



ANNUAL REPORT 2024



**PREMIER
ENERGY PLC**
2024

TABLE OF CONTENTS

SECTION 1 Premier Energy Group 2024 Highlights	III - VIII
SECTION 2 Consolidated Management Report and Consolidated Financial Statements	1- 248

PREMIER ENERGY GROUP 2024 HIGHLIGHTS

LETTER FROM THE CEO

Dear Shareholders,

2024 was a defining year in the life history of Premier Energy Group. It was 12 years ago that EMMA Capital and I started our journey together in Romania, with the takeover of a very small undersized loss-making gas distributor, which was sorely in need of a restructuring, new owner and new managers. With EMMA Capital's shared vision, patient and strategic long-term business developer and robust analytical investor approach combined with a lot of hard work from a very dedicated and loyal group of managers and employees we have arrived to the where we are today. We are one of the key leading integrated energy companies in Romania and Moldova with over 2.3 million customers and revenue of over €1.2 billion euro at the end of 2024. Nevertheless, we are not satisfied and have strong aspirations to continue our journey.

With EMMA's full support, we made a strategic decision to list Premier Energy's shares in May on the Bucharest Stock Exchange through an Initial Public Offering. The listing allows us to even more rapidly grow and to seize new, larger, profitable opportunities we believe are present in the sector. The IPO was the first mixed IPO on the market, and in doing so, we welcomed a diverse and engaged base of new shareholders alongside majority shareholder EMMA Capital. This listing was a milestone, and I am proud to say that we have delivered on the commitments we made at the time of the IPO: continued robust organic growth, strong focus on cost containment and careful disciplined capital allocation, and strong execution capabilities.

Throughout 2024, we faced significant challenges in the energy market. Electricity imbalance costs reached unsustainable levels, particularly in the second half of the year, while regulatory mechanisms in Moldova and lower renewable generation due to reduced wind conditions further impacted profitability. However, our vertically integrated and geographically diversified strategic model proved resilient. Our performance across natural gas, electricity distribution and supply, and renewable energy showed the strength of our business and our ability to adapt quickly to complex market dynamics.

We made important strides in all business areas. In Romania, we acquired and integrated CEZ Vanzare (now Premier Energy Furnizare S.A.) into our Group, establishing ourselves as a key electricity supplier in the country. We also increased our owned renewable electricity production by 63%, further consolidating our role as an important clean energy player in the region. We expanded our solar and wind development pipeline, including battery storage, reflecting our long-term commitment to a profitable energy transition. In Moldova, we continued to develop critical infrastructure and enhanced our renewable generation footprint.

In our natural gas division, we connected over 9,000 new customers and built over 200 kilometres of new distribution pipelines – critical investments in energy reliability and access. These operational successes are matched by financial resilience. Despite strong market headwinds, we maintained a healthy capital structure and closed the year with a strong balance sheet.

Beyond the operational achievements of 2024, what stands out most is how we have positioned Premier Energy as a long-term leader in the region. Our integrated approach, spanning electricity production, primarily from renewable sources, energy distribution and supply, allows us important strategic flexibility in a sector undergoing rapid transformation. We are not only reacting to today's market pressures but actively shaping the region's energy landscape by building a portfolio of scalable, modern and secure energy infrastructure assets. We are here to grow, but to do so with purpose, precision, and profits.

Most importantly, we honored the expectations of our investors. In line with our dividend policy announced at the IPO, the Board of Directors proposes at the upcoming General Meeting of Shareholders, scheduled for June 3rd, 2025, the distribution of dividends for the year 2024 amounting to EUR 15 million. This reflects our confidence in the Premier Energy Group's robust financial position and stability and our commitment to rewarding shareholders. At the same time, we remain deeply focused on reinvesting the remaining profits in the business to create further long-term value. Our development pipeline is rich, and the bold strategic decisions we take now will define the Group's trajectory for years to come.

As we look toward 2025, our priorities remain consistent with the past decade: operational discipline, profitable growth, and responsible development of our energy infrastructure portfolio. Once again, I want to thank our employees for their dedication, our partners for their collaboration, and you, our shareholders, for your trust. We will continue building a leading regional energy platform that delivers value across market cycles.



Jose M. Garza

Chairman of the Board of the Directors
and Chief Executive Officer

LETTER FROM THE CFO

Dear Shareholders,

It is my pleasure to present the financial results of the Premier Energy Group for the year ended 31 December 2024 – our first year as a listed company. Despite a volatile and unpredictable energy market, on a normalized basis adjusting for tariff deviations in our Moldovan business, the Group delivered solid revenue and normalized profitable growth, maintained strong financial discipline, and continued to execute on the strategic priorities outlined at the IPO.

In 2024, Premier Energy Group's consolidated revenue increased by 33% year-over-year, reaching EUR 1.21 billion. This growth was supported by strong performance across most of our segments – most notably in our natural gas business, in our electricity supply business, bolstered by the acquisition of Premier Energy Furnizare S.A., and in our Moldovan business on a normalized basis when adjusting for tariff deviations. However, profitability was impacted by unsustainably high balancing costs, which spiked in the second quarter, and remained elevated during the second half of the year, combined with lower wind output and regulatory price caps in Romania in our renewables segment.

Across all these challenges, our integrated and diversified strategic business model once again proved its strength. As the third-largest natural gas infrastructure distributor, fifth-largest gas supplier, fourth-largest electricity supplier in Romania, and the largest electricity distributor and supplier in the Republic of Moldova, Premier Energy plays a central role in ensuring energy security, reliability, and efficiency for nearly 2.3 million customers across Southeastern Europe. Additionally, with over 1,400 MW of renewable capacity under ownership, management, or development, we are actively contributing to the region's energy transition.

Each of our core segments achieved meaningful milestones in 2024:

- **Renewable Energy:** Renewable production from our owned assets increased by 63%, driven primarily by the addition of newly acquired and developed electricity generation assets.
- **Electricity Supply:** The integration of Premier Energy Furnizare S.A., alongside our Alive Capital renewable operations, significantly increased our customer base and consolidated our position in a competitive Romanian supply market.
- **Natural Gas:** In 2024, we connected over 9,000 new customers to our distribution network and expanded our infrastructure by building over 200 kilometres of new pipelines. These investments not only strengthened our Regulated Asset Base but also enhanced our capacity to serve Romania's growing demand for natural gas.
- **Moldova:** Despite the under-recovery of regulated tariff deviations, our Moldovan division delivered on expectations on a normalized basis. The team successfully developed and commissioned 28 MW DC of photovoltaic capacity, essentially ending the year with a total of 33 MW DC in operation. These efforts reflect our strategy of profitably expanding our renewable electricity generation within a vertically integrated business model.

Moreover, in the second half of the year, we launched operations at our cogeneration balancing plant in Romania, producing 24.7 GWh of electricity and securing a secondary services license in Q4, opening new opportunities for the plant's business model.

These achievements, realized in a demanding market context, reinforce our confidence in the long-term fundamentals of our business. They also provide a solid foundation for future value creation.

In line with the dividend policy announced at the time of our IPO, the Board has proposed a dividend distribution of EUR 15 million for the financial year 2024. This amount reflects the lower end of our communicated payout range of 30% to 70% of normalized profit and is aligned with the capital-intensive nature of our current development pipeline. We believe that reinvesting a greater share of our earnings at this stage is the most effective way to unlock long-term value for our shareholders, while also signalling our commitment to consistent, transparent capital allocation.

Looking ahead to 2025, our financial priorities remain clear: maintain stability across all business lines, manage cash flows with discipline, and allocate capital in ways that support both immediate returns and long-term growth. With a strong balance sheet, a growing regulated asset base, a loyal customer base, and an ambitious pipeline of renewable projects, we are well-positioned to continue delivering resilient performance regardless of external headwinds.

Thank you for your continued trust in the Premier Energy Group.



Petr Stohr

Member of the Board of Directors and
Chief Financial Officer

ABOUT PREMIER ENERGY GROUP

Premier Energy PLC (“Premier Energy” or “the Group”) is a vertically integrated energy and power infrastructure company in Southeastern Europe (“SEE”). The Group’s four core business segments include:



With over 1,400 MW of renewable electricity generation capacity under ownership, management, or development in Romania and Moldova, Premier Energy is actively contributing to the renewable energy sector's expansion. Additionally, as the third-largest natural gas infrastructure distributor and the fifth largest supplier in Romania, the fourth-largest electricity supplier in Romania, and the largest electricity infrastructure distributor and supplier in the Republic of Moldova, Premier Energy plays a pivotal role in ensuring reliable, sustainable, and efficient energy distribution and supply across the region to millions of customers. The Group is committed to growth, development, and sustainability, and has evolved through strategic acquisitions, substantial organic growth and expanding expertise over the past decade.

Premier Energy Group is dedicated to profitably driving the transition towards cleaner energy solutions. Through the comprehensive range of renewable energy services, including power purchase agreements, balancing and project development, Premier Energy actively contributes to creating a more sustainable world for future generations.

Romania Renewable Energy

Premier Energy's expertise in renewable energy extends to project development for greenfield initiatives, as well as operational plant management including forecasting, balancing and dispatching of the electricity generated by owned and managed renewable production plants, facilitating the transition to profitable sustainable energy solutions.

In addition, Alive Capital, the Group's subsidiary, offers comprehensive asset management solutions, from administrative tasks to contract management and reporting, enhancing operational efficiency. The Group is one of the largest renewable energy suppliers and aggregators in Romania, with a robust presence in generation, supply, asset management, and aggregation services.

As of 31 December 2024, the Group owned 167 MW of renewable energy production plants in Romania, including 146 MW of wind generation, and has 147 MW Direct Current (DC) of solar plants currently in construction with battery storage capacity of 46 MWh.

Romania Energy Supply

In April 2024, the Group completed the acquisition of CEZ Vânzare, since renamed to Premier Energy Furnizare, consolidating its position in the local market with an additional 1.3 million electricity and natural gas customers in Romania, expanding the Group's total consumer base to approximately 2.3 million electricity and natural gas customers in Romania and Moldova.

Natural Gas Distribution and Supply

Premier Energy engages in natural gas distribution, supply and network maintenance in Romania, serving both households and non-household customers, also selling gas to industrial customers beyond its concession network and on a wholesale basis throughout the SEE region. As of 31 December 2024, Premier Energy distributed gas to over 162 thousand consumption points in Romania and supplied gas to over 155 thousand customers. With 118 gas concessions across Romania, and with a distribution network spanning over 3,860 km, the majority capable of supporting green hydrogen distribution, the concessions strategically cover areas around Bucharest and the southern and western regions of Romania, including remote areas with anticipated demand growth.

Republic of Moldova electricity distribution, supply and generation

The Group is the largest electricity distributor and supplier in Moldova, serving around 70% of the population with nearly 1 million consumption points, and holding over 75% market share in the electric supply market. Premier Energy Distribution S.A. operates a network of approximately 35,800 km, covering 16 districts and the capital, Chisinau, as one of two electricity distributors in the country.

Moreover, in Moldova, the Group leads as the largest renewable services provider, delivering forecasting, balancing, aggregation and supply services to an approximate 20% share of the installed renewables capacity in the country. The Group also owned 33 MW DC of solar energy plants in Moldova as of 31 December 2024, a sharp increase from 5 MW DC as of 31 December 2023 as the Group successfully constructed 28 MW DC of solar plants during 2024 and early January 2025 and has an additional 5 MW DC of solar energy and 8 MW of wind energy in an almost ready-to-build development stage. This highlights Premier Energy's commitment to driving profitable renewable energy and sustainability adoption in the region.

2024 KEY PERFORMANCE INDICATORS

NOTE: This section contains references to certain non-IFRS financial measurements.

OPERATIONAL KPIs		12M 2024	12M 2023	Δ 12M (%)
Owned Renewable Energy Production	GWh	214	132	63%
Owned Renewable Energy Capacity	MW	200	91	120%
Managed Renewable Energy Capacity	MW	915	735	25%
Electricity Supply Quantities	TWh	6.7	4.0	65%
Electricity Distribution Customers	# ths.	955.6	947.6	1%
Natural Gas Supply Quantities	TWh	8.6	6.0	42%
Natural Gas Distribution Customers	# ths.	162.3	153.1	6%
Total Energy Customers	# ths.	2,333.2	1,110.7	110%
FINANCIAL KPIs				
Revenue	€ mil.	1,214	912	33%
Normalized Revenue ^(a)	€ mil.	1,257	874	44%
Adjusted EBITDA ^(b)	€ mil.	61	128	-53%
Normalized EBITDA ^(c)	€ mil.	103	90	14%
Net Profit	€ mil.	24	79	-69%
Normalized Net Profit ^(d)	€ mil.	43	41	5%
Net Debt ^(e)	€ mil.	188	68	177%
Working Capital Adj. Net Debt ^(f)	€ mil.	-6	-5	N/A

Note: Quantities of electricity and natural gas supplied in 2024 have been updated since the 2024 Preliminary Highlights report from 28 February 2025 due to updated figures from system operators and intragroup transactions.

(a) Defined as Revenue adjusted for Tariff Deviations and Energy Supplied but Unbilled variances in Moldova.

(b) Defined as Profit from Operations plus Depreciation & Amortization Expense, less Gain on Bargain Purchase, and adjusting for any Net Foreign Currency Losses or Gains.

(c) Defined as Adj. EBITDA adjusted for Tariff Deviations and Energy Supplied but Unbilled variances in Moldova and one time acquisition expenses.

(d) Defined as Net Profit adjusted for gain on bargain purchase, after-tax Tariff Deviations & Energy Supplied but Unbilled variances in Moldova, one time acquisition expenses and for any Net Foreign Currency Losses or Gains.

(e) Defined as Due to Banks and Non-banks less Cash and Equivalents, including restricted cash.

(f) Defined as Net Debt plus Non-debt Current Liabilities less Non-cash and equivalents Current Assets.

PREMIER ENERGY PLC

CONSOLIDATED MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2024

TABLE OF CONTENTS

Board of Directors and other Corporate Information	3
Declaration of the Members of the Board of Directors and the person responsible for the preparation of the Annual Financial Statements	4
Consolidated Management Report	5
Independent Auditors' report	23
Consolidated Statement of Financial Position	31
Consolidated Statement of Profit or Loss and Other Comprehensive Income	33
Consolidated Statement of Changes in Equity	34
Consolidated Statement of Cash Flows	36
1. Description of the Group	38
2. Basis of preparation	55
3. Material accounting policies	60
4. Financial risk management	77
5. Operating environment	94
6. Operating segments	95
7. Intangible assets and Goodwill	99
8. Property, plant and equipment	101
9. Cash and cash equivalents	105
10. Trade receivables	105
11. Inventories	106
12. Financial assets	106
13. Loans receivable	107
14. Other assets	108
15. Green certificates	109
16. Investments in equity-accounted investees	109
17. Provisions	110
18. Loans and borrowings	112
19. Trade payables	116
20. Other liabilities	118
21. Deferred tax liability and asset	118
22. Operating derivative instruments – commodity contracts	119
23. Equity	120
24. Non-controlling interest	126
25. Revenues and expenses related to core operations; operating derivatives	127
26. Services and material expenses	127
27. Personnel expenses	127
28. Expected Credit Losses on loans and receivables and other assets	128
29. Other operating income	128
30. Other operating expenses	129
31. Net finance income/expenses	129
32. Income tax expense	130
33. Related party transactions	132
34. Contingencies	133
35. Commitments	133
36. Events after the reporting period	133
Independent Practitioner's Limited Assurance Report on Premier Energy PLC Consolidated Sustainability Statement	135
Consolidated Sustainability Statement for the year 2024	138

Board of Directors and Other Corporate Information

Board of Directors:

Name	Date of appointment/ resignation	Title
Jose Martin Garza	Appointed on 28 May 2024	Executive Director
Petr Stohr	Appointed on 28 January 2021	Executive Director
Radka Blažková	Appointed on 15 January 2013	Non-executive Director
Dimitra Kalogerou Antoniadou	Appointed on 28 May 2024	Non-executive, Independent Director
Mirela-Florența Covașă	Appointed on 28 May 2024	Non-executive, Independent Director
Demetrios Aletraris	Resigned on 28 May 2024	Non-executive Director
Secretary	Cymanco Services Limited 5 Esperidon Street 4 th floor 2001 Nicosia Cyprus	
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 10 Esperidon Street 1087 Nicosia, Cyprus	
Bankers	Unicredit Bank SA European Bank for Reconstruction and Development (EBRD) European Investment Bank (EIB) Alpha Bank Romania SA Vista Bank (Romania) SA Vista Leasing IFN (Romania) S.A. Credit Agricole Bank Romania S.A. PPF Banka a.s. BC Eximbank SA BC Moldova Agroindbank SA J&T Banka a.s. Patria Bank S.A. B.R.D. - Groupe Societe Generale S.A. Banca Comerciala Romana S.A. Raiffeisen Bank S.A. Garanti Bank S.A. Banca Transilvania S.A. ING Bank N.V. CEC Bank S.A. Libra Internet Bank S.A. First Bank S.A. Optima Bank Citigroup Eximbank SA Wood & Company BT Capital Partners	
Registered Office	48 Themistokli Dervi Avenue Athienitis Centennial Building, 3rd floor, Office 303 1066 Nicosia, Cyprus	
Registration number	HE316455	

Declaration of the Members of the Board of Directors and the person responsible for the preparation of the Annual Financial Statements

In accordance with Section 9(3)(c) and (7) of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (the "Law", "Law no. 197(l)/2007) as amended, we, the members of the Board of Directors and the other persons responsible for the preparation of the Consolidated Financial Statements of Premier Energy PLC (the "Company") for the year ended 31 December 2024, confirm that, to the best of our knowledge:

- (a) the Annual Financial Statements presented in this Annual Report on pages 31 to 134:
 - (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union, and in accordance with the provisions of Section 9, sub-section (4) of the Law, and
 - (ii) give a true and fair view of the assets, liabilities, the financial position and the profit or loss of the Company and of the undertakings included in the Consolidated Financial Statements as a whole and
- (b) the Consolidated Management Report presented on pages 5 to 22 includes a fair review of the developments and the performance of the business as well as the financial position of the Company and of the undertakings included in the Consolidated Financial Statements as a whole, together with a description of the principal risks and uncertainties that they face.

Members of the Board of Directors:

Name	Title
Jose Martin Garza	Executive Director
Petr Stohr	Executive Director
Radka Blažková	Non-executive Director
Dimitra Kalogerou Antoniadou	Non-executive, Independent Director
Mirela-Florența Covașă	Non-executive, Independent Director

Person responsible for the preparation of the annual consolidated financial statements of the Company:

Petr Stohr	Chief Financial Officer
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Consolidated Management Report

The Board of Directors of PREMIER ENERGY PLC (the “Company”) presents its Annual Report together with the audited consolidated financial statements of the Company and its subsidiary companies (together referred to as the “Group”) for the year ended 31 December 2024.

INCORPORATION

The Company was incorporated and domiciled in Cyprus on 11 December 2012 as a private limited liability company under the name Chapalaco Limited. On 11 July 2020, the Company changed its name into Premier Energy Cyprus Limited. On 8 March 2021, the Company changed its legal form into a public company limited by shares with the name Premier Energy PLC in accordance with the requirements of the Cyprus Companies Law, Cap. 113.

INITIAL PUBLIC OFFERING (“IPO”)

On 28 May 2024, Premier Energy PLC completed an IPO on the Bucharest Stock Exchange (BVB) by raising both primary and secondary proceeds. The offering was carried out between 8 and 15 May and it was the first mixed IPO on the BVB, meaning that out of the 35.9 million shares sold, 25 million were newly issued shares, 6.25 million shares were sold by the sole shareholder, EMMA ALPHA HOLDING LTD, while 4.7 million shares were overallocated and treated as the sale by the sole shareholder.

At the final offer price, which was set at RON 19.5 per share, the Company's valuation post-IPO was RON 2.44 billion, a market capitalization with which the Company basically also closed the year. The Company's shares were floated on the Main Market of the stock exchange, under the symbol “PE”, starting on 28 May 2024.

Starting 23 September 2024, shares of Premier Energy entered several indices of the Bucharest Stock Exchange: BET, BET-TR, BET-TRN, BET-XT, BET-XT-TR, BET-XT-TRN, BET-BK, BET-NG and BET Plus. The Company was already included in the BET-EF index, since the IPO. The most important of the indexes, the BET index, follows the evolution of the most liquid companies listed on the BVB, and includes 20 blue-chip companies.

PRINCIPAL ACTIVITIES

The Group is one of the fastest growing vertically integrated energy infrastructure players in Southeastern Europe (“SEE”). The Group is a vertically integrated player in Romania's electricity sector, covering renewable electricity generation, forecasting, balancing, and supply to end customers. It also has a partial vertical integration in Romania's natural gas sector, handling both distribution and supply. In the Republic of Moldova, the Group is a fully vertically integrated player in the electricity sector covering the entire value chain from generation, forecasting, balancing, distribution and supply. It is the largest electricity distribution and supply business in Moldova by volume and client base. The Group benefits from its diversified approach compared to some regional competitors. This integration also supports its goal of maximizing value across the value chain while ensuring operational and financial stability.

With over 1,400 MW of renewable electricity generation capacity under ownership, management, or development in Romania and Moldova, the Group is actively contributing to the renewable energy sector's expansion. Additionally, as the third-largest natural gas infrastructure distributor and the fifth largest supplier in Romania, the fourth-largest electricity supplier in Romania, and the largest electricity infrastructure distributor and supplier in the Republic of Moldova, the Group plays a pivotal role in ensuring reliable, sustainable, and efficient energy distribution and supply across the region to millions of customers.

Committed to growth, development, and sustainability, the Group has evolved through strategic acquisitions, substantial organic growth and expanding expertise. The Group is dedicated to profitably driving the transition towards cleaner, greener energy solutions. Through the comprehensive range of renewable energy services, including power purchase agreements, balancing and project development, the Group actively contributes to creating a more sustainable world for future generations.

Consolidated Management Report (continued)

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2024 are set out on page 33 in the consolidated financial statements. The net profit for the year 2024 amounted to TEUR 24,216 (2023 – TEUR 78,962).

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE GROUP

Premier Energy's vertically integrated and diversified operational model enabled the Group to navigate the complex and volatile energy market of 2024 relatively well. However, the strong operational performance was partially offset by unforeseen and unsustainably high electricity imbalance costs, which spiked particularly in May and June 2024 and remained elevated during the second half of the year. These costs negatively impacted the Group's overall financial performance. Additionally, lower overall electricity prices with higher intraday volatility and lower wind conditions during 2024 further affected the Group's results. Finally, the Group's electricity supply and distribution subsidiaries in Moldova incurred high under recoveries of tariff deviations in 2024, significantly impacting the profitability of these subsidiaries in 2024.

Renewable Production

The renewable production from owned plants increased by 63% in 2024, driven primarily by newly acquired and developed electricity generation assets. This growth was tempered by less favorable wind conditions in Romania throughout the year. While revenues in 2024 showed an increase compared to 2023, EBITDA was significantly impacted by the high balancing costs the industry faced during May and June and, which remained elevated during the second half of the year while increased intraday price volatility in the second half of the year also negatively contributed to the results.

Production at the cogeneration balancing plant commenced in the third quarter of the year, generating 24.7 GWh of electricity in the second half of 2024. Additionally, the Group received a secondary services license in late Q4 2024, further expanding the plant's business model opportunities.

The Group is currently in the construction phase of its 26 MW DC and 48 MW DC solar plant developments in Romania which are being accompanied by a total of 26 MW of battery storage capacity. The 99 MW wind plant development is close to "ready-to-build" status, awaiting the final building permit. Overall, the Group added 14 MW DC of owned operational renewable production assets during the fourth quarter and overall, its development pipeline expanded to 324 MW of renewable generation capacity, along with 68 MWh of battery storage capacity, as of 31 December 2024.

Electricity supply

With the acquisition of Premier Energy Furnizare S.A., the Group established itself as the fourth-largest electricity supplier in the Romanian market (including its Alive Energy subsidiary). The Group's revenues showed a significant increase compared to 2023 due to this acquisition; however, high balancing costs, combined with price caps and remuneration caps, affected the profitability of the subsidiary in 2024.

Natural Gas Division

The natural gas division experienced a significant increase in supply volumes, driven by strong domestic sales in Romania and a solid performance in wholesale markets outside the country. Additionally, distribution volumes grew by 10% during the year, reflecting the expanding distribution footprint and solid market position of the Group, as well as the continued rise in natural gas demand in Romania. This robust operational growth was further supported by strategic infrastructure developments and market expansion.

In 2024, the Group connected approximately 9,000 customers to its distribution network and successfully built 203 kilometers of new distribution pipelines enhancing its capacity to meet the growing demand for natural gas and increasing its Regulated Asset Base (RAB) value.

Moldova Division

The Moldovan division performed as expected considering the under recovery of tariff deviations situation, showing growth supported by overall GDP growth and colder weather conditions, which increased electricity demand. The division successfully developed and constructed 28 MW DC of photovoltaic power generation capacity during 2024, ending the year with 33 MW DC of photovoltaic power generation capacity in Moldova.

Consolidated Management Report (continued)

REVENUE

The Group's revenue from core operations for the year ended 31 December 2024 amounted to TEUR 1,214,055, compared to TEUR 911,975 for the year ended 31 December 2023, reflecting a 33% increase. This growth was primarily driven by the expansion of the supply businesses, resulting from organic growth in the natural gas business and the acquisition of Premier Energy Furnizare S.A. (formerly CEZ Vanzare S.A.). Additionally, the renewable energy segment experienced growth, mainly due to new acquisitions.

The growth in the natural gas business was driven by an increase in supply volumes, fuelled by strong domestic sales in Romania, superb performance abroad, and colder weather, particularly in the last quarter of the year. In Moldova, supply volumes rose by 8%, supported by GDP growth and colder weather conditions, which led to higher electricity demand but revenue declined slightly due to an under recovery of tariff deviations.

DIVIDENDS

The Board of Directors proposes to distribute dividends to its shareholders in the total amount of TEUR 15,000 as part of the 2024 profits distribution. The proposal has to be approved by the General Meeting of the Company.

In 2024, interim dividends in the total amount of TEUR 1,833 were distributed to minority shareholders of subsidiaries.

During 2023, dividends in the amount of TEUR 18,000 were distributed to the shareholders of the Company and interim dividends in the total amount of TEUR 10,748 were distributed to minority shareholders of subsidiaries.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Group and the steps taken to manage these risks are described in Note 4 of the consolidated financial statements.

FUTURE DEVELOPMENTS

The Group is committed to aligning its operations with the Paris Agreement and achieving Net Zero GHG emissions by 2045 through its Decarbonization Plan. Its key strategies include reducing energy losses by upgrading and maintaining the grid, ensuring hydrogen readiness with 80% of its distribution network built for green hydrogen, and expanding renewable energy capacity under ownership, management, or in development from 1 GW in 2023 to 1.4–1.6 GW by 2026. Sustainability is at the core of the Group's strategy, with ESG principles integrated into its business model, aligning with the UN Sustainable Development Goals and the EU Green Deal.

The Group aims to provide sustainable, affordable energy across Romania and Moldova by investing in and developing renewable energy projects. It also prioritizes energy efficiency in its operations and offers sustainable solutions to clients. As one of the most hydrogen-ready energy companies in Romania, it sees hydrogen as a key future energy source. Additionally, the Group fosters a safe, inclusive work environment with equal opportunities for career growth. Sustainability remains a guiding principle, with initiatives focused on climate action, responsible energy distribution, carbon neutrality, and sustainable finance, ensuring a positive impact on both the environment and society.

The Group also plans to continue expanding its renewable and regulated business assets through strategic acquisitions and developments, aligning with its core sectors. It is currently expanding its balancing cogeneration plant in Fagaras, Romania to 19.9 MW to facilitate efficient renewable energy balancing and deployment and is exploring additional acquisition opportunities in electricity and natural gas supply, production, and distribution across the SEE region.

With a relatively low level of working-capital adjusted indebtedness and a stable capital structure, the Group is well positioned for future acquisitions and expansion. It also seeks organic growth in Romania, particularly in gas distribution, where its young network serves underpenetrated regions. Growth opportunities include securing new concessions, especially near the BRUA pipeline, and expanding Romania's rural natural gas network in alignment with government initiatives. By leveraging its experience in winning concession tenders, the Group aims to strengthen its market position and increase its share against incumbent competitors.

Consolidated Management Report (continued)

SHAREHOLDERS AND SHARE CAPITAL

Starting from 28 May 2024, the shares issued by the Company are traded on the Bucharest Stock Exchange following the IPO, under the ticker symbol PE. The ISIN number of the shares is CY0200900914.

Authorised capital

On 9 April 2024, the Company increased its authorized share capital from EUR 100,001 divided into 100,001 ordinary shares of EUR 1 each to EUR 140,001 divided into 140,001 ordinary shares of nominal value of EUR 1 each by the creation of 40,000 additional authorized shares with a nominal value of EUR 1 each. On the same day, the Company subdivided its authorized share capital into shares of a smaller amount via a 1 to 1,000 stock split. The Company's authorized share capital was therefore subdivided into 140,001,000 ordinary shares of nominal value of EUR 0.001 each.

Issued capital

On 9 April 2024, the Company's issued share capital was subdivided from EUR 100,001 divided into 100,001 ordinary shares of EUR 1 each to 100,001,000 ordinary shares of nominal value EUR 0.001 each.

As of 31 December 2024, the share capital structure and the ownership of registered shares was as follows:

Shareholders	Number of shares	% of Ownership
EMMA ALPHA HOLDING LTD	89,063,391	71.25
NN Group NV	7,400,000	5.92
Other shareholders	28.537.859	22.83
Total	125,001,250	100

As at 31 December 2024, the Company's directors with any holdings in the Company's share capital were as follows:

	Shares held, number	Shares held, %
Jose Martin Garza (direct)	690,112	0.55
Petr Stohr (direct)	122,098	0.10

The Company has no holders of any securities with special control rights and there are no restrictions on voting rights.

Neither the Company, nor any of its subsidiaries held Premier Energy's shares as of 31 December 2024.

Directors' holdings of Company share capital on 31 December 2024 and six days prior to the approval of the Annual Report 2024

No changes took place in the shareholdings of directors in the Company between the end of the reporting year (31 December 2024) and 24 April 2025, which is six (6) days before the date of approval of the Annual Report 2024 by the Company's Board of Directors.

BRANCHES

During the year ended 31 December 2024, the Company did not operate any branches.

Consolidated Management Report (continued)

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group engages in a variety of research and development activities focused on enhancing its core operations in the energy sector. These activities primarily involve the development of innovative energy solutions, improvements to electricity transmission and distribution systems, and the optimization of internal processes to better serve clients and improve operational efficiency. R&D efforts are directed toward meeting evolving customer needs, increasing the reliability and sustainability of energy supply, and reducing operational costs through technological advancement and process modernization.

In order to improve quality indicators, optimise maintenance costs and protect the environment, the Group has implemented several technical measures for the construction and maintenance of existing assets: dry-insulated cables and conductors without the use of transformer oil, low-loss hermetic power transformers, polymer-insulated insulators, replacement of oil circuit breakers with vacuum or gas circuit breakers, replacement of cubicles in transformer stations applying compact Gas Insulated Switchgear (GIS) technology, compact overhead and prefabricated transformer substations, remote-controlled circuit breakers, digital relay protection, remote control of switchgear in substations, distribution substations and transformer substations, among others.

With the application of AI-based algorithms, the Group carried out a pilot test aimed at improving the forecast of electricity consumption with the goal of reducing the financial consequences of imbalances as a result of the implementation of the Electricity Market Rules in 2022. The consumption forecasting pilot project has been successfully completed. In order to improve the processes of field work management, IT applications have been developed while the field workers have been equipped with mobile tools for consulting, filling in and managing client's data in relation to work orders, inspection of installations or supervision of works.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2024 and at the date of this report are presented on page 3.

On 28 May 2024, Demetrios Aletraris resigned as Member of the Board of Directors. On 28 May 2024, Mirela-Florența Covașă, Jose Martin Garza and Dimitra Kalogerou Antoniadou have been appointed as Members of the Board of Directors. The responsibilities and the remuneration of the Directors as members of the Board Committees are disclosed in the Corporate Governance Report.

CORPORATE GOVERNANCE STATEMENT

The Company, pursuant to the relevant provisions of Section 151(2) of the Cyprus Companies Law, Cap. 113 provides this Statement on Corporate Governance (the "Statement"), addressing in turn the matters that should be included in this Statement, according to the specific provisions of Section 151 that are cited below.

The Company's shares are listed on the BVB since the 28th of May 2024. As such, the Company is also subject to and applies the BVB Corporate Governance Code (the 'BVB Code'). The BVB Code can be found at the website of the BVB under the Regulations section: <https://www.bvb.ro/Regulations/LegalFramework/BvbRegulations>. The Group's Corporate Governance Code is available on the Company's website (www.premierenergygroup.eu).

Since its listing on the BVB, the Company has adopted the BVB Corporate Governance Code with the provisions of which it fully complies except from the provisions mentioned below in the Corporate Governance Code table in Annex 2.

The Corporate Governance Report of the members of the Board of Directors for the year 2024 is presented after the present report in Annex 1.

Consolidated Management Report (continued)

RECENT VOLATILITY IN GLOBAL FINANCIAL MARKETS

Any significant events that relate to the operating environment of the Group is described in Note 5 of the consolidated financial statements.

ENVIROMENTAL, SOCIAL AND GOVERNANCE (ESG)

Extensive information as to the Group's environmental, social, and corporate governance (ESG) related actions is to be found in the Group's Sustainability Statement for the year 2024 on pages 138 to 248.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in Note 36 of the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 33 of the consolidated financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,



Petr Stohr

Director

Nicosia, 30 April 2025

Consolidated Management Report (continued)

ANNEX 1

Corporate Governance Report

THE COMPOSITION AND OPERATION OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER AND THEIR COMMITTEES

The Board

The Group is managed by a Board of Directors consisting of five members who oversee the daily operations and strategic direction of the Group, as well as advocate for the interests of stakeholders.

The Board of Directors of the Company consists of three non-executive members as well as two executive members, José Martin Garza and Petr Stohr. Two members of the Board are independent. On 28 May 2024, Demetrios Aletraris resigned as Member of the Board of Directors and on the same date Mirela-Florența Covașă, Jose Martin Garza and Dimitra Kalogerou Antoniadou were appointed as Members of the Board of Directors. The Company does not have in place a special policy in relation to diversity of the Board of Directors. The Company considers that the current composition of the Board of Directors includes diversity in relation to age, gender, educational and professional background of its members.

Current Composition of the Board of Directors

The Board of Directors of the Company, as at the date of this report, comprises the following members:

Name	Title
Jose Martin Garza	Chairman - Executive Director
Petr Stohr	Executive Director
Radka Blažková	Non-executive Director
Dimitra Kalogerou Antoniadou	Non-executive, Independent Director
Mirela-Florența Covașă	Non-executive, Independent Director

Biographical Details of the Directors



Jose Martin Garza (Chairman - Executive Director)

Mr. Jose Garza started his career in the investment banking sector, working for Merrill Lynch and then Salomon Brothers, where he focused on European Mergers & Acquisitions. During his 16-year banking career, he worked on a very broad range of public and private market transactions, including several high-profile ones, and worked his way up to the position of Managing Director in M&A of Salomon Brothers for CEEMA. In 2008 he moved to Prague where he became the Head of M&A for the PPF Group. In the EMMA group, which he joined in 2012, he was an Investment Director and Country Manager for Greece and Romania. From this position, he originated all Greek, Romanian and Moldavian acquisitions and their subsequent management. He is currently the CEO of the Premier Energy group. In 2021, he became a partner of EMMA Capital. Mr. Garza holds Bachelor and Master degrees in Economics from the University of Chicago where he also gained his MBA at the university's Graduate School of Business.



Petr Stohr (Executive Director)

Mr. Stohr started his career with Arthur Andersen and Salomon Smith Barney / Citigroup followed by work as an investment associate with Citigroup Private Equity in New York. In 2004, he joined Republic Financial Corporation to become a founding member of its private equity division in Denver, Colorado. In 2007, he was recruited back to Citigroup Private Equity, this time in the newly formed London office, where he eventually became a Vice President and a key member of an investment team responsible for managing a global private equity and direct investments portfolio of over USD 10 billion. In 2010, when Citigroup divested from Citigroup Private Equity, he accepted an offer to join PPF Group in Prague, moving to EMMA Capital as the Director of M&A in 2013 and becoming a partner in 2016. From 2016 to 2020 he held the role of Chief Financial Officer of SAZKA Group (now Allwyn), one of the world's largest and fastest growing lottery companies, where he was part of a management team that acquired multiple lottery companies and led over €3 billion of financings, including the group's inaugural €300 million Eurobond indentures, inaugural CZK 6 billion retail bonds traded on the Prague Stock Exchange and many multinational bank financings. While he has been involved with the Premier Energy Group since 2011, he has been engaged in the day-day management of the business since 2020. He became a Board Member in 2021 and the Chief Financial Officer in 2022. Mr. Stohr holds MBAs from London Business School and Columbia Business School alongside a Bachelor of Science degree from the University of Colorado at Boulder. He is a (non-practicing) certified public accountant.

Consolidated Management Report (continued)

Corporate Governance Report (continued)

THE COMPOSITION AND OPERATION OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER AND THEIR COMMITTEES (continued)

Biographical Details of the Directors (continued)



Radka Blažková (*Non-executive Director*)

Mrs. Radka Blažková led the finance and accounting department of TV NOVA for 12 years. Between 2010 and 2012, she served as CFO of the production company of TV NOVA - Media Pro Pictures. In the EMMA Group which she joined in 2012, she has been working as CFO and a member of the statutory bodies since the first day of joining the firm. Before joining TV NOVA, she worked as an auditor for Deloitte.



Mirela-Florența Covașă (*Non-executive, Independent Director*)

Mrs. Mirela is the former CFO and Board Member of NEPI Rockcastle with more than 19 years' experience. Before NEPI Rockcastle, she worked for PwC as an auditor for approximately 10 years and has been coordinating audits for companies spanning across numerous industries with a particular focus on the real estate, energy, and retail industry. Mrs. Mirela graduated from Bucharest Academy of Economic Studies and is a fellow member of ACCA (Association of Chartered Certified Accountants). She is also a Certified Financial Auditor (CAFR).



Dimitra Kalogerou Antoniadou (*Non-executive, Independent Director*)

From September 2011 to September 2021, Mrs. Dimitra was the Chairwoman of CySEC the independent public supervisory authority responsible for the supervision of the capital markets, the investment services market, the Fund industry, the administrative services as well as Crypto Exchanges in Cyprus. During the same period, she participated in the board of supervisors of ESMA. From November 2012 until February 2021, she also served as a board member of the CyPAOB, which has been established for the oversight of auditors and audit firms. Furthermore, from November 2019 until June 2021 Mrs. Dimitra chaired the ad-hoc tripartite committee and she was also a member of the four-party committee concerning the investigation of the naturalization of all persons done through the CIP. Additionally, from September 2013 until June 2014, she has been a member of the Resolution Authority in Cyprus. Mrs. Dimitra, previously held the position of a Senior Officer of the CSE and has several years of experience in the financial sector and investors' protection.

Appointments and retirement of Board of Directors

The members of the Board of Directors are appointed by ordinary resolution of the general meeting of shareholders and may, subject to compliance with Cypriot Companies Law procedural requirements, be removed by ordinary resolution of the general meeting of shareholders. The Board of Directors may appoint one or more persons as a member of the Board of Directors, either to fill a vacancy, or as an extra member, and any such person so appointed holds office as a member of the Board of Directors only until the next following annual general meeting of the Company, at which time they must retire but may be reappointed by ordinary resolution of the general meeting of shareholders. If not reappointed, a member of the Board of Directors shall retain office until the meeting appoints someone else in his/her place, or if it does not do so, until the end of the annual general meeting. The Board of Directors may appoint one of its members as the chairperson of the Board of Directors and may at any time remove him or her from that office. The Board of Directors may exercise all the powers of the Company that are not required by the Cypriot Companies Law or by the Articles of Association to be exercised in a general meeting of shareholders.

Board meetings

The Board had scheduled twelve meetings during the year 2024, with all directors in person. The main topics of these meetings was to set and monitor the Group's strategy, review trading performance, ensure adequate funding, examine major capital expenditure, formulate policy on key issues and reporting to shareholders where appropriate. In accordance with best practice, the Board has established the Audit Committee, the Remuneration Committee and the Nominations Committee as per the requirements of the Code. The Company Secretary is responsible to and appointed by the Board and all Directors have access to her advice and services. Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board meetings. Briefings are also provided at other times, for example, through operational visits and business presentations.

Consolidated Management Report (continued)

Corporate Governance Report (continued)

THE COMPOSITION AND OPERATION OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER AND THEIR COMMITTEES (continued)

Senior Management team

The current senior management team of the main subsidiaries of the Group, in addition to the Board of Directors listed above, is as follows:

Name	Title
Marius Cazan	Head of Natural Gas Department
Sorin Bulagea	Head of Regulatory Department of Premier Energy Romania
Catalina Ionescu	Head of Legal of Premier Energy Romania
Mihai Velicu	Chief Financial Officer of Premier Energy Romania
Giacomo Billi	Head of Renewables Division and CEO of Alive Capital
Lorena Voicu	Chief Financial Officer of Renewable Division
Vlad Piraianu	Chief Technical Officer of Alive Capital
Jose Luis Gomez Pascual	Country Manager of Premier Energy Moldova
Tatiana Gotisan	Director of Regulations, Tariffs and Energy Purchases of Premier Energy Moldova
Ion Munteanu	Chief Financial Officer, Premier Energy Moldova
Cornelia Szabo	General Manager of Premier Energy Furnizare
Alexandru Manda	Chief Financial Officer of Premier Energy Furnizare
Marius Cîmpeanu	Director of Energy at Premier Energy Furnizare

Board's committees

The audit committee and the nomination and remuneration and corporate governance committee have been created in the IPO context, subsequently activated and in the financial year that ended on 31 December 2024 had the following compositions:

Audit Committee:

Chairperson: Mirela-Florența Covașă (Non-executive, Independent Director)

Members:

- Radka Blažková (Non-executive Director)
- Dimitra Kalogerou Antoniadou (Non-executive, Independent Director)

Audit Committee: Mission and Composition

The Audit Committee has a monitoring and advisory role, and its mission consists in monitoring the financial reporting process and assisting the Board in carrying out its tasks related to financial reporting, internal control and risk management. The Audit Committee has the powers and responsibilities for the carrying out of the duties set forth in the BVB Corporate Governance Code and regulations, terms of reference, policies, resolutions, rules and other by-laws, internal documents of the Company and the Internal Regulation of the Audit Committee of the Company. The Audit Committee also operates in line with and applies section 78 of the Cyprus Auditors Law, 2017.

The Audit Committee is a permanent committee with a consultative role, independent from the executive structures of the Company, which reports directly to the Board of Directors. In accordance with the provisions of the Articles of Association of the Company, the Audit Committee is composed of three members of the Board, out of which two are independent board members.

The Audit Committee is informed and requests information, through the Board of Directors, and issues recommendations, to the Board of Directors, regarding the selection of the statutory auditor, the evaluation and monitoring of the independence of the statutory auditor and the monitoring of the statutory audit process of the consolidated annual financial statements and regarding the financial reporting processes, system of internal control and risk management processes within the Company.

In 2024, the Audit committee held 3 meetings.

Corporate Governance Report (continued)

THE COMPOSITION AND OPERATION OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER AND THEIR COMMITTEES (continued)

Board's committees (continued)

Nomination and Remuneration Committee:

Chairperson: Radka Blažková (Non-executive Director)

Members:

- Mirela-Florența Covașă (Non-executive, Independent Director)
- Dimitra Kalogerou Antoniadou (Non-executive, Independent Director)

Nomination and Remuneration Committee:

The Committee has an advisory role, and its mission is to assist the Board in fulfilling its responsibilities defined by law, the Articles of Association, internal regulations or otherwise with respect to nomination and remunerations matters. All the members of the Nomination and Remuneration Committee are non-executive directors, and the majority are independent non-executive directors. The Committee will usually meet at least once a year.

In addition to those expressly set forth herein, the Committee shall have such other responsibilities as are required by the applicable laws and regulations, the Articles of Association and internal regulations as well as any other responsibilities delegated to it by the Board from time to time. The Committee shall coordinate with the Board and, to the extent necessary, with other governing bodies of the Group in order to ensure a cohesive approach to nomination and remuneration matters.

The Nomination and Remuneration Committee is a permanent committee with a consultative role, independent from the executive structures of the Company, which reports directly to the Board of Directors. The Nomination and Remuneration Committee is composed of three members of the Board, most being independent members.

The roles of Nomination and Remuneration Committee are:

- to formulate proposals for position of member of the Board of Directors, recommends to the Board Directors candidates for such positions and formulates proposals on the elaboration of the Company's remuneration policy, in accordance with the development strategy, objectives, values and interests of the Company. The Committee is required to supervise the application of the Company's remuneration policy.
- to propose the selection criteria of the members of the Board of Directors, corresponding to the identified profiles, as well as the selection criteria for such other management positions.
- Review disclosures made by the Group regarding Board appointments, re-elections and terminations.
- Regularly review the employment contracts of the Management, including on the short-term and long-term incentive plans and on the actual remuneration awarded

In carrying out its activity, the Nomination and Remuneration Committee elaborates an annual report on the implementation of the Company's remuneration policy during the financial year. The report shall be submitted to the General Meeting of Shareholders which approves the annual financial statements.

In 2024, the Nomination and Remuneration Committee held 1 meeting.

Corporate Governance Report (continued)

THE COMPOSITION AND OPERATION OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER AND THEIR COMMITTEES (continued)

Executive and non-executive Directors' remuneration

The remunerations of the Directors, Executives and non-Executives, under their capacity as Directors of the Company and as members of the Board of Directors' Committees are disclosed in note 33 of the consolidated financial statements. The remuneration policy of the Company is published on its website.

Loans and guarantees granted to Directors

No loans and/or guarantees were granted to the Directors of the Company or to Directors of any subsidiary or associated company, either by the Company itself or by its subsidiary or associated companies, and there are also no monies receivable from any company involved with a Director, and/or any person related to him.

Pensions

No pension scheme exists for the Executive and non-Executive Members of the Board.

RISK MANAGEMENT

The Company is a Cypriot registered legal entity, and the Home Member State of the Company is the Republic of Cyprus. In relation to its financial reporting process, the Company applies the relevant provisions of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended of the Republic of Cyprus (the 'Transparency Law'), and the of the Cyprus Companies Law, Cap. 113. The Transparency Law prescribes the publication of the Annual Financial Report and of the Half-Yearly Financial Report. Issuers whose titles are admitted to trading on a regulated market, such as the Company, are obliged to prepare and disclose such information in accordance with the provisions and the time schedules stipulated in Part II of the Transparency Law. Moreover, and as stipulated in Part II of the Law, the financial reports of the Company and of the Group are prepared based on the applicable International Accounting Standards, as well as the provisions of the Companies Law, Cap. 113 in order to provide a true and fair picture of the financial affairs of the Company and the Group, respectively. Further, the Company prepares and publishes quarterly financial reports and preliminary results for the year, also applying the relevant International Accounting Standards.

The Company Secretary and the professional advisers of the Company assist the Board of Directors towards ensuring the lawful drafting, preparation, compilation and publication of the required periodic information.

The Company retains professionals based in Bucharest, Romania, advising it on the disclosure and transparency obligations emanating from the listing of the Company titles on the Bucharest Stock Exchange. They advise the Company in relation to the obligations of the Transparency Law ensure the timely publication of the necessary periodic information, and that this information includes the information required by the Transparency Law. This information is disclosed in accordance with the manner and time schedules set out in the Transparency Law and the relevant Transparency Directives.

Audit Committee

In addition to the above, and in line with the relevant provisions of the Cypriot Auditors Law of 2017 and of the BVB Corporate Governance Code which stipulate that listed companies should have an Audit Committee for the purposes of, between others, the monitoring of the financial reporting process, and the statutory audit of the annual consolidated financial statements, the Board of Directors has created an Audit Committee comprising of three non-executive directors, two of which are independent, and the Chairperson being a non-executive, independent director.

The Company shall continue improving its internal control environment with specific focus on the increased needs to safeguard assets, manage risks, ensure compliance and transparency and operate more efficiently. Audit Committee shall at least once a year analyse the appropriateness and robustness (including organisational, positioning and staffing/available resources aspects) of the internal control functions.

Consolidated Management Report (continued)

Corporate Governance Report (continued)

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (continued)

Risk Management

The Audit Committee shall oversee the Company's risk management practices and policies and review the Company's risk appetite and risk position. A senior executive with understanding of the Company's financial and operating position, will communicate periodically with the Company's Board via its Audit Committee on the assessment of risks and the Company's risk management framework and be responsible for developing or refining internal procedures to address and limit all categories of risk.

Compliance

The Company shall seek to establish a compliance function in accordance with international best practices (e.g., ISO 37301) headed by a dedicated senior executive (Compliance Officer) reporting to the CEO and to the Board through its Audit Committee. In particular, the Company shall seek to ensure that its compliance function develops compliance programs for the Company and subsidiaries and ensures compliance with applicable laws and regulation as well as with internal policies. The Company shall also establish a procedure for reporting suspected legal and internal policy violations (whistle-blowing procedure) and put in place safeguards for protection of persons reporting those violations.

FINANCIAL REPORTING

The preparation and presentation of the consolidated report and financial statements and other price sensitive public reports, seek to ensure that reports are prepared in a way that represent a balanced and understandable assessment of the Group's position and prospects.

ANNEX 2

Bvb Corporate Governance Code Compliance Statement

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
Section A – Responsibilities				
A.1. All companies shall have Internal Rules for the Board of Directors (the “Board”), which shall include the terms of reference/responsibilities of the Board and the key management functions of the Company, and which shall apply, inter alia, the General Principles of this Section.	x			The Company has adopted the Code of Corporate Governance, which includes also Internal Rules for the Board of Directors.
A.2. Provisions for the management of conflicts of interest shall be included in the Rules of the Board. In any event, Board members shall notify the Board of any conflicts of interest that have arisen or may arise and shall refrain from taking part in the discussions (including by non-attendance, unless the failure to attend prevents the establishment of the quorum) and from voting for passing a resolution on the issue giving rise to the relevant conflict of interest.	x			The Board members have, under the law, duties of care and loyalty to the Company, stipulated not only in the Articles of Association of the Company, but also in other internal regulations of the Company. Provisions for the management of conflicts of interest are included in the Code of Corporate Governance of Premier Energy Group.
A.3. The Board shall consist of at least 5 (five) members.	x			The Board consists of 5 (five) members elected by the Annual General Shareholders’ Meeting (AGM) when appropriate, in accordance with the provisions of the Companies Law and the Articles of Association of the Company.
A.4. Most Board members shall not have an executive function. In the case of companies in the Premium Category, no less than two non-executive members of the Board shall be independent. Each independent Board member shall issue a statement at the time of nomination thereof for election or re-election, and whenever any change arises in the status thereof, indicating the elements on the basis of which the same is to be deemed independent in terms of character and judgment.	x			Three out of five Board members are non-executive, and two out of five are independent. On the occasion of each appointment of a Board member, the Company performs an assessment of the independence of its members on the basis of the independence criteria set out in the Code of Corporate Governance (which are essentially similar to those laid down in the Companies Law), consisting of an individual assessment conducted by the relevant Board member.
A.5. Any other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions in the Board of companies and non-profit institutions, shall be disclosed to the shareholders and prospective investors prior to nomination and during the term of office thereof.	x			Information on the permanent professional commitments and obligations of the Board members, including executive and non-executive positions within companies and non-profit institutions, can be found in the CVs of the Board members, available at the Company headquarters and published on the Company’s website.

¹The Statement summarizes the principles of the Code of Corporate Governance; the full version of the Code may be read on the website of the Bucharest Stock Exchange: www.bvb.ro.

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
A.6. Any member of the Board shall present the Board with information on any relation with a shareholder holding, either directly or indirectly, shares representing more than 5% of all voting rights.	x			According to the Corporate Governance Code of the Group, any member of the Board must disclose to the Board of Directors information concerning any relationship with a shareholder directly or indirectly holding shares representing more than 5% of all voting rights, within 15 days of the date he/she was informed or should have been informed of the relation. This obligation relates to any type of relation that may affect the member's position on matters decided by the Board of Directors.
A.7. The Company shall appoint a Secretary of the Board to be in charge of supporting the activity of the Board.	x			The Company has a General Secretary who supports the Board activities.
A.8. The Corporate Governance Statement shall stipulate whether a Board assessment has taken place under the direction of either the Chairperson or the Nomination Committee and, if so, shall summarize the key measures and the resulting changes. The Company shall have a policy/guide regarding Board assessment, including the purpose, criteria and frequency of the assessment process.			x	The Company did not have in 2024 neither a policy nor a guide on the Board assessment. There was no formal Board self-assessment made for 2024.
A.9. The Corporate Governance Statement shall contain information on the number of Board and Committee meetings over the past year, the participation of the directors (in person and in default) and a Report by the Board and Committees on their activities.	x			The Board of Directors of Premier Energy shall meet whenever necessary, but at least once every three months in the presence of at least half the number of its members. During 2024, there were twelve Board meetings (all in full attendance), three Audit Committee meetings (all in full attendance), and one meeting each for the Nomination and Remuneration Committee (in full attendance).
A.10. The Corporate Governance Statement shall include information on the exact number of independent members of the Board.	x			In 2024, two (2) Board members met all the criteria of independence provided for by the Code of Corporate Governance of Premier Energy.
A.11. The Board of companies in the Premium Category shall set up a Nomination Committee, consisting of non-executive members, to direct the nomination of any new Board members and to submit recommendations to the Board. Most members of the Nomination Committee shall be independent.	x			Premier Energy established in 2024 the Nomination and Remuneration Committee. The Committee consists of three non-executive members.

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
Section B – The risk management and internal control system				
B.1. The Board shall set up an Audit Committee, in which at least one member shall be independent and non-executive. Most members, including the Chair, shall have proven appropriate qualification relevant to the functions and responsibilities of the Committee. At least one member of the Audit Committee shall have proven adequate experience in auditing or accounting. In the case of companies in the Premium Category, the Audit Committee shall consist of at least three members and most members of the Audit Committee shall be independent.	x			Premier Energy established in 2024 the Audit Committee. The Committee consists of three members, out of whom two members are non-executive and independent. All members of the Audit Committee, including the Chairman, have proven appropriate qualifications, as per internal rules established by the Company.
B.2. The Chair of the Audit Committee shall be an independent non-executive member.	x			The Chair of the Audit Committee is an independent non-executive member.
B.3. As part of its responsibilities, the Audit Committee shall carry out an annual assessment of the internal control system.			x	The Company is in the process of setting up a group-wide Internal Audit function in 2025.
B.4. The assessment shall take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board Audit Committee, the promptness and effectiveness with which the executive management addresses any deficiencies or weaknesses identified as a result of the internal control and the submission of relevant reports to the Board.			x	The Company is in the process of setting up a group-wide Internal Audit function in 2025.
B.5. The Audit Committee shall assess any conflicts of interest in connection with the transactions of the Company and its subsidiaries with related parties.	x			The Audit Committee reviews conflicts of interest in transactions of the Company and its subsidiaries with related parties and provides advice to the Board of Directors on any related party transaction that equals or exceeds 5% of Premier Energy's net assets.
B6. The Audit Committee shall assess the effectiveness of the internal control and risk management systems.		x		The Audit Committee's responsibilities include the assessment of the effectiveness of the internal control and risk management systems. However, the Company did not have a group-wide Internal Audit function in 2024. The Company is in the process of setting up a group-wide Internal Audit function in 2025.
B.7. The Audit Committee shall monitor the application of the legal standards and generally accepted internal audit standards. The Audit Committee shall receive and assess the reports of the internal audit team.		x		The Audit Committee's responsibilities include the assessment of the internal auditor's reports. However, the Company did not have a group-wide Internal Audit function in 2024. The Company is in the process of setting up a group-wide an Internal Audit function in 2025.

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
B.8. Whenever the Code mentions reports or analyses initiated by the Audit Committee, these shall be followed by regular reports (at least annual reports) or ad hoc reports to be subsequently submitted to the Board.	x			The Audit Committee regularly presents the Board with reports on the specific issues that have been assigned to it.
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the Company with the shareholders and affiliates thereof.	x			The Company grants equal treatment to all its shareholders. Related party transactions are treated objectively, in accordance with the usual industry standards, and the applicable laws and corporate regulations.
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the Company with the shareholders and affiliates thereof.	x			The Company grants equal treatment to all its shareholders. Related party transactions are treated objectively, in accordance with the usual industry standards, and the applicable laws and corporate regulations.
B.10. The Board shall adopt a policy to ensure that any transaction of the Company with any of the companies with which it has close ties, whose value is equal to or greater than 5% of the Company net assets (according to the latest financial report), is approved by the Board following a binding opinion of the Board Audit Committee and is properly disclosed to the shareholders and prospective investors to the extent that such transactions fall within the category of events subject to reporting requirements.	x			According to the Code of Corporate Governance, any transaction of the Company with any of the companies with which it has close relations whose value is equal to or greater than 5% of the Company's net assets shall be approved by the Board of Directors following a binding opinion of the Audit Committee. and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.
B.11. Internal audits shall be performed by a structurally separate division (the Internal Audit Department) within the Company or by hiring an independent third party.			x	The Company is in the process of setting up a group-wide Internal Audit function in 2025.
B.12. In order to ensure the fulfilment of the primary functions of the Internal Audit Department functionally speaking, it shall report to the Board by means of the Audit Committee. For administrative purposes and as part of the responsibilities of the management to monitor and reduce risks, it shall report directly to the Chief Executive Officer.			x	The Company is in the process of setting up a group-wide Internal Audit function in 2025.
Section C – Fair reward and motivation				
C.1. The Company shall publish the Remuneration Policy on its website and shall include a statement on the implementation of the Remuneration Policy in the Annual Report during the annual period under review. Any key change in the Remuneration Policy shall be published on the Company website in a timely manner.			x	Considering that Premier Energy is listed on the Bucharest Stock Exchange in Q2 2024, the Company did not have a Remuneration Policy implemented in the course of 2024. The policy will be adopted in the General Meeting of Shareholders in 2025.

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
Section D – Adding value by way of the investor relations				
D.1. The Company shall organize an Investor Relations Service - indicating to the general public the officer(s) in charge or the relevant organizational unit. In addition to the information required by law, the Company shall include on its website a section dedicated to Investor Relations, in both Romanian and English, with all the relevant information of interest to investors, including: • The main corporate regulations: Articles of Association, the procedures regarding the General Shareholders' Meetings (GSM); • The professional CVs for the members of the Company management bodies, other professional commitments of the Board members, including executive and non-executive positions in the Boards of Directors of companies or non-profit institutions; • Current and regular reports (quarterly, half-yearly and annual); • Information on the General Shareholders' Meetings; • Information on the corporate events; • The name and contact details of a person who can provide relevant information, on request; • Company presentations (e.g., investor presentations, quarterly result presentations, etc.), financial statements (quarterly, half-yearly, annual), Audit Reports, and Annual Reports.	x			All the information as specified by the D1 provision is provided on the Company's website and/or within the documents published on the website, under the Investors section.
D.2. The Company shall have a policy on the annual distribution of dividends or other benefits to the shareholders. The principles of the policy of annual distribution to the shareholders shall be published on the Company website.	x			The Company's dividend policy is published on the Company website, in the Investor Relations section.
D.3. The Company shall adopt a policy regarding forecasts, whether they are made public or not. Forecasts mean quantified conclusions of various studies aimed at determining the overall impact of a number of factors for a future period (the so-called assumptions): by its nature, a forecast has a high level of uncertainty, and the actual results can vary significantly from the original forecasts. The Forecast Policy shall determine the frequency, period considered and content of the forecasts. If published, the forecasts may only be included in the annual, half- yearly or quarterly reports. The Forecast Policy shall be published on the Company website.			x	The Company does not currently have a forecasting policy. As a matter of principle, Premier Energy Group does not provide forecasts.
D.4. The rules of the General Shareholders' Meetings shall not limit the participation of shareholders in the general meetings or the exercise of their rights. Any amendments to these rules take effect, at the earliest, starting with the next Shareholders' Meeting.	x			Information on the organization of the General Shareholders' Meetings is mentioned in the Company's Articles of Association, as well as the Code of Corporate Governance, and are in line with provision D.4.
D.5. Independent financial auditors shall be present at the General Shareholders' Meeting when their reports are presented at these meetings.	x			The independent financial auditors participate in the Annual General Shareholders' Meetings where the parent separate and consolidated annual financial statements are subject to approval.

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	x			The information about the internal controls and significant risk management system is provided in the Annual Report. Shall the question related to the internal control and significant risk management system be asked during the annual meeting, the question will be addressed by the Board.
D.7. Any specialist, consultant, expert, or financial analyst may take part in Shareholders' Meetings based on a prior invitation from the Chairperson of the Board. Accredited journalists may also attend General Shareholders' Meetings, unless otherwise decided by the Chairperson of the Board.	x			There is a possibility for any specialist, consultant, expert, financial analyst, or accredited journalist to participate in the AGSM based on a prior invitation from the Chairman of the Board.
D.8. The quarterly and half-yearly financial reports shall include information in both Romanian and English on the key factors that influence change in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.	x			The quarterly and half-yearly financial reports include information in both Romanian and English on the key factors that cause changes in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.
D.9. A Company shall hold at least two meetings/teleconferences with analysts and investors each year. The information presented on these occasions shall be published in the Investor Relations section of the Company website at the time of the meetings/teleconferences.	x			Premier Energy holds a teleconference in English, each quarter thus adding up to a total of 4 teleconferences a year. The recording of each of the teleconferences is published on the BVB website as well as on the Company's website.
D.10. If a Company supports various forms of artistic and cultural expression, sporting, educational or scientific activities and deems their impact on the Company innovation and competitiveness to be part of its mission and development strategy, it will publish its policy on its activity in this field.	x			The Company includes this information in the annual Sustainability Report, part of the Annual Report.

Independent Auditor's Report

To the Members of Premier Energy PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Premier Energy PLC Limited (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and 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 and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We remained independent of the Group throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition In 2024 the Group recognized revenues of 1,214 million euro from various lines of business, mainly electricity distribution and supply, gas distribution and supply and purchase, generation and sale of electricity from renewable resources. As a result of new acquisitions in 2024 the revenues experienced a significant growth in comparison to 2023, with new revenue segments added. The recognition of revenues involves understanding of processes for each revenue stream, analysis of the contracts concluded with customers and the compliance of the revenues recognized with requirements of IFRS 15 and assessment of the impact of the IT environment on the revenue recognition process. For some revenue streams unbilled consumption needs to be estimated at the year end, involving management judgement. This area represents a key driver of the group's business with significant volume of transactions from different revenue streams and pervasive impact on the financial statements as a whole. As such the audit of this area requires a significant effort compared to other areas of focus. For these reasons we consider this area as a key audit matter. Information on the accounting policy for revenue recognition is disclosed in Note 3n of the consolidated financial statements and disclosures relating to revenues are presented in Note 25 of the consolidated financial statements.	In this area, our audit procedures included, among others: • We considered the Group's accounting policy in respect of revenue recognition. • We assessed the design of relevant internal controls implemented within the process of revenue recognition. For distribution and supply of gas and electricity we also tested their operating effectiveness. • We engaged EY IT specialists in the audit consideration of IT relevant for the automated portion of revenue recognized throughout the year. For areas where the IT environment did not operate effectively, we assessed the design and tested compensating manual controls or performed additional substantive procedures over the occurrence of revenues recognized from customer contracts throughout the year. • We performed analytical procedures in respect of revenue focusing on consistency with market observable trends and unexpected fluctuations during the year. • We tested a sample of revenue transactions recognized around the year end to ensure that proper cut-off was applied to revenue recognition, including proper recognition of imbalances • For the estimation of unbilled consumption, we assessed the methodology used for calculation, mathematical accuracy of the estimate calculation, backtesting of results, and key assumptions and areas of judgement applied by the management with respect to quantities delivered and tariffs applied.

	We assessed adequacy and completeness of the related disclosures in respect of revenue in the notes to the consolidated financial statements.
Recognition of gain on bargain purchase from group acquisitions	
For the year ended 31 December 2024, the Group had recognized gain on bargain purchase from acquisitions amounting to 20 million Euro. Recognition of gain on bargain purchase on acquisition represent an area involving significant judgement and require involvement of valuation specialists. As a consequence, this area required significant audit effort. For these reasons we consider this area as a key audit matter. Disclosures relating to the the recognition of gain on bargain purchase are presented in Note 1 of the consolidated financial statements.	In this area, our audit procedures included, among others: - We engaged EY valuation specialists in the assessment of the methodology applied for the purpose of recognition of gain on bargain purchase from group acquisitions and its compliance with the requirements of IFRS 3. - We tested, with assistance of EY valuation specialists, key assumptions used for recognition of gain on bargain purchase in the consolidated financial statements, specifically those involved in valuation of property, plant and equipment, recognition of intangible assets and impairment of short term financial assets acquired. In this respect we tested forecasts and other prospective financial information used, including the assessment of reasonableness of scenarios and consistency with observable market data, including backtesting. - We assessed the related process of recognition of gain on bargain purchase and design of relevant internal controls implemented within the process, covering also the objectivity, competence and capabilities of management expert used. - We assessed adequacy and completeness of disclosures in the notes to the consolidated financial statements, including the key judgements and estimates made.

Reporting on Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, 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.

Those charged with governance are 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 a true and fair view.
- Plan and perform the group audit to obtain sufficient and 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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



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

independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Requirements of Article 10(2) of the EU Regulation 537/2014:

1. Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Group on 20 December 2023 by the Board of Directors. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of two years.

2. Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 24 April 2025 in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and which have not been disclosed in the consolidated financial statements or the Consolidated Management Report.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of Premier Energy PLC for the year ended 31 December 2024 comprising an XHTML file which includes the consolidated financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2024 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the “ESEF Regulation”) (the “digital files”).



The Board of Directors of Premier Energy PLC is responsible for preparing and submitting the consolidated financial statements for the year ended 31 December 2024 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of Premier Energy PLC. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the “Audit Guidelines”), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated financial statements included in the digital files correspond to the consolidated financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the consolidated financial statements and the consolidated financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the Consolidated Management Report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the consolidated financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii) (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.



Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

Andreas Avraamides

Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Ltd

Certified Public Accountants and Registered Auditors

Nicosia
30 April 2025

		2024	2023
		TEUR	TEUR
ASSETS	Note		
Non-current assets			
Intangible assets and goodwill	7	59,021	47,759
Property, plant and equipment	8	535,262	399,132
Investments in equity-accounted investees	16	2,314	199
Loans receivable	13	4,149	4,855
Trade receivables	10	534	1,146
Other assets	14	2,235	14,057
Green certificates	15	9,988	1,090
Restricted deposits	12	877	2,303
Deferred tax assets	21	8,316	438
Total non-current assets		622,696	470,979
Current assets			
Loans receivable	13	281	201
Current income tax assets	32	538	26
Trade receivables	10	181,911	87,240
Inventories	11	21,022	35,424
Other assets	14	201,195	45,386
Green certificates	15	4,490	3,895
Restricted deposits	12	11,864	5,638
Financial assets at fair value through profit or loss	12	5,087	--
Contract assets	25	--	779
Cash and cash equivalents	9	84,217	81,272
Total current assets		510,605	259,861
Total assets		1,133,301	730,840

The notes on pages 38 to 134 are an integral part of these consolidated financial statements.

		2024	2023
	Note	TEUR	TEUR
EQUITY			
Share capital	23	125	100
Share premium	23	112,773	22,457
Common control transaction reserve	23	(5,018)	(5,018)
Revaluation reserves	23	46,790	46,790
Translation reserve	23	226	(18)
Legal reserve	23	3,601	3,434
Retained earnings		296,939	232,122
Profit for the year	23	22,453	65,871
Equity attributable to owners of the Company		477,889	365,738
Non-controlling interests	24	40,176	39,247
Total equity		518,065	404,985
LIABILITIES			
Non-current liabilities			
Provisions	17	9,703	6,227
Due to banks and other financial institutions	18	157,506	100,379
Trade payables	19	76	38
Contract liabilities	25	11,718	--
Lease liabilities	8	8,906	4,542
Other liabilities	20	50,799	38,040
Deferred tax liabilities	21	29,002	22,579
Total non-current liabilities		267,710	171,805
Current liabilities			
Bank overdrafts	9	70,528	--
Provisions	17	2,580	2,698
Due to non-banks	18	175	1,318
Due to banks and other financial institutions	18	56,357	53,096
Current income tax liabilities	32	2,810	3,946
Trade payables	19	69,714	46,740
Contract liabilities	25	37,376	17,574
Lease liabilities	8	1,345	674
Other liabilities	20	106,641	28,004
Total current liabilities		347,526	154,050
Total liabilities		615,236	325,855
Total liabilities and equity		1,133,301	730,840

On 30 April 2025, the Board of Directors of PREMIER ENERGY PLC authorised these consolidated financial statements for issue.



Jose Martin Garza
Director



Petr Stohr
Director

The notes on pages 38 to 134 are an integral part of these consolidated financial statements.

		2024	2023
	Note	TEUR	TEUR
Revenues	25	1,214,055	911,975
Other operating income	29	139,941	34,838
Gain on bargain purchase	1	20,144	4,037
Cost of electricity, gas and transportation	25	(1,187,060)	(738,602)
Raw materials and consumables used	11	(4,834)	(4,847)
Depreciation and amortisation	7,8	(26,789)	(19,109)
Services and material expenses	26	(62,464)	(46,021)
Personnel expenses	27	(38,981)	(28,761)
Other operating expenses	30	(4,278)	(1,960)
Expected credit losses on other non-financial assets	28	(2,752)	--
Reversal of expected credit losses on loans and receivables	28	68	1,108
Finance income	31	2,904	2,323
Finance expense	31	(20,317)	(12,683)
Profit before tax		29,637	102,298
Income tax expense	32	(5,421)	(23,336)
Profit after tax		24,216	78,962
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Translation reserves changes		295	8,064
Items that will never be reclassified to profit or loss:			
Revaluation of property, plant and equipment		--	8,907
Other comprehensive income for the year		295	16,971
Total comprehensive income for the year		24,511	95,933
Total profit attributable to:			
Owners of the Company		22,453	65,871
Non-controlling interests	24	1,763	13,091
		24,216	78,962
Total comprehensive income attributable to:			
Owners of the Company		22,697	82,347
Non-controlling interests	24	1,814	13,586
		24,511	95,933
Earnings per ordinary share attributable to the owners of the Company, basic and diluted (in EUR per share)	23	0.196	0.659

The notes on pages 38 to 134 are an integral part of these consolidated financial statements.

PREMIER ENERGY PLC
Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Note	Share capital	Share premium	Common control transaction reserve	Revaluation reserve	Translation reserve	Legal reserve	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance as at 1 January 2024		100	22,457	(5,018)	46,790	(18)	3,434	297,993	365,738	39,247	404,985
Comprehensive income											
Profit for the year		--	--	--	--	--	--	22,453	22,453	1,763	24,216
<i>Profit for the year</i>		--	--	--	--	--	--	22,453	22,453	1,763	24,216
Revaluation gains on distribution networks											
Translation reserve change		--	--	--	--	244	--	--	244	51	295
<i>Total other comprehensive income for the year</i>		--	--	--	--	244	--	--	244	51	295
Total comprehensive income for the year		--	--	--	--	244	--	22,453	22,697	1,814	24,511
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Issue of new shares (inc. share premium)	23	25	90,316	--	--	--	--	--	90,341	--	90,341
Capital contributions from NCI to equity of subsidiaries	1	--	--	--	--	--	--	--	--	1,253	1,253
Dividends paid	23	--	--	--	--	--	--	--	--	(1,833)	(1,833)
Net contribution to legal reserve	23	--	--	--	--	--	167	(167)	--	--	--
Total contributions by and distributions to owners		25	90,316	--	--	--	167	(167)	90,341	(580)	89,761
Transactions NCI without change in control		--	--	--	--	--	--	(883)	(883)	(784)	(1,667)
Effect from acquisitions through business combinations	1	--	--	--	--	--	--	--	--	479	479
Total changes in ownership interests in subsidiaries		--	--	--	--	--	--	(883)	(883)	(305)	(1,188)
Total transactions with owners		25	90,316	--	--	--	167	(1,050)	89,458	(885)	88,573
Other movements		--	--	--	--	--	--	(4)	(4)	--	(4)
Balance as at 31 December 2024		125	112,773	(5,018)	46,790	226	3,601	319,392	477,889	40,176	518,065

The notes on 38 to 134 are an integral part of these consolidated financial statements.

PREMIER ENERGY PLC
Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Note	Share capital	Share premium	Common control transaction reserve	Revaluation reserve	Translation reserve	Legal reserve	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance as at 1 January 2023		100	22,457	(5,018)	37,883	(7,587)	2,804	250,796	301,435	33,480	334,915
Comprehensive income											
Profit for the year		--	--	--	--	--	--	65,871	65,871	13,091	78,962
<i>Profit for the year</i>		--	--	--	--	--	--	65,871	65,871	13,091	78,962
Revaluation gains on distribution networks		--	--	--	8,907	--	--	--	8,907	--	8,907
Translation reserve change		--	--	--	--	7,569	--	--	7,569	495	8,064
<i>Total other comprehensive income for the year</i>		--	--	--	8,907	7,569	--	--	16,476	495	16,971
Total comprehensive income for the year		--	--	--	8,907	7,569	--	65,871	82,347	13,586	95,933
Transactions with owners recognised directly in equity											
<i>Contributions by and distributions to owners</i>											
Capital contributions from NCI to equity of subsidiaries	1	--	--	--	--	--	--	--	--	1,289	1,289
Dividends paid	23	--	--	--	--	--	--	(18,000)	(18,000)	(10,748)	(28,748)
Net contribution to legal reserve	23	--	--	--	--	--	630	(630)	--	--	--
Total contributions by and distributions to owners		--	--	--	--	--	630	(18,630)	(18,000)	(9,459)	(27,459)
Transactions NCI without change in control		--	--	--	--	--	--	--	--	(7)	(7)
Effect from acquisitions through business combinations	1	--	--	--	--	--	--	--	--	1,647	1,647
Total changes in ownership interests in subsidiaries		--	--	--	--	--	--	--	--	1,640	1,640
Total transactions with owners		--	--	--	--	--	630	(18,630)	(18,000)	(7,819)	(25,819)
Other movements		--	--	--	--	--	--	(44)	(44)	--	(44)
Balance as at 31 December 2023		100	22,457	(5,018)	46,790	(18)	3,434	297,993	365,738	39,247	404,985

The notes on pages 38 to 134 are an integral part of these consolidated financial statements.

		2024	2023
	Note	TEUR	TEUR
Cash flows from operating activities		29,637	102,298
Profit for the year before tax			
Adjustment for:			
Depreciation and amortisation	7,8	26,789	19,109
Expected credit losses /(reversal) on property, plant and equipment	8	109	(188)
Reversal of expected credit losses on trade receivables	28	(63)	(1,050)
Reversal of expected credit losses on loans	28	(5)	(58)
Revaluation of financial assets at FVTPL	31	(254)	--
Gain on bargain purchase	1	(20,144)	(4,037)
Net interest expense	31	14,397	8,345
Unrealised foreign exchange loss/(gain)		804	(753)
Operating profit before changes in working capital and provisions		51,270	123,666
Decrease/(Increase) in contract assets		779	(625)
Decrease in inventories		17,091	13,730
(Increase)/Decrease in trade receivables and other assets		(84,470)	4,796
(Increase)/Decrease in restricted deposits related to operating activities		(4,800)	7,439
Decrease in trade payables and other liabilities		(996)	(12,617)
Increase in contract liabilities		31,520	6,405
(Decrease)/Increase in provisions and employee cost		(2,147)	4,432
Decrease in green certificates		3,212	1,227
Proceeds from operating derivatives	22	--	(654)
Cash generated from operating activities		11,459	147,799
Interest paid		(16,076)	(6,921)
Income tax paid		(2,036)	(22,680)
Net cash (used in)/generated from operating activities		(6,653)	118,198
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5,019	3,161
Proceeds from other financial assets		--	64
Loans provided		(724)	(3,313)
Loans repaid		1,393	3,143
Interest received		124	166
Acquisition of subsidiary, net of cash acquired	1	(143,870)	(9,232)
Acquisition of investments in associates	16	(2,115)	(199)
Acquisition of financial assets at fair value through profit or loss	12	(4,833)	--
Acquisitions of intangible assets	7	(2,183)	(1,542)
Acquisitions of property, plant and equipment	8	(60,115)	(56,365)
Net cash used in investing activities		(207,304)	(64,117)

The notes on pages 38 to 134 are an integral part of these consolidated financial statements.

		2024	2023
	Note	TEUR	TEUR
Cash flows from financing activities			
Issue of new shares	23	90,341	--
Transactions with NCI without change in control – payment for increase of shareholding interest	1	(1,667)	(7)
Capital contributions from NCI to equity of subsidiaries	1	1,253	1,289
Proceeds from interest-bearing loans and borrowings	18	196,022	94,941
Repayments of interest-bearing loans and borrowings	18	(137,004)	(86,870)
Bonds repaid	18	--	(2,022)
Payment of lease liabilities	18	(940)	(720)
Dividends paid	23	(1,833)	(28,748)
Net cash generated from/(used in) financing activities		146,172	(22,137)
Net movement in cash and cash equivalents		(67,785)	31,944
At the beginning of the year	9	81,272	48,657
Effects of movements in exchange rates on cash held		202	671
At the end of the year	9	13,689	81,272
Cash and cash equivalents in the statement of cash flows are defined by:			
Cash and cash equivalents in the statement of financial position	9	84,217	81,272
Bank overdrafts	9	(70,528)	--
At the end of the year	9	13,689	81,272

The notes on pages 38 to 134 are an integral part of these consolidated financial statements.

1. Description of the Group

PREMIER ENERGY PLC (the “Company”) was incorporated and domiciled in Cyprus on 11 December 2012. The company is a public liability company in accordance with the requirements of the Cyprus Companies Law, Cap. 113. Its registered office is at 48 Themistokli Dervi Avenue, Athienitis Centennial Building, 3rd Floor, office 303, 1066 Nicosia, Cyprus.

The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates. The consolidated financial statements can be obtained from the Company’s registered office and/or its website.

Initial public offering (“IPO”)

On 28 May 2024, Premier Energy PLC completed an IPO on the Bucharest Stock Exchange (BVB) by raising both primary and secondary proceeds. The offering was carried out between 8 and 15 May and it was the first mixed IPO on BVB, meaning that out of the 35.9 million shares sold, 25 million were newly issued shares, 6.25 million shares were sold by the sole shareholder, EMMA ALPHA HOLDING LTD, while 4.7 million shares were overallocated and treated as a sale by the sole shareholder.

Shareholders

Starting from 28 May 2024, the shares issued by the Company started trading on the Bucharest Stock Exchange following the IPO.

The owners of the Company are as follows:

Shareholders	Country of incorporation	Type of shares	Ownership interest (%)	
			2024	2023
EMMA ALPHA HOLDING LTD	Cyprus	Ordinary shares	71.25%	99.99 %
NN Group NV	Netherlands	Ordinary shares	5.92%	--
Other shareholders		Ordinary shares	22.83%	0.01 %

Principal activities

The Group is one of the fastest growing privately owned vertically integrated energy infrastructure players in Southeastern Europe (“SEE”). The Group is a vertically integrated player in Romania’s electricity sector, covering the entire value chain from renewable electricity generation to forecasting, balancing, and supply to end customers. It also has a partial vertical integration in Romania’s natural gas sector, handling both distribution and supply. In Moldova, the Group has expanded its electricity sector presence, beginning generation in 2023, alongside renewable asset management, forecasting, and supply. Holding the largest electricity distribution and supply business in Moldova by volume and client base, the Group benefits from its diversified approach compared to regional competitors reliant on fossil fuels. This integration supports its goal of maximizing value across the supply chain while ensuring operational and financial stability.

With over 1,400 MW of renewable electricity generation capacity under ownership, management, or development in Romania and Moldova, the Group is actively contributing to the renewable energy sector’s expansion. Additionally, as the third-largest natural gas infrastructure distributor and the fifth supplier in Romania, the fourth-largest electricity supplier in Romania, and the largest electricity infrastructure distributor and supplier in the Republic of Moldova, the Group plays a pivotal role in ensuring reliable, sustainable, and efficient energy distribution and supply across the region to millions of customers.

Committed to growth, development, and sustainability, the Group has evolved through strategic mergers and acquisitions, substantial organic growth and expanding expertise. The Group is dedicated to profitably driving the transition towards cleaner, greener energy solutions. Through the comprehensive range of renewable energy services, including power purchase agreements, balancing and project development, the Group actively contributes to creating a more sustainable world for future generations.

Regulatory environment

The Group operates in Romania through 19 companies including numerous renewable electricity generation companies alongside a renewable management company and several natural gas distribution infrastructure and supply companies. In the Republic of Moldova, the Group operates through 5 companies, including an electricity distribution infrastructure company, an electricity supply company and an electricity supply and renewable energy generation and management company. The Group also has an energy supply company in Hungary and Serbia.

1. Description of the Group (continued)

Regulatory environment (continued)

A. Relevant regulations in the renewable energy sector in Romania

Activity in the energy sector is regulated by the National Energy Regulatory Authority ("ANRE"), which is an autonomous administrative authority with legal personality, under parliamentary control, fully financed from its own revenues, decision-making, organizational and functional independent, having as its object of activity the development, approval and monitoring of the application of the set of mandatory regulations at the national level necessary for the operation of the sector and the electricity, heat and natural gas market in conditions of efficiency, competition, transparency and consumer protection.

ANRE's regulatory competences are expressly identified by the primary legislation applicable to the electricity, natural gas, energy efficiency and thermal energy sector, namely Emergency Ordinance no. 33/2007 on the organization and operation of the National Energy Regulatory Authority, approved through Law 160/2012, with subsequent amendments, the Electricity and Natural Gas Law no. 123/2012 with subsequent amendments and additions, Law no. 121/2014 on energy efficiency with subsequent amendments and additions, Law no. 220/2008 for the establishment of the system for the promotion of energy production from renewable energy sources republished, with subsequent amendments and additions.

Due to the high volatility of electricity and natural gas prices, maximum price ceilings were introduced for certain types of consumers, with subsidies from the state budget of the differences up to the level of the recognized production cost, as well as the creation of the Energy Transition Fund in which the unsustainable profit margins of the electricity producers are collected by the State. These measures are limited in time until the year 2025, to be eliminated with the commissioning of a significant total power in electricity production capacities from renewable sources.

To shield consumers from rising energy costs, the Romanian government extended the price cap on electricity for households and businesses until June 2025, and on natural gas for an additional year. This measure continues the policy initiated in November 2021, which caps gas and power bills for households, small businesses, hospitals, schools, and public institutions up to certain consumption levels, with suppliers compensated for the difference.

In Romania, the Group holds 5 (five) licenses for the electricity supply activity, namely:

- Neogas Grid S.A. (formerly PREMIER ENERGY S.R.L.): Electricity Supply License no. 2149/23.05.2019
- Premier Energy Trading S.R.L.: Electricity Supply License no. 2363/07.12.2022
- True Energy Management S.R.L.: Electricity Supply License no. 2433/25.10.2023
- Alive Capital S.A.: Electricity Supply License no. 1871/13.01.2016
- Premier Energy Furnizare S.A. (formerly CEZ VANZARE S.A.): Electricity Supply License no. 2011/15.02.2017

In addition, the Group also owns a Local Dispatching Alive Capital DLC Power Plant invested by CNTEE Transelectrica SA - UNO-DEN (National Energy Dispatching) for the operational management of dispatching power plants.

1. Description of the Group (continued)

Regulatory environment (continued)

B. Relevant regulations in the natural gas sector in Romania

Among the main attributions of ANRE as a regulatory authority in Romania are the issuance / update / suspension of the licenses/authorizations required to carry out activities in the natural gas sector, monitoring the natural gas market, issuing secondary regulations (i.e. regulations, methodologies, procedures), approving tariffs regulated, as well as control activities to verify how the regulations are applied/complied.

(a) Natural gas distribution

The Group's natural gas distribution companies (as operators) have entered into 116 service agreements for natural gas distribution with various municipalities in Romania and local authorities between 2000 and 2023. There is a particular case stipulated by the Romanian law, is the obligation to provide the public service of natural gas distribution in the localities where the license of the concessionaire distribution operator was withdrawn, by designation by the regulatory authority.

Connections to the gas distribution network

According to the Regulation on connection to the gas grid, until 13 October 2020, connections to the gas grid were funded by the consumer in exchange for a regulated tariff (i.e. connection fee) collected by the operator. Under the terms of the gas distribution regulations, once customers have paid their connection fees, the operator became obligated to provide on-going access to the gas distribution network and to maintain/repair/replace the connection asset at its own expense. Effective 14 October 2020, the regulations required that connections to gas grid and other network assets necessary to make a connection to be funded by the distribution operator (and remunerated through increases of future tariffs), except for connections and network extensions for non-household consumers with lengths of more than 2.5 km, which are funded by the consumer.

Starting March 2022, the Connection Regulation has changed, in the sense that both parties (customer and distributor) bear a part of the financing value of the connection, in what may concern the distribution system for the client. Thus, the distributor finances an amount up to the average value of a connection, namely 2.125 lei (value calculated by ANRE). The amount financed by the distributor will be included in the regulated income and recovered through the distribution tariffs, according to the provisions of the Methodology for establishing natural gas distribution tariffs, approved by ANRE Order no. 217/2018.

The distribution tariff in Romania remunerates the assets financed by the distributor. Therefore, the profit from the natural gas distribution activity increases with the growth of RAB.

In December 2024, ANRE approved a new Methodology for establishing natural gas distribution tariffs for the 5th regulatory period, the period between 2025-2029. According to the ANRE substantiation note, the methodology contains several new elements:

- for investments in infrastructure projects, carried out with own funds, necessary for the Energy Transition, ANRE may grant a supplement of +0.5% above the regulated rate of return (ANRE will establish what are investments in energy transition projects through a subsequent regulation); this incentive will be added to the rate of return.
- the adjustment of personnel costs will be made with the estimated inflation of the year for which the Real Wage Growth Index published by the National Strategy and Forecast Commission for the respective year is also determined (the real wage rate is set for the whole period at the level of 5%).
- was introduced an adjustment coefficient of the return on invested capital, an indicator that reflects the performance of investments made by the distribution operator, taking into account the variation of the volumes of natural gas distributed annually;
- regulated depreciation period was decreased to 25 years (from 30 years for steel and 40 years for polyethylene pipes), considering the Energy Transition, for investments in steel and polyethylene distribution pipes put into operation starting from 01.01.2025 (including connections, technological installations, endowments, equipment).

1. Description of the Group (continued)

Regulatory environment (continued)

B. Relevant regulations in the natural gas sector in Romania (continued)

(a) Natural gas distribution (continued)

- The assets made from the connection based on the requests registered until 14 October 2020, were financed by the customer, and were not included in the RAB. The costs generated by the operation/maintenance of these assets are recognized and recovered through the regulated income, but these assets do not bring profit in the natural gas distribution activity.
- The assets made from the connection based on the requests registered between 14 October 2020 and 28 February 2022, being financed by the distributor, were included in the RAB.
- The assets made from the connection based on the requests registered after 1 March 2022 are included in the RAB up to the value of 2125 Ron / record.

(b) Natural gas supply

The Group has the following natural gas supply licenses:

- Neogas Grid S.A. (formerly PREMIER ENERGY S.R.L.): Natural Gas Supply License no. 1873/18 October 2013 valid until 18 October 2038.
- Premier Energy Trading S.R.L.: Natural Gas Supply License no. 1971/10 July 2014 valid until 31 December 2030.
- Premier Energy Furnizare S.A. (formerly CEZ VANZARE S.A.): Natural Gas Supply no. 1943/22 January 2014 valid until 31 December 2026.
- Alive Capital S.A.: Natural Gas Supply no. 2297/04 September 2019 valid until 31 December 2024.

Regulated market

Gas supply to households was regulated by ANRE until 1 July 2020, the date from which the supply tariffs are no longer regulated. The gas supply tariffs applied by the Group to households before 1 July 2020 were calculated based on methodologies that allowed, on an annual basis, the recovery of operating costs related to the regulated activity, as well as obtaining a regulated return on capital invested and working capital. The regulated rate of return was equal to the rate applicable to gas distribution.

Competitive market

Gas supply to industrial/business consumers, as well as gas supply tariffs to households after 1 July 2020, are negotiated with the customer, based on contracts compliant with the applicable regulations. Following the increase in electricity and gas prices in 2021 and 2022, the Romanian government re-introduced price caps for final consumers up to 31 March 2025 and, as a result, suppliers cannot issue invoices that go above such price cap. Suppliers are to be reimbursed from the State budget for the differentials between the capped regulated price and the actual market price of electricity or gas invoiced to consumers within 30 working days after claiming these re-imbursements. Subsidies received from the state on the regulated capped pricing mechanism are recognized in the profit or loss account in the month of delivery of the gas. These subsidies are estimated in the month of delivery based on estimated quantities and prices and are adjusted to actual amounts when the state is approving the requests. The differences between estimates and actuals are usually immaterial and are recognized in the month when the approval of the request from the state is received.

At the end of February 2025, the Romanian Government approved Emergency Ordinance No. 6/2025, extending the price capping period for final natural gas customers by 1 year, until March 31, 2026.

Gas storage obligations

The supply of natural gas to final consumers implies a legal obligation of the supplier to store natural gas. Natural gas storage facilities in Romania are managed by Depogaz Ploiesti SRL (legally separate company from Romgaz where he is also the sole partner) and Depomures SA.

1. Description of the Group (continued)

Regulatory environment (continued)

B. Relevant regulations in the natural gas sector in Romania (continued)

Gas trading obligations

Starting with 1 January 2019, all gas suppliers which trade gas on the wholesale market have a legal obligation, on an annual basis, to purchase at least 40% of the gas quantity from the centralized markets, and to sell at least 50% of the gas quantities delivered during the year on the centralized markets.

Starting with 1 July 2020, all gas suppliers that trade gas on the wholesale market have a legal obligation, on an annual basis, to tender on the centralized market 40% of the traded volume as seller and to tender 40% of the contracted purchase volume. The tender obligation for the purchased volume was temporarily cancelled for April till end of August 2022. Starting with 1st September 2022, the tender obligation was reinstated until End of 2024 (EGO no. 119/2022).

C. Relevant regulations in the electricity sector in Moldova

The activity and tariffs for electricity distribution and supply in Moldova are regulated by the National Agency for Energy Regulation (ANRE).

The electricity distribution license is valid until 2025, and the supply license until 2028. The renewal of the licenses is done every 25 years for electricity distribution and every 10 years for electricity supply.

According to the ANRE Methodology ("the Methodology") for tariff setting, the distribution tariffs are determined by ANRE each year based on estimated costs and returns, which include operational costs, costs for purchase of electricity, costs for transportation of electricity, taxes, regulated return of the capital expenditures in the grid (regulated asset base), and regulated supply margin.

In accordance with the Methodology, at the end of each year, ANRE recalculates the actual tariff for the distribution and supply of electricity using the actual costs and capex incurred for the respective year and the difference should be considered (added or deducted) in the tariffs set for the next year. These tariff deviations for a year are generated by the difference between the revenues billed from electricity distributed and supplied at the regulated tariffs approved by ANRE for a year and the total costs and returns for the year calculated according to the Methodology based on the actual costs and CAPEX incurred in that year. In accordance with the Methodology, an interest equal to the regulated weighted average cost of capital is applied monthly to the accumulated balance of tariff deviations. These tariff differences are to be recovered or to be returned through future increases or decreases of tariffs, respectively, and are not recognized as assets or liabilities in accordance with IFRSs.

As a result of higher cost of procured electricity in the last two months of 2024 and until these prices were fully implemented and transferred into the tariff to end consumers in January 2025, the supply of electricity by the fully regulated company in Moldova experienced under-recovery tariff deviations (significantly lower revenues and profits than it should have from a regulatory perspective), ending 2024 with a significant under-recovery tariff deviation. This is in contrast to 2023, when the subsidiary ended the year with a significant over-recovery tariff deviation (earning more profits than it should have from a regulatory perspective).

1. Description of the Group (continued)

Description of the Ownership Structure

The Company controls, directly or indirectly, other companies in Cyprus, Romania, Moldova, Hungary and Serbia. Subsidiary companies are controlled by the Company and they are fully consolidated.

Consolidated subsidiaries	Country of incorporation	Effective ownership interest (%)	
		2024	2023
JOSECO HOLDINGS CO. LIMITED ¹⁾	Cyprus	92.74	92.74
• I.C.S. "PREMIER ENERGY" S.R.L. 1)	Moldova	92.74	92.74
• I.C.S. "PREMIER ENERGY DISTRIBUTION" S.A. 1)	Moldova	92.74	92.74
• NAVITAS ENERGY S.R.L. 1)	Moldova	92.74	92.74
• ELECTRA LOGISTICS S.R.L. 1), 5)	Moldova	92.74	92.74
• ELTEPROD WIND S.R.L. 1), 9)	Moldova	92.74	--
LIGATNE LIMITED ²⁾	Cyprus	100.00	100.00
LIGATNE GAS S.R.L. 2)	Romania	99.96	99.96
PREMIER ENERGY S.A. 2), 8)	Romania	99.96	--
NEOGAS GRID S.A. (FORMERLY PREMIER ENERGY S.R.L. 2), 8)	Romania	99.96	99.96
• PREMIER ENERGY TRADING S.R.L. 2)	Romania	99.96	99.96
• B.E.R.G Instalatii Gaz S.R.L. 2)	Romania	99.96	99.96
• ENERGIA MILENIULUI III S.A. 2)	Romania	66.64	66.64
• PROGAZ P&D S.A. 2) 4)	Romania	--	99.95
ALIVE CAPITAL S.A.	Romania	50.99	50.99
• ALIVE SUN POWER ONE S.R.L.	Romania	50.99	50.99
• ALIVE SUN POWER TWO S.R.L.	Romania	50.99	50.99
• DA VINCI NEW PROJECT S.R.L.	Romania	50.99	50.99
ECOENERGIA S.R.L.	Romania	80.00	80.00
TRUE ENERGY MANAGEMENT S.R.L. 6)	Romania	75.00	60.00
PREMIER ENERGY HUNGARY Kft.	Hungary	100.00	100.00
PREMIER RENEWABLE INVEST CO S.R.L.	Romania	100.00	100.00
• PREMIER WIND 80 S.R.L. (formerly EOLICA DOBROGEA ONE S.R.L.)	Romania	100.00	--
ENEX NALBANT RENEWABLE S.R.L.	Romania	80.00	80.00
ALIVE CAPITAL D.O.O. Beograd	Serbia	50.99	50.99
PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.)	Romania	100.00	--
ALIVE RENEWALBE HOLDING LIMITED 3), 7)	Cyprus	51.00	--
• DEVELOPMENT POWER SOLAR ENERGY S.R.L. 7)	Romania	45.90	--
ALIVE CAPITAL Kft. 3)	Hungary	50.99	--
ALIVE WIND POWER ONE S.R.L. 3)	Romania	65.00	--

1) Forms part of JOSECO HOLDINGS CO. LIMITED GROUP.

2) Forms part of LIGATNE LIMITED GROUP.

3) ALIVE RENEWABLE HOLDING LIMITED, ALIVE WIND POWER ONE S.R.L. and ALIVE CAPITAL Kft were established during 2024.

4) PROGAZ P&D S.A. was merged to PREMIER ENERGY S.R.L with effective date 30 June 2024.

5) ELECTRA LOGISTICS S.R.L. was established on 11 May 2023 focusing mainly on purchase of land suitable for photovoltaic systems installation.

6) On 26 August 2024, the Group acquired an additional 15% stake in True Energy Management S.R.L. from minority shareholders at the total amount of TEUR 1,667.

7) Forms part of ALIVE RENEWALBE HOLDING LIMITED GROUP. Direct ownership interest of ALIVE RENEWALBE HOLDING LIMITED in DEVELOPMENT POWER SOLAR ENERGY S.R.L. equals 90.00% and ALIVE RENEWALBE HOLDING LIMITED GROUP exercises control over this entity, therefore DEVELOPMENT POWER SOLAR ENERGY S.R.L. is controlled by the Group and consolidated as a subsidiary.

8) PREMIER ENERGY S.R.L. changed its name in 2024 to NEOGAS GRID S.A. In addition, in 2024, PREMIER ENERGY S.R.L. initiated a spin off procedure which became effective on 1.01.2025. For this reason, a new entity, PREMIER ENERGY S.A. was set up. As at the year end, the assets were not transferred to the new entity.

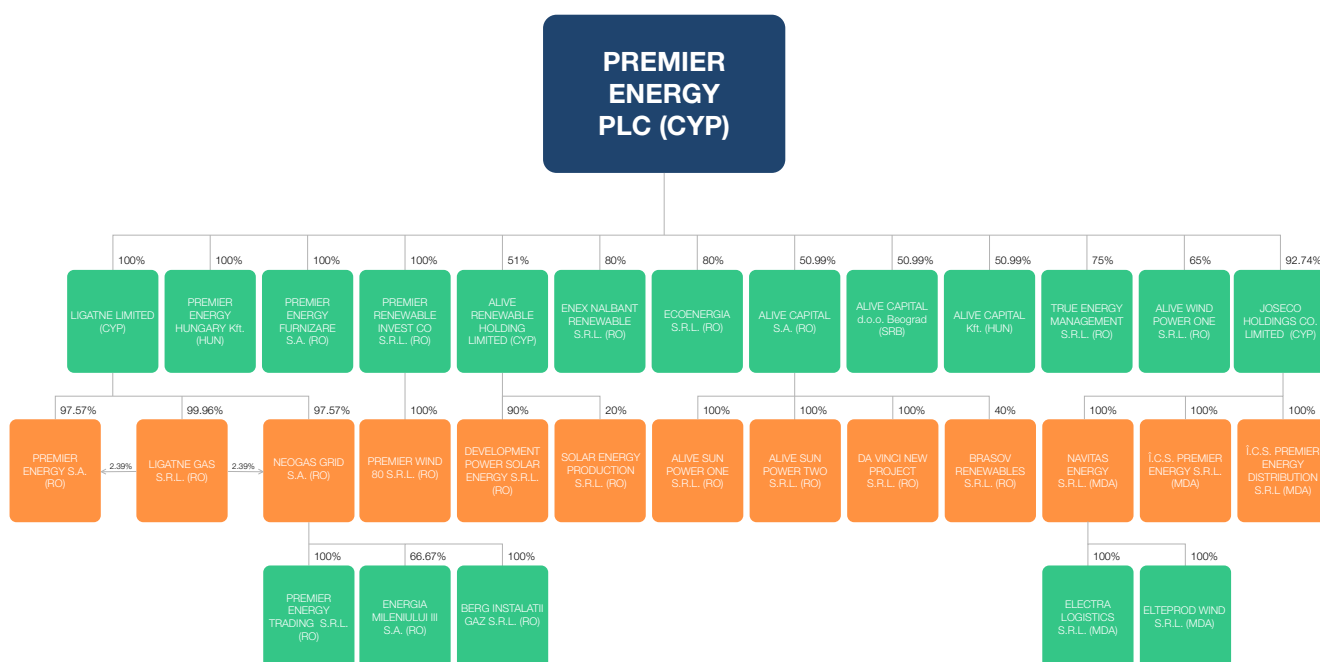
9) NAVITAS ENERGY S.R.L. acquired 100% stake in ELTEPROD WIND S.R.L, a company owning 16,238 sq. meters of land near the town of Stefan Voda, Republic of Moldova.

Description of the Group (continued)

Equity-accounted investees	Country of incorporation	Effective Ownership interest (%)	
		2024	2023
BRASOV RENEWABLES S.R.L.	Romania	20.40	20.40
SOLAR ENERGY PRODUCTION S.R.L.	Romania	10.20	--

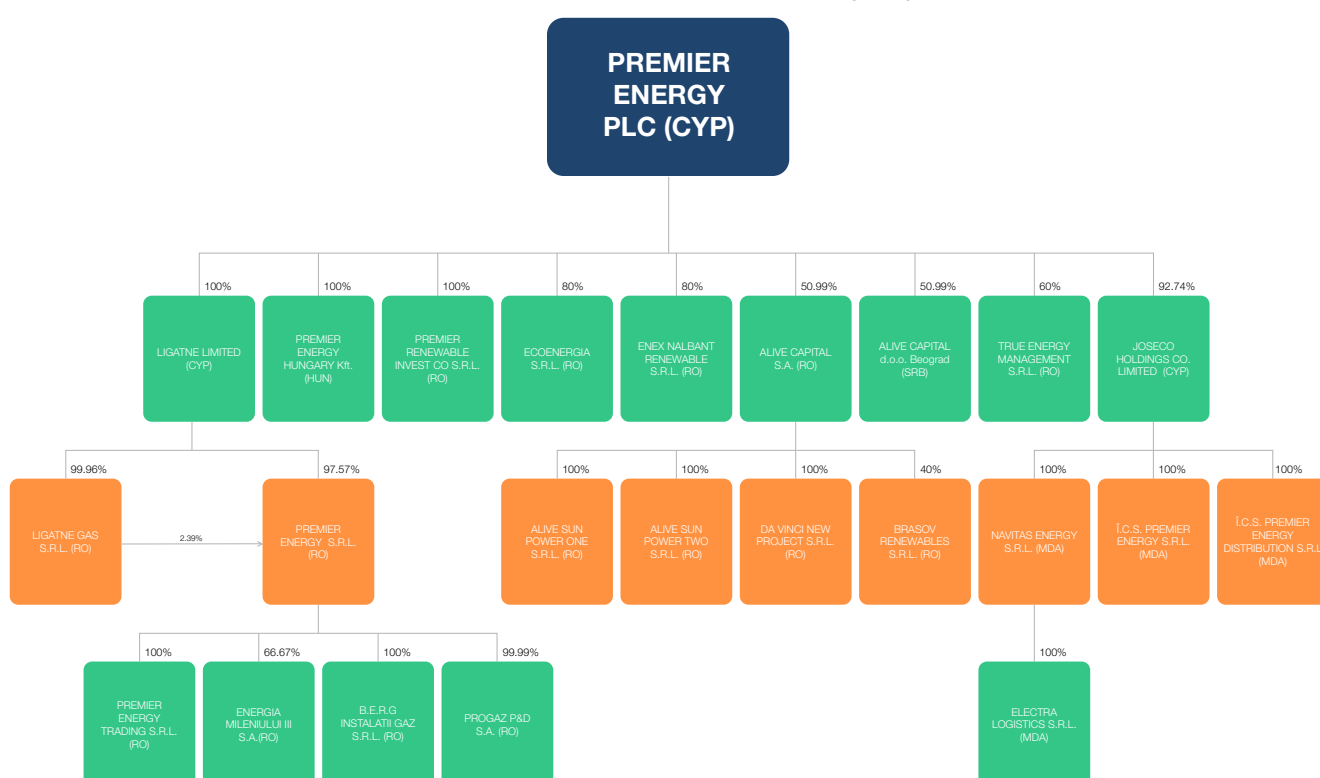
The Group structure as at 31 December 2024

The structure of the Group as at 31 December 2024 is described in the following diagram:



The Group structure as at 31 December 2023

The structure of the Group as at 31 December 2023 is described in the following diagram:



1. Description of the Group (continued)

Acquisitions in 2024

On 15 April, the Group acquired a 100% stake in PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.), an electricity and natural gas supply business providing approximately 3.2 GWh of annual electricity and natural gas to its primarily household and small business clients.

The consideration for the business amounted to TEUR 20,404. Total net assets with the fair value of TEUR 34,547 were acquired. Gain on bargain purchase in the amount of TEUR 14,143 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

For the period between the acquisition date and 31 December 2024, the entity PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.) contributed revenue of TEUR 296,654 and profit before tax of TEUR 28,719 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been higher by TEUR 103,941 and consolidated profit before tax would have been higher by TEUR 1,044.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of PREMIER ENERGY FURNIZARE S.A.:

	Note	TEUR
Intangible assets	7	271
Property, plant and equipment	8	390
Trade and other receivables	10	139,368
Other assets (financial and non-financial)	14	2,364
Inventories	11	1,968
Deferred tax asset	21	3,011
Cash and cash equivalents	9	10,356
Trade and other payables	19	(30,316)
Other liabilities	20	(59,312)
Lease liabilities	8	(398)
Bank overdrafts	9	(30,981)
Provisions	17	(1,722)
Current income tax liabilities	32	(452)
Total identifiable net assets acquired		34,547
Consideration, paid in cash		(20,404)
Gain on bargain purchase (+)		14,143
Cash effect on acquisition		
Consideration, paid in cash		(20,404)
Cash acquired		10,356
Bank overdrafts		(30,981)
Net cash outflow		(41,029)

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 4 January 2024, a new entity called ALIVE WIND POWER ONE S.R.L. ("AWPO") was incorporated, being 65% owned by Premier Energy PLC and 35% by OMNIA Capital BV, with the aim of acquiring an already built 18 MW wind plant with an additional 8 MW of a wind plant development. The closing of the asset deal acquisition occurred on 15th of April 2024. The wind power plant assets acquired are composed of the following:

- Wind power plants in operation:
 - CEE SERV 1 comprised of 4 wind turbines, with a total installed power capacity of 8 MW
 - CEE SERV 2 comprised of 3 wind turbines, with a total installed power capacity of 6 MW
 - CEE EXACTECH comprised of 2 wind turbines, with a total installed power capacity of 4 MW
- Additional wind power plants in development:
 - 1 wind turbine (foundation stage) with a total approved power capacity of 2 MW
 - 3 wind turbines (foundations stage) with a total approved power capacity of 6 MW

and all are located near the town of Dranceni, Vaslui County, Romania with a normalized annual production of the assets in operation of approximately 45,000 MWh/year. The fair value of the net assets in the total amount of TEUR 19,214 were acquired.

The acquisition was completed because of its strong complementary, strategic fit within the renewable energy production business in Romania. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of the asset:

	Note	TEUR
Property, plant and equipment	8	19,639
Decommissioning provision	17	(425)
Total identifiable net assets acquired		19,214
Consideration, paid in cash		(19,214)
Gain on bargain purchase (+)		--
Cash effect on acquisition		
Consideration, paid in cash		(19,214)
Cash acquired		--
Net cash outflow		(19,214)

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 30 July 2024, the Group acquired a 100% stake in PREMIER WIND 80 S.R.L. (formerly Eolica Dobrogea One S.R.L.), a wind power plant with an installed capacity of 80 MW comprised of 40 wind turbines, built on several plots of land, with a total surface of 2,896,505 sqm and 4,995 sqm related to the electric substation, located in Mihai Viteazu village, Romania. The total estimated annual electricity production from the plant is approximately 170 GWh. The company owns production license no. 1117 from 31 October 2012, with 25 years validity and an accreditation for the renewable scheme support no. 2800, issued on 8 October 2014 and valid until 31 December 2026.

The consideration for the acquisition of the company amounted to TEUR 96,816, including TEUR 8,516 as deferred consideration should the company receive any refund compensation from the Romanian state for the cancellation or suspension of the Romanian windfall tax legislation which was paid up until 31 December 2023.

Total net assets with a fair value of TEUR 102,817 were acquired, comprised mainly of the wind park assets, grid connection assets and related green certificates. The total net assets acquired also include the value of TEUR 8,516 as part of income tax receivable related to the aforementioned potential refund for windfall tax payments made up to 31 December 2023. Gain on bargain purchase in the amount of TEUR 6,001 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

For the period between the acquisition date and 31 December 2024, the entity PREMIER WIND 80 S.R.L. (formerly Eolica Dobrogea One S.R.L.) contributed revenue of TEUR 7,072 to the Group's results, of which TEUR 4,628 relates to intercompany sales. The profit before tax for this period was TEUR 4,457, which resulted from intercompany sales.

The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. Total acquisition-related costs were TEUR 1,400 and are recognised within the line Services and material expenses.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of PREMIER WIND 80 S.R.L.:

	Note	TEUR
Intangible assets	7	2,991
Property, plant and equipment	8	80,675
Trade and other receivables	10	768
Income tax receivable	32	10,911
Other assets (financial and non-financial)	14	786
Green certificates	15	12,705
Inventories	11	721
Cash and cash equivalents	9	9,553
Trade and other payables	19	(519)
Lease liabilities	8	(2,991)
Other liabilities	20	(3,391)
Provisions	17	(3,362)
Deferred tax liabilities	21	(6,030)
Total identifiable net assets acquired		102,817
Consideration, paid in cash		(88,300)
Deferred consideration		(8,516)
Gain on bargain purchase (+)		6,001
Cash effect on acquisition		
Consideration, paid in cash		(88,300)
Cash acquired		9,553
Net cash outflow		(78,747)

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 20 December 2024, the Group's Alive Renewable Holding Limited subsidiary acquired a 90% stake in the entity DEVELOPMENT POWER SOLAR ENERGY S.R.L., a Company which is preparing the development of a photovoltaic park in the area of Stalpu village, Buzau County, Romania, designed to have installed capacity of 48MWp + 16 MWh storage.

The purchase price consists of the amount of TEUR 4,718 plus an additional deferred consideration of TEUR 2,890. The fair value of the net assets acquired was TEUR 8,087 and the fair value of the non-controlling interest was TEUR 479 as at acquisition date. The acquisition was completed due to the Group's strategic growth initiative within the renewable energy generation sector. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of DEVELOPMENT POWER SOLAR ENERGY S.R.L.:

	Note	TEUR
Intangible assets	7	9,002
Property, plant and equipment	8	1,676
Other assets (financial and non-financial)	14	10,228
Cash and cash equivalents	9	65
Trade and other payables	19	(97)
Other liabilities	20	(10,360)
Lease liabilities	8	(1,172)
Interest-bearing loans and borrowings – non-banks	18	(343)
Deferred tax liabilities	21	(912)
Total identifiable net assets acquired		8,087
Non-controlling interest (on fair value of net assets)		(479)
Consideration, paid in cash		(4,718)
Deferred consideration		(2,890)
Goodwill (-)/Gain on bargain purchase (+)		--
Cash effect on acquisition		
Consideration, paid in cash		(4,718)
Cash acquired		65
Net cash outflow		(4,653)

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 29 November 2024, the Group acquired a 100% share in the entity ELTEPROD WIND S.R.L., a company owning 16,238 sq. meters of land near the town of Stefan Voda, Republic of Moldova, for a total purchase price of TEUR 227. The Group is currently analyzing whether to develop an 8 MW wind plant on the owned land. The acquisition was completed due to the Group's strategic growth initiative within the renewable energy generation sector. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised.

Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss. For the one month ended 31 December 2024, the entity ELTEPROD WIND S.R.L. did not contribute any revenue or profit before tax to the Group's results.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of ELTEPROD WIND S.R.L.:

	Note	TEUR
Property, plant and equipment	8	227
Total identifiable net assets acquired		227
Consideration, paid in cash		(227)
Goodwill (-)/Gain on bargain purchase (+)		-
Cash effect on acquisition		
Consideration, paid in cash		(227)
Cash acquired		-
Net cash outflow		(227)

During 2024, Alive Capital d.o.o Beograd received capital contributions from its shareholders and as a results non-controlling interest at the amount of TEUR 638 was recognised. Alive Capital Kft and Alive Renewable Holding Limited increased their share capitals and as a results non-controlling interest was recognised at the amounts of TEUR 188 and TEUR 417, respectively. Finally, non-controlling interest at the amount of TEUR 12 was recognised from the Moldovan subsidiary Navitas Energy S.R.L.

1. Description of the Group (continued)

On 9 January 2023, the Group acquired an 80% stake in ENEX NALBANT RENEWABLE S.R.L., a 13.75 MW wind electricity generation plant with rights to an additional 13.75 MW wind energy generation plant development near the town of Nalbant, Romania. The consideration for the percentage acquired amounted to TEUR 3,280. Total net assets with the fair value of TEUR 8,210 comprise mainly wind park assets and grid connection assets. Gain on bargain purchase in the amount of 3,288 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

The fair value of the non-controlling interest was TEUR 1,642 as at the acquisition date. In addition, loans payables in the amount of TRON 35,240 (approximately TEUR 7,120) were assumed by the group from the former shareholders. On 2 March 2023, the Group received a loan in the amount of TEUR 8,900 from Vista Bank (Romania) S.A., effectively refinancing the loans assumed.

The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss. For nearly the 12 months ended 31 December 2023, the entity ENEX NALBANT RENEWABLE S.R.L. generated standalone revenue of TEUR 3,218 and a profit before tax of TEUR 1,084.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of ENEX NALBANT RENEWABLE S.R.L.:

	Note	TEUR
Intangible assets	7	218
Property, plant and equipment	8	19,044
Trade and other receivables	10	96
Other assets (financial and non-financial)	14	34
Deferred tax asset	21	35
Cash and cash equivalents	9	4
Interest-bearing loans and borrowings – non-banks	18	(41)
Lease liabilities	8	(217)
Other liabilities	20	(9,044)
Provisions	17	(319)
Deferred tax liabilities	21	(1,600)
Total identifiable net assets acquired		8,210
Non-controlling interest (on fair value of net assets)		(1,642)
Consideration, paid in cash		(3,280)
Gain on bargain purchase (+)		3,288
Cash effect on acquisition		
Consideration, paid in cash		(3,280)
Cash acquired		4
Net cash outflow		(3,276)

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

On 30 June 2023, the Group's Alive Capital subsidiary acquired a 100% stake in the entity ALIVE SUN POWER TWO S.R.L., a company operating a 1.9 MW solar park on over 40,000 sq.m. of owned land in Urlati Commune, Prahova County, Romania, for the total purchase price of TEUR 1,710. The purchase price consists of the amount of TEUR 1,947 less the refinancing of TEUR 237 in shareholder loans provided to ALIVE SUN POWER TWO S.R.L. by the previous owners. Gain on a bargain purchase in the amount of TEUR 749 was recognized as a result of this transaction due to a well negotiated acquisition by the management of the Group.

The acquisition was completed because of its strong complementary, strategic fit within the green energy production business in Romania. The acquisition benefits from over 2,200 MWh of annual electricity production and receives 4 green certificates plus 2 deferred green certificates for each MWh of production until 2028. For the 6 months ended 31 December 2023, the entity ALIVE SUN POWER TWO S.R.L. generated standalone revenue of TEUR 314 and a profit before tax of TEUR 157. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have been higher by TEUR 260 and consolidated profit would have been higher by TEUR 115.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of ALIVE SUN POWER TWO S.R.L.:

	Note	TEUR
Property, plant and equipment	8	2,459
Green certificates	15	534
Trade and other receivables	10	4
Income tax receivable	32	5
Other assets (financial and non-financial)	14	38
Cash and cash equivalents	9	4
Interest-bearing loans and borrowings – non-banks	18	(237)
Trade and other payables	19	(14)
Other liabilities	20	(10)
Current income tax liabilities	32	(1)
Deferred tax liabilities	21	(323)
Total identifiable net assets acquired		2,459
Consideration, paid in cash		(1,710)
Gain on bargain purchase (+)		749
Cash effect on acquisition		
Consideration, paid in cash		(1,710)
Cash acquired		4
Net cash outflow		(1,706)

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

On 18 July 2023 a new entity called ALIVE SUN POWER ONE S.R.L. was established as a 100% owned subsidiary of the Group's Alive Capital subsidiary, ALIVE SUN POWER ONE S.R.L. acquired through an asset transaction a 5.4 MW operational solar plant located in Valea Calugareasca Comunne, Prahova County, Romania with a normalised annual production of approximately 5,600 MWh/year. The fair value of the net assets in the total amount of TEUR 26 was acquired.

The acquisition was completed because of its strong complementary, strategic fit within the renewable energy production business in Romania. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of ALIVE SUN POWER ONE S.R.L.:

	Note	TEUR
Intangible assets	7	82
Property, plant and equipment	8	2,831
Trade and other receivables	10	96
Other liabilities	20	(2,983)
Total identifiable net assets acquired		26
Consideration, paid in cash		(26)
Gain on bargain purchase (+)		--
Cash effect on acquisition		
Consideration, paid in cash		(26)
Cash acquired		--
Net cash outflow		(26)

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

On 25 August 2023, the Group acquired a 99.99% stake in PROGAZ P&D S.A., a gas distribution company with 3 concessions in Romania, including one in Berceni, for the total purchase price of TEUR 1,911. Goodwill in the amount of TEUR 1,333 was recognized as a result of this transaction.

The acquisition was completed because of the Group's strategic growth initiative within the natural gas distribution and supply business with expected synergies from combining operations of the acquiree and the acquirer. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss. For the 4 months ended 31 December 2023, the entity PROGAZ P&D S.A. generated standalone revenue of TEUR 704 and a loss before tax of TEUR 79. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have been higher by TEUR 538 and consolidated profit would have been lower by TEUR 479.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of PROGAZ P&D S.A.:

	Note	TEUR
Intangible assets	7	262
Property, plant and equipment	8	2,129
Trade and other receivables	10	80
Income tax receivable	32	1
Other assets (financial and non-financial)	14	25
Inventories	11	22
Cash and cash equivalents	9	78
Trade and other payables	19	(2,019)
Total identifiable net assets acquired		578
Consideration, paid in cash		(1,911)
Goodwill (-)		(1,333)
Cash effect on acquisition		
Consideration, paid in cash		(1,911)
Cash acquired		78
Net cash outflow		(1,833)

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

On 20 November 2023, the entity DA VINCI NEW PROJECT S.R.L., a 23 MW solar plant development with 4.6 MWh storage capacity and for which the company received a EUR 5.4 million government grant, was acquired with an effective Group ownership of 50,99 %. The purchase price consists of the amount of TEUR 2,541 less the outstanding shareholders loans of TEUR 141 plus the additional deferred consideration of TEUR 2,361 (the fair value of the deferred consideration as at 31 December 2023 was TEUR 1,993). Goodwill in the amount of TEUR 560 was recognized as a result of this transaction.

The acquisition was completed because of its strong complementary, strategic fit within the renewable energy production business in Romania. For the period between the acquisition date and 31 December 2023, the entity DA VINCI NEW PROJECT S.R.L. generated no standalone revenue and a profit before tax of TEUR 12.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of DA VINCI NEW PROJECT S.R.L.:

	Note	TEUR
Intangible assets	7	4,533
Property, plant and equipment	8	582
Other assets (financial and non-financial)	14	5,370
Cash and cash equivalents	9	1
Interest-bearing loans and borrowings – non-banks	18	(145)
Lease liabilities	8	(422)
Other liabilities	20	(5,364)
Deferred tax liabilities	21	(725)
Total identifiable net assets acquired		3,830
Consideration, paid in cash		(2,397)
Consideration, deferred		(1,993)
Goodwill (-)		(560)
Cash effect on acquisition		
Consideration, paid in cash		(2,397)
Cash acquired		1
Net cash outflow		(2,396)

During 2023, subsidiaries ENERGIA MILENIULUI III S.A. and TRUE ENERGY MANAGEMENT S.R.L. increased their share capitals and share premiums. The capital contributions were subscribed to by the Group and by the non-controlling shareholders of the subsidiaries accordingly to their respective ownership interests. As a result of these transaction, non-controlling interest of ENERGIA MILENIULUI III S.A. increased by TEUR 642 and non-controlling interest of TRUE ENERGY MANAGEMENT S.R.L. increased by TEUR 647.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention basis, except in the case of gas distribution networks (classified as property, plant and equipment) and financial instruments at fair value through profit or loss, including derivatives financial instruments, which are stated at their fair value. Financial assets and liabilities and non-financial assets and liabilities, which are valued at historical cost are stated at amortised cost or historical cost, as appropriate, net of any relevant impairment.

c) Presentation and functional currency

The consolidated financial statements are presented in Euro (EUR), which is the Company's functional currency and Group's presentation currency. The functional currency of the Romanian entities is the Romanian Leu, for the Moldovan entities is the Moldovan Leu, for the Hungarian entity is the Hungarian Forint, for the Serbian entity is the Serbian Denar and for the Cypriot entities is the Euro. Financial information presented in EUR has been rounded to the nearest thousand (TEUR). Refer to accounting policy 3(a) for further details.

The following exchange rates were used during translations:

Date	Closing exchange rate MDL/EUR	Average exchange rate MDL/EUR for the 12-month period
31 December 2024	19.3106	19.2533
31 December 2023	19.3574	19.6431
Date	Closing exchange rate RON/EUR	Average exchange rate RON/EUR for the 12-month period
31 December 2024	4.9743	4.9746
31 December 2023	4.9756	4.9467
Date	Closing exchange rate HUF/EUR	Average exchange rate HUF/EUR for the 12-month period
31 December 2024	411.35	395.30
31 December 2023	382.80	381.85
Date	Closing exchange rate RSD/EUR	Average exchange rate RSD/EUR for the 12-month period
31 December 2024	117.015	117.087
31 December 2023	117.174	117.245

d) Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements is included in the following notes:

- **Note 1:** acquisition of subsidiary- FV of net assets acquired, gain on bargain;
- **Note 7:** impairment test of goodwill and fixed assets;
- **Note 8:** determining the fair value of gas distribution network on the basis of significant unobservable inputs;
- **Note 25:** own use exemption application for forward contracts;
- **Note 25:** unbilled electricity consumption.

Information about climate-related matters in estimates and assumptions, please refer to Material accounting policy 3t of the consolidated financial statements.

Assumption and estimation uncertainties

- The Group concludes Purchase Power Agreements with renewable energy producers, covering all type of renewable energy from solar, wind, mycrohidro and biomass. These contracts typically cover the whole production capacity of the assets for a predetermined period (1 to 3 years), with the electricity being paid as produced, in exchange for a price either fixed, as the majority of the contracts, or pre-determined % of market price;
- The Group is facing the risk of imbalances from these contracts, resulting from the inherent nature of the green energy production, which cannot be exactly predicted due to variable weather conditions and other external factors. As a result of these imbalances the Group needs to sell the excess of energy supplied on a Day Ahead Market ("DAM") at the moment of the delivery, for the market price prevailing at the moment of the sale. As such, the timing and price of these sales is not under control of the Group and does not represent an intentional trading to benefit from short term market price fluctuations. In these situations the market price is typically lower in comparison to price obtained from end customer since also other market participants are hit by the same external factors leading to sales of excess supply. In addition, to achieve balance between portfolio of bilateral contracts, consumption forecast and availability of generation units at hourly level for the delivery day, the Group can also be in a position to buy the energy, usually, at a higher price per MWh, as these purchases occur in the moment when the market is short on energy;
- The Group constantly monitors, on monthly averages, the volume of these sales in comparison to total sales in order to reassess that these are not significant and are still consistent with the own use exemptions. In addition to this the Group monitors the impact of these sales on the profit or loss. In 2024 and 2023 both volume of sales and impact on the profit or loss were assessed as not significant and consistent with own use intention. The Group is actively managing the risk of imbalances mainly by structure of contracts concluded with renewable energy producers and continuous improvement of predictive capacity based on data collected from the suppliers;
- The Group considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9;
- The Group is facing a risk of potential future more significant sales of excess supplies due to unpredictable external factors linked mainly to weather conditions and will continuously assess the appropriate classification of these contracts to identify cases where own use intention can no longer be sustained.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Fair values of financial instruments and non-financial assets

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, and reports directly to the Chief Financial Officer. 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, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability fall into different levels 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For the information on fair value determination of gas distribution networks refer to Note 8 Property, plant and for the information on the financial assets at FVTPL refer to Note 12, Financial assets.

e) *Basis of consolidation*

The Group consolidated financial statements comprise the financial statements of the parent company PREMIER ENERGY PLC and the financial statements of its subsidiaries and the Group's interest in associates, as stated in Note 1. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

2. Basis of preparation (continued)

f) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date on which control effectively commences until the date on which control effectively ceases.

Legal restructuring and mergers involving companies under common control are accounted for using consolidated net book values, consequently no adjustment is made to carrying amounts in the consolidated accounts and no goodwill arises on such transactions.

g) Interest in equity-accounted investees

Associates are enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date on which significant influence effectively commences until the date on which significant influence effectively ceases. Under equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses exceeds the Group's interest in the associate, that interest is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

h) Transactions eliminated on consolidation

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

i) Changes in the Company's ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2. Basis of preparation (continued)

j) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are always recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities are recognized and measured in accordance with IAS 12 Income Taxes; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.

Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in stating the financial position of the Group. The accounting policies have been consistently applied by all Group entities.

a) Foreign currency

(i) Foreign currency transactions

A foreign currency transaction is a transaction that is denominated in or requires settlement in a currency other than the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. Transactions in foreign currencies are translated into the respective currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate ruling at the date on which the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are retranslated using the exchange rate ruling at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of equity investments designed at FVOCI which are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss). Foreign currency differences arising on translation of non-monetary items measured at fair value are treated in line with the recognition of the gain or loss on the change in fair value of the item.

(ii) Financial information of foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to EUR, the Group's presentation currency, at exchange rates ruling at the reporting date. Income and expenses of foreign operations, are translated to EUR at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on translation to presentation currency are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of so that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

b) Cash and cash equivalents

The Group considers cash in hand, short-term highly liquid deposits and unrestricted balances with banks and other financial institutions due within one month to be cash and cash equivalents. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group has classified cash with contractual restrictions on its use under cash and cash equivalents because the Group has access and can withdraw these funds at any time without penalty.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3. Material accounting policies (continued)

c) Financial assets and liabilities

(i) Classification

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designed as such on initial recognition.

(ii) Recognition

Trade receivables and debt securities issued are initially recognised in the statement of financial position when they are originated. All other financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(iii) Measurement

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividend are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.

Material accounting policies (continued)

c) Financial assets and liabilities (continued) (iii) Measurement (continued)

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Fair value measurement

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (such as market observable prices) or indirectly (i.e. derived from market observable prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques.

Valuation techniques include net present value and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other parameters used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

(v) Amortised cost measurement principles

The amortised cost of a financial asset or liability is the amount in which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, net of any relevant impairment.

(vi) Gains and losses on subsequent measurement

Gains and losses on financial instruments classified at fair value through profit or loss are recognised in profit or loss. Gains and losses on FVOCI financial assets are recognised in other comprehensive income (including for impairment losses but except foreign exchange gains and losses) until the asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or liability is derecognised or impaired, and through the amortisation process.

3.

Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(vii) Identification and measurement of expected credit losses

The Group has developed a provisioning policy, which describes in detail the procedures and methodology of the expected credit losses measurement, and a write-off policy. The expected credit losses measurement is dealt with as follows:

The Group uses for the recognition and measurement of expected credit losses of financial assets measured at amortised costs and debt investments measured at FVOCI the “expected credit loss” model (ECLs).

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to the lifetime ECLs.

The Group assesses at each reporting date whether there is objective evidence that financial assets carried at amortised costs and debt securities at FVOCI are credit impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Applicable for trade receivables

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group limits its exposure to credit risk from trade receivables by establishing a payment period between 30 to 60 days.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the trade or other receivable is more than 180 days past due.

Applicable for financial assets at amortised cost (other than trade receivables):

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the receivable is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3.

Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(vii) Identification and measurement of expected credit losses (continued)

In some cases the observable data required to estimate the amount of an impairment loss on a financial asset may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Group uses its experience and judgement to estimate the amount of any credit impairment loss.

All impairment losses in respect of financial assets are recognised in profit or loss and are only reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount of the asset that would have been determined, net of amortisation, if no impairment loss had been recognised.

(viii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognised a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(ix) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(x) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 3 years past due based on historical experience of recoveries of similar assets. However, in cases where the Group has taken actions in order to recover the amounts, or the customer is in insolvency or in a bankruptcy process, the Group does not proceed with any write off until the procedures are finalised. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. **Material accounting policies (continued)**

c) Financial assets and liabilities (continued)

(xi) Derivative financial instruments

A contract to buy or sell a non-financial item may be required to be accounted for as a derivative, even though the non-financial item itself falls outside the scope of the financial instruments standards. Non-financial items may include various items, such as gas and electricity. If contracts to buy or sell non-financial items can be settled net in cash or another financial instrument, including if the non-financial item is readily convertible into cash, then they are generally included in the scope of the financial instruments standards.

There is an exception to the above scope inclusion for contracts that are entered into and continue to be held for the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements (the 'normal sales and purchases' or 'own-use' exemption).

The commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but rather as executory contracts and they fall under own use exemption. The Group enters into renewable electricity forward contracts with physical delivery, creating links within the value chain for the commodity, purchasing the contracted volume from suppliers with the purpose to physically deliver the commodity to the customers. 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 constantly monitors the sales made from these contracts on the DAM (Day Ahead Market) and/or BRM (Romanian Commodity Exchange) due to imbalances between gas or electricity supplied vs. demand from customers at the moment of delivery and reassesses whether the own use exemption is applicable for such contracts. 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.

Gas forward contracts that do not meet the definition of own use exemptions are accounted for as financial derivatives.

d) Intangible assets

Goodwill and gain on bargain purchase

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is stated at cost less accumulated impairment losses (refer to Note 7).

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Software and other intangible assets

Software and other intangible assets that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives (1 - 3 years), from the date that they are available for use. Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3. Material accounting policies (continued)

e) Property, plant and equipment

Property, plant and equipment comprise the electricity distribution network, the gas distribution network, other constructions for materials storage purposes, technical equipment and cars, furniture and office equipment as well as assets in the course of construction.

Recognition and measurement

Electricity and gas distribution network and other plant and equipment are recorded initially at cost less accumulated depreciation and accumulated impairment losses.

The cost of a property, plant and equipment includes expenditure that is 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.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gas distribution networks are subsequently measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings can be made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated economic useful lives, as follows:

	Years
Gas distribution network	29-49
Administrative Buildings	40-70
Wind and Solar operational parks	25-30
Operational Buildings	40-60
Electricity lines	35-45
Electro-energetic equipment	15-25
Other equipment	3-12
Meters	18
Cars	7-10
Specialized vehicles	10
Other tangible assets	7-10
Land is not depreciated.	

3.

Material accounting policies (continued)

e) Property, plant and equipment (continued) Depreciation (continued)

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. For further information, please refer to Note 3(g).

The depreciation and impairment losses are charged to profit or loss.

Disposal

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in "Other expenses" line when the asset is derecognized.

f) *Leases – the entity acting as a lessee*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

The Group acting as a lessee recognizes a right-of-use asset and the related lease liability in the statement of financial position with the following exceptions:

- the lease term does not exceed 12 months or;
- the underlying asset has a low value.

Right-of-use asset

At the commencement date, a right-of-use asset is measured at cost which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

A right-of-use asset is recognized in the statement of financial position in line, Property, plant and equipment, and is depreciated over the shorter of economic useful life of the underlying asset or the lease term. The related depreciation is recognized in the profit or loss in line, Depreciation and amortization.

Lease liability

At the commencement date, a lease liability is initially measured at the present value of the lease payments, which are not paid at that date. The lease payments are discounted using an interest rate which a lessee would have to pay, if a lessee borrowed cash to acquire the underlying asset taking into consideration the terms relating to a lease (i.e. lease/loan term, amount of loans, etc.).

Subsequently, the lease liability is remeasured when there is a change in its future lease payments (e.g. due to a change in an assessment whether and when it will exercise extension or termination option). When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is recognized in the statement of financial position and included in line, Lease liabilities.

Interest expense on lease liability is recognized in profit or loss and included in line, Finance expense, using the effective interest rate.

3.

Material accounting policies (continued)

f) Leases – the entity acting as a lessee (continued)

g) Impairment for non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets 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 CGUs (cash generating units). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

h) Inventories

Inventories consist mainly of: gas pipes, gas meters, regulators, fittings and other materials and consumables used for constructing connections, utility installations and gas network extensions. These materials are recorded in inventories when purchased and then expensed as appropriate, when consumed.

Inventories are measured at the lower of cost and net realizable value. The valuation method of inventories is the weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where necessary, an allowance is made for slow moving and obsolete inventories in order to arrive at the net realizable value. Obsolete or defective inventories are provided for in full or written off.

The value of the gas inventories (gas stored in underground facilities operated by third parties) includes only the gas molecule, as provided on the invoice.

i) Green certificates

Green certificates are presented separately on the face of the statement of financial position as they are received and held for sale in the ordinary course of business of the Group. The deferred green certificates existing in the opening balance at the acquisition date were measured at fair value at the business combination date. The cost of green certificates is based on the first-in-first-out acquisition cost principle.

Producers of green energy

Green certificates are received by the Group based on the production levels of certain of its renewable electricity generation assets in Romania. Green certificates are recognized at fair value, in accordance with IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance," when the energy producer is entitled to receive them. The related income is recognized in the profit or loss in line "Other income". The Group sells received green certificates on the spot market and in the combined market. The buyers obtain control over the green certificates when the transaction is recorded by the market operator in its electronic register. In case of the spot market, the invoices are issued on the transaction date, and the payment term is within 3 financial days. In case of the combined market, the green certificate invoices are issued in 20 days and have a payment term of 5 financial days. Income is recognized at a specific point in time, when the control over the green certificates is transferred as a difference between value at recognition and the final selling price in the profit or loss in line "Other income".

3. **Material accounting policies (continued)**

i) Green certificates (continued)

Suppliers of electricity

Electricity suppliers are required by law to purchase a number of green certificates each year, which they bill to consumers based on the amount of energy supplied to such customers. The equivalent value of the green certificates invoiced to the final customers is registered in "Revenue". The derecognition of the green certificates is included in the profit or loss in "Cost of electricity, gas and transportation", if the Group has not acquired the necessary number of green certificates to reach the provisional quota or the final annual one, the Group recognizes the amount necessary to acquire the green certificates for fulfilling the quota in "Other liabilities".

j) Equity

Share capital

Share capital represents the nominal value of shares issued by the Company. To the extent such shares remain unpaid as of the end of the reporting period a corresponding receivable is presented in other assets.

Share premium

The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Share premium can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Dividends

Dividends on share capital are recognised as a liability provided, they are approved by the shareholders. Dividends distributions to the Company's shareholders are recognised in the Group's financial statements in the year in which they are approved. Dividends declared after the end of the reporting period are not recognised as a liability but are disclosed in the notes.

Non-controlling interests

Non-controlling interests consist of the minority shareholders' proportion of the fair values of a subsidiary's net assets, at the date of the original combination, plus or minus their share of changes in the subsidiary's equity since that date.

Translation reserve

The translation reserve includes exchange differences relating to the translation of the results and net assets of the Group's foreign operations from functional to the Group's presentation currency. Exchange differences previously accumulated in the translation reserves are reclassified to profit or loss on the disposal of the foreign assets and operations.

Legal reserve

The legal reserve represents the amount required by the states in which the Company's subsidiaries operate to protect companies themselves against future financial losses.

IPO expenses

Costs directly attributable to the issuance of new shares are recognised directly in equity, while costs related to the listing of existing shares are expensed as incurred. When the Company simultaneously lists existing equity and issues new shares, the total IPO costs are allocated between the newly issued and existing shares on a rational basis (e.g., by reference to the ratio of the number of new shares to the number of total shares), with only the proportion relating to the issue of new shares being deducted from equity.

k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. Material accounting policies (continued)

l) Deferred income

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

m) Related parties

Parties are considered related when one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control, significantly influence or jointly control the other party. Related parties include both other entities and natural persons, such as shareholders that have control or a significant influence, members of the Group's key personnel and close members of their families.

n) Revenues

In accordance with IFRS 15, the Group has adopted a five-step model to determine when to recognize revenue and at what amount. The model specifies that revenue should be recognized when (or as) the Group transfers control of goods or services to a customer for the amount which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized:

- 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.

Revenues from renewable energy and green certificates

Production and sale of renewable energy in Romania and green certificates

According to the regulations in force, the producers of certain electricity from renewable sources benefit from green certificates for each MWh produced and delivered to the national energy system.

The transport and system operator, Transelectrica, sends to the Group, monthly, the number and series of green certificates allocated, corresponding to the production of electricity delivered in the national energy system. The green certificates can be traded on the OPCOM spot market, at term or combined markets. The sale price must fall between the minimum and maximum values established by Law no. 220/2008 for the establishment of the system for promoting the production of electricity from renewable energy sources, republished, with subsequent changes.

As a producer of electricity from renewable sources (solar and wind), the Company receives green certificates through the support scheme established by Law no. 220/2008. Each renewable production has its own scheme support, considering the type and source of the production as well as the year it was in operation.

The Group sells green certificates on the spot and in the combined market. The customers obtain control over the green certificates when the transaction is recorded by market operator in its electronic register. In case of the spot market, the invoices are issued on the transaction date and the payment term is within 3 financial days. In case of combined market, the green certificates invoices are issued in 20 days and have a payment term of 5 financial days. Revenue is recognized at a specific point in time, when the control over the green certificates is transferred.

The group sells part of the renewable electricity based on forward contracts with electricity suppliers and traders as well as on the spot market (day-ahead market) to the market operator (OPCOM). Invoices are issued at the end of the month, during the delivery month or at the beginning of the next month for the electricity delivered in the current month. The payment term is depending on the individual agreement concluded with the counterparty (i.e before the delivery month, during the delivery month of the following month of the delivery).

Revenue is recognized over time because the customer receives and consumes simultaneously the benefits as the Group delivers electricity. The production and consumption of electricity are simultaneous because electricity is not stored. Advance payments received from customers for future energy sales of electricity are recognized as liabilities related to contracts with clients.

3.

Material accounting policies (continued)

n) Revenues (continued)

Revenues from the sale and distribution of natural gas

Supply and distribution of natural gas

Invoices for natural gas supply are issued monthly based on meter readings and based on estimates of natural gas delivered for which no readings have been made, communicated by the distribution operators.

Revenue is recognized over time, because the client simultaneously receives and consumes the benefits provided by the performance of the Group as the Group delivers gas.

Advance payments received from customers for future gas sales are recognized as contract liabilities.

Revenues related to supply of gas to final consumers include transportation tariffs. These services are provided by the gas transportation operators. The Group assessed whether it is a principal or an agent in relation to transport cost passed to the end users and it concluded that it acts as a principal. The Group, therefore, recognizes revenue as it provides natural gas transportation services to the users of its infrastructure (the consumers) with the delivery of each unit of gas delivered. Revenue is measured based on the volume of gas delivered to the customer during the reporting period at the regulatory tariff.

Maintenance services is not considered as a separate performance obligation. Regular or routine repair and maintenance activities are necessary activities to be able to operate the existing infrastructure over the period of the concession arrangement and are considered part of the operation services for which the users of the infrastructure are the customers.

However, major maintenance services (e.g. replacement of significant infrastructure assets/components when needed) are treated and accounted for similarly to grid upgrade/expansion construction services based on the manner of compensation for these activities for regulatory revenue purposes (included in the regulated asset based and remunerated with the regulated rate of return).

Construction revenue

Revenues from sale and distribution of natural gas also include construction-related revenue earned based on grid construction, upgrades and expansions. The construction of the initial network revenue and network upgrade/expansion construction revenue are accounted for in accordance with IFRS 15.

3.

Material accounting policies (continued)

n) Revenues (continued)

A cash advance is sometimes invoiced and received at the beginning of the construction contract. The Group recognizes a contract liability for any advance received at the beginning of the contract, which is offset against construction services rendered.

Users may also incur part of the costs of extension of the network based on contracts signed between the users and the Group, which stipulate the value of the extension works that will be reimbursed to the operator by the user. The contracts stipulate that the co-financing by the user of the construction works does not transfer any right to the user in relation to the grid or provide access to gas supply; however, the network extension is a pre-requisite of connection to the gas distribution network, which would otherwise not reach the customer's location.

The incentive for the users to co-finance the extension of the network arises from the Group's right under the applicable legislation at that time to refuse a connection if the technical solution was not economically feasible. In such case, the network was constructed, and the cost was borne by the user at the user's request.

The contractual relationship between the end user and the Group starts at signoff of the construction contract under co-financing conditions and ends when the network segment is constructed. Later, a connection contract is to be concluded by the end-user(s) with the Group for getting access to the gas network.

The amounts for such projects that are paid for by the users are not included in the regulated asset base (RAB) or the OPEX used in the tariff setting mechanism (i.e. they are not remunerated to the operator through the distribution tariff).

The Group determined that the accounting treatment in respect of connection fees above also applies to the case of user co-financing arrangements, as it determines appropriate to combine the user co-financing contract with the gas distribution contract under IFRS 15, because by agreeing to pay for the network extension, the user obtains an unconditional right to require connection to the network once the extension is completed.

Gas sale-purchase contracts

In the normal course of business, the Company concludes gas sale-purchase contracts on the centralized markets operated by Romanian Energy Market Operator (OPCOM) or Romanian Commodities Exchange (BRM) or negotiated contracts concluded outside the centralized platforms, as follows:

- spot contracts: sale or buy contracts concluded on OPCOM's day-ahead and intra-day markets, and BRM's spot market and balancing market (the latter refers to transactions with Transgaz, the Romanian transportation system operator);
- sale or buy forward contracts on centralized markets: contracts concluded on OPCOM's Centralized Market and BRM's gas forward markets; and
- sale or buy forward negotiated contracts, concluded directly with the counterparty.

Contracts to buy or sell gas that are entered into and continue to be held for receipt or delivery in accordance with the Group's normal expected purchase, sale or usage requirements - meaning that the gas is intended to be delivered to final consumers or for balancing activities with delivery within 1-2 days ("own use exemption"), are accounted as executory contracts. Revenues are recognised over time as the customer receives and consumes simultaneously the benefits resulting from the performance of the obligation by the entity.

The contracts to buy or sell gas that do not qualify for own-use exemption are accounted for as derivatives in accordance with IFRS 9. The derivatives are classified as FVTPL.

Revenues from the sale and distribution of electricity

Supply and distribution of electricity

The invoicing of electricity sales is performed on a monthly basis. Monthly electricity invoices are based on meter readings or on estimated consumptions based on the historical data of each consumer.

3.

Material accounting policies (continued)

n) Revenues (continued)

Revenues from the sale and distribution of electricity (continued)

Supply and distribution of electricity (continued)

Electricity delivered which is not yet billed at the reporting date is accrued on the basis of recent average consumption.

Differences between estimated and actual amounts are recorded in subsequent periods.

Revenue is recognized over time, because the client simultaneously receives and consumes the benefits provided by the performance of the Group as the Group delivers electricity.

Advance payments received from customers for future electricity sales are recognized as contract liabilities.

Revenues related to supply of electricity to final consumers include transportation tariffs. These services are provided by the electricity transportation operator.

The Group assessed whether it is a principal or an agent in relation to transport cost passed to the end users and it concluded that it acts as a principal.

o) Finance income and expense

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The effective interest rate is established on initial recognition and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

p) Fee and commission income and expenses

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income and expense relate mainly to transaction and service fees, which are recognised as the services are rendered or received.

q) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and temporary differences related to investments in subsidiaries, branches and associates where the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits 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.

The Group has determined that the Global minimum top-up tax which is required to pay under Pillar Two legislation is an income tax in the scope of IAS 12. Refer to Note 32 for further details.

r) Common control transactions

Where the entities of the Group are involved in transactions, including business combinations, with other entities under common control (i.e. entities under common control of the same parent or the same controlling party or parties), the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, have been considered and the following accounting policy has been developed.

3. Material accounting policies (continued)

r) Common control transactions (continued)

The acquirer in a common control transaction should use either of the following in its consolidated financial statements:

- book value (carry-over basis) accounting on the basis that the investment has simply been moved from one part of the group to another; or
- IFRS 3 accounting on the basis that the acquirer is a separate entity in its own right and should not be confused with the economic group as a whole.

The chosen accounting policy should be applied consistently to all similar common control transactions. The Group made the election to apply the pooling of interests method. The assets and liabilities acquired are recognised at the carrying amounts of the acquiree (i.e. value at cost as at the date of acquisition less accumulated depreciation and/or potential impairment). The difference between fair value of consideration transferred in the acquisition and net assets acquired is recognised directly in equity.

In the consolidated financial statements, the acquirer is permitted to re-present its comparatives and adjust its current reporting period before the date of the transaction as if the combination had occurred before the start of the earliest period presented. However, this restatement should not extend to periods during which the entities were not under common control. The Group have opted to restate the comparative information, since all entities were always under the common control of parent entity.

In case of transactions which do not qualify as business combinations, if a standard requires the transaction to be recognised initially at fair value, it must be measured at that fair value regardless of the actual consideration. In all other cases, where there is a difference between the fair value and the consideration after having taken account of all goods or services being provided, the entities of the Group opted to recognise the transaction at the actual consideration stated in any agreement related to the transaction.

Acquisition under common control which is a combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the acquisition, and that control is not transitory. Such acquisitions are excluded from the scope of IFRS 3.

s) Subsidies

Subsidies related to revenue are recognized on a systematic basis, during the period in which the expenses corresponding to these subsidies have been recognized.

Subsidies that compensate the Company for the expenses incurred are recognized in the profit or loss account systematically in the same periods in which the expenses are recognized and are presented in the profit account under other operating income.

The revenues from operating subsidies that compensate the Company for the reduction in turnover are presented in the profit and loss account as part of the other operating income.

t) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures. Currently, the Group concluded that the useful life of property, plant and equipment has not impacted from climate-related matters.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. The Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill, however the Group monitors and considers the future expectations in assessing value-in-use amounts.
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning.

3. Material accounting policies (continued)

u) Adoption of new and revised IFRS and Interpretations as adopted by the EU

As from 1 January 2024, the Group adopted all changes to IFRSs as adopted by the EU which are relevant to its operations. This adoption did not have a material effect on the financial statements.

v) New accounting pronouncements- Standards issued but not yet effective

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods beginning on 1 January 2024. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

(i) Standards issued but not yet effective, adopted by EU

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

Management does not expect to have a material effect on the financial statements.

(ii) Standards issued but not yet effective, not adopted by EU

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU. However, management estimates that it will not have a material effect on the financial statements.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. The standard has not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

3.

Material accounting policies (continued)

v) New accounting pronouncement – Standards issued but not yet effective (continued)

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard has not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The standard has not been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

4.

Financial risk management

The risk management function within the Group is carried out in respect of financial risks (credit, market and liquidity risk), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk
- legal risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring risk management policies in their specified areas.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

4. Financial risk management (continued)

Other risks related to operational activities

(a) *Litigation and claims*

The Group is the subject of a number of court actions resulting from the normal course of business, in which it has the position of plaintiff or defendant. The list of litigations is analysed on a timely basis and based on the results of such analysis the Group recognises provisions for potential losses from litigations and claims. The Group considers that litigation and claims will not have a significant impact on the Group's operations and financial position, except for the amounts recorded in these financial statements (refer to Note 17, Provisions).

(b) *Environmental protection*

The Group pays particular attention on the environmental protection and compliance with relevant environmental legislation. The purpose of the environmental legislation is to prevent pollution and deterioration of the environment, to apply the proper measures in this respect, to protect the population's health, to put to good use in a reasonable manner the renewable and non-renewable resource, and to preserve the natural ecological balance. During the 1st half of 2021, the Group implemented full scale of Environmental, Social and Governance (ESG) policies and guidelines throughout the organization. In the years 2024 and 2023, the Group was neither involved in major incidents related to environment pollution, nor sued for damages to the environment.

(c) *Tax investigations*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded.

The Romanian tax system is undergoing a consolidation process and is being harmonized with the European legislation. Different interpretations may exist at the level of the tax authorities in relation to the tax legislation that may result in additional taxes and penalties payable. Where the Romanian State authorities have findings from reviews relating to breaches of the tax legislation and related regulations, these may result in: confiscation of the amounts in case; additional tax liabilities being payable; fines and penalties. As a result, the fiscal penalties resulting from breaches of the legal provisions may result in a significant amount payable to the State.

Tax audits in Moldova consist of detailed verifications of the accounting records of the tax payers. Such audits sometimes take place after months, even years, from the dates liabilities are established. Consequently, companies may be found liable for significant taxes and fines. Moreover, tax legislation is subject to frequent changes and the authorities demonstrate inconsistency in the interpretation of the law. Income tax returns may be subject to revisions and corrections by tax authorities, generally for the 4-year period after they are completed.

The Group considers that all taxes due were fully paid and on time. Adequate tax liabilities were recognized in the financial statements. The Group's management is not aware of any circumstances which may give rise to a potential material tax liability to the Group in this respect.

4. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a debtor or counterparty on their obligation to the Group. The majority of the Group's exposure to credit risk arises in connection with the bank deposits, provided loans, receivables and other financial assets which relate to the Group's principal business. The remaining part of the Group's exposures to credit risk is related to due from banks and other financial institutions and other financial assets.

Credit risk results from business transactions (receivables from counterparties) and from the transactions in financial markets (money market, currency exchange, derivatives transactions, etc.). Several criteria are applied when assessing the level of credit risk.

Credit terms for individual transactions are assessed by the Group's specialists, including middle and top management of the Group. Experts from both law firms and financial institutions were also consulted on the risks related to the transactions. Publicly available information and information from external agencies were used for ongoing monitoring of the credit quality of the counterparties.

The receivables are divided by counterparties and are allocated to the responsible person overseeing each case. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, trading history with the Group and existence of previous financial difficulties.

The Group's policies provide for gas and electricity sales to clients with low credit risk. Moreover, sales have to be secured either by advanced payments or by letters of bank guarantee. The net value of receivables following the adjustment for impairment of doubtful debts, represents the maximum value exposed to credit risk. The Group has a credit risk concentration related to its biggest clients. For bankrupt or insolvent customers, the Group estimates losses throughout the entire life of current and outstanding receivables and records corresponding impairment losses. Even though collection of receivables might be influenced by economic factors, the management believes that there is no significant risk of loss for the Group, besides the impairment of doubtful debts, already established.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period between 30 and 60 days.

The Group also continuously monitors the performance of individual credit exposures using a number of criteria. The Group has an active fraud prevention and detection program. Credit risk developments are reported by the Group Credit Risk Department to the Board of Directors on a regular basis.

As a result of recent negative developments on financial markets, the credit environment in certain countries in which the Group operates has deteriorated. The Group has taken strict measures in its underwriting and collection policies in order to limit the negative impact of such market changes.

4. Financial risk management (continued)

Credit risk (continued)

Exposure to credit risk

The Group has provided loans in the amount of TEUR 4,430 (2023: TEUR 5,056). The tables below provide a detailed analysis of the Group's exposure to credit risk.

Loans - Due from non-banks	2024 TEUR	2023 TEUR
Stage I – Carrying amount	4,430	5,056
Total carrying amount	4,430	5,056

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings of Moody's (if applicable). The non-rated category includes well-known bank institutions with reliable creditworthiness, assessed based on internal evaluations of their financial health, capital adequacy, and other key factors. The most material bank balances with no credit ratings arise from the Neogas Grid S.A. (formerly Premier Energy SRL), Premier Energy Furnizare S.A., Premier Wind 80 S.R.L. and Premier Renewable Invest Co. S.R.L.. Bank balances and bank deposits are measured at 12-month ECL:

	2024 TEUR	2023 TEUR
Cash at bank and term bank deposits		
Ba3	3	--
Baa1	7,177	5,530
Baa2	1,842	291
Baa3	--	5,807
Non-rated	32,878	67,803
Gross carrying amount cash at bank	41,900	79,431
Demand deposits		
Non-rated	38,152	307
Subtotal	38,152	307
Deposits with restricted access		
Baa1	32	267
Non-rated	12,709	7,674
Gross carrying amount deposits	12,741	7,941
Total cash at bank, demand deposits and deposits with restricted access	92,793	87,679

During the years 2024 and 2023 no impairment provision was recognised in respect to cash at bank and bank deposits.

4. Financial risk management (continued)

Credit risk (continued)

The exposure to credit risk for the above financial assets at the reporting date by geographic region was as follows:

	2024	2023
	TEUR	TEUR
Romania	52,037	37,311
Moldova	1,455	40,921
Cyprus	38,395	7,855
Hungary	906	266
Serbia	--	1,326
	92,793	87,679

The significant increase in Cyprus is due to demand deposits from the parent entity, totalling TEUR 36,658. The decrease in Moldova is attributable to a reduction in the bank balances of the Moldovan entity, I.C.S. Premier Energy S.R.L. In Romania, the increase is primarily due to new acquisitions, as well as the additional deposits from the Romanian subsidiary, Alive Capital S.A.

Classification of financial assets by credit risk – provided loans

The following table presents an analysis of the credit quality of provided loans at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and if they were credit-impaired.

2024	12-month ECL (Stage I) TEUR	Lifetime ECL not credit-impaired (Stage II) TEUR	Lifetime ECL credit- impaired (Stage III) TEUR	Total TEUR
Gross provided loans – low risk grade	4,432	--	--	4,432
Loss allowances	(2)	--	--	(2)
Net provided loans	4,430	--	--	4,430
Weighted average loss rate	0.05%	n/a	n/a	0.05%
Equivalent to external credit rating	BBB+	n/a	n/a	
Credit impaired	NO	n/a	n/a	
2023	12-month ECL (Stage I) TEUR	Lifetime ECL not credit-impaired (Stage II) TEUR	Lifetime ECL credit- impaired (Stage III) TEUR	Total TEUR
Gross provided loans – low risk grade	5,063	--	--	5,063
Loss allowances	(7)	--	--	(7)
Net provided loans	5,056	--	--	5,056
Weighted average loss rate	0.14%	n/a	n/a	0.14%
Equivalent to external credit rating	BBB+	n/a	n/a	
Credit impaired	NO	n/a	n/a	

4. Financial risk management (continued)

Credit risk (continued)

Classification of financial assets by credit risk – financial assets at amortised costs – deposits and restricted deposits

The following table presents an analysis of the credit quality of financial assets at amortised cost - deposits. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and if they were credit-impaired.

2024	12-month ECL (Stage I) TEUR	Lifetime ECL not credit-impaired (Stage II) TEUR	Lifetime ECL credit- impaired (Stage III) TEUR	Total TEUR
Deposits	--	--	--	--
Restricted deposits	12,741	--	--	12,741
Loss allowances	--	--	--	--
Net financial assets at amortised cost – deposits	12,741	--	--	12,741
Weighted average loss rate	0.00%	n/a	n/a	0.00%
2023	12-month ECL (Stage I) TEUR	Lifetime ECL not credit-impaired (Stage II) TEUR	Lifetime ECL credit- impaired (Stage III) TEUR	Total TEUR
Deposits	--	--	--	--
Restricted deposits	7,941	--	--	7,941
Loss allowances	--	--	--	--
Net financial assets at amortised cost – deposits	7,941	--	--	7,941
Weighted average loss rate	0.00%	n/a	n/a	0.00%

The Group recognizes allowances for ECLs for financial assets measured at amortized costs (other than trade receivables). The ECL calculation is based on external or internal credit ratings of the counterparty, associated probabilities of default and loss given default. External credit rating is based mainly on reports issued by well-known rating agencies. Due to the fact that there has not been a significant credit risk on the above-mentioned financial assets, since initial recognition, credit losses are measured at 12-month ECLs.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

4. Financial risk management (continued)

Credit risk (continued)

Classification of financial assets by credit risk – trade receivables and other assets

As at 31 December 2024, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2024	Current (not past due)	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-360 days past due	360+ past due	Total
Trade receivables	152,011	25,963	1,571	426	948	1,599	12,389	194,907
Contract assets**	--	--	--	--	--	--	--	--
Other financial assets*	48,256	24,570	9,811	11,289	41,577	30,664	--	166,167
Total balance	200,267	50,533	11,382	11,715	42,525	32,263	12,389	361,074
Loss allowance	(2,336)	(330)	(22)	(28)	(133)	(780)	(11,169)	(14,798)
Weighted average loss rate	1.17%	0.65%	0.19%	0.24%	0.31%	2.42%	90.15%	4.10%
Credit-impaired	No	No	No	No	No	Yes	Yes	

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For the detail, refer to Note 14.

** Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 25.

As at 31 December 2023, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2023	Current (not past due)	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-360 days past due	360+ past due	Total
Trade receivables	62,373	22,919	1,143	407	1,428	220	12,480	100,970
Contract assets**	779	--	--	--	--	--	--	779
Other financial assets*	25,343	1	--	--	--	--	123	25,467
Total balance	88,495	22,920	1,143	407	1,428	220	12,603	127,216
Loss allowance	(2,248)	(336)	(4)	(52)	(82)	(83)	(12,150)	(14,955)
Weighted average loss rate	2.54%	1.47%	0.35%	12.78%	5.74%	37.56%	96.41%	11.76%
Credit-impaired	No	No	No	No	No	Yes	Yes	

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For the detail, refer to Note 14.

** Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 25.

4. Financial risk management (continued)

Credit risk (continued)

Classification of financial assets by credit risk – trade receivables and other assets (continued)

The financial assets exposing the Group to a potential credit risk comprise mainly of trade receivables. The Group's trade receivables consist of receivables from revenue in Romania and Moldova.

As at 31 December 2024, the exposure to credit risk for trade receivables, loans provided and other financial assets by geographic region was as follows:

	2024		2023	
	TEUR	%	TEUR	%
Cyprus	--	--	--	--
Czech Republic	12	0.00%	--	--
Romania	332,725	90.17%	86,615	69.15%
Other EU countries	9,444	2.56%	11,043	8.82%
Moldova	24,963	6.77%	26,427	21.10%
Other	1,847	0.50%	1,173	0.94%
Total	368,991	100.00%	125,258	100.00%

Also, as at 31 December 2024, the exposure to credit risk for trade receivables, derivatives, loans provided and other financial assets by type of counterparty was as follows:

	2024		2023	
	TEUR	%	TEUR	%
Financial services	20,793	5.64%	12,340	9.85%
Public sector	22,984	6.23%	13,926	11.12%
Commercial business customers	164,104	44.47%	68,580	54.75%
Households/Individuals	160,085	43.38%	29,089	23.22%
Other	1,025	0.28%	1,323	1.06%
Total	368,991	100.00%	125,258	100.00%

The Group uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposure in different segments based on the following common credit risk characteristics – geographic region and type of counterparty. The average loss percentages are calculated based on a history of the past eight years and based on quarterly aging reports. Receivables are split by ageing buckets as of each quarter end. Each quarter analysis also shows the receivables' "migration" to another bucket in the following quarter. The average percentages are applied to each ageing bucket comprising trade receivables as of year-end.

The loss allowances to trade receivables are calculated based on the following:

- 180-360 days after due date – 37%-80% impairment loss;
- more than 360 days after due date – 87%-100% impairment loss; and
- for customers in litigations and for bankrupted customers or customers in insolvency, 100% loss allowance is established.

Management believes that the Group's exposure to credit risk is manageable, as commodities are sold with reputable parties with low credit risk and collection is prompted based on the individual terms with the parties. Credit terms are between 30 days and 60 days. Although it is generally considered that balances over 90 days are considered to be in default, the Group upon reviewing the historical transactions with the Group's customers, it was determined that there is no such credit risk since there is no history of significant amounts of unpaid invoices. In addition, gas sales are required to be secured either by advanced payments or by letters of bank guarantee. Therefore, although a financial asset is generally considered to be in default when it is 90 days past due, due to the above reasons, the Group considers balances to be in default when they are overdue by more than 180 days. Currently, trade receivables which are overdue by more than 360 days are mainly balances with specific corporate customers in litigations or bankrupted customer.

4. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk is managed by ensuring that there are sufficient financial resources to meet the obligations associated with financial liabilities. Cautious liquidity risk management assumes maintenance of a sufficient amount of cash and the availability of required external financing in terms of loans and borrowings.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's Treasury collects information regarding the liquidity profile of the financial assets and liabilities and details of other projected cash flows arising from projected future business. Portfolio of short-term liquid assets is maintained to ensure sufficient liquidity. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

In order to monitor the current trends in liquidity and to manage other associated risks (exchange rate risk, interest rate risk, foreign exchange risk, payment conditions, tax legislation, etc.), a meeting is held on a monthly basis in attendance with representatives of the Finance Department and with specialists and managers from other departments, if needed. In regular meetings, the Finance Director then reports to the Group management on the liquidity status and its developments. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing as at the reporting date. Foreign currency payments are translated using the spot exchange rate as at the reporting date.

Contractual maturity analysis

The following table shows financial assets and liabilities by remaining maturity dates.

2024							
TEUR	Less than 30 days	31-90 Days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial assets							
Cash and cash equivalents	84,217	--	--	--	--	--	84,217
Restricted deposits	3,320	2,893	5,651	877	--	--	12,741
Financial assets at fair value through profit or loss	--	--	--	5,087	--	--	5,087
Loans - due from non-banks	18	119	144	461	3,688	--	4,430
Trade receivables	177,577	3,392	942	534	--	--	182,445
Other financial assets*	1,703	51,877	108,099	335	1,817	--	163,831
Total financial assets	266,835	58,281	114,836	7,294	5,505	--	452,751
Non-derivative financial liabilities							
Bank overdrafts	--	15,092	55,436	--	--	--	70,528
Loans - due to non-banks	--	34	141	--	--	--	175
Loans - due to banks and other financial institutions	611	5,806	49,940	113,961	43,545	--	213,863
Lease liabilities	94	390	861	3,317	5,589	--	10,251
Bonds issued	--	--	--	--	--	--	--
Trade payables	62,935	5,558	1,221	76	--	--	69,790
Other financial liabilities**	58,735	18,092	3,654	1,950	4	--	82,435
Total financial liabilities	122,375	44,972	111,253	119,304	49,138	--	447,042
Net position	144,460	13,309	3,583	(112,010)	(43,633)	--	5,709

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 20.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis (continued)

2023	Less than 30 days	31-90 Days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial assets							
Cash and cash equivalents	81,272	--	--	--	--	--	81,272
Restricted deposits	1,879	2,435	1,324	2,303	--	--	7,941
Loans - due from non-banks	18	36	147	1,736	3,119	--	5,056
Trade receivables	74,500	11,671	1,069	29	--	1,117	88,386
Other financial assets*	1,112	20	8,057	123	500	13,284	23,096
Total financial assets	158,781	14,162	10,597	4,191	3,619	14,401	205,751
	Less than 30 days	31-90 Days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial liabilities							
Loans - due to non-banks	--	655	663	--	--	--	1,318
Loans - due to banks and other financial institutions	1,999	1,858	49,239	94,579	5,800	--	153,475
Lease liabilities	49	97	528	2,181	2,361	--	5,216
Bonds issued	--	--	--	--	--	--	--
Trade payables	39,245	6,794	701	1	--	37	46,778
Other financial liabilities**	7,715	7,120	1,863	2,284	--	3	18,985
Total financial liabilities	49,008	16,524	52,994	99,045	8,161	40	225,772
Net position	109,773	(2,362)	(42,397)	(94,854)	(4,542)	14,361	(20,021)

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 20.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual cash flows of financial liabilities (gross undiscounted cash flows)

The following table shows gross undiscounted cash flows including estimated interest payments and the carrying amounts in the statement of financial position.

2024							
	Less than 30 days	3 months to 1 year	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount	
TEUR							
Non-derivative financial liabilities							
Bank overdrafts	15,092	55,436	--	--	70,528	70,528	
Loans - due to non-banks	34	141	--	--	175	175	
Loans - due to banks and other financial institutions	10,170	61,164	161,443	69,218	301,995	213,863	
Lease liabilities	510	932	3,502	5,653	10,597	10,251	
Bonds issued	--	--	--	--	--	--	
Trade payables	68,493	1,221	76	--	69,790	69,790	
Other financial liabilities*	76,827	3,654	1,950	4	82,435	82,435	
Total financial liabilities	171,126	122,548	166,971	74,875	535,520	447,042	

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 20.

2023							
	Less than 30 days	3 months to 1 year	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount	
TEUR							
Non-derivative financial liabilities							
Loans - due to non-banks	667	700	--	--	1,367	1,318	
Loans - due to banks and other financial institutions	6,305	55,454	122,515	8,526	192,800	153,475	
Lease liabilities	146	528	2,181	2,361	5,216	5,216	
Bonds issued	--	--	--	--	--	--	
Trade payables	46,039	701	1	37	46,778	46,778	
Other financial liabilities*	14,835	1,863	2,284	3	18,985	18,985	
Total financial liabilities	67,992	59,246	126,981	10,927	265,146	225,772	

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 20.

4. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The majority of the Group's exposure to market risk arises in connection with the funding of the Group's operations with liabilities denominated in foreign currencies and to the extent the term structure of interest-bearing assets differs from that of liabilities.

Market risk includes currency risk and interest rate risk. Management's objectives are to use natural hedging only. The borrowings are secured by the majority of the Group's receivables.

Interest rate risk

The principal risk to which the Group is exposed to is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps. As part of its management of this position, the Group may use interest rate derivatives.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios.

Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the EUR, RON and MLD. The currencies in which these transactions are primarily denominated are EUR, USD, RON and MLD.

Foreign currency risk arises when the actual or forecast assets in a foreign currency are either greater or less than the liabilities in that currency. Foreign currency risk is managed principally through monitoring foreign currency mismatches in the structure of assets and liabilities in the individual Group's country operations.

Net investments in foreign operations are not hedged. As a result, the Group's financial position is adequately sensitive to movements of the relevant foreign exchange rates. Impact of such foreign exchange rate changes on the Group's net investment in foreign operations is presented as currency translation in the consolidated statement of changes in equity.

4. Financial risk management (continued)

Market risk (continued)

Interest rate gap position based on re-pricing dates

2024						
TEUR	Floating interest rate				Fixed interest rate or Non specified	Total
	Effective interest rate	Less than 3 months	3 months to 1 year	1 to 5 years		
Interest-bearing financial assets						
Cash and cash equivalents	1.76%	80,869	--	--	3,348	84,217
Restricted deposits	0.00%	--	--	--	12,741	12,741
Loans - due from non-banks	3.68%	--	--	--	4,430	4,430
Total interest-bearing financial assets	--	80,869	--	--	20,519	101,388
Interest-bearing financial liabilities						
Bank overdraft	8.01%	9,498	61,030	--	--	70,528
Loans - due to non-banks	4.47%	--	--	--	175	175
Loans - due to banks and other financial institutions	7.06%	33,694	180,169	--	--	213,863
Lease liabilities	5.23%	--	--	--	10,251	10,251
Total interest-bearing financial liabilities	--	43,192	241,199	--	10,426	294,817
2023						
TEUR	Floating interest rate				Fixed interest rate or Non specified	Total
	Effective interest rate	Less than 3 months	3 months to 1 year	1 to 5 years		
Interest-bearing financial assets						
Cash and cash equivalents	0.10%	80,965	--	--	307	81,272
Restricted deposits	0.00%	--	--	--	7,941	7,941
Loans - due from non-banks	4.14%	--	--	--	5,056	5,056
Total interest-bearing financial assets	--	80,965	--	--	13,304	94,269
Interest-bearing financial liabilities						
Loans - due to non-banks	3.79%	--	--	--	1,318	1,318
Loans - due to banks and other financial institutions	8.06%	31,804	121,671	--	--	153,475
Lease liabilities	5.65%	--	--	--	5,216	5,216
Total interest-bearing financial liabilities	--	31,804	121,671	--	6,534	160,009

4. Financial risk management (continued)

Market risk (continued)

Interest rate sensitivity analysis

An analysis of sensitivity of the Group's equity to changes in interest rates based on positions existing as at 31 December 2024 and 31 December 2023 and a simplified scenario of a 100bp change in interest rates is shown:

	Total effect on equity and profit or loss	Total effect on equity and profit or loss
	2024	2023
	TEUR	TEUR
Effect of 100bp decrease in interest rate	2,844	1,535
Effect of 100bp increase in interest rate	(2,844)	(1,535)

Foreign currency position

2024						
TEUR	EUR	USD	RON	MDL	Other	Total
Non-derivative financial assets						
Cash and cash equivalents	11,876	--	70,679	1,278	384	84,217
Restricted deposits	1,000	--	11,104	--	637	12,741
Financial assets at fair value through profit or loss	5,087	--	--	--	--	5,087
Loans - due from non-banks	4,021	--	107	302	--	4,430
Trade receivables	210	--	159,263	22,972	--	182,445
Other assets*	357	--	161,685	1,703	86	163,831
Total financial assets	22,551	--	402,838	26,255	1,107	452,751
Non-derivative financial liabilities						
Bank overdraft	--	--	70,528	--	--	70,528
Loans - due to non-banks	15	--	160	--	--	175
Loans - due to banks and other financial institutions	165,413	27,143	1,611	19,696	--	213,863
Lease liabilities	4,835	--	5,416	--	--	10,251
Bonds issued	--	--	--	--	--	--
Trade payables	451	12	54,400	14,927	--	69,790
Other liabilities**	363	--	79,365	2,698	9	82,435
Total financial liabilities	171,077	27,155	211,480	37,321	9	447,042
Net position	(148,526)	(27,155)	191,358	(11,066)	1,098	5,709

* Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 20.

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position (continued)

2023						
TEUR	EUR	USD	RON	MDL	Other	Total
Non-derivative financial assets						
Cash and cash equivalents	14,265	--	26,514	40,111	382	81,272
Restricted deposits	1,000	--	6,941	--	--	7,941
Financial assets at amortised cost – deposits	--	--	--	--	--	--
Loans - due from non-banks	4,660	--	93	303	--	5,056
Trade receivables	6,330	--	56,430	25,626	--	88,386
Other assets*	782	--	21,722	500	92	23,096
Total financial assets	27,037	--	111,700	66,540	474	205,751
Non-derivative financial liabilities						
Loans - due to non-banks	1,199	--	119	--	--	1,318
Loans - due to banks and other financial institutions	139,790	11,486	--	2,199	--	153,475
Lease liabilities	3,470	--	1,746	--	--	5,216
Bonds issued	--	--	--	--	--	--
Trade payables	731	76	13,150	32,816	5	46,778
Other liabilities**	162	--	16,613	2,210	--	18,985
Total financial liabilities	145,352	11,562	31,628	37,225	5	225,772
Net position	(118,315)	(11,562)	80,072	29,315	469	(20,021)

* Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 20.

4. Financial risk management (continued)

Market risk (continued)

Foreign currency risk sensitivity analysis

An analysis of sensitivity of the Group's equity to changes in currency exchange rates based on positions existing as at 31 December 2024 and 31 December 2023 and a simplified scenario of a 5% change in USD, RON and MDL to EUR exchange rates is shown below:

	Total effect on equity and profit or loss	Total effect on equity and profit or loss
	2024	2023
	TEUR	TEUR
Effect of 5% USD depreciation against EUR	1,358	578
Effect of 5% USD appreciation against EUR	(1,358)	(578)
Effect of 5% CZK depreciation against EUR	(14)	(5)
Effect of 5% CZK appreciation against EUR	14	5
Effect of 5% RON depreciation against EUR	(130,943)	(40,036)
Effect of 5% RON appreciation against EUR	130,943	40,036
Effect of 5% MDL depreciation against EUR	5,533	(14,658)
Effect of 5% MDL appreciation against EUR	(5,533)	14,658

4. Financial risk management (continued)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure supporting the activities with financial instruments, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the limiting of financial losses and damage to the Group's reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk is assigned to senior management of the Group. This responsibility is supported by the development of standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Legal risk

Legal risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern, while increasing the return to owners through strive for improving the debt-to-equity ratio. 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 the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholder.

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the consolidated statement of financial position) less cash and cash equivalents. Equity comprises all components of equity.

The Group's policy is to keep the ratio below 1.95. The Group's net debt-to-equity ratio at 31 December was as follows:

	2024	2023
Total liabilities	615,236	325,855
Less: Cash and cash equivalents	(84,217)	(81,272)
Net debt	531,019	244,583
Total Equity	518,065	404,985
Net debt-to equity ratio	1.03	0.60

5. Operating environment

Volatility in global financial markets

Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

Operating environment of the Group

The Group currently operates in Romania, Moldova, Hungary, Serbia and Cyprus through its investments in subsidiaries and associates. Consequently, the Group is exposed to risks that originate from the operating and economic environments in these jurisdictions.

The Group's three core business sectors comprise of: the generation of renewable energy and supply of electricity in Romania and Moldova, the distribution of gas to users and the supply of gas to household and non-household customers in Romania and the distribution of electricity to users and the supply of electricity to household and non-household consumers in Moldova and Romania.

Generation, distribution and supply of electricity activities and distribution and supply of gas are regulated both in Romania and Moldova, with rules for, among others, limits for end-prices, regulated tariffs, fixed permitted return on investments, mandatory network investment requirements, regulated size of the distribution networks, public services obligation, and access to end-consumers.

In Romania, while the gas supply market operates on free market principles, allowing the Group to determine its end prices (subject to certain limits) and purchase its own gas from producers or intermediaries, throughout the SEE region, the Romanian gas distribution market is regulated, with Group returns depending on a regulated target for return on investment as applied to a regulated asset base ("RAB") comprising the Group's recognised permitted investments. Also, due to market volatility, the Romanian government has introduced price caps for final consumers up to 31 March 2025. In addition, as a measure to ensure the continuity and safety of gas supply, every licensed supplier which has final consumers in its own portfolio, as well as every thermal energy producer in cogeneration plants and in thermal plants for consumption intended for the population as direct customers of natural gas producers has the obligation to maintain a minimum stock of gas. Romanian ANRE will publish on a yearly basis the level of minimum stock that needs to be reached on a national level for the respective year.

In Moldova both the supply and distribution markets are currently fully regulated, with yearly regulated return on investment rates on the RAB covered by regulated tariffs for distribution services and yearly regulated tariffs for supply services. Moldova's economic outlook indicates robust growth, with a pro-European government driving integration with the EU, as evidenced by the commencement of accession negotiations. Inflation rates have seen volatility, with a sharp increase in recent times, reflecting global economic pressures. The EU's support remains steadfast, particularly in light of challenges posed by the conflict involving Russia and Ukraine, with Moldova receiving significant aid to bolster its economic stability and structural reforms, including energy security. Since 2022 the Moldovan electricity system has been synchronised with the European Network of Transmission System Operators for Electricity ("ENTSO-E") system, allowing for imports both from Ukraine and Romania. The interconnection capacity of the Moldovan system with its neighbours has been increased since 2022.

6. Operating segments

The Group has applied the criteria of IFRS 8, 'Operating Segments' to determine the number and type of operating segments. According to this standard an operating segment is a component carrying out business operations whose operating income is evaluated regularly by the Group's highest executive decision makers and about which separate financial information is available. The Group's Operating segments were determined in connection with the nature of the business and how the operations are managed by the Group's operating decision makers. The Group reports five operating segments based on geographical segmentation and revenue streams: Romania Renewable Energy, Natural Gas, Romania Energy Supply, Moldova Electricity and Corporate.

Romania Renewable Energy includes revenue from the sale of green energy and green certificates. Natural Gas covers revenue from the Romanian subsidiaries arising from the sale and distribution of natural gas. Romania Energy Supply includes the newly acquired Premier Energy Furnizare S.A., with its main revenue stream coming from the sale of electricity and a very small portion from the sale of natural gas. Moldova Electricity generates revenue from the supply and distribution of electricity. Since 2023 the Moldovan segment has completed the construction of numerous photovoltaic parks, which are generating revenue from renewable energy. The Corporate segment consists of the Cypriot holding entities.

The information monitored by management based on Group's goals and strategies. Management monitors the revenue generated and the profitability of each operating segment. This involves comparing revenue, costs and profits across segments to identify areas of strengths and weakness.

The operating segments are determined based on the Group's management and internal reporting structure. As required by IFRS 8, the Group provides information on the business activities in which the Group engages.

The Group operates in Romania, Moldova, Hungary, Serbia and Cyprus. Romanian entities operate in the area of renewable energy generation, management and sale as well as in the sale and distribution of natural gas. Moldovan entities operate in the area of sale and distribution of electricity and in the area of renewable energy generation, management and sale. The Group also operates an energy supply business in Hungary and Serbia. The Corporate entities are primarily based in Cyprus and are intended for management of the Group, financing and investing activities. Details for revenue streams are included in Note 25. Revenues and expenses related to core operations.

6. Operating segments (continued)

The following tables provide the information about the reportable segments for the years ended 31 December 2024 and 2023, respectively:

2024							
TEUR	Romania Renewable Energy*	Natural Gas	Moldova Electricity	Romania Energy Supply****	Corporate	Adjustments and eliminations***	Total
Revenues	202,628	363,400	369,345	278,682	--		1,214,055
Intersegment Revenues	25,028	12,415	2,518	456	--	(40,417)	--
Cost of Sales	(193,229)	(306,035)	(332,853)	(354,943)	--		(1,187,060)
Intersegment Cost of Sales	(4,933)	(2,567)	(7,499)	(25,418)	--	40,417	--
Profit/(Loss) from operations	2,059	14,111	(11,912)	46,504	(3,712)	--	47,050
<i>Out of which material non-cash items:</i>							
Gain on bargain purchase	6,001	--	--	14,143	--	--	20,144
Depreciation and amortisation	(8,089)	(7,018)	(11,526)	(156)	--	--	(26,789)
Impairment losses on other non-financial assets	--	(2,752)	--	--	--	--	(2,752)
Reversal of/(impairment losses) on loans and receivables	15	373	(296)	(29)	5	--	68
Impairment losses on property, plant and equipment and intangibles	--	(103)	(6)	--	--	--	(109)
Loss on disposal of property, plant, equipment, and intangible assets	(45)	--	--	--	--	--	(45)
Profit/(Loss) before tax	(2,662)	12,075	(14,921)	42,862	(7,717)	--	29,637
<i>Out of which:</i>							
Interest income	538	199	247	140	1,526	--	2,650
Interest expense	(5,133)	(1,530)	(2,174)	(2,425)	(5,785)	--	(17,047)
Profit/(loss) after tax	(4,376)	9,006	(12,747)	42,149	(9,816)	--	24,216
<i>Out of which:</i>							
Income tax	(1,714)	(3,069)	2,174	(713)	(2,099)	--	(5,421)
Assets	324,903	284,175	268,764	208,203	47,256	--	1,133,301
Liabilities	(152,591)	(122,043)	(102,912)	(174,658)	(63,032)	--	(615,236)
Capital expenditure**	16,077	19,597	28,165	64	11	--	63,914

For Romania Renewable Energy revenue recognition please see Note 3n

**The capital expenditure within the Romania Renewable Energy segment principally represents investments into renewable energy generation sources while the capital expenditure within the Natural Gas segment represents primarily investments into the natural gas distribution network (and will become part of RAB). Approximately EUR 19.4 million of the capital expenditure within the Moldova Electricity segment was invested into the electricity distribution network (and will become part of RAB) while approximately EUR 8.7 million was an investment into new renewable energy generation assets.

***Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column

**** Included also other income from subsidies – refer to Note 29

6. Operating segments (continued)

2023						
TEUR	Romania Renewable Energy*	Natural Gas	Moldova Electricity	Corporate	Adjustments and eliminations***	Total
Revenues	186,237	306,081	419,657	--	--	911,975
Intersegment Revenues	10	137	2,094	--	(2,241)	--
Cost of Sales	(136,006)	(287,933)	(314,663)	--	--	(738,602)
Intersegment Cost of Sales	--	(2,104)	(137)	--	2,241	--
Profit/(Loss) from operations	41,125	10,255	64,738	(3,460)	--	112,658
<i>Out of which material non-cash items:</i>						
Gain on bargain purchase	4,037	--	--	--	--	4,037
Depreciation and amortisation	(4,024)	(4,726)	(10,359)	--	--	(19,109)
Impairment losses on loans and receivables	(15)	1,024	41	58	--	1,108
Impairment losses on property, plant and equipment and intangibles	--	177	11	--	--	188
Profit/(Loss) before tax	39,413	8,671	63,215	(9,001)	--	102,298
<i>Out of which:</i>						
Interest income	988	319	739	277	--	2,323
Interest expense	(2,699)	(945)	(1,206)	(5,818)	--	(10,668)
Profit/(loss) after tax	26,434	6,224	55,305	(9,001)	--	78,962
<i>Out of which:</i>						
Income tax	(12,979)	(2,447)	(7,910)	--	--	(23,336)
Assets	156,293	275,286	286,720	12,541	--	730,840
Liabilities	(63,125)	(94,261)	(83,092)	(85,377)	--	(325,855)
Capital expenditure**	12,604	21,159	25,718	--	--	59,481

* For Romania Renewable Energy revenue recognition please see Note 3n

**The capital expenditure within the Romania Renewable Energy segment principally represents investments into renewable energy generation sources while the capital expenditure within the Natural Gas segment represents primarily investments into the natural gas distribution network (and will become part of RAB). Approximately EUR 19.1 million of the capital expenditure within the Moldova Electricity segment was invested into the electricity distribution network (and will become part of RAB) while approximately EUR 6.6 million was an investment into new renewable energy generation assets.

***Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column

6. Operating segments (continued)

Reconciliation of information on reportable segments to the amounts reported in the financial statements as at 31 December 2024 and 2023:

2024						
TEUR	Renewable energy	Natural Gas	Moldova Electricity	Romania Energy Supply	Corporate	Total
Profit/(loss) before tax as reported in consolidation	(2,662)	12,075	(14,921)	42,862	(7,717)	29,637
Elimination of inter-segment profit	20,095	9,848	(4,981)	(24,962)	--	--
Profit/(loss) before tax for reportable segments	17,433	21,923	(19,902)	17,900	(7,717)	29,637
TEUR	Renewable energy	Natural Gas	Moldova Electricity	Romania Energy Supply	Corporate	Total
Profit/(loss) from operations as reported in consolidation	2,059	14,111	(11,912)	46,504	(3,712)	47,050
Elimination of inter-segment profit	20,095	9,848	(4,981)	(24,962)	--	--
Profit/(loss) from operations for reportable segments	22,154	23,959	(16,893)	21,542	(3,712)	47,050
2023						
TEUR	Renewable energy	Natural Gas	Moldova Electricity	Corporate	Total	
Profit/(loss) before tax as reported in consolidation	39,413	8,671	63,215	(9,001)	102,298	
Elimination of inter-segment profit	10	(1,967)	1,957	--	--	
Profit/(loss) before tax for reportable segments	39,423	6,704	65,172	(9,001)	102,298	
TEUR	Renewable energy	Natural Gas	Moldova Electricity	Corporate	Total	
Profit/(loss) from operations as reported in consolidation	41,125	10,255	64,738	(3,460)	112,658	
Elimination of inter-segment profit	10	(1,967)	1,957	--	--	
Profit/(loss) from operations for reportable segments	41,135	8,288	66,695	(3,460)	112,658	

7. Intangible assets and Goodwill

	Goodwill	Software	Trademarks	Right-of-use asset	Other intangible assets	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Acquisition cost						
2023						
Balance as at 1 January 2023	17,176	4,372	--	--	21,353	42,901
Acquisitions through business combinations	1,893	262	--	217	4,534	6,906
Acquisitions through asset deal	--	--	--	--	82	82
Additions	--	1,510	2	222	29	1,763
Additions through internal development	--	--	--	--	1	1
Translation difference	(46)	103	--	(4)	(118)	(65)
Balance as at 31 December 2023	19,023	6,247	2	435	25,881	51,588
2024						
Balance as at 1 January 2024	19,023	6,247	2	435	25,881	51,588
Acquisitions through business combinations	--	271	--	2,991	--	3,262
Acquisitions through asset deal	--	--	--	--	9,002	9,002
Other adjustments	--	1,547	--	--	--	1,547
Additions	--	2,151	--	--	32	2,183
Disposals	--	(212)	--	--	(2)	(214)
Transfers	--	(252)	--	--	223	(29)
Translation difference	1	5	--	--	7	13
Balance as at 31 December 2024	19,024	9,757	2	3,426	35,143	67,352
	Goodwill	Software	Trademarks	Right-of-use asset	Other intangible assets	Total
Accumulated amortization						
2023						
Balance as at 1 January 2023	--	(630)	--	--	(1,172)	(1,802)
Charge for the year	--	(661)	--	(6)	(1,406)	(2,073)
Translation difference	--	26	--	--	20	46
Balance as at 31 December 2023	--	(1,265)	--	(6)	(2,558)	(3,829)
2024						
Balance as at 1 January 2024	--	(1,265)	--	(6)	(2,558)	(3,829)
Charge for the year	--	(1,096)	--	(100)	(1,978)	(3,174)
Disposals	--	213	--	--	--	213
Other adjustments	--	(1,547)	--	--	--	(1,547)
Transfers	--	5	--	--	(5)	--
Translation difference	--	(1)	--	6	1	6
Balance as at 31 December 2024	--	(3,691)	--	(100)	(4,540)	(8,331)
Carrying amount						
As at 31 December 2023	19,023	4,982	2	429	23,323	47,759
As at 31 December 2024	19,024	6,066	2	3,326	30,603	59,021

7. Intangible assets and Goodwill (continued)

In 2024, acquisition of intangible assets through business combination and assets deal relates to the acquisition of the Romanian subsidiaries PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.), PREMIER WIND 80 S.R.L. and DEVELOPMENT POWER SOLAR ENERGY S.R.L. as described in Note 1. The acquired intangible assets are comprised mainly of project rights related to DEVELOPMENT POWER SOLAR ENERGY S.R.L. of TEUR 9,002, the amortization of which is expected to start on the last quarter of 2025, right-of-use assets related to PREMIER WIND 80 S.R.L. of TEUR 2,991 and software related to PREMIER ENERGY FURNIZARE S.A. of TEUR 271.

In 2023, the goodwill of TEUR 1,893 was recognised as a result of the business combinations (refer to Note 1) and is comprised of:

- Goodwill of TEUR 560 resulting from the acquisition of DA VINCI NEW PROJECT S.R.L.
- Goodwill of TEUR 1,333 resulting from the acquisition of PROGAZ P&D S.A.

In 2023, acquisition of intangible assets through business combination relates to the acquisitions in Romania described in Note 1. The acquired intangible assets are comprised mainly of project rights related to DA VINCI NEW PROJECT S.R.L. of TEUR 4,533 with finite useful life of 25 years (the amortization is expected in the second half of 2024, right-of-use assets in total amount of TEUR 217 and software in total amount of TEUR 262.

The Group carried out the assessment of estimated remaining useful lives and amortization rates of intangible assets with finite useful lives as at 31 December 2024 and 31 December 2023 and no adjustment is required.

Determining whether goodwill is impaired requires an estimation of its recoverable amount. While the Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount, it believes that the Group's operations are not currently significantly exposed to physical risk and no single climate-related assumption has been considered as a key assumption for the year 2024 test of goodwill. The recoverable amount is based on the value in use calculations of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group and management to estimate the post-tax future cash flows expected to arise from the cash-generating units over the remaining life of the concession, primarily over the next 29 years, including both natural gas distribution and supply revenues and operating profits based on expectations of future outcomes taking into account past experience while adjusting for anticipated inflation-related revenue and cost growth and using a suitable pre-tax discount rate of 7.0% (2023: 9.6%) for the analysis performed as of 31 December 2024 and 31 December 2023 in order to calculate the present value. The average annual revenue growth rate over the 29-year period was flat. The discount rate was based on the 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specified cash generating unit of the Group.

For the renewable energy, the assessments require the use of different estimates and assumptions such as energy prices, discount rates, renewable energy production of our own or managed assets, growth rates as well as gross margins. The key estimates and assumptions used bear the risk of change due to the inherent volatile nature of various macro-economic factors and the uncertainty in asset or CGU specific factors like volume of the electricity sold correlated with the renewable energy production profiles, which can impact the recoverable amount of assets and/or CGUs. The margin assumptions used in impairment testing are based on management's best estimate and were consistent with prior year's results as well as with the external sources. Besides discount rates, the main valuation assumptions for the calculation of the recoverable amounts are the gross margin of the sale of electricity (being the differences between the electricity prices, the cost of electricity as well as imbalances) and the renewable energy production of the assets owned or managed by the Group. The assumptions used for the electricity prices are based on long term forecasting report prepared by ALEA Soft Energy Forecasting, considering specifics of local market as well as the correlation between the local and regional markets.

The Group carried out the impairment analysis and concluded that there were no impairments that should be recorded as at 31 December 2024 and 31 December 2023.

8. 

Property, plant and equipment

	Land and buildings	Vehicles and Other tangible assets and equipment	Right- of-use asset	Tangible assets under construction	Electricity distribution network	Gas distribution networks	Advance payments	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR		
Acquisition cost								
2023								
Balance as at 1 January 2023	13,567	44,803	5,185	21,322	194,349	75,502	219	354,947
Acquisitions through business combinations	7,527	12,683	422	1,550	-	2,032	-	24,214
Acquisitions through asset deals	1,616	1,215	--	--	--	--	--	2,831
Additions	60	969	1,353	29,288	12,868	4,700	8,480	57,718
Disposals	(64)	(4,082)	(14)	(1,683)	(1,855)	--	(227)	(7,925)
Transfers	873	518	--	(16,559)	5,666	9,502	--	--
Revaluation	--	--	--	--	--	10,295	--	10,295
Translation differences	61	(21)	(36)	(34)	10,794	(1,586)	37	9,215
Balance as at 31 December 2023	23,640	56,085	6,910	33,884	221,822	100,446	8,509	451,296
2024								
Balance as at 1 January 2024	23,640	56,085	6,910	33,884	221,822	100,446	8,509	451,296
Acquisitions through business combinations	14,688	65,793	1,560	700	--	--	--	82,741
Acquisitions through asset deals	297	16,942	94	2,503	--	--	30	19,866
Other adjustments	288	1,227	--	--	6,702	--	--	8,217
Additions	610	2,840	1,036	57,591	2,304	41	10,714	75,136
Disposals	(70)	(749)	--	(186)	(1,941)	--	(18,115)	(21,061)
Transfers	(7,319)	33,778	--	(61,807)	11,705	23,672	--	29
Translation differences	24	(21)	3	(7)	482	27	21	529
Balance as at 31 December 2024	32,158	175,895	9,603	32,678	241,074	124,186	1,159	616,753

8. Property, plant and equipment (continued)

	Land and buildings	Vehicles and Other tangible assets and equipment	Right- of-use asset	Tangible assets under construction	Electricity distribution network	Gas distribution networks	Advance payments	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR		
Accumulated depreciation and impairment								
2023								
Balance as at 1 January 2023	(1,002)	(6,078)	(1,738)	(1,820)	(21,198)	(7,802)	--	(39,638)
Charge for the year	(723)	(3,131)	(237)	--	(9,051)	(3,894)	--	(17,036)
Reversal of impairment loss	--	--	--	188	--	--	--	188
Revaluation	--	--	--	--	--	309	--	309
Disposals	--	2,932	--	--	1,832	--	--	4,764
Transfers	--	--	--	--	--	--	--	--
Translation difference	329	116	11	110	(1,514)	198	--	(750)
Balance as at 31 December 2023	(1,396)	(6,161)	(1,964)	(1,522)	(29,931)	(11,190)	--	(52,164)
2024								
Balance as at 1 January 2024	(1,396)	(6,161)	(1,964)	(1,522)	(29,931)	(11,190)	--	(52,164)
Charge for the year	(901)	(6,919)	(911)	--	(9,695)	(5,189)	--	(23,615)
Other adjustments	(288)	(1,227)	--	--	(6702)	--	--	(8,217)
Impairment loss	--	--	--	(35)	--	(74)	--	(109)
Disposals	53	680	--	--	1,904	--	--	2,637
Transfers	329	(350)	--	--	21	--	--	--
Translation difference	(1)	8	--	--	(29)	(1)	--	(23)
Balance as at 31 December 2024	(2,204)	(13,969)	(2,875)	(1,557)	(44,432)	(16,454)	--	(81,491)
Carrying amount								
As at 31 December 2023	22,244	49,924	4,946	32,362	191,891	89,256	8,509	399,132
As at 31 December 2024	29,954	161,926	6,728	31,121	196,642	107,732	1,159	535,262

8. Property, plant and equipment (continued)

In 2024, acquisition through business combination relates to the acquisition of the Romanian subsidiaries PREMIER ENERGY FURNIZARE S.A. (former CEZ Vanzare S.A.) (TEUR 390), PREMIER WIND 80 S.R.L. (TEUR 80,675) and DEVELOPMENT POWER SOLAR ENERGY S.R.L. (TEUR 1,676) as described in Note 1. The assets acquired relate mainly to the entire structure of the wind turbines, infrastructure, substation, transformers, underground cables as well as the connection costs to the grid.

Acquisitions through asset deals are attributable to ALIVE WIND POWER ONE S.R.L. and ELTEPROD WIND S.R.L. (Refer to Note 1).

In 2023, acquisitions through business combinations and asset deals amounted to TEUR 27,045. Acquisitions comprise of ENEX NALBANT RENEWABLE S.R.L., a wind electricity generation plant in Romania near the town of Nalbant (TEUR 19,044), solar plants in Romania (TEUR 5,872) and a gas distribution network in Romania (TEUR 2,129) described in Note 1.

In 2024 and 2023, additions relate to the construction of electricity networks (power stations, transformers etc.) and/or modernization of the distribution power lines along with additions to the natural gas distribution infrastructure network.

In 2024, depreciation amount of TEUR 23,615 (2023: TEUR 17,036) was recognised in profit or loss.

The Group carried out the assessment of estimated remaining useful lives and depreciation rates of property, plant and equipment as at 31 December 2024 and 31 December 2023 and no adjustment is required. Furthermore, the Group considers climate-related matters, including physical and transition risks in its assessment. The Group concluded that the useful lives of property, plant and equipment has not impacted from climate-related matters. For the useful life, refer to Note 3 (e).

The Group carried out the impairment indicators analysis and concluded that there were no impairment indicators as at 31 December 2024 and 31 December 2023.

For pledges on property, refer to Note 18, Loans and borrowings.

Fair value hierarchy

Due to the specialized nature of the gas distribution sector (regulated sector), the assets subject to valuation can only produce economic value associated with the natural gas distribution license held by the operator and with the concession contract related to the location where they are located. These conditions lead to the conclusion that these assets are specialised assets and can only produce economic value associated with certain economic entities that meet certain regulatory requirements. The assets were valued taking into account the existing regulatory framework.

The valued assets are used in a regulated sector, where operating tariffs are set and implicitly determine a certain profitability of the activity and a certain return on assets. Changes in specific regulatory legislation may occur periodically in accordance with government strategy. These changes in specific legislation may have an important impact on the estimated value of assets. The fair value measurement for all the gas distribution network has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The fair value of the gas distribution network was determined in 2023 by external, independent property values, having appropriate recognised professional qualifications and experience in the location and category of assets being valued. It was considered that the most appropriate approach for the intended purpose is the cost approach, especially due to the fact the assets subject to valuation are assets that cannot move to other locations, represent specialised assets and a relevant trading market could not be identified. During the year 2024, the Group did not perform an updated valuation, as the reassessment of key assumptions, inputs, and the model indicated that they remained appropriate.

The vast majority of assets are gas distribution networks grouped in approximately 28 locations. The asset valuation involved the Replacement Cost, Net technique. For this purpose, the gross replacement cost was first estimated using one of the following techniques:

- multiplication of the physical dimensions of these assets with the estimated unit values specific to each fixed asset (value/cubic meter, value/sqm, value/length, etc.) for the Reference Date. For example, for buildings the estimated unit cost (lei/sqm) was multiplied by the built area and for pipes and connections the estimated unit cost (lei/meter) was multiplied by its length.
- multiplication of the indexation base (consisting of the acquisition value or replacement value resulted from the last revaluation), with industrial sector specific price indexes related to the period elapsed from the moment of determining the indexation base to the Reference Date (applicable especially in the case of special constructions).

8. Property, plant and equipment (continued)

Fair value hierarchy (continued)

The net replacement cost (and thus the estimate of fair value) was determined by applying a degree of physical, functional and/or economic impairment to gross replacement value.

As regards economic obsolescence, the estimation process takes into account the ability of these assets to recover value by generating sufficient future economic benefits. In this respect, for fixed assets such as pipes and connections, a depreciation test was carried out on the initially estimated value (net replacement cost) by reference to potential future cash flows. This analysis was carried out starting from the regulatory basis in force, the operating costs accepted by ANRE, the regulated assets base (RAB) existing at the Reference Date.

The key unobservable inputs included in the revaluation report of 2023 were the inflation rate at 6% used for the growth and the WACC at 9.64% used as discount rate. The estimated fair value would increase (decrease) if a) the inflation rate was higher (lower) and b) the WACC was higher (lower). If the inflation increases/(decreases) by 0,5%, the fair value will increase/(decrease) by TEUR 2. If WACC increases/(decreases) by 1% the fair value will (decrease)/increase by TEUR 5.

Leases

The right-of-use tangible assets are recognised in accordance with IFRS 16 and are mainly represented by leased premises of Romanian offices and leased land for renewable production assets. As at 31 December 2024, the Group recorded lease liabilities related to right-of-use assets for the total amount of TEUR 10,251 (2023: 5,216). Interest expense in respect to lease liabilities for the year 2024 amounted to TEUR 381 (2023: TEUR 80). For more information, refer to Note 3 (f). For effective interest rate used and undiscounted cash flows, refer to Note 4. For reconciliation of movements of lease liabilities to cash flows arising from financing activities, refer to Note 18. For interest on lease liabilities, refer to Note 31.

In relation to the acquisition of the Romanian subsidiaries PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.), ALIVE WIND POWER ONE S.R.L. and DEVELOPMENT POWER SOLAR ENERGY S.R.L. the Group disclosed new lease liabilities in the amount of TEUR 1,637 and right-of-use asset in the amount of TEUR 1,619 as at 31 December 2024.

In relation to the acquisition of DA VINCI NEW PROJECT S.R.L. the Group disclosed new lease liabilities in the amount of TEUR 422 and right-of-use asset in the amount of TEUR 422 as at 31 December 2023.

In relation to ENERGIA MILENIULUI III S.A., the Group disclosed lease liabilities and right-of-use asset for contracts commenced on 1st December 2024 and terminate on 1st December 2060. As at 31 December 2024, the Group disclosed lease liabilities related to these leases in the total amount of TEUR 1,885 (2023: TEUR 1,738) and the right-of-use asset in the total amount of TEUR 1,910 (2023: TEUR 1,738). Interest expense in respect to these lease liabilities for the year 2024 amounted to TEUR 54 (2023: TEUR 0).

The leases typically run for a period of 1 to 20 years, except for lease of land acquired in business combination in 2022 that runs for 49 years in Romania.

Some leases provide for additional rent payments that are based on a development of inflation rate in the following years and some of them are defined in EUR, although payable in RON.

9. Cash and cash equivalents

Cash and cash equivalents

	2024	2023
	TEUR	TEUR
Current accounts	41,900	79,431
Cash on hand	38	41
Other cash equivalents	4,127	1,493
Demand deposits	38,152	307
Cash and cash equivalents in the statement of financial position	84,217	81,272
Bank overdrafts	(70,528)	--
Cash and cash equivalents in the statement of cash flows	13,689	81,272

In 2024, the increase in cash and cash equivalents is mainly attributable to the proceeds from the IPO with most of the proceeds held in short-term bank deposits with the Group having access to these funds at any time.

Bank overdrafts are mainly attributable to the acquisition of PREMIER ENERGY FURNIZARE S.A (formerly CEZ Vanzare S.A.). Bank overdrafts are pledged on bank current accounts.

In 2021, the Group's natural gas business, opened an escrow account at the Romanian Commodities Exchange (BRM) for settlement of gas transactions. It covers the next month's estimated gas purchases of the business via BRM. The contractual restriction relates only on to the use of the funds, while the Group has access and can withdraw these funds at any time. The balance of this account amounted to TEUR 1,855 as at 31 December 2024 (2023: TEUR 1,408).

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to cash and cash equivalents is described in Note 4.

10. Trade receivables

	2024	2023
	TEUR	TEUR
Current	181,911	87,240
Non-current	534	1,146
Total	182,445	88,386

The trade receivables refer mainly to distribution and sale of electricity and natural gas and works, and services performed (user installations) by the Moldovan and Romanian companies.

In 2024, the significant increase in the gross carrying amount of trade receivables is attributable mainly to the acquisition of PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.), which had a fair value of trade receivables as at 31 December 2024 of TEUR 55,768. The remaining increase is mainly attributable to Romanian natural gas business, which is in line with the strong increase in revenues from this segment.

The credit terms are generally between 30 days and 60 days. The contractual maturity analysis of trade receivables is included in Note 4.

As at 31 December 2024 and 31 December 2023, all trade receivables are measured at amortised cost under IFRS 9. Loss allowances were calculated based on a lifetime expected credit loss (ECL). For detailed classification of financial assets by credit risk, see Note 4.

The exposure of the Group to credit risk, to interest rate risk and to foreign exchange risk in relation to trade receivables is described in Note 4. The fair value of trade receivables approximates to their carrying amounts as presented above.

11 Inventories

	2024	2023
	TEUR	TEUR
Raw materials and consumables	733	751
Auxiliary materials	432	338
Gas stored held at third parties	17,348	25,099
Other	2,509	9,236
Total	21,022	35,424

During the year, the Romanian and Moldovan entities recognised raw materials and consumables used as an expense of TEUR 4,834 (2023: TEUR 4,847).

In 2024, the decrease in the value of gas held at third parties was primarily due to a reduction in the price of natural gas during the injection period (April 2024 – October 2024) compared to the previous year. The quantities of gas stored increased by 4% compared to the end of 2023, indicating a stabilization in the volumes held.

The Romanian natural gas entities pledged gas in storage as security for liabilities in the amount TEUR 17,348 (2023: TEUR 25,099) (refer to Note 17).

In 2024 and 2023 the operating activity of the Group is performed according to licenses for the distribution of energy. The Group fulfilled all the legal obligations of gas stocked in underground storage in 2024 and 2023.

As at 31 December 2024 and 2023, the Group considered there was no indication of impairment of the gas inventory: on the regulated market, the cost of gas is recognized in the final selling price of the gas according to the ANRE regulations, while on the free market the pricing scheme fully covers these costs.

12 Financial assets

Financial assets at fair value through profit or loss - equity instruments

As at 31 December 2024 and 31 December 2023, the Group held no equity instruments at fair value through profit or loss.

Financial assets at fair value through profit and loss - debt instruments

	2024	2023
	TEUR	TEUR
At 1st January	--	--
Additions	4,833	--
Gain on revaluation of financial assets in profit or loss (Note 31)	254	--
Balance at 31st December	5,087	--

On 21 November 2024 and 2 December 2024, PEPLC acquired 2,660 and 3,775 units of JTSEC Financing III a.s. for a trade value of TEUR 1,996 and TEUR 2,837, respectively. As at 31 December 2024, the fair value of the acquired bonds amounted to TEUR 5,087. The Group designated these bonds as financial assets through profit or loss with the aim to maximize profits.

Financial assets at amortised cost – other deposits

	2024	2023
	TEUR	TEUR
At 1st January	--	64
Acquisitions through business combinations	411	--
Withdrawals	(411)	(64)
Translation differences	--	--
Balance at 31st December	--	--

Deposits are used as bank loan collateral.

12 Financial assets (continued)

Restricted deposits

	2024	2023
	TEUR	TEUR
Deposits with restricted access – current	11,864	5,638
Deposits with restricted access – non-current	877	2,303
Total	12,741	7,941

Restricted deposits are used as cash collateral for guarantees for electricity supply contracts with customers, as collateral for letters of guarantees, or as bank loan collateral. As at 31 December 2024, the increase is mainly attributable to the Group's renewable energy business in Romania.

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to financial assets at amortised cost – deposits, restricted deposits and restricted cash is described in Note 4. The fair value of deposits and restricted deposits approximates to their carrying amounts as presented above.

13 Loans receivable

The Group has provided loans receivable from its related parties of TEUR 464 (2023: TEUR 305) and third parties of TEUR 3,966 (2023: TEUR 4,751) which are repayable as follows:

2024						
	Average interest rate	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total TEUR
Loans receivable	3.68%	138	143	463	3,686	4,430

2023						
	Average interest rate	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total TEUR
Loans receivable	4.14 %	54	147	1,736	3,119	5,056

During 2024, the Group provided TEUR 724 of new loans to related and third parties and received repayments at the total amount of TEUR 1,517 (including interest).

Loans receivables are measured at amortised cost under IFRS 9. Loss allowances were calculated based on a 12-month or a lifetime expected credit loss (ECL). As at 31 December 2024, loss allowances related to loans receivable amounted to TEUR 2 (31 December 2023: TEUR 7), which is attributable to loans provided to third parties.

As at 31 December 2024 and 31 December 2023, loan receivable balances from third parties of TEUR 3,968 and TEUR 4,751 were secured over shares held by minority shareholders a Cypriot subsidiary in favour of the Company under the Deed of Pledge Agreements between the Company and the minority shareholders of the Cypriot subsidiary.

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to loan receivables is described in Note 4. The fair value of loan receivables approximates to their carrying amounts as presented above.

14 Other assets

	2024	2023
	TEUR	TEUR
Financial assets		
Other assets	163,831	23,096
Subtotal financial assets	163,831	23,096
Non-financial assets		
Advances to suppliers	1,269	44
Other tax receivables	14,673	3,278
Deferred expenses and prepayments	19,776	20,927
Other assets – non-financial	3,881	12,098
Subtotal non-financial assets	39,599	36,347
Total	203,430	59,443
Current	201,195	45,386
Non-current	2,235	14,057
Total	203,430	59,443

Other non-financial assets mainly include gas delivery prepayments and guarantees for payment retained by the gas suppliers.

The significant increase in financial assets in 2024 is mainly attributable to the acquisition of PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.) related to government support schemes. As at 31 December 2024, the Group was owed over EUR 130 million in government support scheme receivables within the electricity supply business. The amounts from the Ministry of Energy and Ministry of Labor are expected to be received within a 12 months period and therefore the amount has been classified as current assets. In addition, the Group recognises financial assets due to the acquisition of DEVELOPMENT POWER SOLAR ENERGY S.R.L. in the amount of TEUR 10,228 as at acquisition date (see Note 1).

For the years 2024 and 2023, other financial assets include also guarantees provided to the Romania Commodity Exchange market. The amounts are classified within current and non-current according to the timing of the gas deliveries.

The increase in other tax receivables is attributable to the acquisition of PREMIER WIND 80 S.R.L. as described in Note 1. At the acquisition date, the Group recognised other tax receivables in the amount of TEUR 10,911.

Deferred expenses and prepayments represent mainly advances paid to energy suppliers.

The exposure of the Group to credit risk and foreign exchange risk in relation to other financial assets is described in Note 4. The fair value of other financial assets approximates to their carrying amounts as presented above.

15 **Green certificates**

	31.12.2024	31.12.2023
	TEUR	TEUR
Current	4,490	3,895
Non-current	9,988	1,090
Green certificates total	14,478	4,985

As at 31 December 2024, the increase in the value of green certificates is primarily attributable to the acquisition of PREMIER WIND 80 S.R.L. as described in Note 1. At the acquisition date, the Group recognised green certificates at the amount of TEUR 12,705.

16 **Investments in equity-accounted investees**

The Group has the following investments which were accounted for using the equity method:

	Type of equity method investment	Country of incorporation	Effective Ownership interest (%)		Carrying amount	
			2024	2023	TEUR 2024	TEUR 2023
BRASOV RENEWABLES S.R.L. ¹⁾	Associate	Romania	20.40	20.40	199	199
SOLAR ENERGY PRODUCTION S.R.L. ²⁾	Associate	Romania	10.20	--	2,115	--
					2,314	199

- 1) On 7 June 2023, the ownership interest of 40% in BRASOV RENEWABLES S.R.L. was purchased by the entity ALIVE CAPITAL S.A. The Company holds a 50.99% interest in ALIVE CAPITAL S.A.
- 2) On 19 December 2024, the ownership interest of 20% in SOLAR ENERGY PRODUCTION S.R.L. was purchased by the entity ALIVE RENEWABLE HOLDING LIMITED. The Company holds a 51% interest in ALIVE RENEWABLE HOLDING LIMITED.

The financial information relating to investments in equity-accounted investees is summarised below:

TEUR	BRASOV RENEWABLES S.R.L.		SOLAR ENERGY PRODUCTION S.R.L.	
	Associate (20.40%)	Associate (20.40%)	Associate (10.20%)	Associate (10.20%)
	2024	2023	2024	2023
Summarised balance sheet				
Non-current assets	161	471	2,029	--
Current assets	340	28	12,500	--
Non-current liabilities	--	--	(317)	--
Current liabilities	--	(1)	(14,132)	--
Net assets (100%)	501	498	80	--
NCl on net assets	--	--	--	--
Net assets attributable to equity holders	501	498	80	--
Group's share on net assets	199	199	16	--
Goodwill	--	--	2,099	--
Carrying amount of investments in equity-accounted investees	199	199	2,115	--

17 Provisions

	2024	2023
	TEUR	TEUR
Provisions for litigations and claims	1,350	1,018
Untaken holiday	3,073	1,572
Decommissioning provision	5,420	1,358
Tax risks	1,767	3,940
Other	673	1,037
Provisions total	12,283	8,925
Non-current provisions	9,703	6,227
Current provisions	2,580	2,698
Provisions total	12,283	8,925

For description of contingencies and commitments, refer to Note 34 and Note 35.
The movements in provisions in 2024 and 2023 are shown in the following tables:

	Provisions for litigations and claims	Untaken holiday	Tax risks	Decommis- sioning provision	Other	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance as at 1 January 2024	1,018	1,572	3,940	1,358	1,037	8,925
Provisions created during the year	--	5,215	--	347	527	6,089
Provisions used during the year	(288)	(4,659)	--	--	(890)	(5,837)
Provisions reversed during the year	(161)	--	(2,173)	(58)	(15)	(2,407)
Acquisitions through business combinations	779	943	--	3,772	15	5,509
Translation differences	2	2	--	1	(1)	4
Balance as at 31 December 2024	1,350	3,073	1,767	5,420	673	12,283

	Provisions for litigations and claims	Untaken holiday	Tax risks	Decommis- sioning provision	Other	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance as at 1 January 2023	1,015	1,772	--	1,436	--	4,223
Provisions created during the year	17	2,246	3,963	60	1,037	7,323
Provisions used during the year	(54)	(2,488)	--	--	--	(2,542)
Provisions reversed during the year	--	--	--	(447)	--	(447)
Acquisitions through business combinations	--	--	--	319	--	319
Translation differences	40	42	(23)	(10)	--	49
Balance as at 31 December 2023	1,018	1,572	3,940	1,358	1,037	8,925

17

Provisions (continued)

Acquisitions through business combinations are attributable to wind park in 2024 (decommissioning provision of TEUR 3,772) mainly due to the acquisition of PREMIER WIND 80 S.R.L (2023: decommissioning provision of TEUR 319). The Group recognized decommissioning of tangible assets starting with the date of the acquisition. The wind park has an obligation to bring the leased land for the construction of wind turbines to its original state. The effects of the changes in the assumptions underlying the decommissioning costs are recognized prospectively by recording an adjustment of the decommissioning provision, as well as by a corresponding adjustment of the amount of tangible assets to which the decommissioning provision refers. Annually, the provisions for the decommissioning of tangible assets are updated for any changes in the estimated decommissioning costs until the moment of making the expense, as well as from the point of view of the time value of the money. The effect of updating the decommissioning provision over time is presented in financial expenses.

In addition, the Group recognizes provision from legal claims made against the operating companies by their customers in the normal course of business. Litigation provisions are recognized when management estimates that the Group is exposed to a cash outflow as a result of an unfavorable court ruling. During 2024, management did not recognise any provision (2023: TEUR 1,015) after considering legal advice since it believes that the outcome of these legal claims will not give rise to any significant loss.

In 2024, the Group recognized a provision of TEUR 5,215 in respect to untaken holiday from its employees (2023: TEUR 1,772). The provision is made based on the employment contracts. The Group expects to settle the majority of this liability over the next year.

In 2024, the Group reversed the tax risk provision of TEUR 3,940, which was recognised during the year 2023 in respect to energy taxation in Romania.

18 Loans and borrowings

Liabilities due to non-banks

The contractual terms of the Group's non-bank loans are summarised below. For more information about the Group's exposure to liquidity risk, interest rate and foreign currency risk, please refer to Note 4.

	2024	2023
	TEUR	TEUR
Loans from related parties	--	547
Loans from third parties	175	771
	175	1,318

Non-bank loans are payable as follows:

TEUR	Amount as at 31 December 2024	Payable in 1 year	Payable in more than 1 year
Loans from related parties	--	--	--
Loans from third parties	175	175	--
	175	175	--

TEUR	Amount as at 31 December 2023	Payable in 1 year	Payable in more than 1 year
Loans from related parties	547	547	--
Loans from third parties	771	771	--
	1,318	1,318	--

2024	Currency	Maturity	Interest rate	Outstanding principal and interest TEUR
A. Loan from third party	EUR	2025	0.00%	15
B. Loan from third party	RON	2025	5.00%	126
C. Loan from third party	RON	2025	0.00%	34
				175

2023	Currency	Maturity	Interest rate	Outstanding principal and interest TEUR
A. Loan from third party	EUR	2024	6.65%	547
				547
A. Loan from third party	EUR	2024	0.00%	652
B. Loan from third party	RON	2024	11.44%	119
				771

As at 31 December 2024 and 31 December 2023, the Group's loans were unsecured.

The fair value of liabilities due to non-banks approximates to their carrying amounts as presented above.

18 **Loans and borrowings (continued)**

Liabilities due to banks and other financial institutions

The Group's liabilities due to banks and other financial institutions as of 31 December 2024 amount to TEUR 213,863 (2023: TEUR 153,475). The details are described below:

			2024	2023
			TEUR	TEUR
Non-current bank loans			157,506	100,379
Current bank loans			56,357	53,096
			213,863	153,475

			2024	2023
			Outstanding principal and interest	Outstanding principal and interest
			TEUR	TEUR
	Currency	Maturity		
A Secured bank loan	EUR	2024: 31.12.2025 (2023: 31.12.2024)	33,694	31,804
B Secured bank loan	MDL	2024: 15.05.2026 (2023: 17.05.2024)	2,486	1,618
C Secured bank loan	USD	03.03.2031	14,016	5,711
D Secured bank loan	USD	02.03.2031	13,127	5,776
E Secured bank loan	MDL	31.01.2028	449	580
F Secured bank loan	EUR	17.03.2029	--	16,293
G Secured bank loan	EUR	2024: 29.06.2029 (2023: 30.06.2027)	62,230	83,643
H Secured bank loan	EUR	05.12.2030	907	238
I Secured bank loan	EUR	28.02.2030	--	7,812
J Secured bank loan	MDL	30.12.2033	8,318	--
K Secured bank loan	EUR	17.07.2034	15,733	--
L Secured bank loan	EUR	17.07.2034	34,568	--
M Secured bank loan	MDL	18.12.2026	8,443	--
N Secured bank loan	EUR	10.01.2034	2,047	--
O Secured bank loan	EUR	15.04.2034	12,909	--
P Secured bank loan	EUR	17.08.2037	3,325	--
Q Secured bank loan	RON	28.02.2025	1,611	--
			213,863	153,475

The interest rates on the bank loans listed above are variable and based on market conditions. Euro-denominated loans bear interest rates ranging from EURIBOR + 2.10% to EURIBOR + 3.85%. The USD - denominated loans bear interest rates 2.80% + 6M CME TERM SOFR and 5.00% + Compounded SOFR Index Rate. The MDL- denominated loans bear interest rates of 4.60% based on NBM MDL reference index and the RON – denominated bears interest rate of 2.75% + ROBOR.

18

Loans and borrowings (continued)

Liabilities due to banks and other financial institutions (continued)

There are covenants to be fulfilled related to secured bank loans. As at 31 December 2024 and 2023, there were no breaches of covenant conditions.

As at 31 December 2024, the Group's bank loans were secured as follows:

- Bank loan A is secured by pledge on receivables and bank accounts, pledge on gas in storage (refer to Note 11, Inventories) and pledge on 3,634,094 shares of Romania subsidiary, representing a share of 51.23% of the total number of shares of this subsidiary.
- Bank loan G was secured by pledge on Company's shares held by EMMA ALPHA HOLDING LTD. On 21 March 2024, the Company's shares were irrevocably and unconditionally released and discharged from the security pledge. On 11 July 2024, the loan was secured by pledge on the shares held by the Company over the Cypriot subsidiaries LIGATNE LIMITED and JOSECO HOLDINGS CO. LIMITED.
- Bank loans B, C, D, E, F, H, I, J, K, L, M, N, O, P and Q are secured by pledge on receivables and bank accounts, pledge on defined immovable assets, equipment and first rank movable mortgage on the shares of the respective subsidiaries.

As at 31 December 2023, the Group's bank loans were secured as follows:

- Bank loan A is secured by pledge on receivables and bank accounts, pledge on gas in storage (refer to Note 11, Inventories) and pledge on 3,634,094 shares of Romania subsidiary, representing a share of 51.23% of the total number of shares of this subsidiary.
- Bank loan G is secured by pledge on 99,994 shares of the Company representing a share of 99.994% of the total number of shares of the Company. In addition, the loan is secured over a corporate guarantee provided by EMMA ALPHA HOLDING LTD.
- Bank loans B, C, D, E, F, H and I are secured by pledge on receivables and bank accounts, pledge on defined immovable assets, equipment and first rank movable mortgage on the shares. F Bank loan is also attached with a corporate guarantee provided by parent company.

Bonds issued

As a result of the acquisition of the 51% stake in the Romanian ALIVE CAPITAL S.A subsidiary on 24 February 2022, the Group recognized bonds issued of TEUR 2,021. The Romanian subsidiary issued bonds MTS ALV23 (ISIN RO5HFLV9R1X2) on 31 December 2020, at a total nominal value of TRON 10,000, which were accepted for trading on the Bucharest Stock Exchange. The Bonds were repaid on 23 December 2023.

The Bonds bore a fixed interest rate of 8.00% p.a. The interest expense for 2023 related to the bonds issued was TEUR 160 (refer to note 31, Net Finance income/expenses).

There were covenants to be fulfilled related to the bonds. There were no breaches of covenant conditions.

The fair value of liabilities due to banks and other financial institutions approximates to their carrying amounts, as presented above.

The exposure of the Group to liquidity risk, interest rate risk and foreign exchange risk in relation to bank loans is described in Note 4.

Financial Covenants

The Group's financing agreements include a range of undertakings and restrictions related to different legal entities (subject to many certain exceptions and carve-outs) including, inter alia, restrictions on the ability to provide security or guarantees, restrictions on investments and disposals of assets, restrictions on declaring or paying dividends or any other distributions, restrictions on entering into any amalgamation, merger, demerger or other corporate reconstruction, and restrictions on incurring or allowing to remain outstanding any financial indebtedness. The finance documents in some cases also include, among others, undertakings to observe certain financial covenants and a variety of events of default, including cross default provisions. The Group currently fully complies with all such covenants and undertakings.

18

Loans and borrowings (continued)

Reconciliation of movements of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities in 2024 and 2023 is described below:

	Bank overdrafts	Loans and borrowings	Lease liabilities	Restricted deposits	Equity	Total
Balance at 1 January 2024	--	154,793	5,216	(7,941)	404,985	557,053
Changes from financing cash flows						
Proceeds from issue of share capital	--	--	--	--	90,341	90,341
Transactions NCI without change in control	--	--	--	--	(1,667)	(1,667)
Capital contributions from NCI to equity of subsidiaries	--	--	--	--	1,253	1,253
Dividends paid	--	--	--	--	(1,833)	(1,833)
Proceeds from interest-bearing loans and borrowings	--	196,022	--	--	--	196,022
Repayments of interest-bearing loans and borrowings	--	(137,004)	--	--	--	(137,004)
Payment of lease liabilities	--	--	(940)	--	--	(940)
Total changes from financing cash flows	--	59,018	(940)	--	88,094	146,172
Changes arising from obtaining or losing control of subsidiaries or other businesses	30,981	343	4,561	--	479	36,364
The effect of changes in foreign exchange rates	--	1,203	(2)	--	295	1,496
Other changes						
Change in bank overdraft	39,547	--	--	--	--	39,547
Change in restricted deposits related to operating activities	--	--	--	(4,800)	--	(4,800)
Interest expense	--	15,341	381	--	--	15,722
Interest paid	--	(17,240)	(1)	--	--	(17,241)
New lease agreements	--	--	1,036	--	--	1,036
Capitalised borrowing costs	--	580	--	--	--	580
Total liability-related other changes	39,547	(1,319)	1,416	(4,800)	--	34,844
Total equity-related other changes	--	--	--	--	24,212	24,212
Balance at 31 December 2024	70,528	214,038	10,251	(12,741)	518,065	800,141

18

Loans and borrowings (continued)

Reconciliation of movements of liabilities (continued)

	Loans and borrowings	Bonds and notes issued	Lease liabilities	Restricted deposits	Equity	Total
Balance at 1 January 2023	144,987	2,020	3,722	(15,380)	334,915	470,264
Changes from financing cash flows						
Transactions NCI without change in control	--	--	--	--	(7)	(7)
Capital contributions from NCI to equity of subsidiaries	--	--	--	--	1,289	1,289
Dividends paid	--	--	--	--	(28,748)	(28,748)
Bonds repaid	--	(2,022)	--	--	--	(2,022)
Proceeds from interest-bearing loans and borrowings	94,941	--	--	--	--	94,941
Repayments of interest-bearing loans and borrowings	(86,870)	--	--	--	--	(86,870)
Payment of lease liabilities	--	--	(720)	--	--	(720)
Total changes from financing cash flows	8,071	(2,022)	(720)	--	(27,466)	(22,137)
Changes arising from obtaining or losing control of subsidiaries or other businesses	278	--	639	--	5,767	6,684
The effect of changes in foreign exchange rates	(144)	2	--	--	8,064	7,922
Other changes						
Change in bank overdraft	--	--	--	--	--	--
Change in restricted deposits related to operating activities	--	--	--	7,439	--	7,439
Interest expense	10,052	160	80	--	--	10,292
Interest paid	(8,451)	(160)	(80)	--	--	(8,691)
New lease agreements	--	--	1,575	--	--	1,575
Modifications of lease agreements	--	--	--	--	--	--
Total liability-related other changes	1,601	--	1,575	7,439	--	10,615
Total equity-related other changes	--	--	--	--	83,705	83,705
Balance at 31 December 2023	154,793	--	5,216	(7,941)	404,985	557,053

19

Trade payables

The Group's trade payables as of 31 December 2024 amounting TEUR 69,790 (2023: TEUR 46,778) consist mainly of payables to gas and electricity suppliers.

	2024	2023
	TEUR	TEUR
Current	69,714	46,740
Non-current	76	38
Total	69,790	46,778

The increase in trade payables is attributable mainly to the acquisition of PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.). Trade payables are non-interest bearing and are normally settled between 30 days and 60 days.

The fair value of trade and other payables approximates to their carrying amounts as presented above. For more information about the Group's exposure to liquidity and foreign currency risk, refer to Note 4.

20 **Other liabilities**

	2024	2023
	TEUR	TEUR
Financial liabilities		
Accrued expenses	64,652	11,064
Other liabilities	17,783	7,921
Subtotal financial liabilities	82,435	18,985
Non-financial liabilities		
Deferred income	50,145	37,184
Other tax payable	22,465	8,034
Advances received	--	--
Wages and salaries	1,688	1,430
Social security and health insurance	707	411
Subtotal non-financial liabilities	75,005	47,059
Total	157,440	66,044
Current	106,641	28,004
Non-current	50,799	38,040
Total	157,440	66,044

Accrued expenses are represented notably by liabilities related to the electricity purchases by the Moldovan and Romanian subsidiaries and to natural gas and renewable energy purchases by the Romanian subsidiaries. As at 31 December 2024, the significant increase is mainly attributable to the new acquisition of the Romanian subsidiary PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.). It included within the accrued expenses amounts related to the provision for the obligation of purchasing green certificates. As an electricity supplier, the Group has the legal obligation to purchase a number of green certificates calculated by multiplying the mandatory annual quota established by the regulator with the quantity of energy supplied to final consumers. ANRE sets the annual level of the mandatory quota for the purchase of green certificates. The annual quota provided for 2024 is of 0.4944765 green certificates per MWh (quota applicable 2023: 0,4943963 green certificates per MWh).

The significant increase in total other liabilities is mainly attributable to the new acquisitions, PREMIER ENERGY FURNIZARE S.A., as well as to PREMIER WIND 80 S.R.L. At the acquisition date of PREMIER WIND 80 S.R.L, the Group recognised other liabilities at the amount of TEUR 3,391 and an amount of TEUR 59,312 due to acquisition of PREMIER ENERGY FURNIZARE S.A.

As at 31 December 2024 and 2023, the balance of deferred income is notably represented by liabilities related to the electricity activity of the Moldovan subsidiaries, and of natural gas by the Romanian. The increase during the year 2024 relates also to the acquisition of DEVELOPMENT POWER SOLAR ENERGY S.R.L., which the Group recognises an amount of TEUR 10,360 as at acquisition date (see Note 1).

The Accrued expenses are represented notably by liabilities related to the electricity purchases by the Moldovan subsidiaries and to natural gas purchases by the Romanian subsidiaries.

The fair value of other liabilities approximates their carrying amounts as presented above. For more information about the Group's exposure to liquidity and foreign currency risk, refer to Note 4.

21 **Deferred tax liability and asset**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2024	2023
	TEUR	TEUR
Deferred tax assets	8,316	438
Deferred tax liabilities	(29,002)	(22,579)
Net deferred tax liabilities	(20,686)	(22,141)

The recognised deferred tax assets and liabilities are attributable mainly to property, plant and equipment and intangible assets. The detail is summarized in the table below:

	2024	2023
	TEUR	TEUR
Property, plant and equipment	(21,287)	(20,130)
Intangible assets	(4,770)	(2,498)
Tax losses carried-forward	4,988	439
Provisions	3,106	--
Other items	(2,723)	48
Net deferred tax liabilities	(20,686)	(22,141)

	2024	2023
	TEUR	TEUR
Deferred tax assets		
Expected to reverse within 12 months	--	--
Expected to reverse after 12 months	8,316	438
Subtotal deferred tax assets	8,316	438
Deferred tax liabilities		
Expected to reverse within 12 months	--	--
Expected to reverse after 12 months	(29,002)	(22,579)
Subtotal deferred tax liabilities	(29,002)	(22,579)
Net deferred tax liabilities		
Expected to reverse within 12 months	--	--
Expected to reverse after 12 months	(20,686)	(22,141)
Net deferred tax liabilities	(20,686)	(22,141)

Unrecognised deferred tax assets of TEUR 1,814 (2023: TEUR 1,348) resulting from tax losses carried-forward in total amount of TEUR 14,677 are attributable mainly to Cypriot entities (refer also to Note 32).

Deferred tax assets and liabilities are generally expected to be reversed after 12 months as they result mainly from non-current assets and their reversal or settlement within the next 12 months are not certain.

21

Deferred tax liability and asset (continued)

Movements in temporary differences during the year 2024 were as follows:

TEUR	Balance at 1 January	Recognized in profit or loss	Additions resulting from business combinations	Recognized in OCI	Recognized directly in equity	Effect of movements in foreign exchange rate	Balance at 31 December
		(Note 32)	(Note 1)				
Property, plant and equipment	(20,130)	2,799	(3,931)	--	--	(25)	(21,287)
Intangible assets	(2,498)	(2,272)	--	--	--	--	(4,770)
Tax losses carried-forward	439	4,560	--	--	--	(11)	4,988
Provisions	--	3,107	--	--	--	(1)	3,106
Other items	48	(2,768)	--	--	--	(3)	(2,723)
Total	(22,141)	5,426	(3,931)	--	--	(40)	(20,686)

Movements in temporary differences during the year 2023 were as follows:

TEUR	Balance at 1 January	Recognized in profit or loss	Additions resulting from business combinations	Recognized in OCI	Recognized directly in equity	Effect of movements in foreign exchange rate	Balance at 31 December
		(Note 32)	(Note 1)				
Property, plant and equipment	(11,542)	(4,484)	(1,923)	(1,697)	--	(484)	(20,130)
Intangible assets	(6,723)	4,905	(690)	--	--	10	(2,498)
Tax losses carried-forward	1,250	(854)	--	--	--	43	439
Derivative financial instruments	641	(641)	--	--	--	--	--
Other items	(1,203)	1,283	--	--	--	(32)	48
Total	(17,577)	209	(2,613)	(1,697)	--	(463)	(22,141)

22

Operating derivative instruments – commodity contracts

Movements of derivatives during the year 2024 and 2023 were as follows:

	2024	2023
TEUR	TEUR	TEUR
Balance at 1 January	--	(654)
Acquisitions through business combinations	--	--
Settlement of derivatives	--	654
Change in fair value of derivatives	--	--
Balance at 31 December	--	--

Fair value of derivative financial instruments was disclosed for commodity contracts for gas in Romania that did not qualify for application of "own-use" exemption as at 31 December 2022. No contracts were designated as hedging derivatives. Fair value was determined on the basis of market data, available from external contributors and are classified at Level 2 for gas. Income approach was used as valuation model. Values were determined based on the future cash flows using a risk-free rate considering the maturity of the contracts, energy prices obtained gas prices from Romania Commodity Exchange and estimated quantities.

23 Equity

Share capital

	2024 Number of shares	2024 EUR	2023 Number of shares	2023 EUR
Authorised				
Balance at 1 January	100,001	100,001	100,001	100,001
Issue of shares (Ordinary shares of EUR 1 each)	40,000	40,000	--	--
Balance at 9 April 2024 (before share split)	140,001	140,001	--	--
Share split (Ordinary shares from EUR 1 to EUR 0.001)	140,001,000	140,001	--	--
Balance at 31 December	140,001,000	140,001	100,001	100,001
Issued and fully paid				
Balance at 1 January	100,001	100,001	100,001	100,001
Share split (Ordinary shares from EUR 1 to EUR 0.001)	100,001,000	100,001	--	--
Issue of shares (Ordinary shares of EUR 0.001 each)	25,000,250	25,000	--	--
Balance at 31 December	125,001,250	125,001	100,001	100,001

Authorised capital

As at 31 December 2023, the Company's authorised share capital of EUR 100,001 was composed of 100,001 authorised ordinary shares with a nominal value of EUR 1 each. The Company's issued and fully paid share capital of EUR 100,001 was composed of 100,001 issued ordinary shares with a nominal value of EUR 1 each.

On 9 April 2024, the Company increased its authorized share capital from EUR 100,001 divided into 100,001 ordinary shares of EUR 1 each to EUR 140,001 divided into 140,001 ordinary shares of nominal value of EUR 1 each by the creation of 40,000 additional authorized shares with a nominal value of EUR 1 each. On the same day, the Company subdivided its authorized share capital into shares of a smaller amount via a 1 to 1,000 stock split. The Company's authorized share capital was therefore subdivided into 140,001,000 ordinary shares of nominal value of EUR 0.001 each.

Issued capital

On 9 April 2024, the Company's issued share capital was subdivided from EUR 100,001 divided into 100,001 ordinary shares of EUR 1 each to 100,001,000 ordinary shares of nominal value EUR 0.001 each.

On 28 May 2024, PREMIER ENERGY PLC completed an IPO on the Bucharest Stock Exchange (BVB) by raising both primary and secondary proceeds. The offering was carried out between 8 and 15 May and it was the first mixed IPO on the BVB, meaning that out of the 35.9 million shares sold, 25 million were newly issued shares, 6.25 million shares were sold by the sole shareholder, EMMA ALPHA HOLDING LTD, while 4.7 million shares were overallocated and sold by the sole shareholder.

The holders of ordinary shares are entitled to receive dividends as approved in the general meeting from time to time and are entitled to one vote per share at meetings of the Company.

The ordinary shares shall confer on their holders the following rights:

- The right to receive notice, attend and vote at any proposed General Meeting and/or proposed resolution of the General Meeting and/or any proposed unanimous written resolution of the General Meeting.
- The right to receive dividends in accordance with Regulations 112-114A.
- On a return of assets on liquidation of the Company, reduction of capital or otherwise, the right to receive assets corresponding to (i) the nominal value of the ordinary shares and (ii) to the amount remaining payable as provided for in Regulation 114A (c).

23 **Equity (continued)**

Share premium

As at 31 December 2024, the Company's share premium amounted to TEUR 112,773 (31 December 2023: TEUR 22,457) due to the IPO.

Common control transaction reserve

The common control transaction reserve balance as at 31 December 2024 and 31 December 2023 of negative TEUR (5,018) resulted from the 2020 transfer of shares in LIGATNE LIMITED from EMMA ALPHA HOLDING LTD to the Company under common control.

Revaluation reserve

The revaluation reserve arises on the revaluation of Gas distribution networks to fair value. The revaluation reserve balance as at 31 December 2024 and 31 December 2023 of TEUR 46,790 represents total revaluation of TEUR 55,703 and tax effect TEUR (8,913) for both 31 December 2024 and 31 December 2023.

Translation reserve

The translation reserve balance as at 31 December 2024 of TEUR 226 (2023: TEUR (18)) represents notably foreign exchange differences arising from the translation of the financial statements of the subsidiaries with a functional currency other than EUR.

Legal reserve

The legal reserve balance as at 31 December 2024 of TEUR 3,601 (31 December 2023: TEUR 3,434) represents the amount required by the Romanian and Moldovan states to protect the Group against future financial losses. The Group is in compliance with the specific requirements.

IPO expenses

During the IPO process, the Company paid commission fees on the gross proceeds from the newly issued shares amounting to TEUR 3,645, which were deducted from the share premium account. In addition, an amount of TEUR 855, also related to the issuance of new shares, was deducted from the share premium. From the remaining IPO-related expenses, the Company deducted from the share premium an amount of TEUR 2,352, calculated based on the ratio of the number of new shares to the total number of shares.

Dividends paid

During 2024, the Company did not distribute dividends to its shareholders (2023: TEUR 18,000). Interim dividends in the total amount of TEUR 1,833 (2023: TEUR 10,748) were distributed to minority shareholders of subsidiaries.

Dividends per share

Dividends paid to the company's shareholders:

	2024	2023
	TEUR	TEUR
Total dividends paid to the Company's shareholders	--	18,000
Total dividends paid to the Group's parent company	--	18,000
Weighted average number of ordinary shares issued	114,584	100,001
Dividends per ordinary share attributable to the owners of the Company, basic and diluted (in TEUR per share)	--	0.180

23 Equity (continued)

Earnings per share

Basic and diluted earnings per share 2024 and 2023

Profit attributable to ordinary shareholders

	2024	2023
	TEUR	TEUR
Profit for the year attributable to ordinary shareholders	22,453	65,871
Profit attributable to ordinary shareholders	22,453	65,871
Weighted average number of ordinary shares issued (in thousands)	114,584	100,001
Earnings per ordinary share attributable to the owners of the Company, basic and diluted (in EUR per share)	0.196	0.659

Weighted average number of ordinary shares 2024

<i>In pieces of shares</i>	Ordinary shares	Weight	Weighted average
Issued ordinary shares at 1 January 2024	100,001,000	360	100,001,000
Effect of ordinary shares issued on IPO	25,000,250	210	14,583,479
Weighted average number of ordinary shares as at 31 December 2024			114,584,479

Weighted average number of ordinary shares 2023

<i>In pieces of shares</i>	Ordinary shares	Weight	Weighted average
Issued ordinary shares at 1 January 2023	100,001,000	360	100,001,000
Weighted average number of ordinary shares as at 31 December 2023			100,001,000

24 **Non-controlling interest**

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2024.

TEUR	TRUE ENERGY MANAGEMENT S.R.L.	ECOENERGIA S.R.L.	Subtotal	TOTAL
NCI percentage				
Non-current assets	14,134	30,436		
Current assets	2,269	5,644		
Non-current liabilities	--	(576)		
Current liabilities	(11,302)	(9,734)		
Net assets	5,101	25,770		
Net assets attributable to NCI	1,275	5,154	6,429	40,176
Revenue	6,308	14,611		
Profit / (loss)	(220)	2,186		
OCI	24	5		
Total comprehensive income	(196)	2,191		
Profit / (loss) allocated to NCI	(77)	437	360	1,763
OCI allocated to NCI	6	1	7	51

TEUR	ALIVE RENEWABLE HOLDING Group	ALIVE CAPITAL Kft	ALIVE WIND POWER ONE SRL	Subtotal
NCI percentage				
Non-current assets	12,796	--	19,900	
Current assets	10,771	342	619	
Non-current liabilities	(12,270)	--	(11,655)	
Current liabilities	(9,992)	(9)	(9,144)	
Net assets	1,305	333	(280)	
Net assets attributable to NCI	883	163	(98)	948
Revenue	--	--	2,097	
Profit / (loss)	(28)	(33)	(280)	
OCI	2	(16)	--	
Total comprehensive income	(26)	(49)	(280)	
Profit / (loss) allocated to NCI	(14)	(17)	(98)	(129)
OCI allocated to NCI	1	(8)	--	(7)

TEUR	ALIVE CAPITAL S.A.	ENERGIA MILENIULUI III S.A.	JOSECO HOLDINGS Group	Subtotal
NCI percentage				
Non-current assets	32,947	10,951	238,875	
Current assets	51,604	399	30,818	
Non-current liabilities	(19,704)	(6,567)	(65,432)	
Current liabilities	(30,641)	(324)	(39,022)	
Net assets	34,206	4,459	165,239	
Net assets attributable to NCI	16,761	1,488	11,996	30,245
Revenue	221,203	--	475,759	
Profit / (loss)	5,678	(314)	(17,005)	
OCI	12	3	592	
Total comprehensive income	5,690	(311)	(16,413)	
Profit / (loss) allocated to NCI	2,782	(105)	(1,235)	1,442
OCI allocated to NCI	6	1	43	50

24

Non-controlling interest (continued)

TEUR	LIGATNE GAS S.R.L.	ENEX NALBANT RENEWABLE S.R.L.	ALIVE CAPITAL D.O.O. Beograd	Subtotal
NCI percentage				
Non-current assets	3,137	17,885	10	
Current assets	3,648	1,639	2,399	
Non-current liabilities	(681)	(2,019)	--	
Current liabilities	(2,969)	(7,841)	(1,141)	
Net assets	3,135	9,664	1,268	
Net assets attributable to NCI	--	1,933	621	2,554
Revenue	9,083	2,982	2,946	
Profit / (loss)	449	530	(32)	
OCI	--	--	2	
Total comprehensive income	449	530	(30)	
Profit / (loss) allocated to NCI	--	106	(16)	90
OCI allocated to NCI	--	--	1	1

24

Non-controlling interest (continued)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2023.

TEUR	TRUE ENERGY MANAGEMENT S.R.L.	ECOENERGIA S.R.L.	Subtotal	TOTAL
NCI percentage	40.00%	20.00%		
Non-current assets	11,245	33,033		
Current assets	1,512	9,509		
Non-current liabilities	--	(14,074)		
Current liabilities	(7,433)	(4,884)		
Net assets	5,324	23,584		
Net assets attributable to NCI	2,130	4,717	6,847	39,247
Revenue	--	(8,017)		
Profit / (loss)	(645)	5,714		
OCI	(30)	(125)		
Total comprehensive income	(675)	5,589		
Profit / (loss) allocated to NCI	(258)	1,143	885	13,091
OCI allocated to NCI	(12)	(25)	(37)	495

TEUR	ALIVE CAPITAL S.A.	ENERGIA MILENIULUI III S.A.	JOSECO HOLDINGS Group	Subtotal
NCI percentage	49.00%	20.00%	7.26%	
Non-current assets	24,852	10,083	217,923	
Current assets	36,251	277	71,717	
Non-current liabilities	(7,836)	(1,738)	(35,856)	
Current liabilities	(24,750)	(3,847)	(47,043)	
Net assets	28,517	4,775	206,741	
Net assets attributable to NCI	13,973	1,592	15,009	30,574
Revenue	180,496	--	532,013	
Profit / (loss)	16,558	(126)	54,263	
OCI	(188)	(27)	8,967	
Total comprehensive income	16,370	(153)	63,230	
Profit / (loss) allocated to NCI	8,112	(42)	3,940	12,010
OCI allocated to NCI	(92)	(9)	650	549

TEUR	LIGATNE GAS S.R.L.	ENEX NALBANT RENEWABLE S.R.L.	ALIVE CAPITAL D.O.O. Beograd	Subtotal
NCI percentage	0.04%	20.00%	49.01%	
Non-current assets	2,623	18,500	2	
Current assets	4,269	913	1,326	
Non-current liabilities	(544)	(6,964)		
Current liabilities	(4,003)	(3,312)	(1,331)	
Net assets	2,345	9,137	(3)	
Net assets attributable to NCI	--	1,827	(1)	1,826
Revenue	7,221	232	--	
Profit / (loss)	151	1,008	(13)	
OCI	--	(85)	--	
Total comprehensive income	151	923	(13)	
Profit / (loss) allocated to NCI	--	202	(6)	196
OCI allocated to NCI	--	(17)	--	(17)

25

Revenues and expenses related to core operations

Revenue streams and related expenses including operating derivatives

	2024	2023
	TEUR	TEUR
Revenues from renewable energy	191,742	181,405
Revenues from sale of green certificates	36,535	4,832
Revenues from gas distribution and supply	360,481	299,950
Revenues from electricity distribution and supply	625,297	425,788
Revenues	1,214,055	911,975
Cost of renewable energy sold	(165,537)	(127,427)
Green certificates sold	(36,009)	(4,101)
Cost of gas sold	(327,897)	(290,734)
Cost of electricity sold	(482,783)	(280,045)
Transportation of electricity	(174,834)	(36,295)
Costs of electricity, gas and transportation	(1,187,060)	(738,602)

In 2024 and 2023, the revenue from the distribution and supply of electricity is generated mainly by the Moldovan companies as well as the acquisition of PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.).

As described in Note 1, at the end of each year, ANRE can recalculate the actual tariff for the distribution and supply of electricity in Moldova using the actual costs and CAPEX incurred for the respective year and the difference can be taken into account (added or deducted) in the tariffs set for the next year. These tariff deviations for a year are generated by the difference between the revenues billed from electricity distributed and supplied at the regulated tariffs approved by ANRE and the total costs and returns for the year calculated according to the methodology based on the actual costs and CAPEX incurred in that year. As a result of higher cost of procured electricity in the last two months of 2024 and until these prices were fully implemented and transferred into the tariff to end consumers in January 2025, the supply of electricity by the fully regulated company in Moldova experienced significant under-recovery tariff deviations (significantly lower revenues and profits than it should have from a regulatory perspective), ending 2024 with a significant under-recovery tariff deviation. This is in contrast to 2023, when the subsidiary ended the year with a significant over-recovery tariff deviation (earning more profits than it should have from a regulatory perspective in 2023).

Revenues include other income related to core business.

In 2024 and 2023, the revenue from the distribution and supply of electricity comprises also revenues of TEUR 23,091 (2023: TEUR 6,131) from sales of electricity in Romania included in the reportable segment Natural Gas. In addition, during 2024 included within the revenue from sale of gas was an amount of TEUR 12,020 which was reported within the Electricity Supply segment.

In 2024, the quantities of gas sold are 8.9 million MWh (2023: 6.1 million MWh).

The costs of gas sold comprise the acquisition price of the gas sold, and the transportation tariffs charged by Transgaz. During the year ended 31 December 2024, the Group purchased 8.5 million MWh of gas at an average price of 30.5 EUR / MWh (2023: 6.0 million MWh of gas at an average price of 40 EUR / MWh), including the transportation tariffs charged by Transgaz.

Construction-related revenue related to the natural gas network in Romania and included in the revenues from gas distribution and supply above in 2024 was TEUR 1,580 (2023: TEUR 737).

For information about the reportable segments, including geographic concentration, refer to Note 6.

25

Revenues and expenses related to core operations (continued)

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	2024	2023
	TEUR	TEUR
Trade receivables	182,445	88,386
Contract assets	--	779
Contract liabilities	(49,094)	(17,574)

Contract assets relate to the Group's right to consideration from end users in relation to connection works in progress. There was no impact on contract asset as a result of an acquisition of subsidiary nor any impairment charge.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time. This will be recognized as revenue when the gas is actually delivered, in the case of gas advances, or when the works are completed, in the case of advances for network extensions/connections.

The amount of TEUR 17,574 included in contract liabilities as at 31 December 2023 has been recognised as revenue in 2024 (2023: TEUR 11,169).

26

Services and material expenses

	2024	2023
	TEUR	TEUR
Professional services	(6,069)	(3,245)
Auditor's remuneration	(2,122)	(1,293)
Advertising and marketing	(932)	(1,190)
Taxes, other than income tax	(5,517)	(2,990)
Rental, maintenance and repair expenses	(11,929)	(10,076)
Telecommunication and postage	(4,628)	(1,305)
Travel expenses	(493)	(332)
Information technologies	(4,113)	(1,623)
Distribution, transport and storage of goods	(10,052)	(6,117)
Energy consumption	(382)	(328)
Provision for tax risks	--	(3,940)
Other	(16,227)	(13,582)
Services and material expenses	(62,464)	(46,021)

Professional services expenses represent administration expense, accounting services expense and advisory expense.

The total fees charged by Ernst & Young Cyprus Limited ("EY Cyprus") for audit services provided on the annual statutory audit of the parent separate and consolidated financial statements of the Company for the year ended 31 December 2024 amounted to TEUR 219 and TEUR 75 as additional fees for audit of 2023 financial statements (2023: TEUR 147 for the audit of the 2023 financial statements and TEUR 890 for the Group re-audit of the 2021 and 2022 consolidated financial statements). In addition, the following fees charged by EY Cyprus for other services for the year ended 31 December 2024: TEUR 21 for IPO-related services and TEUR 750 for IPO-related services deducted from share premium (2023: TEUR 0) for other assurance services, TEUR 0 (2023: TEUR 0) for tax advisory services and TEUR 140 (2023: TEUR 0) for non-assurance services. These are included in the Auditor's remuneration.

27

Personnel expenses

	2024	2023
	TEUR	TEUR
Employee compensation	(35,189)	(25,700)
Payroll related taxes (including social and pension contribution)	(3,792)	(3,061)
Personnel expenses	(38,981)	(28,761)

The average number of employees in the Group for the year 2024 was 1,627 employees (2023: 1,332 employees).

28

Expected Credit Losses on loans and receivables and other assets

	2024	2023
	TEUR	TEUR
Reversal of expected credit losses on loans	5	58
Reversal of expected credit losses on trade receivables	63	1,050
	68	1,108
	2024	2023
	TEUR	TEUR
Net expected credit losses on other non-financial assets	(2,752)	--
	(2,752)	--

For the year ended 31st December 2024 and 2023, changes in net impairment losses on loans provided to third and related parties are attributable mainly to changes in the country rates (refer also to Note 13. Loans receivable).

For the years ended 31st December 2024 and 2023, reversal on impairment losses on trade receivables were recognized mostly in the gas segment in Romania.

Net impairment losses on advances to suppliers at the amount of TEUR 2,752 were recognized by NEOGAS GRID S.A. (formerly Premier Energy S.R.L.) operating in the gas segment in Romania.

Based on IFRS 9 requirements, net impairment losses on loans and receivables have been disclosed in a separate line item in profit or loss.

	2024	2023
	TEUR	TEUR
Balance 1 January	14,962	15,175
Additions resulting from business combination	--	2,087
Impairment loss recognized in profit or loss	521	381
Reversal of impairment loss recognized in profit or loss	(589)	(1,486)
Write-off impairment losses on sold items	(42)	(1,470)
Release of impairment losses on written off items	--	(3)
Effects of movements in foreign exchange rate	11	278
Balance 31 December	14,863	14,962

29

Other operating income

	2024	2023
	TEUR	TEUR
Rental income	1,001	787
Gain on sale of property, plant, equipment, and intangible assets	3	19
Other income	138,937	34,032
	139,941	34,838

The increase in other income is mainly attributable to the acquisition of the Romanian subsidiary PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.) and represents mainly income from the Romanian State subsidy for price caps that are in place and that are recoverable from the Ministry of Energy and Ministry of Labor.

For the years ended 31st December 2024 and 31st December 2023, the Group incurred net foreign currency losses which are disclosed under Other operating expenses.

30

Other operating expenses

Loss on sale of property, plant and equipment
Net impairment losses on property, plant and equipment recognized (Note 8)
Net foreign currency losses

2024	2023
TEUR	TEUR
(45)	(180)
(109)	188
(4,124)	(1,968)
(4,278)	(1,960)

31

Net finance income/expenses

Interest income
Gain on revaluation of financial equity instruments at fair value through profit or loss (Note 12. Financial assets)

Total finance income

2024	2023
TEUR	TEUR
2,650	2,323
254	--
2,904	2,323

Interest expense
Fee and commission expense
Net losses from financial assets and liabilities

Total finance expense

Net finance expenses

(17,047)	(10,668)
(3,159)	(2,015)
(111)	--
(20,317)	(12,683)
(17,413)	(10,360)

Interest income

Due from banks and other financial institutions
Loans to corporations and other loans

Total interest income

2024	2023
TEUR	TEUR
2,490	2,146
160	177
2,650	2,323

Interest expense

Due to non-banks
Due to banks and other financial institutions
Interest on lease liabilities
Debt securities issued
Other

Total interest expense

2024	2023
TEUR	TEUR
(7)	(37)
(15,334)	(10,015)
(381)	(80)
--	(160)
(1,325)	(376)
(17,047)	(10,668)

32

Income tax expense

	2024	2023
	TEUR	TEUR
Current tax expense		
Current year	(10,847)	(23,545)
Deferred tax expense (Note 21)		
Origination and reversal of temporary differences	8,194	(1,074)
Recognition of previously unrecognised tax losses	--	--
Other items	(2,768)	1,283
	5,426	209
Total income tax expense recognised in profit or loss	(5,421)	(23,336)

Reconciliation of effective tax rate	2024	2024	2023	2023
	%	TEUR	%	TEUR
Profit before tax		29,637		102,298
Income tax using the domestic tax rate (see below)	(12.6)	(3,736)	(12.5)	(12,788)
Effect of tax rates in foreign jurisdictions	(4.7)	(1,383)	2.6	2,695
Items taxed at different tax rate	(2.4)	(707)	(10.8)	(11,060)
Non-deductible costs	(31.9)	(9,455)	(4.3)	(4,414)
Non-taxable income	34.1	10,114	2.1	2,107
Adjustments to prior year	(0.2)	(56)	(0.1)	(122)
Tax loss carried forward not recognised	(1.2)	(341)	(0.6)	(630)
Utilised tax loss not previously recognised	1	296	0.4	362
Other	(0.5)	(153)	0.5	514
Total income tax expense	(18.4)	(5,421)	(22.7)	(23,336)

	2024	2023
	TEUR	TEUR
Current income tax assets	538	26
Current income tax liabilities	(2,810)	(3,946)
Net current income tax position	(2,272)	(3,920)

The following table represents deferred tax recognized in other comprehensive income in years 2024 and 2023:

	Before tax	Tax (expense) / benefit	Net of tax
	2024	2024	2024
	TEUR	TEUR	TEUR
Revaluation of Gas distribution networks	--	--	--
Translation reserve	295	--	295
Total	295	--	295
	2023	2023	2023
	TEUR	TEUR	TEUR
Revaluation of Gas distribution networks	10,604	(1,697)	8,907
Translation reserve	8,075	--	8,075
Total	18,679	(1,697)	16,982

32

Income tax expense (continued)

Corporate income tax rates for tax domiciles of entities in consolidated Group for fiscal years 2024 and 2023 can be summarized as follows:

	2024	2023
Cyprus	12.5%	12.5%
Romania	16%	16%
Moldova	12%	12%
Hungary	9%	9%
Serbia	15%	15%

In Cyprus and Moldova, tax losses may be carried forward for five years. In Romania tax losses may be carried forward for seven years. Group companies may deduct losses against profits arising during the same tax year. The balance of tax losses which is available for offset against future taxable profits amounts to 14,562 for which no deferred tax asset is recognized in the consolidated statement of financial position because it is not probable that future taxable profit will arise. Out of that amount, the tax losses of TEUR 14,677 are attributable to Cypriot entities and will be expiring in the years 2026-2029.

Under certain conditions, interest income in Cyprus may be subject to defence contribution at the rate of 17%. In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The Pillar Two model rules were adopted in Europe at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting (CbCR) and 2024 financial information for the constituent entities in the Group. Based on the assessment, three jurisdictions (Cyprus, Serbia and Romania) have failed to pass the CbCR Safe Harbour test. In Romania, the total top up tax arises amounted to TEUR 24. As Romania has implemented a Qualified Domestic Minimum Top Up Tax, the top up tax arises locally at the individual entity level. In Cyprus, the top up tax amounted to TEUR 2 and it is allocated to Premier Energy PLC and in Serbia the top up tax arises at the amount of TEUR 1. As Serbia has not implemented Pillar II, the top up tax will be allocated to Premier Energy PLC as the POPE ("Permanently Owned Permanent Establishments"), but only in the amount of the shareholding. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

33 Related party transactions

The Group's major shareholder is EMMA ALPHA HOLDING LTD and the ultimate controlling party is Mr. Šmejč. Parent company of EMMA ALPHA HOLDING LTD is MEF HOLDINGS LIMITED.

(a) Transactions and balances with the parent company and the ultimate owner

As at 31 December 2024 and as at 31 December 2023, no loans were provided to the Group's parent company.

(b) Transactions and balances with associates and other related parties

	2024	2023
	TEUR	TEUR
Bank balances	38,155	7,844
Trade receivables	--	10
Provided loans	464	303
Loans received - due to non-banks	--	(547)
Total balances	38,619	7,610

	2024	2023
	TEUR	TEUR
Interest income	--	5
Interest expense	--	(9)
Total transactions	--	(4)

As at 31 December 2024, provided loans comprise interest-free loans provided to personnel with maturity date as at 31 August 2028, 31 December 2029 and 31 October 2032 and interest-free loans provided to associate companies with maturity date on 1 February 2025. During the year ended 31 December 2024, the Group provided new loans in the total amount of TEUR 306 (TEUR 226 to employees and TEUR 80 to associate companies) and received repayments at the total amount of TEUR 219.

During the year 2024, the Group repaid the amount payable to related party of TEUR 547. No interest charged in respect to this loan (2023: TEUR 9).

As at 31 December 2023, provided loans comprise interest-free loans provided to personnel with maturity date as at 31 March 2026 and 31 October 2032. The Group provided a new loan in the total amount of TEUR 10,000 that was fully repaid during the year. No impairment was recognized during the year.

During the year 2023, the Group made total repayments of loans from other related parties of TEUR 491.

(c) Transactions and balances with key management personnel

Amounts included in profit or loss in relation to transactions with members of key management and members of Board of Directors of the Company are as follows:

	2024	2023
	TEUR	TEUR
Remuneration payable to members of Board of Directors	263	66
Remuneration payable to key management personnel	650	1,004
Total balances	913	1,070

Remuneration of members of Board of Directors	578	418
Remuneration of key management personnel	4,549	3,556
Total transactions	5,127	3,974

Any outstanding remuneration balances for members of the Board of Directors and key management personnel as of 31 December 2024 will be paid during the 1st half of 2025.

Remuneration of members of Board of Directors include fees as members of the Board and its committees, salaries and bonuses. There were no other transactions or contracts between the Group and members of the Board of Directors, as well as with key management personnel or related persons, during both the current and previous year.

33

Related party transactions (continued)

b) Transactions and balances with key management personnel (continued)

Loans provided to members of key management and members of Board of Directors of the Company are as follows:

	2024	2023
	TEUR	TEUR
Loans provided to management	25	31
Total balances	25	31

The members of the Board of Directors of the Company and key management of its subsidiaries are considered as the key management of the Group. Loans provided to management of the Moldovan subsidiaries comprise interest-free loans with maturity date as at 31 December 2026.

During the year 2024, repayment at the amount of TEUR 6 (31 December 2023: TEUR 13) was received by the Group.

34

Contingencies

Tax inspections are frequent in Romania, consisting of thorough examinations of taxpayers' accounting records. Such inspections sometimes take place months or even years after the establishment of payment obligations. In Romania, the fiscal year remains open to inspections for a period of 5 years. Consequently, companies may owe taxes and fines. Moreover, tax legislation undergoes frequent changes, and authorities often demonstrate inconsistency in interpreting the law. The Romanian subsidiaries have not undergone any tax inspection in the past 5 years. The Group believes that it has timely and fully settled all taxes, duties, penalties, and punitive interest, as applicable. Management considers that it has appropriately recorded tax obligations in the consolidated financial statements; however, there remains a risk that tax authorities may adopt different positions regarding the interpretation of these issues.

35

Commitments

a) Capital commitments

According to ANRE decision No. 64 dated 22 February 2018 regarding the approval of methodology for electricity distribution tariff calculation, the Group carries out capital investments within the energy sector in order to improve or extend the infrastructure network in Moldova.

According to certain service concession contracts, the Group has investment commitments for the gas network construction in Romania of approximately 122 km with an estimated value of EUR 9.6 million to be developed over the next few years. The Group has analysed the fulfilment of the obligations assumed by the concession contracts as at the date of these financial statements and considers that it has fulfilled its assumed obligations to date and there is no risk of penalties or termination of contracts.

b) Letters of guarantee

As at 31 December 2024, the Group has issued letters of guarantee for payment, good execution and tender participation in total amount of TEUR 23,682 (2023: TEUR 14,285).

36

Events after the reporting period

On 21 October 2024, the Company announced that its Romanian subsidiary Premier Energy S.R.L., the natural gas distribution and supply business, has initiated an unbundling procedure. During the unbundling procedure, the supply assets of Premier Energy S.R.L. were transferred to a new company, Premier Energy SA, which was set-up as a consequence of the spin-off. The distribution assets remained in the old entity with the entity being renamed to Neogas Grid SA. The legal ownership structure remains unchanged. The initiation of the unbundling process was necessary in order to fulfill the unbundling rules - the legal obligations of separating the distribution activities from the supply activities according to the applicable legal provisions. The unbundling was approved through the Resolution of the General Meeting of Shareholders of Premier Energy S.R.L. on 8 October 2024, and on 1 February 2025, Premier Energy SA was granted by ANRE the supply license no.1873.

36

Events after the reporting period (continued)

On 8 January 2025, the Company's Moldovan subsidiary Navitas Energy S.R.L. has successfully completed the development and construction of a 12 MW DC photovoltaic power plant near the town of Cismichioi in Moldova at a total cost of approximately TEUR 380 per MW of capacity.

On 8 January 2025, Premier Energy PLC announced that the Company's electricity supply and distribution subsidiaries in the Republic of Moldova received the approval from ANRE to increase the regulated prices for the supply of electricity by an average of approximately 79% (depending on the voltage level) and the tariffs for the distribution of electricity by an average of approximately 19% (also depending on the voltage level). The new prices and tariffs entered into force when published in the Official Bulletin on 10 January 2025.

On 10 April 2025, the Company announced that it signed an agreement for the acquisition of the remaining 25% stake in True Energy Management S.R.L. that it does not yet own for a total purchase price of TEUR 3,000. Closing of the transaction is subject to the Company receiving a no-objection decision from the Committee for the Examination of Foreign Direct Investments. This approval is expected to be granted in the following weeks.

The Board of Directors proposes to distribute dividends to its shareholders in the total amount of TEUR 15,000 as part of the 2024 profits distribution. The proposal has to be approved by the General Meeting of the Company.

The Company's subsidiary ENERGIA MILENIULUI III S.A. has received the building permit (and therefore "ready-to-build" status) for the construction of 11 wind turbines with 6.2 MW of capacity each, or 68.2 MW of capacity out of the total 99 MW wind park capacity, with the building permit for the remaining 5 turbines expected within the next 3 months. The Company is currently in negotiations with key global turbine and transformer suppliers for the delivery and construction of the turbines and transformers for the entire wind park at a total value of approximately TEUR 108,000. The main construction of the wind park is scheduled for 2026 with the majority of the turbine and transformer construction occurring in 2H 2026 and potentially 1H 2027.

On 24 April 2025, NN Group NV notified the Company of increasing its shareholding in the Company to 10.69% from a previous notification of a 5.92% shareholding made on 27 May 2024.

On 30 April 2025, the Board of Directors of PREMIER ENERGY PLC authorized these consolidated financial statements for issue.



**Shape the future
with confidence**

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Independent practitioner's limited assurance report on Premier Energy PLC Consolidated Sustainability Statement

To the Board of Directors of Premier Energy PLC

Scope

We have been engaged by Premier Energy PLC to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements, hereafter referred to as the "Engagement", to report on the Consolidated Sustainability Statement of Premier Energy PLC (the "Company") and its subsidiaries (together with the Company, the "Group") included in the Consolidated Management Report on pages 138-248 of the Annual Report 2024 (the "Subject Matter" or the "Consolidated Sustainability Statement") of the Group, as at 31 December 2024 and for the year then ended.

Premier Energy PLC responsibilities

The Group's Management is responsible for preparing and presenting the Subject Matter in accordance with the ESRS (European Sustainability Reporting Standards) as adopted by the EU (the "Criteria"), in all material respects. Management of the Group is further responsible for preparing the disclosures in section "Disclosures pursuant to Taxonomy Regulation" of the Consolidated Sustainability Statement, in compliance with Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation"). These responsibilities include establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"), and the terms of reference for this engagement as agreed with Premier Energy PLC. This standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.



EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

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 procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Consolidated Sustainability Statement and related information, and applying analytical and other appropriate procedures.

Our limited assurance procedures included amongst others:

- Obtaining an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement including the consolidation processes by obtaining an understanding of the Group'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;
- Evaluating whether material information identified by the process followed by the Group is included in the Consolidated Sustainability Statement;
- Evaluating whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation);
- Performing inquiries of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- Analysing, on a sample basis, relevant internal and external documentation available to the Group (including publicly available information or information throughout its value chain) for selected disclosures;
- Obtaining an understanding of the process to identify EU taxonomy eligible and aligned economic activities for turnover, capital expenditure and operating expenditure and the corresponding disclosures in the Consolidated Sustainability Statement.



We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on the procedures we have performed, and the evidence obtained, nothing has come to our attention that causes us to believe that:

- the Consolidated Sustainability Statement as at 31 December 2024 and for year then ended, is not prepared, in all material respects, in accordance with the ESRS as adopted by the EU;
- the information of section “Disclosures pursuant to Taxonomy Regulation” of the Consolidated Sustainability Statement does not comply with Article 8 of EU Regulation 2020/852.

Andreas Avraamides
Member of the Board

for and on behalf of
Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

30 April 2025
Nicosia

TABLE OF CONTENTS

ESRS 2 – GENERAL DISCLOSURES	140
ESRS 2, BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY INFORMATION	140
ESRS 2, BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES	142
ESRS 2 GOV-1 - THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	146
ESRS 2 GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING’S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	147
ESRS 2, GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES	148
ESRS 2, GOV-4 – STATEMENT ON DUE DILIGENCE	148
ESRS 2 GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING	149
ESRS 2 SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN	150
ESRS 2 SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS	155
ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	156
ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	157
ESRS 2 IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING’S SUSTAINABILITY STATEMENT	163
ESRS G1 – BUSINESS CONDUCT	163
ESRS E1 – CLIMATE CHANGE	167
ESRS 2 GOV-3 - INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES	167
E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION	167
ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND MATERIAL CLIMATE RELATED IMPACTS, RISKS, AND OPPORTUNITIES	172
ESRS 2 IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING’S SUSTAINABILITY STATEMENT	172
E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION	176
E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES	177
E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION	181
E1-5 – ENERGY CONSUMPTION AND MIX	184
E1-6 – GROSS SCOPES 1, 2, 3, AND TOTAL GHG EMISSIONS	187

E1-7 – GHG REMOVALS & MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS	192
E1-8 – INTERNAL CARBON PRICING	193
E1-9 – ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL OPPORTUNITIES	193
DISCLOSURES PURSUANT TO ART. 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)	194
ESRS S1 – OWN WORKFORCE	214
S1-1 – POLICIES RELATED TO OWN WORKFORCE	217
S1-2 - PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS	222
S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS	223
S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS	224
S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES	225
S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES	225
S1-8 - COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE	228
S1-10 – ADEQUATE WAGES	228
S1-13 – TRAINING & SKILL DEVELOPMENT	228
S1-14 – HEALTH AND SAFETY METRICS	228
S1-15 - WORK-LIFE BALANCE	229
ESRS G1 – BUSINESS CONDUCT	230
ESRS 2 IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT	232
G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE	234
G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS	240
G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY	241
G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY	244
G1-6 – PAYMENT PRACTICES	244
APPENDIX 1: LIST OF ABBREVIATIONS	247

ESRS 2

General disclosures

ESRS 2, BP-1 – General basis for preparation of the sustainability statement

General Basis for Preparation of Sustainability Statements

Framework and Data Selection

Our Consolidated Sustainability Statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) standards adopted by the EU Commission. All disclosures within the Environmental, Social, and Governance (ESG) sections are determined to be material based on our double materiality assessment (DMA) or are mandatory under ESRS requirements. This Report has been prepared in accordance with the requirements of Commission Delegated Regulation (EU) 2023/2772 on European Sustainability Reporting Standards (“ESRS” or “Standards”) and in accordance with the Accounting Act (No. 563/1991 Coll.), which transposes Directive (EU) 2022/2464 of the European Parliament and of the Council on Corporate Sustainability reporting.

The 2024 Consolidated Sustainability Statement covers the Group's own operations in full and includes upstream and downstream value chain activities, where material impacts, risks, and opportunities have been identified.

- Upstream: Data from suppliers and procurement is included primarily for Scope 3 GHG emissions and material inputs. Estimations are based on supplier invoices, activity data, and standardized emission factors.
- Downstream: Scope 3 GHG emissions also incorporate downstream elements, such as energy sold and customer use-phase emissions, using estimated activity data and emission factors.

Consolidation

These statements are prepared on a consolidated basis, in line with the principles applied in our financial statements. Thus, the data covers, on consolidated basis, Premier Energy PLC (the “Company”) and the subsidiaries it controls (together referred to as the “Group”). For clarity, the policies and procedures disclosed in each of the sections (E1, S1 and G1), detail which Group segments and which specific entities they cover (the Group segments in sustainability report for 2024 are defined on sectorial principle adhering to NACE codes, thus differing from the five operating segments in the Consolidated Management Report and Consolidated Financial Statements).

Entity	Subsidiary	Country
Premier Energy Romania	NEOGAS GRID S.A. (FORMERLY PREMIER ENERGY S.R.L.)	Romania
	ENERGIA MILENIULUI III S.A	Romania
	B.E.R.G Instalatii Gaz S.R.L.	Romania
	PREMIER ENERGY TRADING S.R.L.	Romania
	LIGATNE LIMITED	Cyprus
	LIGATNE GAS S.R.L.	Romania
	PREMIER ENERGY S.A.	Romania
	TRUE ENERGY MANAGEMENT S.R.L.	Romania
	PREMIER ENERGY HUNGARY Kft.	Romania

Entity	Subsidiary	Country
Premier Energy Moldova	TRUE ENERGY MANAGEMENT S.R.L.	Romania
	JOSECO HOLDINGS CO. LIMITED	Cyprus
	I.C.S. "PREMIER ENERGY" S.R.L.	Moldova
	I.C.S. "PREMIER ENERGY DISTRIBUTION" S.A.	Moldova
	NAVITAS ENERGY S.R.L.	Moldova
	ELECTRA LOGISTICS S.R.L.	Moldova
	ELTEPROD WIND S.R.L.	Moldova
Premier Energy Renewables	ALIVE CAPITAL S.A.	Romania
	ALIVE SUN POWER ONE S.R.L.	Romania
	ALIVE SUN POWER TWO S.R.L.	Romania
	DA VINCI NEW PROJECT S.R.L.	Romania
	ECOENERGIA S.R.L.	Romania
	ENEX NALBANT RENEWABLE S.R.L.	Romania
	PREMIER RENEWABLE INVEST CO S.R.L	Romania
	PREMIER WIND 80 S.R.L. (formerly EOLICA DOBROGEA ONE S.R.L.)	Romania
	ENEX NALBANT RENEWABLE S.R.L.	Romania
	ALIVE RENEWABLE HOLDING LIMITED	Cyprus
	DEVELOPMENT POWER SOLAR ENERGY S.R.L.	Romania
	ALIVE CAPITAL D.O.O. Beograd	Serbia
	ALIVE CAPITAL Kft.	Hungary
	ALIVE WIND POWER ONE S.R.L.	Romania
	ALIVE WIND POWER ONE S.R.L.	Romania
Premier Energy Furnizare	PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.)	Romania
HQ	PREMIER ENERGY PLC	Cyprus

In the context of sustainability disclosures related to S1 – Own Workforce and G1 – Business Conduct, the analysis of policies was conducted at the level of controlling entities representing their respective segments where procedures and policies of principal companies are reflected in the policies of controlled subsidiaries.

All subsidiaries included in the consolidation are covered by consolidated sustainability reporting of the Group under Articles 19a(9) or 29a(8) of Directive 2013/34/EU. The Group applies a centralized approach to sustainability reporting, ensuring group-level coverage in line with applicable ESRS requirements.

ESRS 2, BP-2 – Disclosures in relation to specific circumstances

Time Horizons

Our short-, medium-, and long-term time horizons are in line with the ones set in ESRS 1, with the short-term definition aligning with our financial reporting period, the medium-term extending up to five years, and the long-term covering any period beyond five years. If we ever depart from these definitions, we will clearly state our alternative horizons and explain the reasons for doing so.

Greenhouse Gas Emissions (Scopes 1–3)

We quantify and report our direct (scope 1), indirect (scope 2), and value chain (scope 3) greenhouse gas emissions using the Greenhouse Gas Protocol. Detailed methodologies, including emission factors and activity data sources, will be provided in the respective sections of this report.

Measurement Basis

The sustainability-related data accounting policies have been applied consistently in the financial year 2024 and for comparative figures except for the absence of GHG data for 2023.

Calculation factors used are listed on the pages with the relevant metrics, together with references.

Breakdown of Revenue by ESRS Sectors and Fossil Fuel Activity Disclosure

For the financial year ended December 31, 2024, Premier Energy Group generated total consolidated revenue of EUR 1,214.055 million. The breakdown of revenue by significant ESRS sectors (based on NACE codes) is as follows:

ESRS / Sector Activity	NACE Code	2024 Revenue (EUR mn)	% of Total Revenue
Electricity generation from wind power	D35.11	16.32	1%
Electricity generation from solar PV	D35.11	1.19	<1%
Electricity generation from fossil gaseous fuels	D35.11	7.43	<1%
Electricity transmission and distribution	D35.13	84.45	7%
Electricity and gas sales (non-Taxonomy eligible)	D35.14 / D35.23	1,104.67	91%
Total		1,214.055	100%

Premier Energy Group is active in the fossil fuel sector as defined under Article 2(62) of Regulation (EU) 2018/1999. This relates specifically to its activity in the distribution and supply of fossil gas, which is included in its consolidated turnover. However, the Group does not engage in coal or oil-related activities, nor in fossil fuel exploration, mining, refining, or processing.

The Group's 2024 revenue from fossil gas distribution and supply is embedded within the non-Taxonomy-eligible portion of revenue (approx. EUR 1,104.67 million, or 91% of total turnover). A detailed disaggregation between gas and electricity sales is available in the internal segment analysis.

Premier Energy has not recorded Taxonomy-aligned revenue from fossil gas under the criteria of Article 8(7)(a) of Commission Delegated Regulation 2021/2178. The Group acknowledges its involvement in fossil gas distribution and is actively working toward the decarbonization of its portfolio, including through continued investment in renewable energy capacity and grid modernization.

External Review

The Consolidated Sustainability Statement was subject to limited assurance procedure in compliance with ISAE 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"..

Overview of adopted policies by segment mentioned throughout the Consolidated Sustainability Statement

Entity	Environmental Policy	Social Policy	Governance Policy
Premier Energy Romania	PE Group Policy ESG	PE Group Policy ESG, Internal Regulation, Workplace Safety and Environmental Policy and Risk Assessment Framework	Code of Corporate Governance (Group policy), Code of Business Conduct and Ethics (Group policy), Internal Regulation, Information Security Policy
Premier Energy Moldova	PE Group Policy ESG	PE Group Policy ESG Internal regulations Human Rights Policy SMI Manual Periodic Health and Safety Procedure Collective Bargaining Agreement	Code of Corporate Governance (Group policy), Code of Business Conduct and Ethics (Group policy), Code of Ethics and Conduct, Anti-Corruption Policy, Internal Regulation, Corporate Social Responsibility Policy, Supplier Code of Ethics, Policy on Business Courtesies and Gifts, Cybersecurity Policy
Premier Energy Renewables		Internal regulations	Code of Corporate Governance (Group policy), Code of Business Conduct and Ethics (Group policy), Internal Regulation
Premier Energy Furnizare	Policies taken from CEZ Vanzare	Policies taken from CEZ Vanzare, Collective Agreement	Policies taken from CEZ Vanzare (Ethics Policy, Anti-Corruption and Anti-Bribery Policy, Whistleblowing Policy for Reporting Concerns through the "SPEAK FREELY" System)

The Group seeks to establish a compliance function in accordance with international best practices (e.g. ISO 37301). As a result of its rapid growth and expansion, especially via robust M&A activity in the recent years, the Group acknowledges that certain policies and procedures require further strengthening. It recognizes the need to enhance its compliance function to ensure adherence to laws, regulations, and internal policies, including the Code of Business Conduct and Ethics. Premier Energy Group is committed to developing comprehensive compliance programs and addressing gaps and is dedicated to fulfilling pledges made upon listing on the Bucharest Stock Exchange. The Group will continue to seek the solutions to ensure its compliance infrastructure in 2025.

Sources of Estimation and Outcome Uncertainty

Premier Energy utilizes indirect sources, such as industry averages and proxies, to measure certain data points – most notably, resource inflow metrics and EU Taxonomy KPIs. For our Scope 3 GHG emissions reporting, we routinely combine available activity data with standardized emissions factors. Because it is not always feasible to obtain supplier-specific data for all scope 3 categories, generic factors and extrapolation methods may be applied to bridge information gaps.

We periodically review and refine our estimation and judgment processes in response to emerging ESG reporting developments, internal experience, and other relevant factors. Any changes in estimates are recognized in the period when they occur, ensuring transparency and consistency in our sustainability reporting.

Scale of accuracy	
Extremely high accuracy (≥ 90%)	The data is verified, dependable and accurate with a minimum degree of uncertainty.
High accuracy (≥ 75% and <90%)	The data is well substantiated, yet there are small deviations or uncertainties.
Medium accuracy (≥ 50% and <75%)	The data is based on partially validated assumptions or estimates that involve more significant uncertainties.
Low accuracy (≥ 25% and <50%)	The data is approximate, derived from indirect or historical data.
Extremely low accuracy (<25%)	The data is estimated without direct evidence, highly uncertain.

Premier Energy's ENEX 27.5 MW Wind/Solar Park station, Tulcea County, Romania



Categorization	Indicator	Description of the basis for preparation	Resulting level of accuracy
E1-6	Scope 3 GHG emissions	Calculated using available activity data combined with standardized emission factors (DEFRA, EIB). Supplier-specific data is limited.	High accuracy
E1-5	Resource inflow metrics	Based on supplier invoices and internal procurement data.	High accuracy
	EU Taxonomy CapEx/OpEx	Allocated based on internal accounting data.	High accuracy
S1-6	Number of employees	To avoid the double count of the headcount, employees holding multiple part-time contracts within the Group entities, were counted only once.	Extremely high accuracy

Changes in Preparation or Presentation of Sustainability Information

At Premier Energy, any adjustments to financial figures in our Consolidated Sustainability Statement follow the same principles used in our Consolidated Financial Statements. We also carefully evaluate whether previously reported ESG metrics require restatement due to errors or changes in our accounting methodologies. Where a restatement is deemed necessary based on materiality, we clearly disclose the nature of the revision and the reason behind it in the relevant metric table.

Sustainability reporting standards and reference frameworks applied

In addition to meeting ESRS requirements, Premier Energy's report also aligns with United Nations Sustainable Development Goals (SDGs). This framework ensures broader contextual alignment and strengthens comparability of Premier Energy's sustainability performance against industry benchmarks.

Use of Phase-In Provisions

In adopting specific ESRS requirements, Premier Energy has exercised certain phase-in provisions as permitted under Appendix C of ESRS 1. This phased approach provides additional time to refine our data collection processes, enhance internal controls, and ensure the reliability and consistency of our ESG disclosures. The phase-in we opted for were the following: ESRS E1 – E1-9, ESRS S1 – S1-13, ESRS S1 – S1-15.

We will continue to monitor the development of ESRS standards and update our reporting practices accordingly.

References to other legislation documents

No other legislative documents beyond the CSRD and ESRS framework are currently applicable to the Group's sustainability reporting.

ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies

Sustainability governance is guiding our efforts to integrate environmental, social, and economic considerations into its decision-making processes.

As we are facing increasing scrutiny from stakeholders, including investors, customers, and regulatory bodies, effective sustainability governance ensures that sustainability objectives are aligned with corporate strategy.

Premier Energy is focusing on mitigating risks associated with sustainability challenges while capitalizing on opportunities for innovation and growth.

Premier Energy is committed to contributing positively to the communities and environments in which we operate.

Board of Directors

The Board of Directors of Premier Energy Group PLC is responsible for setting the overall corporate governance framework, ensuring ethical business conduct, transparency, and accountability across the Group. Its governance responsibilities are aligned with the Bucharest Stock Exchange Code of Corporate Governance and international best practices.

The Board plays a key role in defining the Group's strategic direction and supervising the implementation of internal policies related to risk management, financial integrity, and regulatory compliance. It appoints and oversees Executive Management, defines high-level remuneration principles, and ensures clear delegation of responsibilities. The Board monitors business conduct risks, including those related to anti-bribery, conflict of interest, insider transactions, and non-compliance.

Cybersecurity risks are addressed through regular oversight of digital risk management systems, as increased digitalization poses a potential threat to operations and stakeholder data.

Diversity and inclusion are recognized as important elements of effective governance. While formal targets are not in place, the Board is committed to enhancing diversity of background, gender, and expertise in its composition and senior appointments.

The Board of Directors consists of 2 executive members and 3 non-executive members, responsible for overseeing strategic sustainability initiatives. The composition of our board reflects our commitment to diversity, with 60% women and 40% men. Additionally, 40% of our board members are independent, ensuring balanced oversight and strategic guidance.

Executive Management's Role in Business Conduct

Led by the General Manager (CEO), the Executive Management team implements business conduct policies across all subsidiaries. It defines the Group's strategy and governance framework, ensures ethical conduct, and oversees compliance programs. The team represents the Group in third-party agreements, manages personnel matters, and enforces ethical workplace standards. It oversees daily operations, ensuring adherence to internal controls and policies on anti-corruption and whistleblowing. Executive Management also makes recommendations on profit distribution in line with corporate governance and financial integrity.

Premier Energy's key governance mechanisms include:

- **Management's role in sustainability governance:** The executive management team is responsible for implementing sustainability strategies, while the Board provides strategic guidance and ensures accountability.
- **Oversight of sustainability risks and controls:** Monitor regulatory compliance, guide key sustainability initiatives, and oversee risk mitigation efforts.
- **Monitoring of sustainability targets:** The Board tracks progress toward Premier Energy's sustainability objectives, defining relevant KPIs into corporate performance assessments.

Sustainability, Business and Financial Expertise

Premier Energy's leadership includes Board members with internationally recognized financial qualifications, Radka Blažková (ACCA), Mirela-Florența Covașă (ACCA/CAFR), Jose Martin Garza, and Petr Stöhr (non-practicing CPA), ensuring strong oversight of financial and non-financial reporting. Radka Blažková and Petr Stöhr have also completed ESG-focused training in areas such as DMA, CSRD, and EU Taxonomy, strengthening the Board's capacity to guide the Company's sustainability strategy, regulatory alignment, and ESG risk management.

Audit Committee: Oversees internal audit independence and effectiveness, financial reporting accuracy, risk management, conflicts of interest, and compliance. As of 31.12.2024, the Audit Committee comprised of the following members:

- Mirela-Florența Covașă – Chairwoman
- Dimitra Kalogerou Antoniadou – Member
- Radka Blažková – Member

Nomination and Remuneration Committee: Defines selection criteria and recommends appointments for the Board and executive management. Reviews the remuneration policy and monitors Board member independence

ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Premier Energy ESG Working Group

To ensure that ESG strategy is executed properly, the Group has established an ESG Working Group, having the main role of implementing the ESG priorities and long- term commitments defined and overseen at Board of Directors level.

The Group's ESG Working Group was established by the Group's CEO and is chaired by the Company's Chief External Affairs Officer. In case the Company's Chief External Affairs Officer is not present, the ESG Working Group meeting is chaired by its vice chairman, who is the Company's Chief Legal Officer.

With a strong focus and commitment towards ESG goals and alignment with the European Green Deal initiative, the ESG Working Group has been focused on the development and implementation of the Group's Renewables Plan (including acquisitions and investments in the renewable energy sector), the completion of the recent wind plants acquisitions by the Group and on monitoring the main ESG / CSR achievements in both Romania and Moldova.

ESRS 2, GOV-3 – Integration of sustainability-related performance in incentive schemes

Incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies are not in place at Premier Energy Group.

ESRS 2, GOV-4 – Statement on due diligence

Premier Energy due diligence approach

We look at the Organization for Economic Co-operation and Development (OECD) guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights to integrate due diligence into our procurement and local communities.

What Premier Energy Group is doing

Premier Energy group has implemented compliance policies and procedures and related learning tools and tests with respect to applicable anti-corruption, anti-money laundering and sanctions laws based on legislations applicable in Romania (excluding other jurisdictions, such as United States) in line with ISO 37001 Anti-bribery Management Systems and to OECD Good Practice Guidance on Internal Controls Ethics and Compliance.

Internal controls implemented to prevent and identify violations of these policies and procedures may be circumvented by persons in the position to execute assigned internal controls.

The Group has signed several memoranda of understanding ("MoU"), such as the:

- MoU with United Nations Population Fund (UNFPA) to promote the policies of family- friendly working conditions;
- MoU with the UN Women Moldova to promote the values and principles of non-violence, ensuring professional equality between women and men and condemning any manifestation of sexual harassment, discrimination and / or violence;
- MoU with UNICEF Moldova and The Ministry of Health in Moldova, for promoting the health recommendations in the context of the pandemic.

Moreover, the Group has established a strong relationship with local offices of UN and UNICEF while together providing a systematic change to the society.

Next steps

In 2025, Premier Energy will define specific actions and targets aligned with the identified IROs across Environmental, Social, and Governance areas, where such elements were not yet included in the 2024 report. In addition, the Group will continue efforts to formalize and implement unified policies across all entities, particularly in cases where this was not feasible in 2024 due to ongoing acquisitions (such as Premier Energy Furnizare) and the reorganizational changes within Premier Energy Romania, which occurred in 2025.

ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting

Risk Management

The Group has established a strong governance framework, ensuring compliance with national and international regulations. The Board and its Committees oversee ethical business practices, financial integrity, and risk mitigation strategies. Members involved in governance and risk management have relevant expertise in audit, finance, and compliance, having obtained professional qualifications such as ACCA and CAFR, as well as MBAs from leading institutions. Their experience in audit and regulatory environments enhances the Group's commitment to transparency and accountability.

The Group's risk management and internal control systems are undergoing continuous enhancement. In 2024, for the first time, the Group initiated a structured identification and assessment of risks related to sustainability reporting. This process led to the identification of key risks in the areas of E1 (climate change), S1 (own workforce), and G1 (governance).

The Group is in the process of integrating non-financial risk categories into its overarching risk management framework. This integration will ensure that the management of sustainability-related risks becomes a formal component of the broader enterprise risk management system.

Decision-Making Process and Internal Control Procedures

Sustainability-related decisions are overseen at the Executive Management level, with escalation to the Board of Directors via periodic ESG Working Group updates (see section: ESRS G1 – Business Conduct).

The ESG Working Group, chaired by the Chief External Affairs Officer, coordinates the implementation of sustainability disclosures and data collection, in collaboration with dedicated team members at the level of the subsidiaries.

Internal control procedures include:

- **Data owner accountability:** For each material topic (E1, S1, G1), there is a dedicated person assigned at the level of each key segment of the Group who is responsible for providing and validating the relevant data. This ensures that data collection is aligned with operational realities and that disclosures are grounded in accurate, segment-level reporting.
- **Internal validation:** Data submitted to the ESG team is reviewed by Chief External Affairs Officer and reconciled with other available records (e.g., HR data, energy use, emissions).
- **Audit trail:** Supporting documentation is archived and subject to internal review and external assurance.
- **Board-level oversight:** The Board of Directors, led by Chief Financial Officer, monitors reporting accuracy and oversees control improvements.

Corporate Culture and Stakeholder Engagement

Premier Energy Group's business conduct policies are designed to promote transparency, integrity, and accountability. The Board actively engages with stakeholders, including investors, employees, and regulators, to uphold governance standards and ensure responsible corporate behavior.

ESRS 2 SBM-1 – Strategy, business model and value chain

Business model

With one of the fastest growth rates in the Southeastern European region, the Premier Energy Group operates through its business verticals – renewable electricity production, renewable asset management, electricity supply and distribution, and natural gas supply and distribution. The Group owns, manages or has in development over 1,400 MW of renewable generation capacity (mostly wind and photovoltaics) and supplies electricity to approximately 2.3 million consumption points in Romania and the Republic of Moldova, the vast majority being households and small businesses. The Group also owns a vast electricity distribution network in the Republic of Moldova which covers approximately 75% of the country's population.

Premier Energy is also a supplier of natural gas for domestic and non-domestic consumers (in retail, industry, trade), and owns and operates a gas distribution network of almost 4,000 km in areas surrounding the capital, the southern and western parts of the country, as well as in smaller localities in the northern part of Romania.

The Group is the third-largest distributor and the fifth-largest supplier of natural gas in Romania, the fourth-largest supplier of electric energy in Romania, and the largest distributor and supplier of electric energy in the Republic of Moldova.

Key Inputs and How We Secure them

Premier Energy Group relies on a combination of natural, human, financial, and infrastructural capital to operate effectively across Romania and Moldova.

Key Input	How It Is Secured
Natural Resources	We operate a diversified energy mix, including renewable sources (wind and solar via PE Renewables and non-renewable sources purchased via Premier Energy Romania, Furnizare, and Moldova. Materials like copper, steel, and other critical raw materials are sourced through vetted long-term suppliers to ensure resilience and transparency.
Human Capital	With 1,663 employees as of 31.12.2024, we invest in training, safety, and engagement to ensure a skilled and agile workforce. Recruitment focuses on local labor markets. Our human resources are split on two core markets – Romania (895 employees as of 31.12.2024) and Republic of Moldova (754 as of 31.12.2024), with an operational team in Cyprus (13 employees as of 31.12.2024) and 1 employee in Serbia.
Financial Capital	In 2024, Premier Energy Group successfully raised EUR 97 million in an IPO – capital that fuels business expansion. Backed by EUR 1,220 million in 2024 revenue, we fund infrastructure development, renewable capacity expansion, and modernization through core business segment cash flows and strategic financing.

Key Input	How It Is Secured
Infrastructure & Technology	We manage and operate 1,400+ MW of renewable capacity (existing and in development), nearly 4,000 km of gas distribution, and over 35,000 km of electricity distribution networks.
Stakeholder Relationships	We engage regularly with public authorities, investors, suppliers, and communities to ensure licensing, social acceptance, financing, and long-term alignment with sustainability goals.

The Group does not have activities in fossil fuel extraction, controversial weapons, or tobacco production. However, taking into consideration the fact the Premier Energy distributes natural gas, we acknowledge our contribution to the activity regarding the extraction of fossil fuel.

Key Outputs and Expected Outcomes

Our business activities generate key outputs for customers, shareholders, employees, and the communities in which we operate.

Stakeholder	Current Outputs / Benefits	Expected Future Outcomes
Customers	Reliable, flexible energy solutions tailored for residential, commercial, and industrial users across 2.3 million connections.	Greener electricity supply, increased flexibility in contracting, and expanded access to clean energy.
Communities	Infrastructure investments, development programs, and access to cleaner energy.	Improved air quality, socio-economic development, and more resilient local energy ecosystems.
Shareholders	Strategic growth, cost discipline, and focus on renewable expansion to support value creation.	Long-term returns aligned with energy transition and de-risked portfolios.
Employees	Safe, inclusive workplace with strong professional development programs.	Higher retention, skills development for the green transition, and leadership in a competitive talent landscape.

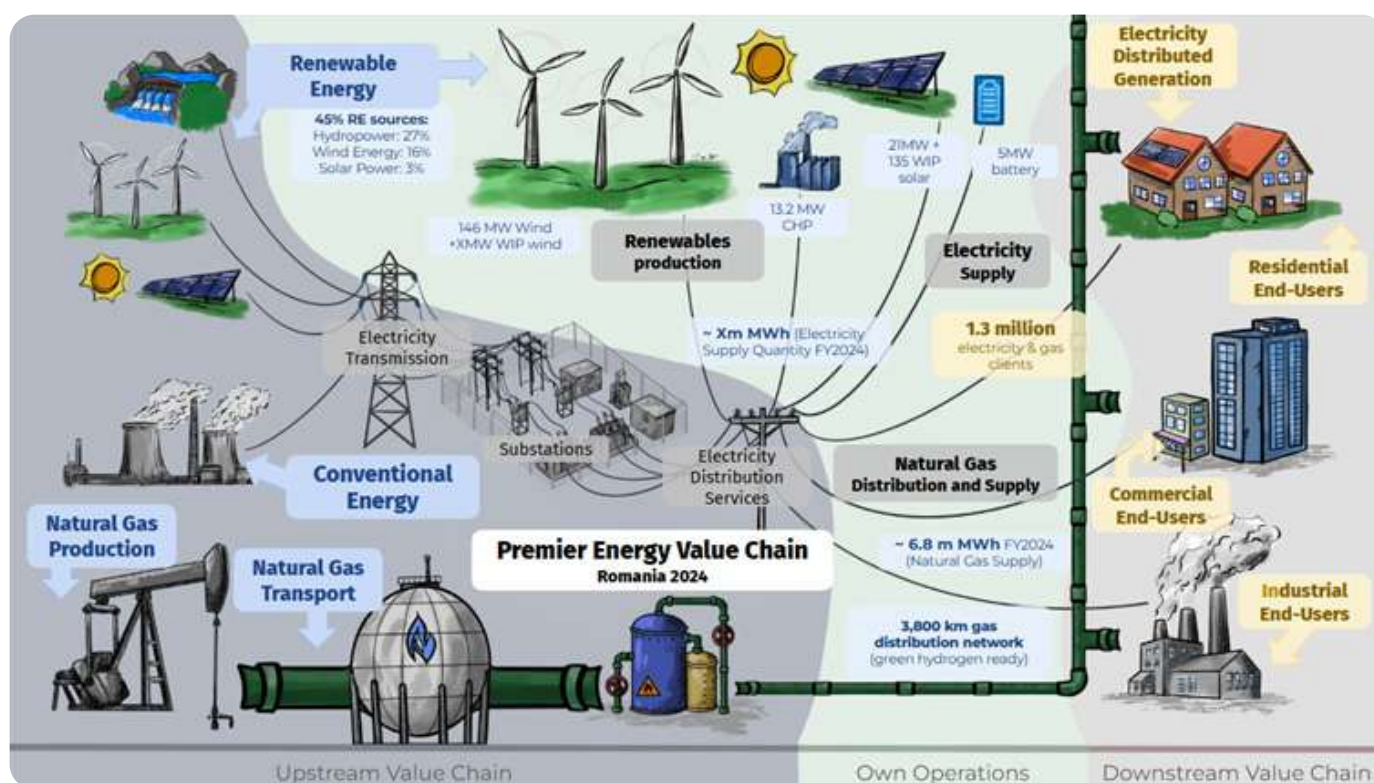
Value chain

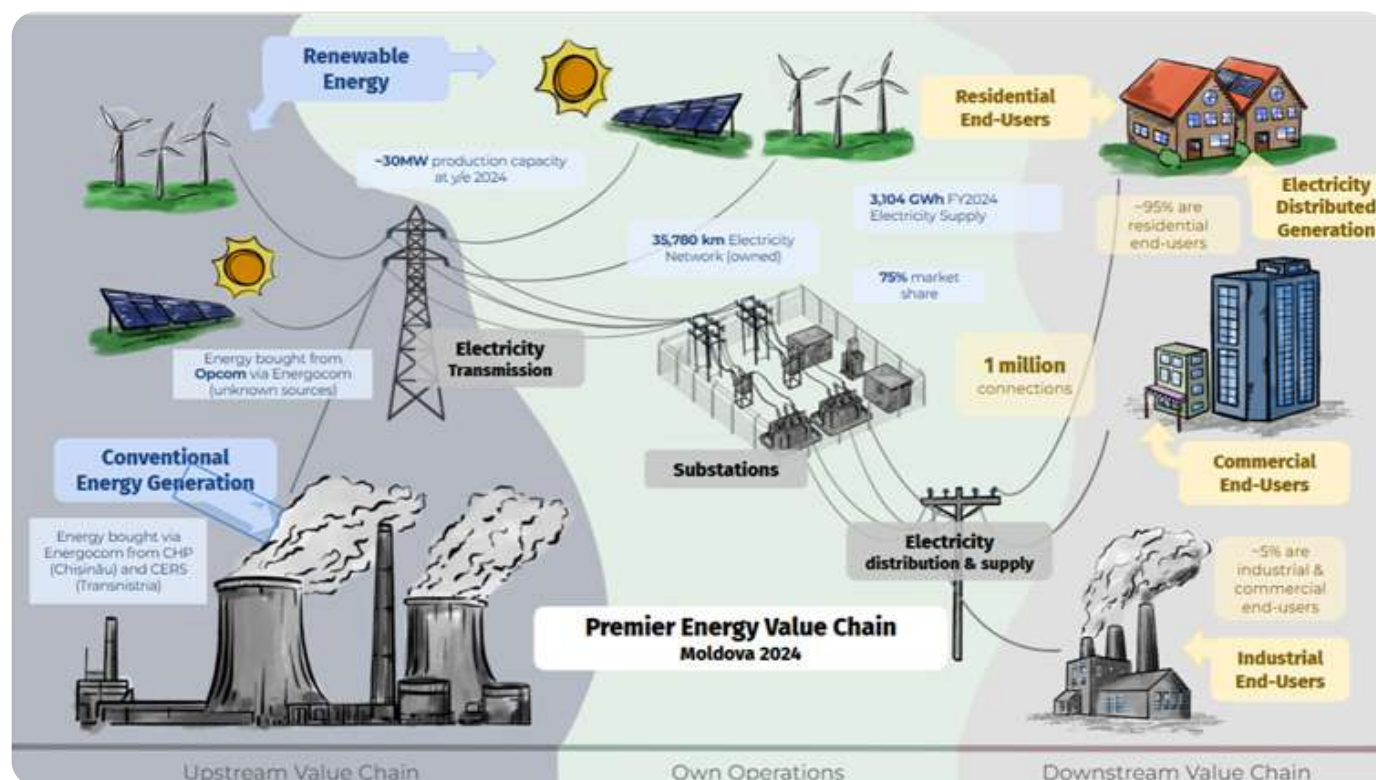
Premier Energy Group operates across the full energy value chain in both Romania and the Republic of Moldova, with distinct value chains tailored to the energy infrastructure, regulatory context, and market dynamics of each country. Each value chain encompasses upstream sourcing, core operational infrastructure, and downstream distribution to end-users.



Premier Energy's 18 MW Wind Park, near Dranceni, Vaslui County, Romania

Value Chain Stage	Romania	Moldova
Upstream	Renewable generation (wind, solar, CHP), energy purchased via Opcom, and natural gas sourced via upstream suppliers.	Energy purchased from Energocom via CHP (Chişinău), CERS (Transnistria), and Opcom (unknown sources); renewables reaching ~30 MW by end of 2024.
Own Operations	Operates 3,800 km of gas distribution network and electricity infrastructure. Manages and develops renewable assets through PE Renewables. Supplies electricity and gas to 1.3 million clients.	Owns and operates ~35,780 km of electricity distribution, with 75% market share. Supplies 3,104 GWh of electricity to 1 million end-users.
Downstream	Serves residential, commercial, and industrial customers across gas and electricity segments. Distribution channels include direct supply and regulatory frameworks.	Supplies electricity primarily to residential users (~95%) and commercial/industrial (~5%). Enables distributed generation and energy access across most of the country.





Strategy

Overview of Our Strategic Approach

Our Group's growth strategy is centered in creating long-term value through accretive acquisitions, sustainable operations, and a strong commitment to environmental, social, and governance (ESG) principles. As a critical energy infrastructure player in Romania and Moldova, we recognize our duty to preserve and enhance the environment in which we operate while supplying safe, affordable, and - where possible - clean energy to our communities. This dual focus on value creation and sustainability underpins our overall strategy and business model.

Track Record of Accretive Acquisitions with Strong Management Expertise

The Group benefits from the substantial M&A experience and capabilities of its senior executives. The Group is well known in the market, which presents a successful platform for M&A growth. Its embeddedness in the market also provides an overview of opportunities for potential future acquisitions.

Because the Group is publicly traded after IPO listing in 2024, it combines the transparency of a listed company with a commitment to flexible, tailored transaction approaches for each counterpart. The Group also has in-house M&A capabilities and can find proprietary-sourced transactions and has sufficient capital availability to act decisively, while the Group's lean management structure allows it to make decisions quickly.

Value-Enhancing Add-On Acquisitions

The Group's growth has been supported by numerous strategic, value-enhancing add-on acquisitions. The recipe behind each of these acquisitions was based on:

- Identifying a strategic, or underperforming, or distressed asset,
- Acquiring each of them on attractive financial terms,
- Investing in a rapid restructuring or reforming of operations to achieve operational excellence and monetize synergies,
- Exploring organic growth opportunities within targets, and
- Always focusing on creating shareholder value, no matter the size of the asset or investment.

A large part of the success of these acquisitions has been the strong integration of bolt-on acquisitions into the Group, which resulted in synergies and increased value for the Group. The Group has successfully realized over 25 acquisitions since 2013. Three major acquisitions which expanded the Group's scope of activity include:

- **Acquisition of Premier Energy Moldova** – In 2019, following the acquisition of significant electricity distribution and supply assets in Moldova, Premier Energy became the largest electricity distributor and supplier there, serving approx. 70% of the country.
- **Acquisition of Alive Capital** - In February 2022, the Group completed the acquisition of Alive Capital, a company that provides integrated asset management services to renewable energy producers in Romania, while also having an electricity and supply division. This acquisition allowed the Group to gain unique insights into the broader renewables sector in Romania. It also offers the Group a first option to acquire renewable assets if their current owners plan an exit.
- **Acquisition of Premier Energy Furnizare** – In April 2024, the Group completed the acquisition of CEZ Vanzare, since renamed to Premier Energy Furnizare, consolidating its position in the local market with an additional 1.3 million electricity and natural gas customers in Romania, expanding the Group's total consumer base to approximately 2.3 million electricity and natural gas customers in Romania and Moldova.

Strong Environmental and Sustainability Profile

Foundation in the European Green Deal and UN SDGs

As an important energy infrastructure group in Romania and Moldova, our strategy is guided by the European Green Deal, the UN Sustainable Development Goals, and certain ESG policies. Management recognizes its responsibility to preserve and enhance the environment wherever we operate. As a result, management has implemented several environmentally friendly policies, guidelines, and procedures for the Group's operations to minimize its impact on the environment when implementing the Group's business strategy.

Green Hydrogen-Ready Infrastructure

For example, most of the Group's capital expenditure since 2013 was used for pipelines that include Polyethylene 100 material. This choice of material positions the Group to support potential future green hydrogen distribution. As a result, the Group is the green hydrogen-ready and it believes this technology will be an important environmentally friendly energy source going forward.

Smart Grid Networks and CO2 Emissions Reduction

Additionally, the implementation of smart grid networks and the elimination of energy losses by using various measurements - including the utilization of new software and improved access to leakage identification - has improved (and is expected to continue to improve) the Group's energy efficiency and the reduction in CO2 emissions in both Romania and Moldova. In Romania, the pipeline developments and the resulting use by households of natural gas - as opposed to wood and coal burning - also lead to less CO2 emissions.

Proven Track Record in Energy Loss Reduction

Electricity losses and technological consumption in Moldova have decreased from 32.3% in 2000 to just 7.3% in 2023, which is in line with the Group's European peers that had a 2022 SEE median of approximately 7.3% (covering Bulgaria, Croatia, Greece, and Romania). This decrease in energy losses represents a significant track record of sustainable energy development and reduction of the Group's carbon footprint, in line with Europe's "net zero by 2050" plan.

ESRS 2 SBM-2 – Interests and views of stakeholders

Stakeholder engagement

At Premier Energy, our stakeholder engagement methodology reflects a firm commitment to actively listening and collaborating with all relevant stakeholder groups. By maintaining continual dialogue, we gain valuable insights into their perspectives, concerns, and expectations, which in turn shape our decision-making and strategic direction.

These interactions provide critical input for our due diligence activities and DMA, helping us align our sustainability priorities, initiatives, and processes with the issues that matter most to stakeholders. Our approach is guided by openness, transparency, and integrity, in line with internationally recognized standards such as the UN Guiding Principles on Business & Human Rights.

We ensure that the views and interests of affected stakeholders concerning our sustainability-related IROs are regularly communicated to the responsible members of the Group Executive Team via periodic reviews and discussions.

The table below outlines some of the key ways we engage with our stakeholders.

Stakeholder Group	Engagement Method	Purpose
Own Workforce	Internal communication, training session, annual performance appraisal, surveys	Foster engagement, identify risks and opportunities, track internal progress
Management Team, Department Heads	Strategy sessions, performance reviews	Identify ESG risks and track internal progress
Customers	Feedback channels, satisfaction surveys, marketing reviews	Understand expectations and improve ESG-related offerings
Suppliers	Audits, sustainability workshops	Strengthen ESG compliance and supply chain responsibility

Stakeholder Group	Engagement Method	Purpose
Local Communities	Consultations, project updates, grievance channels	Address environmental and social concerns
Board of Directors	Oversight meetings, policy reviews	Align ESG with business strategy
Shareholders, Investors, Analysts	Quarterly financial results calls, bilateral meetings, ESG disclosures	Communicate performance, manage expectations
Regulators & Policymakers	Consultations, compliance reporting	Ensure regulatory alignment and adapt to policy shifts
Industry Associations	Working groups, joint initiatives	Contribute to sector-wide ESG best practices
Financial Institutions	ESG dialogues, green finance engagements	Secure funding and support sustainable growth
NGOs / Experts	Scenario analysis, biodiversity consultations	Integrate external views and strengthen ESG strategy
Media	Press releases, interviews, media monitoring	Shape public perception and ensure transparency
Nature (silent stakeholder)	Impact assessments, nature-related risk analysis	Acknowledge dependencies and impacts, guide environmental stewardship

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Premier Group has identified and assessed material impacts, risks, and opportunities (IROs) in accordance with the double materiality concept¹, considering both the actual and potential impacts of its activities on people and the environment, as well as the implications for its financial performance and resilience.

The year 2024 marked a foundational step in this process, with a primary focus on identifying and validating the Group's material IROs across environmental, social, and governance dimensions.

¹Double materiality is a concept which provides criteria for determination of whether a sustainability topic or information has to be included in the undertaking's sustainability report. Double materiality is the union (in mathematical terms, i.e. union of two sets, not intersection) of impact materiality and financial materiality. A sustainability topic or information meets therefore the criteria of double materiality if it is material from the impact perspective or from the financial perspective or from both of these two perspectives.

Building on this, the Group plans to develop an ESG Strategy by 2026, which will include targets and actions related to the IROs. This strategy will reflect the outcomes of the materiality assessment and embed the identified IROs into strategic and operational planning. It will also incorporate a detailed climate change risk and vulnerability assessment, supporting the Group's long-term adaptability and resilience in the face of transition and physical climate-related risks.

To ensure transparency and alignment with ESRS requirements, high-level material IROs are outlined in this section, while more detailed topic-specific IROs are disclosed under the relevant environmental (E1), social (S1), and governance (G1) standards. These topical sections provide further insights into how each issue interacts with our business model, value chain, and forward-looking plans.

Sustainable Future

Commitment to Paris Agreement and Operational Net Zero by 2045

The Group is committing to align all its operations with the goals of Paris Agreement and has developed a Decarbonization Plan with the goal to reach Operational Net Zero GHG emissions by 2045, in line with Business Ambition for 1.5°C initiative. The Group's main levers for decarbonization are:

- **Losses reduction:** the Group is working on improving grid maintenance to extend the lifetime of components and identifying cost-effective options to upgrade the grid and implement smart grid technologies;
- **Hydrogen readiness:** 80% of the distribution network was built using Polyethylene 100 material, allowing for green hydrogen distribution; and
- **Renewable energy expansion:** by 2026, the Group aims to manage or hold ownership interests in approximately 1.400–1.600 MW of capacity.

Providing Safe, Affordable, and Clean Energy

One of the Group's core goals is to provide safe, affordable, and the maximum amount of clean energy to communities across Romania and Moldova. In achieving this purpose, the Group is committed to grow its business with investments into green energy assets by acquisition and/or development of green projects. The Group is continuously focused on improving the energy efficiency of the Group's facilities and offering its client services and products that support efficiency and sustainability. For example, most of the Group's capital expenditure since 2013 was used for pipelines that include Polyethylene 100 material which makes the Group well positioned to support potential future green hydrogen distribution. As a result, the Group is the greenest hydrogen-ready energy company in Romania and the Group believes that this technology will be an important environmentally friendly energy source.

ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

We conducted a Double Materiality Assessment (DMA) following ESRS 1 criteria and the EFRAG implementation guidance. Through this process, we evaluated both our actual and potential impacts on the environment and society, as well as the sustainability-related financial risks and opportunities we face.

In total, we identified 39 impacts, risks, and opportunities (IROs) as material:

ESRS	Impact		Risk	Opportunity	Total
	Positive	Negative			
E1 – Climate change	7	9	4	7	27
S1 – Own workforce	4	1	-	-	5
G1 – Business Conduct	5	1	-	-	6
Entity specific (G1) – Cybersecurity	-	1	-	-	1

We compiled the results into a materiality matrix, aggregating the highest-scoring IROs by ESRS topic. Our analysis showed that seven ESRS topics are material, and one of these exhibits “double materiality,” meaning it has both significant impact and financial risk or opportunity. Notably, Climate Change (E1) emerged as our most material sustainability matter, with IROs in this area directly linked to our strategic sustainability targets.

These findings guide us in prioritizing and managing our environmental, social, and financial responsibilities, ensuring that we remain compliant with ESRS requirements while strategically positioning Premier Energy for sustainable growth.

We visualized our assessment results in a materiality matrix, which aggregates the highest-scoring impacts, risks, and opportunities (IROs) according to ESRS topics. In practice, we used a two-dimensional plot that reflects:

- Material Impact from both an environmental and social perspective
- Financial Impact for Premier Energy

By mapping our IROs against these dimensions, we gained a clearer understanding of which issues require the most urgent attention. This approach helps us:

- **Prioritize effectively:** We can quickly see which topics have the greatest effect on stakeholders and our overall business resilience.
- **Allocate resources:** The matrix guides our investment of time, effort, and funds into areas with the highest potential for impact or financial risk and opportunity.
- **Maintain transparency:** Sharing the matrix with stakeholders gives them insight into our decision-making process and the evidence behind it.

Double Materiality methodology and processes

Our DMA is developed in alignment with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), following the guidance issued by EFRAG in this sense, as well as being fully compliant with the requirements imposed by the local Romanian legislation applicable, namely the Ordinance of the Ministry of Public Finances no. 85/2024.

A core concept of the CSRD and that of ESRS is the DMA, which is built upon two perspectives. The first perspective, impact materiality, considers how Premier Energy's operations affect people, communities, and the environment (inside-out), including both direct and indirect impacts across the Group's value chain. The second, financial materiality, examines how sustainability risks and opportunities influence the Group's financial performance, investment decisions, and long-term resilience (outside-in).

Scope of the Analysis and Assumptions

As part of DMA, we conducted a comprehensive evaluation of IROs across our entire value chain, in alignment with ESRS 1 requirements. Our assessment encompassed both our own operations and business relationships, with a particular focus on identifying IROs across all the stages of our value chain.

To evaluate inside-out impacts we considered both actual and potential effects, including both positive and negative sustainability outcomes. In our financial materiality analysis, we assessed how sustainability-related factors, such as regulatory shifts, climate risks, and supply chain dependencies, could pose financial risks or unlock new opportunities for the Group.

Our value chain analysis was primarily concentrated on first-tier suppliers, where we had direct visibility and engagement. Beyond this, we leveraged industry-wide assessments, sector-specific insights, and internal expertise to evaluate broader value chain risks.

Stakeholder Engagement

Our stakeholder engagement strategy is designed to ensure continuous dialogue and alignment with the expectations of those affected by or influencing the Group's activities. The Group engages with a wide range of internal and external stakeholders.

Among its internal stakeholders, we engage with both management teams as well as operational staff, as these represent relevant focal points in our business strategy that oversee the financial and non-financial performance of our Group.

Beyond its internal teams, external stakeholders play a crucial role in shaping our sustainability initiatives as well as our broader strategy. These include customers, regulatory authorities, industry associations, investors, NGOs, suppliers and local communities. In terms of financial materiality, investors and financial institutions are particularly important stakeholders, influencing strategic decisions around sustainability investments.

Engagement is facilitated through workshops, public consultations, surveys, and direct discussions, allowing stakeholders to provide input and feedback regarding their concerns or ideas on sustainability-related priorities. Common themes that have emerged from these engagements include concerns about the energy transition, affordability, infrastructure reliability, and community development. To ensure ongoing transparency, we maintain regular communication with stakeholders through newsletters, digital platforms, and direct consultations, in a bid to maintain a high degree of transparency and accountability.

Impacts, Risks, and Opportunities

Identification and Scoping

The identification of impacts, risks, and opportunities forms the foundation of our DMA. This process involves a structured evaluation of environmental, social, and governance (ESG) factors across the entire value chain.

To ensure a comprehensive approach, we undertook a process of value chain mapping, industry benchmarking, and stakeholder consultations, while also leveraging international frameworks such as GRI, SASB, TCFD, and TNFD. These combined efforts allowed us to build a detailed long list of sustainability risks and opportunities, which was then mapped according to the sustainability matters provided by ESRS 1 AR 16.

Assessment and Scoring

Impact materiality was assessed using scientific research, industry benchmarks, and in-house expertise. Each identified impact was then mapped based on its effects throughout the value chain.

- Own Operations
- Upstream
- Downstream

Premier Energy identifies risks and opportunities based on both direct sustainability impacts and business dependencies. Sustainability risks are assessed in relation to:

- Operational exposure to climate risks and regulatory changes
- Market risks associated with shifting sustainability preferences
- Reputational risks and evolving consumer expectations
- Supply chain vulnerabilities due to resource dependencies

Each identified impact was assessed along key dimensions: severity (comprised of scale, scope, irremediability -for negative impacts), and likelihood. Risks and opportunities were scored on their potential magnitude as well as their likelihood of occurrence.

Scope referred to how widespread the impact was, based on predefined parameters (e.g.: geographical boundaries or number of people potentially affected).

Scale assessed how grave or beneficial the impact's effect could be (e.g.: species loss, improved livelihood for millions of people). Scale was assessed as "gross", not considering any mitigating actions or effects.

When we assessed irremediability, we considered the difficulty of repairing the damage done by the impact, having in mind the afferent time horizon and the cost of doing so (e.g.: disrupting local ecosystems).

By assigning quantitative scores based on predefined scales, we prioritized the most significant IROs ensuring that sustainability initiatives focus on areas where they can deliver the greatest impact. A scoring tool was used to calculate the score of each of the identified IROs.

Connections between Impacts, Dependencies, Risks and Opportunities

In line with ESRS 2 IRO-1, Premier Energy considered the interconnections between its actual and potential impacts, its dependencies on environmental and social systems, and the resulting risks and opportunities.

This analysis was an integral part of the DMA process. We evaluated how certain environmental or social impacts and dependencies, whether upstream, downstream, or within our operations, can trigger financial implications, both in terms of risks and opportunities.

For example:

- Dependency on stable weather conditions and natural resources, exposes the business to physical climate risks. These dependencies, when disrupted by climate change, directly translate into operational risks such as reduced energy generation efficiency or supply chain interruptions.
- Negative impacts on local communities may lead to reputational damage, regulatory scrutiny, and increased compliance costs, constituting financial and operational risks.
- Conversely, positive environmental impacts, such as investment in renewable energy infrastructure, create opportunities for access to green finance, enhanced brand positioning, and alignment with regulatory incentives.
- Dependencies on a skilled and motivated own workforce directly influence business continuity and quality of service. Gaps in employee engagement or well-being could pose social risks, while strong internal ESG culture creates opportunities for performance improvement and talent retention.

Each impact and dependency was analyzed in terms of its potential to generate or amplify risks (e.g., through regulation, market shifts, or physical disruption) or to create new opportunities (e.g., access to new markets, funding, or innovation). These interrelations were embedded in our scoring methodology and visualized in the materiality matrix by mapping both impact and financial significance.

Time Horizons

The assessment process incorporates multiple time horizons, categorizing impacts as short-term (within one year), medium-term (one to five years), or long-term (beyond five years), sticking to the time horizons specified within the ESRS.

Thresholds of Materiality

To assess the significance of each impact, risk, and opportunity (IRO), the Group applied a 0–5 scoring scale. The materiality threshold was set at 3.5, in alignment with the Group's overall risk appetite and approach to sustainability prioritization. Setting the threshold above the midpoint ensures that disclosures, actions, and targets are focused only on the most relevant sustainability matters.

Score Range	Interpretation	Disclosure Action
0 – 2.9	Low to moderate significance	Not considered material; no detailed disclosure required
3.0 – 3.4	Borderline significance	Reviewed for potential future relevance; monitored internally
≥ 3.5	Material impact, risk, or opportunity	Included in reporting scope; subject to policy, target-setting, and action planning

Validation of the Results

To ensure accuracy and regulatory compliance, we validated our DMA through internal workshops, where the sustainability reporting project team presented the results of the DMA to the Board of Directors.

During the validation phase, materiality scores are reviewed and refined, ensuring that they accurately reflect both sustainability risks and business priorities. Adjustments are made where necessary.

The process also includes different stakeholders challenging initial assumptions and ensuring that justifications for materiality scores are well-documented. This rigorous validation process enhances the role of the assessment in shaping our sustainability strategy.

Approval

The final DMA results undergo a structured approval process at the Board of Directors level. The Group's internal project team presents the findings in a dedicated workshop, where Board members review and discuss the materiality of each identified sustainability issue.

Once approved, these results are integrated into Premier Energy's Consolidated Sustainability Statement, forming the basis for strategic actions and regulatory disclosures. The Group also commits to reviewing the DMA periodically to ensure that it remains aligned with evolving regulatory requirements, and business priorities.

Minimum Disclosure Requirement on Policies and Actions

Policies

We are managing material sustainability topics by implementing policies that guide decision-making. For most material matter, we disclose these policies, including objectives, coverage, oversight responsibilities, and alignment with relevant standards. Where a policy does not yet exist, we clearly state this and outline our plans and timelines to develop one.

Actions

Premier Energy actively addresses sustainability IROs by outlining concrete actions for each material topic. These actions specify which parts of the value chain are affected, identify key stakeholders, and detail expected outcomes or remediation steps. Where needed we also disclose the financial resources invested (CapEx and OpEx). If no current action exists for a particular topic, we specify so.

Metrics and Targets

Progress is measured using industry-aligned indicators and set clear targets for material sustainability topic. These targets link to our business objectives and are presented alongside their corresponding metrics. We explain any gaps, such as topics without current targets, and clarify if and when we plan to establish them.

Prioritization of Sustainability-Related Risks

At this stage, Premier Energy does not maintain a separate prioritization framework that ranks sustainability-related risks in relation to other types of enterprise risks (e.g., operational, financial, or compliance risks). Likewise, we currently do not apply a dedicated risk-assessment tool specifically for sustainability risks that is integrated with our broader risk management system.

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

The following table provides a summary of the identified significant topics and disclosure requirements that are part of this Report.

ESRS Standard	Disclosure Requirement	Title	Location in Report
ESRS 2	BP-1	Basis for preparation	Basis for Preparation of Sustainability Statement
	BP-2	Specific circumstances, phase-in use	Basis for Preparation of Sustainability Statement
	GOV-1	Governance structure and responsibilities	Business Conduct
	GOV-2	Information to and oversight by governance bodies	ESRS G1 – Business Conduct
	GOV-4	Sustainability due diligence	Sustainability Due Diligence
	GOV-5	Risk management and internal controls	Business Conduct
	SBM-1	Business model and strategic context	Strategy and Business Model
	SBM-2	Stakeholder interests and engagement	Stakeholder Engagement
	SBM-3	Material IROs and interaction with strategy	Strategy and Business Model
	IRO-1	Double materiality methodology	Double Materiality Assessment
	IRO-2	ESRS topical coverage in disclosures	Throughout topical chapters
	General	Policies, actions, metrics and targets	Policies, Actions, Metrics and Targets

ESRS E1	E1-1	Transition plan for climate change mitigation	Climate Change chapter
	E1-2	Policies for climate change mitigation and adaptation	Climate Change chapter
	E1-3	Actions and resources	Climate Change chapter
	E1-4	Targets for climate issues	Climate Change chapter
	E1-5	Energy consumption and energy mix	Climate Change chapter
	E1-6	Scope 1, 2, 3 and total GHG emissions	Climate Change chapter
	E1-9	Financial effects of climate risks	Phase-in applied – not reported in 2024
EU Taxonomy	Art. 8 Taxonomy Regulation	Alignment with EU environmental objectives	EU Taxonomy for Sustainable Activities chapter
ESRS S1	S1-1 to S1-6	Workforce policies, engagement, targets, characteristics	Own Workforce chapter
	S1-13	Training and skills development	<i>Phase-in applied – not reported in 2024</i>
	S1-15	Work-life balance	<i>Phase-in applied – not reported in 2024</i>
ESRS G1	G1-1 to G1-3, G1-6	Business conduct, anti-bribery, supplier practices	Business Conduct chapter
ESRS E2–E5, S2–S4	N/A	Pollution, water, circularity, affected communities, etc.	Summary of Non-Material ESRS Standards

The table below lists the data points in the cross-cutting and thematic standards required by EU legislation. For each data point, if it is part of a significant topic or a mandatory reporting topic, a reference is provided indicating its location within the covered topics and the disclosure requirements in this report, along with the page number where it can be found.

ESRS data points from other EU legislation

Disclosure Requirement	Data Point	Legislation	Location in Report	Status
ESRS 2, GOV-4	Statement on due diligence	SFDR	Sustainability Due Diligence chapter	Reported (page 148)
ESRS 2, SBM-1 (40d.i)	Involvement in activities related to fossil fuel activities	SFDR / P3 / BRR	Basis of Preparation	Reported (page 150)
ESRS 2, GOV-1 (21d)	Board's gender diversity	BRR	Business Conduct	Reported (page 146)

Disclosure Requirement	Data Point	Legislation	Location in Report	Status
ESRS 2, GOV-1 (21e)	Percentage of board members who are independent	BRR	Business Conduct	Reported (page 146)
E1-1 (16a)	Transition plan to reach climate neutrality by 2050	EUCL	E1-1	Reported (page 167)
E1-4 (34)	GHG emission reduction targets	SFDR / P3 / BRR	E1-4	Reported (page 181)
E1-5 (38)	Energy consumption from fossil sources (disaggregated)	SFDR	E1-5	Reported (page 184)
E1-5 (37)	Energy consumption and mix	SFDR	E1-5	Reported (page 184)
E1-5 (Energy intensity)	Energy intensity associated with high impact sectors	SFDR	E1-5	Reported (page 186)
E1-6 (44)	Gross scope 1, 2, 3, and total GHG emissions	SFDR / P3 / BRR	E1-6	Reported (page 187)
E1-6 (53)	Gross GHG emissions intensity	SFDR / P3 / BRR	E1-6	Reported (page 192)
E1-7 (56)	GHG removals and carbon credits	EUCL	E1-7	Not applicable – No removals/ credits used (page 192)
E1-9	Financial effects of climate risks	BRR	E1-9	Phase-in – Not reported in 2024 (page 193)
EU Taxonomy – Art. 8	Taxonomy-eligible and aligned revenue, CapEx, OpEx	Taxonomy Regulation	EU Taxonomy chapter	Reported (page 194)
SFRD Art. 4	Principal adverse sustainability impacts	SFDR	Climate Change & Workforce chapters	Reported (page 194)
SFRD Art. 6	Integration of sustainability risks in investment decisions	SFDR	Not applicable – not a financial institution	Not relevant
Pillar 3 EBA	Exposure to fossil fuel activities	EBA	Not applicable – not a financial institution	Not relevant
S1-1	Human rights policy commitments	SFDR	S1-1.20	Reported (page 217)
S1-3	Grievance and complaint-handling mechanisms	SFDR	S1-3	Reported (page 223)

Disclosure Requirement	Data Point	Legislation	Location in Report	Status
S1-14	Workplace accidents – number and rate	SFDR	S1-14	Reported (page 228)
S1-16	Unadjusted gender pay gap	SFDR / BRR	S1-16	Not material
S1-16	Excessive CEO pay ratio	SFDR	S1-16	Not material
S1-17	Incidents of discrimination	SFDR	S1-17	Not material
S1-18	Non-respect of UNGPs, ILO, or OECD	SFDR / BRR	S1-1.19	Reported (page 218)
S1-21	Risk of child labor or forced labor in value chain	SFDR	S1-21	Not material
G1-1 (10b)	UN Convention against Corruption	SFDR	G1-1	Not reported
G1-1 (10d)	Whistleblower protection	SFDR	G1-1	Reported (page 237)
G1-4 (24a)	Fines for anti-corruption violations	SFDR / BRR	G1-4	Not material – no fines reported
G1-4 (24b)	Anti-corruption and bribery standards	SFDR	G1-4	Reported (page 244)

Legend for the referenced EU legislation:

- SFDR - Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088)
- P3 - Pillar 3 Disclosure Requirements under the Capital Requirements Regulation (CRR)
- BRR - Benchmark Regulation – Climate Benchmarks and ESG Disclosures (Regulation (EU) 2016/1011)
- EUCL - European Climate Law (Regulation (EU) 2021/1119)
- EU Taxonomy - EU Taxonomy Regulation (Regulation (EU) 2020/852)



ESRS E1 Climate change

ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes

Climate-related considerations are not factored into the remuneration of administrative, management, and supervisory bodies.

E1-1 – Transition plan for climate change mitigation

Premier Energy Group has developed a robust and actionable transition plan that aligns its business model and operations with the objective of limiting global warming to 1.5°C, in line with the Paris Agreement and the European Climate Law. The plan sets a path toward operational net-zero emissions by 2045 and includes clear interim targets, decarbonization levers, investment plans, and progress tracking mechanisms.

E1-1.16a - Explaining 1.5°C Compatibility

Premier Energy's transition plan is designed to align with the 1.5°C climate target as set out in the Paris Agreement and reflected in the European Climate Law. The Group's decarbonization trajectory, as modelled in its 2024 Decarbonization Plan, supports this alignment through:

- A long-term target of operational net-zero (Scopes 1 and 2) by 2045
- A mid-term target of reducing Scope 1 and 2 emissions by 50% by 2035, relative to the 2022 baseline

This pathway broadly matches the emissions reduction trajectory associated with a 1.5°C scenario, which the Science-Based Targets initiative (SBTi) defines as requiring a minimum 90% reduction in absolute emissions by 2050.

Premier Energy's pathway aligns with the EIB's Paris Alignment of Counterparties (PATH) framework, except for minor deviations in 2043–2044, which are subject to mitigation through planned interventions, and reflects an annual emissions reduction trend consistent with the IPCC-recommended 4.2% linear decline.

E1-1.16b - Identifying Decarbonization Levers & Key Actions

Premier Energy's decarbonization levers and actions are based on a structured scenario analysis in its Decarbonization Plan. The key levers identified are:

Lever 1 - Reducing Scope 2 emissions from electricity distribution (Moldova):

- Upgrading low-voltage networks (0.4kV lines)
- Replacing aging transformers
- Implementing "cold" reserve systems at substations
- Optimizing 35kV network decoupling
- Increasing renewable electricity supplied to the grid (starting 2025, there will be a 10% increase in renewable energy supplied to the PE grid, gradually increasing to target: 75% by 2050, based on the NECP of Moldova)

Lever 2 - Reducing Scope 1 emissions from gas distribution (Romania):

- Phasing out steel pipelines and replacing them with polyethylene (leakage reduction by >90%; 80% of network already hydrogen-ready)
- Enhancing pipeline leak detection
- Introducing hydrogen blending

Lever 3 - Improving energy efficiency in buildings and fleet:

- Transitioning to hybrid and electric vehicles across Romania and Moldova
- Replacing inefficient boilers
- Installing LED lighting and heating/cooling controls
- Rolling out submetering and basic building insulation upgrades
- Installing solar panels and implementing energy controls

Lever 4 - Scaling renewable generation and storage capacity:

- Owning and operating 146 MW wind + 42 MW DC solar; pipeline includes >100 MW of both solar and wind
- Future development of Battery Energy Storage Systems (BESS) (not yet significant enough to report under Taxonomy)
- Supporting and managing >800 MW of third-party renewable capacity

These actions are supported by a timeline of short-, medium-, and long-term implementation milestones extending through 2050.

E1-1.16c - Investments & Funding for the Transition Plan

Premier Energy is making financial commitments toward its transition goals. These are funded from the capital raised during the 2024 IPO as well as from cash flow generated by its operations.

Premier Energy's financial commitment to the transition is reflected in both its Decarbonization Plan and its 2024 EU Taxonomy report. While no taxonomy-aligned activities have been reported for 2024 due to DNSH-related misalignments, the share of taxonomy-eligible CapEx is high.

Table 26: CapEx Investments and funding supporting the implementation of the Transition plan

Category	Main Action Areas	Amount (EUR K)
CapEx	Grid modernization and transformer upgrades	16,906
CapEx	Wind and solar energy development	21,579
CapEx	Vehicle fleet electrification (hybrid/electric)	Included in general CapEx, 1,115
OpEx	Leak detection	8,104
OpEx	Wind and solar energy development	1,502

These investments represent 64% of Premier Energy's total CapEx in 2024 and are classified as taxonomy-eligible but not aligned, pending full DNSH compliance and MSS implementation.

E1-1.16d - Locked-in GHG Emissions & Transition Risk

Premier Energy has identified potential locked-in emissions primarily from two asset classes:

- **Gas Distribution Infrastructure (Romania):** Steel pipelines and legacy methane leakage may pose risks if replacement rates slow. However, with over 80% of the infrastructure already hydrogen-ready, the risk is being actively managed. The full replacement of steel pipelines with polyethylene is projected to reduce gas-related emissions by 89%
- **Electricity Network (Moldova):** Distribution losses represent a structural emissions challenge (86% of total baseline emissions in 2022). While they cannot be eliminated entirely, PE is implementing loss reduction interventions in line with regulatory targets and increasing renewable coverage.

Premier Energy's exposure to transition risk, including carbon pricing or EU regulatory tightening, is moderate but declining, as the Group shifts its capital expenditure toward grid resilience and renewable integration.

Projections under Premier Energy's decarbonization strategy indicate total operational GHG emissions (Scope 1, Scope 2, and limited Scope 3) will fall from 129,356 tCO₂e in 2022 to 8,179 tCO₂e by 2050.

These figures reflect remaining emissions after the full implementation of decarbonization measures and grid transition assumptions.

The figures stated above are characterized as 'locked-in' based on our current decarbonization plans, reflecting emissions that persist due to the operating lifespans of our infrastructure and existing technology constraints. However, we continue to explore opportunities for additional emissions reductions to mitigate the risk of stranded assets, particularly considering evolving standards and regulations that could render certain assets non-compliant.

E1-1.16e - Taxonomy-Related Objectives & Plans

Based on the EU Taxonomy Report 2024, Premier Energy identified the following taxonomy-eligible activities under the environmental objective of climate change mitigation:

- Electricity generation from wind power (NACE D35.11)
- Electricity generation from solar photovoltaic technology (NACE D35.11)
- Transmission and distribution of electricity (NACE D35.13)

However, none of these activities are taxonomy-aligned yet, due to:

- Missing detailed climate risk (both exposure and vulnerability) assessment at the site-levels
- No formal adaptation solutions adopted
- Incomplete Minimum Social Safeguards (MSS) implementation

The Company has committed to:

- Conducting climate risk assessments at the site-level by 2026
- Completing MSS policy upgrades in line with OECD and UNGPs

Premier Energy's taxonomy-eligible CapEx accounted for 70% of total CapEx in 2024, though alignment remains 0% at this stage. The Company aims to gradually increase alignment as assessments and safeguards are completed.

E1-1.16f - Significant Fossil-Fuel CapEx

In 2024, Premier Energy allocated approximately EUR 17.773K in capital expenditures related to the modernization and maintenance of its natural gas distribution network. These investments focus on replacing and upgrading existing infrastructure to improve operational efficiency and safety. The expenditures are not associated with upstream extraction (NACE B06) or petroleum refining activities (NACE C19) and do not exceed relevant emissions thresholds. Furthermore, the upgraded infrastructure is designed to be compatible with lower-carbon gases, such as biomethane or hydrogen blends, supporting the Group's long-term decarbonization objectives.

E1-1.16g - EU Paris-Aligned Benchmark Exclusion Disclosure

E1-1.AR5

Premier Energy is not excluded from the EU Paris-Aligned Benchmarks based on current activity profiles and CapEx structure.

E1-1.16h - Embedding the Transition Plan in Business Strategy

Premier Energy's transition plan is embedded in business strategy through:

- Alignment with the EIB PATH Framework
- Use of Decarbonization Roadmap to inform CapEx planning and operational decisions
- Integration of sustainability targets into the DMA scoring, which is reviewed at board level

In 2024, the Company dedicated 64% of CapEx to climate-related eligible activities, with renewable expansion and grid modernization identified as top capital priorities.

As part of its broader energy transition strategy, Premier Energy may also evaluate opportunities to enlarge its vertical integration within the natural gas business.

E1-1.16i - Approval by Governing Bodies

The transition plan was formally approved by Premier Energy's Executive Management in May 2024. The transition plan is available on Premier Energy Group's website.

E1-1.16j - Progress in Implementing the Transition Plan

In 2024, Premier Energy has:

- Acquired two wind parks in Romania, adding 98 MW of wind plants to its portfolio, resulting in a total of 167 MW of renewable energy production plants in Romania as of the yearend
- Had, as of yearend, 147 MW Direct Current (DC) of solar plants in construction with battery storage capacity of 46 MWh. The Group's 99 MW wind plant development is close to ready-to-built status, awaiting to receive the last permit.

- Built 28 MW DC of solar plants during 2024 in the Republic of Moldova, which grew from 5 MW DC as of December 31st, 2023, to 33 MW DC as of December 31st, 2024. The group has an additional 5 MW DC of solar energy and 8 MW of wind energy in an almost ready-to-build development stage as of the yearend
- Initiated smart metering pilots and low-voltage grid upgrades in Moldova
- Replaced sections of aging steel pipeline in Romania with polyethylene
- Continued vehicle fleet electrification across both countries
- Advanced its Scope 3 readiness, measuring for the first time Scope 3 emissions

While EU taxonomy alignment is not yet achieved, material progress has been made across all levers of the decarbonization roadmap. Scope 1 and 2 emissions are projected to decline by 50% by 2035, assuming current investments continue.

ESRS 2 SBM-3 – Material Impacts, Risks & Opportunities and Strategy Interaction

(E1-SBM-3.18) (E1-SBM-3.19) (E1-SBM-3.19a.; AR 6) (E1-SBM-3.19b) (E1-SBM-3.AR 7) (E1-SBM-3.19c) aligned with AR 8

Premier Energy did not complete a full-scale climate risk and vulnerability assessment (CRVA) in 2024. The Group will perform a scenario-based CRVA in 2025, aligned with EU Taxonomy and ESRS E1 requirements, and will complete asset-level physical risk assessments by 2026 to support climate resilience planning and future Taxonomy alignment.

In the interim, based on the 2024 Double Materiality Assessment, Premier Energy has identified a number of material climate-related risks. These are fully integrated into the IRO table under ESRS 2 IRO-2 and classified in the “Attributes” column as Transition Risks or Physical Risks, in line with E1-SBM-3.18 and AR 6.

The climate-related risks identified relate primarily to the following areas:

Transition Risks, such as:

- Regulatory shifts or balancing costs due to the intermittency of wind energy
- Geopolitical disruptions tied to dependency on imported gas

Physical Risks, such as:

- Drought-induced reduction in hydropower output
- Infrastructure degradation leading to energy inefficiencies

These risks are expected to manifest over the medium to long term, primarily affecting own operations and upstream activities.

Premier Energy will provide a more detailed overview of climate risk interactions with strategy once the CRVA is completed.

ESRS 2 IRO-1 – Description of the processes to identify and material climate related impacts, risks, and opportunities

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

Premier Energy Group applies a structured, multi-tiered process to identify, assess, and prioritize actual and potential climate-related impacts, risks, and opportunities across its operations in Romania and the Republic of Moldova. The process integrated the Double Materiality Assessment (DMA) and a GHG screening and inventory.

Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of Impact	Part of the Value Chain	Time Horizon	Attributes	Actions in 2024	Targets
Climate change	Climate change adaptation	Methane leaks and GHG emissions from distribution network	Environment	Actual negative impact – contributes to global warming and climate change	Own operations, downstream	Long-term	Actual, Negative	Pipeline replacements, methane detection, loss reduction	-50% Scope 1+2 by 2035
Climate change	Climate change adaptation	Risks from climate-induced disruptions to energy supply	People	Potential negative impact – threatens service reliability and community resilience	Own operations, downstream	Long-term	Potential, Negative	Climate Risk Assessment planned for 2025–2026, resilience investments	No quantitative targets yet
Climate change	Climate change adaptation	Energy diversification to reduce outage risks	People	Actual positive impact – strengthens resilience of essential services	Own operations, downstream	Long-term	Actual, Positive	1,439 MW of renewables portfolio as of 2024-year end	1,400–1,600 MW by 2026
Climate change	Climate change adaptation	Burying electricity lines to prevent storm damage	People	Potential positive impact – ensures continuity of service during severe weather	Own operations	Long-term	Potential, Positive	No actions yet	To be set under adaptation planning
Climate change	Climate change adaptation	Opportunity to invest in infrastructure resilience	Environment	Opportunity – strengthens energy system and asset resilience	Own operations	Long-term	Opportunity	No actions yet	To be set under adaptation planning
Climate change	Climate change mitigation	Emissions from peaker plants impact air quality and delay energy transition	Environment	Actual negative impact – raises pollution, increases health risks, delays decarbonization	Own operations, downstream	Short-term	Actual, Negative	Grid-scale storage evaluation, renewable ramp-up	Operational net-zero by 2045

Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of Impact	Part of the Value Chain	Time Horizon	Attributes	Actions in 2024	Targets
Climate change	Climate change mitigation	Emissions from pipeline construction and natural gas transport	Environment	Potential negative impact – increases carbon footprint across value chain	Own operations, downstream	Long-term	Potential, Negative	No actions yet	No quantitative targets yet
Climate change	Climate change mitigation	Line loss reduction, battery storage, and green tariffs lower emissions	Environment	Actual positive impact – supports energy efficiency and decarbonization	Upstream, Own operations, downstream	Medium-term	Actual, Positive	Efficiency upgrades, smart grid, battery pilot	See loss reduction lever in decarb. plan
Climate change	Climate change mitigation	Local solar generation in Moldova supports supply stability and lowers emissions	People	Potential positive impact – increases energy security and reduces pollution	Own operations, Downstream	Medium-term	Potential, Positive	28 MW DC solar built in 2024 in Moldova	No quantitative targets yet
Climate change	Climate change mitigation	Intermittency of renewables increases balancing costs, leading to potential regulation shifts	Entity	Transition risk – may result in stricter reserve requirements and increased system costs	Upstream	Long-term	Transition Risk	Cogeneration balancing plant produced 24.7 GWh in 2H 2024	No quantitative targets yet
Climate change	Climate change mitigation	Failure to assess risks from climate change	Entity, Environment	Potential negative impact – operational and financial losses	Own operations	Long-term	Potential, negative	Planned Climate Risk and Vulnerability Assessment	No quantitative targets yet
Energy	N/A	High GHG emissions from gas and imports contribute to climate change and poor air quality	People, Environment	Actual negative impact – exacerbates climate change and harms public health	Upstream, Own operations, downstream	Long-term	Actual, Negative	Transition plan implemented	Operational net-zero by 2045
Energy	N/A	Distribution losses increase upstream emissions	Environment	Actual negative impact – lowers system efficiency and worsens environmental footprint	Own operations, Downstream	Short-term	Actual, Negative	LV line upgrades, transformer replacement	96% loss emission reduction by 2050

Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of Impact	Part of the Value Chain	Time Horizon	Attributes	Actions in 2024	Targets
Energy	N/A	Infrastructure lifecycle emissions impact sustainability of energy transition	Environment	Potential negative impact – high embedded carbon in materials, energy and land use impacts	Own operations, downstream	Medium-term	Potential, Negative	No actions yet	Monitored, not targeted separately
Energy	N/A	Fossil reliance raises air pollution, energy poverty, and Scope 2 emissions for end users	People, Environment	Potential negative impact – contributes to inequality and environmental degradation	Upstream, Own Operations, Downstream	Long-term	Potential, Negative	28 MW DC solar built in Moldova in 2024	75% renewables by 2050 (Moldova NECP)
Energy	N/A	Wind power lowers fossil reliance, improves air quality	People, Environment	Actual positive impact – supports cleaner supply and climate resilience	Own operations, downstream	Long-term	Actual, Positive	Added 98 MW of wind plants in 2024	1,400–1,600 MW by 2026
Energy	N/A	Optimized maintenance reduces fuel burn and emissions, preserving climate and public health benefits.	People, Environment	Actual positive impact – improves operational efficiency and reduces environmental footprint	Own operations, downstream	Short-term	Actual, Positive	Preventive maintenance, digitization	No dedicated target, embedded in overall efficiency target
Energy	N/A	Additional solar offsets emissions and improves environmental quality	People, Environment	Potential positive impact – reduces CO ₂ , improves local air quality	Own operations, downstream	Medium-term	Potential, Positive	28 MW solar built; 147 MW solar under construction; 13 MW almost ready	1,400–1,600 MW by 2026
Energy	N/A	Dependency on imported gas may expose operations to geopolitical disruptions and price volatility	People	Transition risk – may result in supply insecurity and increased costs	Own operations	Long-term	Transition Risk	Diversification of supply under review	No quantitative targets yet
Energy	N/A	Droughts may reduce hydropower availability and reliability	People, Environment	Physical risk – may affect availability of renewable energy and stability of supply	Own operations	Long-term	Physical Risk	Diversification of energy sources and investments in balancing plants	No quantitative targets yet

Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of Impact	Part of the Value Chain	Time Horizon	Attributes	Actions in 2024	Targets
Energy	N/A	Efficiency degradation of infrastructure over time may reduce energy output across assets	Environment	Physical risk – long-term reduction in asset performance	Own operations	Long-term	Physical Risk	Lifecycle reinvestment in infrastructure; upgrade planning	No quantitative targets yet
Energy	N/A	Investments in distribution networks complement renewable energy business growth	Environment	Opportunity – supports integration of renewables and improves grid efficiency	Own operations	Long-term	Opportunity	Network reinforcement, smart meters	No quantitative targets yet
Energy	N/A	Interconnection with Romania and EU integration improve energy reliability	Environment	Opportunity – enhances energy security, system flexibility, and market integration	Own operations	Long-term	Opportunity	Regional capacity building	No quantitative targets yet
Energy	N/A	Increased demand for renewable energy storage solutions	Environment	Opportunity – supports balancing of intermittent generation and stabilizes supply	Own operations	Long-term	Opportunity	68 MWh battery storage under development as of 2024 yearend	No quantitative targets yet
Energy	N/A	Opportunity to diversify production mix to include more sustainable energy sources	Environment	Opportunity – reduces reliance on fossil fuels and aligns with decarbonization strategy	Own operations	Long-term	Opportunity	1,439 MW renewables portfolio as of 2024 yearend	1,400–1,600 MW by 2026
Energy	N/A	Expanding partnerships for renewable energy storage technologies	Environment	Opportunity – accelerates innovation and builds capabilities in low-carbon solutions	Own operations	Long-term	Opportunity	No actions yet	No quantitative targets yet
Energy	N/A	Development of storage capacity diversifies energy offerings	Environment	Opportunity – strengthens energy resilience and supports system decarbonization	Own operations	Long-term	Opportunity	68 MWh battery storage under development as of 2024 yearend	No quantitative targets yet

The Group does not currently have standalone policies covering each of the climate-related impacts, risks, and opportunities (IROs) identified in this section. These topics are instead addressed through broader operational practices and strategic instruments, most notably the Premier Energy Group's Decarbonization Plan (2024–2050). The Group will assess, by 2030, whether there is a need to formalize dedicated policies for specific IROs, beyond those already covered by the Decarbonization Plan.

The climate targets disclosed are derived from the Group's Decarbonization Plan. In several cases, targets or metrics have not yet been defined, particularly where the related IROs were newly identified during the 2024 Double Materiality Assessment. Given the breadth and complexity of the IROs, the Group intends to further evaluate appropriate actions and indicators throughout 2025, with the objective of initiating their implementation from 2026 Report onward.

Where targets or metrics are already in place, they are explicitly disclosed in the table above.

E1-2 – Policies related to climate change mitigation and adaptation

E1-2.24

Premier Energy's current approach reflects a transition phase from principles-based guidance to structured policy adoption. The following instruments are in place:

- The Decarbonization Plan (2024–2050) guides climate change mitigation efforts through measurable emissions reduction targets, technology pathways, and investment alignment.
- The ESG Policy (adopted in 2021) sets sustainability principles, including environmental and climate protection, applicable across all business lines except at Premier Energy Furnizare (PEF) and Premier Energy Renewables. PEF was acquired in 2024, officially becoming part of the Group in April 2024 and is currently undergoing a transition period to align its internal policies and procedures with those of the broader Premier Energy Group. Premier Energy Renewables is still in the process formally adopting the ESG Policy following its acquisition in 2024.

E1-2.25 - Policy Coverage: Mitigation, Adaptation, Energy Efficiency, Renewables

E1-2.25a - Climate Change Mitigation

Premier Energy does not have dedicated climate change mitigation policy however, Premier Energy's Decarbonization Plan acts as the guiding document for mitigation. Premier Energy recognizes that formal climate-related policies will be increasingly required. As such, the Group plans to formalize climate mitigation and adaptation policies by 2030, linked to the existing ESG Policy and strategy.

E1-2.25b - Climate Change Adaptation

Premier Energy does not have Climate Change Adaptation Policy.

E1-2.25c - Energy Efficiency

Premier Energy does not have Energy efficiency policy

E1-2.25d - Renewable Energy Deployment

Premier Energy does not have Renewable energy deployment. This however is governed by investment strategy, by which all new investments need to accrete.

E1-2.25e - Other Areas

No other policies exist covering other areas.

E1-3 – Actions and resources in relation to climate change policies

ESRS E1-3 28-29, E1-3 AR 21, E1-3 AR 29(c)(i-iii), ESRS 2 MDR-A 28

Premier Energy has implemented a set of climate change mitigation and adaptation actions in FY2024 and established a clear plan for the short-, medium-, and long-term to meet its climate targets. This section outlines the key actions by decarbonization lever, their expected and achieved GHG emission reductions, time horizons, scope, and linkage to climate objectives/targets, as well as the financial resources (CapEx and OpEx) allocated. The disclosures below are in line with ESRS E1-3.28–29 on climate action plans and resources and ESRS 2 on management of sustainability matters (MDR-A).

E1-3 AR 29(c)(i)

Financial resources allocated to climate actions.

Table 27 summarizes the capital and operating expenditures devoted to climate mitigation and adaptation initiatives, broken down by time horizon. The FY2024 amounts correspond to the climate-related investments undertaken during the year, while short-, medium-, and long-term figures reflect planned resource allocation in alignment with Premier Energy's decarbonization strategy.

Notably, in FY2024 63% of total CapEx (EUR 40,393K) was invested in climate change mitigation activities (taxonomy-eligible but not aligned). Similarly, 95% of total OpEx (EUR 9,606K) in 2024 related to these climate-friendly activities. This includes expenditures for expanding renewable generation and upgrading distribution networks, which are classified as taxonomy-eligible economic activities (e.g. wind and solar power generation, electricity distribution). No FY2024 expenditures qualified as "taxonomy-aligned" due to certain technical criteria not yet fully met (explained further below).

E1-3 AR 21, MDR-A 28

Future resource plans (short-, medium-, long-term) are designed to support Premier Energy's climate objectives (50% GHG reduction by 2035, net-zero by 2045) and assume continued access to capital and supportive policy frameworks.

Table 27: Financial resources for climate mitigation and adaptation actions (CapEx and OpEx)

Time Horizon	Capital Expenditures (EUR)	Operating Expenditures (EUR)	Description of Resource Allocation
FY2024	EUR 40.4 million (actual)	EUR 9.6 million (actual)	Actual FY2024 investments in climate mitigation projects – e.g. new renewable energy capacity and grid modernization. These figures align with the Taxonomy-eligible (not aligned) CapEx and OpEx for 2024 (63% of total CapEx, 95% of OpEx). No spending was Taxonomy-aligned yet, as criteria compliance (e.g. technical screenings, climate risk analysis) is in progress.

Time Horizon	Capital Expenditures (EUR)	Operating Expenditures (EUR)	Description of Resource Allocation
Short-term (FY2025–2027)	to be allocated (est. high hundreds of K EUR)	to be allocated (est. tens of K EUR)	Near-term planned investments to accelerate decarbonization. This includes major CapEx for renewable energy expansion and grid upgrades. OpEx covers program implementation costs (e.g. maintenance of new renewables, operational rollout of electric fleet). Funding: A successful IPO in 2024 raised EUR 97 million to support these initiatives, enabling rapid scale-up of renewables and network projects.
Medium-term (FY2028–2035)	to be allocated (est. high hundreds of K EUR)	to be allocated (est. tens of K EUR)	Mid-term investment program aimed at achieving a 50% GHG emissions reduction by 2035 (vs 2022). Significant CapEx will be deployed in continued renewable capacity growth and network modernization across Romania and Moldova. OpEx will include ongoing costs for climate initiatives (e.g. operation of expanded renewable assets, maintenance of resilient infrastructure). The value of investments will depend on resource availability (e.g. reinvesting profits, potential green financing) and evolving regulation (e.g. support for grid improvement and renewable integration).
Long-term (FY2036–2045)	to be allocated (est. very high)	to be allocated (est. moderate)	Long-term capital will be committed to emerging decarbonization solutions and completing the journey to net-zero by 2045. This may include new technologies (energy storage deployment, green hydrogen integration into gas networks) and further system resilience measures. OpEx in the long run will support sustained climate adaptation (e.g. routine climate risk management, infrastructure maintenance in a changing climate). Note: Long-term resource plans are subject to future market conditions, technological advances, and policy support (e.g. potential EU funds for innovation).

Note: All FY2024 figures are in thousands of EUR and correspond to Taxonomy-eligible climate mitigation activities (wind, solar, and electricity distribution). “Planned” amounts for future horizons are indicative; Premier Energy will refine these as part of its ongoing strategic and budget planning.

E1-3 AR 29(c) (ii), (iii) - Key climate mitigation and adaptation actions

Table 28 below presents the major climate actions undertaken in FY2024 and planned across the short, medium, and long term, organized by decarbonization lever. These actions form the core of Premier Energy's decarbonization plan and are designed to collectively deliver the emissions reductions required by our targets (50% reduction by 2035; net-zero by 2045), in alignment with the Paris Agreement goals. The progress of each action is monitored, and the outcomes (e.g. MW of renewables added, % loss reduction, tons CO₂ abated) are tracked against the decarbonization pathway.

Table 28: Climate change mitigation and adaptation actions (FY2024 actual and future plan)

Decarbonization Lever	Key Actions	Status	Time Horizon	Expected Outcomes	Achieved Outcomes	CapEx and OpEx Required
Renewable Energy Expansion	Expanding renewable generation capacity 98 MW wind + 23 MW solar operational; >147 MW solar in development with battery storage capacity of 46 MWh	In progress (ongoing expansion; additional projects planned)	Short-, Medium- & Long-term (2024–2050 rollout)	Greater share of clean energy in grid supply, lowering Scope 2 emissions intensity. Contributes to climate change mitigation aligned with net-zero 2045 goals.	~167 MW of wind and 33 MW solar are delivering zero-carbon power as of 2024 yearend, providing an immediate emissions benefit and foundation for scaling up.	EUR 21.6 million CapEx in 2024 for wind/solar development; continued CapEx investment planned through the 2030s for new projects. OpEx: minimal incremental cost (ongoing O&M of renewable assets).
Grid Loss Reduction (Electricity Distribution)	Upgrade distribution infrastructure to cut losses: modernize low-voltage 0.4 kV lines, replace aging transformers, add "cold" reserve capacity at substations, and optimize 35 kV network design.	In progress (network upgrades underway, further projects planned)	Short- to Long-term (phased improvements through ~2045)	Lower technical losses and significantly reduced Scope 2 emissions. Aligns with Premier Energy's climate strategy by tackling its largest emission source (distribution losses were 86% of 2022 emissions).	Continuous upgrades of grid, plus commissioning 28 MW solar project, contributing to the transition of the energy system	EUR 18.8 million CapEx invested in 2024 for grid modernization (loss-reduction equipment). OpEx: part of routine network operations (2024 initiatives funded through internal resources; no significant incremental OpEx reported).

Decarbonization Lever	Key Actions	Status	Time Horizon	Expected Outcomes	Achieved Outcomes	CapEx and OpEx Required
Gas Network Decarbonization (Leak Reduction & H ₂ Blending)	Modernize gas distribution to curb methane leaks: replace old steel pipelines with polyethylene (≈80% of network already upgraded, hydrogen-ready). Enhance pipeline leak detection and maintenance programs to promptly fix leaks. Prepare for hydrogen blending into gas supply (target 5% H ₂ by 2031, up to 15% by 2041).	In progress (pipeline replacement ongoing; H ₂ blending in planning)	Short/Medium-term (pipeline upgrades through ~2030); Long-term (H ₂ blending phased 2031–2041)	Dramatic reduction in Scope 1 fugitive emissions from gas operations. Replacing steel pipes is expected to cut distribution methane leaks by >90%; full program projected to reduce gas-related GHG emissions ~89%. Hydrogen blending will further lower the carbon content of delivered gas, supporting climate mitigation in line with transition goals.	~80% of the network is now polyethylene (leak-tight), substantially reducing methane leakage. 2024 saw ongoing leak detection and repairs (improved safety and lower losses). Quantitative emission reduction from these measures is material but not separately disclosed (to be confirmed as monitoring improves).	Continuous CapEx investment (multi-year) for pipeline replacements (financed via annual infrastructure budgets; not Taxonomy-eligible for mitigation, hence not separately reported). 2024 OpEx of EUR 8.1 million supported leak detection and related operational measures, enabling emission cuts and compliance (ongoing similar OpEx expected until full upgrade and blending implementation).
Fleet Electrification	Transition company vehicle fleet to low-emission vehicles: replace diesel/petrol cars with hybrid and electric models (rollout starts 2025; ~120 vehicles targeted for replacement in RO by 2029 and ~75 in MD by 2045).	Planned	Short- to Long-term (initial fleet upgrades 2025–2029; full renewal by 2045)	Lower fuel consumption and Scope 1 (vehicle) emissions. Over the long term, fleet measures are estimated to cut fleet GHG emissions by ~20% in Moldova and ~32% in Romania by 2050.	Not applicable yet.	Fleet electrification costs are integrated in overall CapEx. For 2024, the amount was EUR 1.1 million and included vehicle replacements at PE Romania and Moldova. Future CapEx allocation will ramp up as vehicles are acquired. Ongoing maintenance and charging costs expected to be offset by fuel savings.

Decarbonization Lever	Key Actions	Status	Time Horizon	Expected Outcomes	Achieved Outcomes	CapEx and OpEx Required
Building Energy Efficiency	Retrofit buildings for energy efficiency: install LED lighting and smart occupancy sensors (all sites, many already upgraded – e.g. Chişinău HQ complete). Upgrade heating, ventilation, and AC (HVAC) systems: replace inefficient boilers with efficient models, add thermostatic heating/cooling controls, and improve insulation and glazing (medium-term where needed). Implement sub-metering and energy monitoring in facilities for better energy management. Install on-site renewable energy at key facilities (e.g. solar panels at main office in long term).	In progress (several measures initiated; phased retrofits ongoing)	Short- & Medium-term (major upgrades by 2025–2035); Long-term (additional improvements by 2040)	Lower energy use and reduced Scope 1 (onsite fuel) and Scope 2 (purchased electricity) emissions from buildings. Significant efficiency gains projected – e.g. up to 74% reduction in building-operation emissions in MD by 2050 (~30% in RO by 2050). These actions support Premier's climate targets and lower operating costs over time.	LED lighting upgrades and basic controls already implemented at main offices (Chişinău site fully LED-lit with automatic controls), yielding immediate energy savings. Other buildings are in early retrofit stages; no substantial group-wide emissions decrease realized yet as of 2024 (baseline energy usage unchanged pending broader rollout).	CapEx: Efficiency retrofits are funded via ongoing CapEx budgets (no separate 2024 figure; investments will span several years for lighting, HVAC, and insulation upgrades). These are relatively modest investments (aggregating to a few million EUR over the plan period) with high efficiency returns. OpEx: additional operating costs are minimal – 2024 included spending on energy monitoring systems as part of the EUR 8.1 million decarbonization OpEx.

E1-3.AR 19(d)

Premier Energy has not yet completed a formal Climate Risk and Vulnerability Assessment (CRVA) and therefore cannot fully classify its climate change adaptation actions by type.

E1-3.AR 21 | MDR-A 28

The implementation of Premier Energy's climate mitigation and adaptation actions depends on access to stable financing and cost-effective capital. While the Company raised funds through its 2024 IPO to support short-term and medium-term climate investments, especially the expansion of the renewables portfolio, but the execution of and long-term actions – particularly renewable capacity expansion, grid upgrades, and storage – remains dependent on capital market conditions, regulatory support, and future funding availability. This may influence the pace or scope of certain actions outlined in the decarbonization plan.

E1-4 – Targets related to climate change mitigation and adaptation

E1-4.32 - Disclosure of GHG Reduction or Other Climate Targets

Target 1: Group-wide GHG Emissions Reduction (Scope 1 and 2)

Relationship to policy objectives: This target is directly aligned with Premier Energy's strategic policy objective to reduce its contribution to climate change, as outlined in the Decarbonization Plan. It serves as the principal operational target for climate change mitigation and supports the long-term ambition of net-zero operations.

Target level and type: Premier Energy aims to reduce Scope 1 and 2 GHG emissions by 50% by 2035 and to become operational net-zero by 2045, compared to the 2022 baseline. The target is absolute and measured in tons of CO₂ equivalent (tCO₂e).

Scope and boundaries: The target applies to 100% of Scope 1 and Scope 2 emissions from Premier Energy's own operations across all business lines: electricity, distribution and supply, natural gas distribution and supply, and renewable energy and conventional generation in Romania and the Republic of Moldova. Full Scope 3 is being introduced for the first time in FY2024 and is currently excluded from the target.

E1-4.34c

Baseline and base year: The baseline year is 2022, with a total of 128,962 tCO₂e, broken down as:

- Scope 1: 17,091 tCO₂e (methane, fuel combustion, heating)
- Scope 2: 111,871 tCO₂e (primarily electricity grid losses)

Target period and milestones:

- 50% emissions reduction by 2035
- Operational Net-Zero by 2045 (based on high-efficiency operations and minimal offsets)

Milestones are embedded into investment cycles and reviewed annually.

Methodologies and assumptions: The target was defined based on:

- GHG accounting is consistent with the GHG Protocol, using operational control boundaries.
- Emission factors are sourced from the DEFRA and EIB carbon footprint methodologies.

The target considers local energy contexts (e.g. high grid emissions in Moldova) and relies on emission reductions from:

- Grid digitalization and loss reduction
- Renewable energy capacity additions
- Methane leakage prevention
- Operational efficiency and fleet electrification

Scientific alignment: The target is aligned with science-based pathways consistent with keeping warming well below 2°C. Although not formally approved by SBTi, the ambition and reductions are aligned with EU climate legislation and global climate science.

Stakeholder involvement: The target was validated internally through cross-functional input and approved by the Executive Committee.

Changes in target scope, assumptions, or comparability: Since the baseline year, Premier Energy has undergone material structural changes. Most notably, the Group acquired CEZ Vanzare (now Premier Energy Furnizare) in April 2024, a major electricity supplier in Romania. Moreover, as of H2 2024, the Group started the operations of a gas-to-power cogeneration balancing plant, which significantly increases the emissions. As a result, the Group's Scope 1 and Scope 2 will increase significantly from FY2024 onwards.

At this stage, Premier Energy has not restated the 2022 baseline to reflect the acquisition, in line with GHG Protocol and ESRS E1 guidance, which allows for fixed base years. A full reassessment of target structure and baseline recalibration will be done in 2027, once post-acquisition integration and Scope 3 data expansion are complete.

Monitoring and review: Monitoring began in FY2024. Progress will be tracked via absolute reductions in tCO₂e, included in future CSRD disclosures.

E1-4.33 - Targets for Managing Material Climate Impacts, Risks, Opportunities

Premier Energy Group has set a range of quantitative and strategic targets to manage its most material climate-related impacts, risks, and opportunities, in line with the Group's Decarbonization Plan, Double Materiality Assessment, and climate resilience strategy.

These targets include:

1. GHG Emissions Reduction Targets (Scope 1 & 2) – detailed above

2. Renewable Energy Deployment:

- Renewable energy capacity of 1,400-1,600 MW (owned/managed/in development), with a focus on wind and solar
- Starting in 2025 10% of losses in electricity network are targeted to be covered by renewables, with this figure increasing to 75% by 2050 in line with the Moldova's NECP.

3. Energy Efficiency and Grid Loss Reduction:

- Electricity loss reduction target in Moldova from 7.2% in 2022 to 5.84% by 2050
- Progressive investment in smart metering, transformer upgrades, and grid optimization measures through 2035

4. Climate Change Adaptation and Physical Risk Mitigation:

- Completion the Climate Risk and Vulnerability Assessment by 2026 and the site-level climate risk vulnerability assessments by 2028.

5. Scope 3 Targets:

- No GHG reduction targets have been set for Scope 3 emissions at this stage
- Full Initial Scope 3 measurement began in 2024, covering emissions from leased assets
- A full Scope 3 screening and prioritization process is planned for 2025-2027, which may lead to future target setting depending on materiality findings

E1-4.34 - If GHG Reduction Targets Are Set, Additional Requirements

Premier Energy Group has formally adopted GHG emission reduction targets as part of its 2024 Decarbonization Plan, aligned with ESRS E1-4.32.

The targets apply to Scope 1 and 2 emissions, covering all fully controlled operational activities in Romania and the Republic of Moldova, under the operational control approach.

These targets are expressed in absolute terms (tCO₂e) using a 2022 base year, and include:

Target Type	Scope(s)	Base Year	Target Year	Target	Metric
Mid-Term Target	Scope 1 + 2	2022	2035	-50% reduction vs. 2022 baseline	Absolute (tCO ₂ e)
Net Zero Ambition	Scope 1 + 2	2022	2045	Net-zero operational emissions	Absolute with <10% residuals vs 2022 baseline

The targets are aligned with the 1.5°C warming scenario. Planned reductions are based on direct abatement actions (e.g. renewable energy deployment, infrastructure upgrades, methane leakage reduction) and do not rely on offsets.

E1-4.AR 25a

Premier Energy did not normalize the 2022 baseline, as no extraordinary external factors were identified and full year verified data was available.

E1-4.AR 25b

The 2022 baseline will be adjusted in 2027 to reflect structural changes in the reporting boundary, including the acquisition of Premier Energy Furnizare S.A. (formerly CEZ Vanzare) and the commencement of commercial operations at the Făgăraș gas-to-power cogeneration balancing plant.

E1-4.34e, AR 26

Premier Energy's GHG targets are aligned with 1.5°C warming scenario, as analyzed by the Science Based Targets initiative (SBTi), not yet externally assured or SBTi-certified.

E1-5 – Energy Consumption and Mix

Table 31: Energy consumption

all values in MWH	PE Romania	PEF	Renewables	PE Moldova	TOTAL
Total energy consumption for own operations	71,122.9	1,403.8	1,167.7	249,159.5	322,853.8
Total fossil energy consumption	70,244.8	1,115.9	345.2	199,335.2	271,041.1
Fuel consumption from coal and coal products	-	-	-	-	-
Fuel consumption from crude oil and petroleum products	2,389.7	719.6	125.2	4,962.6	8,197.1
Fuel consumption from natural gas	67,718.1	219.2	83.0	865.7	68,886.0

all values in MWH	PE Romania	PEF	Renewables	PE Moldova	TOTAL
Fuel consumption from other fossil sources	-	2.1	9.8	-	11.9
Consumption of purchased/acquired electricity, heat, steam, and cooling from fossil sources	137.1	174.9	127.2	193,506.9	193,946.1
Share of fossil sources in total energy consumption	99%	58%	30%	80.0%	84%
Consumption from nuclear sources	51.2	79.8	64.6	4,815.3	4,959.6
Share of consumption from nuclear sources in total energy consumption	0.1%	11.7%	5.5%	1.9%	1.5%
Total renewable energy consumption	826.8	208.1	757.9	6,383.0	8,175.8
Fuel consumption from renewable sources	-	-	-	-	-
Consumption of purchased/acquired electricity from renewable sources	826.8	208.1	757.9	6,383.0	8,175.8
Consumption of purchased/acquired heat from renewable sources	-	-	-	-	-
Consumption of purchased/acquired steam from renewable sources	-	-	-	-	-
Consumption of purchased/acquired cooling from renewable sources	-	-	-	-	-
Consumption of self-generated non-fuel renewable energy	-	-	-	-	-
Share of renewable sources in total energy consumption	1.2%	14.8%	64.2%	2.6%	2.5%
No available data for source of energy	-	-	-	38,626.0*	38,626.0 *
Percentage of energy from unknown source *	0.0%	0.0%	0.0%	15.5%*	12.0%*
Non-renewable energy consumed	70,296.0	1,195.7	409.8	242,776.5	314,626.7
Renewable energy consumed	826.8	208.1	757.9	6,383.0	8,175.8

* In the Republic of Moldova, data on the energy source is not available for 38,626 MWh of electricity consumption. This amount includes volumes purchased through OPCOM and imbalances, where the origin (fossil, renewable, or nuclear) is not disclosed by suppliers.

Energy Intensity Disclosure

E1-5.40 - Disclosure of Energy Intensity for High Climate Impact Sectors

E1-5.41 - Scope & Calculation of Energy Intensity in High Climate Impact Sectors

Table 32: Energy intensity

Total energy consumption from activities in high climate impact sectors	322,853.79
Total energy consumption from activities in high climate impact sectors per net revenue	265.93 MWh per million EUR revenue

E1-5.42 - Identification of High-Impact Sectors for Energy Intensity Calculation

In line with ESRS E1-5.42 and the definition of high climate impact sectors under Commission Delegated Regulation (EU) 2022/1288, Premier Energy Group identifies the following relevant NACE (“Nomenclature statistique des Activités économiques dans la Communauté Européenne”) codes associated with its business activities. These are used to determine the energy intensity disclosed under E1-5.40:

- D35.11 - Electricity generation (including solar PV and wind power)
- D35.12 - Transmission of electricity
- D35.13 - Distribution of electricity
- D35.22 - Distribution of gaseous fuels through mains (natural gas)

These NACE codes fall under Section D – Electricity, Gas, Steam and Air Conditioning Supply, which is explicitly included in the list of high climate impact sectors per Annex I of Regulation 2022/1288.

Premier Energy operates entirely within these climate-intensive energy segments. Therefore, 100% of its operational net revenue is derived from high climate impact sectors.

As required under ESRS E1-5.43, Premier Energy discloses the reconciliation of net revenue from high climate impact activities to the relevant line item(s) in its Consolidated Financial Statements. Since the Group’s activities are fully concentrated in electricity and gas distribution, supply, and generation, all within high-impact sectors, the reconciliation is as follows:

Table 33: Net revenue from activities in high climate sectors

Net revenue from activities in high climate impact sectors used to calculate energy intensity	EUR 1,214,055 K
Net revenue (other)	-
Total net revenue (Consolidated Financial Statements)	EUR 1,214,055 K

E1-6 – Gross Scopes 1, 2, 3, and Total GHG Emissions

E1-6.AR 39b

Premier Energy's GHG reporting follows the Operational Control Approach, aligned with IFRS consolidation rules. Under this approach, the Group reports 100% of emissions from fully controlled entities, excluding investments or associates without operational control.

In FY2024, the company performed the first full GHG inventory covering Scope 1, Scope 2, and material Scope 3 emissions, with emissions calculated from 1 January 2024 (or from acquisition date for newly acquired entities) until 31 December 2024.

The GHG impact identification process includes:

Scope 1: Direct emissions, covering:

- Fuel combustion from owned vehicle fleet, gas consumption for owned offices, and the gas-to-power balancing plant;
- Methane emissions from pipeline leakages (metered and estimated).

Scope 2: Indirect emissions, including:

- Purchased electricity for owned offices and operational buildings;
- Purchased electricity for distribution network losses;
- Emissions of the owned electric-car fleet.

Scope 3: Other indirect emissions, introduced for the first time in FY2024. Premier Energy conducted a detailed screening of all 15 Scope 3 categories under the GHG Protocol and Material Scope 3 categories that were identified included:

- Fuel- and energy-related activities (particularly emissions from electricity sold to customers that was not generated by the Group) as well as WTT emissions related to scope 1 emissions
- Use of sold products, including combustion of natural gas sold as well as of own-generated electricity.

Categories deemed non-material in FY2024, meaning not overpassing the 2% of total emissions in the course of 2024 threshold have been documented with justification but excluded from full calculation.

Data was collected from internal operational systems, facility consumption records, ANRE regulatory reports, and fuel/electricity invoices. Where actual data was unavailable, estimates were made using conservative, standardized assumptions and as such are reflected accordingly.

We acknowledge that there is a discontinuity in our greenhouse gas (GHG) emissions data for the reporting year 2023. The absence of GHG data for 2023 is due to the Group's rapid expansion,

To maintain transparency and enable comparability, we hereby indicate this gap in our reporting as well as the necessary recalculation of the base year to reflect the acquisition of PREMIER ENERGY FURNIZARE S.A. concluded in 2024. The revised base year and emissions data for 2023 will be disclosed in our 2025 sustainability report, along with a transparent explanation of the methodology and impact of the recalculation.

Significant Assumptions:

- For methane leakages from pipelines (Scope 1), estimated leakage rates were used based on pipeline pressure and material.
- Emissions from electricity purchased in Romania and Moldova were differentiated based on country-specific emission factors.
- Intercompany (ICO) transactions were excluded to avoid multiple counting of the same emissions across subsidiaries.

E1-6.47 - Disclosure of Changes in Boundaries and Year-to-Year Comparability

In 2024, Premier Energy Group experienced significant changes in its organizational and operational boundaries, which directly affect the Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions reported.

The following entities were added to the Group's consolidation perimeter during 2024:

- Premier Energy Furnizare S.A. (formerly CEZ Vanzare), integrated in April 2024. This expanded the Group's scope 3 especially in the downstream value chain. *However, 2024 is the first year Premier Energy reports Material Scope 3 emissions, and therefore no year-to-year comparability is possible with 2023.*
- Several acquisitions were made in the renewable energy production sector, slightly impacting the Group's Scope 1, Scope 2 and Scope 3 reporting boundaries:
 - Alive Wind Power One S.R.L. – acquired 18 MW of operational wind parks and 8 MW in development
 - Premier Wind 80 S.R.L. – 80 MW operational wind farm
 - Development Power Solar Energy S.R.L. – solar project (38 MWp + 8 MWh storage), development-stage
 - Elteprod Wind S.R.L. – land with future development potential for 8 MW wind capacity
- the Group's cogeneration plant, owned by subsidiary True Energy Management S.R.L., also affected the Scope 1 reporting boundary. Originally acquired as an idle facility in October 2022, the plant, located in Făgăraș, Romania, has an installed capacity of 13.2 MWe for electricity balancing. It underwent full refurbishment in early 2024, received Transelectrica system services certification in May 2024, and began commercial operations in July 2024. On 22 August 2024, the Group increased its ownership in True Energy Management S.R.L. to 75%, further consolidating control. The plant contributes to Scope 1 and Scope 2 emissions due to direct fuel combustion, and its inclusion marks a notable change in operational boundary compared to 2022.

While some of these assets were acquired in the final quarter of 2024 or are still in development, their inclusion expands Scope 1 (direct emissions) and Scope 2 (purchased electricity for operational use) boundaries. These additions were not included in the 2022 GHG baseline nor in the original Decarbonization Plan.

As a result, the Group notes that GHG emissions reported for 2024 are not directly comparable to prior years, due to:

- The inclusion of new operational assets with Scope 1 and Scope 2 footprints;
- Structural changes in the organizational perimeter;
- The first-time reporting of Material Scope 3 emissions.

Going forward, Premier Energy intends to update its GHG reduction pathway and re-baseline its targets to ensure alignment with the expanded Group structure.

E1-6.44-52 - Disclosure of Gross Scope 1, 2, & 3 Emissions & GHG Intensity

	2022 Base year	FY2024
Scope 1 GHG emissions	8,738.93	22,477.29
Gross Scope 1 GHG emissions (tCO ₂ e)	8,738.93	22,477.29
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	n/a	n/a
Scope 2 GHG emissions	111,871.00	119,851.09
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	111,871.00	119,851.09
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	111,871.00	119,851.09
Significant Scope 3 GHG emissions	n/a	4,762,716.52
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	n/a	4,762,716.52
3 Fuel- and Energy-Related Activities	n/a	2,983,235.40
11 Use of Sold Products	n/a	1,779,481.12
Total GHG emissions	n/a	4,905,044.9
Total GHG emissions (location-based) (tCO ₂ eq)	n/a	4,905,044.9
Total GHG emissions (market-based) (tCO ₂ eq)	n/a	4,905,044.9

E1-6.50 - Disaggregating Scope 1 and 2 Emissions by Consolidation and Operational Control

All Scope 1 and Scope 2 GHG emissions disclosed by Premier Energy Group are calculated based on the Operational Control approach and fully consolidated in line with the Group's financial reporting boundaries.

E1-6.AR 43c – Separate disclosure of biogenic Scope 1 emissions of CO2 from the combustion or biodegradation of biomass

We are not aware of such occurrence, nor we could verify it.

E1-6.AR 45d – Information about contractual instruments used for the sale and purchase of energy

Not applicable.

E1-6.AR 45e – Separate disclosure of biogenic Scope 2 emissions of CO2 carbon from the combustion or biodegradation of biomass

We are not aware of such occurrence, nor could we verify it.

E1-6.AR 46g – Disclosure of the measurement of Scope 3 GHG emissions and data sources | E1-6.AR 46h – Disclosure of boundaries, calculation methods, and tools for each Scope 3 category

For both material Scope 3 categories, emissions were calculated using activity-based data collected directly from the Group's operational and commercial systems. No Scope 3 emissions were estimated based on secondary data from suppliers or other value chain partners.

Category	Organizational Boundary	Measurement Approach	Use of Primary Data	% of Emissions Based on Primary Data	Emission Factor Sources
Category 3 – Fuel- and Energy-Related Activities	Operational Control	Emissions were calculated based on: (i) electricity sold, determined by subtracting internally generated electricity from total electricity sold. All inputs derived from Premier Energy's internal operational and commercial data; and (ii) upstream (well-to-tank) and transmission losses related to the Group's own fuel and electricity consumption (Scope 1 and 2)	Yes, Internal energy and sales data (Scope 1, Scope 2, and electricity sold breakdown)	100%	DEFRA 2024, European Investment Bank for WTT emissions EIB Project Carbon Footprint Methodologies, 2023 for electricity sold
Category 11 – Use of Sold Products	Operational Control	Calculated using internal generation and sales data for electricity produced by Premier Energy and sold to customers, applying standard combustion emission factors.	Yes, Internal generation and sales records	100%	DEFRA 2024 for natural gas sold

E1-6.AR 46i - Disclosure of a list of Scope 3 categories included/excluded plus justification

Premier Energy Group assessed all 15 categories of Scope 3 emissions in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard. A quantitative materiality threshold of 2% of total gross GHG emissions was applied to determine which categories would be included in the calculation and disclosure.

In FY2024, the company performed the first full GHG inventory covering Scope 1, Scope 2, and material Scope 3 emissions, with emissions calculated from 1 January 2024 (or from acquisition date for newly acquired entities) until 31 December 2024.

#	Category Name	2024 Emissions (tCO ₂ e)	% of Total Emissions	Material	Justification
1	Purchased Goods and Services	480.48	0.01%	NO	Below materiality threshold; impact not significant.
2	Capital Goods	38,931.77	0.77%	NO	Below materiality threshold, however, will monitor as has potential to approach materiality threshold.
3	Fuel- and Energy-Related Activities	2,983,235.4	59.09%	YES	Material and highly relevant given the business model.
4	Upstream Transportation and Distribution	N/A	0.00%	NO	Not applicable; not a significant activity in the value chain.
5	Waste Generated in Operations	22,136.12	0.44%	NO	Below materiality threshold.
6	Business Travel	100.4	<0.01%	NO	Below materiality threshold.
7	Employee Commuting	1,946.1	0.04%	NO	Below materiality threshold.
8	Upstream Leased Assets	840.78	0.02%	NO	Below materiality threshold.
9	Downstream Transportation and Distribution	42,688.25	0.85%	NO	Below materiality threshold, however, will monitor as has potential to approach materiality threshold.
10	Processing of Sold Products	N/A	0.00%	NO	Not applicable; products are not further processed.
11	Use of Sold Products	1,779,481.12	35.25%	YES	Material and highly relevant given the business model.
12	End-of-Life Treatment of Sold Products	N/A	0.00%	NO	Not applicable.
13	Downstream Leased Assets	37.04	0.00%	NO	Below materiality threshold.
14	Franchises	N/A	0.00%	NO	Not applicable; the Group does not operate through a franchise model.
15	Investments	N/A	0.00%	NO	Not applicable to the structure of Premier Energy Group.

E1-6.AR 46j – Separate disclosure of biogenic Scope 3 emissions from the combustion or biodegradation of biomass

We are not aware of such occurrence, nor we could verify it.

E1-6.53-54, AR 53 – Disclosure of GHG emissions intensity (total GHG emissions per net revenue

For the reporting period, Premier Energy Group generated consolidated net revenue of EUR 1,214,055,000, with total gross GHG emissions (Scopes 1, 2, and material Scope 3) amounting to 4,941,738.43 tCO₂e.

Based on these figures, the Group's GHG emissions intensity is calculated at 0.00407 tCO₂e per EUR of net revenue, equivalent to 4.07 tons of CO₂e per EUR 1,000 of revenue.

E1-6.55 – Disclosure of reconciliation to the relevant line item or notes in the financial statements

Premier Energy Group cross-references the revenue figure from its Consolidated Financial Statements.

E1-7 – GHG Removals & Mitigation Projects Financed Through Carbon Credits

During the reporting period, the undertaking has not carried out any greenhouse gas (GHG) removal or storage activities within its own operations or across its upstream and downstream value chain. Additionally, the undertaking has not used or financed any GHG emission reductions or removals through external carbon credit projects outside its value chain. As a result, no GHG removals, storage, or external carbon credits are reported under this disclosure requirement.



CEF Izvoru Barzii 14.8 MWp & 14.175 Solar Park, Mehedinti County, Romania, managed by Premier Energy

E1-7.60 - Additional Net-Zero Target Explanations Beyond Gross GHG Reduction

Premier Energy Group has disclosed a net-zero operational emissions target to be achieved by 2045, in addition to its gross GHG emission reduction targets (50% reduction in Scope 1 and 2 by 2035, and 90% by 2050, based on a 2022 baseline).

This target refers to net-zero Scope 1 and Scope 2 emissions and is based on the following approach:

- The company aims to achieve at least 90% absolute reduction in gross emissions through direct abatement measures, such as:
 - Replacing methane-leaking infrastructure
 - Phasing in renewable energy sources
 - Improving grid efficiency and reducing technical losses
 - Deploying electrified fleet and building retrofits
- The remaining residual emissions ($\leq 10\%$), primarily linked to hard-to-abate operational sources, may be addressed through certified carbon removal technologies (to be defined closer to target year). Premier Energy does not currently rely on offsetting as part of its decarbonization strategy.

The Group's net-zero target is aligned with the SBTi's definition of operational net zero but may be further refined to reflect future Scope 3 coverage, changes in regulatory standards, or best practices around neutralization and compensation.

E1-8 – Internal Carbon Pricing

Premier Energy Group does not apply an internal carbon pricing mechanism.

E1-9 – Anticipated Financial Effects from Material Physical and Transition Risks and Potential Opportunities

Premier Energy Group applies the phase-in provisions in accordance with Appendix C of ESRS 1 with respect to this disclosure requirement.

The Group does not yet disclose quantitative or detailed qualitative information on the anticipated financial effects of material physical and transition climate-related risks, or of potential climate-related opportunities.

Premier Energy is currently working on its climate scenario modelling and financial sensitivity analysis frameworks. These will be integrated into future reporting cycles, enabling the Group to provide more detailed disclosures on the expected financial implications of climate risks and opportunities in line with ESRS E1-9.

Disclosures pursuant to Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Premier Energy EU Taxonomy report for the fiscal year 2024 demonstrates the Groups steadfast commitment to sustainable finance and environmental stewardship. This report is a testament to Premier Energy dedication to aligning its operations with the EU's sustainability objectives, as outlined in the EU Taxonomy Regulation (Regulation (EU) 2020/852).

By publishing for the first time this EU Taxonomy report, Premier Energy reaffirms its dedication to transparency and long-term value creation. The report outlines the Group's ongoing efforts to ensure that its operations from year-to-year are aligned with the EU Taxonomy Regulation, showcasing Premier Energy's unwavering commitment to sustainability and environmental protection.

For 2024 Premier Energy identified the following eligible activities:

- Electricity generation from wind power
- Electricity generation from solar photovoltaic technology
- Transmission and distribution of electricity
- Generation of electricity using fossil gaseous fuels
- Storage of electricity
- Installation maintenance and repair of renewable energy technologies

Only the first four significant activities are disclosed because the last two are currently not material from a financial perspective. Premier Energy's strategy is to invest in storage facilities in the future.

Although Premier Energy identified four significant eligible activities, it hasn't manage to secure taxonomy alignment for these activities fully with the criteria of Appendix A (Classification of climate-related hazards) due to a lack of compliance.

Compliance Statement

In accordance with the requirements outlined in the EU Taxonomy Regulation, Premier Energy's report discloses the proportion of its economic activities that are categorized as Environmentally Sustainable (Taxonomy-Aligned), Taxonomy-Eligible but Not-Aligned, and Taxonomy Non-Eligible. This breakdown is provided across three key financial metrics: Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx).

Premier Energy has conducted a comprehensive assessment of its entire portfolio, comparing its activities against the descriptions of Taxonomy-Eligible activities provided in the EU delegated acts (Commission Delegated Regulation (EU) 2021/2139, along with its supplement, Commission Delegated Regulation (EU) 2023/2485, and the latest Commission Delegated Regulation (EU) 2023/2486) which contains the screening criteria for the four remaining environmental objectives).

Overall, Premier Energy has respected the EU Taxonomy Regulation by having implemented the following steps:

- Identification of eligible economic activities.
- Assessment of substantial contribution to at least one of the six environmental objectives (compliance with the technical screening criteria).
- Assessment of the DNSH criteria of the remaining/other environmental objectives.
- Verification of the minimum social safeguards.
- Calculation of Key Performance Indicators (KPIs).

Premier Energy's assessment of Taxonomy-eligible economic activities

Under the EU Taxonomy, an economic activity is considered eligible if it matches the description of the activity provided in the Annex I or II of the EU Taxonomy Climate Delegated Act.

To comprehensively identify Premier Energy's eligible economic activities and projects under the EU Taxonomy Regulation, the Group conducted a thorough screening of its entire portfolio. This assessment involved a detailed comparison of Premier Energy's activities against the descriptions of the Taxonomy-eligible economic activities provided in the relevant regulatory sources, namely the Climate Delegated Act.

Through this evaluation process, Premier Energy determined that its activities (with reference to NACE code) related to:

- 01 Electricity generation from wind power (NACE code D35.11)
- 02 Electricity generation from solar photovoltaic technology (NACE code D35.11)
- 03 Transmission and distribution of electricity (NACE code D35.13)
- 04 Generation of electricity using fossil gaseous fuels (NACE code D35.11)
- 05 Storage of electricity (no dedicated NACE code)
- 06 Installation maintenance and repair of renewable energy technologies (no dedicated NACE code) are considered Taxonomy-eligible.

Premier Energy assessed that the first four activities are significant in 2024 and in line with the environmental objective of climate change mitigation.

The storage of electricity is at the early stage of development and may be included in the alignment process in the coming years.

Premier Energy's core activities - sales of gas or electricity to individual/wholesalers, distribution of gas – are not eligible.

Premier Energy's assessment of Taxonomy-aligned economic activities

In its assessment of the Taxonomy-eligibility of its economic activities, Premier Energy conducted a thorough evaluation of the Technical Screening Criteria to determine the level of alignment.

The following eligible activities were analyzed:

01	Electricity generation from wind power
02	Electricity generation from solar photovoltaic technology
03	Transmission and distribution of electricity
04	Generation of electricity using fossil gaseous fuels

01 Electricity generation from wind power

Through this evaluation process, Premier Energy determined that the “ **Electricity generation from wind power** ” activity makes a substantial contribution to the environmental objectives of climate change mitigation (CCM).

Regarding the **climate change mitigation (CCM)** the activity “**Electricity generation from wind power**” makes a substantial contribution when it complies with the following criteria set in the EU Taxonomy – “construction or operation of electricity generation facilities that produce electricity from wind power”.

Premier Energy operates wind farms with a total capacity of **146 MW**, including key projects like the **80 MW wind farm** in Mihai Viteazu, Romania.

Then while contributing to climate change mitigation objective Premier Energy made sure that it does not significantly harm (DNSH) the other five objectives according to the check set out in the TSC:

- CCA
- WATER
- CIRCULAR ECONOMY
- BIODIVERSITY

Pollution prevention being not applicable.

To arrive at this conclusion, Premier Energy conducted a comprehensive due diligence process, which included:

A Reviewing the completeness and outcomes of a questionnaire assessing compliance with the DNSH principle.

B Verifying on the CCA part that the activity complies with the criteria set out in the appendix A:

- if the company has performed a screening of the activity to identify which physical climate risks listed in the table on the DNSH Appendix tab would affect the performance of the economic activity during its expected lifetime
- Premier Energy has performed a screening of the activity including the following tasks: Cross-reference the characteristics of the activity with the listed physical climate risks/ For each identified risk / For each identified risk, evaluate the likelihood of occurrence and the potential severity of impacts on the activity.
- 1/Examine Vulnerability Factors: Consider factors such as:
 - Existing infrastructure resilience

- 1/Examine Vulnerability Factors: Consider factors such as:
 - Existing infrastructure resilience
 - Operational flexibility
 - Supply chain dependencies
 - Regulatory and environmental compliance
- 2/Create a Screening Report: Compile your findings into a report that includes:
 - Description of the activity
 - Identified physical climate risks
 - Assessment of impacts and vulnerabilities
 - Any existing measures to mitigate risks”
- If the company conducted a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity.
 - Premier Energy didn’t perform yet a climate risk and vulnerability assessment but is planning to proceed with it by 2026.
- If the company carried out an assessment of adaptation solution(s) to reduce the physical climate risks identified above:
- Premier Energy didn’t perform yet an assessment of adaptation solutions but is planning to do when the climate risk assessment is finished.

C Verifying on the circular economy part that the activity complies with the respective DNSH criteria (“assessment of availability of and, where feasible, use equipment and components of high durability and recyclability and that are easy to dismantle and refurbish”):

- Premier Energy is working with two major suppliers for its wind turbines: Vestas for the its existing park and Enercon for the new wind farm facilities. Vestas is working actively in the development of composite recycling technologies to achieve the goal of zero-waste wind turbines by 2040. While Enercon strives to offer completely recyclable rotor blades by 2030. Therefore, the given DNSH condition is met.

D Verifying on the water part that the activity complies with the following criteria:

- Premier Energy didn’t build so far any offshore wind there the criteria is not applicable

E Verifying on the biodiversity part that the activity complies with the following criteria:

- If the company completed an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334?
- Premier Energy has obtained all approvals, permits and certifications to ensure environmental protection, safety and regulatory requirements. For further details please read the document “compliance phases wind power” elaborated by Premier Energy’s technical team.

Because the activity “ **Electricity generation from wind power** “ does harm **one of** the 5 other objectives (**CCA**) then the company does not contribute to the Climate Change Mitigation objective.

Through this evaluation process, Premier Energy determined that the “ **Electricity generation from solar photovoltaic technology** ” activity makes a substantial contribution to the environmental objectives of climate change mitigation (CCM).

Regarding the **climate change mitigation (CCM)** the activity “Electricity generation from solar photovoltaic technology” makes a substantial contribution when it complies with the following criteria:

- The activity generates **electricity using solar PV technology**.: The Group operates **21 MW** of solar energy capacity in Romania and Moldova, is currently constructing an additional **35 MW of solar capacity**, and has over 100 MW of solar capacity in various stages of development

Then while contributing to **climate change mitigation** objective Premier Energy made sure that it does not significantly harm (DNSH) the other five objectives according to the check set out in the TSC:

- CCA
- CIRCULAR ECONOMY
- BIODIVERSITY

Water and Pollution prevention being not applicable.

To arrive at this conclusion, Premier Energy conducted a comprehensive due diligence process, which included:

A Reviewing the completeness and outcomes of a questionnaire assessing compliance with the DNSH principle.

B Verifying on the CCA part that the activity complies with the criteria set out in the appendix A: please refer to Wind Power section as the comments are the same for this chapter

C Verifying on the circular economy part that the activity complies with the following criteria:

- Premier Energy works only with Tier 1 suppliers of Photovoltaic Modules and photovoltaic inverter. Within the process of supplier contracting, each supplier must complete and submit a No Child Labor Declaration as well as a declaration on the complying to the DNSH Principle. The respect of the DNSH Principle applies to all the suppliers of main components as well as the construction companies of the PV Power Plants.

D Verifying on the biodiversity part that the activity complies with the following criteria:

- If the company completed an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334?
- Premier Energy has obtained all approvals, permits and certifications to ensure environmental protection, safety and regulatory requirements. The evaluation of the EIA is done on each case at the beginning of the development according to the specification/requirements of the Environmental Protection Agency overseeing the location of the project development. During the operation, an Environmental Authorization is obtained for each PV Power Plant.

Because the activity “ **Electricity generation from solar photovoltaic technology** ” does harm **one** of the 5 other objectives (**CCA**) then the company does not contribute to the Climate Change Mitigation objective.

Through this evaluation process, Premier Energy determined that the “ **Transmission and distribution of electricity** ” activity makes a substantial contribution to the environmental objectives of climate change mitigation (CCM).

Regarding the **climate change mitigation (CCM)** the activity “**Transmission and distribution of electricity**” makes a substantial contribution when it complies with the following criteria:

- In Republic Moldova Premier Energy’s electricity distribution network includes more than 35,700 km of electrical lines and cables 1,800 km lines of high voltage, 14,561 km lines of medium voltage, and 19.381 km lines of low voltage.

Then while contributing to **climate change mitigation** objective Premier Energy made sure that it does not significantly harm (DNSH) the other five objectives according to the check set out in the TSC:

- CCA
- CIRCULAR ECONOMY
- POLLUTION PREVENTION
- BIODIVERSITY

Water being not applicable.

To arrive at this conclusion, Premier Energy conducted a comprehensive due diligence process, which included:

A Reviewing the completeness and outcomes of a questionnaire assessing compliance with the DNSH principle.

B Verifying on the CCA part that the activity complies with the criteria set out in the appendix A:

- If the company has performed a screening of the activity to identify which physical climate risks listed in the table on the DNSH Appendix tab would affect the performance of the economic activity during its expected lifetime
- The analysis to identify the climate risks to which the electricity distribution activity is exposed was performed based on the report “”Support for the National Planning Process for the Adaptation of the Republic of Moldova to Climate Changes”” developed by UNDP Moldova in partnership with the Ministry of Environment and the Climate Change Office of Austria in 2017.
- In this regard, the country has taken appropriate measures, the essence of which are the Nationally Determined Contributions (NDCs) the last update being in 2020.





Premier Energy's 80 MW Wind Park, Mihai Viteazu, Constanta County, Romania

- The Government of the Republic of Moldova approved Government Decision No. 624 of 30.08.2023 on the National Program for Adaptation to Climate Changes until 2030, which lists the climate risks that could affect the performance of economic activity including for the electricity distribution sector. The summary of the impacts is presented in Table 5 of Government Decision No. 624/30.08.2023. The company is relying on this analysis.
- If the company conducted a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity.
 - Premier Energy didn't perform yet a climate risk and vulnerability assessment but is planning to proceed with it by 2026.
- If the company carried out an assessment of adaptation solution(s) to reduce the physical climate risks identified above:
- In the context of climate changes, the Electrical Installations Design Rules have been updated to improve the resilience and safety of electrical infrastructure. A concrete example is the update of the Electrical Installations Design Rules, 7th edition, which modified the design values for overhead power lines to respond to the new climatic conditions. Thus, the load due to maximum wind speed for zone II was increased from 25 m/s to 29 m/s, and the thickness of the layer of frost for zones III and IV was increased from 15 mm and 20 mm to 20 mm and 25 mm, respectively.
- In order to adaptation and increasing the resilience of the distribution activity to mitigate the risks caused by the forecasted climate hazards based on Government Decision No. 624/30.08.2023, an action plan with annual monitoring was issued by the Ministry of Energy.
- The progress registered by the company in the implementation of the actions included in the National Climate Changes Adaptation Program for 2024 includes the activities of modernization and expansion of networks using modern technologies and materials with improved characteristics such as:
 - Use of poles designed with a high mechanical stress coefficient, which increases resistance to extreme weather events;
 - Reducing the distance between poles to reduce mechanical stresses on conductors;
 - Adjusting the stretch of conductors, thus contributing to improved network stability."

C Verifying on the circular economy part that the activity complies with the following criteria:

- Premier Energy has a set of waste management procedures and an Annual Waste Management Plan that is reported to state institutions. The basic procedure being PS.803.DE Waste Management by which the company aims to manage waste through best available practices, prioritizing, where possible, reutilization of materials or maximum recycling of waste at the end of its life cycle.

- For example, power transformers extracted from electrical installations are evaluated and managed in terms of repair/disposal, as necessary, through contracted specialized companies.
- The company has implemented the process of regeneration of the dielectric oil extracted from High Voltage electrical installations. The regenerated dielectric oil is reused in Medium Voltage electrical installations, thus reducing the need to purchase new oil and contributing to the reduction of industrial waste. At the same time, the oily sludge, resulting from the dielectric oil regeneration process, is handed over for disposal to contracted specialized companies.”

D Verifying on the pollution prevention part that the activity complies with the following criteria:

- If the company completed an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334?
- The construction / reconstruction of overhead power lines is carried out in accordance with the Regulation on Protection Zones of Power Grids recently updated by Government Decision No. HG852/2024 from 18.12.2024 which determines the admissible neighboring distance between the conductors of the overhead power lines and various types of constructions. The establishment of the mentioned distances are regulated also from the health point of view to avoid exposure to various radiation fields that could be generated by the distribution facilities depending on the voltage level, distance between conductors, electrical load, etc. For cases when establishes violations of the given rules by third parties, measures are applied to return to the normal condition.
- At present the company does not have any installations contaminated with PCBs and does not use PCBs in its activity. Historically, the company has identified electrical installations contaminated with PCBs, those installations have been extracted from the electrical grids and have been eliminated by contracting an authorized company. At present the company does not own any PCB-contaminated installations and does not use PCBs in its business.

E Verifying on the biodiversity part that the activity complies with the following criteria:

- If the company completed an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334?
- As regards to screening, the company has not recently implemented any Projects located in and/or near sensitive biodiversity areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and key biodiversity areas, and other protected areas) that would require an Environmental Impact Assessment (EIA) or screening under Directive 2011/92/EU334.



- Based on its financing contracts with the EBRD and the EIB, the company is required to monitoring and reporting to the above-mentioned banks on environmental and social responsibility aspects, including biodiversity conservation and sustainable management of living natural resources, based on international standards as transposed in EBRD Performance Requirement 6 / EIB Standard 4.
- Based on the Environmental and Social Action Plan (ESAP), the Guide of good practices for environmental protection, environmental standards and procedures was published which elaborates and approves within the organization requirement to be fulfilled in contracts with contractors executing investment works.

It implements the process of elaboration of the screening document and environmental and social scorecard applied preventively to the execution of the extension works, including precautionary measures for environmental protection. If, after examination, it is necessary, environmental authorities are notified and consulted.

- It also includes a mapping tool to determine accurately the interaction between the company's existing and planned electricity infrastructure (including high, medium and low voltage lines) and protected natural areas. The mapping tool utilizes the Emerald mapping database.
- Accordingly, a procedure for environmental control of avifauna in electrical installations was developed specifying the need to plan activities in electrical installations by considering the requirements of this document. Procedure published on the company website: <https://www.premierenergydistribution.md/ro/proceduri-interne>

Because the activity " Transmission and distribution of electricity " does harm one the 5 other objectives (CCA) then the company do not contribute to the Climate Change Mitigation objective.

04 Generation of electricity using fossil gaseous fuels

Through this evaluation process, Premier Energy determined that the " Generation of electricity using fossil gaseous fuels "activity do not make a substantial contribution to the environmental objectives of climate change mitigation (CCM).

The following criteria the life cycle GHG emissions from the generation of electricity using fossil gaseous fuels are lower than 100 g CO₂e/kWh is not met. Calculated GHG emissions for this activity by plant in Fagaras (True Energy) are over the threshold of 100g.

Minimum safeguards

Premier Energy is not complying fully with minimum safeguards, the compliance has been assessed through a questionnaire covering:

- Human rights, Premier Energy didn't establish an adequate human rights due diligence process as outlined in the UNGPs and OECD Guidelines for MNEs.
- Bribery and corruption
- Taxation
- Fair competition
- Verification recommended that Premier Energy checks for any breach of Human and Labor Rights via a questionnaire sent to subcontractors
- OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights should be inserted into the group policies.

Premier Energy is committed to implementing these measures by 2026.

Conclusions of the assessment

Even though Premier Energy's following eligible activities:

- Electricity generation from wind power
- Electricity generation from solar photovoltaic technology
- Transmission and distribution of electricity
- Generation of electricity using fossil gaseous fuels

that contribute significantly to CCM, the company has not yet performed a climate risk and vulnerability assessment and therefore does not meet the CCA criteria.

Premier Energy is committed to perform a climate risk and vulnerability assessment in the second semester of 2025.

Share of Taxonomy-aligned, Taxonomy-eligible, not aligned, and Taxonomy non-eligible economic activities

Table 1: Premier Energy's Turnover, Capital Expenditure and Operating Expenditure for its Taxonomy-Aligned, Taxonomy-Eligible, not Aligned and Taxonomy non-Eligible Activities

KPI (K EUR)	Turnover 2024		CAPEX 2024		OPEX 2024	
	EUR	% total	EUR	% total	EUR	% total
values and %						
Taxonomy-aligned	-	0%	-	0%	-	0%
Taxonomy-eligible, not aligned	109,385	9%	41,732	65%	9,606	95%
Taxonomy non-eligible	1,104,670	91%	22,182	35%	535	5%
Premier Energy total	1,214,055	100%	63,914	100%	10,141	100%

All figures are derived from Premier Energy's segment analysis template and the turnover renewable template, which contain extracts of local accounting books from companies specialized in renewables.

Each entity in the Premier Energy group reports its results in the Group Reporting Packages prepared under IFRS (International Financial Reporting Standards as adopted by EU) and respective provisions set by the Cyprus Law for the purpose of preparation of the consolidated financial statements of Premier Energy group.. All the figures above were collected from the Group Reporting Packages that each company reports for consolidation purposes. The IFRS accounting policies applied are outlined in the Consolidated Management Report and Consolidated Financial Statements of Premier Energy Plc.

Turnover:

Turnover is governed by IFRS 15 – Revenue from Contracts with Customers and refers to the total sales or revenue generated by each company in the group over a given period. Revenue is recognized when control of goods or services is transferred to the customer. Accrual accounting is applied to ensure that revenue is recognized in the correct period, reflecting the performance obligations of the company.

Capital Expenditure (CAPEX):

CAPEX is governed by IAS 16 – Property, Plant and Equipment and refers to long-term investments made by each company in physical assets such as buildings, machinery, and equipment. These expenditures are capitalized and depreciated over their useful life. Companies report capital expenditures separately, and further analysis is conducted to ensure that these expenditures are appropriately classified as capital in nature.

Operating Expenditure (OPEX):

OPEX refers to the ongoing costs required for maintenance, repairs, and the regular operation of assets. These are expensed in the period in which they are incurred. Companies report operating expenses separately within the maintenance and repairs categories.

To prevent double counting in KPI calculations:

- 01 **Revenue:** Revenue is reported based on the nature of the business and the source of income it relates to. Each company's revenue streams are clearly defined, and further analysis is conducted to allocate revenue correctly where necessary.
- 02 **CAPEX:** Capital expenditure is reported separately by each company. Detailed analysis is undertaken to verify that expenditures are classified correctly as capital in nature and not mistakenly included in operational expenses.
- 03 **OPEX:** Operating expenses related to maintenance and repairs are reported separately by each company. Further review is conducted to confirm that OPEX is only recognized for costs directly tied to operational activities where necessary.

Turnover KPI

In the context of EU Taxonomy reporting, the Taxonomy-aligned Turnover KPI represents the proportion of a company's total revenues that are derived from products or services aligned with the criteria set forth in the EU Taxonomy for sustainable economic activities. This KPI indicates the degree to which the company is engaged in environmentally sustainable business operations.

The Taxonomy-aligned Turnover KPI is calculated as the proportion of Taxonomy-aligned turnover (the numerator) over the company's total turnover (the denominator), as defined by the EU Taxonomy Regulation.

Similarly, the Taxonomy-eligible Turnover KPI reflects the proportion of a company's total turnover that is derived from Taxonomy-eligible economic activities, regardless of whether they meet the full alignment criteria. This KPI is calculated as the proportion of Taxonomy-eligible turnover (the numerator) over the company's total turnover (the denominator), in accordance with the EU Taxonomy Regulation.

In the case of Premier Energy, for the financial year ended December 31, 2024, the company's total net turnover amounted to **EUR 1,214.055K**.

For the economic activities:

- Electricity generation from wind power
- Electricity generation from solar photovoltaic technology
- Transmission and distribution of electricity
- **Generation of electricity using fossil gaseous fuels**

For these eligible activities Premier Energy generates the following revenues in EUR K which are not aligned and represent **10% of the total turnover** of the company.

KPI (EUR K)	Turnover 2024	
	EUR	% total
values and %		
Electricity generation from wind power	16,317	15%
Electricity generation from solar photovoltaic technology	1,193	1%
Transmission and distribution of electricity	84,445	77%
Generation of electricity using fossil gaseous fuels	7,429	7%
Taxonomy-eligible, not aligned	109,385	100%

Turnover related to green energy is including the sales of green certificates.

The transmission and distribution of electricity represents 77% of the total taxonomy eligible not aligned Turnover.

Capital Expenditure (CapEx) KPI

The EU Taxonomy Regulation defines Taxonomy-eligible CapEx as the capital expenditures incurred for the acquisition, construction, or renovation of assets that are considered eligible under the Taxonomy framework. This metric indicates the degree to which a company is investing in activities that contribute to environmental sustainability.

The Taxonomy-aligned CapEx KPI is calculated as the proportion of CapEx associated with Taxonomy-aligned economic activities (the numerator) over the company's total CapEx (the denominator), as specified in the EU Taxonomy Regulation.

Similarly, the Taxonomy-eligible CapEx KPI reflects the proportion of a company's total CapEx that is related to Taxonomy-eligible economic activities, regardless of whether they meet the full Taxonomy alignment criteria. This KPI is calculated as the proportion of Taxonomy-eligible CapEx (the numerator) over the company's total CapEx (the denominator), in accordance with the EU Taxonomy Regulation.

In the case of Premier Energy, for the financial year ended December 31, 2024, the company's total CapEx amounted to **EUR K 63,914**. Of this total, **65 %** was classified as Taxonomy-eligible not aligned CAPEX, it corresponds to:

KPI (EUR K)	CAPEX 2024	
values and %	EUR	% total
Electricity generation from wind power	3,258	8%
Electricity generation from solar photovoltaic technology	18,321	44 %
Transmission and distribution of electricity	16,906	41 %
Generation of electricity using fossil gaseous fuels	3,247	7 %
Taxonomy-eligible, not aligned	41,732	100 %

The Transmission and Distribution represents 41 % of the total taxonomy eligible not aligned Capex.

Operating Expenditure (OPEX) KPI

The EU Taxonomy Regulation defines Taxonomy-eligible OPEX as the operational expenditures incurred for services or products that align with the Taxonomy criteria. This metric indicates the company's ongoing costs to support environmentally sustainable activities.

The Taxonomy-eligible OPEX KPI is calculated as the proportion of OPEX related to Taxonomy-eligible economic activities (the numerator) over the company's total OPEX (the denominator), as specified in the EU Taxonomy Regulation.

Correspondingly, the Taxonomy-aligned OPEX KPI reflects the proportion of OPEX associated with Taxonomy-aligned economic activities (the numerator) over the company's total OPEX (the denominator), in accordance with the EU Taxonomy Regulation.

In the case of Premier Energy, for the financial year ended December 31, 2024, the company's total OPEX amounted to EUR K 10,141, (maintenance and repairs).

Of this total 95% was classified as Taxonomy-Not aligned eligible OPEX, it corresponds to:

KPI (EUR K)	OPEX 2024	
	values and %	
	EUR	% total
Electricity generation from wind power	835	9%
Electricity generation from solar photovoltaic technology	667	7%
Transmission and distribution of electricity	8,104	84%
Generation of electricity using fossil gaseous fuels	8	0,1%
Taxonomy-eligible, not aligned	9,614	100%

The activity transmission and distribution of electricity represents 84% of the taxonomy eligible not aligned OPEX.

Reporting Turnover

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		€B	%	Y; N; N/EL (11)	Y; N; N/EL (12)	Y; N; N/EL (13)	Y; N; N/EL (14)	Y; N; N/EL (15)	Y; N; N/EL (16)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0																
Economic Activities	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Electricity generation from wind power	4.1	16,318	15%	EL	N/EL											N			
Electricity generation using solar photovoltaic technology	4.3	1,193	1%	EL	N/EL											N			
Transmission and distribution of electricity	4.9	84,445	77%	EL	N/EL											N			
Generation of electricity using fossil gaseous fuels	4.29	7,429	7%	EL	N/EL											N			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		109,385	9%	100%		n/a	n/a	n/a	n/a							N			
Economic Activities (3)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		109,385	9%	100%		n/a	n/a	n/a	n/a										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,104,669	91%																
TOTAL		1,214,054	100 %																

CAPEX

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Capex (3)	Proportion of Capex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) capex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Test		K€	%	Y; N; N/EL (11)	Y; N; N/EL (12)	Y; N; N/EL (13)	Y; N; N/EL (14)	Y; N; N/EL (15)	Y; N; N/EL (16)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0																
Economic Activities	Code (2)	Capex (3)	Proportion of Capex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) capex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Electricity generation from wind power	4.1	3,258	8%	EL	N/EL											N			
Electricity generation using solar photovoltaic technology	4.3	18,321	44%	EL	N/EL											N			
Transmission and distribution of electricity	4.9	16,906	41%	EL	N/EL											N			
Generation of electricity using fossil gaseous fuels	4.29	3,247	8%	EL	N/EL											N			
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		41,732	65%	100%		n/a	n/a	n/a	n/a							N			
Economic Activities (3)	Code (2)	Capex (3)	Proportion of Capex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) capex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. Capex of Taxonomy-eligible activities (A.1+A.2)		41,732	65%	100%		n/a	n/a	n/a	n/a										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		22,182	35%																
TOTAL		63,914	100%																

OPEX

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Opex (3)	Proportion of Opex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		K€	%	Y; N; N/EL (11)	Y; N; N/EL (12)	Y; N; N/EL (13)	Y; N; N/EL (14)	Y; N; N/EL (15)	Y; N; N/EL (16)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0																
Economic Activities	Code (2)	Opex (3)	Proportion of Opex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Electricity generation from wind power	4.1	835	9%	EL	N/EL											N			
Electricity generation using solar photovoltaic technology	4.3	667	7%	EL	N/EL											N			
Transmission and distribution of electricity	4.9	8,104	84%	EL	N/EL											N			
Generation of electricity using fossil gaseous fuels	4.29	8	0.1%	EL	N/EL											N			
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9,614	95%	100%		n/a	n/a	n/a	n/a							N			
Economic Activities (3)	Code (2)	Opex (3)	Proportion of Opex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. Opex of Taxonomy-eligible activities (A.1+A.2)		9,614	95%	100%		n/a	n/a	n/a	n/a										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities		527	5%																
TOTAL		10,141	100%																

Nuclear and fossil gas related activities

Row Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling.	NO

Taxonomy-eligible but not taxonomy-aligned economic activities turnover

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)				
		(CCM+CCA)	Climate change mitigation		Climate change adaptation	
		Amount	Amount	%	Amount	%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7 429	7 429	6.8%		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	101 956	101 956	93.2%		
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	109 385	109 385	100%		

Taxonomy-eligible but not taxonomy-aligned economic activities CAPEX

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)				
		(CCM+CCA)	Climate change mitigation		Climate change adaptation	
		Amount	Amount	%	Amount	%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3 247	3 247	7.8%		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	38 485	38 485	92.2%		
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	41 732	41 732	100%		

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities OPEX

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)			
		(CCM+CCA)	Climate change mitigation	Climate change adaptation	
		Amount	Amount	%	%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8	8	0.1%	
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	9 606	9 606	99.99%	
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	9 614	9 614	100%	

ESRS S1

Own Workforce

DISCLAIMER

Premier Energy Group PLC successfully completed its initial public offering (IPO) on the Bucharest Stock Exchange (BVB) in May 2024 and has since initiated a group-wide policy alignment process to unify governance, compliance, and business conduct frameworks across its subsidiaries. Given the historical independence of the Group's entities and their varying operational structures, this report reflects a more fragmented approach to policies and procedures, which will be further standardized in the coming reporting cycles.

For clarity, the policies and procedures disclosed in this section cover the following entities:

Entity	Country	Activity
Premier Energy Romania	Romania	Covering the operations of Premier Energy S.R.L.
Premier Energy Furnizare	Romania	Covering the operations of Premier Energy Furnizare S.A.
Premier Energy Renewables	Romania	Covering the operations of Alive Capital S.A.
Premier Energy Moldova	Moldova	Premier Energy Distribution S.A. and Premier Energy S.R.L.

As the Group continues integrating its operations and governance structures, future reports will reflect a more cohesive and standardized policy framework across all business units, with policies being implemented at the Premier Energy Group PLC level and further applicable at the subsidiary level.

On the other hand, the quantitative data related to employees presented in this section covers the following entities:

Entity	Subsidiary	Country
Premier Energy Romania	Premier Energy SRL	Romania
	True Energy Management SRL	Romania
	Ligatne Gas SRL	Romania
	Berg Instalatii Gaz SRL	Romania
	Premier Energy Trading SRL	Romania
Premier Energy Moldova	Premier Energy Distribution S.A.	Moldova

Entity	Subsidiary	Country
	Premier Energy SRL	Moldova
	Navitas Energy SRL	Moldova
Premier Energy Renewables	Alive Capital SA	Romania
	Premier Wind 80 SRL	Romania
	Ecoenergia SRL	Romania
	Enex Nalbant Renewable SRL	Romania
	Da Vinci New Project SRL	Romania
	Alive Capital d.o.o. Belgrade	Serbia
	Development Power Solar Energy SRL	Romania
	Alive Wind Power One SRL	Romania
	Energia Mileniului III SRL	Romania
Premier Energy Furnizare	Premier Energy Furnizare	Romania
HQ	Premier Energy PLC	Cyprus

Premier Energy's Solar Park near Chisinau, Moldova



ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

Subtopic	Sub-subtopic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain	Time horizon	Attributes	Actions	Targets
Working conditions	Adequate wages	Ensuring adequate wages and raise criteria	People	Without transparent and adequate wages and raise criteria, workers risk feeling undervalued and staff morale may suffer as a result.	Own operations	Short-term	Negative, potential	No actions set yet. To be established in 2025	No targets set yet
Working conditions	Adequate wages	Employee pay linked to inflation	People	By linking employee pay to inflation and creating new jobs in solar and wind power, Premier Energy raises living standards in local communities while accelerating the shift to cleaner energy sources.	Own operations	Short-term	Positive, actual	No actions set yet. To be established in 2025	No targets set yet
Working conditions	Work-life balance	Flex-time work schedule	People	Introducing flextime options has helped some staff better manage childcare.	Own operations	Short-term	Positive, actual	No actions set yet. To be established in 2025	No targets set yet
Working conditions	Health and safety	Optional health checks	People	Offering optional health checks could catch issues like high blood pressure early and reduce mortality.	Own operations	Short-term	Positive, potential	No actions set yet. To be established in 2025	No targets set yet
Equal treatment and opportunities for all	Training and skills development	Health & Safety Trainings	People	Workers require regular training to handle hazardous materials, operational protocols, and safety procedures. Retraining is critical for transitioning to new technologies and activities.	Own operations	Medium-term	Positive, potential	No actions set yet. To be established in 2025	No targets set yet

S1-1

Policies related to own workforce

S1-1.19 - Workforce Policies

The Premier Energy Group ESG Policy outlines commitments to fostering a safe, inclusive, and skilled workforce, ensuring compliance with international labor standards, national regulations, and sustainability goals. The policy is designed to mitigate key risks related to employee safety, discrimination, and skills development, while leveraging opportunities for workforce innovation and long-term career growth.

The Premier Energy ESG Policy applies to:

- All employees except at employees at Premier Energy Furnizare and Premier Energy Renewables. PEF was acquired in 2024 and officially became part of the Group in April 2024 and is currently undergoing a transition period to align its internal policies and procedures with those of the broader Premier Energy Group. In case of Premier Energy Renewables, the policy implementation was not prioritized following the acquisition due to small number of employees.
- Permanent and contracted workforce engaged in energy production, distribution and supply, administration, and corporate functions.
- Health & Safety regulations extend to third-party contractors working on Premier Energy sites.
- Specific workforce safety measures apply to operational sites with higher risk exposure (e.g., energy infrastructure maintenance teams).

Most Senior Level Accountable for Implementation

The Chief External Affairs Officer (CEAO) oversees policy implementation and compliance reporting. Ultimate oversight is provided by the Board of Directors, which reviews annual workforce-related disclosures.

Reference to Third-Party Standards or Commitments

Premier Energy Group's workforce policies align with:

- ILO Conventions on Fundamental Labor Rights, including freedom of association and non-discrimination.
- EU Labor Regulations, ensuring fair wages, safe working conditions, and equal opportunities.
- UN Sustainable Development Goals (SDG 8: Decent Work & Economic Growth, SDG 10: Reduced Inequalities).

Availability of the Policy to Stakeholders

The policy is made available to internal stakeholders (e.g., employees) through internal communication channels but is not published externally or made publicly accessible.

S1-1.AR-10 – Explanation of Significant Changes in Workforce Policies

There were no major structural changes made to workforce policies in 2024.

S1-1.20 & S1-1.20a - Human Rights Policy for Own Workforce

Premier Energy Group does not currently have a unified human rights policy for its own workforce. However, commitments to fair treatment, non-discrimination, and labor rights are included in the Premier Energy ESG Policy under the section Fair Treatment of Employees. While the policy covers key labor rights principles such as equal opportunity, workplace safety, and freedom of association, it does not explicitly reference compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration, or the OECD Guidelines for Multinational Enterprises.

At the level of subsidiaries, Premier Energy Moldova has adopted a comprehensive Human Rights Policy. The company adheres to the Universal Declaration of Human Rights (UDHR), the International Labor Organization (ILO) conventions, and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Key commitments include:

- **Non-Discrimination:** Premier Energy Moldova ensures a workplace free from discrimination.
- **Fair Wages and Working Conditions:** Employees receive fair compensation, and work conditions comply with national labor laws and international standards.
- **Freedom of Association:** The company respects the right of employees to unionize and engage in collective bargaining, in line with legal requirements.
- **Health and Safety:** Premier Energy Moldova prioritizes workplace safety, implementing advanced standards in occupational health and risk prevention.
- **Prevention of Forced and Child Labor:** The company strictly prohibits forced labor and child labor, ensuring that all employees meet the legal working age.

S1-1.20b – Engagement with People in Its Own Workforce

The Premier Energy Group prioritizes direct workforce engagement to ensure employee well-being, fair treatment, and alignment with the Group's values. While a standardized engagement framework is being developed at the Group level, subsidiaries currently operate localized engagement models, incorporating direct employee feedback, worker representation, and structured discussions.

Entity	Employee Engagement Mechanisms
Premier Energy Group	No Group-level framework. Subsidiaries implement localized models.
Premier Energy Romania	Workforce meetings at operational sites Open-door HR policy for direct management access OHS Committee meetings with worker representatives
Premier Energy Furnizare	Collective Bargaining Agreement discussions Management-employee forums Union consultations prior to major decisions

Entity	Employee Engagement Mechanisms
Premier Energy Renewables	Informal engagement via regular all-staff meetings Performance reviews incorporating feedback on workplace conditions and development
Premier Energy Moldova	Social partnership agreements for ongoing dialogue Biannual OHS meeting Trade union involvement in workplace policies

S1-1.20c – Measures to Provide/Enable Remedy for Human Rights Impacts

Premier Energy has established, at the subsidiary level, mechanisms to prevent, address, and remediate human rights impacts across its workforce. These efforts ensure fair treatment, non-discrimination, and access to whistleblowing channels.

Entity	Remedy Mechanisms for Human Rights Impacts
Premier Energy Romania	HR reporting channels and escalation via management Complaint-handling via Internal Regulations OHS audits and incident reviews address safety issues
Premier Energy Furnizare	Anonymous whistleblowing platform Union-supported labor rights enforcement Quarterly grievance reviews for resolution effectiveness
Alive Capital	Direct grievance reporting to HR or management Transparent conflict resolution process
Premier Energy Moldova	Confidential reporting via Ethics Committee email Use of mediation for workplace conflict resolution Ethical labor training aligned with global standards

S1-1.21 - Alignment of Workforce Policies with International Standards

The Premier Energy Group aligns its workforce policies with internationally recognized labor and human rights standards, ensuring safe working conditions, equal treatment, and ethical labor practices across its operations in Romania and Moldova.

Premier Energy's workforce policies reflect principles of:

- Universal Declaration of Human Rights (UDHR) – The Group ensures dignity, equality, and non-discrimination in its employment practices.

- International Labor Organization (ILO) Conventions – The Group enforces fair wages, non-discrimination, prohibition of child labor, and occupational safety measures, particularly in Moldova, where additional labor safeguards are in place.
- Regional Labor Laws & EU Standards – Workforce policies comply with Romanian and Moldovan labor laws, ensuring compliance with wage protections, working hours, and employee rights.

The Premier Energy Group has not explicitly referenced the UN Guiding Principles on Business and Human Rights (UNGPs) or the OECD Guidelines for Multinational Enterprises in its ESG Policy. However, its commitments to ethical labor practices, non-discrimination, and health & safety compliance align with these frameworks in practice.

S1-1.22 - Policies Addressing Trafficking, Forced, and Child Labor

The Premier Energy Group strictly prohibits trafficking, forced labor, and child labor across all its operations, ensuring compliance with national and international labor laws. These commitments are explicitly stated in the Premier Energy Group ESG Policy, under the section Fair Treatment of Employees, which includes:

- Avoidance of Child Labor: Premier Energy Group hires only individuals who meet the legal minimum working age and complies with all local labor regulations.
- Prohibition of Forced Labor: The policy ensures that all employees work voluntarily, with the freedom to resign in accordance with labor laws.
- Freedom of Movement: The Group guarantees that no employees are restricted in their movement or coerced into employment.

This policy applies equally to all the operations. It is worth considering that the Group operates in the EU, Republic of Moldova and Serbia, where strict labor regulations mitigate these risks.

S1-1.23 - Workplace Accident Prevention Policy Disclosure

The Premier Energy Group does not have a unified workplace accident prevention policy at the Group level. Subsidiaries implement risk assessments, safety procedures, and employee training programs in compliance with local labor laws and industry standards.

Entity	Policy / System	Risk Assessment & Hazard Identification	Training & Education	Safety Procedures & Controls	Performance Monitoring & Review
Premier Energy Romania	Integrated QHSE System (ISO 9001, 14001, 45001:2023); Workplace Safety & Environmental Policy	Regular risk assessments, prevention & protection plans, emergency preparedness	Periodic safety training, PPE use, emergency procedures, hazard awareness	Safety protocols, equipment maintenance, inspections	Audits, incident investigations, quarterly CSSM reviews
Premier Energy Furnizare	Health & Safety System (ISO 45001:2023)	Risk identification and assessment; protection plan updates	Mandatory periodic SSM training, emergency preparedness, legal compliance	National safety legislation, emergency protocols, PPE enforcement	Audits, inspections, SSM Committee quarterly reviews

Entity	Policy / System	Risk Assessment & Hazard Identification	Training & Education	Safety Procedures & Controls	Performance Monitoring & Review
Premier Energy Renewables	No dedicated policy; covered under Internal Regulation (Protection, Hygiene & Security)	–	–	–	–
Premier Energy Moldova	Integrated Management System (ISO 9001, 14001, 45001:2018); SMI Manual	Structured risk assessment, hazard mitigation, emergency preparedness	Biannual safety meetings, SSM training, employee feedback	Preventive measures, PPE protocols, legal compliance	Internal audits, OHSC reviews, performance evaluations

S1-1.24 – Equal Opportunity and Anti-Discrimination Policies

S1-1.24a – Policies Aimed at the Elimination of Discrimination and (S1-1.24b) Protected Grounds Under the Anti-Discrimination Policy

The ESG Policy does not allow any form of discrimination of its current or potential employees. The company's policy explicitly cover protection against discrimination based on race and ethnicity, gender, sexual orientation & gender identity, skin color, disability, age, religion, or political opinion. Premier Energy Furnizare and Premier Energy Renewables are working on the implementation of the ESG Policy.

S1-1.24c – Inclusion and Positive Action Policies for Vulnerable Groups

The Premier Energy Group actively supports workforce inclusion for groups at risk of vulnerability, with key commitments including:

- Gender Equality in the Workforce: Ensuring women receive equal opportunities in hiring, promotions, and leadership roles.
- Work-Life Balance Policies: Supporting maternity leave, flexible work arrangements, and parental benefits.
- Employment of Individuals with Disabilities: Providing workplace accommodations and ensuring compliance with accessibility standards.
- Support for Socio-Economically Disadvantaged Employees: Offering programs to assist employees facing financial hardships, including education and career development initiatives.

Subsidiary-Level Initiatives include:

- Premier Energy Romania & Premier Energy Furnizare: Enforce non-discrimination policies and equal pay principles, offering maternity/paternity protections.

- Premier Energy Renewables: Implements standard equal opportunity principles, ensuring fair hiring and workplace accessibility.
- Premier Energy Moldova: Works closely with unions to ensure gender equity and provides flexible work policies.

S1-1.24d – Implementation and Enforcement of Anti-Discrimination Policies

The Premier Energy Group ensures that diversity, inclusion, and anti-discrimination policies are actively implemented through:

- **Complaint and Reporting Mechanisms:** A confidential reporting system for employees to raise concerns about discrimination, with investigations conducted by an internal ethics committee.
- **Corrective Measures & Disciplinary Actions:** Any violations of anti-discrimination policies result in disciplinary action, up to and including termination.

S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

S1-2.27a – Whether the Engagement Occurs Directly with the Workforce or Workers' Representatives

The Premier Energy Group engages with both its workforce and workers' representatives. The Group recognizes and supports freedom of association and collective bargaining. Engagement occurs directly at subsidiary level, in line with internal subsidiary policies.

S1-2.27b – The Stage(s), Type, and Frequency of Engagement

Subsidiary-Level Engagement Approaches include:

- **Premier Energy Romania:** Holds quarterly safety and compliance meetings and maintains an Occupational Health & Safety Committee for feedback.
- **Premier Energy Furnizare:** Conducts regular consultations with employee representatives on working conditions and policies.
- **Premier Energy Renewables:** Uses direct management meetings and informal engagement due to its smaller workforce.
- **Premier Energy Moldova:** Engages through trade unions and structured biannual employee forums, fostering an open communication culture.

S1-2.27c - The Function and Most Senior Role Responsible for Workforce Engagement

The operational responsibility for workforce engagement across the subsidiaries is as follows:

	Premier Energy Romania	Premier Energy Furnizare	Premier Energy Renewables	Premier Energy Moldova	Premier Energy Group PLC
Operational responsibility for workforce engagement	HR Department	HR Department	Corporate Treasury Division & HR Department	HR Department	Group CFO

S1-2.27d - Global Framework Agreements or Similar Worker Engagement Agreements

The Premier Energy Group does not currently have a Group-wide global framework Agreement for workforce engagement.

S1-2.27e – Assessing the Effectiveness of Workforce Engagement

The Premier Energy Group monitors workforce engagement and workplace safety at the subsidiary level.

S1-2.28 - Engaging Vulnerable and Marginalized Workforce Groups

The Premier Energy Group takes steps to identify and engage vulnerable employees, particularly women, people with disabilities, and those from underrepresented backgrounds. The ESG Policy references:

- Diversity & Inclusion Initiatives – Ensuring fair hiring practices and equal career opportunities.
- Accessible Workplace Commitments – Providing workplace accommodations for employees with disabilities.
- Workforce Whistleblowing Mechanism – Confidential reporting channels for discrimination or unfair treatment.

S1-2.29 - Disclosure of Absence of Workforce Engagement Process and Future Plans

While the Premier Energy Group engages with its workforce at the subsidiary level, there is no unified Group-wide engagement framework. The Group plans to standardize workforce engagement processes across all subsidiaries to align with EU and international labor standards, **by 2028**.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Premier Energy Group is committed to ensuring a transparent, responsive, and protective environment where employees can raise concerns, report grievances, and seek remediation for workplace-related issues.

Currently, all subsidiaries uphold a Non-Retaliation Policy, ensuring employees can report issues without fear of reprisal. Throughout 2024, there was no single, unified Group independent reporting channel where employees can raise concerns.



Premier Energy's CEF Frumuseeni 0.50 MWp Solar Park, near Arad, Romania

Subsidiary-Level Mechanisms:

- **Premier Energy Romania:** Employees report concerns via direct communication with HR Department or internal committees. For the time being, there is no anonymous channel for raising concerns.
- **Premier Energy Furnizare:** Uses an anonymous whistleblowing platform to allow confidential reporting of misconduct. Incidents are reported directly to the Country Manager. More details provided under G1-1.10 section.
- **Premier Energy Renewables:** Relies on direct reporting to management or HR Department. For the time being, there is no anonymous channel for raising concerns.
- **Premier Energy Moldova:** Maintains a structured ethics reporting mechanism, including a dedicated email channel for confidential reports. Incidents are reported directly to the Country Manager. More details provided under G1-1.10 section.

Moreover, Premier Energy Furnizare and Premier Energy Moldova have trade unions, as detailed in section S1-1.20b.

To ensure continuous improvement, Premier Energy tracks and monitors reported concerns through internal tracking systems done by the HR and Compliance departments at the subsidiary level, recording case resolutions and trends in workforce concerns.

Corrective actions may include policy updates, disciplinary actions, or procedural improvements to prevent recurrence. The effectiveness of remedies is measured through incident tracking, employee feedback, and repeat case analysis.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Premier Energy recognizes the materiality of workforce-related impacts, risks, and opportunities. While no formal action plans or ESG targets are in place, the Group already implements several HR practices that support employee well-being, safety, and development. These will be formalized and aligned with ESG frameworks starting in 2025.

Preventing and Mitigating Negative Impacts	S1-4_01	HR practices address working conditions, pay, and development, but are not yet part of formal ESG action plans. A structured approach will be introduced in 2025.
Enabling Remedy	S1-4_02	Existing grievance and HR processes function at subsidiary level. These will be enhanced and aligned with international remedy standards by 2025.
Delivering Positive Impacts	S1-4_03	Measures like flextime and job creation in renewables are in place but not yet linked to ESG strategy.
Tracking and Assessing Effectiveness	S1-4_04	ESG-aligned KPIs and tracking mechanisms will be developed in 2025-2026 period.
Identifying Required Actions	S1-4_05	Actions are identified locally but not through a structured ESG process. A formal mechanism will be developed in the coming period.

Mitigating Workforce-Related Risks	S1-4_06	Human capital risks are not yet integrated in the Group's ERM system.
Pursuing Opportunities	S1-4_07	Opportunities in renewables, upskilling, and retention exist. A structured plan to capture them will be developed in 2025-2026 period.
Preventing Negative Contribution by Own Practices	S1-4_08	Internal practices are being reviewed, with further steps considered to enhance consistency across subsidiaries.
Resource Allocation	S1-4_09	No dedicated resources or budget allocated at this stage.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The impacts, risks, and opportunities listed in this section were identified as material through the Double Materiality Assessment conducted in 2024. As such, they represent newly prioritized areas for structured action. While the Group has existing HR practices at the subsidiary level that relate to several of these topics, formal ESG-aligned actions and measurable targets have not yet been established. Premier Energy plans to define relevant actions and develop corresponding targets and indicators over the course of 2025, with a view to initiating implementation in 2026.

S1-6 – Characteristics of the undertaking's employees

S1-6.50a - Total number of employees by head count

Employee headcount (including both full-time employees and part-time employees), by country:

Country	Number of employees on 31.12.2024
Romania	895
Republic of Moldova	754
Cyprus	13
Serbia	1
Total	1,663

Note on the difference in number of employees versus the consolidated financial statements

Please note that within certain business segments, in compliance with local labor laws, some employees hold two or more part-time contracts with different entities within the same segment. For reporting purposes, an employee holding two part-time contracts of 4 hours per day each is accounted for as a single full-time employee working 8 hours per day.

As a result, at the Group level, there is a difference of 45 employees, who have multiple contracts. To ensure data accuracy and consistency, these employees are reported only once in this section, reflecting their actual full-time equivalent (FTE) status rather than counting them multiple times under separate contracts.

Employee headcount by gender:

Data as of 31.12.2024			
FEMALE	MALE	OTHER	TOTAL
Number of employees (head count)			
667	996	0	1,663
Number of permanent employees (FTE)			
642	981	0	1,623
Number of temporary employees (head count)			
25	15	0	40
Number of non-guaranteed hours employees (head count)			
0	0	0	0
Number of full-time employees (head count)			
636	977	0	1,613
Number of part-time employees (head count)			
25	17	0	42

The definition of part-time employee is the same in both Romania and the Republic of Moldova and it indicates an employee who works fewer hours per day, week, or month than the standard full-time working schedule (which is 40 hours per week / 8 hours per day in both countries). In both countries, part-time employees have the same legal protections as full-time employees, but their salaries, paid leave, and social security contributions are adjusted proportionally to their actual working time.

Employee headcount broken by the region:

As of 31.12.2024				
Romania	Republic of Moldova	Cyprus	Serbia	TOTAL
Number of employees (head count)				
895	754	13	1	1,663

As of 31.12.2024

Number of permanent employees (head count)

868	742	13	1	1,624
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Number of temporary employees (head count)

27	12	0	0	39
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Number of non-guaranteed hours employees (head count)

0	0	0	0	0
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Number of full-time employees (FTE)

857	751	4	1	1,613
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Number of part-time employees (head count)

38	3	9	0	50
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In 2024, the Group did not have any non-guaranteed hours employees.

S1-6.50c – Employee turnover rate

The employee turnover across Premier Energy Group in 2024 was as follows:

Country	Segment	Number of employees who left	Employee turnover rate
Romania	Premier Energy Romania	51	9.5%
Romania	Premier Energy Furnizare	21	7.5%
Romania	Premier Energy Renewables	8	12%
Moldova	Premier Energy Moldova	44	6%
Cyprus	Premier Energy Group PLC	0	n/a
Serbia	Alive Capital doo Beograd	0	n/a
TOTAL		124	7.5%

The employee turnover rate for Premier Energy's own workforce was calculated by aggregating the number of employees who left the company during the reporting period due to voluntary resignation, dismissal, retirement, or death in service. This figure forms the numerator of the turnover rate. For the denominator, the company used the average headcount over the reporting period, calculated as the average of the number of employees at the beginning and end of the year.

S1-8 - Collective bargaining coverage and social dialogue

As of 31 December 2024, a collective bargaining agreement is in place at Premier Energy Furnizare and at Premier Energy Moldova, thus the percentage of employees covered by collective bargaining agreement per the Group's total employees stands at 63%.

	Premier Energy Furnizare	Premier Energy Moldova
Agreement Period	2023–2024	2023-2027
Coverage	Applies to all employees, regardless of role or seniority.	Applies to all employees, except those in management positions with individually negotiated contracts exceeding collective bargaining terms.
Topics Covered	Salaries, working hours, paid leave, occupational health and safety, training, professional development, social benefits, non-discrimination, freedom of association.	Salaries, working hours, paid leave, health and safety, professional development, social benefits, non-discrimination, freedom of association, complaint and grievances.

No other subsidiaries within the Group currently operate under a collective bargaining agreement.

S1-10 – Adequate wages

S1-10.69 - Adequate Wage Practices for Employees

All Premier Energy Group employees are paid an adequate wage. Premier Energy Group does not offer salaries below the local legal minimum wage in any of the markets it operates in.

	Premier Energy Romania	Premier Energy Furnizare	Premier Energy Renewables	Premier Energy Moldova	Premier Energy Group PLC
Regular annual wage review	Yes	Yes	Yes	Yes	N/A (employees are for less than 1 year)

S1-13 – Training & Skill Development

For 2024, we are utilizing a phase-in approach for this material topic due to the lack of input information.

S1-14 – Health and safety metrics

In 2024, 100% of Premier Energy Group's workforce was covered by a health and safety management system, ensuring compliance with legal requirements and recognized industry standards. The Group recorded zero fatalities due to work-related injuries or work-related ill health among its employees operating on its sites.

	2024
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities in own workforce as result of work-related ill health	0

Premier Energy Distribution (Moldova) reported two (2) recordable work-related accidents, resulting in a 0.348 accident rate per 100 full-time employees and a total of 68 lost working days. None other subsidiary recorded work-related accident.

	2024
Number of recordable work-related accidents for own workforce	2
Rate of recordable work-related accidents for own workforce	0.348
Number of cases of recordable work-related ill health of employees	0

The Rate of Recordable Work-Related Accidents was calculated using the following formula: (Total number of recordable work-related accidents ÷ Total hours worked) × 200,000, where the total number of recordable accidents includes all incidents meeting recognized criteria—such as fatalities, lost time injuries, restricted work cases, and medical treatment cases. Total hours worked refers to all hours worked by Premier Energy's own workforce (full-time, part-time, and temporary employees), excluding contractors. The multiplier of 200,000 standardizes the rate per 100 full-time employees and enables comparability across companies. Data is sourced from internal HR systems, occupational health and safety reports, and incident records maintained by the company's HSE function.

S1-15 - Work-Life Balance

For 2024, we are utilizing a phase-in approach for this material topic due to the lack of input information



ESRS G1

Business Conduct

Disclaimer:

Premier Energy Group PLC successfully completed its initial public offering (IPO) on the Bucharest Stock Exchange (BVB) in May 2024 and has since initiated a group-wide policy alignment process to unify governance, compliance, and business conduct frameworks across its subsidiaries. Given the historical independence of the Group's entities and their varying operational structures, this report reflects a more fragmented approach to policies and procedures, which will be further standardized in the coming reporting cycles. Therefore, the procedures and policies of each segment are represented by policies of its principal company.

For clarity, the policies and procedures disclosed in this section cover the following entities:

Entity	Country	Principal Company	Entity
Premier Energy Romania	Romania	Premier Energy S.R.L.	NEOGAS GRID S.A. (FORMERLY PREMIER ENERGY S.R.L. (Romania)
			ENERGIA MILENIULUI III S.A (Romania)
			B.E.R.G Instalatii Gaz S.R.L. (Romania)
			PREMIER ENERGY TRADING S.R.L. (Romania)
			LIGATNE LIMITED (Cyprus)
			LIGATNE GAS S.R.L. (Romania)
			PREMIER ENERGY S.A. (Romania)
			TRUE ENERGY MANAGEMENT S.R .L. (Romania)
			PREMIER ENERGY HUNGARY Kft. (Romania)
			TRUE ENERGY MANAGEMENT S.R.L. (Romania)
Premier Energy Furnizare	Romania	Premier Energy Furnizare S.A.	Premier Energy Furnizare

Entity	Country	Principal Company	Entity
Premier Energy Renewables	Romania	Alive Capital S.A.	ALIVE CAPITAL S.A. (Romania)
			ALIVE SUN POWER ONE S.R.L. (Romania)
			ALIVE SUN POWER TWO S.R.L. (Romania)
			DA VINCI NEW PROJECT S.R.L. (Romania)
			ECOENERGIA S.R.L. (Romania)
			ENEX NALBANT RENEWABLE S.R.L. (Romania)
			PREMIER RENEWABLE INVEST CO S.R.L (Romania)
			PREMIER WIND 80 S.R.L. (formerly EOLICA DOBROGEA ONE S.R.L.) (Romania)
			ENEX NALBANT RENEWABLE S.R.L. (Romania)
			ALIVE RENEWABLE HOLDING LIMITED (Cyprus)
			DEVELOPMENT POWER SOLAR ENERGY S.R.L. (Romania)
			ALIVE CAPITAL D.O.O. Beograd (Serbia)
			ALIVE CAPITAL Kft. (Hungary)
			ALIVE WIND POWER ONE S.R.L. (Romania)
Premier Energy Moldova	Moldova	Premier Energy Distribution S.A. and Premier Energy S.R.L.	JOSECO HOLDINGS CO. LIMITED (Cyprus)
			I.C.S. "PREMIER ENERGY" S.R.L. (Moldova)
			I.C.S. "PREMIER ENERGY DISTRIBUTION" S.A. (Moldova)
			NAVITAS ENERGY S.R.L. (Moldova)
			ELECTRA LOGISTICS S.R.L. (Moldova)
			ELTEPROD WIND S.R.L. (Moldova)

As the Group continues integrating its operations and governance structures, future reports will reflect a more cohesive and standardized policy framework across all business units, with policies being implemented at the Premier Energy Group PLC level and further applicable at the subsidiary level.

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Sub-topic	Sub-sub-topic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain	Time horizon	Attributes	Policy
Corporate culture	N/A	Employee recognition programs	People	Celebrating employee initiatives fosters engagement, lowers turnover, and improves productivity.	Own operations	Short-term	Positive, Potential	No formal Group policy Internal regulations at the subsidiary level
Corporate culture	N/A	Ethics trainings	Segment, Entity, People	Mandatory ethics training improved awareness of respectful behavior.	Own operations	Short-term	Positive, Potential	No formal Group or subsidiary policy
Corporate Culture	N/A	Managing potential cyberattacks	People / Environment	Growing digitalization of energy grids increases risks of cyberattacks, potentially disrupting operations. ¹	Own operations	Medium-term	Negative, Potential	No formal cybersecurity policy at the Group level; Cybersecurity policy at PE Romania and PE Moldova (since 18th October 2024)
Management of relationships with suppliers including payment practices	N/A	Diversification of suppliers	Segment, Entity, People	Reliance on a limited number of suppliers can result in unethical labor and environmental harm.	Upstream, own operations	Medium-term	Negative, Potential	No formal Group policy.
Management of relationships with suppliers including payment practices	N/A	Timely payments to suppliers	People	Fair payment schedules support financial stability and better conditions for suppliers.	Upstream, own operations	Medium-term	Positive, Actual	No formal policy. Payments handled by contract at subsidiary level.

Sub-topic	Sub-sub-topic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain	Time horizon	Attributes	Policy
Corruption and bribery	Prevention and detection including training	Ethics training	People	Providing training improves ethical practices and reduces corruption risks.	Own operations	Short-term	Positive, Actual	No Group-wide policy. Anti-Corruption Policy at PEF (Ethics policy to be implemented in 2025) Code of Ethics and Conduct and Corporate Social Responsibility Policy at PE Moldova Internal Regulation at PE Romania and Premier Energy Renewables
Protection of whistle-blowers	N/A	Whistleblowing hotline	Segment, Entity/ People	Establishing a confidential hotline improves stakeholder trust and encouraged safe reporting.	Own operations	Short-term	Positive, Actual	No Group-wide policy. Whistleblowing Policy (PEF) Ethics Policy (PE Moldova) Internal Regulation (Alive and PE Romania)

¹While cybersecurity is a relevant operational risk for Premier Energy Group, it is not explicitly covered under the ESRS G1 standard on business conduct. As such, the information presented here refers to the segment/entity-level policies addressing cybersecurity risks within the Group, where applicable.

The governance-related impacts and opportunities outlined in this section were identified as material through the 2024 Double Materiality Assessment. Currently, most of these topics are not adequately covered by existing policies, either at Group or subsidiary level. As such, the Group recognizes the need to develop and implement formal policies and procedures to address these gaps. Premier Energy Group will assess these areas during 2025, with the aim of defining structured actions and setting measurable objectives for implementation starting in 2026.

G1-1

Business conduct policies and corporate culture

G1-1.7 - Business Conduct Policies

Premier Energy Group is committed to fostering a corporate culture rooted in ethical conduct, transparency, and accountability. Its approach is defined in the Code of Business Conduct and Ethics and further developed through subsidiary-level documents such as Internal Regulations or dedicated policies.

At the subsidiary level, the following policies are implemented:

Segment	Policy name	Key Contents	Scope	Third-Party Standards	Governance & Accountability	Stakeholder Consideration & Communication
Premier Energy Romania	Internal Regulation	Fair Business Conduct, Non-discrimination and non-harassment, Ethical Employee Conduct	Applies to all employees	Aligns with Romanian Labor Code	General Manager and Legal Department	Embedded within internal procedures, not publicly available
Premier Energy Furnizare	Ethics Policy (to be implemented in early 2025)	Promoting Transparency, Ethical Decision-Making, Compliance with Legal and Ethical Standards	Applies across all business operations in Romania	Aligns with Romanian Labor Code	Legal and Compliance Department reporting to CEO and Board of Directors	Embedded within internal procedures, not publicly available
Premier Energy Renewables	Internal Regulation	Fair Business Conduct, Non-discrimination and non-harassment, Ethical Employee Conduct	Applies to all employees	Aligns with Romanian Labor Code and GDPR regulation	Executive Team	Embedded within internal procedures, not publicly available
Premier Energy Moldova	Code of Ethics and Conduct Corporate Social Responsibility Policy	Ethical Business Conduct, Supplier and Partner Accountability, Fair and Inclusive Workplace, Corporate Social Responsibility & Integrity, Whistleblower Protection	Applies to all operational aspects	Aligns with Moldavian Labor Code, Directive (EU) 2019/1937, Directive 89/391/EEC, OECD Guidelines	Ethics Committee reporting to Executive Management Team	Embedded within internal procedures, not publicly available

Cybersecurity policies at Premier Energy Group

Premier Energy Group recognizes cybersecurity as a material impact, particularly in the context of increasing digitalization of energy grids and operational systems. Since 2024, the cybersecurity oversight is being implemented and managed at the subsidiary level, with no centralized Group-level governance structure or formal cybersecurity policy in place. The Group will assess by 2027 the need for Group-wide policy and will continue improving its current assess of the matter of cybersecurity and protection of information.

Segment	Policy Name	Key Contents	Scope	Third-Party Standards	Governance & Accountability	Stakeholder Consideration
Premier Energy Romania	Information Security Policy with 9 technical procedures	Information classification, risk management, security incidents, IT access control, audits, change management, backup & restore, system operation	Applies to all IT and business units	ISO/IEC 27001: 2022 ISO/IEC 27002: 2022 GDPR Romanian Law 362/2018	IT Department under Director General Security oversight coordinated by IT and Legal	Internal policy, not publicly available
Premier Energy Moldova	Cybersecurity Policy with 10+ procedures	Protection of information and systems against unauthorized access, ensuring confidentiality, integrity, and availability of data	Applies to all employees, external collaborators, and contractors	Moldovan law 133/2011 ISO/IEC 27001, 27002 National Cybersecurity Framework	IT & Systems Department and Ethics Committee Responsibilities detailed per procedure	Internal policy, not publicly available. Policy approved on 18.10.2024.
Premier Energy Furnizare	-	-	-	-	-	-
Premier Energy Renewables	-	-	-	-	-	-

(G1-1.9) - Corporate Culture Promotion

Business conduct policies at Premier Energy Group are developed under the coordination of the Legal and Compliance Department, in collaboration with Executive Management, and are subject to approval by the Board of Directors or the Audit Committee, depending on the policy's scope.

The process includes benchmarking against international standards (e.g. OECD Guidelines, EU directives) and monitoring of regulatory changes and best practices. Stakeholder input, including employee feedback and audit recommendations, is also considered when evaluating policies.

The corporate culture is anchored in the Group's mission, values, leadership commitment, and governance policies. The following core themes are actively promoted across all Premier Energy operations:

- **Integrity** – Honest and fair behavior across all operations
- **Transparency** – Clear disclosures on decisions, impacts, and performance
- **Non-Discrimination** – Commitment to diversity, equity, and inclusion

Regarding the Corporate Culture Oversight at the Group level:

- **Board of Directors** – Has overall responsibility for ensuring adherence to business conduct and ESG policies.
- **Audit Committee** – Monitors compliance risks and reports findings to the Board.
- **Sustainability Committee** – Oversees ESG initiatives, climate-related disclosures, and corporate responsibility programs.
- **The Legal and Compliance Department** - Ensures that all employees adhere to Premier Energy's Code of Conduct.

G1-1.10 - Anticorruption and Bribery Policies

G1-1.10a – Mechanisms for Identifying, Reporting, and Investigating Concerns

Premier Energy Group is committed to maintaining a transparent and ethical culture across all subsidiaries. Each segment/entity has mechanisms in place to identify, report, and investigate concerns related to unethical conduct, fraud, bribery, and other business conduct violations. Concerns can be reported through internal channels or, where available, through dedicated whistleblowing systems.

Contact details for reporting concerns by segment:

Premier Energy Furnizare:

- **Platform:** Vorbeste Liber
- **Email:** neconformitate@premierenergy.ro

Premier Energy Moldova:

- **Email:** presedintecodetic@premierenergy.md
- **Other channels:** Internal correspondence or postal mail to the Ethics Committee

Premier Energy Romania and Premier Energy Renewables: Reports should be submitted through direct supervisors, with escalation to Executive Management or internal compliance functions as required.

G1-1.10b – Compliance with the United Nations Convention Against Corruption (UNCAC)

Premier Energy Group is committed to aligning its anti-corruption practices with international standards, including the United Nations Convention Against Corruption (UNCAC). The Group maintains a zero-tolerance stance on bribery, fraud, and undue influence, and is progressively formalizing group-wide policies to ensure full compliance as of 2025. Entities implemented anti-corruption measures appropriate to their operational context.

Status by entity as of 2024:

- **Premier Energy Romania** did not have a standalone Anti-Corruption Policy aligned with UNCAC. Measures are embedded in broader internal regulations.
- **Premier Energy Furnizare** has a formal Anti-Corruption and Anti-Bribery Policy aligned with UNCAC and international best practices. Enforces strict controls over gifts, conflicts of interest, and third-party conduct.
- **Premier Energy Moldova** maintains an Anti-Corruption Policy aligned with global standards and is a signatory of the UN Global Compact, upholding Principle 10 on anti-corruption.
- **Premier Energy Renewables** does not currently have a formal Anti-Corruption Policy due to limited exposure to third-party risks.

G1-1.10c – Whistleblower Protection

Premier Energy Group is committed to enabling employees and stakeholders to report misconduct in good faith and without fear of retaliation. However, the level of policy implementation and system maturity varies across entities:

- **Premier Energy Furnizare** has a formal whistleblower system, overseen by the Compliance Directorate. Employees are protected under Directive (EU) 2019/1937, with internal protocols ensuring confidentiality and consequences for retaliation.
- **Premier Energy Moldova** has structured internal channels managed by the Ethics Committee, with trained staff and informational resources. In line with Premier Energy Group sustainability targets Premier Energy Moldova is committed to fully ensure whistleblower protection in line with Directive (EU) 2019/1937 in 2025.
- **Premier Energy Romania** and **Premier Energy Renewables** do not have standalone whistleblower policies or formal systems but rely on internal reporting to supervisors, based on provisions included in the Internal Regulation. Basic protections against retaliation are provided under applicable labor laws, and confidentiality is ensured in the handling of reports. However, the current channel is not public and does not allow for anonymous reporting.

G1-1.10d – Lack of Whistleblower Protection Policies

In 2024, Premier Energy Group did not have implemented Group-wide Policy on Internal Reporting and Protection of Whistleblowers in the Public Interest. The policy is set to be implemented in 2025.

G1-1.10e – Investigation of Business Conduct Incidents

On a group level Premier Energy did not have adopted in 2024 anti-corruption and anti-bribery policy. At the level of subsidiaries, the Group entities have procedures for investigating business conduct incidents, including corruption and bribery. The current shortcomings are ready to be eliminated by Group Anti-Corruption and Anti-Bribery Policy which is set to be adopted in 2025.

- Premier Energy Furnizare and Premier Energy Moldova have dedicated investigation structures. Incidents are independently reviewed by the Compliance Director (Furnizare) or Ethics Committee (Moldova).
- Premier Energy Romania and Premier Energy Renewables currently address incidents through internal disciplinary procedures. While these processes ensure accountability, the Group acknowledges the need to strengthen independence and objectivity. This will be carried out by formalizing the investigation mechanism for these entities, ensuring they align with the standards for prompt, impartial and independent resolution of business conduct issues.

G1-1.10g – Training on Business Conduct

At present, Premier Energy Group does not have a formal policy in place for training on business conduct at either the group or subsidiary level.

Premier Energy Moldova is the only entity that conducted anti-corruption and business conduct training in 2024. Premier Energy Furnizare, Premier Energy Romania and Premier Energy Renewables did not conduct dedicated anti-corruption or business conduct training in 2024 due to the acquisition transition (in case of PEF and Premier Energy Renewables) and unbundling at Premier Energy Romania, effective 2025, which significantly changed the organizational structure.

G1-1.10h – Functions Most at Risk for Corruption and Bribery

Premier Energy Group has conducted an internal risk assessment to identify functions with the highest exposure to corruption and bribery. The assessment considers decision-making authority, financial transactions, procurement processes, and regulatory interactions.

Function	Policy-Based Risk Factors	Potential Corruption/Bribery Risks
Executive Management at Group level	Decision-making power over high-value financial transactions, asset management, and company strategy.	• Conflict of interest in contract approvals. • Undisclosed related-party transactions. • Favoritism in strategic partnerships.
Subsidiary Management & Senior Leadership	Oversees operational and financial management of subsidiaries.	• Kickbacks or preferential treatment in supplier selection. • Falsified invoices or payments to vendors. • Misuse of company funds.

Function	Policy-Based Risk Factors	Potential Corruption/Bribery Risks
Procurement & Supply Chain Management at Subsidiary level	Engages with vendors for purchasing equipment, services, and contracts.	• Risk of falsified invoices and receipts • Engaging in fictitious payments to favor suppliers. • Unauthorized modifications to contractual documents
Finance & Accounting at Subsidiary level	Handles cash transactions, financial reporting, and payment approvals.	• Risk of money laundering and misappropriation of funds. • Falsification of financial records to disguise illicit payments. • Processing fraudulent invoices.
Legal & Compliance at Subsidiary level	Oversees contracts, legal risk management, and internal controls.	• Risk of falsifying statements to cover potential fraud. • Non-transparent dispute resolutions or misuse of legal settlements.
Internal Audit & Risk Management at Subsidiary level	Monitors financial integrity, internal controls, and compliance.	• Risk of colluding to conceal misconduct. • Suppressing corruption evidence to protect individuals or departments.
Marketing & Sponsorships at Subsidiary level	Manages corporate sponsorships, donations, and partnerships.	• Misuse of charitable donations to funnel bribes. • Political contributions used for undue influence.

Business Conduct Policies: Actions and Targets

Sub-topic	IRO	Actions	Targets	Scope
Corporate culture	Celebrating employee initiatives fosters engagement, lowers turnover, and improves productivity.	No actions set yet. To be established in 2025	No targets set yet	All new employees, across all levels and divisions

Sub-topic	IRO	Actions	Targets	Scope
Corporate culture	Mandatory ethics training improved awareness of respectful behavior.	No actions set yet. To be established in 2025	No targets set yet	All employees, including those who have already completed the initial training
Corporate culture	Growing digitalization of energy grids increases risks of cyberattacks, potentially disrupting operations.	No actions set yet. To be established in 2025	No targets set yet	Whole operations
Protection of whistle-blowers	Establishing a confidential hotline improved stakeholder trust and encouraged safe reporting.	No actions set yet. To be established in 2025	No targets set yet	All internal and external whistleblowing reports

G1-2 – Management of relationships with suppliers

G1-2.14 - Supplier Payment Policy

Premier Energy Group and its subsidiaries have not adopted a formal Supplier Payment Policy specifically addressing late payments, including those related to small and medium-sized enterprises (SMEs). The Group ensures that supplier payments are made in accordance with contractually agreed terms and applicable legal requirements but does not currently have a standalone policy governing this matter.

Premier Energy has not identified systemic issues related to late payments that would require the immediate implementation of a formalized approach. However, Premier Energy will assess the need for a more structured approach to supplier payment management, particularly for SMEs.

Currently, payments to suppliers are processed in accordance with contractual terms negotiated individually with each vendor. The Group and its subsidiaries adhere to local legal requirements regarding payment terms in Romania, Moldova, and other jurisdictions where it operates.

Premier Energy will assess the feasibility of developing a Group-wide Supplier Payment Policy and associated procurement practices by 2027. If deemed appropriate, implementation will follow by 2030.

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Premier Energy will assess the feasibility of developing a Group-wide Supplier Payment Policy and associated procurement practices by 2027. If deemed appropriate, implementation will follow by 2030.

Premier Energy Moldova is the only subsidiary that has implemented a Supplier Code of Ethics, establishing minimum ethical standards and compliance requirements for all external contractors, suppliers, and business partners engaging with Premier Energy Moldova. Premier Energy Moldova actively communicates and enforces this Code by requiring formal commitment from suppliers upon contract signing. Violations may lead to contract termination or other corrective measures.

G1-2.15b - Integration of Social and Environmental Criteria in Supplier Selection

Neither Premier Energy Group nor its subsidiaries have a general, formalized policy for integrating social and environmental criteria into supplier selection across all procurement categories.

Management of relationships with suppliers: Actions and Targets

Sub-topic	IRO	Actions	Targets	Scope
Management of relationships with suppliers including payment practices	Reliance on a limited number of suppliers can result in unethical labor and environmental harm.	No actions set yet. To be established in 2025	No targets set yet	Strategic Tier 1 suppliers
	Fair payment schedules support financial stability and better conditions for suppliers.	No actions set yet. To be established in 2025	No targets set yet	All external supplier invoices across the Group

G1-3 – Prevention and detection of corruption and bribery

In the course of 2024, at the subsidiary level, Premier Energy Furnizare S.A. and Premier Energy Moldova (through Premier Energy Distribution S.A. and Premier Energy S.R.L.) had established anti-corruption policies. In case of Premier Energy S.R.L (Romania), the reference to basic anti-corruption is made in the Internal Rulebook of the Company. Premier Energy Renewables did not have dedicated anti-corruption policy implemented in the course of 2024 due to its scope of activity.

G1-3.18 - Corruption and Bribery Prevention, G1-3.19 – Procedures to Prevent and detect and address allegations, G1-3.20 Communication of the policies & G1-4.24b – Prevention and Detection of Corruption and Bribery

Segment	Policy in place	Investigators separate from the chain of management	Communication of policies	Process to Report Outcomes
Premier Energy Romania	Anti-corruption principles embedded in Internal Regulations; prohibits bribery and fraud; violations handled under disciplinary framework; employees report via internal channels. Internal review conducted for reported incidents, which may result in corrective measures.	No	Acknowledgment upon signing of the employment contract	None formally established. Disciplinary outcomes handled internally; no formal reporting process to Board or Executive Management. Premier Energy Romania is going to undergo an unbundling process in early 2025, implementing a Group-level reporting structure in 2024 would not have been effective. In accordance with ESRS G1-19, Premier Energy Romania acknowledges this gap and plans to formalize a structured reporting process post-unbundling, by 2027.
Premier Energy Furnizare	Comprehensive anti-corruption framework; includes risk monitoring by Compliance Directorate, whistleblowing platform, strict internal controls, and training. Allegations are promptly investigated, with potential disciplinary/legal actions.	Yes	Acknowledgment upon signing of the employment contract, mandatory trainings	Findings are reported to Executive Management and, if needed, to the Board.
Premier Energy Moldova	Anti-Corruption Policy aligned with Code of Ethics; prohibits all forms of bribery; provides training and awareness; suspected incidents are investigated internally and may be escalated to authorities. Sanctions include disciplinary and legal actions.	Yes	Acknowledgment upon signing of the employment contract, mandatory trainings, regular refresher emails	Ethics Committee reports to Executive Management; audits and reviews shared with management; Board ensures policy enforcement.

Segment	Policy in place	Investigators separate from the chain of management	Communication of policies	Process to Report Outcomes
Premier Energy Renewables	No standalone anti-corruption policy; follows Romanian legislation. Ethical concerns are handled by senior management with escalation to the Group's Board if needed.	No	Acknowledgment upon signing of the employment contract	Ad hoc reporting to Group's Board when issues are escalated.

G1-3.21 - Anti-corruption and Bribery Training

In 2024, Premier Energy Moldova was the only entity within the Group to organize anti-corruption and anti-bribery trainings. The training program was designed to ensure a collective degree of control across all employees of Premier Energy Distribution S.A. and Premier Energy SRL, with a focus on reinforcing ethical business conduct and compliance. The training consisted of informative letters and the mandatory completion of the Declaration on Compliance with the Code of Business Conduct and Ethics, ensuring that all employees formally acknowledged their understanding of the company's anti-corruption principles. For employees with access to computers, the training was conducted as voluntary computer-based training, while operational staff who did not require computer access received the information through their hierarchical supervisors, based on official information messages distributed internally. 99% of functions-at-risk were covered by training programs at Premier Energy Moldova.

Premier Energy Moldova			
	Managers	AMSB	Other own workers
Training coverage			
Total # of employees qualified for training	40	339	375
Total receiving training	38	335	375
Delivery method and duration			
Voluntary computer-based training	3 hours	3 hours	3 hours
Topics covered			
Definition of corruption	✓	✓	✓
Policy	✓	✓	✓
Procedures on suspicion/detection	✓	✓	✓
Conflict of interest	✓	✓	✓
The rules of the Code of Ethics	✓	✓	✓

Note: In Moldova, operations also include entity Navitas Energy SRL. Employees of Navitas did not participate in training sessions in 2024 and they are not included in the above table.

At the remaining Group entities, including Navitas Energy SRL, Premier Energy Romania, Premier Energy Renewables and Premier Energy Furnizare, the number of functions-at-risk covered by training programs was 0% for 2024.

Prevention and detection of corruption and bribery: Actions and Targets

Sub-topic	IRO	Action	Targets	Scope
Corruption and bribery (Prevention and detection including training)	Providing training improves ethical practices and reduces corruption risks.	No actions set yet. To be established in 2025	No targets set yet	All Group operations

G1-4 – Incidents of corruption or bribery

G1-4.24a – Convictions for violation of anti-corruption and anti- bribery laws

During the reporting period, there were no convictions for violations of anti-corruption or anti-bribery laws at Premier Energy Group or any of its subsidiaries. Additionally, no fines or financial penalties related to corruption or bribery were imposed on the Group or the subsidiaries.

Additionally, there were no breaches identified in internal procedures or standards related to corruption or bribery during the reporting period, and no remedial actions were required.

G1-6 – Payment practices

Segment	Sub-sub-topic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain	Time horizon	Attributes	Policy
Management of relationships with suppliers including payment practices	N/A	Diversification of suppliers	Entity, People	Reliance on a limited number of suppliers can result in unethical labor and environmental harm.	Upstream, own operations	Medium-term	Negative, Potential	No formal Group policy.
	N/A	Timely payments to suppliers	People	Fair payment schedules support financial stability and better conditions for suppliers.	Upstream, own operations	Medium-term	Positive, Actual	No formal policy. Payments handled by contract at subsidiary level.

G1-6.33 - Payment Terms

G1-6.33a - Payment Practices and Performance & G1-6.33b - Impacts of Payment Practices

Premier Energy Group monitors its payment practices to ensure compliance with contractual obligations and legal requirements across its operations.

Segment	Avg. Actual Payment Time (days)	Avg. Contractual Term (days)	% Paid Within Terms	Avg. Delay for late payments	Notes
Premier Energy Romania	10.5	10.6	76%	16 days	Payment times vary by supplier type
Premier Energy Furnizare	13.5	16.5	100%	–	All payments within terms
Premier Energy Moldova	18.8	14.7	80%	5.7 days	Invoices tracked from registration date
Premier Energy Renewables	–	–	–	–	No material external supplier invoice

Payment terms vary based on operational and regional factors. Significant part of the delays is caused by the fact that the Group has fixed payment dates during the week, therefore sometimes resulting in minor payment delays.

Premier Energy Group recognizes that maintaining fair and predictable payment schedules contributes to supplier financial stability, particularly for SMEs, and fosters long-term, trust-based relationships. These practices support an actual positive impact as identified in the Double Materiality Assessment.

G1-6.33c - Legal proceedings related to late payments

During the reporting period, Premier Energy Group and its subsidiaries had no outstanding legal proceedings related to late payments.

G1-6.33d - Context and methodology disclosure

For both Romania and Moldova, the payment data excludes intra-group transactions and is based on external supplier invoices. In both countries, payments are tracked from the date of invoice registration rather than the issuance date. Representative sampling was used to calculate the average payment times and compliance rates, ensuring an accurate assessment of payment practices. The methodology used for the key two indicators is as follows:

- Average number of days to pay an invoice, which measures the time (in days) between the contractual or statutory due date and the actual payment date. This is computed as a weighted average across all invoices paid within the reporting period.
- Percentage of payments aligned with standard payment terms, calculated as the share of invoices paid within the agreed contractual deadline, out of total invoices paid.

Premier Energy's Solar Park near Chisinau, Moldova



Appendix 1

List of Abbreviations

Abbreviation	Definition
ACCA	Association of Chartered Certified Accountants
AR	Application Requirement (used in ESRS references)
BESS	Battery Energy Storage System
BP	Basis for Preparation (ESRS 2 sub-section)
BRR	Benchmark Regulation – Climate Benchmarks and ESG Disclosures (Regulation (EU) 2016/1011)
CapEx	Capital Expenditure
CCA	Climate Change Adaptation
CEO	Chief Executive Officer
CHP	Combined Heat and Power
CRR	Capital Requirements Regulation
CRVA	Climate Risk and Vulnerability Assessment
CSRD	Corporate Sustainability Reporting Directive
DNSH	Do No Significant Harm (Taxonomy principle)
DMA	Double Materiality Assessment
E&S	Environmental and Social
EFRAG	European Financial Reporting Advisory Group
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ESAP	Environmental and Social Action Plan
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EUCL	European Climate Law (Regulation (EU) 2021/1119)
EUR	Euro (currency)
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
ICO	Intercompany
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPO	Initial Public Offering
IRO	Impact, Risk, and Opportunity
ISO	International Organization for Standardization
KPI	Key Performance Indicator
LV	Low Voltage
MBA	Master of Business Administration (degrees)
MDR	Minimum Disclosure Requirement
MSS	Minimum Social Safeguards (EU Taxonomy requirement)

MW	Megawatt
MWp	Megawatt-peak (solar energy capacity)
NECP	National Energy and Climate Plan
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
OpEx	Operating Expenditure
P3	Pillar 3 Disclosure Requirements under the Capital Requirements Regulation
PATH	Paris Alignment of Counterparties (EIB framework)
PCB	Polychlorinated Biphenyls
PPE	Personal Protective Equipment
QHSE	Quality, Health, Safety, and Environment
SASB	Sustainability Accounting Standards Board
SBM	Strategy, Business Model (ESRS 2 sub-section)
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
SFDR	Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088)
SME	Small and Medium-sized Enterprise
SSM	Occupational Safety and Health (Romanian: Securitate și Sănătate în Muncă)
tCO₂e	Tons of CO ₂ Equivalent
T&D	Transmission and Distribution
TSC	Technical Screening Criteria (Taxonomy)
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNGPs	UN Guiding Principles on Business and Human Rights
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
WTT	Well-to-Tank (emissions category in Scope 3)