPH's existing gas transmission and distribution infrastructure can be retrofitted to support hydrogen, while the gas storage assets are also evaluated to assess its hydrogen compatibility. To this end, EPH has already launched hydrogen-dedicated research and development projects. Two projects in the gas storage and transit segment have been granted the Important Projects of Common European Interest (IPCEI) status.

Other strategic considerations

The EPIF Group is currently evaluating the potential transfer of certain lignite-based heat infrastructure assets to EP Heat & Power, a sister company of EPH. EP Heat & Power will be focusing on transforming traditional lignite energy operations into more environmentally sustainable solutions, while maintaining a socially responsible approach. If approved, the company would lead the conversion of these assets to gas, waste-to-energy, and biomass technologies. The potential impacts of the transfer are being assessed as part of the ongoing analysis.

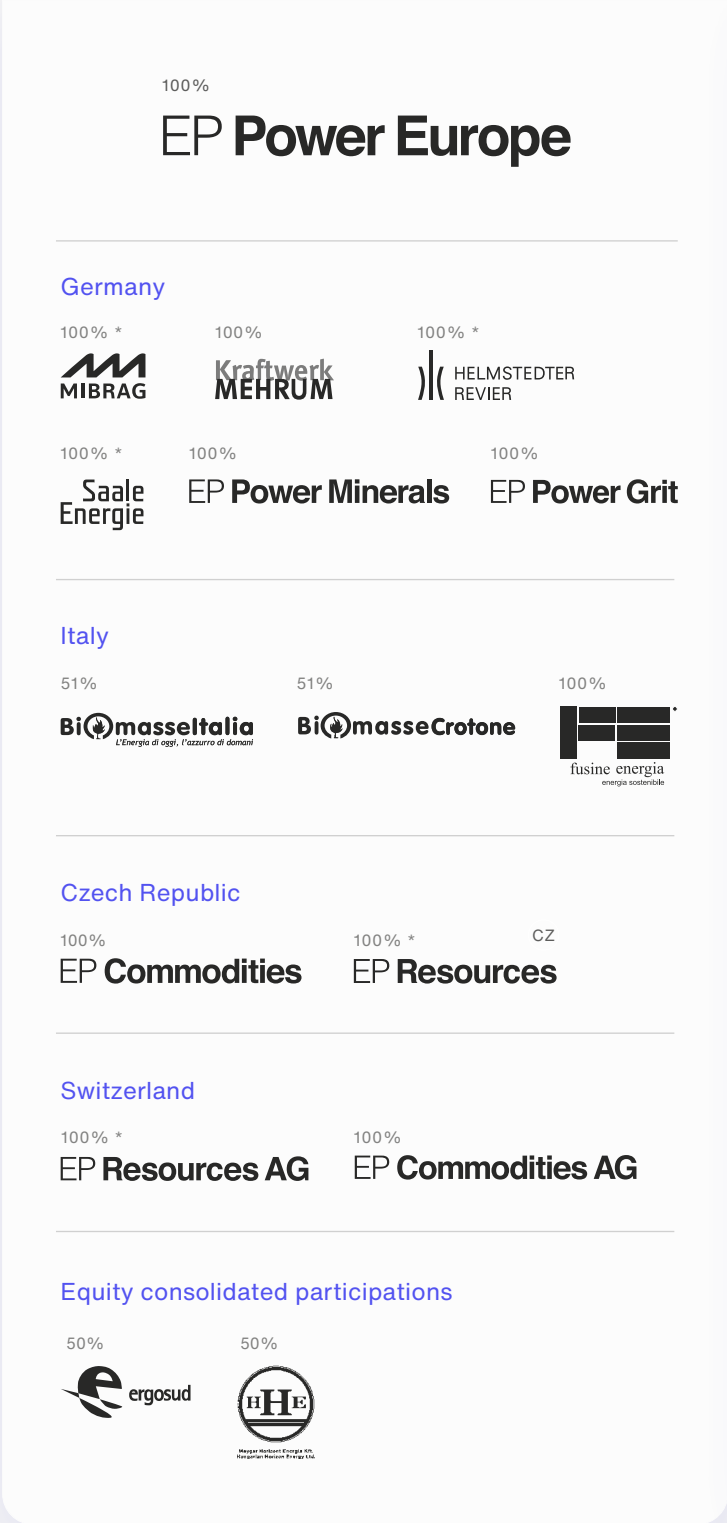
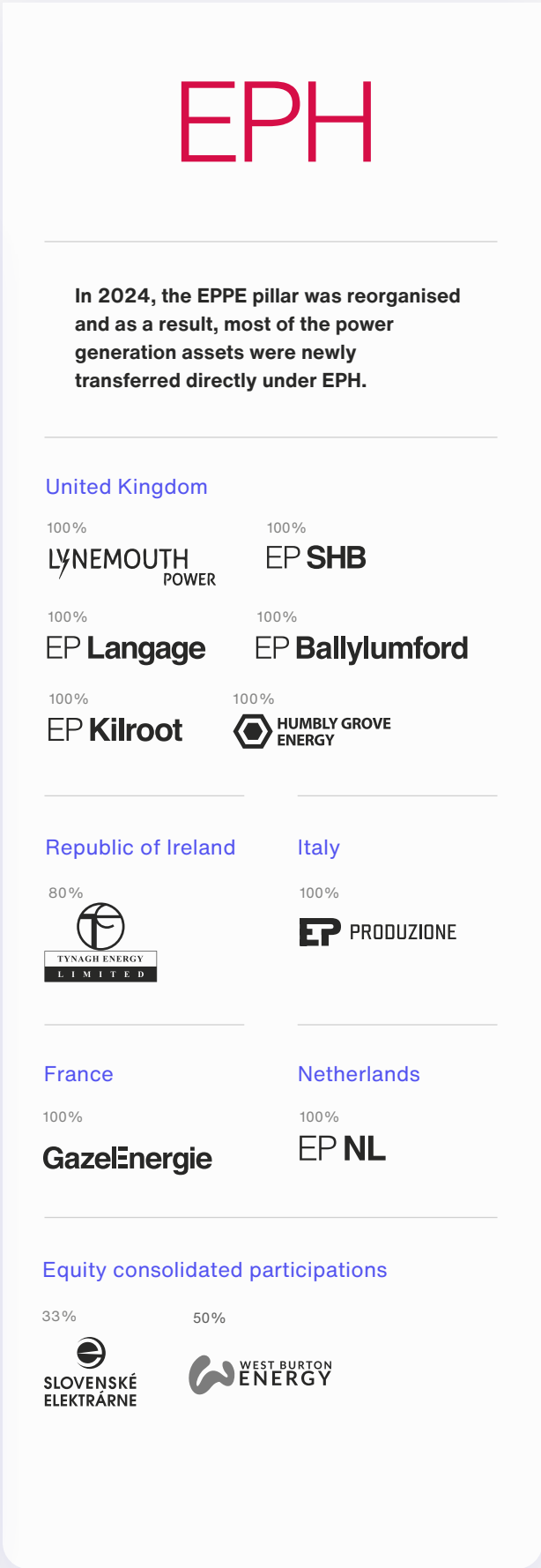
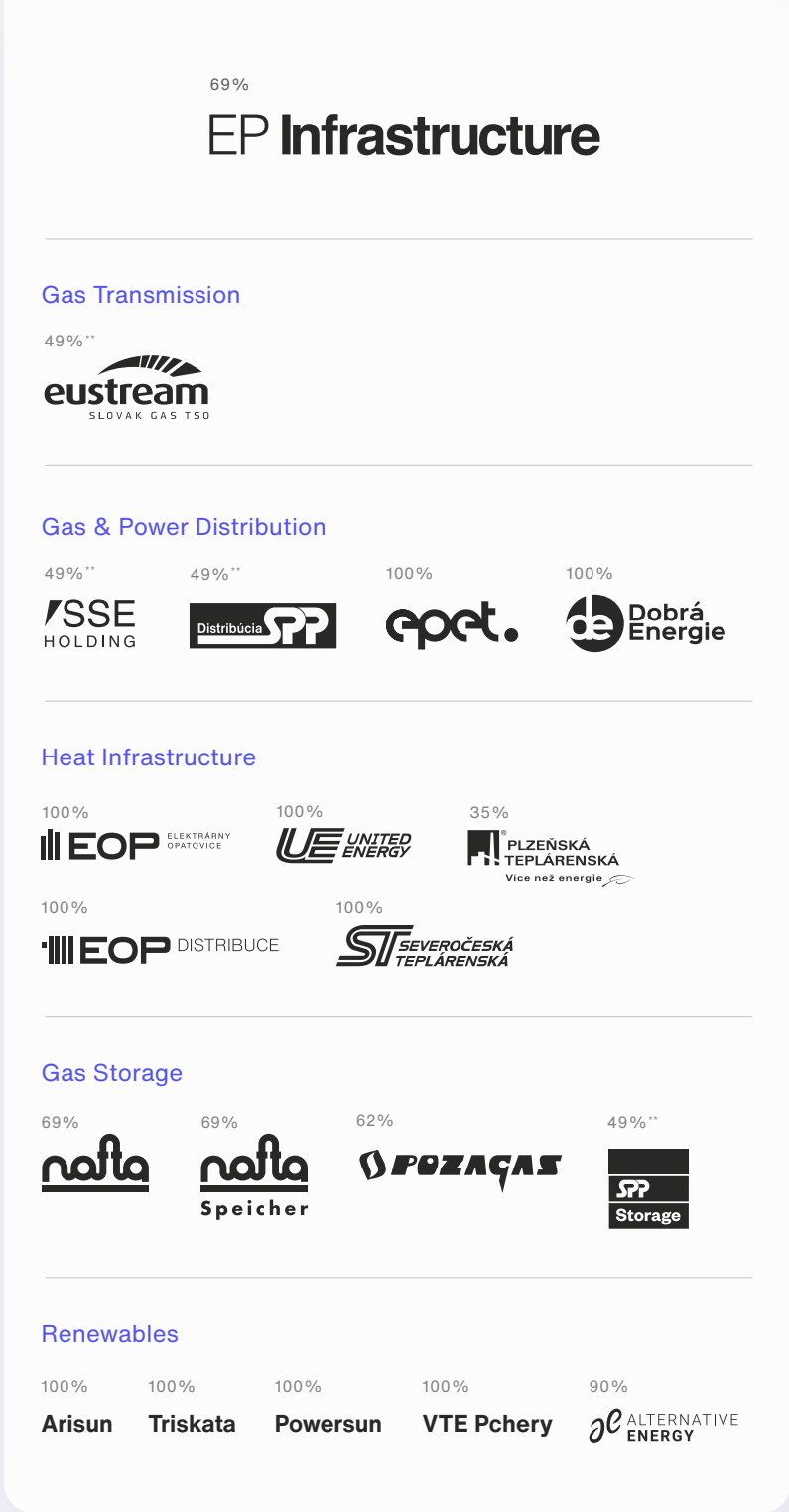
2. EPH and its business

Timeline



1 Share in biomass plants in Italy has been increased to 100% since then
 2 EPIF's effective shareholding
 3 50% share in LEAG was transferred to EP Energy Transition, a sister company of EPH

Group structure



* Discontinued operations / Assets held for sale as of year end 2024. EPH completed disposal of its controlling share in EP Resources in Q1 2025. MIBRAG Energy Group is planned to be transferred out of EPH during 2025

** 49% including management control

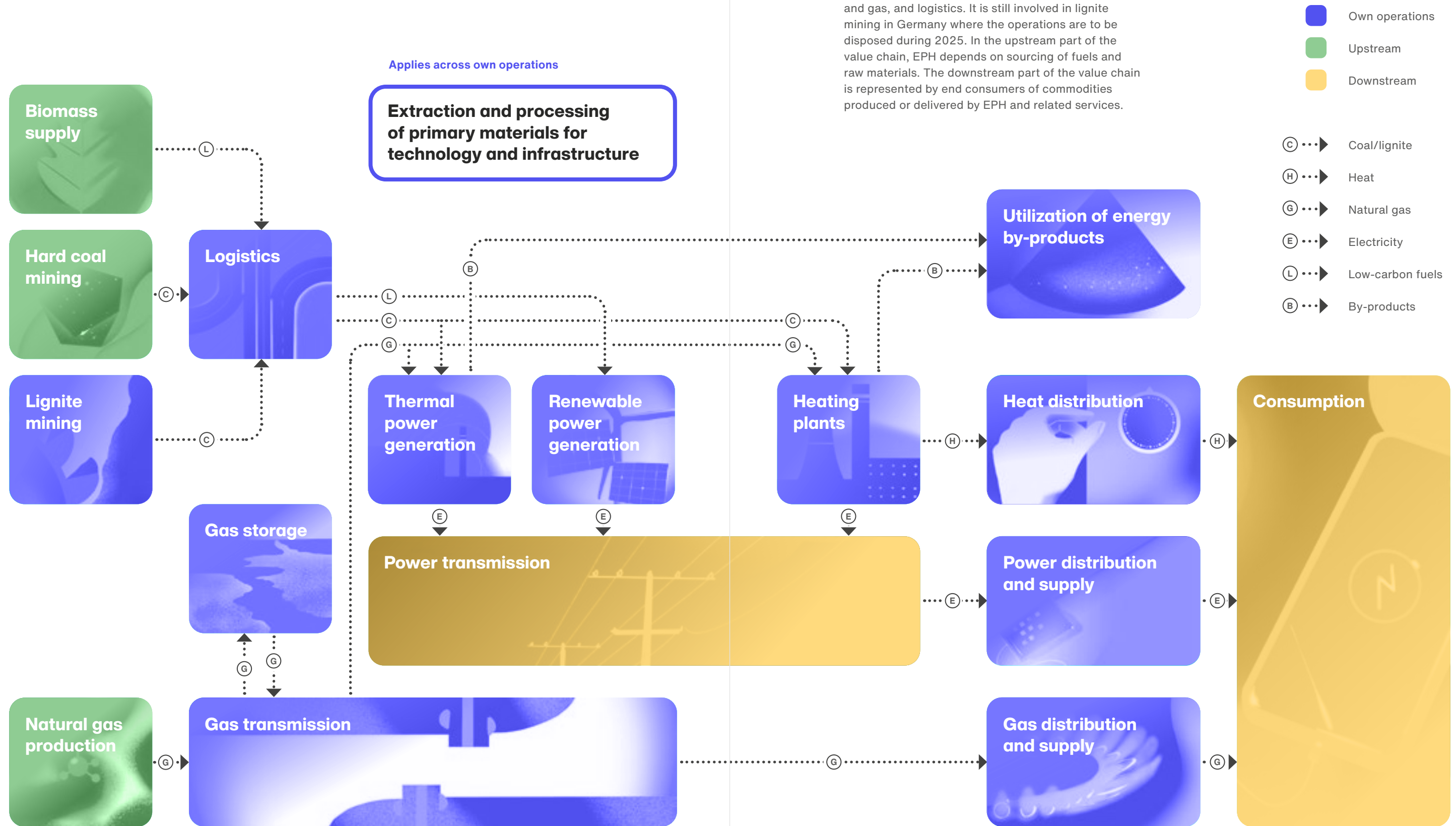
*** EP Cargo was legally owned by EP Infrastructure in 2024 but belongs to EP Logistics International from management control perspective

Geographical presence



Our core markets include the **Czech Republic, Germany, Slovakia, Italy, France, the UK, Ireland, the Netherlands, and Switzerland**. In addition, EPH is present in other countries via its commodity trading operations.

EPH value chain



Note: This overview is not exhaustive, but depicts the main activities, and indicates where EPH has some level of involvement. There are other flows between EPH companies and third parties not depicted here

Business segments overview

EPH operations are split into multiple operating segments, each having its unique role in the European energy transformation.



Flexible Power Generation

EPH currently operates 13.7 GW of conventional power generation sources. At the end of 2024, this capacity consisted primarily of gas power plants with 78% share (both CCGT and OCGT), hard coal power plants with 9% share, and lignite plants with 13%. In 2025 and the first half of 2026, the capacity mix is anticipated to evolve as follows:

- After exercising its call option to acquire a controlling stake in Slovenské elektrárne (“SE”), EPH will add approximately 2.3 GW of nuclear and 1.6 GW of hydroelectric capacity. SE expects to commission an additional nuclear unit Mochovce 4 in the first half of 2026, increasing the nuclear capacity by 0.4 GW
- The Ostiglia CCGT power plant in Italy (0.9 GW) is expected be commissioned in the first half of 2026
- The Emile Huchet 6 hard coal power plant (0.6 GW) has not been producing since late February 2025. The Group is currently evaluating strategic options for its future, including social considerations.

- Lignite power generation assets under the MIBRAG Energy Group, totaling 0.9 GW, shall be transferred to EPH’s sister company, EP Energy Transition

As a result of these changes, coal-based capacity is anticipated to fall below 5% of EPH’s total.

Majority of EPH’s dispatchable gas power plants operate under capacity schemes, specifically in the UK, Ireland, and Italy. The economic viability of these plants is not solely dependent on merchant power generation. Their vital role in supporting the penetration of intermittent renewable generation sources is reflected in capacity schemes introduced by national governments. EPH has recently commissioned the new OCGT plant Kilroot in Northern Ireland and is in an advanced commissioning stage of the CCGT plant Tavazzano in Italy with total capacity of 1.5 GW operating under long-term capacity contracts. In other countries such as Netherlands, the gas power fleet provides not only a sizeable portion of the base load power but also grid balancing and other vital ancillary services such as black start to the local transmission system operator.



Renewable Energy

EPH currently operates 0.9 GW of renewable energy capacity, with dispatchable biomass power plants in the UK, Italy, and France accounting for 76% of this total. Additionally, the company manages wind and solar parks, primarily in France and Germany. For its existing renewable assets, EPH frequently undertakes repowering projects to extend their lifespan and enhance energy output. In France, two wind parks were successfully repowered in 2024, with more repowering initiatives planned in the coming years.



Gas Transmission

EPH’s subsidiary eustream operates a gas transit pipeline in Slovakia. Although the volumes transported have recently declined, 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. As a member of both the European Clean Hydrogen Alliance and the European Hydrogen Backbone, eustream actively supports Europe-wide hydrogen adoption. With four to five parallel pipelines in operation, the system is well-equipped to transport methane and pure hydrogen simultaneously in dedicated lines. Its project to refurbish one pipeline for pure hydrogen transit has been granted the Important Project of Common European Interest (IPCEI) status.



Business segments overview



Gas & Power Distribution

EPH 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 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.

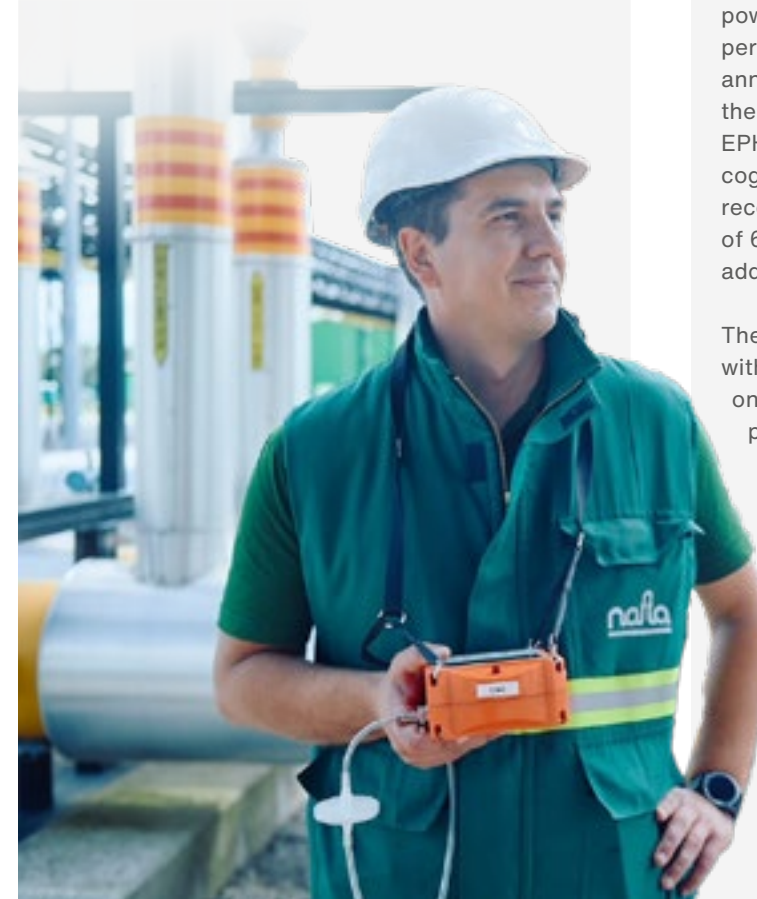
EPH's subsidiary Stredoslovenská distribučná ("SSD") operates the power distribution network in central Slovakia, delivering electricity to nearly 800 thousand offtake points. Over the past five years, 89% of the newly connected capacity in our power distribution grid have been renewable energy sources, 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 installation of smart meters.

Besides operating physical infrastructure, EPH 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

EPH operates more than 64 TWh of gas storage capacities in Slovakia, Czech Republic, Germany and the UK. EPH subsidiaries have extensive experience in underground gas storage, with limited involvement in exploration and production of hydrocarbons. The storage facilities in Slovakia and Czech Republic are connected to the Slovak distribution grid, gas transit system of eustream and Virtual Trading Point in Austria. Via its subsidiary Nafta, EPH 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

EPH subsidiaries produce and supply heat via district heating systems to more than 150,000 end consumers across three regions in the Czech Republic. EPH 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. EPH 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. EPH 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.

The first projects are already under construction, with EPH subsidiary United Energy working on the development of the waste incineration plant. Additional projects are scheduled to commence in 2025 and 2026.

IX. Independent Auditor's Report

to the Sustainability Statement

Deloitte.

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ID. No.:49620592
Tax ID. No.: CZ49620592

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Energetický a průmyslový holding, 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 Energetický a průmyslový holding, a.s. and its subsidiaries (hereafter the “Group”) included in section Consolidated sustainability statement of the Consolidated annual 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 §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 §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 is 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:
 - o performing inquiries to understand the sources of the information used by management; and
 - o 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 inquiries 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 §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 25 March 2025

Audit firm:

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

Statutory auditor:

Ladislav Šauer
registration no. 2261

X. Consolidated Sustainability Statement



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Sustainability Statement

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 disclaimers 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. 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.
9. 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.

BP-1

General basis for preparation of sustainability statement



Despite the evolving regulatory landscape and increasing complexity and uncertainty of sustainability reporting requirements, EPH 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 tenth annual sustainability statement (hereinafter referred to as the “Report”) published by the EPH 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). Additional data and case studies from our operations can also be found in the sustainability statement of our subsidiary, EP Infrastructure, a.s. (“EPIF”), who has been reporting annually since 2018.

EPH’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 EPH 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 EPH 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. EPH 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 consolidated group unless indicated separately. As this is the first year of reporting based on the ESRS standards, EPH 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.

EPH recognizes that the CSRD and the ESRS are not mere regulatory requirements, but useful tools for refining our strategic priorities and business model over time. EPH 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 Report to the Sustainability Statement.

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	<p>Through ESRS-aligned reporting, we can uncover opportunities to expand our portfolio and improve operational efficiencies.</p> <p>Better insights into stakeholder expectations and regulatory trends further enable us to tailor our offerings to meet emerging demands.</p>
Performance benchmarking	By reporting metrics such as emissions intensity, renewable energy capacity, and diversity in our workforce, we can benchmark our performance against peers and industry standards.
Driving innovation in our business model	<p>Our ESRS-aligned reporting tracks progress toward our net-zero targets, providing ac-tionable insights into the effectiveness of our decarbonization strategies.</p> <p>Enhanced transparency is an enabler for green financing, such as through the Green Finance Framework, which directly supports our initiatives.</p>
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.
Informing strategic decisions and policies	<p>CSRD and ESRS reporting deliver actionable insights that impact our strategic decisions including capital allocation toward higher impact projects which support the energy transformation of the broader energy system.</p> <p>Insights from our preparatory efforts for disclosures shape internal policies, ensuring alignment with regulatory requirements and global expectations and sustainability standards.</p>
Creating long-term value	<p>Our ongoing and iterative assessment of sustainability-related impacts, risks, and op-portunities 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.</p> <p>Transparent reporting builds confidence among investors and other users of our sustainability statements, including regulators, safeguarding our social license to operate.</p>
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.

Table 1: Sustainability IRO assessment and reporting contributions to strategic and operational business enablers

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.

Presentation of historical information not subject to external assurance

This sustainability statement presents historical non-financial indicators (mainly for the period 2020–2023) which were not subject to assurance at the time of their collection and were prepared in accordance with the GRI Standards on a voluntary basis. To provide comparative information, EPH includes this historical information in the tables along with ESRS-aligned metrics collected for 2024. The limited assurance was performed by the independent auditor solely in respect of the metrics collected for the financial year 2024, while the non-financial indicators for the financial years preceding 2024 were not part of the assurance procedures.

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	EPH’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, EPH prioritizes transparency towards consumers and refuses to engage in any aggressive sales techniques to acquire new customers. EPH decided to report on these matters to reflect its importance, although the matters is not treated as material from EPH Group perspective.
Management relationships with suppliers including payment practices	G1-2	Due to low supplier concentration and low risk perceived by EPH in respect of unfavorable treatment of suppliers, EPH assessed this topic as not material. However, EPH 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.

Table 2: Disclosures related to non-material topics

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.

ESRS Time Horizons

Time horizon	Year	Description
Short-term	2024	EPH 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

Table 3: ESRS Time Horizons

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.

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. There are currently no future planned actions in place to improve accuracy of metrics that include value chain data estimated using indirect sources.

The following table discloses metrics that include value chain data estimated using indirect sources:

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 reflect-ing the national fuel mix were used
Scope 2 emissions – market-based method	Residual electricity mix factors	Association of Issuing Bodies (AIB)	Residual grid factors re-flecting the electricity sup-ply not covered with Guar-antees of Origin
Scope 3 emissions	Well-to-tank factors, cradle-to-gate factors	DEFRA, US Environmental Protection Agency (EPA), Exi-obase, GHG Protocol	All assumptions used are summarized in detail in the section E1-6

Table 4: Metrics that include value chain data estimated using indirect sources

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.

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.

Monetary amounts used for historical periods are primarily based on final information supported by audited financials. No monetary amounts to quantify financial effects from other than climate-related IROs are presented in the report. The level of uncertainty related to using monetary amounts is therefore limited.

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 performed the following corrections:

- Inaccuracies in the EU Taxonomy alignment and eligibility assessment for the financial year 2023 were corrected and a restated taxonomy disclosure for 2023 is presented in the EU Taxonomy section.
- Ash originating as by-product from biomass power plants in Italy was reclassified from waste (where it is reported in line with national legislation) to by-products (in line with EPH reporting definition)

Should any additional errors be identified in future reporting cycles, we will disclose them in accordance with ESRS requirements or EU Taxonomy requirements.

Incorporation by reference

We have incorporated the following by reference from other publicly available reports and documents:

Incorporation by reference

Disclosure covered	Reference
SBM-1 – Strategy, business model and value chain	Management report – Business segments overview
S2-3 – Processes to remediate negative impacts and chan-nels for value chain workers to raise concerns	G1-1 Reporting of serious concerns and whistleblowers
S3-3 – Processes to remediate negative impacts and chan-nels for affected communities to raise concerns	G1-1 Reporting of serious concerns and whistleblowers
S4-3 – Processes to remediate negative impacts and chan-nels for consumers and end-users to raise concerns	G1-1 Reporting of serious concerns and whistleblowers

Table 5: Incorporation by reference

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.

GOV-1

The role of the administrative, management and supervisory bodies

Governance of sustainability reporting

The EPH 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 EPH Group’s businesses.

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 administrative, management, and supervisory bodies of EPH include members with extensive experience in the energy sector, covering both traditional and renewable energy sources. 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.

EPH’s ESG Officer is a C-level executive with ultimate responsibility for ESG matters and directly oversees the work of the sustainability manager and reviews key sustainability-related decisions, ensuring alignment with corporate strategy. The ESG Officer is a member of the Board of both EPIF and EPPE, ensuring that the ESG viewpoint is taken into consideration when making key decisions. 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 control overall ESG focus areas in the Group and regularly inform and report to the Board. They also closely cooperate with both EPIF’s and EPPE’s Health, Safety & Environmental (HSE) Committees.

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 power generation, grid infrastructure, and sustainability management across key geographic markets. Several board members have expertise in sustainability-related fields, including climate risk, environmental policy, 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 EPH 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 EPH’s transition plan, the establishment of its Green Finance Framework (GFF) and 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.

Specialized Committees

The EPH Board and executive leadership is supported by the following committees and structures to enable integration of sustainability matters into operations:

A The **EPIF and EPPE Health, Safety, and Environmental (HSE) committees** have Board representation, meet at least quarterly, and oversee 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 EPH 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** has board representation, meets regularly, and oversees the Group management of IROs and the associated policies, actions, and targets for the following matters:

- 1
- For the EPH 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 EPH 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 **EPH 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 **EPH 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 at the Group level 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 the Group is facilitated by the EPH 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.

Integration of ESG into strategy

EPH'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, EPH employs data analytics to track performance indicators and progress against sustainability targets, including greenhouse gas emissions, energy efficiency, and employee metrics.

Identity and composition of the Board

The Board of Directors has twelve members and represents the EPH Group's statutory body, which directs operations and acts on behalf of the Group. The Supervisory Board of EPH has three 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. Two members of the Supervisory Board are considered as independent.

Number of administrative, management, and supervisory body members

Entity	Male	Female	Total	Female ratio	Link
EPH					
Board of Directors	12	0	12	0 %	https://www.epholding.cz/en/board-of-directors/
Supervisory board	2	1	3	33%	https://www.epholding.cz/en/supervisory-board/
EP Power Europe					
Board of Directors	11	0	11	0 %	https://www.eppowereurope.cz/en/about-us/board-of-directors/
Supervisory board	3	0	3	0%	https://www.eppowereurope.cz/en/about-us/supervisory-board/
EP Infrastructure					
Board of Directors	7	0	7	0%	https://www.epinfrastructure.cz/en/about-us/management-board/
Supervisory board	5	1	6	17%	https://www.epinfrastructure.cz/en/about-us/supervisory-board/

Table 6: Number of administrative, management, and supervisory body members

GOV-2

Information provided to, and sustainability matters addressed by, our administrative, management and supervisory bodies

The Board of Directors and relevant committees of EPH 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:

Governance functions

Governance function	Integration with business model and strategy
Strategic oversight	Material sustainability IROs are integrated into the annual strategy review process, ensur-ing 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, divest-ments, or acquisitions.
Alignment with sus-tainability 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.

Table 7: Governance functions

In the reporting period, the Board was informed, among other matters, about the following key sustainability matters:

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
Procurement roadmap	The Board has approved the implementation of a detailed procurement roadmap to en-hance and unify the due diligence procedure related to the supply chain across the Group
Transition plan	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 bond

Table 8: Key sustainability matters discussed by the Board

GOV-3

Integration of sustainability-related performance in incentive schemes

EPH 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.

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.

The EPH 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.

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.

Elements of Due Diligence and location in the sustainability statement

Core elements of due diligence	
a)	Embedding due diligence in governance, strategy and business model
b)	Engaging with affected stakeholders in all key steps of the due diligence process
c)	Identifying and assessing adverse impacts
d)	Taking actions to address those adverse impacts
e)	Tracking the effectiveness of these efforts and communicating them

Table 9: Elements of Due Diligence and location in the sustainability statement

Our due diligence process and approach to preparing for CSDDD¹

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.



Embedding due diligence in governance, strategy and business model

EPH 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.

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.



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 the Group.

Current State
Stakeholder engagement is primarily re-active and limited to informal interactions and participation in initiatives like the Responsible Commodities Sourcing Initiative by entities operating in the high-risk sectors.
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. Formalise engagement processes with affected stakeholders, particularly in high-risk supply chain areas like coal sourcing and minerals extraction.

¹ Depending on the outcome of the so-called “Omnibus” proposal implications



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 high-risk areas, such as coal sourcing, comprehensive risk mapping and assessment frameworks are not yet consistently applied across the Group.



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
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 as 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 practical 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.

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.



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.

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.

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.

GOV-5

Risk management and internal controls over sustainability reporting

Sustainability reporting related controls and procedures are embedded into our 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 the Group’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 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.

To mitigate these risks, we maintain and continuously improve a well-defined collection and centralized KPI management database.

SBM-1

Strategy, business model and value chain

EPH aims to support the energy transition in a socially sensible and responsible way, while maintaining the highest standards in promoting reliability and security of supply. To facilitate more efficient cooperation with local authorities in respect of transformation of coal regions, we have committed to gradually separate selected coal operations into a new sister company, EP Energy Transition. The main operations held under subsidiary LEAG, the second-largest energy producer in Germany, were disposed during 2023 with the remaining assets expected to be disposed by the end of 2025.

The Group’s strategic ambitions are shaped by three core priorities: provision of dispatchable power generation capacities to complement increasing share of intermittent renewables in the energy system, enabling development of markets for green gases such as hydrogen or biomethane, and investments in solutions vital for grid stability such as battery energy storage systems or electrolyzers.

At the heart of our strategy is our transition plan, which outlines our ambitious goal to achieve net zero operations by 2050. A key component of this plan is the phase-out of coal-fired power and heat generation by 2030. EPH is actively transforming its existing coal assets and pursuing alternatives to support needs of local electricity grids and offering employment prospects to local communities, a process that involves significant investment and strategic planning.

Hydrogen infrastructure plays a critical role in our strategic ambitions. We are placing significant emphasis on hydrogen readiness of our facilities to enable integration of renewable gases into the wider energy mix. EPH’s leadership in hydrogen projects has been recognized through designation of its projects as Important Projects of Common European Interest (IPCEI), advancing the repurposing of hydrogen storage and transit networks. This positions EPH as a pioneer in adopting technologies that will shape Europe’s future energy system.

In addition to our decarbonization efforts, we remain focused on enabling energy security and affordability. Recognizing the challenges posed by energy transition, we have invested in modernizing grid infrastructure to maintain reliability and stability. While natural gas remains a temporary necessity in our energy mix, EPH is accelerating the transition to renewable energy sources, ensuring that security of supply is not compromised.

To finance our strategic goals, we established the Green Finance Framework, allowing the company to align its financial strategy with its sustainability objectives. In 2024, EPH Group issued €785 million in green finance instruments, enhancing accountability and transparency towards stakeholders and linking the green finance proceeds with execution of our transition plan.

Innovation and modernization remain critical to executing EPH’s strategy. Initiatives such as hydrogen-ready dispatchable power plants, transmission systems and storage solutions are expected to play a pivotal role in enabling large-scale adoption of renewable gases.

Through this multifaceted strategy, we will navigate the complexities of the energy transition while delivering value to stakeholders. The Group’s efforts in 2024 lay a strong foundation for achieving its long-term sustainability objectives.

EPH maintains significant operations across Central and Western Europe, with:

- a) Power generation assets in the UK, Ireland, Italy, the Netherlands, France, and Germany
- b) Gas transmission network in Slovakia
- c) Gas storage facilities in Slovakia, the Czech Republic, Germany, and the UK
- d) Gas and power distribution networks in Slovakia
- e) District heating assets in the Czech Republic
- f) Power and gas supply businesses in Slovakia, the Czech Republic, France, the Netherlands, and newly in Italy
- g) Commodities trading across major European exchanges
- h) Railway and road transport and related logistics services in Germany, the Czech Republic, Poland, and Slovakia

EPH does not have any products or services which are banned in any markets.

Strategy, business model and value chain

Our strategy centers on three main pillars, differentiated by geographic regions, with accelerated timelines in Western European markets and adapted transition paths in Central European operations. These pillars inform our strategic planning and guide the implementation of our sustainability initiatives across our operations.

Strategic pillars

Strategy pillar	Achievement target for pillar	Challenge being addressed
Provision of dispatchable power generation capacities to complement increasing share of intermittent renewables in the energy system	In the power generation segment, we are committed to a complete coal phase-out by 2030, while striving for even earlier coal exit with intermediate milestones for emissions reduction	<ul style="list-style-type: none">Balancing decarbonization with energy security requirementsManaging the pace of infrastructure transformationAddressing regional variations in energy transition timelines
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, EPH depends on broader hydrogen adoption
Investments in solutions vital for grid stability such as battery energy storage systems or electrolyzers	Build a pipeline of storage solution projects which complement other grid balancing technologies and support renewables build-out in the broader energy system	Regulatory and policy uncertainties including grid connection challenges

Table 10: Strategic pillars

As stated within our financial statements, our total revenue in FY24 was 23,331 EURm The following table details the total revenue by breakdown of sectors:

ESRS Sectors significant to EPH and associated revenue

ESRS Sector Group	ESRS Sector	Revenue (EUR million)
Utilities	Power Production and Energy Utilities	22,647
Mining	Oil and Gas	837
Transportation	Other Transportation	506
Transportation	Road Transport	22
	Other and intersegment eliminations	(680)
Total revenue		23,331

Table 11: ESRS Sectors significant to EPH and associated revenue

Due to its focus on dispatchable power generation, EPH is engaged in activities involving fossil fuels. Fossil fuel activities mainly comprise gas-fired power plants, gas pipelines and storage facilities, gas supply and trading. EPH still operates certain power plants and heating plants using hard coal and lignite as well as lignite mines. The lignite mining operations in Germany will be transferred outside of EPH to its sister company EP Energy Transition. Beyond 2025, the remaining coal assets will be limited to must-run assets or district heating plants which are indispensable for local security of supply for the next 3-4 years before alternative sources are developed. EPH is also engaged in limited extraction of oil and gas in Slovakia as part of its gas storage operations.

The breakdown of revenue related to fossil fuels is as follows:

Revenue breakdown of fossil fuel-related activities

Sector	Revenue (EUR million)
Gas transmission	483
Gas distribution	508
Gas storage	306
Gas supply	423
Gas trading	5,834
Gas-fired power generation	3,818
Coal-fired heat and power generation	819
Coal trading	125
Oil and gas extraction	49
Total revenues related to fossil fuels	12,364

Table 12: Revenue breakdown of fossil fuel-related activities

For full details on EPH's European Union (EU) Taxonomy activities, please see section EU Taxonomy disclosure.

Strategy, business model and value chain

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 strategic ambitions to phase out coal, expand dispatchable energy capacity to support higher penetration of renewables in the energy system, and facilitate development of green gases such as hydrogen or biomethane. 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 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 power generation, gas transmission and storage, gas and power distribution, district heating, trading in commodities, and logistics 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 the energy 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. EPH has embraced this trend by investing in hydrogen-ready power plants, advancing hydrogen readiness across its gas midstream and downstream infrastructure, reinforcing the resilience of the power distribution grid, and exploring the potential of innovative energy storage solutions such as batteries or hydrogen electrolyzers.

Despite these opportunities, the market remains competitive, with increasing expectations from customers, investors, and regulators. EPH 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, EPH continues to strengthen its position as a reliable and innovative energy provider.

Explanation of our value chain

EPH’s vertically integrated business model encompasses every aspect of the energy value chain, enabling us to deliver reliable, efficient, and sustainable energy services across markets in Europe.

Upstream activities

Our upstream operations include the procurement and development of energy resources. We source primarily fuels for power and heat generation such as hard coal, lignite, natural gas, biomass and other energy inputs 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.

Own operations

We operate a fleet of power plants and heating plants, gas and power distribution networks, gas storage facilities, and a gas transit corridor. Our assets play a key role in ensuring energy security, especially during periods of market volatility. EPH 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 physical infrastructure, EPH is engaged in retail supply of power and gas to end consumers and commodity trading. Our direct involvement in the extraction segment is limited to operation of lignite mines in central Germany by subsidiary MIBRAG Energy Group and relatively small oil & gas extraction in Slovakia by subsidiary Nafta.

Downstream activities

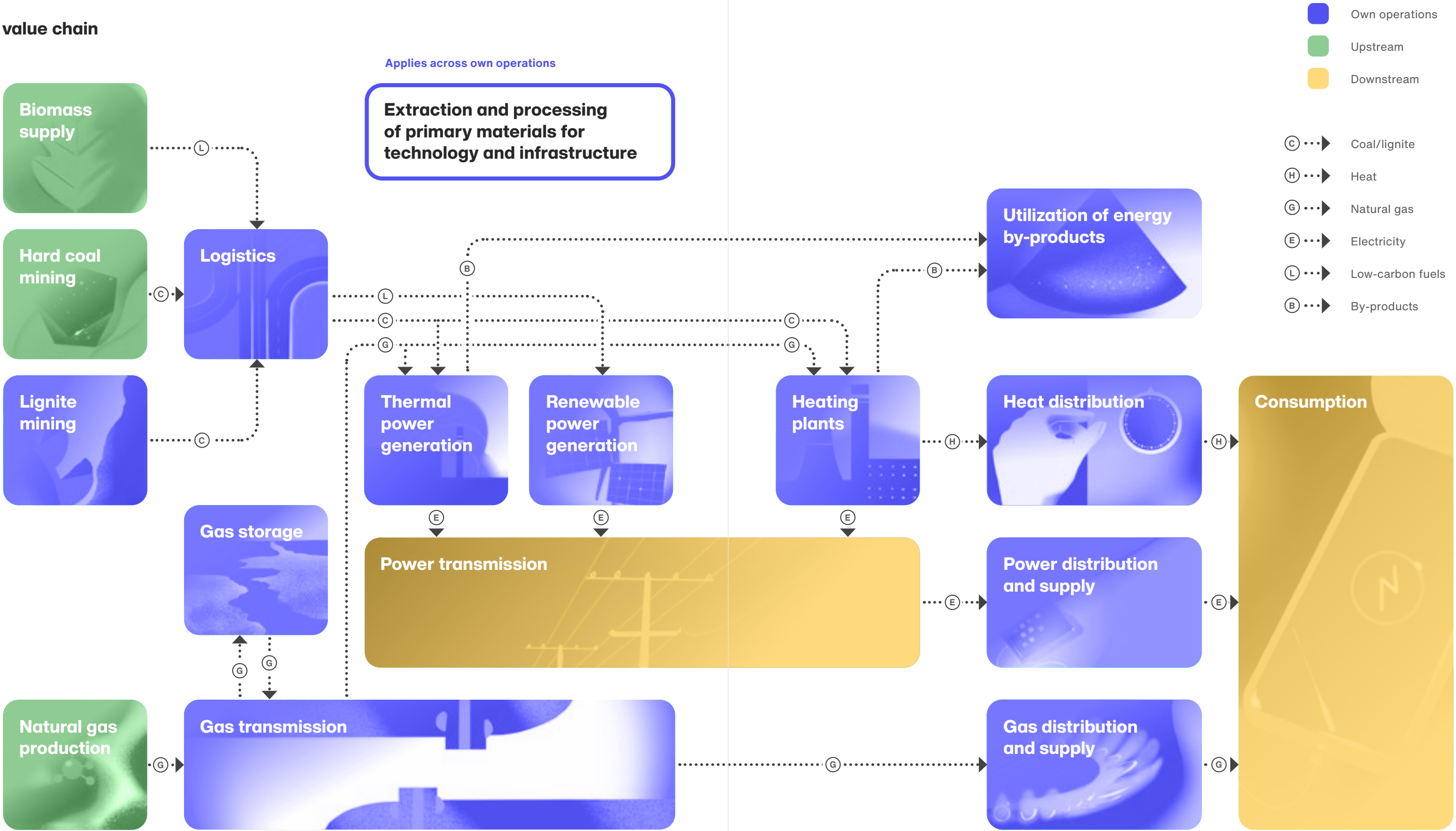
EPH’s direct contractual relationships with end consumers are primarily limited to the retail supply of power and gas, as well as heat distribution through its own district heating networks. Electricity generated by EPH power plants is sold on the market via energy exchanges, without direct customer contracts. In the gas midstream sector, EPH’s infrastructure supports gas transit and storage for shippers and traders. Within the gas and power distribution segments, EPH operates the infrastructure, including the final offtake points.

Our value chain

The value chain diagram below highlights only significant activities, depicting a straightforward and comprehensible representation of key processes and potential sustainability impacts. Some operations have been excluded from this visualization as they are not deemed significant in this specific context.

Strategy, business model
and value chain

EPH value chain



Note: This overview is not exhaustive, but depicts the main activities, and indicates where EPH has some level of involvement. There are other flows between EPH companies and third parties not depicted here

Strategy, business model and value chain

Our business model

We operate as a diversified energy group with a focus on energy generation, distribution, and resource management. Our business model integrates traditional and renewable energy sources while balancing economic, environmental, and social priorities.

Core Business Activities

Business activity	Description
Energy Generation	<ul style="list-style-type: none">• Thermal Power Plants: EPH operates a significant portfolio of thermal power plants across various regions. These plants use natural gas and coal as primary energy sources.• Renewable Energy: EPH is expanding its investment in renewable energy sources, including biomass units, wind farms, solar projects, and hydroelectric plants, as well as energy storage solutions such as batteries.• Cogeneration Plants: EPH also leverages combined heat and power (CHP) plants to optimize energy efficiency by simultaneously producing electricity and usable heat.
Energy Distribution, Transmission, and Storage	<ul style="list-style-type: none">• EPH owns and operates extensive networks of natural gas, electricity, and heat distribution systems. These systems ensure energy supply reliability to residential, industrial, and institutional customers.• Key markets for distribution include Central and Eastern Europe, where we serve millions of consumers through regulated and non-regulated frameworks.
Resource Management	<ul style="list-style-type: none">• Mining Operations: EPH still operates certain lignite mining sites, primarily focusing on coal extraction to supply its thermal power plants. These operations are located solely in Germany under EPH’s subsidiary MIBRAG Energy Group.• Fuel Sourcing: We also engage in commodities trading, either to support our energy production capabilities, or for third parties.

Key strategic focus areas

Decarbonization and energy transition

EPH is actively participating in the shift towards sustainable energy and aims to transition its portfolio over time through the gradual reduction of coal-based energy generation, investments in flexible dispatchable capacities to support penetration of renewable sources, innovative energy storage solutions, and facilitation of hydrogen and other renewable gases.

We have a clear roadmap to phase out coal across our operations by 2030 at the latest, while striving to complete the coal exit earlier. Depending on the needs of local grids and decarbonization strategies of national governments, the existing coal power plants will be either converted to sources with lower carbon footprint, like gas or biomass, or closed without replacement. In the specific case of German lignite operations, where the coal exit follows the timeline set by the federal government, the assets

have been spun-off into EP Energy Transition, a sister company of EPH Group. The full spin-off of all assets shall be completed by the end of 2025. Beyond 2025, the remaining coal capacities within EPH shall be solely represented by the Fiume Santo power plant on the Sardinia Island operating under a must-run regime and cogeneration plants in the Czech Republic which provide vital supplies of heat.

Asset optimization

We will continue our focus on modernization of existing energy infrastructure to improve efficiency and operational optimization of resource management processes to enhance sustainability and cost-effectiveness.

Value creation

Value creation and business activities

Business activity	Description
Economic value	Consistent revenue generation through diversified energy production and distribution streams and investments in long-term sustainable projects ensure resilience in fluctuating energy markets. As the energy markets are increasingly regulated, EPH expects that an increasing share of its economic value will be derived from state-received capacity payments, feed-in-tariffs, or be otherwise supported by regulation.
Environmental value	Reduction in greenhouse gas emissions through replacing most emission-intensive assets, facilitating wide-spread adoption of renewable sources, 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.

Table 13: Value creation and business activities

Strategy, business model and value chain

Stakeholder integration

We align our business model with stakeholder interests, including:

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.

Table 14: Key stakeholders

Key challenges and opportunities

EPH’s business model combines traditional energy production with forward-looking sustainability goals, leveraging its existing strengths while proactively addressing future challenges. This approach ensures EPH remains a key player in Europe’s energy landscape while contributing to global climate objective.	In addition to these core segments, our commodity trading and logistics capabilities provide a competitive edge. By integrating trading with production and distribution, we are able to optimize resource allocation and respond swiftly to market dynamics. This integration also supports our sustainability goals by enabling the efficient procurement and distribution of renewable energy.
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Key challenges and opportunities

Key challenges	Key opportunities
Regulatory pressures to phase out most emission-intensive sources such as coal operations.	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.

Table 15: Key challenges and opportunities

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 EPH to pinpoint our material IROs. The Board receives stakeholder feedback through multiple channels, including investor briefings, updates from the HSE, Compliance, 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.

Interests and views of stakeholders in strategy and business model

EPH’s Stakeholder engagement

Stakeholders	Purpose of engagement	Current engagement mechanisms	Planned engagement initiatives for the next reporting cycle
Employees	<p>These stakeholders are engaged in day-to-day business activities. Employees are essential to the operations and growth of our business.</p> <ul style="list-style-type: none">Promote workplace safety, health, and satisfaction.Ensure alignment with corporate ESG objectives.Foster talent retention and development.Identify and validate IROs for DMA	<ul style="list-style-type: none">Performance and development dialogueEmployee surveysSocial events	<ul style="list-style-type: none">Raising awareness on sustainability and ethics.
Local Communities	<p>These stakeholders have varying interests in EPH's sustainability activities based on their origins. EPH 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 stakeholders determines the level of their interest in EPH's sustainability activities.</p> <ul style="list-style-type: none">Mitigate environmental and social impacts of operations.Support community development and sustainability initiatives.Enhance social acceptance.Identify and validate IROs for DMA	<ul style="list-style-type: none">Local partnerships and outreach programs funded by EPH or EP Group Foundations.Consultations on new projects that have direct impacts on communities.	<ul style="list-style-type: none">Continuing current practice.
Customers and end consumers	<p>These stakeholders are very important for EPH's business, as their decisions determine the Group's success.</p> <ul style="list-style-type: none">Provide reliable, affordable energy while promoting renewable options.Address customer needs related to energy transition.Identify and validate IROs for DMA	<ul style="list-style-type: none">Transparent reporting on pricing, energy mix, and renewable offerings.Satisfaction surveys.EPH website.	<ul style="list-style-type: none">Continuing current practice.
Regulators and Governments	<p>These stakeholders consist of various national and transnational institutions, making their interest in EPH's sustainability commitments quite broad. Therefore, both policy decisions and social change strongly influence EPH's business activities. For example, local groups are concerned with the performance of individual EPH entities, while European institutions are concerned with EPH's business from a transverse perspective.</p> <ul style="list-style-type: none">Ensure compliance with environmental, social, and corporate governance laws.Influence policy development for climate and energy goals.Identify and validate IROs for DMA	<ul style="list-style-type: none">Regulatory filings and compliance reviews.Collaboration during policy consultation processes.	<ul style="list-style-type: none">Continuing current practice.

Stakeholders	Purpose of engagement	Current engagement mechanisms	Planned engagement initiatives for the next reporting cycle
Investors	<p>These stakeholders are predominantly banks, bond holders and financial institutions whose capital is crucial for EPH's successful development. Their interest in EPH's sustainability performance is demonstrated at both the EPH level and local level, depending on their involvement in financing within the Group.</p> <ul style="list-style-type: none">Provide transparency on financial and sustainability performance.Strengthen alignment of operations with ESG priorities.Identify and validate IROs for DMA	<ul style="list-style-type: none">Annual sustainability and financial reports.Green finance disclosures and frameworks.	<ul style="list-style-type: none">Ongoing collaboration.
Suppliers and Contractors	<p>These stakeholders can have both a local and global reach (social and economic performance), which can affect EPH 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 works).</p> <ul style="list-style-type: none">Ensure adherence to human rights and environmental standards.Implement ethical procurement practices.Identify and validate IROs for DMA	<ul style="list-style-type: none">Engagement via current due diligence process and KYC questionnaire.	<ul style="list-style-type: none">Establish a risk-based due diligence approach to identify high-risk areas.Supplier screening processes focused on human rights and environmental stewardship.
Non-Governmental Organizations (NGOs)	<p>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.</p> <ul style="list-style-type: none">Partner for biodiversity conservation and sustainable development.Address societal concerns regarding environmental impacts.Identify and validate IROs for DMA	<ul style="list-style-type: none">Ad hoc	<ul style="list-style-type: none">Continuing current practice.
Media and Public	<p>These stakeholders are active at both a local and global level (particularly in the Czech Republic, where EPH is headquartered).</p> <ul style="list-style-type: none">Communicate progress on ESG initiatives.Foster corporate transparency and public trust.	<ul style="list-style-type: none">Press releases, media briefings, and online public engagements.	<ul style="list-style-type: none">Continuing current practice.

Table 16: EPH's Stakeholder engagement

Interests and views of stakeholders
in strategy and business model

Integration of stakeholder engagement
into company strategy and business model

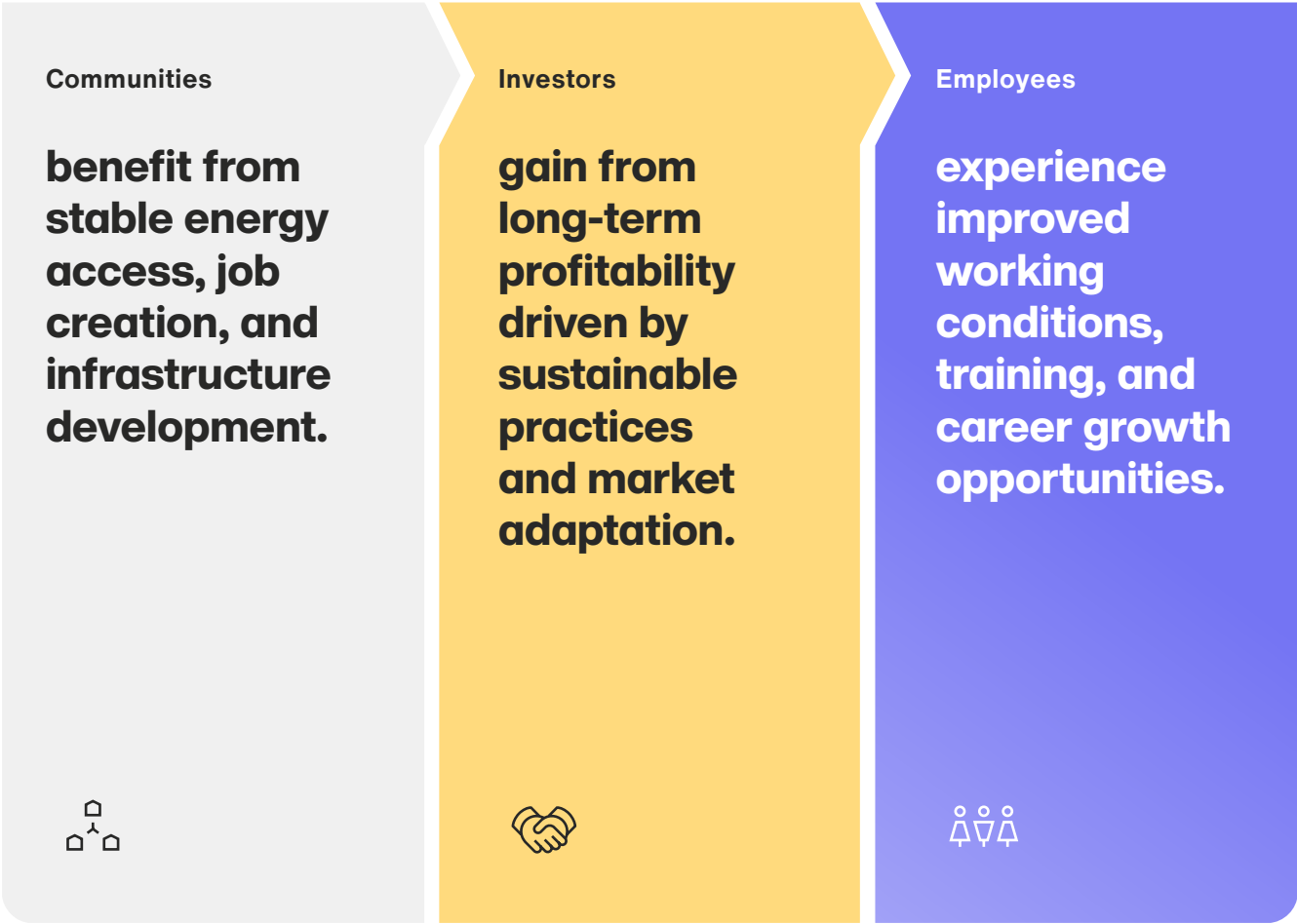
Integration of stakeholder engagement

Driver	Integration
Materiality assessments	EPH conducts regular double materiality assessments to identify and prioritise 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 EPH 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 and particularly coal exposure has reinforced EPH commitment to accelerated coal exit and increased focus on alternative solutions, driving the Group’s transition to a low-carbon business model.
Operational enhancements	EPH 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.

Table 17: Integration of stakeholder engagement

Value creation
for stakeholders

Our business model is designed to create shared value for stakeholders in the following ways:



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 EPH. 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 EPH 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 EPH’s actions are having, although these are in addition to addressing the impacts as reported.

EPH actively monitors the material risks and opportunities associated with climate change, due to the nature of EPH’s business and reliance on the fossil fuel sector. Our investors also consider this to be their number one priority when engaging with EPH 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.

EPH’s Material E1 Climate Change IROs

Environmental

E1 Climate Change	
Sustainability matter	Change adaptation
Current effect	Climate is already noticeably changing in the regions where EPH operates. The changing climate manifests in increases in average temperatures, water stress, and frequency and intensity of extreme weather events, among other effects.
Impact statement	EPH operates in regions increasingly exposed to physical climate risks, including floods and heatwaves. Insufficient adaptation measures may increase the vulnerability of communities dependent on energy services we provide.
Risk statement	Unaddressed physical risks could damage critical infrastructure, increasing repair costs, operational downtimes, and lost revenue. The risk includes potential legal liabilities if disruptions affect critical services for communities.
Opportunity statement	Developing resilient infrastructure and diversifying energy sources to include decentralized renewables can reduce vulnerability, maintain service continuity, and position EPH as a leader in climate-resilient energy systems.
Actual/ potential	Actual
Value chain location	Own operations
Time horizon	Short

EPH’s Material E1 Climate Change IROs

E1 Climate Change	
Sustainability matter	Climate mitigation
Current effect	Climate change is a central challenge for the energy sector, directly impacting EPH's operations, value chain, and strategic direction. EPH's green-house gas emissions contribute to global warming, posing regulatory, reputational, and financial risks. Addressing climate change through decarbonization and transitioning to renewable energy aligns with EPH's long-term business strategy to remain competitive, comply with global climate commitments, and meet stakeholder expectations.
Impact statement	EPH's operations and current reliance on fossil fuels contributes to GHG emissions. High emissions accelerate global warming, amplifying climate impacts that affect ecosystems and communities.
Risk statement	Reducing emissions at a rate that is lower than planned or required could result in adverse financial impacts from rising carbon pricing or carbon taxes, loss of market share due to increased competition from renewable energy providers, and reputational damage, all of which threaten EPH's financial profitability.
Opportunity statement	Investing in renewable energy technologies and carbon capture can enhance EPH's market position, reduce operational costs in the long term, and align the company with stakeholder and policy expectations for sustainability.
Actual/ potential	Actual
Value chain location	Own operations
Time horizon	Short

Sustainability matter	Energy
Current effect	EPH'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 EPH's strategy to enhance operational resilience, reduce costs, and align with the global energy transition.
Impact statement	EPH's operations involve high levels of energy use, particularly in power and heat generation. This energy demand (and inefficient energy use) amplifies emissions and resource depletion, impacting the company's GHG footprint, limits the energy transition, and burdens society with greater environmental degradation.
Risk statement	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.
Opportunity statement	Improving energy efficiency through upgrades in equipment, digitization, and grid optimization can cut costs, improve environmental performance, and enhance resilience in a competitive market.
Actual/ potential	Actual
Value chain location	Own operations
Time horizon	Short

Table 18: EPH’s Material E1 Climate Change IROs

Material ESRS topical standard IROs

Environmental

E2 Pollution	
Topic	Pollution of Air
Current effect	Air pollution from EPH's operations, particularly from fossil fuel combustion, poses risks to public health and ecosystems. Stricter air quality regulations and growing staakeholder expectations demand proactive management.
Impact	Emissions from EPHs core and upstream activities (e.g. coal mining) contribute to air quality deterioration by releasing pollutants like NO _x , SO ₂ , mercury, methane, CO, and particulate matter into the air. These emissions can cause long-term and irreversible harm to human health and ecosystems.
Risk	Not Material
Actual/Potential	Actual
Affected part of value chain	All
Time horizon	Short

E3 Water	
Topic	Water Withdrawal
Current effect	Water is a critical resource for EPH's energy production processes. Excessive water withdrawals can lead to resource depletion, affecting local communities and ecosystems, and exposing the company to regulatory and reputational risks. Adopting water-efficient technologies and minimizing withdrawals aligns with EPH's strategy to ensure resource sustainability and reduce operational risks.
Impact	Not Material
Risk	Reliance on water withdrawals in water-scarce regions can expose EPH to operational disruptions, increased costs, and reputational damage. Regulatory limits on water use or community resistance may hinder operations.
Actual/Potential	Potential
Affected part of value chain	Own operations
Time horizon	Short

Topic	Water Discharges
Current effect	Water discharges from EPH's operations, including heated water and wastewater increases regulatory, reputational, and environmental risks. Implementing appropriate management systems and processes supports EPH's strategic goals of operational excellence, environmental stewardship, and compliance with water-related regulations.
Impact	Not Material
Risk	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 EPH's social license to operate.
Actual/Potential	Potential
Affected part of value chain	Own opera-tions
Time horizon	Short

Table 19: Material ESRS topical standard IROs

E4 Biodiversity and Ecosystems	
Topic	Biodiversity loss from Climate Change
Current effect	EPH's greenhouse gas emissions contribute to climate change, which accelerates biodiversity loss and disrupts ecosystems. These impacts pose long-term risks to natural resources and ecosystem services important to EPH's operations. Addressing biodiversity loss aligns with EPH's strategy to mitigate environmental risks, comply with regulations, and support a sustainable energy transition.
Impact	GHG emissions from fossil-fueled power 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.
Risk	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/Potential	Actual
Affected part of value chain	Own operations and upstream
Time horizon	Short

Topic	Land Degradation
Current effect	Land degradation resulting from resource extraction and energy infrastructure development and maintenance may threaten ecosystem health and operational viability. Sustainable land management practices are integral to EPH's strategy of minimizing environmental risks and ensuring compliance with global biodiversity and sustainability standards.
Impact	EPH's processes linked to extraction of resources in own operations (for e.g. lignite mining) and upstream activities including hard coal mining contributes to land degradation. Land degradation supports fewer species, reduces agricultural productivity, and disrupts ecosystem services essential for human livelihoods and climate regulation.
Risk	Not Material
Actual/Potential	Actual
Affected part of value chain	All
Time horizon	Short

Topic	Land-use and freshwater- use change
Current effect	Understanding the changes in land, sea, and freshwater use driven by EPH's energy production and infrastructure impacts on biodiversity and ecosystem services, enable us to mitigate regulatory and reputational risks. Integrating sustainable resource management into EPH's strategy strengthens stakeholder trust and ensures alignment with our long-term environmental goals.
Impact	EPH'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.
Risk	Not Material
Actual/Potential	Actual
Affected part of value chain	All
Time horizon	Short

Material ESRS topical standard IROs

E4 Biodiversity and Ecosystems	
Topic	Direct Exploitation
Current effect	Direct exploitation of ecosystems for resource extraction undermines biodiversity and ecosystem health, creating potential operational and reputational risks throughout the EPH value chain. Working with sustainable sourcing practices aligns with EPH’s strategic commitment to ethical operations, resource efficiency, and biodiversity conservation, ensuring long-term viability.
Impact	EPH’s reliance on raw materials from mining and fuel extraction involves direct exploitation of natural ecosystems which degrades habitats, reduces biodiversity, and causing long-term (and sometimes irreparable) ecological damage.
Risk	Not Material
Actual/Potential	Actual
Affected part of value chain	Own operations and upstream
Time horizon	Short

E5 Resource Use and Circularity	
Topic	Waste
Current effect	EPH is working with qualified waste management partners to ensure effective waste management. The energy production process generates waste, including potentially hazardous by-products, which, if poorly managed, can lead to negative impacts on environmental and human health, regulatory fines, and reputational harm.
Impact	EPH generates industrial waste, including coal ash, slag, and hazardous materials, during energy production. 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.
Risk	Not Material
Actual/Potential	Actual
Affected part of value chain	Own operations and upstream
Time horizon	Short

Social

S1 Own Workforce	
Topic	Training and Skills Development
Current effect	Equipping EPH’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 EPH’s strategic focus on sustainable growth, workforce satisfaction, and competitiveness in a rapidly evolving sector.
Impact	A lack of targeted training for workers in EPHs workforce can result in significant safety riskas 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.
Risk	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 proactively address reskilling and use of new technologies could contribute to slower adaptation to industry changes, potentially affecting compliance and competitive positioning.
Actual/Potential	Actual
Affected part of value chain	Own operations
Time horizon	Short

Topic	Health & Safety
Current effect	Maintaining a safe work environment for EPH’s own workforce is a foundational element of the company’s business strategy. Ensuring high health and safety standards reduces operational disruptions, enhances employee morale and productivity, and minimizes liability risks, directly contributing to EPH’s operational efficiency and ethical reputation.
Impact	EPH’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.
Risk	Failure to adequately address health and safety risks in areas such as mining, transmission, and power plant operations can result in increased workplace accidents, leading to legal liabilities, regulatory fines and reputational damage.
Actual/Potential	Actual
Affected part of value chain	Own operations
Time horizon	Short

Material ESRS topical standard IROs

S1 Own Workforce	
Topic	Diversity
Current effect	Fostering diversity and inclusion within EPH's workforce drives innovation, improves decision-making, and enhances EPH's ability to attract and retain top talent. A diverse workforce is critical for aligning with stakeholder expectations, ensuring cultural relevance, and delivering on EPH's strategic commitment to sustainable and inclusive growth.
Impact	The lack of diversity in leadership and technical roles at EPH 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.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Own operations
Time horizon	Short
Topic	Social Dialogue
Current effect	Strong social dialogue mechanisms support EPH's ability to address workforce concerns, manage industrial relations, and ensure smooth operations. Transparent engagement with employees and unions strengthens trust, reduces the risk of labor disruptions, and aligns with EPH's strategic priorities of workforce satisfaction and operational stability.
Impact	Inconsistent engagement across the EPH group workforce on critical issues like job security and the energy transition could lead to weakened trust, reduced morale, and escalated labor disputes, potentially impacting operational continuity.
Risk	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 EPH's performance and stability.
Actual/Potential	Potential
Affected part of value chain	Own operations
Time horizon	Medium, Long
Topic	Secure Employment
Current effect	Providing secure employment is fundamental to EPH's ability to retain talent, maintain workforce motivation, and sustain long-term productivity. Stability in employment practices directly supports EPH's operational strategy and aligns with its commitment to fair labor practices and international standards.
Impact	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.
Risk	Not Material
Actual/Potential	Actual
Affected part of value chain	Own operations
Time horizon	Short

S1 Own Workforce	
Topic	Freedom of Association and Collective Bargaining
Current effect	Respecting freedom of association and the right to collective bargaining is essential for EPH to foster a collaborative and empowered workforce. Supporting these rights reduces risks of labor unrest, enhances trust, and aligns with EPH's strategy to promote ethical labor practices and operational harmony.
Impact	Limited opportunities and support for the EPH workforce to engage meaningfully in decision-making for processes that impact them can lead to feelings of exclusion and disempowerment, lowering their job satisfaction.
Risk	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.
Actual/Potential	Potential
Affected part of value chain	Own operations
Time horizon	Medium, Long
Topic	Measures against harassment and violence
Current effect	Preventing workplace harassment is essential for maintaining a respectful and productive work environment, which is critical to EPH's reputation as an ethical employer. Strong anti-harassment measures reduce turnover, improve employee engagement, and directly support EPH's strategic focus on workforce well-being and operational excellence.
Impact	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.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Own operations
Time horizon	Short, Medium, Long

Material ESRS topical standard IROs

S2 Workers in the Value Chain	
Topic	Health and Safety
Current effect	Ensuring health and safety in EPH's value chain is critical for maintaining stable operations, minimizing supply disruptions, and safeguarding the company's reputation. High-risk activities such as resource extraction and transportation pose significant challenges. Addressing these risks aligns with EPH's commitment to operational excellence and ensures compliance with global health and safety standards, strengthening the company's resilience and long-term strategy.
Impact	Some of EPH's suppliers and contractors operate in hazardous environments, such as mining and logistics, either upstream or directly at the EPH sites. Poor safety standards can lead to workplace acidents, illnesses, and fatalities, negatively impacting workers and their families while increasing disruptions in EPH's supply chain.
Risk	If EPH 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. As a result, EPH might be held liable for failing to create safe working environment.
Actual/Potential	Actual
Affected part of value chain	Upstream and downstream
Time horizon	Short
Topic	Training and Skills Development
Current effect	Developing a skilled workforce across the value chain is essential for EPH to maintain operational efficiency, adapt to technological advances, and support the transition to sustainable energy. A lack of training within supplier and contractor workforces can lead to inefficiencies, safety risks, and missed opportunities for innovation, directly impacting EPH's ability to execute its strategy and remain competitive in a rapidly evolving energy market.
Impact	Not Material
Risk	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 EPH.
Actual/Potential	Potential
Affected part of value chain	Upstream and downstream
Time horizon	Medium, Long
Topic	Forced Labour
Current effect	The presence of forced labor in the supply chain poses severe reputational, legal, and operational risks to EPH. Resource extraction in regions with weak labor protections can undermine the company's ethical standing and stakeholder trust. Proactively addressing these issues aligns with EPH's values, strengthens its supply chain resilience, and supports the company's strategy of sustainable and ethical energy production.
Impact	Limited visibility and oversight in EPH'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.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Upstream
Time horizon	Medium, Long

S2 Workers in the Value Chain	
Topic	Child Labour
Current effect	Child labor within EPH's value chain poses severe ethical, reputational, and legal risks. It is most prevalent in upstream activities, such as raw material extraction in regions with weak governance. Addressing this issue aligns with EPH's commitment to ethical sourcing, compliance with international labor standards, and the protection of human rights, ensuring long-term supply chain resilience and stakeholder trust.
Impact	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 EPH.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Upstream
Time horizon	Medium, Long
S3 Affected Communities	
Topic	Freedom of Expression
Current effect	EPH's business activities may have implications on the local communities which are located near operations and facilities. If EPH 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.
Impact	Denying freedom of expression can significantly erode trust between communities and EPH, 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.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Upstream and downstream
Time horizon	Medium, Long
S4 Consumers and End Users	
Topic	Access to products and services (Energy reliability and security)
Current effect	Energy reliability and security are fundamental to EPH's business model and societal contribution. Ensuring access to affordable, stable, and sustainable energy for customers supports EPH's strategy to drive economic development, meet stakeholder expectations, and strengthen its reputation as a dependable energy provider, particularly as the global demand for clean and reliable energy continues to grow.
Impact	EPH'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 EPH is a major or monopoly energy provider.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Downstream
Time horizon	Short, Medium, Long

Material ESRS topical standard IROs

Governance

G1 Business Conduct	
Topic	Anti-bribery and Corruption
Current effect	Incidents of corruption and bribery undermine trust in EPH, expose the company to significant financial and legal risks, and damage stakeholder relationships. As a company operating in a regulated and high-profile industry, ethical conduct is critical. Preventing corruption and bribery ensures compliance with regulations, protects EPH's reputation, and strengthens its long-term business strategy by fostering transparency and accountability. Proactively preventing and detecting corruption and bribery through robust policies, governance structures, and targeted training programs safeguards EPH from legal and reputational risks. Integrating these practices into EPH's strategy ensures operational integrity, builds stakeholder confidence, and aligns with global anti-corruption standards, creating a competitive advantage in ethical business practices.
Impact	Not Material
Risk	Without continuous and targeted training programs, especially in relation to procurement, partnerships, and permitting processes, there is a risk for EPH 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.
Actual/Potential	Potential
Affected part of value chain	Own operations and upstream
Time horizon	Medium, Long
Topic	Political Engagement
Current effect	Transparent and ethical political engagement is critical to EPH's ability to shape fair energy regulations and foster public trust. Misaligned lobbying activities could damage the company's reputation and hinder its transition to clean energy. Responsible political advocacy ensures that EPH remains a credible stakeholder in the energy sector and aligns with its strategic focus on sustainable growth and regulatory compliance.
Impact	Not Material
Risk	EPH engages with policymakers to shape energy-related legislation and policies, including those affecting phase out of fossil fuels and transition to renewable sources. Undue influence or lobbying in favor of fossil fuels may delay climate action and undermine public trust and credibility of EPH commitments.
Actual/Potential	Potential
Affected part of value chain	Downstream
Time horizon	Short, Medium, Long

G1 Business Conduct	
Topic	Protection of whistle-blowers
Current effect	A robust whistleblower protection framework is essential for maintaining integrity within EPH's operations and mitigating risks of fraud, corruption, or safety violations. Such protections foster a culture of transparency and accountability, reducing operational risks and ensuring alignment with EPH's governance and risk management strategies.
Impact	Ineffective whistleblower protection mechanisms for employees and external parties could result in whistleblowers facing severe backlash, causing emotional distress, and potentially leading to a culture of fear and intimidation.
Risk	Not Material
Actual/Potential	Potential
Affected part of value chain	Own operations
Time horizon	Short, Medium, Long

IRO-1

Description of the processes to identify and assess material IROs

Our DMA has been performed 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 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 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 the impact as well as financial perspective. We also considered

whether there were any sustainability matters specific to EPH which were not covered in AR 16.

We have purposefully prioritized the consideration of negative impacts and risks over positive impacts and opportunities.



Our DMA approach

Understanding the value chain

The DMA process started by mapping the value chain, which includes EPH's own operations as well as the upstream and downstream activities on which EPH depends. We know there are limitations to the extent of visibility we have into our end-to-end value chain and for purposes of this initial DMA exercise, we primarily used existing sources, secondary data, as well as EPH'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”.

The impact on, and risks deriving from, key actors in the value chain was interrogated when identifying IROs, with a particular emphasis on the areas where there could be a concentration of IROs with particularly grave impacts (so-called “hot spots”), as well as the business dependencies EPH has on various aspects throughout the value chain.

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 impacts². 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 EPH’s direct purview was not always clear.

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.

EPH employed a three-phased engagement approach to ensure comprehensive input:

Core team assessment:

EPH, with the support of an external consultant, facilitated several rounds of discussions with the EPH core ESG team and top management (including ESG Officer Gary Mazzotti, CFOs of EPIF and EPH and various other functional representatives) to identify and interpret the AR16 sustainability matters and their relevance for EPH 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.

Internal expert consultation

We organized interactive materiality assessment workshops for every ESRS topic to receive feedback from relevant internal subject-matter experts within the EPH 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 EPH, 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 EPH employee base). We used our insights from the value chain mapping process we performed to identify key internal proxies.

The outcome of these sessions, which 165 survey responses, 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.

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.

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 EPH’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 responsible coal sourcing practices and industry-wide standards for improving social, environmental, and ethical performance in the coal supply chain. These engagements strengthened our ability to address and score upstream impacts and ensure alignment with best practices and stakeholder expectations.

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.

2 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.

Scoring methodology

EPH 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 ESG Core team within EPH, in collaboration with our external advisors. In total, 173 IROs were scored.

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.

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.

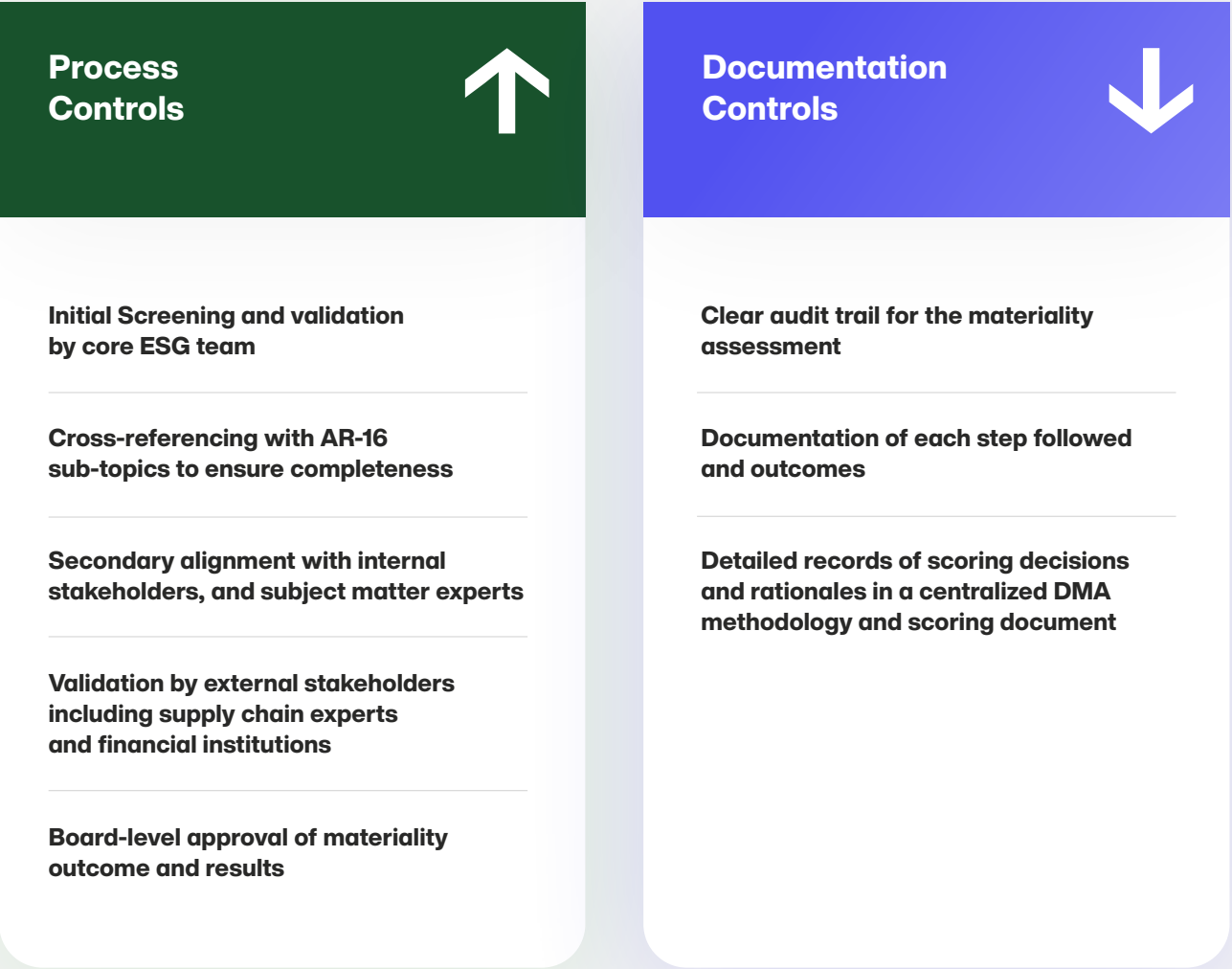
Magnitude was assessed across five risk dimensions: Strategic Risk, Operational Risk, Reputational or Legal Risk, Client Risk, and Employee Risk. The risk dimension with the highest score was used to determine the final magnitude of the IRO statement. The assessment of risk was performed primarily from 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 EPH).

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:



Limited calibration across topics, with rationale, took place before finalizing the assessment.

Scoring methodology

Integration of impact and risk assessment into EPHs overall risk management process, and general management process:

This was the first DMA that EPH 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 EPH's strategic priorities, ensuring alignment between material topics and the Group's sustainability goals.

In total, 173 IROs were scored

173

In total, EPH received and reviewed 165 unique survey responses ranking sustainability matters across the ESRS topical standards.

165

27 material sub-topics identified

27

Current effects on the business model

EPH recognizes the significant effects of its material IROs across various domains of sustainability and our business model as articulated in our IRO table.

Resilience against material IROs

EPH 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, emissions control technologies, and water efficiency measures enhance our ability to adapt to changing regulatory environments and market dynamics. Additionally, EPH'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, EPH 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, EPH 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, EPH 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.

IRO-2

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

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](#). 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](#).

Policies MDR-P

Policies adopted to manage material sustainability matters

EPH 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.

Current policy objectives

The EPH 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.

Implementation and monitoring

We implement the EPH 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:** EPH 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.

Policy Overview

The following table provides an overview of our current sustainability related policies.

Sustainability-related policies

Master Policy	
Key content	The ESG Master policy is a comprehensive policy framework and basic guidelines for the EPH Group as well as defining the core principles for sustainability related policies within the EPH Group and its subsidiaries.
General objective	EPH is conscious of its important economic, social and environmental impact. Along with proven business results, EPH strives to respond to its key stakeholders' priorities facing main challenges by providing the highest quality in its operations.
Related sustainability matters	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)
Monitoring process	<ul style="list-style-type: none">EPH 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.EPH will monitor all resources usage and placing appropriate programs to improve their efficiency.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership.
Third-party standards/initiatives	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

Table 19: Sustainability-related policies

Sustainability-related policies

Environmental policy	
Key content	Environmental policy describes 15 principles that EPH 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.
General objective	EPH 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.
Related sustainability matters	E1 Climate change adaptation E1 Climate change mitigation E1 Energy E2 Air pollution E2 Pollution of living organisms E3 Water discharges E5 Waste
Monitoring process	<ul style="list-style-type: none">• EPH 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.• EPH monitors resources used to improve its resource efficiency.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	Paris Agreement GHG Protocol EU Taxonomy Regulation Best Available Techniques (BAT) Council Directive 2011/70/Euratom EU waste hierarchy Local conservation goals.

Biodiversity Policy	
Key content	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 EPH goal not only to minimise 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 EPH, informing all of its actions.
General objective	Encouragement of economic and social development, respect for the environment and promotion of biodiversity are paramount corporate values for the EPH, informing all of its actions.
Related sustainability matters	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
Monitoring process	<ul style="list-style-type: none">• EPH 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 EPH Group, including consideration thereof in decisions on the construction, operation and decommissioning phases of infrastructure projects.• EPH 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.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	Convention for Biological Diversity (CBD) Nagoya Protocol

Sustainability-related policies

Operational policy	
Key content	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.
General objective	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.
Related sustainability matters	S1 Health and safety
Monitoring process	<ul style="list-style-type: none">• EPH 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 EPH's emergency plans.• Setting an open constructive dialogue with its key stakeholders to understand expectations to EPH's business decisions.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH 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)
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	ISO 145001 OSHA standard

Procurement policy	
Key content	Procurement policy makes sure that the EPH 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 EPH Group expects its suppliers to uphold the eight fundamental Conven-tions of the International Labour Or-ganization.
General objective	Procurement policy is committed to conducting its business activities in a transparent and operationally excellent manner and expects the same of its suppliers.
Related sustainability matters	S2 Health and safety S2 Training and skills development S2 Forced labor S2 Child labor
Monitoring process	<ul style="list-style-type: none">• EPH 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.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	Conventions of the International Labour Organization ISO 45001 certifications

Sustainability-related policies

Code of conduct	
Key content	The Code of Conduct defines EPH'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.
General objective	The EPH Group Code of Conduct contains standards of behavior to be upheld by employees and is designed to ensure good relationships with all stakeholders.
Related sustainability matters	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)
Monitoring process	<ul style="list-style-type: none">EPH 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.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	Ten Principles of the United Nations Global Compact ISO 45001 certifications

Tax Governance Policy	
Key content	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.
General objective	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.
Related sustainability matters	N/A
Monitoring process	N/A
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels, within the countries and territories of operation.
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	N/A

Equity, diversity and inclusion policy	
Key content	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.
General objective	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.
Related sustainability matters	S1 Training and skills development S1 Diversity S1 Secure employment S1 Measures against violence and harassment in the workplace S2 Training and development
Monitoring process	<ul style="list-style-type: none">EPH 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.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	Ten Principles of the United Nations Global Compact ISO 45001 certifications

Asset Integrity Policy	
Key content	Asset Integrity Policy outlines the principles and practices that govern decisions on asset management at EPH to ensure that EPH 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.
General objective	Asset integrity policy outlines the principles and practices that govern decisions on asset management at EPH to ensure that EPH responsibly manages asset integrity risks across all facilities that we design, construct or operate.
Related sustainability matters	E1 Climate change adaptation E1 Climate change mitigation E1 Energy E3 Water withdrawals E3 Water discharges
Monitoring process	<ul style="list-style-type: none">Monitor and review the effectiveness of asset management processes and the wider asset management system in supporting the delivery of strategic objectives.
Scope of policy	All assets owned by EPH and all aspects of each asset, including design, construction, operation, maintenance and disposal. EPH may rely on natural assets or other assets it does not own. Where operations are supported by these assets, EPH will work collaboratively with the asset owners.
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	N/A

Sustainability-related policies

Anti-corruption and anti-bribery Policy	
Key content	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.
General objective	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.
Related sustainability matters	G1 Incidents, prevention and detection of corruption and bribery including training
Monitoring process	<ul style="list-style-type: none">• EPH 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.• EPH 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.
Scope of policy	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	EU anti-money laundering directives

KYC Directive	
Key content	KYC Directive outlines the process that seeks to verify and validate the business partner's identity and suitability in order to support EPH'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 EPH Group Company's departments and bodies including the four eyes principle.
General objective	KYC Directive obliges each EPH Group Company to implement measures and processes concerning business partner's identification and suitability that are necessary and appropriate with regard to the respective EPH Group Company's profile and character of its activities and business relationships into its internal processes and rules of operations.
Related sustainability matters	S2 – Workers in the value chain
Monitoring process	<ul style="list-style-type: none">• EPH 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.• EPH Group Company evaluates and verifies the information and data, checks whether the business partner is subject to sanctions.
Scope of policy	N/A
Accountable role for implementation	N/A
Third-party standards/initiatives	N/A

Sanctions Policy	
Key content	Sanctions Policy is to ensure compliance of EPH with Sanctions, i. e. to ensure that EPH and/or its Employees does not establish or maintain business relations or process any transactions for/on behalf of sanctioned persons, entities or countries.
General objective	EPH is committed to avoiding trade with sanctioned parties or anyone in sanctioned countries.
Related sustainability matters	N/A
Monitoring process	N/A
Scope of policy	<ul style="list-style-type: none">• EPH 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.
Accountable role for implementation	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Third-party standards/initiatives	EPH board and executive leader-ship

Anti-trust law Policy	
Key content	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.
General objective	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.
Related sustainability matters	N/A
Monitoring process	N/A
Scope of policy	<ul style="list-style-type: none">• EPH 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
Accountable role for implementation	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Third-party standards/initiatives	EPH board and executive leader-ship

Sustainability-related policies

Whistleblower Policy	
Key content	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.
General objective	EPH believes that speaking out and reporting serious concerns is essential for safety, legal and financial compliance and ultimately a successful business.
Related sustainability matters	G1 Protection of whistle blowers
Monitoring process	<ul style="list-style-type: none">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 EPH Group Company structure.
Scope of policy	All Employees in all countries and territories that EPH 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 EPH Group Policies.
Accountable role for implementation	EPH board and executive leadership
Third-party standards/initiatives	N/A

Anti-financial crime policy	
Key content	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.
General objective	Anti-Financial Crime Policy is to prevent EPH, our employees and our business partners from being exposed to financial crime covering money laundering and terrorist financing.
Related sustainability matters	N/A
Monitoring process	N/A
Scope of policy	<ul style="list-style-type: none">EPH 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.
Accountable role for implementation	EPH, their subsidiaries and companies controlled by EPH Group on all operational levels
Third-party standards/initiatives	EPH board and executive leadership

Commitment to policy refinement

EPH 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 EPH. 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.

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:

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.

Stakeholder engagement

We will engage with operating companies to gather detailed feedback on 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.

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.

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.

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.

Disclosure and transparency

Disclosure and transparency

EPH will report on the progress of policy refinements and its implementation in our next reporting cycle.

Commitment to continuous improvement

EPH 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.

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.

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.

Metrics MDR-M

Metrics in relation to sustainability matters

Our approach to disclosure of 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.

Targets MDR-T

Tracking effectiveness of policies and actions through targets

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.

EPH Group 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 provider, not only does EPH 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.

EPH has already introduced the following decarbonization targets:

- 1

Reduce CO₂ emission intensity of its European power generation fleet in line with the Below 2 Degrees pathway of Transition Pathway Initiative (TPI) by 2033
- 2

Phase out coal by 2030
- 3

Achieve net zero operations in respect of Scope 1 & 2 emissions by 2050
- 4

Reduce methane emissions in its gas midstream and downstream infrastructure in line with the Global Methane Pledge, i.e. by 30% between 2020 and 2030

To date we have achieved the following reductions:

- For the prospective EPH scope (which considers the impact of ongoing acquisitions and disposals), the CO₂ emission intensity of power and heat generation was reduced from 364 gCO₂/kWh in 2022 (base year) to 258 gCO₂/kWh in 2024, i.e. by 29%
- The share of installed capacity in coal was reduced from 34% as of 2022 to 20% as of 2024. Following the power plant closures and commissioning announced for 2025 and first half of 2026, as well as ongoing acquisitions and divestments, the coal-based capacity is expected to decline below 5% of EPH total capacity
- Methane emissions in its gas midstream and downstream infrastructure held under EPIF Group were reduced already by 45% between 2020 (base year) and 2024. EPH 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.

Environment

2. **ESRS E1** Climate change

EPH acknowledges its crucial role in reducing emissions in our industry. We have concentrated our efforts on enhancing energy efficiency, developing internal policies, and implementing programs within our Group's operations.

EPH 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.

E1.GOV-3

Integration of sustainability-related performance in incentive schemes

As outlined in section [ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes](#), the ESG Officer of EPH sub-holdings EP Power Europe and EP Infrastructure 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.

E1-1

EPH’s Climate transition Plan

EPH’s main strategic goal is to provide security of energy supply through dispatchable power sources and integrated gas infrastructure, while concurrently reducing its GHG footprint and ensuring readiness for renewable gases in the medium to long term. EPH’s transition plan ensures that each asset has either a phase-out plan or a clearly defined role in a net zero energy system. Development capital expenditures (Capex) are primarily directed towards assets where alignment with renewable gases or other decarbonization levers are envisaged, while other Capex is limited to maintenance to ensure safe and reliable operation of the remaining coal assets (until phaseout) and gas power plants while the path to renewable gases is still developing.

EPH is committed to reliable and responsible operation of essential energy infrastructure, and actively promotes and contributes to a coordinated transition to net zero GHG emissions. EPH follows the sectoral

decarbonization GHG emissions reduction pathway³ from the Transition Pathway Initiative (TPI).

EPH studied the International Energy Agency’s (IEA) scenario modelling to understand what is required from EPH and the EU power sector to limit global warming to 1.5 °C. IEA’s modelling is aligned with 1.5 °C climate scenarios of the Intergovernmental Panel on Climate Change (IPCC)⁴ and provides emissions intensity (gCO₂e/kWh) reduction pathways for the power sector in aggregate, covering both dispatchable and non-dispatchable power.

However, whereas non-dispatchable power generation can be decarbonized cost-effectively with renewables, dispatchable power generation is far more difficult to abate. That is also why IEA’s latest 1.5 °C “Net Zero” scenario⁵ shows a need for dispatchable gas-fired power generation and infrastructure until 2050.

Due to this difference in abatement potential, intensity pathways for individual companies can differ from each other. EPH has an above-average emission intensity due to its focus on dispatchable generation. Reaching the sector average intensity target would be very challenging for EPH as its emissions from dispatchable power would have to be compensated with significant investments. Other companies that have higher shares of (non-dispatchable) renewables will have below-average emissions intensity and can get to net zero emissions sooner.

To achieve the 1.5 °C objective, individual intensity pathways from all power companies should add up to the IEA’s power sector intensity pathway. This does not mean that all companies should align to the sector average intensity. Companies that focus largely or exclusively on renewables should not increase emissions to align with the sector average intensity. EPH on the other hand, with its focus on dispatchable generation, should be given more time to decarbonize. Therefore, we conclude that if EPH aligns with the well-below 2 °C intensity TPI⁶ pathway, EPH is contributing to power sector alignment with 1.5 °C. EPH will monitor the development of the new science-based targets power sector standard by the Science Based Targets initiative in 2025 and 2026. If the new guidance appropriately differentiates between variable and dispatchable power generation, it may create an opportunity for enhancing EPH’s decarbonization ambition.

EPH’s exposure to locked-in GHGs and decarbonization measures

All EPH assets related to fossil fuel emissions are potentially exposed to locked-in GHG emissions⁷. EPH addresses all key fossil asset groups in its transition plan.

Coal-fired generation

EPH has a clear exit plan for its hard coal/lignite power plant and heating plant fleet which respects local legislation and grid stability needs. While unlikely, there is a possibility that governments could jeopardize EPH’s GHG emission reduction targets by delaying phase out plans for prioritized coal-fired generation due to energy security concerns.

Gas-fired generation

EPH conducts efforts to stimulate the market adoption of renewable gases (hydrogen, biomethane) or Carbon Capture & Storage (CCS) technologies. Nevertheless, a potential delayed availability and affordability of green gases could make the transition of EPH’s assets to low carbon power generation not economically feasible in the coming years. Therefore, EPH plans to upgrade older plants or build new plants to be hydrogen-ready, while operating on natural gas until renewable gases or CCS technology 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 or CCS.

3 Further information on GHG targets is provided in section [E1-4 – Climate-related targets](#)
4 The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.
5 [IEA \(2024\)](#)

6 TPI assesses companies’ carbon performance against the modelling conducted by the IEA for its biennial Energy Technology Perspectives report. This modelling is used to translate emissions targets made at the international level into sectoral benchmarks, against which the performance of individual companies can be compared. The TPI “below 2°C” benchmark is consistent with the overall aim of the Paris Agreement to limit warming, albeit at the middle of the range of ambition. This benchmark is consistent with a carbon budget that limits the global mean temperature rise to 1.65°C with a 50% probability. This TPI pathway incorporates the Sustainable Development Scenarios of IEA as its reference point.

7 Section [E1.SBM-3 Material R&Os and their interaction with strategy and business model](#) describes how locked-in GHG exposure can affect EPH’s strategy and business model.

EPH’s Climate transition Plan

Gas infrastructure

EPH currently advances hydrogen readiness across its gas midstream and downstream infrastructure. EPH 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 the development of a large-scale market for renewable gases, where EPH 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 lists EPH’s direct and indirect decarbonization levers including the corresponding projected GHG emissions reductions per lever. EPH’s direct decarbonization levers (1–8 in the table) align with EPH’s well-below 2 °C GHG intensity target. EPH’s indirect decarbonization levers (9–11 in the table) enable the integration of renewable energy in the wider energy system. Furthermore, the table includes indicative planned Capex to realize GHG reduction.

8 Capex used for this calculation excludes acquisitions of assets from business combinations which is included in the EU Taxonomy disclosure.

EU Taxonomy-aligned activities and Capex related to fossil fuels

In the reporting period, EPH’s EU Taxonomy-aligned activities included the operation of the power distribution network, district heating networks, certain gas power plants meeting the stringent EU Taxonomy criteria (currently only the OCGT power plant at Kilroot in Northern Ireland), and 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. We note that Turnover, Opex, and Capex related to the power and heat generation from natural gas will be presented as taxonomy aligned once EPH obtains an external verification from an independent third party on compliance of certain criteria.

The main Taxonomy-eligible activity which is not fully aligned is represented by power generation from natural gas. While these projects are continuously assessed for EU Taxonomy alignment, they currently do not meet the required emission intensity threshold which cannot be achieved without blending of green gases which are currently not commercially available. Capex spent on this activity in 2024 primarily included the development of two new-build hydrogen-ready CCGT power plants in Italy, of which the Tavazzano power plant was in an advanced commissioning stage at the end of 2024 and the Ostiglia power plant is in the construction phase.

In 2024, 68% of Capex was spent on Taxonomy-eligible activities, while 38% was fully aligned. Based on the Capex plan of EPH communicated in section *E1-3 Climate-related actions*, the share of eligible Capex is anticipated to remain above 60% and gradually increase as the exposure to coal operations will be reduced.

In 2024, coal-related Capex was limited to necessary maintenance and amounted to 73 M EUR (12% of total Capex), gas-related Capex represented mainly gas power plants (164 M EUR⁸, 26% of total Capex) and gas midstream and downstream infrastructure (84 M EUR, 13% 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.

Green finance framework

In May 2024, EPH established its green finance framework, which covers the issuance of green finance instruments and allows for the alignment of funding instruments with material sustainability topics, related investments, and targets. By further promoting its sustainability ambitions (both internally and externally) and reinforcing engagement with investors and other stakeholders, EPH believes any green financing will accelerate EPH’s energy transition. The sustainable finance instruments issued under this framework are intended to contribute to implementing the decarbonization strategy of EPH. EPH issued its inaugural green bond on 31 May 2024 of EUR 500 million through its subsidiary EPH Financing

International, a.s. The EUR-denominated green bonds, maturing in November 2029, bear a 5.875% coupon, paid annually. An amount equivalent to the net proceeds from the issuance will be allocated in line with EPH’s green finance framework to a portfolio of eligible green projects within 1 year from the issuance. EPH is currently not part of any equity or bond indices and therefore cannot be excluded from Paris Aligned Benchmarks (PAB Equity or Bond Index).

Governance of the climate transition plan

The EPH Board of directors is regularly informed on ESG matters by the ESG Officer. EPH’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.

EPH’s progress update in implementing the transition plan

The progress is described in the section Management Review.

E1.SBM-3

Material R&Os and their interaction with strategy and business model

EPH acknowledges the importance of understanding its climate-related risks and opportunities (R&Os) as they could affect EPH’s strategy and business model. Therefore, EPH 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, EPH continuously scouts for opportunities that may arise from the transition to a low carbon economy.

EPH conducted a resilience analysis against the climate R&Os prioritized in the R&O assessment⁹. EPH uses the outcome of the resilience analysis to increase its resilience against these climate R&Os, and to inform stakeholders about how EPH manages its prioritized R&Os. [Section Resilience analysis methodology](#) describes how EPH conducted the resilience analysis. [Section Implications of prioritized R&Os for EPH’s strategy and business model](#) provides the results of the resilience analysis.

9 A selection of EPH’s climate R&Os is defined as material, with immaterial R&Os being excluded from the resilience analysis. See [section E1.IRO-1 Description of the processes to identify and assess material climate-related IROs](#) for the materiality assessment method

10 Carrying amount of assets

11 Acute and chronic physical risk in own operations, see E1-9 further information

12 Exposure to locked-in GHG emissions, see E1-9 for further information

13 See [section E1-9 – Financial effects from climate-related risks and opportunities](#)

14 [Section E1-3 – Climate-related actions](#) lists the climate mitigation and adaptation actions

Resilience analysis methodology

EPH 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). EPH analyzed climate scenarios over EPH’s defined time horizons to assess the implications of each R&O to EPH’s SBM. EPH’s resilience analysis is based on financial effects resulting from climate R&Os. EPH assessed these financial effects quantitatively and qualitatively:

- **Quantitative assessment:** EPH assessed exposure of assets¹⁰ and net revenues to two types of physical risks¹¹ and one transition risk¹², for which the uncertainties and limitations are noted in the E1-9 method sections¹³.
- **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.

EPH incorporated **planned mitigation and adaptation actions**¹⁴ in the resilience analysis. These climate actions, together with EPH’s other risk response measures, inform the overall ability of the EPH 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 Implications of prioritized R&Os for EPH’s strategy and business model](#)).

The **scope** of the resilience analysis includes all subsidiaries within EPH that can experience noteworthy effects from physical risks and transition risks/opportunities to EPH.

- Regarding physical risk, EPH assessed the risks affecting EPH’s own operations, with the upstream/downstream value chain being excluded from the analysis as EPH deprioritized these risks in the IRO assessment¹⁶. Within EPH’s own operations, the scope of assessment is further described in E1-9 section [Methods](#).
- Regarding transition risk, the scope includes subsidiaries from EPPE and EPIF, and excludes subsidiaries from EPLI¹⁵.

The resilience analysis covers the short- (FY2024), medium- (2025–2029) and long-term (2030–2060) **time horizons**¹⁶ for three **climate scenarios** to capture the extremes from physical risks and transition risks/opportunities that could impact both EPH’s own operations (physical/transition) and/or value chain (transition). EPH used the “shared socioeconomic pathway” (SSP) scenarios: 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 EPH’s financial statements has not been assessed, as such critical climate-related assumptions are not yet present in EPH’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 limitations¹⁷. EPH is aware of the scenario 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. EPH chooses three out of five¹⁸ SSP scenarios to cover

15 EPLI is the only sub-entity left out of the scope for transition R&O identification and assessment due to the insignificant share of EPH assets / revenues compared to EPPE and EPIF.

16 Further information on time horizons and climate scenarios is provided in [section E1.IRO-1 Description of the processes to identify and assess material climate-related IROs](#).

17 [O’Neill et al. \(2020\)](#)

the full range of possible R&Os regarding transition and physical R&Os. Moreover, EPH used information from additional scenarios from other sources, such as the International Energy Agency (IEA), in alignment with the SSP scenarios.

Implications of prioritized R&Os for EPH’s strategy and business model

This section provides the results of the resilience analysis of EPH’s strategy and business model concerning its prioritized climate-related R&Os. EPH considers its assets and business activities at risk when defining or reviewing its strategy and planned adaptation/mitigation actions. EPH also reviews the R&Os when making investment decisions.

- EPH addresses assets/activities affected by **physical risks** through adaptation actions 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.
- EPH addresses assets/activities affected by **transition risks** through mitigation actions such as phasing out coal plants to reduce EPH’s GHG emissions, or focusing on technologies vital for the energy sector transition which are often supported by government funding in the form of investment or operating subsidies, capacity payments, and feed-in tariffs.
- EPH includes **transition opportunities** in EPH’s decision-making, as successful implementation of opportunities causes benefits for both EPH’s market competitiveness as well as our sustainability goals.

18 EPH did not assess R&Os for the other two SSP scenarios SSP4 “Inequality” and SSP2 “Middle of the road”, as EPH 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 31](#) for the list of adaptation actions.

20 See E1-3 [Table 29](#) for the list of mitigation action.

EPH’s current strategy and business model already integrates climate-related risks and opportunities, and EPH remains flexible to further adapt to climate change across the short-, medium-, and long-term time horizons. EPH’s strategy considers various climate scenario narratives²¹ that capture the extremes from physical and transition risk, ensuring resilience to transition and physical climate developments.

- EPH 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 EPH’s existing assets; and shifting EPH’s products and services portfolio.
- EPH created the Green Financing Framework (GFF) to present EPH’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.
- EPH’s current strategy envisions adoption of renewable or low-carbon gases in natural gas-fired plants unless these plants are phased out in the medium term. Commercial availability of renewable gases such as hydrogen depends on substantial investments in infrastructure expansion. Nevertheless, if such infrastructure development is delayed, most gas-fired assets are not at high risk of GHG emission lock-in, as most gas-fired plants have their end-of-life projected within the 2030–2040 period. In the case that the hydrogen infrastructure developments are successful, the lifetimes of these gas-fired plants could be extended together with the envisioned hydrogen blending upgrades. In addition, biomethane or CCS represent alternative solutions for decarbonization of the gas power fleet.

- EPH anticipates reducing gas-fired full load hours and increasingly utilizing capacity compensation²² schemes alongside traditional electricity market schemes, to provide energy security. IEA forecasts indicate that while gas full load hours will decrease, dispatchable load from gas-fired plants will still be necessary during energy scarcity (e.g., low renewables production), supporting the case for capacity market compensation.
- EPH explores new business opportunities which would support the integration of renewable energy into the power grid such as battery storage facilities or electrolyzers. EPH has already reached the final investment decision for several battery storage systems.

Table 20 and Table 21 below describe the acute & chronic physical climate risks, and Table 22 to Table 27 show the transition R&Os. All R&Os include scenario analysis based on the SSP scenarios relevant to each R&O. Furthermore, EPH’s ability to adapt to each R&O is detailed out in each table.

21 SSP1-2.6, SSP3-7.0 and SSP5-8.5 from the IPCC. EPH applied the IEA NZE scenario on top of the SSPs where relevant.

22 Capacity compensation schemes are temporary support measures that EU countries can introduce to remunerate power plants for medium and long-term security of electricity supply. Capacity schemes enable power plants to be available for generating electricity when needed. In exchange, the mechanisms provide payments to these power plants.

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 ²⁵		Increased impacts to assets that are exposed ²³ to acute physical climate hazard risks. EPH assessed the following acute hazards ²⁴ that can impact assets ²⁵ : <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Increased expenses due to asset damage, higher insurance premiums, fines from outages• Decreased revenues due to operational downtime• Asset devaluation		
Scope ²⁵		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)	<ul style="list-style-type: none">• SSD’s electricity grid is exposed to cold waves and wind risks.• A small share of critical assets²⁶ is exposed to flood risk.• EPH found no exposure to other risks related to the hazards included in the physical risk assessment scope.	<ul style="list-style-type: none">• Similar as in short-term.	<ul style="list-style-type: none">• 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 severity²⁷ of negative financial effects.
	High carbon scenario (SSP5-8.5)	<ul style="list-style-type: none">• Same as in orderly transition scenario	<ul style="list-style-type: none">• Similar as in short-term.	<ul style="list-style-type: none">• SSD’s electricity grid exposure to:<ul style="list-style-type: none">– 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 severely²⁷ affected, as they experience higher flood depths compared to the orderly transition scenario.
Response measures	Current	<ul style="list-style-type: none">• EPH scans critical assets against climate projections to identify assets exposed to acute physical climate impacts. EPH’s infrastructure subsidiaries have contingency plans to respond effectively to acute physical climate impacts.• EPH’s subsidiary SSD implements adaptation actions²⁸ to make the electricity grid more resilient to extreme weather events.		
	Planned	<ul style="list-style-type: none">• EPH will evaluate whether any additional adaptation actions for assets exposed to acute risk are appropriate.		

Table 20: Acute physical climate risk

23 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.

24 Other acute hazards that can materially affect EPH, such as landslides, could not be assessed due to climate data limitations. See Table 39 for the hazards excluded from the scope.

25 See section E1-9 – Financial effects from climate-related risks and opportunities for the method describing the subsidiaries, asset classes, financial flows and hazards included in scope for physical risk exposure.

26 Critical assets exposed to material flood risk are a gas compressor station in Slovakia, a gas storage station in Germany, and three thermal power plants in Italy.

27 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).

28 Adaptation actions to improve SSD’s grid resilience include building stronger poles etc. See E1-3 for more information.

Chronic physical climate risk

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 ²⁹ to chronic climate hazard risks. EPH assessed the following chronic hazards ³⁰ that can impact assets ³¹ : <ul style="list-style-type: none">Water stress, e.g., plants not able to operate due to their cooling water requirements being constrained by low river levelsHigher temperatures, e.g., plants have lower energy efficiency due to higher temperaturesSea level rise, e.g., coastal plants affected by higher seawater levels causing coastal erosion. The resulting impacts from assets being affected by hazards can lead to: <ul style="list-style-type: none">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 limitsDecreased revenues due to operational downtimeAsset 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)	<ul style="list-style-type: none">All power plants can have their energy efficiency impacted by higher air temperatures, leaving them exposed to this risk.Several power plants are exposed to water stress risk due to cooling water constraints.No notable exposure to sea-level rise risk.	<ul style="list-style-type: none">Similar as in short-term.	<ul style="list-style-type: none">Air temperatures rise further, and water scarce areas become more water stressed.Coal plants are not exposed to abovementioned hazard risks, as they are phased out.Gas plants are exposed to abovementioned hazard risks. The increased severity³² from higher temperatures and water stressed areas is suppressed by the plants having fewer operating hours³³Other assets (e.g. biomass/CHP) exposed to abovementioned hazard risks experience increased severity from these risks.
	High carbon scenario (SSP5-8.5)	<ul style="list-style-type: none">Similar as in orderly transition scenario.	<ul style="list-style-type: none">Similar as in orderly transition scenario.	<ul style="list-style-type: none">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	<ul style="list-style-type: none">EPH scans critical assets against climate modelling data to identify assets exposed to chronic physical climate impacts.EPH installs enhanced cooling systems, increasing the resilience of assets exposed to water stress risk and/or eliminating their exposure to this risk.EPH's subsidiary SSD implements adaptation actions³⁴ to make the electricity grid more resilient to higher temperatures.		
	Planned	<ul style="list-style-type: none">EPH to investigate whether any additional adaptation actions for high-risk exposed assets are appropriate.EPH anticipates to reduce full-load hours in gas-fired plants which shall reduce exposure to higher temperatures / water stress (although the risk is not fully addressed, as plants may still operate in periods exposed to these chronic risks).		

Table 21: Chronic physical climate risk

29

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.

30

Other chronic hazards that can materially affect EPH, such as soil erosion, could not be assessed due to climate data limitations. See [Table 53](#) for the material hazards out of scope.

31

See section [E1-9 – Financial effects from climate-related risks and opportunities](#) for the method describing the subsidiaries, asset classes, financial flows and hazards included in scope for physical risk exposure.

32

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.

33

While operating hours are projected to reduce, this assumption includes caution, as vulnerable periods may still occur within the reduced operating hours (e.g. plants could operate in evenings during heat wave periods often characterized with no generation from wind/ solar).

34

Adaptation actions to improve SSD's grid resilience include using more robust cables against high temperatures etc. See E1-3 for more information.

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 EPH to reach final investment decisions and execute its transition plan.		
Scope		All of EPPE's and EPIF's 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)	<ul style="list-style-type: none">Same as in disorderly transition scenario.	<ul style="list-style-type: none">The orderly transition scenario does not project delays in low carbon projects, as governments prioritize these projects.	<ul style="list-style-type: none">Same as in medium term.
	Disorderly transition scenario (SSP3-7.0)	<ul style="list-style-type: none">Regulatory frameworks are gradually adapted to ensure viability of decarbonization projects, albeit at a slower pace than optimal to ensure smooth planning and implementation	<ul style="list-style-type: none">EPH could face lack of regulatory incentives regarding EPH'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.	<ul style="list-style-type: none">Same as in medium term.
Response measures	Current	<ul style="list-style-type: none">EPH 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	<ul style="list-style-type: none">No additional measures planned on top of current measures.		

Table 22: Withdrawal/delay of regulatory incentives for low carbon projects

31

See section [E1-9 – Financial effects from climate-related risks and opportunities](#) for the method describing the subsidiaries, asset classes, financial flows and hazards included in scope for physical risk exposure.

32

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.

33

While operating hours are projected to reduce, this assumption includes caution, as vulnerable periods may still occur within the reduced operating hours (e.g. plants could operate in evenings during heat wave periods often characterized with no generation from wind/ solar).

34

Adaptation actions to improve SSD's grid resilience include using more robust cables against high temperatures etc. See E1-3 for more information.

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		<ul style="list-style-type: none">Decreased revenues resulting from reduced market share and/or lower demandStranded assets (gas/heating assets stranded before planned end-of-life)		
Scope		All of EPPE's and EPIF's subsidiaries except electricity distribution company SSD ³⁵		
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)	<ul style="list-style-type: none">No notable effect, EPH anticipates reducing gas-fired full load hours and increasingly utilizing capacity compensation schemes³⁶ alongside traditional electricity market schemes, to provide energy security. IEA forecasts indicate that while gas full load hours will decrease, dispatchable load from gas-fired plants will still be necessary during energy scarcity (e.g., low renewables production), supporting the case for capacity market compensations.	<ul style="list-style-type: none">Same as in short-term	<ul style="list-style-type: none">In the unlikely event that customer demand from traditional dispatch generation decreases considerably³⁷, the magnitude of the risk can be substantial for EPIF and EPPE.EPIF's gas infrastructure and district heating operations would be substantially impacted if most consumers shift to low-cost alternatives such as heat pumps.Reduced need for dispatchable power would considerably affect EPPE's portfolio of new dispatchable hydrogen-ready gas power plants and investments in batteries or other energy storage systems. The risk is reduced for the older gas power plants as they are mostly phased out according to schedule with their current planned end of life in 2030–2040. Extension of their lifetime would be likely supported by a regulatory incentive or a long-term customer offtake contract, securing stable revenues.
	Disorderly transition scenario (SSP3-7.0)	<ul style="list-style-type: none">Same as in orderly transition scenario (no notable effect).	<ul style="list-style-type: none">Same as in short-term	<ul style="list-style-type: none">Same as in medium-term
Response measures	Current	<ul style="list-style-type: none">EPH carefully monitors market/technological developments to anticipate to this risk promptly.EPH already utilizes capacity compensation schemes for assets that provide energy security of supply.Most gas-fired assets have their planned end-of-life at the start of the long-term period (2030–2040), reducing exposure to this risk. Any extension is subject to evaluation of the business case under new market circumstances		
	Planned	<ul style="list-style-type: none">EPH plans to reduce gas-fired full load hours and increasingly utilize capacity compensation schemes³⁸ alongside traditional electricity market schemes.Based on market development insights, EPH can further respond to technological innovations by adequately diversifying/upgrading its portfolio when required.		

Table 23: Reduced customer demand, leading to lower capacity requirements

35 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.

36 Capacity compensation schemes are temporary support measures that EU countries can introduce to remunerate power plants for medium and long-term security of electricity supply. Capacity schemes enable power plants to be available for generating electricity when needed. In exchange, the mechanisms provide payments to these power plants.

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 ³⁹ for low carbon products and services (other than fuel), such as increased demand for power plant equipment, low carbon raw materials such as steel/plastics, and skilled labor.		
Effects		<ul style="list-style-type: none">Higher than anticipated increase in costs of products and services required for EPH's decarbonization goals.Difficulty in finding skilled labor and external contractors for realizing EPH's sustainability goals. This results in higher CAPEX (products) and OPEX (products/services)		
Scope		All of EPPE's and 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)	<ul style="list-style-type: none">While the scarce labor market presents chal-lenges to find skilled staff to facilitate EPH's sustainability ambi-tions, the risk is current-ly manageable and not a limiting factor to achieve EPH's low carbon ambi-tions.Higher than usual infla-tion is impacting all products and services (including technologies needed for decarboniza-tion).	<ul style="list-style-type: none">EPH 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.On the other hand, cost of low-carbon solutions such as storage systems (batteries, electrolyzers) are expected to drop.	<ul style="list-style-type: none">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 effects⁴⁰.
	Disorderly transition scenario (SSP3-7.0)	<ul style="list-style-type: none">Same as in orderly transition scenario.	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Similar as in the medium term.The increase in costs of services remains uncertain due to other non-climate related effects
Response measures	Current	<ul style="list-style-type: none">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 H₂-friendly pipes as part of standard maintenance).		
	Planned	<ul style="list-style-type: none">EPH's sustainability ambitions can potentially further attract skilled labor required for low carbon services.		

Table 24: Increased costs for low carbon products and services (other than fuel)

37 It is unlikely that customer demand from traditional dispatch generation decreases considerably, given the increased need for electrification combined with the technical and economic challenges that come with electricity, gas, and district heating grid decentralization.

38 Capacity compensation schemes are temporary support measures that EU countries can introduce to remunerate power plants for medium and long-term security of electricity supply. Capacity schemes enable power plants to be available for generating electricity when needed. In exchange, the mechanisms provide payments to these power plants.

39 Resulting from the products/services required to facilitate the energy transition.

40 Europe's aging population, automation/AI, among other effects.

Not meeting investors’ sustainability expectations

Risk		Not meeting investors' sustainability expectations		
Type, subtype		Transition risk, reputation		
Cause		EPH's GHG mitigation strategies are not perceived ambitious enough by green finance investors		
Effects		Increased pressure from green finance investors and/or no willingness of these investors to invest in EPH. This can result in: <ul style="list-style-type: none">Increased expenses: higher reporting and compliance costsIncreased interest expenses: less opportunities for new capital, leading to an increased cost of capitalReduced reputation		
Scope		All of EPPE's and EPIF's subsidiaries		
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)	<ul style="list-style-type: none">EPH has managed to attract a significant investor base via establishment of the green finance framework and issuance of its inaugural green bond in 2024. Maintaining this investor base secures a competitive cost of capital for EPH.	<ul style="list-style-type: none">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 EPH 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 EPH's access to competitive cost of capital rates.	<ul style="list-style-type: none">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 EPH's strategy.As a result, more critical green finance investors are willing to invest in EPH, reducing the magnitude of this risk in the long term.
	Disorderly transition scenario (SSP3-7.0)	<ul style="list-style-type: none">Same as in orderly transition scenario.	<ul style="list-style-type: none">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 EPH 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.	<ul style="list-style-type: none">The interest rate gap and share of green finance investors increase, but remain lower than in the orderly transition scenario.EPH would experience difficulties to secure green financing if delayed key low carbon infrastructure (e.g., H₂) restricts the timely completion of EPH'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	<ul style="list-style-type: none">EPH implemented the Green Financing Framework (GFF) to address this risk. This framework is verified by external rating agencies. The GFF presents EPH's sustainability ambitions transparently to investors to help their decision making. The GFF highlights that dispatchable load, including natural gas, is required for a successful energy transition.		
	Planned	<ul style="list-style-type: none">EPH to assess which green finance instruments are suiting EPH's investment needs. EPH can leverage the GFF, along with investor stakeholder engagement, to inform green finance investors. This aids EPH in issuing the appropriate green finance instruments.		

Table 25: Not meeting investors’ sustainability expectations

Increase in demand for electric dispatch capacity

Risk		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		EPPE: all subsidiaries, EPIF: 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)	<ul style="list-style-type: none">Increasing penetration of renewables manifests in more volatile electricity prices which turn negative more frequently. This increases the need for dispatch capacity and centralized energy storage solutions.	<ul style="list-style-type: none">It is likely that demand for dispatch capacity increases, as electrification is expected to increase. The IEA net-zero scenario⁴¹ (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 EPH's electricity generation, storage and distribution assets can fulfill increased dispatchable load from electrification. As the dispatchable load will be partly provided by gas power plants, the gas infrastructure might benefit as well.	<ul style="list-style-type: none">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 EPH, while opening new options in the storage segment.
	Disorderly transition scenario (SSP3-7.0)	<ul style="list-style-type: none">Same as in orderly transition scenario	<ul style="list-style-type: none">Not possible to assess⁴²	<ul style="list-style-type: none">Not possible to assess⁴²
Response measures	Current	<ul style="list-style-type: none">EPH increases low carbon dispatch capacity and battery storage capacity.		
	Planned	<ul style="list-style-type: none">EPH plans to increase low carbon dispatch capacity by building new H₂-ready gas plants and/or retrofitting plants to become H₂-ready.		

Table 26: Increase in demand for electric dispatch capacity

41 IEA (2024) provides a detailed description of the IEA net-zero scenario.

42 Unable to assess, as no IEA energy forecast scenario can be aligned with the SSP3-7.0 disorderly transition scenario.

Using EPH’s existing infrastructure to build new low carbon solutions

Risk		Using EPH'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. EPH owns land and infrastructure suitable to meet the increased demand for low carbon solutions (see response measures below to view solution examples).		
Effects		<ul style="list-style-type: none">Increased revenues: New revenue streams from newly built capacityEnhanced credibility: Installing low carbon solutions provides credibility for EPH's decarbonization strategy		
Scope		All of EPPE's and EPIF's subsidiaries		
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)	<ul style="list-style-type: none">EPH is already leveraging this opportunity by looking at potential new projects at existing sites. While most EPH locations are related to this opportunity, conditions must be suitable for installing new low carbon capacity.	<ul style="list-style-type: none">It is likely that EPH can use owned land and infrastructure to install low carbon technologies as this scenario stimulates development of such solutions. <p>Focus is on existing infrastructure becoming available on sites where coal assets are decommissioned (e.g., Fiume Santo Energy Park).</p>	<ul style="list-style-type: none">The opportunity increases in the long term when renewable gases are expected to become commercially available on the market, enabling decarbonization of gas power plants and infrastructure.
	Disorderly transition scenario (SSP3-7.0)	<ul style="list-style-type: none">Same as in orderly transition scenario.	<ul style="list-style-type: none">Similar as in the orderly transition scenario, although the opportunity is smaller due to relative lower demand for low carbon solutions.	<ul style="list-style-type: none">Similar as in the orderly transition scenario, although the opportunity is smaller (see rationale in medium term).
Response measures ⁴⁴	Current	<ul style="list-style-type: none">Assessment of low carbon solutions for sites with suitable conditions⁴³Stakeholder engagement with regulators, and local communities.Examples of low carbon solutions currently implemented include:<ul style="list-style-type: none">Upgrading/adding renewables:<ul style="list-style-type: none">Replacing old wind turbines with newer, higher capacity ones (e.g. at Gazels' sites in France)Placing new photovoltaics (PV) at current sites (e.g. utilizing former mining sites)Adding other low carbon solutions<ul style="list-style-type: none">Installing large scale batteries (implemented across EPH entities)		
	Planned	<ul style="list-style-type: none">The abovementioned current low carbon solutions are planned to increase where appropriate.Additionally, examples of planned response measures to install low carbon solutions are presented in the Capex plan in section E1-3		

Table 27: Using EPH's existing infrastructure to build new low carbon solutions

43 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.

44 The low carbon solutions mentioned in the response measures are aligned with the GHG mitigation actions in section E1-3.

E1.IRO-1

Description of the processes to identify and assess material climate-related IROs

EPH 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.

Impacts identification and assessment

The identification and assessment of impacts was performed as in the general DMA described in ESRS 2 IRO-1⁴⁵. Through this process, EPH identified its GHG emissions as a material impact on climate change.

- EPH 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 EPH’s operations drive anthropogenic global warming and climate change. EPH 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)⁴⁶. EPH projects a gradually declining share of hard coal and lignite in its heat and power generation fleet which shall be negligible to none already in 2028, in line with its commitment to phase out coal by 2030. Natural gas fired generation will remain in place until low carbon green gas alternatives are economically available. EPH’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 the Below 2 °C pathway from the Transition Pathway Initiative (TPI). Scope 3 emissions are disclosed for the first time in this annual report, and EPH is exploring targets that may be set for scope 3 emissions.

Risk and opportunities identification and assessment

EPH identified and assessed climate-related risks and opportunities (R&Os) to determine which R&Os are material. Material R&Os are included in EPH’s climate change resilience analysis⁴⁷. The next section explains what R&Os are, and what scenarios and time horizons are used in the R&O identification and assessment.

Defining risks and opportunities, climate scenarios, and time horizons

EPH 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.

45 See “IRO-1 Description of the processes to identify and assess material IROs” for further details.

46 IEA (2024)

47 Section E1.SBM-3 Material R&Os and their interaction with strategy and business model shows how EPH conducted the resilience analysis, including the results.

R&Os vary between **climate scenarios** and time horizons. EPH used the “Shared Socioeconomic Pathway” (SSP) climate scenarios to analyze how R&Os could impact EPH’s own operations or value chain. The SSPs are among the standard scenarios used in the Coupled Model Intercomparison Project (CMIP6)⁴⁸ from the Intergovernmental Panel on Climate Change (IPCC)⁴⁹. EPH 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.

Use of SSP scenarios for Climate R&O identification⁵⁰

SSP scenario	Physical / Transition analysis	Description
SSP1-2.6 “Sustainability”	Physical & Transition	<p>Taking the Green Road</p> <p>“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.”</p>
SSP3-7.0 “Regional Rivalry”	Transition	<p>A Rocky Road</p> <p>“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.”</p>
SSP5-8.5 “Fossil fueled development”	Physical	<p>Taking the Highway</p> <p>“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.”</p>

Table 28: Use of SSP scenarios for Climate R&O identification

48 CMIP6 data is scientifically robust and represents the most current global climate model data available (IPCC, 2024).
49 IPCC is the United Nations body for assessing the science related to climate change (IPCC, 2024).

50 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).

Table 29 defines the time horizons used for the climate-related R&Os assessment.

Short-, medium- and long-term time horizons

Time horizon	Year (ESRS-aligned)	ESRS minimum requirement	Rationale
Short-term	2024	EPH 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 expected lifetime of most EPH’s assets ⁵¹ , strategic planning horizons and capital allocation plans

Table 29: Short-, medium- and long-term time horizons

R&O identification and materiality assessment

EPH 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 EPPE and EPIF (EPLI excluded⁵²) 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 subcategories⁵⁵ until 2060. Then, the longlist was validated with the interviewees. EPH identified physical and transition R&Os with the stakeholders:

- When considering physical risks, EPH identified which climate-related hazards⁵³ are potentially material, by assessing per hazard whether assets and business activities⁵⁴ might be exposed and/or sensitive to these hazards.
- When considering transition R&Os, EPH identified which climate-related R&Os are potentially material regarding the TCFD transition risk/opportunity categories⁵⁵.

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 EPH risk practices⁵⁶.

51 Lifetime of gas and power networks, storage facilities, and nuclear units spans beyond this horizon.
52 EPLI is the only sub-entity left out of the scope for R&O identification and assessment due to the insignificant share of EPH assets / revenues compared to EPPE and EPIF.
53 To review all hazards, see Table 53 in section E1-9 – Financial effects from climate-related risks and opportunities.

54 To review all of EPH’s activities, see Table 38 Primary activities included (green color) in scope for physical/transition risk financial effects assessment in section E1-9 – Financial effects from climate-related risks and opportunities.
55 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)
56 EPH’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.

Stage 2: R&O scoring

EPH 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 EPH 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 EPH

EPH qualitatively scored each R&O on a 5-point scale for both its EPPE and EPIF subsidiaries, with the most relevant⁵⁷ time horizon and scenario determining the score of each R&O. EPPE & EPIF scores were aggregated at EPH level to form the total EPH score. R&Os are prioritized if one of the following conditions apply:

- 1 Magnitude ≥ 2.5 and likelihood ≥ 2.5, or
- 2 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 EPH 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 EPH’s main OpCos within EPPE and EPIF validated scores and rationales.

The list of R&Os and their position in the prioritization matrix were validated with key company stakeholders. After this process, EPH 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).

57 The scenario and time horizon combination with the highest potential impact for the R&O i.e. with the highest potential likelihood and magnitude.

Prioritization matrix

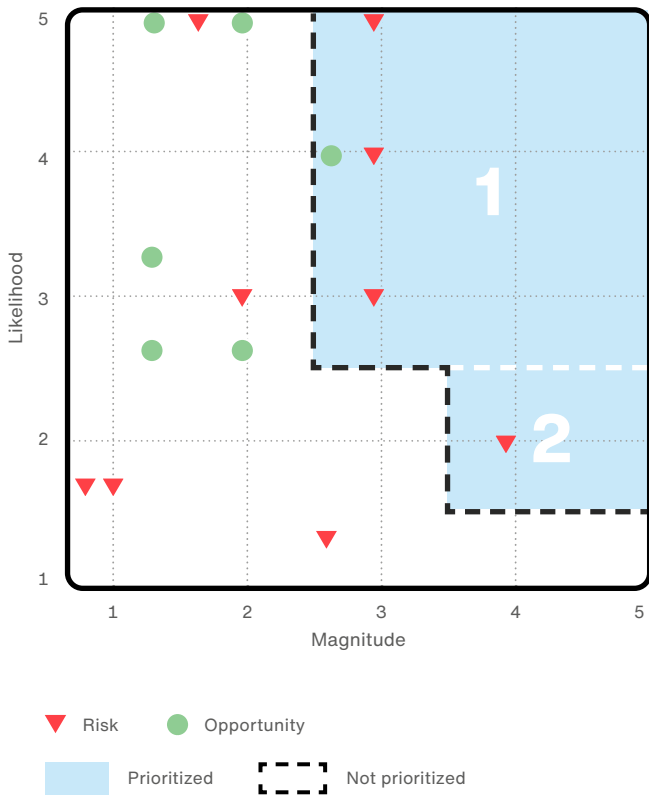


Figure 1: Prioritization matrix, a R&O is considered prioritized within the red marked area. A red dot indicates a risk, a green dot indicates an opportunity.

E1-2
Climate-related policies

EPH 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 EPH, 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. EPH’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.

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 indicative Capex. Capex represents additions to Property, plant and equipment as defined in the EPH Group consolidated financial statements. EPH 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 EPH's access to capital and external market/infrastructure developments. These factors have been analyzed over the orderly⁵⁸ and disorderly⁵⁹ 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 EPH 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 EPH's long-term climate mitigation goals, as widespread green gas adoption is a prerequisite for decarbonization of the gas-fired electricity 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.

58 SSP1-2.6 "Sustainability" scenario, more info in E1-IRO Table 28.
59 SSP3-7.0 "Regional Rivalry" scenario, more info in E1-IRO Table 28.

Mitigation actions to reduce carbon emissions

Mitigation actions (decarbonization levers)	Example measures	Achieved GHG reductions [g/kWh] ⁶⁰	Expected GHG reductions [g/kWh] ⁶¹	Current Capex (2024) [M€]	Planned Capex (up to 2030) [M€]
1. Coal phase-out	<ul style="list-style-type: none">Decommissioning coal plantsReplacing coal with lower carbon intensive alternatives such as waste-to-energy plants	(74)	(60)	47	150–200 ⁶²
2. Natural gas full load hours reduction and efficiency improvements	<ul style="list-style-type: none">Decommissioning of the least efficient gas power plantsEfficiency improvements from gas turbine upgradesReduction of full load hours	(18)	(60)	38	50–100
3. H2-ready gas-fired plants commissioning	<ul style="list-style-type: none">Construction of newly built H2-ready gas power plants and heating plants	+3	+21	164	500–600
4. Blending of green gases	<ul style="list-style-type: none">Retrofitting existing plants for green gas blending	0	(18)	0	~100
5. Nuclear commissioning	<ul style="list-style-type: none">Commissioning new nuclear capacity	(12)	(21)	223	300–400
6. Renewables commissioning/upgrading	<ul style="list-style-type: none">Commissioning/upgrading wind/solar/hydro/biomass	(6)	(1)	20	200–400
7. Gas infrastructure GHG emissions reduction	<ul style="list-style-type: none">Reducing methane leakageElectrification of compressor fleet	N/A	N/A	2	~100
8. Other direct Scope 1 & 2 emissions reduction	<ul style="list-style-type: none">Electric boilersReplacing inefficient transformers and installing smart meters	N/A	N/A	9	50–100
9. Green gas adoption	<ul style="list-style-type: none">Gas pipeline retrofitH2 blending trials across the gas infrastructure	N/A	N/A	38	400–500
10. Battery storage	<ul style="list-style-type: none">Commissioning and maintaining battery energy storage systems (BESS)	N/A	N/A	20	~500
11. Preparing electricity grid for increased intermittency	<ul style="list-style-type: none">Investments to reduce grid congestion and/or other intermittency issues	N/A	N/A	22	~100

Table 30: Mitigation actions to reduce carbon emissions

60 This represents achieved emission reductions between the base year (2022) and current year (2024).
61 This represents expected emission reductions between current year (2024) and target year (2033).
62 This Capex includes waste-to-energy plants which are used in district heating to replace the lignite units. Other technologies replacing coal are presented in their separate categories (mainly "H2-ready gas-fired plants commissioning").

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	8	~50
Other adaptation actions	Installing cooling systems to reduce exposure to water stress	0	Not quantified

Table 31: Adaptation actions to address exposure to physical risk

Coal phase-out

EPH has a clear coal exit plan for its remaining coal power plant fleet which respects local legislation and requirements of the grid. Coal operations beyond 2025 shall be limited to the Fiume Santo hard coal power plant on Sardinia, operating under a must-run regime, and the Czech cogeneration heating plants providing vital heat supplies to the district heating networks. In March 2024, EPH decommissioned the Mehrum hard coal power plant in Germany. The hard coal plant Emile Huchet 6 has not been producing since late February 2025 and EPH is currently evaluating strategic options for its future, including social considerations. As a result, EPH’s coal exposure beyond 2025 is expected to be limited only to critical must-run assets.

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

Natural gas full load hours reduction and efficiency improvements

With growing penetration of renewables, the utilization of dispatchable gas power plants is expected to decline. After coal generation sources are phased out, gas power plants will be the last in the generation merit order, depending on their generation efficiency. By default, keeping those assets operational is not detrimental to the build-out of renewables which will

always be fully utilised given their virtually zero marginal costs. On the contrary, flexible gas power plants are a vital enabler of the acceleration of renewables ramp up. EPH projects to reduce full load hours (“FLH”) of the power plants based on the efficiency of respective power plants and their useful lives.

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

H2-ready gas-fired commissioning

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

Blending of green gases

EPH is aware of the temporary role of natural gas in the energy transition and envisages converting its assets away from natural gas to renewable gases once these are available on a commercial scale. While availability and economics of green gases is currently uncertain, EPH assumes lower blends of green gases in the gas turbines in its abatement curve. The implementation of this plan will depend on the scale-up of renewable gas production and the EU and UK policies regarding the prioritization of these gases for large-scale power generation versus hard-to-abate industries.

Nuclear commissioning

EPH holds 33% equity share in Slovenské elektrárne (“SE”), an operator of two nuclear power plants and several hydroelectric plants in Slovakia. In December 2024, EPH signed an agreement with Enel Produzione S.p.A. to acquire an additional 33% stake in SE and to obtain a management control in the company. Since 2022, SE has already commissioned additional unit Mochovce 3 in one of its nuclear power plants, increasing the capacity by 440 MW. Another unit with the same capacity Mochovce 4 is planned to reach the fuel load in 2025 and complete the trial run by March 2026. As a result, the emission-free output from nuclear plants is expected to increase from 15 TWh in 2022 to 23 TWh in the future.

Renewables commissioning/upgrading

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

In France, EPH has performed repowering of two wind farms, Ambon and Muzillac, with the total investment of EUR 35 million. This operation enabled a 30% increase in the production capacity of each farm, raising their total installed capacity from 18.50 MW to 26.40 MW. Repowering stands as a great example of energy transition and circular economy, as 98 % of the total mass of the turbines was recycled. EPH’s subsidiary Gazel Energie is actively working on repowering the reminder of its

wind fleet in France. The Lehaucourt wind farm, with a capacity of 14 MW, has secured a 20-year tariff of €87/MWh and its repowering is expected to be completed within the next two years.

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

Gas infrastructure GHG emissions reduction

The carbon footprint of gas transit and storage operations primarily stems from methane leakage and CO₂ emissions generated by the combustion of natural gas in compressors used to transport gas through the transit network or inject it into underground storage facilities. EPH’s subsidiaries are implementing measures to minimize methane leakage, including the gradual elimination of natural gas venting through investments in mobile gas repumping compressors. To reduce CO₂ emissions, EPH will focus on the partial electrification of its compressor fleet, replacing the current compressors driven by gas turbines.

Other direct Scope 1 and/or Scope 2 emissions reduction

EPH 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 the market development, especially the seasonal and intra-day development of electricity prices.

Green gas adoption

EPH’s existing gas transmission and distribution infrastructure can be retrofitted to support hydrogen, while the gas storage assets are also evaluated to assess its hydrogen compatibility. To this end, EPH has already launched hydrogen-dedicated research and development projects. The unique, geographically

strategic position for future hydrogen transmission further positions EPH to be a major player in hydrogen adoption. To address significant disparities between projected hydrogen production and consumption across various regions in Europe, the establishment of a robust hydrogen transit and storage infrastructure is imperative. This infrastructure should not only connect regions within Europe but also neighboring regions with abundant hydrogen potential, such as North Africa or Ukraine. A robust infrastructure shall ensure the security of supply for future hydrogen off-takers, as well as the security of demand for potential investors in hydrogen generation.

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

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

Battery storage

EPH has developed a substantial pipeline of battery energy storage systems (BESS), with a planned capital expenditure of nearly €500 million. Of this, approximately €300 million has been allocated to projects where a final investment decision has already been made, while the remaining projects are still under evaluation. EPH has already commissioned a 35 MW battery storage facility at the Emile Huchet power plant site in France. Additional BESS projects are planned across France, Italy, the UK, the Netherlands, and Slovakia, with further opportunities under continuous evaluation.

The actions described above will enable EPH to make progress towards meeting its decarbonization targets. Actions #1–6 above enable EPH to reduce its emission intensity by 2033 in line with the Below 2 Degrees pathway of TPI. The remaining actions will contribute to a reduction in emissions from activities not related to energy generation (e.g. methane leakage in the gas infrastructure) or will facilitate energy transition of the broader system (e.g. battery energy storage systems).

E1-4

Climate-related targets

EPH recognizes that across its business segments, it emits greenhouse gases (GHGs)⁶³. As a result, EPH is committed to tracking and reducing its emissions as outlined in our transition plan to be aligned with the targets set at the EU as well as national levels and our own GHG emission targets. EPH implements and plans decarbonization levers⁶⁴ to achieve its GHG reduction targets. Furthermore, EPH considered a diverse range of climate scenarios⁶⁵ to detect transition developments relevant to these decarbonization levers. EPH monitors its progress continuously with public reporting on an annual basis. To manage the negative impact of fossil fuel GHG emissions from EPH's business activities, and the transition risk of locked-in GHG emissions, the following targets have been set.

- TPI “Below 2 Degrees” CO₂ emission intensity reduction target
- Methane reduction target (at EPIF level)
- Net zero target

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.

EPH GHG reduction targets

Target	Unit	2020 base year	2022 base year	2024 current year	2030 target	2033 target	2050 target
CO ₂ emission intensity (Scope 1)	gCO ₂ -eq/kWh	N/A	364	258	N/A	118	0
Methane reduction target at gas infrastructure (EPIF) ⁶⁶	thsnd. tonnes of CO ₂ -eq	295	N/A	161	147	N/A	0
Net zero GHG emissions (Scope 1 & 2)	thsnd. tonnes of CO ₂ -eq	N/A	23,159	17,923	N/A	N/A	0

Table 32: EPH GHG reduction targets

63 More information about the GHG impact in the E1-IRO section.

64 Table 30 Mitigation actions to reduce carbon emissions describes the decarbonization levers and their contributions towards reaching the GHG reduction targets.

65 See Table 28 to view the scenarios used. Furthermore, E1.SBM-3 includes an analysis of how prioritized risks and opportunities impact EPH's strategy and business model, including decarbonization levers.

66 Methane reduction target is set at the level of EPH subsidiary EPIF where the gas midstream and downstream infrastructure is concentrated.

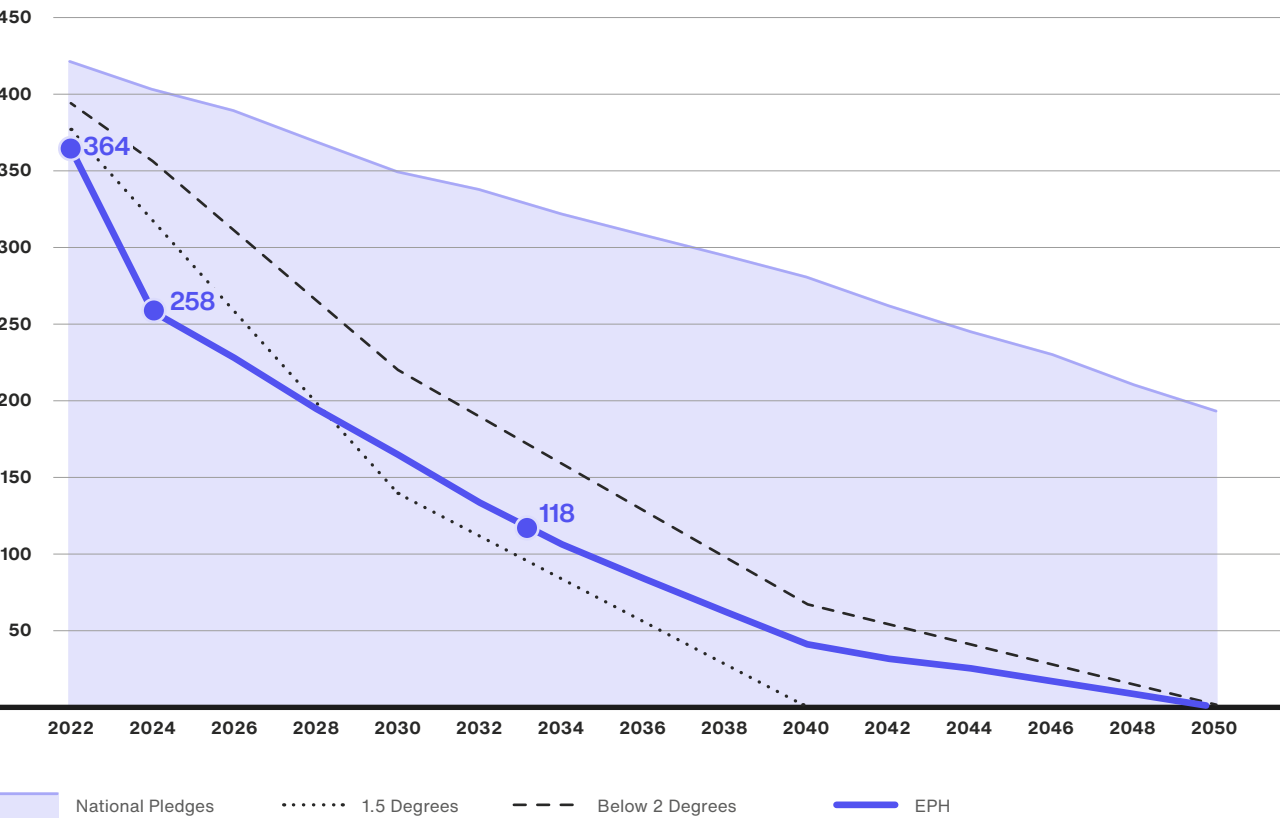
CO₂ emission intensity reduction target

EPH tracks effectiveness of its CO₂ emission intensity reduction target by setting time-bound, science-based sectoral decarbonization target aligned with the Transition Pathway Initiative (TPI)⁶⁷. EPH’s alignment to the TPI “Below 2 Degrees” CO₂ emission intensity target relates to the EPH policy of decarbonizing its own operations to limit the impact of global warming, and contributes to a sector-wide pathway of limiting global warming to 1.5 °C⁶⁸. The target includes direct CO₂ emissions from power and heat generation within EPH’s operating boundaries. Table 32 shows the target base year, target baseline value and target projections.

As part of the limited assurance procedures, EPH had its Scope 1 and Scope 2 GHG emissions externally verified in line with the ISAE 3000 assurance standard already for the year 2023. No material changes in assumptions or calculation methods have been introduced for the TPI target since its adoption.

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

EPH emission intensity projection (gCO₂/kWh)⁶⁹

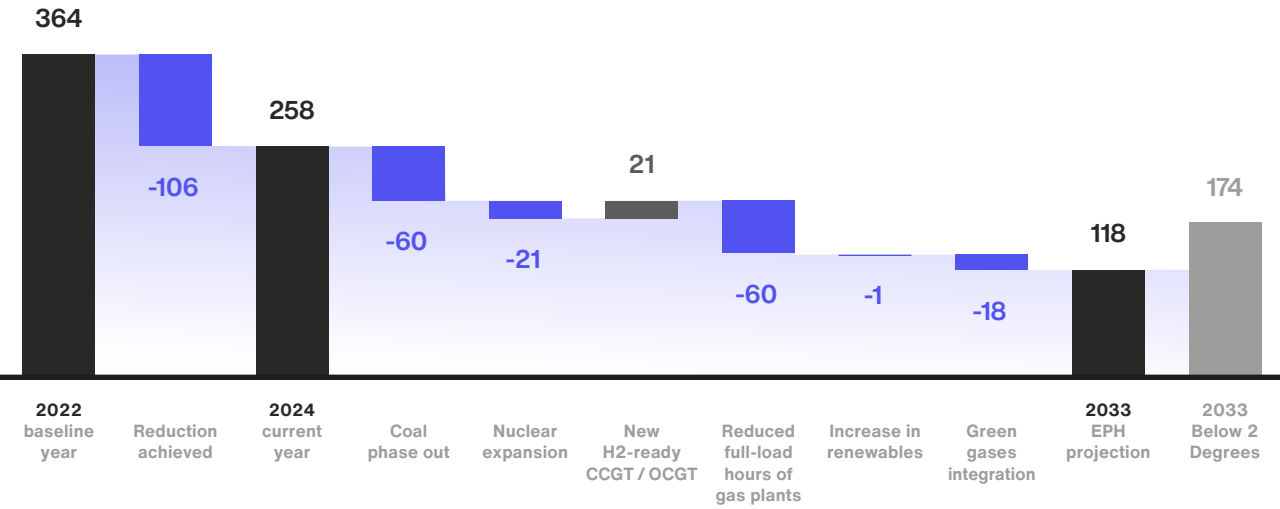


67 TPI assesses companies’ carbon performance against the modelling conducted by the International Energy Agency (IEA) for its biennial Energy Technology Perspectives report. This modelling is used to translate emissions targets made at the international level into sectoral benchmarks, against which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

68 The transition plan statement (E1-1) explains how EPH’s “below 2 °C” target can be compatible with limiting global warming to 1.5 °C.
69 The depicted pathway (dotted line) is only indicative and represents an approximate linear interpolation between 2022 as a starting point, the actual intensity in the current year 2024, intensity projection for 2033, and net zero goal in 2050. EPH has not been formally assessed by TPI. EPH voluntarily uses the TPI pathways as a benchmark for its emission intensity target.

The chart further below demonstrates how this emission intensity reduction target is supported by actions which are described under *E1-3 – Climate-related actions*. It demonstrates the already achieved emission intensity reduction between 2022 (baseline year selected historically for target setting) and 2024 (current year) and projected reductions until 2033 (target year selected historically for target setting). The projected reduction is split into individual decarbonization levers.

EPH abatement curve by 2033 (gCO₂/kWh)



Methane reduction target (at EPIF level)

Methane emissions are concentrated within EPIF which has set a methane reduction target to support the overall reduction of GHG emissions. This target also 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 CO₂-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%, achieved a reduction of 133 thousand tonnes CO₂-eq. EPIF will strive to reduce methane emissions further and consider strengthening its methane emission reduction target.

Net zero target

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

Table 30 in the previous section E1-3 highlights the decarbonization levers related to the GHG reduction targets. The scope 1 and 2 decarbonization levers also include the expected quantitative contribution to achieve the GHG intensity target.

Basis for target setting

For the purpose of target setting, the baseline year (2022) emissions were restated to align with the prospective scope of EPH, considering the planned acquisitions and disposals. Specifically, production and emissions of EP Netherlands (acquired in H1 2023) and Slovenské elektrárne (to be consolidated based on exercise of a call option to acquire a controlling stake in the company) were included in the baseline year, while production and emissions of the MIBRAG Energy Group (planned to be disposed by the end of 2025) were excluded. The recalculation, resulting in the emission intensity of 364 gCO₂/kWh in 2022 as the baseline year, is presented in the following table. This approach using restatements of the baseline year is consistent with the TPI methodology.

Emission intensity calculation for target setting

g CO ₂ -eq / kWh	Unit	2022	2023	2024
Scope 1 CO ₂ emissions from energy production – reported	kt	22,654	20,118	17,249
EP Netherlands (added)	kt	2,280	–	–
Slovenské elektrárne (added)	kt	1,308	1,086	153
MIBRAG (excluded)	kt	(4,720)	(4,259)	(4,662)
Scope 1 CO ₂ emissions from energy production – adjusted	kt	21,522	16,945	12,740
Energy produced – reported	GWh	39,734	38,754	34,586
EP Netherlands (added)	GWh	6,200	–	–
Slovenské elektrárne (added)	GWh	17,654	20,233	19,208
MIBRAG (excluded)	GWh	(4,405)	(3,966)	(4,392)
Energy produced – adjusted	GWh	59,183	55,022	49,402
CO ₂ emission intensity – reported	g CO ₂ /kWh	570	519	499
CO ₂ emission intensity – adjusted	g CO ₂ /kWh	364	308	258

Table 33: Emission intensity calculation for target setting

E1-5

Energy consumption and mix

In 2024, EPH’s total energy consumption decreased by 9% compared to last year, which corresponds to the overall decrease in energy production. EPH reported an overall energy production efficiency of 44% which was comparable to 2023.

As an energy production company, all of EPH’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. EPH 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”.

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 EPH Consolidated statement of comprehensive income.

Energy efficiency (%): power and heat production of relevant companies is divided by their energy consumption.

Energy consumption and mix

GWh	2020	2021	2022	2023	2024	% 24/23
Hard Coal	15,473	15,372	17,744	11,707	8,778	(25%)
Lignite	10,864	16,424	22,159	17,452	17,058	(2%)
Natural Gas	59,621	57,834	47,465	52,349	43,377	(17%)
Oil	90	155	191	190	114	(40%)
Diesel	182	252	233	222	109	(51%)
Petrol	–	–	–	–	2	
Propane	–	–	–	–	3	
Purchased Electricity	257	217	743	881	958	9%
Purchased Heat	11	8	8	8	9	5%
Biomass	10,286	11,307	7,495	4,767	9,250	94%
Other	287	288	458	306	287	(6%)
Total	97,071	101,858	96,498	87,883	79,945	(9%)
Renewable share %	11%	11%	8%	5%	12%	
Energy intensity (GWh/EURm)	11.3	5.4	2.6	3.6	3.4	(6%)
Energy production efficiency (%)	44.3%	42.6%	41.5%	44.4%	43.6%	

Table 34: Energy consumption and mix

E1-6

Gross Scopes 1, 2, 3 and total GHG emissions

As illustrated by the actions that EPH has committed to, reducing GHG emissions across Scopes 1, 2 and 3 is a key priority to achieve EPH's GHG emissions reduction targets and reduce the impact of human-induced global warming. Table 35 shows EPH's scope 1, 2 and 3 emissions. Gross scope 3 emissions for the EPH value chain are disclosed per each significant scope 3 category.

EPH has gradually improved the accuracy and coverage of its disclosed GHG emissions. EPH reports the full Scope 1 & 2 emissions since 2023 when it had its GHG emissions externally assured in line with the ISAE 3410 for the first time. Prior to 2023, CO₂ 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 has been 1–2% of total GHG emissions. The main EPH target covers CO₂ emissions from power and heat generation which account for 98% of total Scope 1 CO₂ emissions, ensuring that the target covers the main source of direct GHG emissions.

EPH disclosed its Scope 3 emissions in 2024 for the first time. The share of Scope 3 emissions on total GHG emissions in 2024 was 56%, primarily related to life-cycle emissions of consumed fuels (natural gas, coal) and retail supply of power and gas to end consumers.

EPH's full scope GHG emissions

thsnd. tonnes CO ₂ -eq.	2020	2021	2022	2023	2024	% 24/23
Scope 1 CO ₂ emissions	19,772	21,335	22,768	20,213	17,528	(13%)
CO ₂ emissions – subject to EU & UK ETS	19,763	21,326	22,681	20,101	17,227	(14%)
CO ₂ emissions – outside of EU & UK ETS	9	9	86	112	301	169%
Other Scope 1 GHG emissions	295	257	232	268	240	(10%)
Methane emissions	295	257	232	235	201	(15%)
Other GHG emissions	–	–	–	34	40	0%
Scope 1 GHG emissions	20,067	21,592	22,999	20,481	17,769	(13%)
Scope 1 covered by ETS in %	98%	99%	99%	98%	97%	
Scope 2 GHG emissions (location-based)	107	68	160	175	155	
Scope 2 GHG emissions (market-based)	N/A	N/A	N/A	N/A	421	
Scope 3 GHG emissions	N/A	N/A	N/A	N/A	22,808	
Fuel and energy-related (Cat. 3)					7,599	
Use of sold products (Cat. 11)					13,747	
Other Scope 3 emissions					1,462	
Total GHG emissions (location-based)	20,174	21,661	23,159	20,656	40,732	
Total GHG emissions (market-based)	N/A	N/A	N/A	N/A	40,997	

Table 35: EPH's full scope GHG emissions

Accounting Principles

Scope 1 GHG emissions: These include mainly CO₂ 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 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 volume of fuel consumed using emission factors. Besides CO₂, EPH 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 CO₂-equivalent (CO₂-eq.) 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. OpCos report consumed volumes into the reporting system and emissions are calculated using central emission factors.

EPH 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. For non-EU countries, emission factors are sourced from the UK National Energy System Operator or Electricity Maps

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)

Further contextual information about Scope 3

The most significant categories, the categories 3 and 11 accounted for approximately 94% of total Scope 3 emissions in 2024. These are calculated by accurately collecting data on electricity/fuel consumption and the volume of final products sold, then multiplied by the relevant emission factor. For less material categories, estimations are involved in certain 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 EPH's second most material scope 3 category after C11 (7.6 million tonnes of CO₂-eq) and consists mainly of:

- Combustion of fuel to produce electricity which is then sold by EPH to its retail customers (3.6 million tonnes of CO₂-eq)
- Fuel extraction/production and transport for own power generation (2.9 million tonnes of CO₂-eq) – vast majority of power is produced from natural gas
- Fuel extraction/production and transport for external power generation which is then sold by EPH to its retail customers, plus power for transmission and distribution losses coverage (1.1 million tonnes of CO₂-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 EPH’s most material scope 3 category (13.7 million tonnes of CO₂-eq) and consists mainly of emissions associated with sales of:

- Lignite (6.4 million tonnes of CO₂-eq, operations planned to be disposed by the end of 2025)
- Hard coal (4.4 million tonnes of CO₂-eq, operations planned to be disposed by the end of 2025)
- Gas sold to EPH retail customers (2.2 million tonnes of CO₂-eq)
- Gas sold across other segments (0.7 million tonnes of CO₂-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 EPH operations.

C15 (Investments): Determined by multiplying the GHG Scope 1 & 2 emissions of companies where EPH has a non-controlling share by the investment’s percentage share.

EPH did not incur significant changes regarding the upstream and downstream value chain in the reporting period.

EPH 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 EPH plants source solely biomass meeting all RED sustainability criteria. In 2024, the Scope 1 biogenic emissions amounted to 3,740 thousand tonnes CO₂-eq.

Scope 2 biogenic emissions result from purchase of electricity for own consumption where a portion of the electricity was produced from biomass. EPH considers these emissions immaterial.

In the reporting period, EPH did not use material Scope 2 related contractual instruments for the purchase of electricity used for own consumption.

EPH bases its emission intensity metric on power and heat generation activities. EPH measures its emission intensity in respect of its energy production as well as in respect of the net revenue.

CO₂ 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)	19,772	21,335	22,768	20,213	17,528	(13%)
of which not related to energy production	222	193	104	95	279	>100%
Scope 1 CO ₂ emissions – energy production	19,550	21,143	22,663	20,118	17,249	(14%)
Energy produced (GWh)	42,376	42,871	39,734	38,754	34,586	(11%)
Emission intensity (g CO ₂ -eq. / kWh)	461	493	570	519	499	(4%)

Table 36: CO₂ emission intensity of energy production

GHG emission intensity based on net revenue

tonne CO ₂ -eq / EUR million	2020	2021	2022	2023	2024	% 24/23
Net revenue (EUR million)	8,570	18,931	37,122	24,208	23,331	(4%)
GHG emission intensity (location-based)	2,354	1,144	624	853	1,746	>100%
GHG emission intensity (market-based)	N/A	N/A	N/A	N/A	1,757	

Table 37: GHG emission intensity based on net revenue

Accounting Principles

CO₂ emission intensity (g CO₂-eq / kWh):
Total CO₂ Scope 1 emissions from energy producing companies divided by total energy production

GHG emissions intensity (tonne CO₂-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 EPH Group Consolidated Financial Statements as of and for the year ended 2024

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 EPH. First, the approach and methodology are described, and then the results are presented.

Methods

Physical and transition climate risks cause negative financial effects to assets (carrying amount) and net revenues. EPH 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:

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 chain⁷⁰.

Subsidiaries

EPH subsidiaries with primary activities that can be notably affected by physical/transition risk (see Table 38) 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 are based non-physical assets not related to transition nor physical risks⁷¹. “Energy services” and “real estate” activities are of marginal size compared to the other activities and can therefore not result in notable impacts at EPH level.

Primary activities included (green color) in scope for physical/transition risk financial effects assessment

Primary activity categories (each EPH 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 and biomass	✓	✓
District heating/cooling distribution	✓	✓
Electricity generation from bioenergy	✓	✓
Electricity generation from fossil gaseous fuels	✓	✓
Electricity generation from hard coal	✓	✓
Electricity generation from hydropower	✓	✓
Electricity generation from lignite	✓	✓
Electricity generation from wind power	✓	✓
Electricity generation using solar photovoltaic technology	✓	✓
Energy related services		
Freight rail transport	✓	
Freight transport services by road	✓	
Gas storage	✓	✓
Holding companies		
Lignite mining	✓	✓
Logistics services	✓	
Storage of electricity	✓	✓
Supply and trading		
Transmission and distribution of natural gas	✓	✓
Transmission and distribution of electricity	✓	✓

Table 38: Primary activities included (green color) in scope for physical/transition risk financial effects assessment

70 Operational exposure of EPH's carrying amount of assets and net revenues to climate risk. The upstream and downstream parts of EPH's value chain are excluded from the assessment as EPH found those immaterial (see E1.IRO-1).

71 Non-physical assets cannot be exposed to locked-in GHGs (transition), nor be directly impacted by physical climate hazards.

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 were 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 39 depicts the climate hazards⁷² relevant to EPH’s assets based on the R&O identification process⁷³. The analysis excluded certain relevant hazards (grey in table), as existing climate modelling data could not project these hazards.

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
	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 sand-storms)	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

Table 39: Hazards in scope for the physical risk financial effects assessment

72 Hazards derived from the ESRS E1 guidance (EFRAG, 2023).
73 Section [R&O identification and materiality assessment](#) provides further detail on the R&O identification process.

Time horizons

EPH applies the short, medium, and long-time horizons⁷⁴ for three Shared Socioeconomic Pathways (SSP) climate scenarios⁷⁵ to assess financial effects related to the physical/transition risks.

Regarding physical risk, climate data providers project hazards for multi-year intervals. EPH mainly used data from Jupiter Intelligence (Jupiter) and the World Resources Institute (WRI). EPH 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 EPH’s exposure to locked-in GHGs is expected to be close to zero by 2050. When EPH’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. EPH mainly used data from Jupiter Intelligence (Jupiter) ⁷⁶ and the World Resources Institute (WRI) ⁷⁷ . EPH matched its time horizons with the closest time intervals available from Jupiter ⁷⁸ and WRI ⁷⁹ data to project hazards.	EPH 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.
Transition	The long-term horizon end-year is set to 2050 instead of 2060, as EPH’s exposure to locked-in GHGs is expected to be close to zero ⁸⁰ by 2050. When EPH’s net-zero GHG target is achieved, no exposure to this material risk remains.	EPH uses the SSP1-2.6 climate scenario to assess transi-tion climate risks, as this scenario considers the most ambitious and strict climate policies, translating in the highest risks from exposure to locked-in GHGs.

74 See [Table 29](#) in the E1.IRO-1 section for the time horizons.

75 See [Table 28](#) in the E1.IRO-1 section for the relevant climate scenarios.

76 Jupiter Intelligence Climate Score Global (CSG)

77 WRI’s tool is called Aqueduct 4.0

78 The chosen Jupiter intel CSG years to assess time horizons are: Short term 2025, medium term 2030, long term 2060

79 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)

80 Emissions that remain after 2050 are planned to be offset by negative emissions to meet EPH’s 2050 net-zero GHG target

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 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 literature⁸¹. 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.

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 power 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). EPH made an exception for coal assets ⁸² , 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 2033 are projected to extend into the long term.

Table 40: Critical assumptions/parameters regarding transition/physical exposure assessment

81 (Juhola, 2023; UNEF PI, 2024)

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 EPH operations.

The exposure to locked-in GHG emissions is assessed on a subsidiary level for each time horizon. Due to its scheduled coal-phaseout, EPH 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 EPH 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 considered no longer exposed. When a mitigation action only partially decarbonizes the activity, the activity is still considered fully exposed (to be conservative and trans-parently reflect the presence of remaining locked-in GHG emissions).

Critical assumptions and parameters

Table 40 lists critical assumptions and parameters used to quantify financial effects of the physical/transition risks.

82 Decommissioning of coal assets is included, as these assets are planned to be fully phased out by 2030.

Limitations

Table 41 provides the limitations of the physical/transition exposure assessment. EPH strives to reduce these limitations to increase robustness of results.

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 EPH’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 subsidiaries 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.	EPH 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	EPH had to implement multiple climate data methods (see section Methods) to assess EPH’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 EPH, such as landslides. Table 39 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	EPH assessed subsidiaries’ 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 subsidiaries 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 2033 are assumed to extend into the long term. However, it is uncertain if these actions alone will achieve EPH’s decarbonization, as new mitigation efforts that are not yet identified may also contribute.

Table 41: Limitations regarding transition/physical exposure assessment

Results

Financial effects physical risk

Table 42 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. 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 actions⁸³. 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.

EPH’s exposure to chronic hazards is mostly explained by EPH’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. Additionally to these hazards, a smaller share of EPH’s assets (e.g., wind turbines) are exposed to wind patterns that change over time.

EPH’s exposure to acute risk remains largely stable across time horizons and scenarios. Most of EPH’s exposure to acute hazards is related to floods, with a smaller amount of EPH 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 EPH’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.

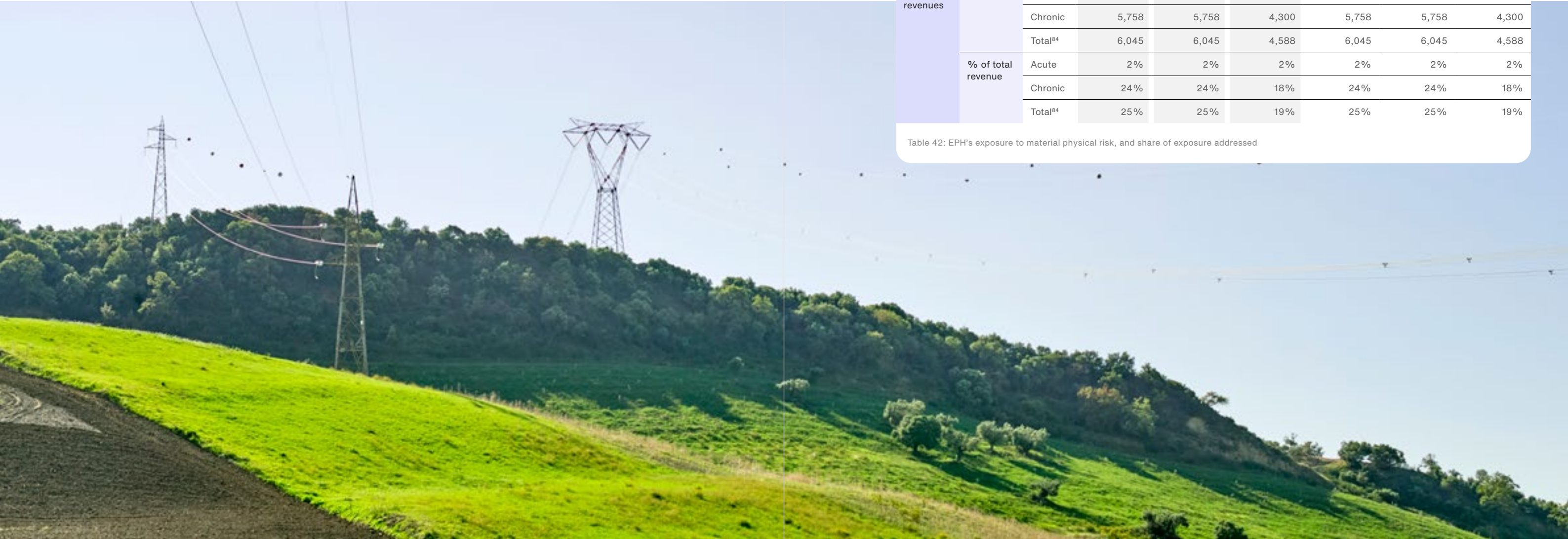
Section [E1.SBM-3 Material R&Os and their interaction with strategy and business model](#) describes the implications of the financial effects highlighted in the table below on EPH’s strategy and business model, and describes how the assets exposed to physical risk are addressed by adaptation actions.

83 For further detail on adaptation actions, see [Table 31](#).
84 May contain exposure to either chronic, acute or acute & chronic. No double counting is conducted in this metric.

EPH’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	1,722	1,752	1,722	1,752	1,722	1,692
		Chronic	4,121	4,121	2,784	4,121	4,121	2,784
		Total ⁸⁴	5,211	5,211	3,873	5,211	5,211	3,873
	% of total carrying amount	Acute	6 %	6 %	6 %	6 %	6 %	6 %
		Chronic	14 %	14 %	10 %	14 %	14 %	10 %
		Total ⁸⁴	18 %	18 %	13 %	18 %	18 %	13 %
Exposed assets addressed by adaptation actions	M€ carrying amount	Acute	322	352	322	352	322	292
		Chronic	2,133	2,107	796	2,133	2,107	796
		Total ⁸⁴	2,133	2,133	796	2,133	2,133	796
	% of exposed carrying amount	Acute	19 %	20 %	19 %	20 %	19 %	17 %
		Chronic	52 %	51 %	29 %	52 %	51 %	29 %
		Total ⁸⁴	41 %	41 %	21 %	41 %	41 %	21 %
Exposed revenues	M€	Acute	489	499	489	499	489	479
		Chronic	5,758	5,758	4,300	5,758	5,758	4,300
		Total ⁸⁴	6,045	6,045	4,588	6,045	6,045	4,588
	% of total revenue	Acute	2 %	2 %	2 %	2 %	2 %	2 %
		Chronic	24 %	24 %	18 %	24 %	24 %	18 %
		Total ⁸⁴	25 %	25 %	19 %	25 %	25 %	19 %

Table 42: EPH's exposure to material physical risk, and share of exposure addressed



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	<ul style="list-style-type: none">Property, plant and equipmentInvestment propertyInventories, extracted minerals and mineral products	<ul style="list-style-type: none">These financial statements are related to physical assets affected by acute and chronic events	<ul style="list-style-type: none">Intangible assets and goodwillEquity accounted investeesFinancial instruments and other financial assetsTrade receivables and other assetsContract assetsPrepayments and other deferralsIncome tax receivablesRestricted cashCash and cash equivalents	<ul style="list-style-type: none">Non-physical assets assumed not affected by acute and chronic events
Transition (stranded assets from locked in emissions)	E1-9 68b	<ul style="list-style-type: none">Property, plant and equipmentInvestment propertyInventories, extracted minerals and mineral productsIntangible assets and goodwillEquity accounted investees	<ul style="list-style-type: none">Physical assets related to PPE, Investment property and inventories can be potentially stranded if having locked in emissionsOther intangible assets types can be stranded (or "impaired") by reputation/ regulation related to locked in emissions	<ul style="list-style-type: none">Financial instruments and other financial assetsTrade receivables and other assetsContract assetsPrepayments and other deferralsIncome tax receivablesRestricted cashCash and cash equivalents	<ul style="list-style-type: none">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	<ul style="list-style-type: none">ElectricityGasHeatCoalOther energy productsLogistics and freight services	<ul style="list-style-type: none">All revenue streams from physical assets can be affected by chronic and acute physical events	<ul style="list-style-type: none">Other revenuesGain/(loss) from commodity derivatives for tradingRevenues from waste management	<ul style="list-style-type: none">Derivative and similar revenues assumed not affected by physical acute and chronic eventsEPH states that waste management and "other revenues" are not material to physical climate risk
Transition (affected revenues from locked in emissions)	E1-9 68b	<ul style="list-style-type: none">ElectricityGasHeatCoalOther energy productsLogistics and freight services	<ul style="list-style-type: none">All revenue streams from key carbon assets are potentially affected	<ul style="list-style-type: none">Other revenuesGain/(loss) from commodity derivatives for tradingRevenues from waste management	<ul style="list-style-type: none">Derivative and similar revenues assumed not affected by transition eventsEPH states that waste management and "other revenues" are not material to physical climate risk

Table 43: Reconciliation of asset values and revenues used for physical risk assessment to the financial statements

Locations exposed to material physical risk⁸⁵

Primary activity	Company name	Asset type	Exposed to		NUTS3 region
			Acute	Chronic	
Combined heat and power generation from coal and biomass	Elektrárny Opatovice, a.s.	Heating plant	N	Y	CZ053
	Pížeňská 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	N	Y	SK010
	Biomasse Crotone S.p.A.	Biomass power plant	N	Y	ITF62
	Biomasse Italia S.p.A	Biomass power plant	N	Y	ITF62
	Fusine Energia S.r.l.	Biomass power plant	Y	Y	ITH35
	Lynemouth Power Limited	Biomass power plant	N	Y	UKC21
Electricity generation from fossil gaseous fuels	Centro Energia Ferrara S.p.A.	CCGT plant	N	Y	ITC12
	Enecogen V.O.F.	CCGT plant	N	Y	NL33C
	EP Ballylumford Limited	CCGT plant	N	Y	UKN0F
	Ep Centrale Ostiglia S.p.A.	CCGT plant	Y	Y	ITC4B
	EP Centrale Tavazzano Montanaso S.P.A.	CCGT plant	Y	Y	ITC49
	EP Langage Limited	CCGT plant	N	Y	UKK43
	EP NI Energy Limited	CCGT plant	N	Y	UKN0F
	EP Produzione Centrale Livorno Ferraris S.p.A.	CCGT plants	N	Y	ITI43
	EP PRODUZIONE S.P.A.	CCGT plant	N	Y	ITG11
	EP SHB Limited	CCGT plant	N	Y	UKE13
	MaasStroom Energie C.V.	CCGT plant	N	Y	NL33C
	Rijnmond Power Holding B.V.	CCGT plant	N	Y	NL33C
	Sloe Centrale B.V.	CCGT plant	N	Y	NL342
	Tynagh Energy Limited	CCGT plant	N	Y	IE042
	FIUME SANTO S.P.A.	Hard coal power plant	N	Y	ITG2D
Electricity generation from hard coal	Gazel Energie Generation S.A.S.	Biomass + coal power plant	N	Y	FRL04
	Helmstedter Revier GmbH	Former lignite power plant	N	Y	DE917
Electricity generation from lignite	Saale Energie GmbH	Lignite power plant	N	Y	DEE0B
	Aerodis, S.A.	Wind park	Y	Y	FR105
Electricity generation from wind power	Gazel Energie Renouvelables S.A.S.	Wind park	Y	Y	FR105
	MIBRAG Neue Energie GmbH	Wind park	Y	Y	DED52
	VTE Pchery, s.r.o.	Wind park	Y	Y	CZ010
	ARISUN, s.r.o.	Solar park	Y	Y	SK010

Table 44: Locations exposed to material physical risk

85 (Y = exposed in at least one time horizon & scenario, N = not exposed).

Locations exposed to material physical risk⁸⁵ (continuation)

Primary activity	Company name	Asset name	Exposed to		NUTS3 region
			Acute	Chronic	
Electricity generation using solar photovoltaic technology	Gazel Energie Solaire S.A.S.	Solar park	Y	Y	FR105
	POWERSUN a.s.	Solar park	Y	Y	CZ010
	Triskata, s.r.o.	Solar park	Y	Y	SK010
Freight rail transport	EP Cargo Deutschland GmbH	Logistics operations	Y	N	DE300
	EP Cargo Invest a.s.	Logistics operations	Y	N	CZ010
	EP CARGO POLSKA s.a.	Logistics operations	Y	N	PL22A
	LOCON Logistik & Consulting AG	Logistics operations	Y	N	DE300
	LokoTrain s.r.o.	Logistics operations	Y	N	CZ053
	RM LINES, a.s.	Logistics operations	Y	N	CZ041
	SGL – Schienen Güter Logistik GmbH	Logistics operations	Y	N	DE217
Freight transport services by road	EP Cargo Trucking CZ s.r.o.	Logistics operations	Y	N	CZ053
	EP CARGO TRUCKING PL Sp. z o.o.	Logistics operations	Y	N	PL225
	EP Cargo Trucking SK s. r. o.	Logistics operations	Y	N	SK023
Gas storage	NAFTA Germany GmbH	Gas storage facility	Y	N	DE21K
Lignite mining	MIBRAG Energy Group	Lignite mines	N	Y	DED52
Logistics services	EP Intermodal a.s.	Logistics operations	Y	N	CZ010
	RAILSPED, s.r.o.	Logistics operations	Y	N	CZ041
	SPEDICA GROUP COMPANIES, s.r.o.	Logistics operations	Y	N	CZ041
	SPEDICA LOGISTIC, s.r.o.	Logistics operations	Y	N	CZ041
	SPEDICA, s.r.o.	All remaining assets	Y	N	CZ041
Storage of electricity	C.S.E. Coulomb	All remaining assets	N	Y	FRL06
Transmission and distribution networks for renewable and low-carbon gases	Eustream, a.s.	Gas Compressor Velke Kapusany	Y	N	SK010
	SPP - distribúcia, a.s.	SPPD grid	Y	N	SK021 SK010 SK023 SK032 SK042 SK041 SK031 SK022
Transmission and distribution of electricity	Stredoslovenská distribučná, a.s.	SSD poles&lines	Y	Y	SK021 SK031 SK032
		SSD transformers	Y	Y	SK021 SK031 SK032
		SSD other	Y	Y	SK021 SK031 SK032

85 (Y = exposed in at least one time horizon & scenario, N = not exposed).

Exposure to locked-in GHG emissions

Table 45 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 EPH 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 EPH’s strategy and business model.

Exposure of carrying amount of assets and net revenues to locked in GHGs⁸⁶

Parameter	Unit	Risk type	ssp126		
			Short (FY2024)	Medium (2025–2029)	Long (2030–2060)
Exposed assets	M€ carrying amount	Transition	12,376	12,376	10,639
	% of total carrying amount	Transition	43%	43%	37%
Exposed assets addressed by mitigation actions	M€ carrying amount	Transition	–	1,737	10,639
	% of exposed carrying amount	Transition	0%	14%	100%
Exposed revenues	M€	Transition	6,281	6,281	4,824
	% of total revenue	Transition	28%	28%	22%

Table 45: Exposure of carrying amount of assets and net revenues to locked in GHGs

86 Including exposed carrying amount of assets addressed by mitigation actions.

Environment

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.

EPH 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.

Application by EPH

In its first disclosure for the financial year 2021, EPH used the option to report only on the taxonomy eligibility and not on the taxonomy alignment of its economic activities. Since 2022, EPH 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 EPH 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 EPH Group standards are implemented across the entire Group.

The economic activities below have been identified by EPH as potentially contributing to the climate change mitigation and were subsequently assessed for taxonomy eligibility and alignment. EPH has assessed its activities also for potential contribution to the other environmental objectives and concluded that the contribution of EPH activities is solely limited to climate change mitigation. This conclusion is based on the nature of EPH’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
4.29.	Electricity generation from fossil gaseous fuels
4.30.	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels
6.2.	Freight rail transport
6.6.	Freight transport services by road

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.

a) Human rights

In the area of human rights, EPH 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 – EPH 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, EPH follows a Procurement Policy that encourages suppliers to adhere to the principles embedded in EPH’s own policies. Furthermore, EPH 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. EPH 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 ESRS 2 – Statement on Due Diligence.

b) Bribery and corruption

EPH 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 EPH 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

safeguards

policy, EPH Group conducts regular reviews to assess its suitability, adequacy, and effectiveness.

c) 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, EPH maintains a robust tax governance framework that supports sustainable business operations while upholding regulatory obligations.

d) Fair competition

Compliance with all applicable anti-trust laws in the countries where EPH 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. EPH 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, EPH 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 EPH’s dedication to maintaining fair and competitive market practices.

e) Conclusion

The policies governing matters described above are publicly available on EPH website <https://www.epholding.cz/en/polices-connected-to-esg-area/>. The underlying principles in EPH poli-cies 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 EPH subsidiaries. EPH ensures that principles embedded in our policies are regularly shared with employees across the Group. Therefore, EPH 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.

EU Taxonomy alignment assessment

Eligible activities

Electricity generation using solar photovoltaic technology (4.1.)

EPH operates a portfolio of photovoltaic power generation sources in Germany, France, the Czech Republic, Slovakia, and Italy with the total installed capacity of 102 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.

Electricity generation from wind power (4.3.)

EPH operates onshore wind parks in France, Germany, and the Czech Republic with the total installed capacity of 96 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** – EPH 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. EPH is gradually repowering its wind parks in France (where 87% of EPH wind capacity is located), recycling approximately 98% of the total mass of the turbines in the process.
- **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.

Electricity generation from hydropower (4.5.)

EPH operates a small portfolio of hydroelectric power plants in Slovakia and Italy with total installed capacity of 5 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 EPH 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** – EPH 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.

Electricity generation from bioenergy (4.8.)

EPH operates biomass power plants in the United Kingdom, France, and Italy. While the power plants in the UK and Italy rely exclusively on biomass and are therefore considered as taxonomy-eligible, the plant in France incorporates a certain amount of coal in its biomass units, rendering the activity as non-eligible. The plants in the UK and Italy were assessed further for taxonomy alignment as they correspond to the description “Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids”.

The Lynemouth power plant in the UK underwent a transformation from a previous coal-fired power station. With a net installed capacity of 407 MWe, it can provide electricity to around 450,000 households. To fuel its operations, the plant relies on sustainably sourced, renewable wood pellets derived from forest residues and industrial wood processing residues. These pellets primarily come from the US, Canada, and Europe, and are transported to the UK via sea routes. Lynemouth power plant maintains a stringent focus on sustainability throughout its entire supply chain, implementing robust certification systems. The Sustainable Biomass Partnership (SBP) and Green Gold Label (GGL) schemes play crucial roles in independently auditing the plant's biomass production, harvesting, transportation, and usage processes. However, despite these efforts, the overall carbon emissions associated with the transportation distance and indirect factors prevent the plant from achieving greenhouse gas emission savings of at least 80% when compared to the relevant fossil fuel alternative set out in Annex VI to Directive (EU) 2018/2001. Consequently, the activity has been classified as non-aligned, as it falls short of meeting the substantial contribution criterion outlined in Annex VI to Directive (EU) 2018/2001.

The fleet of three biomass plants operated in Italy with total installed electrical capacity of 79 MWe is deemed taxonomy-eligible due to their exclusive utilization of biomass for power generation. However, these plants fail to meet one of the substantial contribution criteria since their electrical efficiency falls below the threshold of 36%. This threshold is required for installations with a higher thermal input than 100 MW. The activity is therefore considered as non-aligned.

Transmission and distribution of electricity (4.9.)

EPH 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 EPH 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 EPH 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.

Storage of electricity (4.10.)

EPH is pursuing investments in battery energy storage systems (BESS) and has developed a substantial pipeline of potential projects. In 2024, EPH commissioned a 35 MW battery storage facility at the Emile Huchet power plant

site in France. 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** – EPH has performed a physical climate risk analysis at the Group level. The exposure of the site of the existing battery storage and other sites where further BESS systems might be developed was assessed as low and mainly related to general increase in temperatures. This chronic risk is not expected to significantly influence the functionality of the BESS systems.
- **Circular economy** – Aligned with the waste hierarchy principle in its Environmental Policy, EPH 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** – EPH 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.

Transmission and distribution networks for renewable and low-carbon gases (4.14.)

EPH 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, EPH 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.

District heating/cooling distribution (4.15.)

EPH 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 EPH’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. EPH 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 EPH. 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 EPH 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.

Cogeneration of heat/cool and power from bioenergy (4.20.)

EPH 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 EPH 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.

Electricity generation from fossil gaseous fuels (4.29.)

EPH operates a significant fleet of gas-fired power plants comprising combined cycle gas units (“CCGT”) and open cycle gas units (“OCGT”). As of the year end 2024, the installed capacity in gas stood at 10.8 GW. After commissioning 2 new hydrogen-ready CCGT/OCGT units in 2023 and 2024, EPH expects to commission an additional CCGT unit with a capacity of 0.9 GW in 2025. This positions EPH as one of the most proactive developers of dispatchable power generation sources, which we consider essential for accommodating the increased deployment of renewable generation sources. All newly constructed gas-fired power plants are designed to readily accept certain blends of hydrogen and are envisioned to fully combust renewable gases in the future. EPH prioritizes the readiness for hydrogen to ensure the compatibility of these plants with a net-zero energy system and to prevent locked-in emissions from prolonged use of natural gas. In 2024, EPH incurred material Capex related to development of these new plants and revenues and Opex as the plants were put into operation.

In March 2022, the Complementary Climate Delegated Act to accelerate decarbonization was adopted, giving gas and nuclear power generation a status of transitional activities. As a result, the operation of gas-fired plants by EPH falls under the category of taxonomy-eligible activities, specifically described as “*Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.*” To be fully aligned with the Taxonomy Regulation, a set of stringent substantial contribution criteria must be met. Facilities for which the construction permit is granted by 31 December 2030 need to comply with all of the following:

- (I) **Direct GHG emissions of the activity are lower than 270g CO₂e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of 550kg CO₂e/kW of the facility’s capacity over 20 years.**

Although all new gas-fired power plants are built as hydrogen-ready, it cannot be reasonably expected that green gases would be commercially available to complement natural gas in the turbines in the near term. Therefore, all power plants combust 100% unabated natural gas from the outset. To achieve the emission intensity of 270 g CO₂/kWh, the power plant would have to demonstrate efficiency of ca 75% which is not feasible with current technologies. EPH power plants will be able to reach best-in-class efficiencies exceeding 60%, resulting in the emission intensity of 330 g CO₂/kWh, which is above the required threshold.

Another option to meet this criterium is to look at 20-year average emissions in proportion to the installed capacity. This criterion favors plants where the utilization is expected to be limited, and the plants will be mainly used as peaking sources to complement the intermittent renewables. OCGT plants are well positioned to comply as they are designed to operate for a very limited number of hours. Due to their low efficiency, they are typically the last in the generation merit order. The newly built Kilroot OCGT power plant commissioned in March 2024 complies with this criterion. Based on the approved business plan, this emission intensity criterion will be met by a significant margin.

- (II) **The power 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.**

The role of the hydrogen-ready gas power plants in the transformation of the energy system is acknowledged by national strategies of all countries where EPH develops new CCGT/OCGT projects. This is outlined in the respective National Energy and Climate Plans (NECP) and further reflected in capacity payment schemes introduced by national governments to support build-out of these dispatchable sources.

With growing penetration of renewables, the utilization of dispatchable gas power plants is expected to decline. After coal generation sources are phased out, gas power plants will be the last in the generation merit order, depending

on their generation efficiency. Maintaining these assets operational is not detrimental to the build-out of renewables which will always be fully utilized given their virtually zero marginal costs. In fact, flexible gas power plants play a crucial role in supporting the growth of renewable energy. EPH projects to reduce full load hours of the power plants based on the efficiency of respective power plants and their useful lives. Therefore, these sources should not be perceived as an alternative to the renewable sources, but rather an essential complement which have a pathway to become green energy sources using renewable gases, once commercially viable.

As part of the EU Taxonomy disclosure, EPH would like to encourage stakeholders to provide feedback on the EPH position. EPH already engages in regular open discussions with banks, investors, local communities, or non-governmental organizations, offering explanations for its strategic choices.

(III) **The activity replaces an existing high emitting electricity generation activity that uses solid or liquid fossil fuels.**

The new OCGT power plant at Kilroot serves as a replacement of coal units decommissioned in September 2023.

(IV) **The newly installed production capacity does not exceed the capacity of the replaced facility by more than 15%.**

The installed electrical capacity of the Kilroot power plant is 700 MW, whereby the awarded capacity contracts are granted for a derated capacity of 598 MW, which will be effectively utilized. The net installed capacity of the previous coal units was 514 MW, i.e. by 16% lower. This percentage is slightly above the 15% threshold of the EU Taxonomy. However, the actual generation is expected to be far below the potential given by the installed capacity as explained above under criterium (i). Hence, we deem this criterion to be satisfied in its fundamental essence.

(V) **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 blends of hydrogen from the outset where the gradual increase up to 100% is envisaged. This shall enable EPH to combust solely zero carbon gases as a combination of hydrogen with

the remainder represented by other renewable gases, mainly biomethane. The pace of increasing the share of zero carbon gases in the mixture will largely depend on commercial availability of hydrogen or other renewable gases. EPH shall be technologically ready to introduce required modification to the technology to enable full combustion of renewable gases.

EPH is committed to using solely renewable gases in the gas turbines for power generation by 2035, subject to sufficient availability of these gases (hydrogen, biomethane, synthetic methane) and adequate infrastructure in place for their distribution. As EPH’s influence on the development of the market with renewable gases is peripheral, EPH’s commitment needs to be perceived as a commitment to technical readiness to combust renewable gases.

The UK government has set an ambitious goal to fully decarbonize the power sector by 2035, implicitly assuming commercially available renewable gases for the gas power plants.

(VI) **The replacement leads to a reduction in emissions of at least 55% GHG over the lifetime of the newly installed production capacity.**

The required reduction in emissions compared to the replaced coal power plant will be ensured by lower emission intensity of natural gas as well as overall lower load factor typical for operation of the OCGT plants.

(VII) **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 of the European Parliament and of the Council(230) or in another instrument.**

Coal was already phased out in the UK following the closure of the last coal power plant in October 2024.

The EU Taxonomy criteria also require verification from an independent third party, specifically to certify the level of direct GHG emissions and credibility of the trajectory to comply with the average threshold over 20 years referred to in point (i) above and credibility of the trajectory to renewable gases as referred to in point (v) above. EPH intends to seek such verification in order to present the Turnover, Opex, and Capex related to the activity as aligned. As such verification is currently not in place, the Turnover, Opex, and Capex are presented only as

eligible. However, EPH 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, such as those from methane leakage, is installed or a leak detection and repair programme is introduced;*
- (b) *at operation, physical measurement of emissions are reported and any leak is eliminated*

EPH entities have implemented all measures to prevent gas leaks, including a leak detection and repair program across all sites.

In respect of biomethane as a potential renewable gas to be used in the turbines, the EU Taxonomy requires that “*Where the activity blends fossil gaseous fuels with gaseous or liquid biofuels, the agricultural biomass used for the production of the biofuels complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001 while forest biomass complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive*”. While the future source of biomethane is not currently known, EPH commits to sourcing biomethane in line with the respective EU directives.

Turnover, OpEx, and Capex associated with construction and operation of gas-fired power plants was further assessed against the following DNSH criteria below:

- **Climate change adaptation** – As required by the local regulation, operators of power plants in the United Kingdom need to perform an asset-level physical climate risk assessment. This requirement currently applies to entities in England, and it is expected to be applied similarly by the regulator in Northern Ireland. The assessment process has already commenced, and certain documents have been already submitted to the regulator. Following completion of the climate risk assessments, the UK entities will ensure that necessary controls are implemented through their ISO14001 certified environmental management systems. Based on the EPH central physical climate risk assessment, the exposure of the Kilroot site 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 operations of the plant.

- **Water** – The OCGT plant at Kilroot is air-cooled which reduces dependency on water. In general, the gas power plants are allowed to withdraw cooling water from the adjacent river or sea and discharge it back. The amount of water discharged from our plants is not materially different from

amount of water withdrawn, i.e. vast majority of water is returned to the source. The cooling flow-based systems in the power 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 sources. Water availability is considered when designing cooling technologies for new projects, including air-cooling or evaporative cooling.

- **Pollution prevention** – All UK gas power plants comply with the best available techniques (BAT) conclusions for large combustion plants.
- **Biodiversity** – The permitting procedures ensure that the potential impact on biodiversity is adequately addressed and that the impact of operations on biodiversity is not material.

High-efficiency co-generation of heat/cool and power from fossil gaseous fuels (4.30.)

Through its sub-holding EP Infrastructure (“EPIF”), EPH 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-to-energy plant. EPIF aims to convert all plants away from lignite to a balanced mix of gas-fired units and additional waste-to-energy 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 therefore 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:

(II) 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>).

(III) Direct GHG emissions of the activity are lower than 270 g CO₂e/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 CO₂e/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 ČEPS⁸⁷, 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.

87 https://www.mpo.cz/assets/en/energy/electricity/2023/5/91737_ceps-maf-2022-eng.pdf.

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 EPH. 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 ČEPS⁸⁸, 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.

88 https://www.mpo.cz/assets/en/energy/electricity/2023/5/91737_ceps-maf-2022-eng.pdf.

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 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, EPH would like to encourage stakeholders to provide feedback on the EPH position. EPH 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 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. EPH intends to seek such verification to present the Capex related to development of these CCGT heating plants as aligned. As such verification is currently not in place, the Capex is presented only as eligible. However, EPH 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 is reported and any leak is eliminated*

EPH 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. EPH 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 its electric generators are air-cooled

and do not require water. However, the existing steam turbines will still require cooling water.

- **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 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 or better 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.

Freight rail transport (6.2.)

Through its subsidiaries in Germany, the Czech Republic and Poland, EPH operates a fleet of locomotives and wagons 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.

Freight transport services by road (6.6.)

EPH is engaged in road freight transport both with our own fleet of vehicles and using forwarding services. Our specific service is the transport of loose bulk materials in silo trucks, tipping semi-trailers, or on sliding floors. We have identified part of the fleet meeting the taxonomy eligibility criterium “*Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road*”. As majority of the vehicles operated comply with the EURO VI emission norm, significant portion (>98%) of Revenues and Opex was classified as taxonomy-eligible. The activity was not further considered for full taxonomy alignment as the fleet does not meet emission criteria to be considered as ‘low-emission heavy-duty vehicles’ as defined in Article 3, point (12), of Regulation (EU) 2019/1242.

a) Non-eligible activities

Activities not eligible under the EU Taxonomy of EPH are mainly represented by the categories below:

- Generation of power from hard coal and lignite, cogeneration of heat and power from lignite or municipal waste.
- Lignite mining – while majority of lignite mined is used for own consumption, EPH reports certain revenues from external deliveries of lignite.
- 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.
- 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.

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 EPH 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 EPH 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 EPH 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 (52% of Taxonomy-aligned turnover), sales of heat via district heating networks to end customers (30%) and provision of railway transport logistics (10%).

Denominator: *Revenues* as presented in the Consolidated statement of comprehensive income in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2024. Total revenues of EPH Group mainly comprise revenues from sales of power and heat produced by power and heating plants, fees for booked capacities in the gas transit network and the gas storage facilities, fees for distribution of electricity and gas, revenues from supply and trading of power, gas and other commodities, and logistics activities.

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 (72% of Taxonomy-aligned OpEx), maintenance of locomotives as part of railway logistics (13%), and maintenance of district heating networks (8%).

Denominator: in line with the EU Taxonomy definition of Opex, EPH calculated Opex as a sum of the following items from the Consolidated statement of comprehensive income in the EPH 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 EPH is mainly related to maintenance and repair 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. This maintenance and repair is performed internally by own employees as well externally outsourced.

Capital expenditure (Capex)

Numerator: Total Capex that was associated with taxonomy-eligible or taxonomy-aligned activities listed above. EPH 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 (35% of Taxonomy-aligned Capex), acquisition of locomotives as part of railway logistics (28%), replacement of steel pipes in the gas distribution network by hydrogen-compatible polyethylene pipes (16%), development of battery storage facilities (9%), repowering of wind parks (8%), and development or capitalized maintenance of district heating networks (3%).

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 EPH 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.

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					
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)	Biodiversity (10)
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1.	12	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from wind power	CCM 4.3.	17	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	CCM 4.5.	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	CCM 4.9.	323	1.4%	Y	N	N/EL	N/EL	N/EL	N/EL
Storage of electricity	CCM 4.10.	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	CCM 4.15.	189	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	18	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	61	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		622	2.7%	2,7%					
Of which enabling		324	1.4%	1,4%					
Of which transitional		61	0.3%	0,3%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Electricity generation from bioenergy	CCM 4.8.	641	2.7%	EL	EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	CCM 4.29.	3,818	16.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	88	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight transport services by road	CCM 6.6.	22	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		4,569	19.6%	19.6%	0.0%				
TOTAL (A.1 + A.2)		5,191	22.2%	22.2%	0.0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		18,140	77.8%						
TOTAL (A + B)		23,331	100.0%						

DNSH criteria ('Does Not Significantly Harm')									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Portion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023 (18)	Category enabling activity (19)	Category transition activity (20)
n.a.	Y	n.a.	n.a.	Y	Y	Y	0.0%		
n.a.	Y	Y	n.a.	Y	Y	Y	0.1%		
n.a.	Y	Y	Y	Y	Y	Y	0.0%		
n.a.	Y	Y	Y	Y	Y	Y	1.8%	E	
n.a.	Y	Y	n.a.	Y	Y	Y	0.0%	E	
n.a.	Y	Y	Y	Y	Y	Y	0.7%		
n.a.	Y	Y	Y	Y	Y	Y	0.0%		
n.a.	Y	Y	Y	Y	Y	Y	0.4%		
							3.0%		
							2.3%		
							16.1%		
							0.1%		
							0.1%		
							18.6%		
							21.5%		

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					
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)	Biodiversity (10)
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
Electricity generation from wind power	CCM 4.3.	2	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	CCM 4.5.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	CCM 4.9.	31	8.6%	Y	N	N/EL	N/EL	N/EL	N/EL
Storage of electricity	CCM 4.10.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	CCM 4.15.	4	1.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	0	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	6	1.6%	Y	N	N/EL	N/EL	N/EL	N/EL
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		44	12.1%	12.1%					
Of which enabling		31	8.6%	8.6%					
Of which transitional		6	1.6%	1.6%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Electricity generation from bioenergy	CCM 4.8.	33	9.1%	EL	EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	CCM 4.29.	89	24.6%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	11	3.0%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight transport services by road	CCM 6.6.	1	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		134	37.0%	37.0%	0.0%				
TOTAL (A.1 + A.2)		178	49.1%	49.1%	0.0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Opex of Taxonomy-non-eligible activities (B)		184	50.9%						
TOTAL (A + B)		362	100.0%						

DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Portion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
n.a.	Y	n.a.	n.a.	Y	Y	Y	0.0%		
n.a.	Y	Y	n.a.	Y	Y	Y	1.0%		
n.a.	Y	Y	Y	Y	Y	Y	0.0%		
n.a.	Y	Y	Y	Y	Y	Y	8.6%	E	
n.a.	Y	Y	n.a.	Y	Y	Y	0.0%	E	
n.a.	Y	Y	Y	Y	Y	Y	0.9%		
n.a.	Y	Y	Y	Y	Y	Y	0.1%		
n.a.	Y	Y	Y	Y	Y	Y	2.3%		T
							12.9%		
							8.4%		
							17.9%		T
							1.6%		T
							0.3%		T
							28.2%		
							41.2%		

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					
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)	Biodiversity (10)
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1.	1	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from wind power	CCM 4.3.	19	3.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	CCM 4.5.	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	CCM 4.9.	83	13.4%	Y	N	N/EL	N/EL	N/EL	N/EL
Storage of electricity	CCM 4.10.	20	3.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	38	6.1%	Y	N	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	CCM 4.15.	7	1.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	67	10.8%	Y	N	N/EL	N/EL	N/EL	N/EL
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		237	37.9%	37.9%					
Of which enabling		104	16.6%	16.6%					
Of which transitional		67	10.8%	10.8%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Electricity generation from bioenergy	CCM 4.8.	12	2.0%	EL	EL	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	CCM 4.9.	1	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL
Storage of electricity	CCM 4.10.	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	CCM 4.29.	148	23.7%	EL	EL	N/EL	N/EL	N/EL	N/EL
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	16	2.6%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	7	1.1%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight transport services by road	CCM 6.6.	1	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		187	29.9%	29.9%	0.0%				
TOTAL (A.1 + A.2)		424	67.8%	67.8%	0.0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Capex of Taxonomy-non-eligible activities (B)		201	32.2%						
TOTAL (A + B)		625	100.0%						

DNSH criteria ('Does Not Significantly Harm')									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Portion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
n.a.	Y	n.a.	n.a.	Y	Y	Y	1.4%		
n.a.	Y	Y	n.a.	Y	Y	Y	1.0%		
n.a.	Y	Y	Y	Y	Y	Y	0.0%		
n.a.	Y	Y	Y	Y	Y	Y	5.2%	E	
n.a.	Y	Y	n.a.	Y	Y	Y	0.0%	E	
n.a.	Y	Y	Y	Y	Y	Y	2.5%		
n.a.	Y	Y	Y	Y	Y	Y	0.8%		
n.a.	Y	Y	Y	Y	Y	Y	0.2%		T
							11.1%		
							0.5%		
							0.1%	E	
							0.4%	E	
							56.4%		T
							0.3%		T
							2.8%		T
							0.4%		T
							60.8%		
							71.9%		

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

Turnover 2024 related to nuclear energy and fossil gas

Turnover 2024 (EURm)
Activity
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-aligned economic activities related to nuclear energy and fossil gas
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-non-eligible economic activities related to nuclear energy and fossil gas

	CCM + CCA		Climate change mitigation		Climate change adaptation	
Code	Turnover (EURm)	%	Turnover (EURm)	%	Turnover (EURm)	%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	–	0.0%	–	0.0%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	–	0.0%	–	0.0%	–	0.0%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	3,818	16.4%	3,818	16.4%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	3,818	16.4%	3,818	16.4%	–	0.0%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	–	0.0%	–	0.0%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	–	0.0%	–	0.0%	–	0.0%

The EU Taxonomy imposes an additional obligation to report on newly classified eligible activities – nuclear and natural gas energy. To meet this obligation, EPH is presenting an overview and quantification of revenues, Opex and Capex from activities related to nuclear

energy and fossil gas. In 2024, EPH 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).

Disclosure According to Annex 12 of Regulation 2021/2178

OpEx 2024 related to nuclear energy and fossil gas

OpEx 2024 (EURm)
Activity
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-aligned economic activities related to nuclear energy and fossil gas
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-non-eligible economic activities related to nuclear energy and fossil gas

	CCM + CCA		Climate change mitigation		Climate change adaptation	
Code	OpEx (EURm)	%	OpEx (EURm)	%	OpEx (EURm)	%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	–	0.0%	–	0.0%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	–	0.0%	–	0.0%	–	0.0%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	89	24.6%	89	24.6%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	89	24.6%	89	24.6%	–	0.0%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	–	0.0%	–	0.0%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	–	0.0%	–	0.0%	–	0.0%

Disclosure According to Annex 12 of Regulation 2021/2178

CapEx 2024 related to nuclear energy and fossil gas

CapEx 2024 (EURm)
Activity
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-aligned economic activities related to nuclear energy and fossil gas
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities related to nuclear energy and fossil gas
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
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
Electricity generation from nuclear energy in existing installations
Electricity generation from fossil gaseous fuels
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system
Total amount and proportion of taxonomy-non-eligible economic activities related to nuclear energy and fossil gas

Code	CCM + CCA		Climate change mitigation		Climate change adaptation	
	CapEx (EURm)	%	CapEx (EURm)	%	CapEx (EURm)	%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	–	0.0%	–	0.0%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	–	0.0%	–	0.0%	–	0.0%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	148	23.7%	148	23.7%	–	0.0%
CCM 4.30	16	2.6%	16	2.6%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	164	26.3%	164	26.3%	–	0.0%
CCM 4.26	–	0.0%	–	0.0%	–	0.0%
CCM 4.27	–	0.0%	–	0.0%	–	0.0%
CCM 4.28	–	0.0%	–	0.0%	–	0.0%
CCM 4.29	–	0.0%	–	0.0%	–	0.0%
CCM 4.30	–	0.0%	–	0.0%	–	0.0%
CCM 4.31	–	0.0%	–	0.0%	–	0.0%
	–	0.0%	–	0.0%	–	0.0%

Results of the Taxonomy assessment for 2023

As part of the 2024 Taxonomy assessment process, EPH identified several inconsistencies in the calculation approach applied for the preparation of the Taxonomy disclosure for the financial year 2023. Therefore, EPH 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. EPH 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:



CapEx 2023 – taxonomy alignment

				Substantial contribution criteria					
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)	Biodiversity (10)
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1.	19	1.4%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from wind power	CCM 4.3.	13	1.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	CCM 4.9.	68	5.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	33	2.5%	Y	N	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	CCM 4.15.	10	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	3	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		146	11.1%	11.1%					
Of which enabling		68	5.2%	5.2%					
Of which transitional		3	0.2%	0.2%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Electricity generation from bioenergy	CCM 4.8.	6	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	CCM 4.9.	2	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL
Storage of electricity	CCM 4.10.	5	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	CCM 4.29.	741	56.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	4	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight rail transport	CCM 6.2.	37	2.8%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight transport services by road	CCM 6.6.	5	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		799	60.8%	60.8%	0.0%				
TOTAL (A.1 + A.2)		945	71.9%	71.9%	0.0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Capex of Taxonomy-non-eligible activities (B)		369	28.1%						
TOTAL (A + B)		1,314	100.0%						

DNSH criteria ('Does Not Significantly Harm')									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Category enabling activity (19)	Category transitional activity (20)	
n.a.	Y	n.a.	n.a.	Y	Y	Y			
n.a.	Y	Y	n.a.	Y	Y	Y			
n.a.	Y	Y	Y	Y	Y	Y	E		
n.a.	Y	Y	Y	Y	Y	Y			
n.a.	Y	Y	Y	Y	Y	Y			
n.a.	Y	Y	Y	Y	Y	Y			T
							E		
							E		
							T		
							T		
							T		
							T		

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)

Commentary on the results of the Taxonomy assessment

The share of eligible Turnover on the total Turnover reported for 2024 was 22%, while the share of aligned Turnover was 3%. The Turnover metric is significantly affected by the supply and trading 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 Opex on the total Opex reported for 2024 was 49%, while the share of aligned Opex was 12%. Similarly to Capex, these metrics reflect the focus of the Group on dispatchable gas-fired power plants which are eligible but not fully aligned with the EU Taxonomy criteria. The share of eligible Opex increased from 41% in 2023 to 49% in 2024, reflecting reduced Opex on coal-based heat and power generation as EPH continues to reduce its coal exposure, while Opex related to gas-based power generation increased. The share of aligned Opex remained stable (12% in 2024 compared to 13% in 2023) due to the stable nature of Opex of aligned activities, primarily electricity distribution network and railway transport.

The share of eligible Capex on the total Capex reported for 2024 was 68%, while the share of aligned Capex was 38%. High eligibility portion reflects the Group's focus on the development of dispatchable gas power plants which are treated as eligible but not aligned as they do not meet the emission intensity criteria. In 2024, EPH completed construction of two CCGT/OCGT units, while continuing development of an additional CCGT unit. Compared to 2023, the share of eligible Capex remained broadly stable (68% in 2024 compared to 72% in 2023) as Capex was mainly incurred in relation to development of new gas power plants or their acquisitions. Share of aligned Capex increased from 11% to 38% due to higher investments in the power distribution network and higher acquisitions of electric locomotives in the railway transport segment.



Environment

4.

ESRS E2**Air pollution**

EPH 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.

E2.IRO-1

Identifying Pollution-related IROs

To support the identification of IROs specific to pollution, EPH 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 [SBM-2 – Interests and views of stakeholders](#) section, although these pollution-related consultations were not conducted with potentially affected communities. EPH identified the following material IRO through this process:

Emissions from EPH’s core activities, such as energy production in power plants, combustion of natural gas in compressors used in the gas midstream infrastructure, lignite mining, or road transport activities, contribute to air quality deterioration by releasing pollutants like sulfur dioxide (SO₂), nitrogen oxides (NO_x), mercury, carbon monoxide (CO), particulate matter, or methane. These emissions can cause long-term and irreversible harm to human health and ecosystems.

E2-1

Pollution-related policies

EPH 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. EPH’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 IROs identified within the DMA process and align with ESRS requirements; for full information about this, refer to [SBM-3 – Material IROs and their interaction with strategy and business model](#). As part of this update, we will look to specifically address EPH’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. This will also include working to ensure that OpCos for whom hazardous substances are a material issue look to minimize these substances. 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.

E2-2

Pollution-related actions

EPH’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 EPH’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 EPH power plants and heating plants are located in EU member states and the United Kingdom, 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 the EPH Group 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.

Our climate mitigation policies, actions and targets as reported on above also form part of the framework for mitigating our air pollution related impacts.

EPH’s management of major air emissions

Emission	EPH's Management Approach
SO ₂ emissions	The combustion of sulfurous coal is the primary source of our SO ₂ emissions. EPH 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.
NO _x emissions	Nitrogen oxides (NO _x) are primarily generated during the combustion process, as nitrogen in the air reacts with oxygen at high temperatures. EPH 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 power plants. However, they are more challenging to reduce compared to SO ₂ or particulate matter due to their intrinsic link to combustion dynamics.
Dust emissions	Dust particles are primarily emitted through our coal-fired power plants. EPH manages these emissions through highly sophisticated filters. Similarly to SO ₂ , significant reduction in dust will be naturally achieved via the planned coal exit.

Table 46: EPH's management of major air emissions

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 EPH entities (covering 85% 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.

E2-3

Pollution-related targets

EPH 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. EPH 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.

EPH also 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 [ESRS E1- Climate change](#).

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 EPH 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 EPH Group.

Emissions to air by country 2024

tonnes	SO ₂	NO _x	Dust	CO
Czech Republic	2,350	1,779	46	640
Slovakia	7	46	2	19
Germany	2,663	2,648	71	602
France	95	117	4	16
Netherlands	–	638	1	194
UK	99	2,553	71	2,229
Ireland	21	135	–	214
Italy	572	2,289	53	1,723
Poland	–	7	–	15
Total	5,806	10,212	248	5,652

Table 47: Emissions to air by country 2024

The most significant atmospheric pollutants associated with our activities are SO₂, NO_x and dust. SO₂ emissions result primarily from our remaining lignite operations in the Czech Republic (district heating plants) and Germany, driven by high sulfur content in lignite. NO_x emissions are prevalent across countries with major power and heat generation fleet regardless of the fuel mix. Dust particles are emitted from the remaining lignite and hard coal power plants.

Pollution of air

Emissions to air by pollutant – absolute volume

tonnes	2020	2021	2022	2023	2024	% 24/23
CO	N/A	N/A	N/A	N/A	5,652	
SO ₂	8,446	7,803	10,272	6,156	5,806	(6%)
NO _x	13,911	15,072	14,634	10,851	10,212	(6%)
Dust	330	345	354	233	248	6%

Table 48: Emissions to air by pollutant – absolute volume

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	155	
SO ₂ intensity	199	182	259	159	168	(5%)
NO _x intensity	324	347	367	278	292	5%
Dust intensity	8	8	9	6	7	20%

Table 49: Emissions to air by pollutant – intensity of energy production

Accounting Principles

Emissions to air – include CO, nitrogen oxides (NO_x), sulphur oxides (SO_x), and dust released from owned or controlled sources, both from producing and non-producing companies.

Emission intensity for SO₂, NO_x, and dust is calculated using the absolute volume of emissions from energy producing companies divided by total energy production.

Overall, EPH has reported a continuous decrease across all types of air emissions. The overall trend of emission reduction is driven by gradual phase out of coal. The one-off significant increase in SO₂ emissions in 2022 was attributable to ramp-up of generation from emission-intensive sources to ensure security of supply during extraordinary situation on energy markets.

E2-5

Substances of concern and substances of very high concern

EPH Group has not identified any substances of concern or substances of very high concern within its operations.

Environment

5. **ESRS E3** Water resources

EPH understands the crucial role that access to clean water plays in our environment and society, be it on the global or local scale.

For EPH, water is extremely important to its energy production, heat distribution and remaining coal mining activities.

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](#), EPH 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, EPH 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, EPH 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-2 – Interests and views of stakeholders](#) section of this report. EPH identified two material IROs through this process:

Water withdrawals: EPH depends on sufficient water availability for cooling process in its power and heat production. In case of water stress, power plants and heating plants can be affected by unplanned outages. Alternative cooling technologies and other preventive measures can trigger incremental financial costs to EPH. The associated risks also include regulatory actions due to over withdrawals impacting operational continuity.

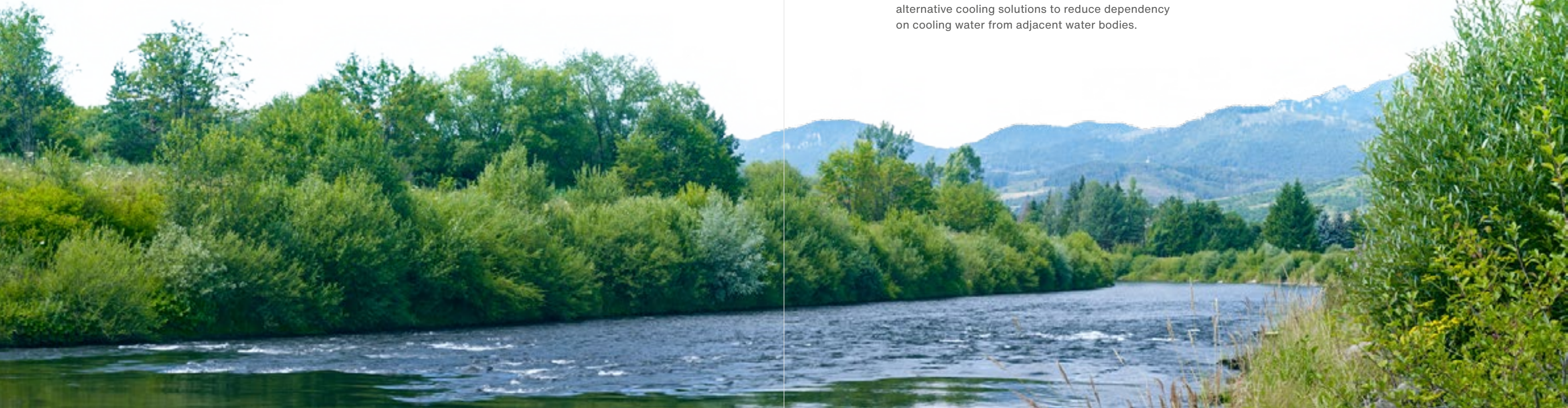
Water discharges: EPH discharges water withdrawn for cooling purposes or pumped from lignite mines back to the water bodies. If water temperature limits given by regulation are exceeded, the thermal pollution from power plants has the potential to disrupt aquatic ecosystems. Improperly treated water pumped from lignite mines and discharged to local ecosystems can damage local biodiversity or mix with groundwater and render it undrinkable.

E3-1

Water-related policies

EPH 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 “EPH 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.



E3-2

Water-related actions

Ultimately, ensuring the best water management practices is a top priority for all EPH’s 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 EPH 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 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.

In response to sever droughts in 2022, EPH’s subsidiary EP Produzione (“EPP”) commenced pursuing hybrid cooling solutions for its sites in Italy. The new CCGT unit at Ostiglia will rely on air-based cooling that significantly reduces dependence on water. For the existing unit, EPP develops a pumping system that locally raises the water height until the required level of the cooling system.

To ensure safe and efficient lignite mining, EPH’s subsidiary MIBRAG in Germany pumps significant groundwater and surface water from two opencast mines near Leipzig. To compensate for river water loss due to lowered groundwater levels from lignite mining, MIBRAG pumps up to 13 million m³ of treated mine water annually back into the river. Traditionally, this required costly treatment with calcium hydroxide and uphill pumping. However, MIBRAG implemented an on-site water conditioning system closer to the water injection point, allowing natural oxygenation and sediment deposition over a 120-day retention period. This reduced calcium hydroxide usage (which is used for water treatment in the treatment plant) by 30%, and improved system efficiency.

Monitoring water risks and impacts

The information from the stakeholder engagement and supporting external sources have helped us identify material risks to our business and expand our understanding of the broader impacts of EPH’s activities on water resources. We did not find any of the identified impacts EPH’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 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.

The key finding of our analysis is that the highest overall water stress risk for our operations is in Italy, specifically in the southwest region of Calabria, as well as on the islands of Sicily and Sardinia. EPH operates two gas power plants and two biomass power plants in these areas. However, since all these power plants source their cooling water from the Mediterranean Sea, the risk of water shortages affecting their operations remains limited.

Power plants operated by EPH in northern Italy that rely on water from the Po River basin for cooling are among the most vulnerable to droughts. The region has faced multiple drought events in recent years, including an extreme drought in the summer of 2022, when the Po River dropped to critically low

E3-3

Water-related targets

levels, prompting the government to declare a state of emergency. Another potentially at-risk area is in the Czech Republic, where the country’s largest heating plant, operated by EPH, depends on water withdrawals from the Elbe River. Droughts in recent years have threatened the continuity of operations, with the situation being mitigated through temporary exemptions granted by the Elbe River Basin authority, allowing the plant to bypass minimum water flow regulations.

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.

Water management

EPH 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.

EPH 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 power 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.

EPH has not previously established any targets related to the identified IROs related to water. We will continue to monitor the impacts and risks associated with water resources. If it becomes neces-sary 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 EPH is evaluating various options for its future optimal energy mix, which will significantly affect the trend of water withdrawals.

E3-4

Water consumption

The majority of EPH’s water withdrawals comes 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. Additionally, as part of the remaining lignite mining operations in central Germany, EPH’s subsidiary MIBRAG withdraws both surface and underground water from its opencast mines. The vast majority of water withdrawn by EPH is returned to water bodies (97 % in 2024), resulting in only a minimal net water consumption by EPH.

Water metrics 2024

million m³	Water withdrawn	Water discharged	Water consumed
Czech Republic	41	36	5
Slovakia	0	0	(0)
Germany	89	7	81
France	1	0	0
Netherlands	625	625	0
UK	1,382	1,380	1
Ireland	0	0	0
Italy	1,316	1,314	2
Total	3,454	3,364	90

Table 50: Water metrics 2024

Compared to last year, in 2024, EPH’s water withdrawal and discharge remained broadly stable. EPH reported water withdrawal intensity of energy production of 97 thousand m³/GWh, increasing by 11% compared to the previous year.

Water discharged by country

million m³	2020	2021	2022	2023	2024	% 24/23
Czech Republic	24	34	88	81	36	(55%)
Slovakia	0	0	0	0	0	(56%)
Germany	5	6	8	8	7	(4%)
Hungary	13	–	–	–	–	
France	–	–	–	–	0	
Netherlands	–	–	–	684	625	(9%)
UK	1,570	1,987	1,578	1,252	1,380	10%
Ireland	1	1	0	0	0	25%
Italy	1,612	1,572	1,657	1,371	1,314	(4%)
Total	3,226	3,600	3,332	3,395	3,364	(1%)

Table 51: Water discharged by country

Water withdrawn by type of water

million m³	2020	2021	2022	2023	2024	% 24/23
Surface water	3,298	3,635	3,377	3,437	3,401	(1%)
Groundwater	67	58	50	48	49	1%
Rainwater collected and stored	–	0	1	1	1	(31%)
Waste water from another organiza-tion	–	–	–	0	0	(60%)
Municipal water supplies	3	2	2	1	2	>100%
Other	0	0	0	0	2	>100%
Total	3,369	3,696	3,431	3,487	3,454	(1%)

Table 52: Water withdrawn by type of water

Water intensity of energy production

million m³	2020	2021	2022	2023	2024	% 24/23
Cooling water – withdrawal	3,227	3,606	3,336	3,397	3,369	(1%)
Cooling water – discharge	3,215	3,594	3,328	3,390	3,357	(1%)
Net energy production (GWh)	42,376	42,871	39,734	38,754	34,586	(11%)
Water intensity (000 m³/GWh)	76.1	84.1	84.0	87.6	97.4	11%

Table 53: Water intensity of energy production

Accounting Principles

Total water withdrawal: represents all water sourced and used across organizational activities. It includes **surface water** (from rivers, seas, 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 cooling 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 EPH.

Environment

6.

ESRS E4 Biodiversity and ecosystems

EPH 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.

E4-1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

EPH 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 EPH’s value chain. Based on this assessment, land,

freshwater, and sea use change, and pollution have been identified to be key impact drivers. In future reporting cycles, EPH will consider enhancing the assessment to understand and quantify impacts and dependencies on biodiversity and ecosystems.

E4.SBM-3

Material IROs and their interaction with strategy and business model

Based on this assessment, EPH has a broad overview of biodiversity-sensitive areas at greatest risk to EPH 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 EPH.

In the upcoming reporting cycle, EPH will continue to assess its biodiversity impacts. This will enable us to refine biodiversity-specific materiality thresholds, enabling EPH to pinpoint the most material sites, and take action accordingly.

E4.IRO-1

Identifying biodiversity and ecosystem-related IROs

EPH 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 EPH to understand where these impacts are most likely to occur, but also which types of operational activities contribute to such impacts. EPH 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-2 – Interests and views of stakeholders](#).

Through this process, EPH 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 EPH’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 EPH’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 traditional power sources 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.
- EPH 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.
- EPH 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.
- EPH operates lignite mines in central Germany, where the extracted lignite is primarily used in its own power plants. The extraction process contributes to local land degradation which then supports fewer species, reduces agricultural productivity, and disrupts ecosystem services. Additionally, the dewatering of mines can lower groundwater levels in surrounding areas, further impacting the environment.
- EPH operates power plants with limited direct interaction with biodiversity-sensitive areas. EPH will continue to explore if any mitigations are necessary. This will be further evaluated into the next phases of biodiversity and ecosystems-related assessments.
- EPH power plant fleet depends on resources extracted in the upstream value chain. EPH sources natural gas, hard coal, 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.

Identifying biodiversity and ecosystem-related IROs

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. EPH 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 12 sites with the greatest potential impact on biodiversity and ecosystems in Slovakia, Germany, Italy, and the Netherlands.

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.

E4-2 Biodiversity-related policies

The “EPH 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 EPH’s own operations and does not extend to the full extent of our value chain, either through product traceability or sourcing and production. Presently, this also means the policy does not extend to consider the management of social consequences of biodiversity and ecosystem impacts.



E4-3

Biodiversity-related actions

Biodiversity and reclamation actions

EPH considers reclamation at all stages of its operations, from mining to a power plant’s decommissioning, we ensure to restore sites to their original state. As a result, EPH 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 26 – Provisions* in the Notes to the consolidated financial statements for further details on provisions related to restoration and decommissioning, including a breakdown by subsidiary.

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, EPH’s subsidiary 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. Every year, SSD treats several kilometers of sections that can potentially pose a risk to birds.

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 power plant fleet of EPH is located within EU countries or the United Kingdom, 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, EPH strives to understand the impacts stemming from its reliance on extraction of hard coal or biomass for its operations. Via its membership in Responsible Commodities Sourcing Initiative (“RECOSI”), the company EP Resources which has been sourcing hard coal for EPH power plants, ensures that that the coal is sourced from sites which are subject to external scrutiny and due diligence process from RECOSI. In respect of biomass, EPH ensures 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 coming 1–2 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.

E4-4

Biodiversity-related targets and metrics

At present, EPH 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 EPH has not identified any biodiversity sensitive areas being materially impacted by EPH operations, EPH does not collect any metrics related to its impacts.

Environment

7.

ESRS E5

Resource use and circular economy



EPH operates critical physical infrastructure where waste generation is an inherent aspect of standard maintenance and new project development. Additionally, EPH relies on the availability of critical raw materials to advance business opportunities, such as battery energy storage systems and the repowering of wind parks.

In alignment with these activities, EPH is committed to minimizing waste production and promoting circular economy principles.

The Company 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 EPH's operations.

Furthermore, EPH 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.

E5.IRO-1

Identifying resource use and circularity-related IROs

EPH 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 EPH’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. Addressing waste, and where necessary, specifically addressing hazardous waste, is the most material issue for EPH within this area. Whilst radioactive waste is not a material topic for this reporting period⁸⁹, any nuclear waste we generate will be handled in compliance with applicable regulations. Further detail on the methodology used can be found under [IRO-1 – Description of the processes to identify and assess material IROs](#).

EPH has engaged key stakeholders in matters relating to waste and resource use. Full details of our stakeholder engagement process can be found under [SBM-2 – Interests and views of stakeholders](#).

E5-1

Resource use and circularity-related Policies

EPH acknowledges the impacts we have as they relate to resource use and waste management and has therefore enshrined this commitment within our “EPH 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. Our investment in renewable energy and associated actions can be found under our [SBM-1 – Strategy, business model and value chain](#) and [ESRS E1- Climate change](#) sections.

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 [SBM-3 – Material IROs and their interaction with strategy and business model](#).

89 EPH owns a non-controlling 33% stake in Slovenské elektrárne, a major operator of nuclear power plants in Slovakia. As this entity was not part of the EPH consolidation scope for the reporting year, EPH does not report on nuclear waste management which is relevant for SE.

E5-2

Resource use and circularity-related Actions

As directed by the “EPH Environmental Policy”, our OpCos take appropriate action to reduce overall waste generation, and reuse their waste based on circular economy principles.

Tackling waste management

Our waste disposal strategy prioritizes recycling whenever feasible, with landfill use as a last resort. EPH 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, EPH 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.

Gazel Energie

In 2023-2024, Ambon and Muzillac wind farms, both located in Brittany, France, underwent a repowering operation with an investment of EUR 35 million. This operation enabled a 30% increase in the production capacity of each farm, raising their total installed capacity from 18.5 MW to 26.4 MW. Repowering stands as a great example of energy transition and circular economy, as 98 % of the total mass of the turbines was recycled.

Gazel Energie is actively working on repowering the remainder of its wind fleet in France. The Lehaucourt wind farm, with a capacity of 14MW, for which the repowering works are set to start in 2024, has secured a 20-year tariff of €87/MWh. The production of the repowered park is expected to begin in the second half of 2026.

Plzeňská teplárenská

At Plzeňská teplárenská, we invest in metal separation, generating almost 2,300 tonnes of separated iron in 2024. This investment also supports continuous 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.

SPP - distribúcia

As one of the largest contributors of waste produced by the EPH Group (21% in 2024), the gas distribution operator 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 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.

Resource use and circularity-related Actions

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 fuel 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. 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-to-energy 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.

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.

Fly ash

Fly ash is used mainly by construction companies to produce 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.

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 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.

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.

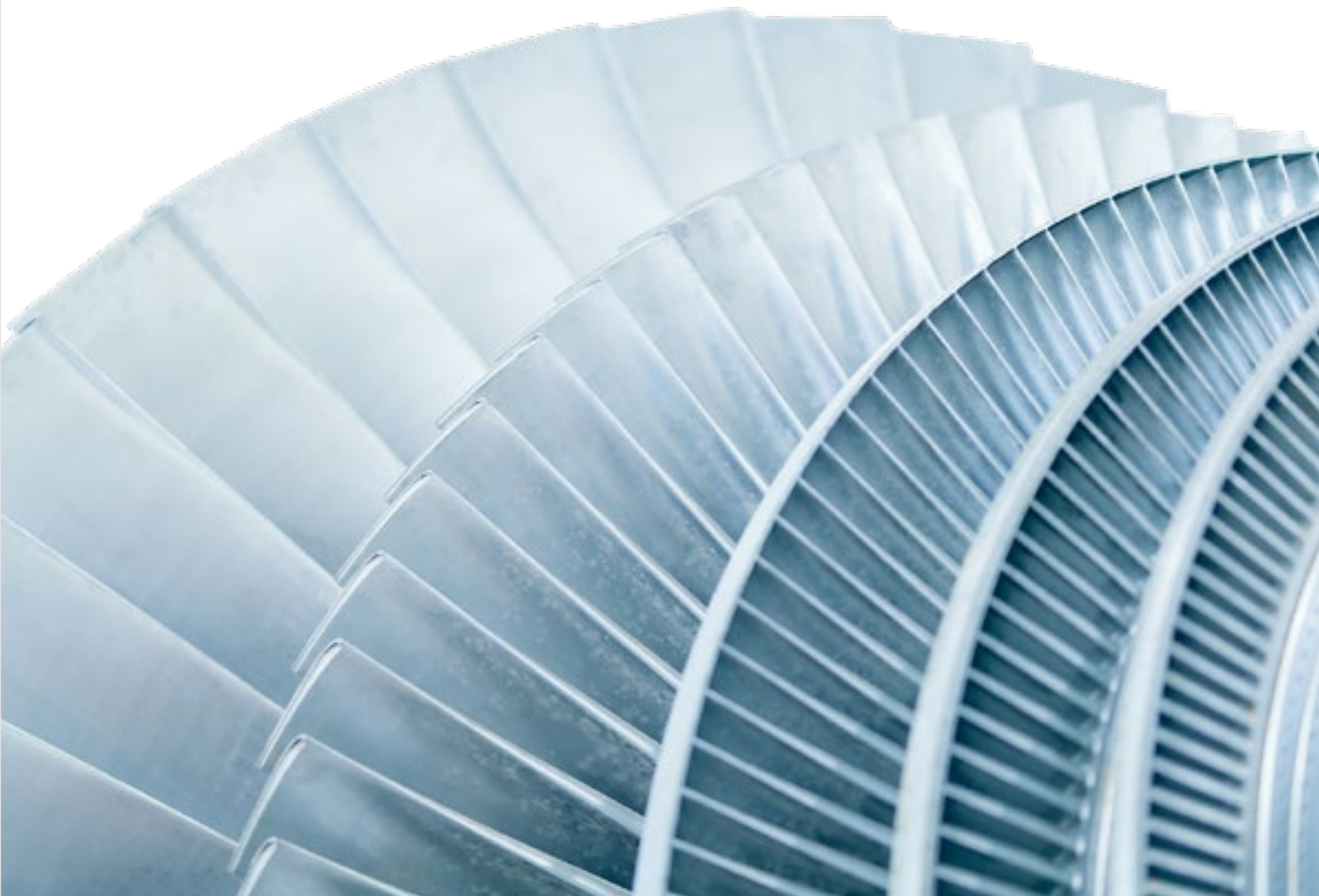
Granulated and stabilized mixtures

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.

E5-3 Resource use and circularity-related targets

EPH 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.



E5-5

Resource outflows

In 2024, EPH produced 127 thousand tonnes of waste, representing a 8% decrease compared 2023 as there were more dismantling activities in 2023.

Waste other than byproducts by type

tonnes	2020	2021	2022	2023	2024	% 24/23
Total non-hazardous	345,992	201,851	202,636	133,680	112,059	(16%)
Recycling	79,312	86,982	88,734	61,295	55,631	(9%)
Landfill	83,125	34,519	27,467	4,119	8,526	>100%
Other	183,555	80,350	86,435	68,266	47,902	(30%)
Total hazardous	43,863	5,093	3,242	4,077	14,916	>100%
Recycling	43,140	3,749	1,178	1,623	3,077	90%
Landfill	399	596	1,432	1,879	9,824	>100%
Other	324	748	632	574	2,015	>100%
Total	389,856	206,945	205,878	137,757	126,975	(8%)
% recycled	31%	44%	44%	46%	46%	1%

Table 54: Waste other than byproducts by type

Byproducts by type

thsnd. tonnes	2020	2021	2022	2023	2024	% 24/23
Additised granulate	238	326	354	174	122	(30%)
Ash	985	1,119	1,153	795	684	(14%)
Slag	189	244	293	196	193	(1%)
Gypsum	206	381	600	484	453	(6%)
Additional material – hydrated lime	10	9	8	3	2	(36%)
Additional material – water	84	74	83	48	42	(12%)
Other own production	4	4	3	3	14	>100%
Other additional material	–	7	13	7	4	(41%)
Total	1,717	2,164	2,506	1,708	1,514	(11) %

Table 55: Byproducts by type

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

EPH 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.

S1.SBM-2

Interests and views of stakeholders

For full details on EPH'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 EPH 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; EPH works to ensure that our business model, which relies on our employees for the operation and ultimately growth, already aligns with their best interests.



S1.SBM-3

Material IROs and their interaction with strategy and business model

EPH 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](#). EPH Group 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.

EPH 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 EPH Group, we have not identified any highly specific impacts, instead focusing on these broader issues, but we encourage OpCos to assess their operations individually.

EPH 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. 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, EPH found there to be four of the seven material matters to have

associated risks and opportunities; EPH 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 EPH shifts away from activities like lignite mining and coal-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. When closures necessitate workforce reductions, EPH collaborates with local governments to ensure that affected employees receive appropriate social protection and support.

EPH'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.

S1-1

Own workforce-related policies

EPH 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](#), EPH 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.

EPH works to respect our employees’ human rights through the implementation of non-discriminatory guidelines. EPH aligns with the UNGC Principles on Human Rights and Labor, mandating EPH and our suppliers respect human rights as defined by the UN’s Universal Declaration of Human Rights. EPH’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. EPH 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, EPH 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, EPH 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.

EPH’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 “EPH Diversity Policy”, “EPH Operational Policy”, “EPH Code of Conduct”, and “EPH 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 “EPH 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, EPH 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, EPH 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, EPH 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.

S1-2

Processes for engaging with own workforce and workers’ representatives about impacts

EPH 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 EPH. While feedback channels and surveys are used to gather direct insights from our employees, EPH 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, EPH 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. EPH’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 EPH does not operate on a global basis, we have not established a specific Global Framework Agreement.

In the initial stages of updating this process, EPH 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 80% of employees were covered by collective bargaining agreements in 2024, employee interests are actively represented, and their voices are heard through labor union representatives.

S1-3

Processes to remediate negative impacts and channels for own workforce to raise concerns

EPH Group has established grievance mechanisms at OpCo and holding level 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 EPH’s “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 EPH ensures the protection of whistleblowers, and assesses employees trust and awareness of these processes, please see [Reporting of serious concerns and whistleblowers](#).

S1-4

Own workforce-related actions

EPH 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.

Actions related to diversity

EPH understands that a lack of diversity can cause conflict and dissatisfaction within the workplace and is looking to take actions to address this. While initiatives are currently decentralized, EPH sets fundamental principles through its policy, which OpCos are expected to follow. For example, in Italy, EP Produzione (“EPP”) launched a training program equipping power plant managers with the tools to attract and retain Generation Z talent. Additionally,

EPP was honored with the Caring Company Award for fostering an inclusive work environment that prioritizes work-life balance and employee well-being.

Actions related to training and skills development

Equipping EPH’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 EPH’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.

EPH’s subsidiary EP New Energies (“EPNEI”), operator of biomass plants in Italy, hosted trainees for the first-degree license exam, a required certification for operating plants and steam boilers, ensuring a future backup for retiring shift workers. Additionally, EPNEI launched school-work alternation programs with technical-industrial institutes to identify and engage potential future hires.

The Young Gas Worker program organized by EPH’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. Currently, three students are enrolled, and we are actively recruiting for the 2024/2025 school year. EPH’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.

Additionally, our leadership program strengthened managerial decision-making and motivational abilities, ensuring effective leadership across the organization. EPH’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.

Actions related to social dialogue, freedom of association and collective bargaining

EPH understands that inconsistent engagement can lead to weakened trust and escalated labor disputes, as well as leading to operational disruptions and increased employee attrition. EPH prioritizes open dialogue with its employees and labor unions, with 80% 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. EPH collaborates with local authorities to support affected employees. In Germany, following the closure of the Mehrum power plant in March 2024, approximately 120 employees had their contracts terminated. All dismissed employees were covered by a social plan which included early retirement for people approaching retirement age, severance payments or other forms of compensation from the government and the company, and job guarantees agreed with the previous owner of the power plant. In France, where the Emile Huchet 6 hard coal power plant has not been producing since late February 2025, EPH explores strategic opportunities for the plant. The social impact on the employees is expected to be limited.

Actions related to secure employment

Providing secure employment is fundamental to EPH’s ability to retain talent, maintain workforce motivation, and sustain long-term productivity. Stability in employment practices directly supports EPH’s operational strategy and aligns with its commitment to fair labor practices and international standards. EPH 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. EPH 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 EPH decarbonization strategy and projects. As EPH operates exclusively in EU member states, the UK, and Switzerland, secure employment is further reinforced by local labor laws.

Own workforce-related actions

Actions related to measures against violence and harassment in the workplace

EPH understand 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 EPH “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 [Reporting of serious concerns and whistleblowers](#).

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, 68% of EPH 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 EPH’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.

Actions related to health and safety

EPH understands that safety can only be achieved if well-being is first 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.

S1-5 Own workforce-related targets

Currently, EPH does not have specific targets in place to manage the impacts and risks of its own workforce. EPH will consider setting targets in future reporting cycles if assessed as meaningful to reach EPH 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.

S1-6 Characteristics of EPH’s employees

The following tables give a detailed breakdown of our employees and their characteristics.

Employees by gender

Gender distribution	C-level executives		Middle management		Other employees	
FTE	Male	Female	Male	Female	Male	Female
Czech Republic	70	15	73	31	1,495	488
Slovakia	39	3	253	49	3,054	862
Germany	33	5	70	9	1,682	337
Hungary	–	–	–	–	–	–
France	7	3	10	1	254	139
Netherlands	8	–	31	3	185	43
UK	2	–	18	3	457	69
Ireland	–	–	1	1	1	–
Italy	28	5	24	7	469	83
Poland	3	–	4	4	30	14
Switzerland	7	–	3	–	29	7
Total	196	31	486	107	7,656	2,042

Table 56: Employees by gender

Characteristics of EPH’s employees

Employees by contract type

FTE	Full-time	Part-time	% Full	Permanent	Temporary	% Perm.	Total
Czech Republic	2,059	110	95%	1,956	216	90%	2,169
Slovakia	4,240	20	100%	3,779	481	89%	4,260
Germany	1,957	179	92%	2,070	65	97%	2,135
France	406	8	98%	365	49	88%	414
Netherlands	235	34	87%	245	24	91%	269
UK	539	9	98%	528	19	96%	548
Ireland	3	–	100%	3	–	100%	3
Italy	606	9	99%	606	8	99%	615
Poland	53	2	96%	54	1	99%	55
Switzerland	32	15	69%	46	0	100%	46
Total	10,129	384	96%	9,652	864	92%	10,513

Table 57: Employees by contract type

Employee turnover rate

%	2020	2021	2022	2023	2024
Czech Republic	11%	10%	12%	8%	12%
Slovakia	4%	6%	8%	10%	7%
Germany	13%	11%	22%	8%	14%
Hungary	9%				
France	18%	21%	26%	24%	24%
Netherlands	0%	0%	0%	13%	13%
UK	5%	11%	8%	9%	16%
Ireland	18%	89%	29%	75%	33%
Italy	6%	4%	6%	9%	7%
Poland	33%	40%	5%	2%	10%
Switzerland	11%	26%	19%	10%	15%
Total	9%	9%	12%	10%	11%

Table 58: Employee turnover rate

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. Headcount is reported as average value of FTEs in the given year and 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.

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 which 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.

Contract split by gender is currently estimated based on ratio of male/female employees in individual subsidiaries.

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 by gender

FTE	Full-time	Part-time	% Full	Permanent	Tempo-rary	% Perm.
Male	8,048	287	97%	7,671	666	92%
Female	2,081	97	96%	1,981	198	91%
Total	10,129	384	96%	9,652	864	92%

Table 59: Contract type by gender

S1-7

Characteristics of EPH’s non-employee workers

As part of our own workforce EPH also utilizes indirectly employed workers. To EPH, this means people who are self-employed or are employed by a third party such as an employment agency. These numbers have been calculated and collected in the same way as our own employee numbers and are not estimated.

Not directly employed workforce by type

FTE	Contractors	Agency workers	Total
Czech Republic	203	–	203
Slovakia	4	–	4
Germany	7	15	22
France	173	–	173
Netherlands	14	1	15
UK	436	31	467
Ireland	57	–	57
Italy	22	10	32
Switzerland	22	–	22
Total	937	57	995

Table 60: Not directly employed workforce by type

S1-8

Collective bargaining coverage and social dialogue

At EPH, 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.

EPH 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.

Employees with collective bargaining agreements

FTE	2020	2021	2022	2023	2024	% 24/23
EEA						
Czech Republic	1,778	1,218	1,212	1,275	1,207	(5%)
Slovakia	4,220	4,236	4,259	4,101	4,109	0%
Germany	2,280	2,130	2,012	2,077	1,595	(23%)
Hungary	206	–	–	–	–	
France	450	413	394	426	414	(3%)
Netherlands	–	–	–	248	186	(25%)
Italy	581	581	590	603	615	2%
Poland	91	–	–	–	–	
Non-EEA						
UK	353	343	336	328	285	(13%)
Total Numb.	9,958	8,920	8,803	9,057	8,412	(7%)
Covered % of total headcount	88%	84%	84%	83%	80%	(3%)

Table 61: Employees with collective bargaining agreements

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. In 2024, 21% of EPH workforce was represented by female employees.

Employees gender diversity

Diversity	FTE average		% share	
	Male	Female	Male	Female
C-level executives	196	31	86%	14%
Middle management	486	107	82%	18%
Other employees	7,656	2,042	79%	21%

Table 62: Employees gender diversity

Employees age structure

Age structure	FTE average		% share	
	2023	2024	2023	2024
< 30 years old	1,276	1,206	12%	11%
30–50 years old	5,095	5,020	46%	48%
> 50 years old	4,596	4,289	42%	41%
Total	10,967	10,516		

Table 63: Employees age structure

Employees with disabilities by country

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	23	18	25	22	26	22%
Slovakia	134	151	161	170	171	0%
Germany	88	113	80	75	66	(13%)
France	16	20	13	14	6	(57%)
Netherlands	–	–	–	2	1	(50%)
Italy	23	26	27	29	28	(2%)
Total	284	327	306	312	298	(4%)

Table 64: Employees with disabilities by country

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.

S1-13

Training and skills development metrics

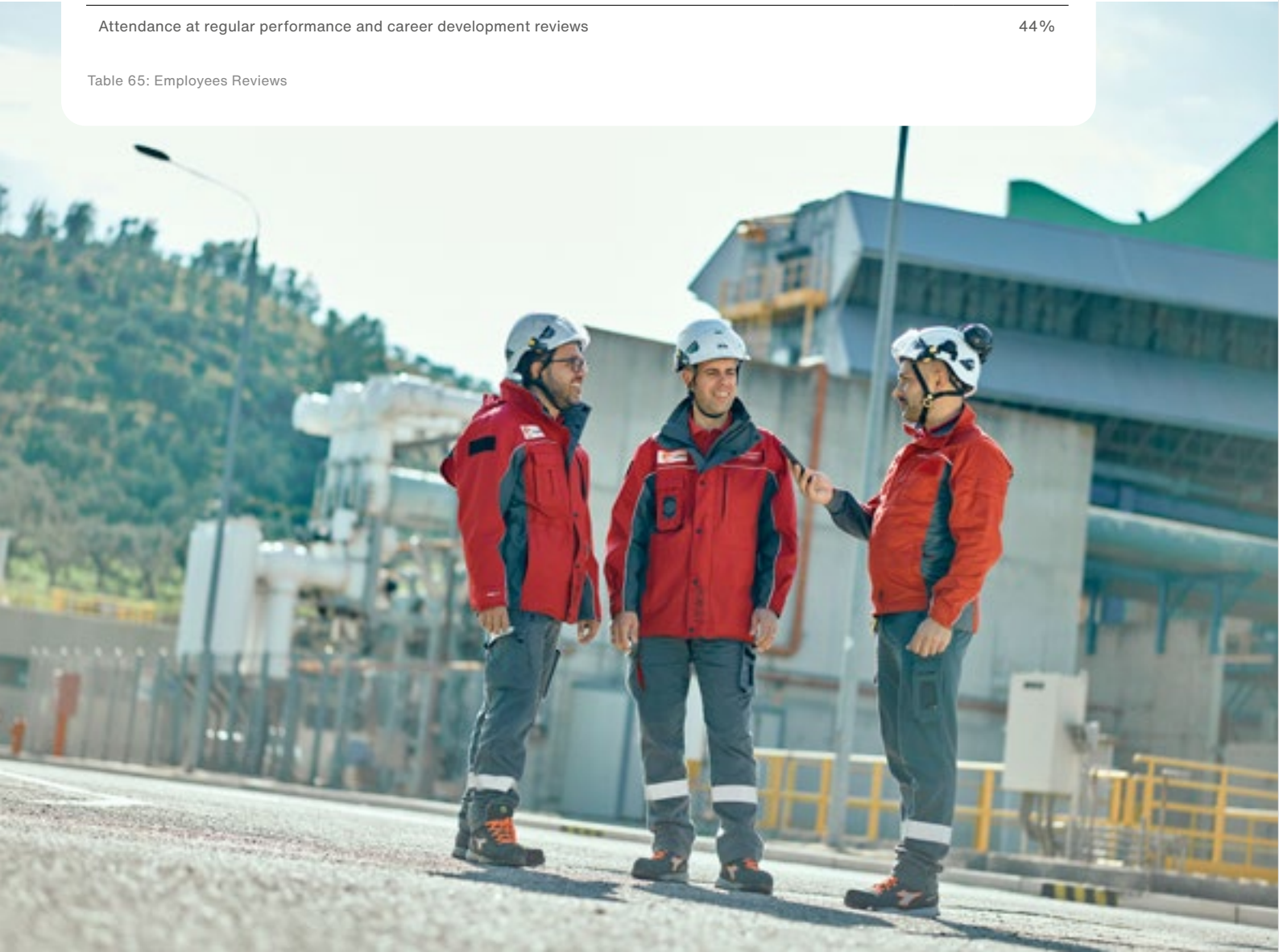
We are committed to providing the right tools and environment for our employees to grow and develop professionally. In an effort to better understand the strengths of our employees, we perform regular work assessments and evaluations. This not only allows us to improve the allocation of talent within the Group, but it allows us to understand where our employees could benefit from further support.

In 2024, we saw an increase of 3% in the training hours per employee when compared to last year.

Employees Reviews

Employee Reviews	# or %
Employees that participated in regular performance and career development reviews	4,600
Attendance at regular performance and career development reviews	44%

Table 65: Employees Reviews



Training hours per employee

Hours per employee	2020	2021	2022	2023	2024	% 24/23
Czech Republic	10	10	14	16	12	(26%)
Slovakia	30	35	39	47	46	(1%)
Germany	5	5	14	17	22	27%
Hungary	26	-	-	-	-	
France	8	10	8	12	20	71%
Netherlands	-	-	-	41	11	(73%)
UK	13	25	19	18	14	(22%)
Ireland	27	24	23	30	53	78%
Italy	17	22	22	34	47	40%
Poland	5	4	3	3	5	45%
Switzerland	-	-	-	8	23	>100%
Total	17	20	25	30	30	3%

Table 66: Training hours per employee

Training hours by gender⁹⁰

Hours per employee	Male	Female
Total training hours	255,516	64,720
Hours per employee	31	30

Table 67: Training hours by gender

90 Split of training hours by gender is currently estimated based on ratio of male/female employees in individual subsidiaries.

S1-14

Health and safety metrics

As part of EPH’s commitment to ensuring the highest standards of health and safety within our operations, we track the following metrics.

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”.

Own employees – key health and safety metrics

	2020	2021	2022	2023	2024	Δ
Fatal injuries (#)	–	–	1	1	–	(1)
Lost-time injuries (#)	60	63	54	45	43	(2)
Worked hours (mil.hours)	17.8	17.0	16.8	17.5	17.6	0
Injury Frequency rate (index)	3.4	3.7	3.2	2.6	2.4	(0.2)

Table 68: Own employees – key health and safety metrics

Worked days lost related to H&S incidents in 2024

Country	Work days lost	Work days lost per injury
Czech Republic	1,939	242
Slovakia	652	65
Germany	310	16
France	60	15
UK	354	354
Total	3,315	77

Table 69: Worked days lost related to H&S incidents in 2024

S1-16

Remuneration metrics
(pay gap and total compensation)

EPH 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, EPH prefers not to disclose an unadjusted average Group-wide metric until a more detailed reporting framework is established, ensuring greater clarity and insight.

S1-17

Incidents, complaints and
severe human rights impacts

In accordance with the EPH 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 EPH 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 EPH by the EPH 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 EPH subsidiaries.

Metrics related to human rights impacts and discrimination / harassment incidents are reported as part of the standard KPI collection process.

Social section

9.

ESRS S2

Workers in the value chain

EPH'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 EPH'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 EPH 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.



S2.SBM-3

Material IROs and their interaction with strategy and business model

EPH 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 EPH 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, EPH will look to consider how it evaluates the occurrence of material negative impacts on value chain workers applying a risk-based approach.

EPH 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 EPH's value chain is critical for maintaining stable operations, minimizing supply disruptions, and safeguarding the Group's reputation. High-risk activities such as resource extraction and transportation pose significant challenges. Addressing these risks aligns with EPH'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 EPH's suppliers and contractors operate in hazardous environments, such as mining and logistics, either upstream or directly at the EPH sites. Poor safety standards can lead to workplace accidents, illnesses, and fatalities, negatively impacting workers and their families while increasing disruptions in EPH's supply chain. If EPH 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, EPH 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 EPH to maintain operational efficiency, adapt to technological advances, and support the transition to sustainable energy. A lack of training within supplier and contractor workforces can lead to inefficiencies, safety risks, and missed opportunities for innovation, directly impacting EPH'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 EPH.

By investing in comprehensive training programs targeted for supplier workers who perform work on EPH sites, EPH can enhance productivity, reduce incidents, and improve long-term operational outcomes, fostering stronger partnerships with suppliers. However, EPH 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 EPH. Resource extraction in regions with weak labor protections can undermine the Group's ethical standing and stakeholder trust. Proactively addressing these issues aligns with EPH'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 EPH'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, EPH will develop an understanding of how workers with particular characteristics are at greater risk of harm. Furthermore, EPH 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.

S2-1

Value-chain workers-related policies

EPH outlines the expectations we have of our suppliers in relation to the treatment of their workers (and therefore EPH’s value chain workers) in our “EPH Procurement Policy”, as well as within our “EPH Master ESG Policy” and “EPH Code of Conduct”. In the “EPH Master ESG Policy”, human rights policy commitments are outlined; EPH follows the 10 principles of the United Nations Global Compact on Human Rights, labour, environment and anticorruption and encourages our business partners to endorse the same commitment.

In the “EPH Procurement Policy”, EPH Group 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, EPH 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.

EPH has a supplier code of conduct, “EPH Procurement Policy”, under which forced/compulsory and child labor are addressed. Currently, EPH has not found there to be any incidents of human rights infringements.

S2-2

Engaging with value chain workers about impacts

Presently, EPH Group 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, EPH is working to update our policies, as detailed in [Policies MDR-P – Policies adopted to manage material sustainability matters](#). As EPH does not operate on a global basis, we have not established a specific Global Framework Agreement covering value chain workers.

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/EPH websites. Information on these resources is also circulated internally in the form of emails and is

embedded in training materials. EPH does not currently track issues which are raised/addressed tracked 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](#).

S2-4

Value-chain workers-related actions

The actions EPH 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 pre-vent 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 EPH, 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.

Value-chain workers-related actions

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, EPH 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. EPH 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 coal sourcing or mineral extraction for batteries. 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 used for power and heat generation. 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.

S2-5 Value-chain workers-related targets

EPH 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.



Social section

10.

ESRS S3 Affected communities

EPH 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, EPH also strives to be proactive in its community partnership efforts, and

through the EPH Foundation and EP Group Foundation, we promote initiatives, such as grant and community partnership programs.



S3.SBM-2

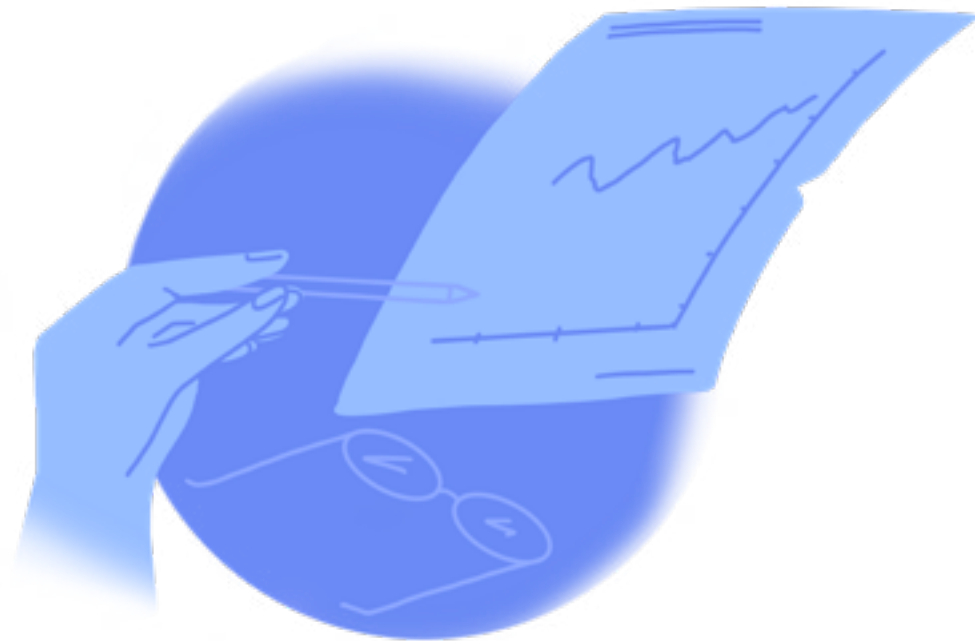
Interests and views of stakeholders

For full details on EPH'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 EPH 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 in the section Corporate Social Responsibility as part of the annual report.

The main relation which communities have to EPH'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.



S3.SBM-3

Material IROs and their interaction with strategy and business model

EPH evaluated the social impacts of its value chain to identify where our operations or services contribute to significant effects. EPH cannot account for all possible impacts of a value chain actor under AR16 sub-sub-topics 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 [SBM-1 – Strategy, business model and value chain](#). The scope of the disclosure includes all these communities that have been identified as potentially being materially impacted. EPH identified the most material affected communities to be those who are located around operating sites, primarily within EPH'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 mines.

The impacts of these identified affected communities are relatively localized and contained to the locations of operations; EPH does not have any impacts through its services or product offerings. These impacts are also related to the systemic approach of EPH's business, due to the nature of large-scale energy infrastructure, as opposed to isolated and infrequent incidents.

EPH 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 EPH does not operate in areas where interactions with these groups could occur. Beyond establishing that EPH 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 EPH 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, EPH is simultaneously addressing the risk. No material opportunities related to affected communities were identified during the DMA process, and EPH has no material risks arising from potential dependencies on such communities.

S3-1

Affected community-related policies

EPH outlines in the “EPH Code of Conduct” the expectations it has set at a Group level, 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 EPH and our value chain does not operate in areas which interact with these communities.

The “EPH 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. EPH works to comply with these principles by continuing to monitor and assess any potential impacts that EPH 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 EPH’s operations may be to fully support appropriate engagement and if required, interventions and remediation plans.

The “EPH 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).

EPH group 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. EPH Group provides direction on the required fundamental principles, which are aligned with the UNGP on BHR. This enables the EPH group and its OpCos to handle community impacts in the best way possible and ensure the most specific instances.

As of 2024, EPH 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, EPH would report in line with the requirements of these international instruments.

S3-2

Engaging with affected communities about impacts

Currently, EPH Group 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 “EPH 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, EPH Group 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.

S3-3

Processes to remediate negative impacts and channels for affected communities to raise concerns

EPH Group has established dedicated channels at the OpCo as well as holding level 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 EPH’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.

S3-4

Affected community-related actions

Ensuring affected communities are able to freely express concerns

EPH’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, EPH 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 EPH contributing to this so far.

Following the establishment of our affected community engagement process, EPH 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, EPH 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 EPH 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.

EPH 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 options 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, EPH 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.

EPH 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 EPH 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 EPH 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.



S3-5

Affected community-related targets

EPH 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.

Social section

11.

ESRS S4

Consumers and end-users

EPH'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 EPH 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.

EPH 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. The Group is committed to regularly implementing and improving our products and services. Our goal is to offer a viable option for all. EPH 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.

While EPH's operations significantly impact end-users due to its crucial role in overall energy security, it often lacks a direct contractual relationship with the final consumers of the energy commodities it produces or manages. However, EPH does engage directly with end consumers in the retail power and gas supply sectors, as well as in district heating. In power and gas distribution, EPH ensures the delivery of energy to the final consumer, but the contractual relationship remains with the respective supplier. EPH does not interact with end consumers within other segments such as power generation, gas transit and storage, or commodity trading.

S4.SBM-2

Interests and views of stakeholders

For full details on EPH’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 EPH interacts with consumers and end users, we sought to engage with stakeholders. As part of the requirements of EPH 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, EPH 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.

S4.SBM-3

Material IROs and their interaction with strategy and business model

All consumers EPH 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. There are only a few OpCos which have direct interactions with consumers as a customer-facing business model, compared to other OpCos which deal in business-to-business sales.

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, gas, and heat distribution offtake points

Power supply customers

#	2020	2021	2022	2023	2024	% 24/23
Residential	564,885	672,288	683,213	695,691	704,054	1%
Mid-size	89,026	65,687	67,819	59,973	78,977	32%
Large	25,211	22,663	23,204	29,597	15,747	(47%)
Total	679,122	760,638	774,236	785,260	798,778	2%

Table 71: Power supply customers

Gas supply customers

#	2020	2021	2022	2023	2024	% 24/23
Residential	55,149	88,492	90,383	108,840	96,937	(11%)
Mid-size	8,577	6,202	6,339	7,895	11,065	40%
Large	878	629	490	418	617	48%
Total	64,604	95,323	97,212	117,154	108,619	(7%)

Table 72: Gas supply customers

EPH group has identified these direct consumers of EPH’s energy 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 EPH provides. EPH’s direct consumers are potentially impacted by a failure to ensure this service is provided reliably and

securely; EPH 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.

S4-1

Consumer-related policies

To ensure that EPH Group and our OpCos strive to provide our customers with the highest quality products and services, we outline our expectations in the “EPH 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 “EPH 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 EPH Group 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 “EPH 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.

S4-2

Engaging with consumers about impacts

Given the varying nature of EPH businesses, there is no centralized procedure to engage with consumers about the impacts they may face through interactions with EPH. 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 “EPH 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 EPH Board, and where it is feasible to do so, these insights then are considered in relation to EPH’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 EPH Group to gain valuable insights about consumers and their perceived impacts. EPH can then work to address any impacts raised, without the need to establish a new engagement process.

S4-3

Processes to remediate negative impacts and channels for consumers to raise concerns

As outlined in our “EPH 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 EPH 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 EPH 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, EPH 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 EPH provides. This is monitored by EPH and is not a third-party mechanism.

This channel is related to EPH 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](#).

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.

Through our subsidiaries EP Energy Trading, Dobrá Energie and Stredoslovenská energetika, we supply electricity and gas to more than 800 thousand residential as well as industrial customers in Slovakia and the Czech Republic. Additionally, we operate supply businesses focused on B2B customers in France, the Netherlands, and newly also in Italy. Across all our residential supply operations, we strongly refuse to engage in any aggressive sales tactics to enhance customer retention or acquisition. EPH works to support the relevant local legislation which further mitigates these impacts.

To ensure there are no significant negative impacts on EPH’s consumers, it is crucial that EPH 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.

EPH does not have significant opportunities related to consumers and end-users and has not identified any material risks. If functioning as intended, EPH’s business operations do not result in major negative impacts. EPH 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. EPH 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 “EPH 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 EPH 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 EPH 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 EPH’s decarbonization goals.

Customer programs are an effective way for the Group to strengthen its ties with consumers and the surrounding communities. The positive response to these programs reinforces EPH’s commitments to their further development and implementation.

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 (SEO) 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.

S4-5

Consumer-related targets

EPH 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 the 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.

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 CO₂ 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.

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 the Group.

It is imperative that we unify our business approach across the Group, which we support with a shared culture, internal policies, and strong governance.

EPH 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. EPH maintains high ethical standards throughout its operations and supply chain, and we do not tolerate corruption or inappropriate behavior.

The Group 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.

G1.GOV-1

The role of the administrative, supervisory and management bodies

EPH 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, a member of the EPH Board of Directors and EPIF CEO and Vice Chairman of the Board of Directors, has assumed the role of ESG Officer of EPH Group, allocating responsibility to sustainability and the Group’s sustainability agenda. Accountability for EPH’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 the Group level and is responsible for the preparation and review of central policies, the whistleblowing system, the Know Your Customer (KYC) process 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 incidents. The Compliance Committee oversees these activities together with Gary Mazzotti, and is assisted in all business conduct matters by the Group ESG department.

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 EPH, 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 EPH’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.

G1.IRO-1

Identifying business conduct related IROs

EPH has screened assets and activities to identify actual and potential IROs in its own operations and its upstream and downstream value chain. Ensuring that EPH’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 EPH within this area. Further detail on the methodology used can be found [IRO-1 – Description of the processes to identify and assess material IROs](#).

EPH has engaged key stakeholders in matters relating to business conduct. Full details of our stakeholder engagement process can be found [SBM-2 – Interests and views of stakeholders](#).

G1-1

Business conduct policies and corporate culture

To ensure that EPH’s business operations are conducted in the manner we expect, we have outlined our requirements within our “EPH Master ESG Policy”, “Anti-Corruption and Anti-Bribery Policy”, “EPH Code of Conduct”, “Reporting of Serious Concerns and Whistleblowing”, as well as the “EPH 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.

Corporate Culture

EPH’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 EPH’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.

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, EPH 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 EPH’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, EPH policies and internal regulations by offering confidentiality to ensure that individuals do not fear retaliation of disclosures. EPH Group 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 EPH, 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 EPH’s board to decide on appropriate follow-up actions. The Compliance Officer responsible for the raised case is located at group-level and separate to the management of OpCos. Division of powers and responsibilities according to the Policy among EPH’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 EPH may be included in the investigation process based on the relevance and EPH’s internal processes and rules of operations.

EPH’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.

G1-2

Management of relationships with suppliers

Supply chain management is an integral part of EPH’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.

EPH’s procurement goals consider the social and environmental aspects of our individual subsidiaries and how decisions at a Group level can affect their business practices. The procurement function is managed by EPH Group Procurement, whose key role 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 OpCos, thereby facilitating strategic procurement.

In 2020, we introduced, approved, and implemented an extended [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, EPH 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 EPH Group are publicly disclosed on the EPH web page, which has led to increased supplier participation and transparency. In 2024, there were no significant changes to EPH’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, EPH does not have an established centralized policy to prevent late payments to suppliers of any size.

G1-3

Procedures to address corruption or bribery

EPH’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 EPH’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 designated persons are also separate from the management responsible for prevention and detection of corruption and bribery.

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, EPH 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 EPH’s interests in all business decisions. Internal control systems and procedures are audited regularly to counter bribery and corruption, maintaining the integrity of EPH’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 EPH hosts e-learning once a year for the holding employees.

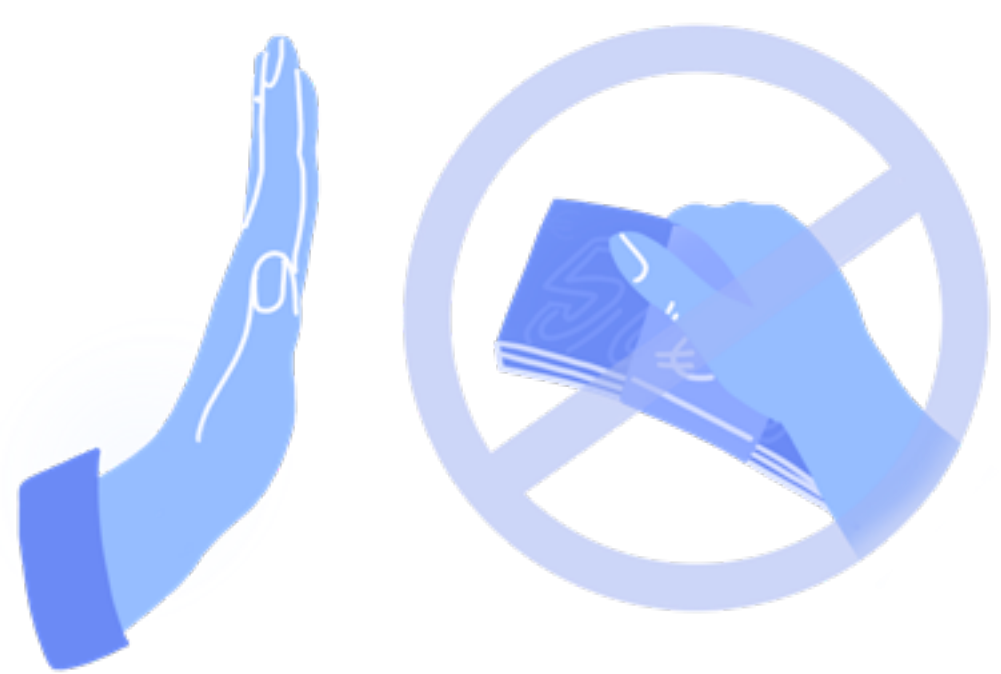
EPH’s OpCos have their own training plan implemented based on their operation’s needs. The target audience, frequency and depth of coverage is subject to the OpCos decision. EPH is currently developing a group-wide training policy and training plan to implement group-wide common training requirements. 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 EPH 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. EPH 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 EPH’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.

G1-4

Incidents of corruption or bribery

EPH takes incidents of corruption and bribery seriously, and we work to ensure these incidents are minimized to the fullest extent.

For the reporting year 2024, EPH recorded zero convictions for violations of anti-corruption and anti-bribery laws. As a result, EPH incurred no fines related to violations of anti-corruption and anti-bribery laws.



G1-5

Political influence and lobbying activities

Transparent, proactive engagement in favor of clean energy policies and just transitions can enhance EPH'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, EPH 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, EPH 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. EPH holding company is not directly a member of the local chambers. The subsidiaries of EPH are frequently members of regional chambers of commerce established at the regional or district level.

EPH 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 EPH is involved in, and the interactions with our business strategy sits with the Board as a whole. In addition, EPH subsidiaries might pursue separate lobbying activities, reflecting their sectoral exposure and also complying with the unbundling requirements.

EPH holds representative interest at national, regional and local, and European levels. The main EU legislative proposals and policies which EPH 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; nuclear safety and liability; 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: *Bioenergy Europe; Grande Region Hydrogen; Energy Traders Europe; 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. Annex

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ESRS 2 IRO-2 List of datapoints in cross-cutting and topical standards that derive from other EU legislation

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ESRS 2 GOV-1 – Board's gender diversity paragraph 21 (d)	Material	SFDR/CBSR	344
ESRS 2 GOV-1 – Percentage of board members who are independent paragraph 21 (e)	Material	CBSR	344
ESRS 2 GOV-4 – Statement on due diligence paragraph 30	Material	SFDR	350
ESRS 2 SBM-1 – Involvement in activities related to fossil fuel activities paragraph 40 (d) I	Material	SFDR/EBA3/CBSR	355
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	406
ESRS E1-1 – Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Material	EBA3/ CBSR	406
ESRS E1-4 – GHG emission reduction targets paragraph 34	Material	SFDR/EBA3/CBSR	431
ESRS E1-5 – Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Material	SFDR	435
ESRS E1-5 – Energy consumption and mix paragraph 37	Material	SFDR	435
ESRS E1-5 – Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Material	SFDR	435
ESRS E1-6 – Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Material	SFDR/EBA3/CBSR	436
ESRS E1-6 – Gross GHG emissions intensity paragraphs 53 to 55	Material	SFDR/EBA3/CBSR	436
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	440
ESRS E1-9 – Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Material	EBA3	440
ESRS E1-9 – Location of significant assets at material physical risk paragraph 66 (c).	Material	EBA3	440
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	440

Legend:
SFDR – Sustainable Finance Disclosure Regulation
CBSR – Climate Benchmark Standards Regulation
EBA3 – EBA Pillar 3
EUCL – EU Climate Law

Disclosure Requirement and related datapoint	Material information?	Legislation	Page in sustainability statement
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	499
ESRS E3-1 – Water and marine resources paragraph 9	Material	SFDR	505
ESRS E3-1 – Dedicated policy paragraph 13	Material	SFDR	505
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	508
ESRS 2 IRO-1 – E4 paragraph 16 (a) I	Material	SFDR	504
ESRS 2 IRO-1 – E4 paragraph 16 (b)	Material	SFDR	504
ESRS 2 IRO-1 – E4 paragraph 16 (c)	Material	SFDR	504
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	524
ESRS E5-5 – Hazardous waste and radioactive waste paragraph 39	Material	SFDR	524
ESRS 2 SBM-3 – S1 – Risk of incidents of forced labor paragraph 14 (f)	Material	SFDR	529
ESRS 2 SBM-3 – S1 – Risk of incidents of child labor paragraph 14 (g)	Material	SFDR	529
ESRS S1-1 – Human rights policy commitments paragraph 20	Material	SFDR	530
ESRS S1-1 – Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21	Material	CBSR	530
ESRS S1-1 – processes and measures for preventing trafficking in human beings paragraph 22	Material	SFDR	530
ESRS S1-1 – workplace accident prevention policy or management system paragraph 23	Material	SFDR	530
ESRS S1-3 – grievance/complaints handling mechanisms paragraph 32 (c)	Material	SFDR	531
ESRS S1-14 – Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Material	SFDR/CBSR	544
ESRS S1-14 – Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Material	SFDR	544

Glossary of terms

Disclosure Requirement and related datapoint	Material information?	Legislation	Page in sustainability statement
ESRS S1-16 – Unadjusted gender pay gap paragraph 97 (a)	Material	SFDR/CBSR	545
ESRS S1-16 – Excessive CEO pay ratio paragraph 97 (b)	Material	SFDR	545
ESRS S1-17 – Incidents of discrimination paragraph 103 (a)	Material	SFDR	545
ESRS S1-17 – Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Material	SFDR/CBSR	545
ESRS 2 SBM-3 – S2 – Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Material	SFDR	549
ESRS S2-1 – Human rights policy commitments paragraph 17	Material	SFDR	550
ESRS S2-1 – Policies related to value chain workers paragraph 18	Material	SFDR	550
ESRS S2-1 – Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Material	SFDR/CBSR	550
ESRS S2-1 – Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19	Material	CBSR	550
ESRS S2-4 – Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Material	SFDR	551
ESRS S3-1 – Human rights policy commitments paragraph 16	Material	SFDR	558
ESRS S3-1 – Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Material	SFDR/CBSR	558
ESRS S3-4 – Human rights issues and incidents paragraph 36	Material	SFDR	560
ESRS S4-1 – Policies related to consumers and end-users paragraph 16 – ESRS S4-1	Material	SFDR	566
ESRS S4-1 – Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Material	SFDR/CBSR	566
ESRS S4-4 – Human rights issues and incidents paragraph 35	Material	SFDR	568
ESRS G1-1 – United Nations Convention against Corruption paragraph 10 (b)	Material	SFDR	574
ESRS G1-1 – Protection of whistle- blowers paragraph 10 (d)	Material	SFDR	574
ESRS G1-4 – Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Material	SFDR/CBSR	578
ESRS G1-4 – Standards of anti- corruption and anti- bribery paragraph 24 (b)	Material	SFDR	578

Legend:
SFDR – Sustainable Finance Disclosure Regulation
CBSR – Climate Benchmark Standards Regulation
EBA3 – EBA Pillar 3
EUCL – EU Climate Law

Abbreviation	Term	Abbreviation	Term
ABC	Anti-bribery and corruption	IFRS	International Financial Reporting Standards
AR	Application Requirement	ILO	International Labor Organization
BAT	Best Available Technique	IPCEI	Important Project of Common European Interest
Capex	Capital Expenditure	IRO	Impact, Risks and Opportunities
CCUS	Carbon Capture, Utilization, and Storage	ISAE	International Standard on Assurance Engagements
CCS	Carbon Capture and Storage	ISO	International Organization for Standardization
CEMS	Continuous Emission Monitoring Systems	IT	Information Technology
CEO	Chief Executive Officer	KPI	Key Performance Indicator
CFO	Chief Financial Officer	KYC	Know Your Customer
CHP	Combined Heat and Power	LEAP	Locate, Evaluate, Assess, and Prepare
CO	Carbon Monoxide	LTIFR	Lost Time Injury Frequency Rate
CO ₂	Carbon Dioxide	MDR	Minimum Disclosure Requirement
CBD	Convention for Biological Diversity	MWh	Megawatt hour
COP	Conference of Parties	NACE	Nomenclature of Economic Activities
CMIP6	Coupled Model Intercomparison Project	NGO	Non-governmental Organisation
CSDDD	Corporate Sustainability Due Diligence Directive	Nimby	Not In My Backyard
CSRD	Corporate Sustainability Reporting Directive	NO _x	Nitrous Oxides
DEI	Diversity, Equity and Inclusion	OECD	Organisation for Economic Co-operation and Development
DMA	Double Materiality Assessment	OpCo	Operating Company
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization	Opex	Operational Expenditure
ENCORE	Exploring Natural Capital Opportunities Risks and Exposure	PAB	Paris Aligned Benchmark
EEA	European Economic Area	P&L	Profit & Loss
EFrag	European Financial Reporting Advisory Group	PV	Photovoltaic
EIA	Environmental Impact Assessment	R&D	Research & Development
EPH	Energetický a průmyslový holding, a.s.	R&Os	Risks & Opportunities
EPIF	EP Infrastructure, a.s.	SBM	Strategy and Business Model
ESG	Environmental, Social, Governance	SO ₂	Sulphur Dioxide
ESRS	European Sustainability Reporting Standards	SSP	Shared Socio-economic Pathway
ETI	Ethical Trading Initiative	TCFD	Taskforce for Climate Related Disclosures
ETS	Emissions Trading Scheme	TNFD	Taskforce for Nature Related Disclosures
EU	European Union	TRIR	Total Recordable Incident Rate
EWC	European Works Council	TWh	Terawatt hour
GFF	Green Financing Framework	UK	United Kingdom
GHG	Greenhouse Gases	UN	United Nations
GRI	Global Reporting Initiative	UNGC	United Nations Global Compact
HSE	Health, Safety & Environment	VC	Value Chain
IPCC	Intergovernmental Panel on Climate Change	WEI+	Water Exploitation Index
IEA	International Energy Agency	WRI	World Resource Institute
		WWF	World Wildlife Fund
		WWF BRF	Biodiversity Risk Filter
		WWF WRF	Water Risk Filter

Supplementary tables

ESRS Environment

E1 Climate change

E1-5

Energy consumption by country

GWh	2020	2021	2022	2023	2024	% 24/23
Czech Republic	10,030	11,897	11,787	8,006	6,918	(14%)
Slovakia	1,170	966	884	827	790	(4%)
Germany	4,890	9,058	15,493	13,158	13,854	5%
Hungary	3,602	–	–	–	–	
France	2,842	1,755	3,728	1,848	993	(46%)
Netherlands	–	–	–	13,117	12,248	(7%)
UK	35,525	35,846	26,837	20,986	17,724	(16%)
Ireland	3,718	4,186	3,477	2,489	1,495	(40%)
Italy	35,294	38,149	34,287	27,448	25,915	(6%)
Switzerland	–	–	–	–	0	
Poland	0	1	4	5	8	59%
Total	97,071	101,858	96,498	87,883	79,945	(9%)

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	7,757	2%
Network losses	421	442	351	367	419	14%
Network losses in %	5.6%	5.5%	4.5%	4.8%	5.4%	

E1-7

Scope 1 CO₂ 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%)
Flexible Power Generation	16,000	17,857	19,400	18,007	15,884	(12%)
Renewable Energy	11	10	8	9	11	34%
Logistics	9	9	9	17	16	(6%)
Total	19,772	21,335	22,768	20,213	17,528	(13%)

Scope 1 CO₂ emissions by country

thsnd. tonnes CO ₂ -eq.	2020	2021	2022	2023	2024	% 24/23
Czech Republic	2,835	3,293	3,264	2,112	1,565	(26%)
Slovakia	195	152	79	59	47	(19%)
Germany	1,629	3,245	5,747	4,873	5,101	5%
Hungary	722	–	–	–	–	
France	613	523	979	397	341	(14%)
Netherlands	–	–	–	2,713	2,321	(14%)
UK	5,715	5,748	4,881	3,823	2,309	(40%)
Ireland	675	773	656	462	273	(41%)
Italy	7,387	7,601	7,161	5,773	5,366	(7%)
Switzerland	–	–	–	–	203	
Poland	0	0	1	1	2	45%
Total	19,772	21,335	22,768	20,213	17,528	(13%)

Scope 2 CO₂ emissions by country

thsnd. tonnes CO ₂ -eq.	2020	2021	2022	2023	2024	% 24/23
Czech Republic	36	11	11	11	12	4%
Slovakia	6	8	53	61	47	(23%)
Germany	46	37	77	71	48	(33%)
Hungary	3	–	–	–	–	
Netherlands	–	–	–	18	16	(15%)
UK	13	11	14	10	11	6%
Ireland	2	1	2	3	2	(21%)
Italy	2	0	2	1	19	>100%
Switzerland	–	–	–	–	0	
Poland	–	–	–	–	2	
Total	107	68	160	175	155	(11%)

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	–	–	–	1	39	>100%
Total	295	257	232	235	201	(15%)

E2 Pollution

SO₂ 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%)
Germany	1,005	2,119	3,167	2,457	2,663	8%
France	57	261	785	149	95	(36%)
UK	1,079	1,058	899	481	99	(80%)
Ireland	31	24	21	22	21	(6%)
Italy	1,626	1,058	962	456	572	26%
Total	8,446	7,803	10,272	6,156	5,806	(6%)

NO_x emissions by country

tonnes	2020	2021	2022	2023	2024	% 24/23
Czech Republic	2,736	3,182	3,406	2,196	1,779	(19%)
Slovakia	195	186	77	68	46	(32%)
Germany	1,469	2,430	3,330	2,974	2,648	(11%)
Hungary	388	–	–	–	–	
France	173	487	958	391	117	(70%)
Netherlands	–	–	–	763	638	(16%)
UK	5,090	5,032	3,586	2,476	2,553	3%
Ireland	379	527	430	207	135	(35%)
Italy	4,004	3,834	3,460	2,364	2,289	(3%)
Poland	0	2	5	6	7	0%
Total	14,434	15,679	15,251	11,444	10,212	(11%)

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%)
Germany	14	39	75	82	71	(13%)
France	3	16	89	7	4	(46%)
Netherlands	–	–	–	1	1	(36%)
UK	101	84	25	24	71	>100%
Italy	97	98	65	61	53	(13%)
Total	330	345	354	233	248	6%

E4 Water resources

Quantity of water withdrawn by country

million m³	2020	2021	2022	2023	2024	% 24/23
Czech Republic	31	41	94	84	41	(51%)
Slovakia	0	0	0	0	0	(5%)
Germany	93	91	94	93	89	(4%)
Hungary	13	–	–	–	–	
France	–	2	4	3	1	(78%)
Netherlands	–	–	–	685	625	(9%)
UK	1,616	1,987	1,579	1,252	1,382	10%
Ireland	1	1	0	0	0	(22%)
Italy	1,616	1,574	1,660	1,372	1,316	(4%)
Total water withdrawn	3,369	3,696	3,431	3,487	3,454	(1%)

E5 Resource use and circular economy

Byproducts by country

thsnd. tonnes	2020	2021	2022	2023	2024	% 24/23
Czech Republic	1,084	1,288	1,370	796	632	(21%)
Germany	172	386	759	665	676	2%
Hungary	0	–	–	–	–	
France	252	262	129	41	24	(42%)
UK	65	77	56	30	17	(44%)
Italy	144	150	192	177	165	(7%)
Total	1,717	2,164	2,506	1,708	1,514	(11%)

Byproducts by means of disposal⁹¹

thsnd. tonnes	2020	2021	2022	2023	2024	% 24/23
Sales	779	1,222	1,303	941	992	5%
Storage – own stock	110	204	62	–	6	
Storage – external	0	177	241	148	104	(29%)
Stabilizate production	659	769	809	480	341	(29%)
Storage – chargeable waste	58	76	85	63	77	23%
Other	14	14	17	12	13	12%
Total	1,620	2,461	2,517	1,643	1,534	(7%)

91 There is a reconciliation difference between Byproducts production and Byproducts disposal due to timing mismatch between production and disposal.

Waste by country⁹²

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	251,720	92,734	109,724	83,004	51,598	(38%)
Hungary	146	–	–	–	–	
France	1,082	1,792	3,604	2,440	28,620	>100%
Netherlands	–	–	–	549	456	(17%)
UK	84,050	58,887	46,653	3,486	3,148	(10%)
Ireland	107	96	81	57	123	>100%
Italy	3,698	4,197	5,445	2,939	3,675	25%
Total	386,941	204,212	204,236	135,745	129,363	(5%)

ESRS Social

S1-6 Characteristics of EPH's employees

Male employees

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	1,906	1,611	1,630	1,670	1,638	(2%)
Slovakia	3,408	3,421	3,432	3,348	3,346	(0%)
Germany	2,233	2,222	2,022	2,181	1,784	(18%)
Hungary	173	–	–	–	–	–
France	404	304	263	284	271	(5%)
Netherlands	1	1	1	216	223	3%
UK	477	466	486	512	477	(7%)
Ireland	8	5	4	2	2	0%
Italy	482	507	505	520	521	0%
Poland	98	16	22	30	37	23%
Switzerland	6	14	10	31	39	25%
Total	9,197	8,567	8,375	8,794	8,338	(5%)

92 There is a reconciliation difference between Waste production and Waste disposal due to timing mismatch between production and disposal.

Female employees

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	497	438	473	511	534	4%
Slovakia	871	886	897	900	914	2%
Germany	375	400	366	392	351	(11%)
Hungary	34	–	–	–	–	–
France	113	109	131	142	143	1%
Netherlands	1	1	1	44	46	4%
UK	62	62	68	71	72	1%
Ireland	3	4	3	2	1	(50%)
Italy	99	74	84	84	94	13%
Poland	26	14	16	17	18	6%
Switzerland	3	5	6	8	7	(9%)
Total	2,084	1,992	2,045	2,172	2,180	0%

Ratio of female

%	2020	2021	2022	2023	2024	Δ%
Czech Republic	21%	21%	22%	23%	25%	1%
Slovakia	20%	21%	21%	21%	21%	0%
Germany	14%	15%	15%	15%	16%	1%
Hungary	16%					0%
France	22%	26%	33%	33%	35%	1%
Netherlands	50%	50%	50%	17%	17%	0%
UK	12%	12%	12%	12%	13%	1%
Ireland	27%	44%	43%	50%	33%	(17%)
Italy	17%	13%	14%	14%	15%	1%
Poland	21%	46%	42%	36%	33%	(3%)
Switzerland	33%	26%	38%	21%	16%	(5%)
Total	18%	19%	20%	20%	21%	1%

Full-time job

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	2,320	1,978	2,032	2,106	2,059	(2%)
Slovakia	4,266	4,293	4,313	4,225	4,240	0%
Germany	2,553	2,542	2,295	2,427	1,957	(19%)
Hungary	2	–	–	–	–	
France	444	410	391	419	406	(3%)
Netherlands	–	–	–	180	235	30%
UK	447	525	551	571	539	(6%)
Ireland	11	9	7	4	3	(25%)
Italy	576	575	581	595	606	2%
Poland	122	30	38	45	53	17%
Switzerland	9	18	16	27	32	17%
Total	10,749	10,380	10,223	10,598	10,129	(4%)

Part-time job

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	84	74	71	77	110	43%
Slovakia	13	14	16	25	20	(19%)
Germany	55	80	92	114	179	57%
Hungary	205	–	–	–	–	
France	7	3	4	7	8	14%
Netherlands	2	2	2	80	34	(58%)
UK	93	3	4	13	9	(31%)
Ireland	–	–	–	–	–	
Italy	5	6	8	8	9	10%
Poland	2	–	1	2	2	0%
Switzerland	–	1	–	13	15	12%
Total	466	182	198	339	384	14%

Employees with a permanent contract

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	2,261	1,885	1,794	1,948	1,956	0%
Slovakia	3,868	3,940	3,935	3,814	3,779	(1%)
Germany	2,449	2,544	2,294	2,419	2,070	(14%)
Hungary	207	–	–	–	–	
France	424	384	321	345	365	6%
Netherlands	2	2	2	218	245	12%
UK	532	518	536	560	528	(6%)
Ireland	11	7	7	4	3	(25%)
Italy	575	578	585	559	606	8%
Poland	89	30	32	46	54	17%
Switzerland	9	18	16	39	46	18%
Total	10,426	9,906	9,520	9,952	9,652	(3%)

Employees with a temporary contract

FTE	2020	2021	2022	2023	2024	% 24/23
Czech Republic	143	167	311	235	216	(8%)
Slovakia	411	368	394	436	481	10%
Germany	159	77	94	153	65	(57%)
Hungary	0	–	–	–	–	
France	27	29	73	81	49	(40%)
Netherlands	–	–	–	42	24	(43%)
UK	8	10	18	24	19	(19%)
Ireland	–	2	–	–	–	
Italy	6	3	5	44	8	(81%)
Poland	35	–	7	1	1	0%
Switzerland	–	1	–	1	0	(80%)
Total	789	657	902	1,016	864	(15%)

Number of leavers

FTE	2020	2021	2022	2023	2024	Δ
Czech Republic	254	202	247	177	260	83
Slovakia	185	265	347	431	308	(123)
Germany	338	299	517	218	298	79
Hungary	18	–	–	–	–	–
France	94	88	102	104	101	(3)
Netherlands	–	–	–	34	36	3
UK	29	56	46	53	87	34
Ireland	2	8	2	3	1	(2)
Italy	34	23	36	52	40	(12)
Poland	41	12	2	1	5	4
Switzerland	1	5	3	4	7	3
Total leavers	996	958	1,302	1,076	1,143	67

S1-8 Collective bargaining coverage and social dialogue

FTE	2020	2021	2022	2023	2024	% 24/23
EEA						
Czech Republic	1,778	1,218	1,212	1,275	1,207	(5%)
Slovakia	4,220	4,236	4,259	4,101	4,109	0%
Germany	2,280	2,130	2,012	2,077	1,595	(23%)
Hungary	206	–	–	–	–	
France	450	413	394	426	414	(3%)
Netherlands	–	–	–	248	186	(25%)
Ireland	–	–	–	–	–	
Italy	581	581	590	603	615	2%
Poland	91	–	–	–	–	
Non-EEA						
UK	353	343	336	328	285	(13%)
Total Numb.	9,958	8,920	8,803	9,057	8,412	(7%)
Covered% of total headcount	88%	84%	84%	83%	80%	(3%)

S1-9 Diversity metrics

Age structure

FTE average	2020	2021	2022	2023	2024
Under 30 years old	1,162	1,121	1,143	1,276	1,206
Between 30 and 50 years old	5,264	4,787	4,863	5,095	5,020
Over 50 years old	4,855	4,656	4,412	4,596	4,289
Total	11,281	10,564	10,417	10,967	10,516

Age structure

%	2020	2021	2022	2023	2024
Employees under 30 years old	10%	11%	11%	12%	11%
Employees between 30 and 50 years old	47%	45%	47%	46%	48%
Employees over 50 years old	43%	44%	42%	42%	41%

S1-13 Training and skills development metrics

Total training hours

hours	2020	2021	2022	2023	2024	% 24/23
Czech Republic	24,045	20,538	28,477	34,559	25,582	(26%)
Slovakia	128,990	151,231	167,859	198,268	197,331	(0%)
Germany	13,862	12,741	33,207	45,027	47,572	6%
Hungary	5,472	–	–	–	–	
France	3,892	4,140	3,311	5,071	8,433	66%
Netherlands	–	–	–	10,622	2,925	(72%)
UK	7,226	13,072	10,801	10,714	7,820	(27%)
Ireland	293	219	162	120	160	33%
Italy	9,981	12,860	12,983	20,344	29,084	43%
Poland	615	129	129	160	271	69%
Switzerland	–	–	–	311	1,059	>100%
Total training hours	194,376	214,929	256,928	325,194	320,236	(2%)

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	16	17	15	9	8	(1)
Slovakia	19	14	19	12	10	(2)
Germany	12	24	15	20	20	–
France	11	5	3	2	4	2
UK	2	1	–	2	1	(1)
Italy	–	2	2	–	–	–
Total registered injuries	60	63	54	45	43	(2)

Injury Frequency Rate

Index	2020	2021	2022	2023	2024	Δ
Czech Republic	3.8	4.9	4.1	2.3	2.1	(0.2)
Slovakia	2.7	2.0	3.0	1.9	1.4	(0.6)
Germany	3.4	6.8	4.1	5.4	5.9	0.6
France	17.2	6.2	4.6	4.0	8.5	4.5
UK	2.0	1.0	–	1.8	0.9	(0.9)
Italy	–	2.0	2.1	–	–	–
Total injury frequency rate	3.4	3.7	3.3	2.6	2.4	(0.2)

Worked Hours

million hours	2020	2021	2022	2023	2024	% 24/23
Czech Republic	4.2	3.5	3.6	3.9	3.8	(2%)
Slovakia	6.9	7.0	6.7	6.7	7.2	8%
Germany	3.5	3.5	3.7	3.7	3.4	(10%)
Hungary	0.3	–	–	–	–	
France	0.6	0.8	0.6	0.5	0.5	(6%)
Netherlands	–	–	–	0.4	0.4	6%
UK	1.0	1.0	1.1	1.1	1.1	(2%)
Ireland	0.0	0.0	0.0	0.0	0.0	(25%)
Italy	1.0	1.0	1.0	1.0	1.0	6%
Poland	0.2	0.1	0.1	0.1	0.1	24%
Switzerland	–	0.0	0.0	0.1	0.1	33%
Total worked hours	17.8	17.0	16.8	17.5	17.6	1%

Lost-time injuries – contractors

#	2020	2021	2022	2023	2024	Δ
Czech Republic	–	1	–	–	4	4
Slovakia	1	2	–	–	–	–
Germany	9	5	4	4	2	(2)
Hungary	–	–	–	–	–	–
France	5	13	–	–	2	2
Netherlands	–	–	–	–	1	1
UK	–	4	5	5	7	2
Ireland	–	–	–	–	–	–
Italy	3	1	1	5	10	5
Poland	–	–	–	–	–	–
Switzerland	–	–	–	–	–	–
Total	18	26	10	14	26	12

EPH specific metrics

Net installed capacity

Electricity – installed capacity by fuel

MW	2020	2021	2022	2023	2024	% 24/23
Conventional	10,804	10,329	11,019	13,088	13,749	5%
Hard coal	2,829	1,544	2,234	1,884	1,194	(37%)
Lignite	946	1,755	1,755	1,753	1,753	0%
CCGT	6,303	6,303	6,303	8,887	9,588	8%
OCGT and other NG	521	521	521	521	1,168	>100%
Oil	183	184	184	20	20	0%
Other	23	23	23	23	27	15%
Renewable	789	801	801	823	875	6%
Wind	95	95	95	95	103	8%
Photovoltaic	28	28	28	58	102	76%
Hydro	5	5	5	5	5	0%
Biomass	649	661	661	663	663	0%
Other	13	13	13	3	3	(5%)
Total	11,594	11,131	11,821	13,911	14,624	5%

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%)
Germany	795	938	1,628	1,658	1,012	(39%)
France	1,432	837	837	837	845	1%
Netherlands	–	–	–	2,585	2,603	1%
UK	4,025	4,014	4,014	3,489	3,971	14%
Ireland	384	384	384	384	384	0%
Italy	3,989	3,989	3,989	3,989	4,840	21%
Total	11,594	11,131	11,821	13,911	14,624	5%

Heat – installed capacity by fuel

MW	2020	2021	2022	2023	2024	% 24/23
Lignite	2,923	2,680	2,670	2,650	1,988	(25%)
OCGT and other NG	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	3,241	3,095	3,083	3,083	2,475	(20%)

Heat – installed capacity by country

MW	2020	2021	2022	2023	2024	% 24/23
Czech Republic	3,085	3,015	3,003	3,003	2,438	(19%)
Germany	156	80	80	80	37	(54%)
Total	3,241	3,095	3,083	3,083	2,475	(20%)

In 2024, the heat installed capacity was restated to present capacity at the heat exchangers. Until 2023, the capacity represented thermal input of the boilers.

Energy production

Total net energy production

GWh	2020	2021	2022	2023	2024	% 24/23
Total	42,376	42,871	39,734	38,754	34,586	(11%)

Net electricity production by fuel

GWh	2020	2021	2022	2023	2024	% 24/23
Conventional	34,389	35,887	34,516	34,470	28,963	(16%)
Hard coal	5,029	5,103	5,833	3,912	2,998	(23%)
Lignite	2,192	3,783	6,300	4,964	5,013	1%
CCGT	26,977	26,746	22,276	25,502	20,733	(19%)
OCGT and other NG	136	185	32	28	167	>100%
Oil	9	22	26	18	7	(60%)
Other	46	48	50	46	46	(0%)
Renewable	3,668	3,959	2,464	1,649	3,017	83%
Wind	200	165	155	173	125	(28%)
Photovoltaic	35	36	37	41	71	75%
Hydro	11	10	6	10	8	(20%)
Biomass	3,410	3,735	2,256	1,417	2,801	98%
Other	11	13	10	10	13	34%
Total	38,057	39,846	36,980	36,119	31,980	(11%)

Net electricity production by country

GWh	2020	2021	2022	2023	2024	% 24/23
Czech Republic	2,005	2,535	2,549	1,544	1,244	(19%)
Slovakia	31	33	29	29	32	10%
Germany	1,341	2,535	5,177	4,300	4,637	8%
Hungary	1,301	–	–	–	–	
France	1,699	813	1,488	800	471	(41%)
Netherlands	–	–	–	7,374	6,394	(13%)
UK	15,077	15,158	11,401	8,961	7,379	(18%)
Ireland	1,697	1,935	1,630	1,111	740	(33%)
Italy	14,906	16,837	14,707	12,001	11,083	(8%)
Total	38,057	39,846	36,980	36,119	31,980	(11%)

Heat production by fuel

GWh	2020	2021	2022	2023	2024	% 24/23
Lignite	2,533	2,755	2,456	2,253	2,102	(7%)
CCGT	1,476	–	–	–	–	
OCGT and other NG	57	0	0	0	1	>100%
Oil	5	4	7	8	4	(47%)
Biomass	173	207	257	299	423	42%
Other	76	58	35	76	76	0%
Total	4,319	3,025	2,754	2,635	2,606	(1%)

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%)
Germany	273	298	291	277	253	(9%)
Hungary	1,476	–	–	–	–	
Total	4,319	3,025	2,754	2,635	2,606	(1%)

Distribution and supply

Heat supplied by country

TJ	2020	2021	2022	2023	2024	% 24/23
Czech Republic	13,873	8,365	7,442	7,087	6,987	(1%)
Germany	360	402	431	350	396	13%
Hungary	5,560	–	–	–	–	
Total	19,793	8,768	7,873	7,436	7,383	(1%)

XI. Corporate Social Responsibility

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1. EPH Foundation

The EPH Foundation highlights EPH’s ongoing commitment to supporting local communities, with a particular focus on underserved people, and uses this as the primary method of delivering positive impacts for communities. Founded in 2014, the Slovak EPH Foundation has been deeply engaged in addressing social challenges since 2016. With its foundation in compassion and empathy for those in need, all its efforts support a deep sense of unity. Guided by unshakable principles, including the preservation of traditions, natural and cultural heritage, promotion of regional and community advancement, and support for education, innovation, sports, scientific progress, human rights, and environmental conservation, the Foundation remains committed to helping in numerous humanitarian causes.

The EPH Foundation distributes help in the following main areas:

1

Education and innovation

2

Culture

3

Health and sport

4

Disadvantaged groups

5

Environment

6

Regional development

In 2024, the EPH Foundation supported the following programs:

Pillar of support	Programme	Amount granted [EUR]
Health and sport	Cross-country skiing with EPH	38,000
	Floods	83,911
	Support for hospitals in the Žilina Region	240,000
	Support of the University Hospital Nové Zámky	29,043
		390,954
Disadvantaged groups	A foothold in life	200,000
	Supporting individuals – APPA	60,000
	Supporting individuals – Charities	140,000
		400,000
Regional Development	Municipalities	280,343
	In my surroundings	150,000
		430,343
Partnership projects	Education and innovation	145,579
	Culture	138,776
	Health and Sport	154,370
	Disadvantaged groups	28,475
	The environment	3,840
	J&T Foundation	184,500
		946,379
Total amount granted		2,167,675

In my surroundings

(V mojom okolí)

The EPH Foundation has launched the “In my surroundings” grant program to support meaningful projects that enhance local communities. The initiative allowed employees of selected EPH Group companies to engage in volunteer work in partnership with non-profits, schools, municipalities, and community centers. The goal was to fund projects that improve public spaces, strengthen community life, and positively change neighborhoods.

Who Could Apply?

The grant was open to non-governmental organizations (NGOs), local governments, schools, and community centres. To qualify, a project must have involved an EPH Group employee as an active volunteer. The employee must work for one of the following companies: eustream, SPP - distribúcia, Nafta, SSE Holding Group, or Slovenské elektrárne Group.

Funding and Eligible Projects

A total of EUR 150,000 was distributed within the program, with each project eligible for up to €2,500 in funding. The grant could cover all expenses directly related to the project's implementation. Supported initiatives should have a community impact, involving local groups such as volunteers, schools, and municipal representatives.

Projects focused on:

- Public space improvements, such as cleaning, revitalization, tree planting, and installing public amenities like benches or bike racks.
- Cultural and community events, including amateur theatre, social gatherings, and activities that strengthen local connections.
- Sports and recreational activities, such as tournaments, support for sports clubs, and the creation of hiking or cycling routes.
- Socially impactful initiatives, helping seniors, people with disabilities, or socially disadvantaged groups.

Support point

(Oporný bod)

One of the key priorities of the EPH Foundation is supporting disadvantaged groups and improving the quality of care and services for those who need it the most. The program “A Support Point” was designed for organizations and institutions providing social services, hospice, and palliative care, offering them stability and the ability to continue their essential work.

In life, anyone may find themselves or their loved ones in a situation where they require care and support in difficult times. Despite medical advancements, some diagnoses come with a limited prognosis, making the quality of the final days and a dignified farewell crucial. The goal of the program was to help social service institutions facilitate the integration of disadvantaged individuals into society, while also supporting hospices and palliative care providers in ensuring dignified and high-quality end-of-life care.

Who Could Apply for the support?

Financial contributions can be requested by the following entities providing social and hospice care:

- Hospices and mobile hospices
- Halfway houses
- Church institutions providing social services
- Non-state children’s homes
- Crisis centres
- Non-governmental organizations and civic associations
- Other entities providing social assistance

Funding and Grant Utilization

A total of EUR 200,000 was allocated within the program in 2024. Each approved project could receive a maximum of EUR 5,000. Funding could cover all expenses related to the implementation and realization of the project. Retroactive support is not possible – eligible expenses may only be incurred from the date the project is approved by the foundation’s board.



Cross-country skiing program

(Program bežkovanie)

The EPH Foundation has long supported various sports organizations, activities, and events. Recognizing the growing popularity of cross-country skiing in Slovakia, the foundation aims to address the challenges of trail maintenance, as no systematic funding model currently exists. Unlike ski resorts with lift passes, most cross-country trails rely on voluntary contributions or donations, which often fall short of covering maintenance costs.

To help improve trail conditions, the EPH Foundation has allocated EUR 80,000 to support organizations responsible for trail upkeep. In cooperation with the Slovensko v pohybe association, the foundation will distribute funds and respond to the needs of trail maintenance providers across Slovakia.

Who Could Apply?

Financial support was available for non-governmental organizations (NGOs), local governments, and sports clubs that maintain cross-country skiing trails at elevations of at least 800 meters above sea level. Only non-profit legal entities can apply-businesses and for-profit organizations are not eligible.

Funding and Eligible Expenses

A total of EUR 80,000 was distributed within the program. The maximum grant per project was EUR 8,000, depending on individual needs. The funding could cover:

- Purchase, repair, or rental of equipment for trail maintenance.
- Trail development and modifications, including groundwork, marking, routing, and fencing.
- Essential personnel costs for maintenance work.
- Other necessary expenses directly related to the project.

2. EP Group Foundation

As a major contributor to the EP Group Foundation established by EPH’s parent company EP Group, EPH regularly reports on EP Group Foundation activities in its disclosure.

In life, we are sometimes faced with situations and challenges that can very rarely be overcome without help. Based on this concept, the EP Group Foundation started operating at the end of 2021, where resources are utilized to the extent possible to help those who need it.

The main motive for the Foundation is to help those who find themselves in difficult life situations, especially when they have had no influence on the outcomes. They approached life responsibly but were nevertheless met with a lot of unpredictable challenges and life pressures. We believe that without help, these individuals could be met with more distress and damaging life situations.

EP Group Foundation is founded on the following main pillars:

- 1 support for families with children that lost one or both parents, and
- 2 help for the elderly, especially those living on their own.

While in the first pillar we aim to implement aid primarily with our own resources, in the second pillar, we are indirectly delivering support through partner non-profit organizations who provide direct care for the elderly in need. In addition to these two main pillars, the Foundation has two more pillars of support:

- 1 providing aid in emergency situations, and
- 2 advocating for the above-mentioned target groups.

The main motto

To help efficiently and quickly, without any gestures or demands, but on the contrary with helpfulness and kindness.

Management of EP Group Foundation

The Foundation is headed by three competent women who boast many years of experience in the non-profit sector. With a common vision and motivation, they strive to help as many of those who need it as possible and therefore make a significant impact on our society.

Jitka Pražáková

Executive Director

Mrs. Pražáková boasts 18+ years’ experience in the non-profit sector, driving diverse charitable, cultural, and educational initiatives across financial institutions and corporate foundations. Notably, she worked in the non-profit environment of Česká spořitelna Foundation or Jakub Voráček Foundation, where she championed projects supporting patients with multiple sclerosis. Within the Czech Ministry of Health, she pioneered the Patient Hub, enhancing the capabilities and professionalization of patient organizations. In Prague’s Vršovice district, she established community spaces fostering collaboration among segment of patient organizations, empowering sustainable leadership and advocacy within healthcare system.

Petra Kačírková

Executive Director

Mrs. Kačírková boasts 25+ years’ experience in the non-profit sector. Leading an international NGO branch, she drove systemic shifts in childcare from institutional care towards community-based services and foster care advocacy. Her expertise spans sector development, community care support, and systemic transformation. Adept at raising awareness and lobbying, she facilitated workshops on diverse topics in many countries. Additionally, she had contributed to innovative projects in mental health care and served on the government’s Committee for Children’s Rights.

Monika Pivoňková

Program Manager

Monika started in the position of Team Assistant at the Foundation in January. During the first 10 months of her work, she helped bereaved families understand the documentation required for a successful grant application and financial reconciliations. Additionally, her responsibilities also included final accounting for supported organizations.

In November 2024, Monika was promoted to the position of Program Manager. Being in direct contact with people going through this difficult stage of life is currently her daily responsibility. She coordinates the Program for Bereaved Families and assists all bereaved applicants in understanding the conditions of individual open grant calls. Through her work, Monika strives to create a supportive environment where bereaved families can find the resources and care they need during such an incredibly difficult time.

Markéta Edlmanová

Executive Assistant

Mrs. Edlmanová has dedicated the past 5 years to charitable work in her spare time. Initially inspired during maternity leave, she joined a project supporting single mothers, overseeing donor and recipient communication and managing administrative tasks. While previously in corporate environments, her passion for the non-profit sector led her to shift her focus in this direction.

In 2024, the EP Group Foundation granted nearly EUR 8 million as part of the following programmes:

Program	Grant Call	Amount granted [EUR]
Bereaved Families	We Can Do It 2024*	3,873,249
	We Can Do It After Break-Up 2024	7,166
	Public Consulting Centres in Hospices 2024	397,670
	Scholarship Fund for Children After the Death of Parents 2024	71,672
	Fund for Disabled Children After the Death of Parents 2024	28,664
	Conceptual Projects and Activities for the Bereaved 2024	45,944
Elderly people in Need	Home is Home 2024	2,027,778
	Increasing the Quality of Care	168,157
	Being Together Feels Better	122,767
	Conceptual Projects and Activities for the Elderly 2024	164,749
	Immediate Help for Elderly in Need 2024	38,517
Board of Trustees Emergency Fund	Cars for Field Services	402,121
	Fund for Talented Children of Workers 2024	72,350
	Additional Activities and Projects	527,319
Sum of All Programs		7,948,123

* The amount granted as part of this program is not final as several applications are still under evaluation.

Program for bereaved families

Initiative: “We Can Do It 2024” (To zvládneme 2024)

The Board of Directors of the EP Group Foundation approved a financial contribution for 152 families in the total amount of EUR 3,873,249¹ as a part of grant call “We Can Do It 2024”.

This initiative is designed for families who have lost at least 40 % of their family income due the death of one or both parents of minor children. The EP Group Foundation financially supports these families for two years.

Initiative: “We Can Do It After Break-Up 2024” (To zvládneme i po rozchodu 2024)

The Board of Directors of the EP Group Foundation approved a financial contribution for 2 families in the total amount of EUR 7,166 as a part of grant call “We Can Do It After Break-Up 2024”.

Initiative: “Public Consulting Centers in Hospices 2024” (Veřejné poradny pro pozůstalé v hospicích 2024)

The board of directors of the EP Group Foundation approved a financial contribution for 25 mobile and inpatient hospices in the total amount of EUR 397,670.

Public consulting centres in mobile and inpatient hospices will provide a psychosocial care to families affected by the death of one or both parents, whether expected or sudden.

Initiative: “Scholarship Fund for Children After the Death of Parents 2024” (Stipendijní fond pro pozůstalé děti 2024)

The Board of Directors of the EP Group Foundation approved a financial contribution for 21 families in the total amount of EUR 71,672.

The aim of the Scholarship Fund is to support pupils and students in their educational activities and, furthermore, to support active, talented and successful children and students in extracurricular activities.

Initiative: “Fund for Disabled Children After the Death of Parents 2024” (Fond pro zdravotně znevýhodněné děti 2024)

The Board of Directors of the EP Group Foundation approved a financial contribution for 7 families in the total amount of EUR 28,664.

The Fund for Disabled Children aims to support families who have not only endured the painful loss of a loved one but also care for a child with disabilities, including physical, intellectual, visual, hearing, multiple disabilities and mental illnesses.

Initiative: “Conceptual Projects and Activities for the Bereaved 2024”(Konceptční projekty a activity pro pozůstalé 2024)

The Board of Directors of the EP Group Foundation approved a financial contribution for 8 non-profit organizations in a total amount of EUR 45,944.

The goal of this grant call is to support innovative practices and activities that will have a long-term positive impact on the quality of life of bereaved families. We believe that by doing so, we can create a space for new ideas and initiatives that address the specific needs of this vulnerable group in our society.

¹ The amount granted as part of this program is not final as several applications are still under evaluation.

Program for elderly people in need

Initiative: “Home is Home 2024”
(Doma je doma 2024)

The Board of Directors of the EP Group Foundation decided to support 40 non-profit organizations providing care for elderly individuals in difficult life situations. They approved financial contributions to these organizations in a total amount of EUR 2,027,778.

Supported organizations offer care services and other types of assistance to elderly persons living in their own homes. The allocated funds will primarily be used for the purchase of compensatory aid for seniors (e.g., wheelchairs, reclining beds, walkers, and others), as well as for the expansion of available and offered services. This expansion will lead to the creation of several new jobs or the preservation of existing positions such as personal assistants, carers, social workers, psychotherapists or occupational therapists.

Initiative: “Increasing the Quality of Care” (Zvyšování kvality péče 2024)

The Board of Directors of the EP Group Foundation decided to support 56 non-profit organizations providing care for elderly individuals living in their own homes. They approved financial contributions to these organizations in a total amount of EUR 168,157.

Methods and tools for community care are continuously evolving, with new findings waiting to be implemented into daily care routines. To help professional carers keep pace with modern approaches and increase the quality of support, the Foundation has allocated resources for training in topics such reminiscence techniques, working with life stories or preventing distress and vulnerability in home environment. Furthermore, training topics focus on techniques that support mental health needs, reflecting the significantly increasing number of elderly people suffering from various forms of dementia.

Initiative: “Being Together Feels Better” (Spolu je nám lépe 2024)

The Board of Directors of the EP Group Foundation decided to support 12 non-profit organizations coordinating community support for elderly individuals through volunteer programs. They approved financial contributions to these organizations in a total amount of EUR 122,767.

Many elderly individuals, due to a decline in their independent skills, isolate themselves at home and do not feel strong enough to participate in community activities. Supporting volunteer networks and activities is an effective tool to reduce social isolation among seniors and help them to participate in community events, such as visiting the theatre or attending football matches as they once did. Volunteers can accompany elderly individuals to events or pay regular home visits, enabling them to spend time in the company. This significantly contributes to maintaining their quality of life in old age.

Initiative: “Conceptual Projects and Activities for the Elderly 2024”
(Konceptní projekty a activity pro seniory 2024)

The Board of Directors of the EP Group Foundation decided to support 7 non-profit organizations with a total contribution of EUR 164,749.

The goal of this grant call is to support innovative practices and activities that will have a long-term positive impact on the quality of life of seniors in their home environment. We believe that doing so, we can create space for new ideas and initiatives that address the specific needs of this vulnerable group in our society.

Program for elderly people in need

Initiative: “Immediate Help for Elderly in Need 2024” (Okamžitá pomoc pro seniora v nouzi 2024)

The Board of Directors of the EP Group Foundation decided to support 12 non-profit organizations with total contribution of EUR 38,517.

The Immediate Help for Elderly in Need 2024 grant call is intended to provide urgent assistance to an individual senior living in their natural social environment who are in difficult economic situations and unable to cover essential expenses to resolve their current life crisis. The goal of these support is to ensure a dignified quality of life for these elderly individuals and to extend their ability to continue living in their own home.

Initiative: “Cars for Field Services 2024” (Automobily pro terénní služby 2024)

The Board of Directors of the EP Group Foundation decided to support 30 non-profit organizations with a total contribution of EUR 402,121.

This grant call supported organizations providing field services to seniors in need even in remote regions of the Czech Republic.

Board of trustees emergency fund

Initiative: “Fund for Talented Children of Workers 2024” (Fond pro nadané děti pracovníků 2024)

The Board of Directors of the EP Group Foundation approved a financial contribution for 6 EPH workers in the total amount of EUR 72,350.

The Fund for Talented Children was established to systematically support pupils and students in activities related to their studies and education, as well as to support active, talented and successful children and students in extracurricular activities.

Additional Activities and Projects (Další činnosti a projekty)

The Board of Directors of the EP Group Foundation approved a financial contribution for 9 non-profit organizations and 6 individuals in difficult life situations in the total amount of EUR 527,319.

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