



# ENERGO-PRO

ENERGO-PRO Green Finance s.r.o.

Legal Entity Identifier (LEI): 315700V95FJQL6ANM434

**7.50% p.a. green notes in the anticipated aggregate nominal amount of up to CZK 2,500,000,000  
with the possibility of increase up to CZK 3,500,000,000**

**due 2029**

**ISIN CZ0003565723**

This document constitutes the prospectus (the “**Prospectus**”) in respect of 7.50% p.a. notes issued under Czech law in the anticipated aggregate nominal amount of up to CZK 2,500,000,000 (two billion five hundred million Czech Koruna) with the possibility of increase up to CZK 3,500,000,000 (three billion five hundred million Czech Koruna) due 2029 (the “**Notes**” or the “**Issue**”) by ENERGO-PRO Green Finance s.r.o., incorporated under the laws of the Czech Republic, with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Identification Number: 093 85 801, registered in the Commercial Register maintained by the Municipal Court in Prague, File Number: C 335515 (the “**Issuer**”).

The Notes will bear fixed interest payable semi-annually on 25 October and 25 April each year, commencing on 25 April 2025. The issue price of all the Notes issued on 25 October 2024 (the “**Issue Date**”) is equal to 100% of their nominal amount. The issue price of any Notes issued after the Issue Date will be determined based on a joint decision of the Issuer and the Managers taking into account the current market conditions. Where relevant, a corresponding accrued interest will be added to the amount of the issue price for any Notes issued after the Issue Date. For the avoidance of doubt, the Managers (as defined below) have no obligation to any Note investor to buy back any Notes.

Unless previously redeemed or purchased by the Issuer and cancelled as described below, the Notes will be redeemed in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”) included in *Terms and Conditions of the Notes* at their outstanding nominal amount on 25 October 2029 (the “**Maturity Date**”) (see Condition 6.1 (*Redemption at Maturity*)). The Issuer may, at its option, redeem the Notes early as described under Condition 6.2 (*Early Redemption at the Option of the Issuer*).

The Notes constitute direct, general, unconditional and unsubordinated liabilities of the Issuer secured by the Security (as defined below) and by the Financial Guarantee (as defined below) issued by DK Holding Investments, s.r.o., with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Identification Number: 046 45 740, registered in the Commercial Register maintained by the Municipal Court in Prague, File Number: C 251383 (the “**Guarantor**”), which rank and will rank *pari passu* among themselves and at least *pari passu* with any present and future unsecured and unsubordinated liabilities of the Issuer with the exception of liabilities treated preferentially under applicable mandatory laws.

In all cases, payments under the Notes will be made in accordance with the laws applicable in the Czech Republic as of the moment such payment is made. Where it is required by the laws of the Czech Republic applicable as of the moment a payment of nominal or interest is made, applicable tax and other fees will be withheld or deducted. If any deduction or withholding is required at the time of such payment, the Issuer shall not be obligated to pay to the Noteholders (as defined in the Terms and Conditions) any additional amounts. Subject to certain conditions, the Issuer is a taxpayer of a tax withheld or deducted from the interest on the Notes. For further information, please see “*Taxation and Foreign Exchange Regulation*”.

This Prospectus has been prepared and published for the purposes of admission of the Notes to trading on a regulated market and an offer of the Notes to the public pursuant to Article 2(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”).

The offer of the Notes to the public will be made by the Issuer through the managers of the Issue, J&T BANKA, a.s., with its registered office at Sokolovská 700/113a, 18600 Prague 8, Identification No.: 471 15 378, LEI: 3157001000000043842, registered with the Commercial Register kept by the Municipal Court in Prague, File No. B 1731 (“**J&T BANKA**”) and UniCredit Bank Czech Republic and Slovakia, a.s., with its registered office at Prague 4 - Michle, Želetavská 1525/1, Postal Code 14092, Identification No.: 649 48 242, LEI: KR6LSKV3BTSJRD41IF75, registered with the Commercial Register kept by the Municipal Court in Prague, File No. B 3608 (“**UCB**”) and together with J&T BANKA the “**Managers**” and each individually a “**Manager**”).

The Prospectus, which includes the text of the Terms and Conditions, has been approved by the Czech National Bank (the “CNB”) as the competent authority under the Prospectus Regulation in its decision ref. no. 2024/107627/CNB/650, file no. S-Sp-2024/00224/CNB/653 dated 19 September 2024, which became final and effective on 21 September 2024. The CNB has approved the Prospectus in its capacity as the competent authority under the Prospectus Regulation and only to the extent that the Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, the Guarantor nor the quality of the Notes. The CNB assesses neither the financial results nor the financial situation of the Issuer or the Guarantor and by approving the Prospectus it does not guarantee the quality of the Notes or the Issuer's future profitability or its ability to pay the interest on, and the principal of, the Notes or the Guarantor's future profitability and its ability to meet its obligations under the Financial Guarantee. Potential investors should make their own assessment as to the suitability of investing in the Notes.

**An investment in the Notes issued under this Prospectus involves certain risks. Prospective investors should read and consider the entire Prospectus and, in particular, “Risk Factors”, prior to making an investment in the Notes.**

Application has been made for the Notes to be admitted to trading on the regulated market (*Regulovaný trh*) of Burza cenných papírů Praha, a.s., with its registered office at Rybná 14/682, 110 05 Prague 1, Identification No.: 471 15 629, registered with the Commercial Register kept by the Municipal Court in Prague, File No. B 1773 (the “PSE” and the “Regulated Market”). The Notes are expected to be admitted to trading on the PSE on or around the Issue Date. The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, “MiFID II”). The ISIN of the Notes assigned by Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 682/14, Old Town, 110 00 Prague 1, Identification No.: 250 81 489 (the “Central Depository”) is CZ0003565723.

If there is any significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the closing of the offer period with respect to the Notes or and the time when the trading of the Notes on the Regulated Market, whichever occurs later, the Issuer will update the Prospectus in the form of a supplement. Any such supplement will be approved by the CNB.

**This Prospectus is valid for twelve months from the date on which its approval by the CNB became final and effective. The validity of the Prospectus will expire on 21 September 2025. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid or conditions set out in Article 23 of the Prospectus Regulation are not met.**

The distribution of this Prospectus and the offer, sale or purchase of the Notes may be restricted by law in certain jurisdictions. Neither the Prospectus nor the Notes have been allowed or approved by any public authority of any jurisdiction, with the exception of the approval of the Prospectus by the CNB. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”) and are subject to United States tax law requirements. The Notes are being offered outside the United States (“U.S.”) by the Managers (as defined in “Subscription and Sale”) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

After the end of the offer of the Notes to the public or after the admission of the Notes to trading on the Regulated Market, whichever occurs later, potential investors must base their investment decisions not only on the Prospectus as amended by any supplements, but also on other information published by the Issuer after the date of the Prospectus or other publicly available information.

*Arranger*

**J&T IB and Capital Markets, a.s.**

*Managers*

**J&T BANKA, a.s.**

**UniCredit Bank Czech Republic and Slovakia, a.s.**

The date of this Prospectus is 18 September 2024.

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## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

The Issuer has confirmed to the Managers (as defined in “*Subscription and Sale*”) that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Neither the Issuer nor the Guarantor has authorised the making or provision of any representation or information regarding the Issuer, the Guarantor or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Managers.

Neither the Managers nor any of their affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility or liability as to the accuracy or completeness of the information contained or incorporated in this Prospectus. Neither the Managers nor any of their affiliates accept any responsibility or liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Issue. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor or to advise any investor in the Notes of any information coming to its attention.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Information Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Prospectus.

Unless stated otherwise, all information provided in this Prospectus is valid as of the date of this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor (financial or otherwise) since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Issuer or the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Moreover, the information included in this Prospectus may be further modified or supplemented by supplements to this Prospectus.

Neither this Prospectus nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer or the Guarantor. Neither this Prospectus nor any other information supplied in connection with the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor or the Managers to any person to subscribe for or to purchase any Notes. None of the Issuer, the Guarantor or the Managers or any of their affiliates makes any representation to any investor in the Notes regarding the legality of any investment by such under applicable laws.

Any assumptions and projections concerning the future development of the Issuer or the Guarantor, their financial or market positions and the scope of their business, should not be deemed as representations or binding promises of the Issuer or the Guarantor regarding any future events or outcomes, because such future events and outcomes are subject, entirely or in part, to circumstances and events beyond the Issuer’s or the Guarantor’s control. Potential investors should make their own analyses of any development trends or projections contained in this Prospectus, and if relevant, conduct further independent investigations, and base their investment decisions on the results of such investigations and analyses.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Notes in any jurisdiction to or from any person to or from whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been, and will not be, registered under the Securities Act or any U.S. state securities laws. The Notes are being offered outside the United States by the Managers in accordance with Regulation S under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

**MiFID II product governance / the target market is retail investors, professional clients and eligible counterparties** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties, professional clients and clients, who are not professional clients, as defined in MiFID II, and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a Notes distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable).

This Prospectus contains various forward-looking statements that relate to, among other things, events and trends that are subject to risks and uncertainties that could cause the actual business activities, results and financial position of the Issuer or the Guarantor and their respective subsidiaries to differ materially from the information presented herein. When used in this Prospectus, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer, the Guarantor, their subsidiaries and management, are intended to identify such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus. Neither the Issuer nor the Guarantor undertakes any obligations publicly to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law or applicable regulations.

When relying on forward-looking statements, investors should carefully consider the foregoing risks and uncertainties and other events, especially in light of the political, economic, social and legal environment in which the Issuer, the Guarantor or their respective subsidiaries operate. Factors that might affect such forward-looking statements include, among other things, overall business and government regulatory conditions, changes in tariff and tax requirements (including tax rate changes, new tax laws and revised tax law interpretations), interest rate fluctuations and other capital market conditions, including foreign currency exchange rate fluctuations, economic and political conditions in the Czech Republic, Spain, Bulgaria, Türkiye, Georgia and Brazil and other markets, and the timing, impact and other uncertainties of future actions. See “*Risk Factors*”. The Issuer does not make any representation, warranty or prediction that the factors anticipated by such forward-looking statements will be present, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

Information contained in “*Taxation and Foreign Exchange Regulation and Enforcement of Civil Liabilities Against the Issuer and the Guarantor*” are of a general nature and they do not represent an exhaustive overview. The information in these chapters is based on the facts as of the date of this Prospectus and they have been obtained from publicly available sources that have not been processed or independently verified by the Issuer. The potential investors should rely only on their own analysis of factors mentioned in these chapters and on their own tax, legal and other advisors. Potential foreign purchasers of the Notes are advised to consult their legal and other advisors on the provisions of the relevant laws, in particular the foreign exchange and tax regulations of the Czech Republic, the countries of their residence and other potentially relevant countries, and any relevant international agreements and the impact of such regulations and agreements on specific investment decisions.

## **SUITABILITY OF INVESTMENT**

The Notes may not be a suitable investment for all investors. Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor in the Notes may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement. Each potential investor in the Notes may also wish to consider whether it has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio and whether it has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency. In addition, each potential investor in the Notes may also wish to consider whether it understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets and whether it is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## SHRnutí

Níže uvedené shrnutí uvádí klíčové informace, jež investoři potřebují, aby porozuměli povaze a rizikovým faktorům týkajících se Emitenta, Ručitele a Dluhopisů. Pojmy definované v Emisních podmínkách nebo jakékoli jiné části Prospektu mají stejný význam v tomto shrnutí.

### ÚVOD A UPOZORNĚNÍ

<b>Upozornění</b>	<p>Toto shrnutí je třeba číst jako úvod k Prospektu. Jakékoli rozhodnutí investovat do Dluhopisů by mělo být založeno na tom, že investor zváží prospekt jako celek, včetně jeho dodatků, byly-li vydány.</p> <p>Investor může přijít o celý svůj investovaný kapitál nebo jeho část v případě, že Emitent nebude mít dostatek prostředků na splacení jmenovité hodnoty Dluhopisů a/nebo na výplatu výnosů z Dluhopisů</p> <p>V případě, že je u soudu vznesen nárok na základě informací uvedených v prospektu, může být žalujícímu Vlastníkovi dluhopisů podle vnitrostátního práva uložena povinnost uhradit náklady na překlad Prospektu před zahájením soudního řízení. Občanskoprávní odpovědnost nesou pouze ty osoby, které shrnutí včetně jeho překladu předložily, avšak pouze pokud je shrnutí zavádějící, nepřesné nebo v rozporu s ostatními částmi prospektu nebo pokud shrnutí ve spojení s ostatními částmi prospektu neposkytuje klíčové informace, které investorům pomáhají při rozhodování, zda do Dluhopisů investovat.</p>
<b>Název Dluhopisů a ISIN</b>	Název Dluhopisů je „EN.-PRO GF 7,50/29“. Dluhopisům byl Centrálním depozitářem přidělen ISIN CZ0003565723.
<b>Identifikační a kontaktní údaje Emitenta</b>	<p>Emitentem Dluhopisů je společnost ENERGO-PRO Green Finance s.r.o., se sídlem Na poříčí 1079/3a, Nové Město, 110 00 Praha 1, Česká republika, identifikační číslo: 093 85 801, LEI: 315700V95FJQL6ANM434.</p> <p>Emitenta je možné kontaktovat na telefonním čísle +420 222 310 245 nebo prostřednictvím e-mailové adresy ir@energo-pro.com.</p>
<b>Identifikační a kontaktní údaje osob nabízejících Dluhopisy a osoby, která žádá o přijetí k obchodování na regulovaném trhu</b>	<p>Dluhopisy budou nabízeny v České republice Emitentem prostřednictvím J&amp;T BANKA, a.s., se sídlem Sokolovská 700/113a, Karlín, 186 00 Praha 8, Česká republika, identifikační číslo: 471 15 378, LEI: 3157001000000043842, zapsanou v obchodním rejstříku vedeném Městským soudem v Praze pod spisovou značkou B 1731 („<b>J&amp;T BANKA</b>“) a UniCredit Bank Czech Republic and Slovakia, a.s., se sídlem Praha 4 - Michle, Želetavská 1525/1, PSČ 14092, identifikační číslo: 649 48 242, LEI: KR6LSKV3BTSJRD41IF75, zapsanou v obchodním rejstříku vedeném Městským soudem v Praze pod spisovou značkou B 3608 („<b>UCB</b>“) a společně s J&amp;T BANKOU „<b>Manažeri</b>“ a každý samostatně „<b>Manažer</b>“). J&amp;T BANKU je možné kontaktovat na telefonním čísle +420 221 710 300 nebo prostřednictvím emailové adresy DealingCZ@jtbank.cz. UCB je možné kontaktovat na telefonním čísle +420 221 210 nebo prostřednictvím emailové adresy info@unicreditgroup.cz.</p> <p>Emitent prostřednictvím kotačního agenta požádá o přijetí Dluhopisů k obchodování na Regulovaném trhu BCPP a předpokládá, že Dluhopisy budou přijaty k obchodování k Datu emise, tj. dne 25. října 2024.</p> <p>Kotačním agentem je J&amp;T BANKA, a.s. (dále jen „<b>Kotační agent</b>“), která může být kontaktována způsobem uvedeným výše.</p>
<b>Identifikační a kontaktní údaje orgánu, který schvaluje Prospekt</b>	<p>Prospekt byl schválen Českou národní bankou jako orgánem vykonávající dohled nad finančním trhem podle zákona č. 6/1993 Sb., o České národní bance, ve znění pozdějších předpisů, a článku 31 Nařízení o prospektu.</p> <p>Českou národní banku lze kontaktovat na telefonním čísle +420 224 411 111 nebo +420 800 160 170 nebo prostřednictvím e-mailové adresy podatelna@cnb.cz. Internetové stránky České národní banky www.cnb.cz obsahují kontaktní informace České národní banky.</p>
<b>Datum schválení Prospektu</b>	Prospekt byl schválen rozhodnutím České národní banky č.j. 2024/107627/CNB/650 ke sp. zn. S-Sp-2024/00224/CNB/653 ze dne 19. září 2024, které nabylo právní moci dne 21. září 2024.

### KLÍČOVÉ INFORMACE O EMITENTOVĚ

Kdo je Emitentem Dluhopisů?



<b>Sídlo a právní forma Emitenta, země registrace a právní předpisy, podle nichž Emitent provozuje činnost</b>	Emitent je společností s ručením omezeným založenou a existující podle českého práva, se sídlem Na poříčí 1079/3a, Nové Město, 110 00 Praha 1, Česká republika, identifikační číslo: 093 85 801, LEI 315700V95FJQL6ANM434, zapsanou v obchodním rejstříku vedeném Městským soudem v Praze pod spisovou značkou C 335515.  Emitent se při své činnosti řídí právními předpisy České republiky, zejména zákonem č. 89/2012 Sb., občanský zákoník, ve znění pozdějších předpisů („ <b>Občanský zákoník</b> “), zákonem č. 90/2012 Sb., o obchodních společnostech a družstvech, ve znění pozdějších předpisů („ <b>Zákon o obchodních korporacích</b> “), zákonem č. 455/1991 Sb., o živnostenském podnikání, ve znění pozdějších předpisů („ <b>Živnostenský zákon</b> “) a zákonem č. 182/2006 Sb., o úpadku a způsobech jeho řešení, ve znění pozdějších předpisů („ <b>Insolvenční zákon</b> “).
<b>Hlavní činnosti Emitenta</b>	Emitent byl založen za účelem vydávání Dluhopisů a dalších cenných papírů a poskytování půjček a úvěrů nebo jiného financování ostatním subjektům ze Skupiny DKHI. K datu tohoto Prospektu nemá Emitent závazky vůči třetím osobám z nesplacených úvěrů či jim vydaných dluhopisů.
<b>Společníci Emitenta</b>	Jediným společníkem Emitenta a zároveň jeho ovládající osobou podle Zákona o obchodních korporacích je Ručitel, který vlastní podíl odpovídající 100 procentům základního kapitálu Emitenta a hlasovacích práv v Emitentovi. Emitent je součástí skupiny DKHI, kterou tvoří Ručitel a jeho dceřiné společnosti. Ručitel je plně vlastněn panem Jaromírem Tesařem.
<b>Klíčové řídicí osoby Emitenta</b>	Klíčovými řídicími osobami Emitenta jsou jeho jednatelé, kterými jsou: (i) pan Jaromír Tesař, dat. nar. 9. ledna 1973, který vykonává funkci jednatele; (ii) pan Vlastimil Ouřada, dat. nar. 16. února 1970, který vykonává funkci jednatele; a (iii) pan Petr Zafirov Milev, dat. nar. 15. prosince 1968, který vykonává funkci jednatele.
<b>Auditor Emitenta</b>	Nezávislým auditorem Emitenta je společnost Ernst & Young Audit, s.r.o., identifikační číslo: 267 04 153, se sídlem Na Florenci 2116/15, Nové Město, 110 00 Praha 1, Česká republika.

#### Které finanční informace o Emitentovi jsou klíčové?

<b>Klíčové finanční informace Emitentovi</b>	Následující tabulka uvádí přehled klíčových finančních údajů Emitenta.		
	<b>Výkaz o úplném výsledku (v tis. CZK):</b>		
		<b>Rok končící 31. prosince 2023</b>	<b>Rok končící 31. prosince 2022</b>
	Provozní zisk / ztráta před úroky a daněmi (EBIT)	(711)	(1.026)
	<b>Výkaz o finanční pozici (v tis. CZK):</b>		
		<b>31. prosince 2023</b>	<b>31. prosince 2022</b>
	Čistý finanční dluh (dlouhodobý dluh plus krátkodobý dluh minus peněžní prostředky a peněžní ekvivalenty)	(2.735)	711.767
	<b>Výkaz peněžních toků (v tis. CZK):</b>		
		<b>Rok končící 31. prosince 2023</b>	<b>Rok končící 31. prosince 2022</b>
	Čisté peněžní toky z provozní činnosti	1.720	(3.585)
Čisté peněžní toky z finanční činnosti	(348.300)	352.071	
Uvedené údaje vychází z nekonsolidovaných účetních závěrek Emitenta za období od 1. ledna do 31. prosince 2023 a 2022, které byly ověřeny nezávislým auditorem Emitenta.			

#### Jaká jsou hlavní rizika, která jsou specifická pro Emitenta?

<b>Hlavní rizikové faktory specifické pro Emitenta</b>	Hlavní rizikové faktory specifické pro Emitenta jsou: <b>1. Riziko účelově založené společnosti</b> – Emitent je společnost založená za účelem vydání dluhopisů, včetně Dluhopisů, a následného poskytování vnitroskupinového financování, která nevykonává jinou podnikatelskou činnost, a nemůže proto z jiných podnikatelských aktivit vytvořit zdroje na splacení dluhů z Dluhopisů. Riziko kreditní závislosti Emitenta na Skupině DKHI proto může negativně ovlivnit schopnost Emitenta plnit dluhy z Dluhopisů. <b>2. Riziko sekundární závislosti Emitenta</b> – Emitent je vystaven sekundárnímu riziku
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	<p>závislosti na rizicích týkajících se Skupiny DKHI. Vzhledem k závislosti Emitenta na Skupině DKHI se na schopnosti Emitenta splácet své závazky z Emise dluhopisů mohou nepříznivě projevit veškeré rizikové faktory vztahující se ke Skupině DKHI. Riziko sekundární závislosti může negativně ovlivnit schopnost Emitenta plnit závazky z Dluhopisů.</p> <p>Výše uvedená rizika mohou mít zásadní negativní vliv na finanční a ekonomickou situaci Emitenta, respektive na jeho podnikatelskou činnost. To ve svém důsledku může podstatně zhoršit schopnost Emitenta plnit závazky z Dluhopisů.</p>
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## KLČOVÉ INFORMACE O DLUHOPISECH

### Jaké jsou hlavní rysy Dluhopisů?

<b>Dluhopisy (druh, třída, ISIN)</b>	<p>Zaknihované dluhopisy s pevným úrokovým výnosem ve výši 7.50% p.a., v předpokládané celkové jmenovité hodnotě Emise až do výše 2.500.000.000 CZK s možným navýšením jmenovité hodnoty až do výše 3.500.000.000 CZK, splatné v roce 2029, ISIN CZ0003565723. Každý Dluhopis je vydáván ve jmenovité hodnotě 10.000 CZK. Maximální počet Dluhopisů, které mohou být vydány, je 250.000 kusů v případě, že celková jmenovitá hodnota Emise nepřesáhne 2.500.000.000 CZK, nebo 350.000 kusů v případě, že celková jmenovitá hodnota bude navýšena na 3.500.000.000 CZK.</p> <p>Datum emise je 25. října 2024. Datem konečné splatnosti dluhopisů je 25 října 2029.</p>
<b>Měna Dluhopisů</b>	Koruna česká (CZK).
<b>Práva spojená s Dluhopisy</b>	<p>S Dluhopisy je spojeno zejména právo na výplatu jmenovité hodnoty Dluhopisů k Datu splatnosti dluhopisů a právo na úrokový výnos z Dluhopisů. Úrokový výnos bude vyplacen za každé Úrokové období pololetně zpětně.</p> <p>Vlastníci dluhopisů mají právo účastnit se a hlasovat na Schůzi Vlastníků dluhopisů, za předpokladu, že je taková Schůze svolána v souladu s Emisními podmínkami a Českým zákonem o dluhopisech. Schůze může usnesením zvolit fyzickou nebo právnickou osobu za společného zástupce.</p> <p>S Dluhopisy je dále spojeno právo žádat předčasné splacení Dluhopisů v případě, že nastane a trvá Případ porušení. V případě, že nastane Změna ovládnání, má Vlastník dluhopisů právo žádat po Emitentovi, aby odkoupil Dluhopisy ve vlastnictví příslušného Vlastníka dluhopisů.</p> <p>Počínaje třemi roky od Data emise (včetně) má Emitent právo předčasné splatit všechny dosud nesplacené Dluhopisy (částečně nebo úplně), přičemž toto právo může uplatnit pouze, pokud to oznámí Vlastníkům dluhopisů nejpozději 60 dní před příslušným dnem předčasné splatnosti. Částečné splacení Dluhopisů může Emitent provést pouze k Datu předčasné splatnosti Emitenta, které bude připadat na Datum výplaty úroků. Předčasné splacení všech Dluhopisů v plné výši může být provedeno k jakémukoli Datu předčasné splatnosti Emitenta.</p> <p>Emitent může splatit celou nesplacenou jmenovitou hodnotu Dluhopisů, nebo její část, příslušný úrokový výnos připadající na výši předčasně splácené jmenovité hodnoty Dluhopisů k Datu předčasné splatnosti Emitenta a mimořádný výnos Dluhopisů stanovený jako 1/60 roční Úrokové sazby z celkové částky předčasně splácené jmenovité hodnoty Dluhopisů vynásobené počtem celých měsíců zbývajících od příslušného Data předčasné splatnosti Emitenta do Data splatnosti Dluhopisů. V případě splacení všech Dluhopisů v plné výši nebude vyplácen žádný Mimořádný úrok z předčasného splacení Emitenta, pokud od příslušného Data předčasné splatnosti Emitenta do Data splatnosti Dluhopisů bude zbývat méně než 6 měsíců.</p> <p>Akcionář Emitenta ani jiná osoba nemají předkupní práva nebo výměnná práva ve vztahu k Dluhopisům ani jiná přednostní upisovací práva ve vztahu k Dluhopisům.</p> <p>Pokud celková nesplacená částka jistiny Dluhopisů dosáhne 20 % nebo méně z celkové částky jistiny emitovaných a nesplacených Dluhopisů, může Emitent splatit nebo odkoupit (či obstarat nákup) všech zbývajících nesplacených Dluhopisů k Datu předčasné splatnosti za jejich jmenovitou hodnotu, společně s příslušným úrokovým výnosem připadajícím na výši předčasně splácené jmenovité hodnoty Dluhopisů k Datu předčasné splatnosti a mimořádným úrokovým výnosem stanoveným jako 1/60 roční Úrokové sazby z celkové částky předčasně splácené jmenovité hodnoty Dluhopisů vynásobené počtem celých měsíců zbývajících od příslušného Data předčasné splatnosti do Data splatnosti Dluhopisů.</p>

<b>Pořadí přednosti Dluhopisů v případě platební neschopnosti Emitenta</b>	Dluhopisy zakládají přímé, obecné, nepodmíněné a nepodřízené dluhy Emitenta zajištěné Finanční zárukou a Zajištěním, které jsou a budou co do pořadí svého uspokojení rovnocenné ( <i>pari passu</i> ) jak mezi sebou navzájem, tak i alespoň rovnocenné vůči všem dalším současným i budoucím nezajištěným a nepodřízeným dluhům Emitenta, s výjimkou těch dluhů Emitenta, u nichž stanoví jinak kogentní ustanovení právních předpisů.
<b>Převoditelnost</b>	Převoditelnost Dluhopisů není omezena.
<b>Pravidla pro úrokový výnos</b>	Dluhopisy jsou úročeny pevnou úrokovou sazbou ve výši 7,50 procent p.a. Úrokový výnos bude přirůstat rovnoměrně od prvního dne každého Výnosového období do posledního dne takového Výnosového období Úrokovou sazbou. Úrokový výnos bude vyplácen pololetně zpětně, vždy ke každému Dni výplaty úrokového výnosu. Prvním Dnem výplaty úrokového výnosu je 25. dubna 2025.

#### Kde budou dluhopisy obchodovány?

<b>Přijetí Dluhopisů k obchodování na regulovaném trhu</b>	Emitent prostřednictvím Kotačního agenta požádá o přijetí Dluhopisů k obchodování na Regulovaném trhu BCPP a předpokládá, že Dluhopisy budou přijaty k obchodování k Datu Emise.
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#### Je za Dluhopisy poskytnuta záruka?

<b>Popis povahy a rozsahu záruky a zajištění</b>	<p>Dluhy Emitenta vyplývající z Dluhopisů jsou zajištěny Finanční zárukou vystavenou Ručitelem (jak je definován níže) dle § 2029 a násl. Občanského zákoníku. Výše zaručená Ručitelem na základě Finanční záruky je omezena do celkové maximální výše 5.250.000.000 Kč.</p> <p>Dluhy Emitenta vyplývající z Dluhopisů a dluhy Ručitele vyplývající z Finanční záruky budou dále zajištěny zajištěním zřízeným ve prospěch Vlastníků dluhopisů a Agentu pro zajištění, a to zástavním právem prvního pořadí k:</p> <p>(i) 131 kmenovým akciím v EPAS odpovídajícím 34,47 % základního kapitálu EPAS k Datu emise; a</p> <p>(ii) pohledávkám z vnitroskupinových úvěrů; tj. k pohledávkám na základě smluv o úvěru mezi Emitentem jako věřitelem a Ručitelem jako dlužníkem;</p> <p>Budou-li pro to splněny podmínky vyplývající z Emisních podmínek, dluhy Emitenta vyplývající z Dluhopisů mohou být dále zajištěny:</p> <p>(i) dalšími akciemi vydanými společností EPAS; a</p> <p>(ii) pohledávkami vyplývajícími z vázaného účtu Emitenta vedeného u Agentu pro zajištění.</p> <p>Při výkonu práv podle Zajišťovacích dokumentů, Smlouvy s Agentem pro zajištění a Emisních podmínek a jiných práv podle Českého zákona o dluhopisech vztahujících se k Zajištění, se na Agentu pro zajištění hledí jako by byl věřitelem každé zajištěné pohledávky v souladu s § 20a odst. 6 Českého zákona o dluhopisech. V rozsahu, v jakém taková práva (včetně práv uvedených v § 20a odst. 5 Českého zákona o dluhopisech) uplatňuje Agent pro zajištění, nemohou Vlastníci dluhopisů uplatňovat taková práva samostatně.</p>							
<b>Popis Ručitele a DKHI Group</b>	<p>DK Holding Investments, s.r.o. je společností s ručením omezeným založenou podle českého práva, se sídlem Na poříčí 1079/3a, Nové Město, 110 00 Praha 1, Česká republika, identifikační číslo: 046 45 740, LEI: 3157000SLFS3ZOO7HV02, zapsanou v obchodním rejstříku vedeném Městským soudem v Praze pod spisovou značkou C 251383 ("Ručitel"). Ručitel je mateřskou společností Skupiny DKHI. Jeho hlavní činnosti spočívají v držení podílů v dceřiných společnostech a v činnostech týkajících se financování společností tvořících Skupinu DKHI.</p> <p>Hlavní činnosti Skupiny DKHI spočívají v distribuci, dodávkách a výrobě elektřiny prostřednictvím vodních elektráren zejména v Bulharsku, České republice, Gruzii, Španělsku a Turecku.</p> <p>Nezávislým auditorem Ručitele je společnost Ernst &amp; Young Audit, s.r.o., identifikační číslo: 267 04 153, se sídlem Na Florenci 2116/15, Nové Město, 110 00 Praha 1.</p>							
<b>Klíčové finanční informace o Ručiteli</b>	<p>Následující tabulky uvádí přehled klíčových finančních údajů Ručitele.</p> <p><b>Výkaz o úplném výsledku (v tis. EUR):</b></p> <table border="1"> <thead> <tr> <th></th> <th>Rok končící 31. prosince 2023</th> <th>Rok končící 31. prosince 2022</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Rok končící 31. prosince 2023	Rok končící 31. prosince 2022			
	Rok končící 31. prosince 2023	Rok končící 31. prosince 2022						

	Zisk před úroky a daněmi (EBIT)	296.327	290.406
	<b>Výkaz o finanční pozici (v tis. EUR):</b>		
		<b>31. prosince 2023</b>	<b>31. prosince 2022</b>
	Čistý finanční dluh (dlouhodobý dluh plus krátkodobý dluh minus peněžní prostředky a peněžní ekvivalenty)	1.019.949	865.365
	<b>Výkaz peněžních toků (v tis EUR):</b>		
		<b>Rok končící 31. prosince 2023</b>	<b>Rok končící 31. prosince 2022</b>
	Čisté peněžní toky z provozní činnosti	387.487	359.787
	Čisté peněžní toky z finanční činnosti	72.289	(161.235)
	Čisté peněžní toky z investiční činnosti	(447.478)	(138082)
	<p>Uvedené údaje vychází z konsolidované účetní závěrky Ručitele za roky 2023 a 2022, které byly ověřeny nezávislým auditorem.</p> <p>Pokud jde o finanční informace za období od 1. ledna 2022 do 31. prosince 2022, byly EBIT, čisté peněžní toky z provozní činnosti a čisté peněžní toky z investiční činnosti v konsolidované účetní závěrce Ručitele za rok 2023 upraveny. Úpravy lze stručně shrnout následovně:</p> <p>Skupina DKHI identifikovala a opravila chyby v převodu finančních výkazů tureckých dceřiných společností (Murat, Bilsev a Berta) z turecké liry do EUR, které se týkaly IAS 29 pro hyperinflační ekonomiky. Původně byly částky ve výkazu o úplném výsledku hospodaření za rok 2022 převedeny průměrným ročním směnným kurzem, namísto závěrečného směnného kurzu jak vyžaduje IAS 21.42. Skupina DKHI následně upravila údaje srovnatelného období a opravila i chyby v přepočtu složek vlastního kapitálu. Výhledově bude Skupina DKHI používat závěrečný směnný kurz pro všechny přepočty z turecké liry do EUR.</p>		
<b>Rizikové faktory specifické pro Ručitele a DKHI Group</b>	<p>Hlavní rizikové faktory specifické pro Ručitele a Skupinu DKHI jsou:</p> <ol style="list-style-type: none"> <li><b>Licenční požadavky</b> – Činnosti Skupiny DKHI vyžadují množství licencí, povolení a oprávnění. Odebrání, ukončení či změna, jakož i nezískání, neudržení, neobnovení nebo nerozšíření kterékoliv z licencí, povolení a oprávnění by mohlo mít pro Skupinu DKHI zásadní nepříznivý dopad.</li> <li><b>Změny regulovaných tarifů</b> – V roce končícím 31. prosince 2023 Skupina DKHI vygenerovala 59 procent konsolidované EBITDA z regulovaných činností, které podléhají regulaci tarifů. Nepříznivá změna v regulaci tarifů a jejich metodice by mohla mít nepříznivý dopad na Skupinu DKHI.</li> <li><b>Riziko méně vyspělého trhu</b> – Skupina DKHI působí na méně vyspělých trzích, které mají vyšší volatilitu, omezenější likviditu a užší exportní základnu než vyspělejší trhy a podléhají častějším změnám politického, ekonomického, sociálního, právního a regulatorního prostředí.</li> <li><b>Regulatorní prostředí</b> – Skupina DKHI podléhá rozsáhlým vládním a jiným regulacím v České republice, Bulharsku, Gruzii, Španělsku, Turecku a EU. Jakákoli nová regulace či změna regulace stávající, která by vyžadovala restrukturalizaci podnikatelské činnosti Skupiny DKHI či jinou změnu jejího podnikání, nebo která by ovlivnila výrobu, přenos, distribuci elektřiny či ceny dodávek nebo související finanční podmínky, jakož i jakékoli nedodržení nebo porušení licenčních podmínek nebo jiných regulatorních požadavků by mohlo mít nepříznivý dopad na Skupinu DKHI.</li> <li><b>Zákony o životním prostředí a bezpečnosti a ochraně zdraví při práci</b> – Skupina DKHI podléhá různým právním předpisům a regulacím v oblasti životního prostředí a bezpečnosti a ochraně zdraví při práci a je povinna získat v této oblasti příslušná povolení. Porušení těchto právních předpisů, regulací či povolení, jakož i jakýkoli výskyt škod na životním prostředí, ztráta života či závažná újma na zdraví zaměstnanců Skupiny DKHI v důsledku jakéhokoli porušení platných právních předpisů v oblasti bezpečnosti a ochrany zdraví při práci by mohly mít nepříznivý dopad na Skupinu DKHI.</li> <li><b>Kolísání cen elektřiny, poptávky po elektřině a zvýšení úrovně pochybných</b></li> </ol>		

	<p><b>pohledávek v důsledku špatných ekonomických podmínek</b> – Výnosy a marže Skupiny DKHI v oblasti výroby elektřiny jsou vystaveny poklesům cen elektřiny, které jsou významně ovlivněny ekonomickými podmínkami v Bulharsku, Gruzii, Turecku, Španělsku a České republice. Skupina DKHI je rovněž vystavena riziku, že někteří její zákazníci nebudou schopni či ochotni plnit své finanční závazky vůči Skupině DKHI.</p> <p><b>7. Hospodářské podmínky v zemích, kde Skupina DKHI působí</b> – Výsledky podnikatelské činnosti skupiny DKHI jsou ovlivněny hospodářskými a politickými podmínkami v Bulharsku, Gruzii, Turecku, Španělsku a České republice, jako jsou například makroekonomické události, vysoká míra inflace, pokles hrubého domácího produktu, volatilita cen komodit a energií, narušení dodavatelského řetězce či sociální či politická nestabilita, které by mohly mít nepříznivý dopad na Skupinu DKHI.</p> <p><b>8. Současný konflikt mezi Ukrajinou a Ruskem</b> – Země, ve kterých Skupina DKHI působí, mohou být v různé míře přímo či nepřímo ovlivněny současným konfliktem mezi Ukrajinou a Ruskem a sankcemi uvalenými na Rusko, Bělorusko a vybrané ruské a běloruské společnosti a instituce.</p> <p><b>9. Regionální napětí</b> – Podnikatelská činnost Skupiny DKHI může být nepříznivě ovlivněna politickými nepokoji v zemích ve kterých Skupina DKHI působí nebo v zemích sousedících se zeměmi, ve kterých Skupina DKHI působí, jakož i jakýmkoli spory, napětím či zhoršením vztahů se sousedními zeměmi nebo jinými zeměmi v jejich regionu.</p> <p>Výše uvedené rizikové faktory mohou mít zásadní negativní vliv na finanční a ekonomickou situaci Ručitele, respektive na jeho podnikatelskou činnost. To ve svém důsledku může podstatně zhoršit schopnost Ručitele plnit závazky z Finanční záruky.</p>
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#### Jaká jsou hlavní rizika, která jsou specifická pro Dluhopisy?

<p><b>Rizikové faktory specifické pro Dluhopisy</b></p>	<p>Rizikové faktory specifické pro Dluhopisy jsou především:</p> <ol style="list-style-type: none"> <li><b>Riziko předčasného splacení</b> – Pokud dojde k úplnému nebo částečnému předčasnému splacení Dluhopisů včetně případů, kdy k tomu dojde bez souhlasu konkrétního Vlastníka dluhopisů, v souladu s Emisními podmínkami před datem jejich splatnosti, je vlastník Dluhopisů vystaven riziku nižšího než předpokládaného výnosu z důvodu takového předčasného splacení.</li> <li><b>Riziko likvidity na Regulovaném trhu BCPP</b> – Emitent požádá o přijetí Dluhopisů k obchodování na Regulovaném trhu BCPP. Bez ohledu na přijetí Dluhopisů k obchodování na regulovaném trhu neexistuje jistota, že se vytvoří dostatečně likvidní sekundární trh s Dluhopisy, nebo pokud se vytvoří, že takový sekundární trh bude trvat. Skutečnost, že Dluhopisy mohou být přijaty k obchodování na regulovaném trhu, nemusí nutně vést k vyšší likviditě takových Dluhopisů oproti Dluhopisům nepřijatým k obchodování na regulovaném trhu. Na případném nelikvidním trhu nemusí být investor schopen kdykoli prodat Dluhopisy za adekvátní tržní cenu.</li> <li><b>Riziko úrokové sazby z Dluhopisů</b> – Vlastník dluhopisu s pevnou úrokovou sazbou je vystaven riziku poklesu ceny takového Dluhopisu v důsledku růstu tržních úrokových sazeb. Zatímco nominální úroková sazba je po dobu existence Dluhopisů fixována, aktuální úroková sazba na kapitálovém trhu se obvykle mění na denní bázi.</li> <li><b>Riziko nesplacení</b> – Emitent nemusí být za určitých okolností schopen platit úroky nebo jmenovitou hodnotu Dluhopisů. Tržní hodnota Dluhopisů může být v takové situaci nižší než výše původní investice Vlastníka dluhopisů, přičemž za určitých okolností může být taková hodnota i nulová.</li> </ol> <p>Výše uvedené rizikové faktory mohou mít zásadní negativní vliv na hodnotu investice do Dluhopisů. V případě, že se tato rizika naplní, může Vlastník dluhopisu přijít o veškerý investovaný kapitál nebo jeho část.</p>
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#### KLÍČOVÉ INFORMACE O VEŘEJNÉ NABÍDCE DLUHOPISŮ A JEJICH PŘIJETÍ K OBCHODOVÁNÍ NA REGULOVANÉM TRHU

##### Za jakých podmínek a podle jakého časového rozvrhu mohou investovat do Dluhopisu?

<p><b>Obecné podmínky veřejné nabídky</b></p>	<p>Dluhopisy budou nabízeny Emitentem prostřednictvím Manažerů v rámci veřejné nabídky v souladu s článkem 2 písm. d) Nařízení o prospektu v České republice, a to v období od 23. září 2024 do 18. září 2025. Dluhopisy mohou být vydávány jednorázově nebo v tranších.</p> <p>Podmínkou účasti na veřejné nabídce je prokázání totožnosti investora platným dokladem</p>
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	<p>totožnosti.</p> <p>V souvislosti s podáním Objednávky mají investoři povinnost uzavřít či mít uzavřenou smlouvu s příslušným Manažerem, mj. za účelem otevření majetkového účtu v evidenci investičních nástrojů vedené Centrálním depozitářem (pokud již nemají otevřený majetkový účet u jiného účastníka Centrálního depozitáře), nebo vedení podobné evidence cenných papírů u příslušného Manažera, a podání pokynu na obstarání nákupu Dluhopisů, případně mohou být příslušným Manažerem vyzváni k předložení dalších potřebných dokumentů a identifikačních údajů.</p>
<b>Očekávané období veřejné nabídky</b>	Očekávaná doba nabídky je od 23. září 2024 do 18. září 2025.
<b>Informace o přijetí k obchodování na regulovaném trhu</b>	<p>Emitent prostřednictvím Kótačního agenta požádá o přijetí Dluhopisů k obchodování na Regulovaném trhu BCPP a předpokládá, že Dluhopisy budou přijaty k obchodování k Datu emise a budou obchodovány v souladu s příslušnými pravidly Regulovaného trhu BCPP.</p> <p>Po přijetí Dluhopisů k obchodování na BCPP budou Dluhopisy na BCPP obchodovány a obchody s nimi vypořádávány v CZK. Vypořádání úpisu Dluhopisů bude probíhat formou DVP (delivery versus payment) nebo DFP (delivery free of payment) prostřednictvím Centrálního depozitáře respektive osob vedoucích evidenci navazující na centrální evidenci, obvyklým způsobem v souladu s pravidly a provozními postupy Centrálního depozitáře a ve lhůtách stanovených těmito pravidly a provozními postupy.</p>
<b>Plán distribuce</b>	<p>Dluhopisy budou nabízeny Emitentem prostřednictvím Manažerů v rámci veřejné nabídky tuzemským a zahraničním kvalifikovaným a jiným než kvalifikovaným (zejména retailovým) investorům v České republice a na Slovensku, a vybraným kvalifikovaným a jiným potenciálním investorům v zahraničí, za podmínky, že v dané jurisdikci není povinnost osoby nabízející Dluhopisy připravit a vydat prospekt podle příslušných právních předpisů dané jurisdikce.</p> <p>V rámci veřejné nabídky budou investoři osloveni Manažery zejména s využitím prostředků dálkové komunikace a vyzváni k podání objednávky ke koupi Dluhopisů.</p> <p>Minimální částka, za kterou bude investor oprávněn koupit Dluhopisy, není stanovena (kromě samotného emisního kurzu každého Dluhopisu). Maximální částka, za kterou je jednotlivý investor oprávněn objednat Dluhopisy, je omezen předpokládanou celkovou jmenovitou hodnotou Dluhopisů nabízených Manažerem. Jestliže objem Objednávek překročí objem Emise, jsou Manažeri oprávněni jimi přijaté Objednávky investorů dle své úvahy krátit (za podmínky, že případný přeplatek bude okamžitě vrácen na účet příslušného investora).</p> <p>Konečná jmenovitá hodnota Dluhopisů přidělená jednotlivému investorovi bude uvedena v potvrzení o vypořádání daného obchodu, které příslušný Manažer doručí e-mailem investorovi bez nepřiměřeného odkladu po provedení pokynu. Před doručením tohoto potvrzení nemůže investor s upisovanými Dluhopisy obchodovat.</p> <p>V příslušný den příslušného vypořádání v souladu se Smlouvou o umístění budou Dluhopisy upsány Manažery (případně přímo investorem prostřednictvím příslušného Manažera) oproti zaplacení emisního kurzu Dluhopisů Emitentovi způsobem stanoveným ve Smlouvě o umístění. Emisní kurz všech Dluhopisů vydávaných k Datu emise bude činit 100% jmenovité hodnoty Dluhopisů. Emisní kurz jakýchkoli Dluhopisů případně vydávaných po Datu emise bude určen Manažerem při zohlednění aktuálních tržních podmínek. V relevantních případech bude odpovídající úrokový výnos připočten k emisnímu kurzu jakýchkoli Dluhopisů vydaných po Datu emise. Aktuální výše emisního kurzu bude zveřejněna na internetových stránkách J&amp;T BANKY <a href="http://www.jtbank.cz">www.jtbank.cz</a> (v sekci Důležité informace, odkaz Emise cenných papírů pod ENERGO-PRO Green Finance s.r.o.) a na internetových stránkách UCB <a href="http://www.unicreditbank.cz">www.unicreditbank.cz</a> (v sekci Informace pro investory, Informace pro investory do cenných papírů klientů UniCredit Bank, odkaz Informace k vybraným emisím dluhopisů).</p>
<b>Odhad celkových nákladů Emise</b>	<p>Emitent očekává, že se celkové náklady přípravy emise Dluhopisů, tj. náklady na odměnu Manažerů, náklady na auditora Emitenta, poplatky Centrálního depozitáře a ČNB a některé další náklady související s emisí Dluhopisů či jejím umístěním na trh, nepřevýší (i) 3 procenta z celkové předpokládané jmenovité hodnoty Emise, tedy bez případného navýšení (tj. částku 75.000.000 Kč), resp. (ii) 3 procenta z celkové jmenovité hodnoty Emise v případě vydání maximální celkové jmenovité hodnoty emise Dluhopisů, včetně případného navýšení (tj. částku 105.000.000 Kč).</p> <p>Investoři, kteří upisují nebo nakupují Dluhopisy prostřednictvím J&amp;T BANKY v České</p>

	<p>republiky, platí poplatky spojené s nabytím Dluhopisů podle aktuálního standardního sazebníku poplatků J&amp;T BANKY platného k datu transakce a dostupného na webových stránkách J&amp;T BANKY na adrese <a href="http://www.jtbank.cz">www.jtbank.cz</a>, sekce „Užitečné informace“, podsekce „Sazebník poplatků“.</p> <p>K Datu emise činí poplatky 0,15 % jmenovité hodnoty upisovaných Dluhopisů, nejméně však na částku 2.000 CZK.</p> <p>Každý investor, který nabyde Dluhopisy prostřednictvím UniCredit, bude platit, v souladu s instrukcí k upsání, jednorázový poplatek ve výši 0,25 % celkové jmenovité hodnoty jím nabývaných Dluhopisů a dle aktuálního ceníku UniCredit uvedeného na internetových stránkách UniCredit <a href="http://www.unicreditbank.cz">www.unicreditbank.cz</a> (v sekci „Sazebník, Fyzické osoby nepodnikající, části 10.4 Cenné papíry a podílové fondy – Poskytování služeb v rámci úschovy/správy“), hradit běžné poplatky UniCredit za vedení účtu cenných. Tyto náklady nebudou přesahovat výši 0,20 % p.a. z celkové jmenovité hodnoty Dluhopisů evidovaných na takovém účtu, bez daně z přidané hodnoty, přičemž minimální poplatek činí 300 Kč, bez daně z přidané hodnoty.</p> <p>Investor může být povinen platit další účtované zprostředkovatelem koupě nebo prodeje Dluhopisů, osobou vedoucí evidenci Dluhopisů, osobou provádějící vypořádání obchodu s Dluhopisy nebo jinou osobou, tj. např. poplatky za zřízení a vedení investičního účtu, za obstarání převodu Dluhopisů, služby spojené s úschovou Dluhopisů, resp. jejich evidencí.</p>
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**Kdo je osobou nabízející Dluhopisy a osobou, která žádá o přijetí k obchodování na regulovaném trhu?**

<b>Popis osoby nabízející Dluhopisy a osoby, která bude žádat o přijetí k obchodování na regulovaném trhu</b>	<p>Dluhopisy budou nabízeny Emitentem prostřednictvím Manažerů, tj. J&amp;T BANKY a UCB. Emitent prostřednictvím Kótačního agenta. Kótačním agentem je J&amp;T BANKA.</p> <p>J&amp;T BANKA a UCB jsou bankami, které se při své činnosti řídí českými právními předpisy, zejména Občanským zákoníkem, Zákonem o obchodních korporacích, zákonem č. 21/1992 Sb., o bankách, ve znění pozdějších předpisů, a zákonem č. 256/2004 Sb., o podnikání na kapitálových trzích, ve znění pozdějších předpisů.</p>
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**Proč je tento Prospekt sestavován?**

<b>Využití a odhad čisté částky výnosů</b>	<p>Dluhopisy jsou vydávány jako Zelené dluhopisy. Emitent plánuje poskytnout čistý výtěžek emise Dluhopisů Ručiteli, který plánuje použít částku ekvivalentní čistému výtěžku emise Dluhopisů na financování či refinancování, vcelku nebo částečně, způsobilých zelených projektů dle Rámce zeleného financování Skupiny DKHI. Emitent zamýšlí, že způsobilé projekty budou spadat do následujících kategorií: Obnovitelná energie – vodní energie, obnovitelná energie – solární energie, obnovitelná energie – větrná energie, obnovitelná energie – související infrastruktura pro distribuci, obnovitelná energie – ukládání energie a čistá doprava.</p> <p>Emitent očekává, že čistý celkový výnos z emise Dluhopisů (tj. po odečtení provizí, poplatků a odhadovaných výdajů) bude v případě vydání celé předpokládané jmenovité hodnoty Dluhopisů (tj. 2.500.000.000 Kč) k Datu emise přibližně 2.425.000.000 Kč, resp. 3.395.000.000 Kč v případě vydání celé maximální jmenovité hodnoty Dluhopisů (tj. 3.500.000.000 Kč).</p>
<b>Způsob nabídky</b>	<p>Manažer ani žádné jiné osoby v souvislosti s Emisí se nezavázali upsat či koupit žádné Dluhopisy. Umístění Dluhopisů bude činěno uskutečňováno na bázi tzv. „best efforts“, což znamená, že Manažer vynaloží nejvyšší úsilí při vyhledávání potenciálních investorů do Dluhopisů a při jejich umístění a při jejich prodeji těmto investorům.</p>
<b>Střet zájmů</b>	<p>Emitent si není vědom žádného zájmu osob zúčastněných na Emisi či nabídce Dluhopisů, který by byl pro tuto emisi či nabídku Dluhopisů podstatný, vyjma jakýchkoli poplatků společnosti J&amp;T BANKA, coby manažera, administrátora, agenta pro zajištění a kótačního agenta a UCB, coby manažera, v obou případech v souvislosti umístěním a prodejem Dluhopisů.</p> <p>J&amp;T BANKA působí též v pozici Administrátora, Kótačního agenta a Agenty pro zajištění.</p>

## SUMMARY

The below stated summary provides key information which investors need to understand the character and risk factors related to the Issuer, Guarantor and the Notes. Terms defined in the Terms and Conditions or any other part of the Prospectus have the same meanings in this summary.

### INTRODUCTION AND WARNING

<b>Warning</b>	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the Noteholder, including the supplements to the Prospectus, if any.</p> <p>The Noteholder may lose all or part of the capital invested in, in case that the Issuer does not have sufficient funds to redeem the Notes and/or to pay out the interest from the Notes.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff Noteholder might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
<b>Name of the Notes and ISIN</b>	The name of the Notes is “EN.-PRO GF 7,50/29”. The ISIN of the Notes allocated by the Central Depository is CZ0003565723.
<b>Information and contact details of the Issuer</b>	<p>The Issuer of the Notes is company ENERGO-PRO Green Finance s.r.o., with registered office at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 093 85 801, LEI: 315700V95FJQL6ANM434.</p> <p>The Issuer can be reached on the phone number +420 222 310 245 or by e-mail address ir@energo-pro.com.</p>
<b>Identification and contact details of the offeror and the person asking for admission to trading on regulated market</b>	<p>The offer of the Notes to the public in the Czech Republic will be made by the Issuer through J&amp;T BANKA, a.s., with its registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic, identification number: 471 15 378, LEI: 31570010000000043842, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. B 1731 ( “<b>J&amp;T BANKA</b>”) and UniCredit Bank Czech Republic and Slovakia, a.s., with its registered office at Prague 4 - Michle, Želetavská 1525/1, Postal Code 14092, Identification No.: 649 48 242, LEI: KR6LSKV3BTSJRD41IF75, registered with the Commercial Register kept by the Municipal Court in Prague, File No. B 3608 (“<b>UCB</b>” and together with J&amp;T BANKA the “<b>Managers</b>” and each individually a “<b>Manager</b>”).</p> <p>J&amp;T BANKA may be contacted on the telephone number +420 221 710 300 or via the e-mail address DealingCZ@jtbank.cz. UCB may be contacted on telephone number +420 221 210 031 or via email at info@unicreditgroup.cz.</p> <p>The Issuer will apply for admission of the Notes for trading on the Regulated Market of the PSE through the listing agent and expects the Notes to be listed on the Issue Date, i.e. on 25 October 2024.</p> <p>The Listing Agent is J&amp;T BANKA, a.s. (the “<b>Listing Agent</b>”) which can be reached as specified above.</p>
<b>Identification and contact details of authority approving the Prospectus</b>	<p>The Prospectus was approved by the Czech National Bank (in Czech: Česká národní banka) as the authority carrying out supervision of the financial market pursuant to Act No. 6/1993 Coll., on Czech National Bank, as amended, and Article 31 of the Prospectus Regulation.</p> <p>The Czech National Bank can be reached on the phone number +420 224 411 111 or +420 800 160 170 or by e-mail at podatelna@cnb.cz. Czech National Bank’s website www.cnb.cz contains contact information of the Czech National Bank.</p>
<b>Date of approval of the Prospectus</b>	The Prospectus was approved by the decision of Czech National Bank ref no. 2024/107627/CNB/650 in relation to file no. S-Sp-2024/00224/CNB/653 dated 19 September 2024, which came into force on 21 September 2024.



## KEY INFORMATION ON THE ISSUER

### Who is the Issuer of the Notes?

<b>Registered office and legal form of the Issuer, country of registration and the laws, under which the Issuer operates</b>	<p>The Issuer is a company with limited liability incorporated and existing under Czech law, with its registered office at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 093 85 801, LEI 315700V95FJQL6ANM434, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. C 335515.</p> <p>The Issuer operates under the laws of the Czech Republic, in particular under Act No. 89/2012 Coll., the Civil Code, as amended (the “<b>Civil Code</b>”), Act No. 90/2012 Coll., on Business Companies and Cooperatives, as amended (the “<b>Business Corporations Act</b>”), Act No. 455/1991 Coll., on licensed trades, as amended (the “<b>Trade Licensing Act</b>”), and Act No. 182/2006 Coll., on insolvency and methods of its resolution, as amended (the “<b>Insolvency Act</b>”).</p>
<b>The Issuer’s main activities</b>	The Issuer was established for the purposes of issuing of the Notes and other securities and providing loans and credits or other financing to other DKHI Group entities. As at the date of this Prospectus, the Issuer has no outstanding loans or notes issued by it that would give rise to its liability towards third parties.
<b>The Issuer’s shareholders</b>	The sole shareholder of the Issuer and also his controlling person pursuant to the Business Corporations Act is the Guarantor, which holds shareholding interest representing 100% of the Issuer’s registered capital and voting rights. The Issuer is a member of the DKHI Group which consists of the Guarantor and its subsidiaries. The Guarantor is wholly owned by Mr. Jaromír Tesař.
<b>The Issuer’s key managing directors</b>	<p>The Issuer’s key managing directors are its executive directors which are:</p> <p>(i) Mr. Jaromír Tesař, born on 9 January 1973, who performs the function of executive director;</p> <p>(ii) Mr. Vlastimil Ouřada, born on 16 February 1970, who performs the function of executive director; and</p> <p>(iii) Mr. Petr Zafirov Milev, born on 15 December 1968, who performs the function of executive director.</p>
<b>The Issuer’s Auditor</b>	The Issuer’s independent auditor is Ernst & Young Audit, s.r.o., identification number: 267 04 153, with its registered office at Na Florenci 2116/15, Nové Město, 110 00 Prague 1, Czech Republic.

### What is the key financial information regarding the Issuer?

<b>Key financial Information about the Issuer</b>	The table below provides an overview of key financial information related to the Issuer.		
	<b>Statement of Comprehensive Income (in CZK thousands):</b>		
		<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	Earnings before financial expenses and taxes (EBIT)	(711)	(1,026)
	<b>Statement of Financial Position (in CZK thousands):</b>		
		<b>31 December 2023</b>	<b>31 December 2022</b>
	Net financial debt (long-term debt plus short-term debt minus cash and cash equivalents)	(2,735)	711,767
	<b>Statement of Cash Flows (in CZK thousands):</b>		
		<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	Net cash flow from operating activities	1,720	(3,585)
Net cash flow from financing activities	(348,300)	352,071	
The stated figures are based on the Issuer’s unconsolidated financial statements covering the period from 1 January to 31 December 2023 and 2022 which have been audited by the independent auditor of the Issuer.			

### What are the key risks that are specific to the Issuer?

<b>Key risk</b>	The key risk factors that are specific to the Issuer are:
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<b>factors related to the Issuer</b>	<p><b>1. Special purpose vehicle risk of the Issuer</b> – The Issuer is a special purpose vehicle that was established for the purposes of the issuance of bonds, including the Notes, and subsequent provision of intragroup financing, which does not carry out any other business activities and therefore cannot generate resources for the repayment of the debts under the Notes. Therefore, the risk of the Issuer’s credit dependence on the DKHI Group can adversely affect the Issuer’s ability to meet its obligations under the Notes.</p> <p><b>2. Risk of secondary dependence of the Issuer</b> – The Issuer is exposed to the secondary risk of dependence on the risks relating to the DKHI Group. In view of the Issuer’s dependence on the DKHI Group, all risk factors relating to the DKHI Group can have an adverse impact on the Issuer’s ability to meet its obligations under the Notes.</p> <p>The above stated risk factors can have significant negative impact on financial and economic situation of the Issuer and his business activity respectively. The Issuer’s ability to meet its obligations under the Notes can thus be adversely affected.</p>
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## KEY INFORMATION ON THE NOTES

### What are the main features of the Notes?

<b>Notes (type, class, ISIN)</b>	<p>Book-entered 7.50 per. cent. p.a. fixed rate notes in the anticipated total nominal amount of CZK 2,500,000,000 with the possibility of increase of up to CZK 3,500,000,000 due 2029, ISIN CZ0003565723. Each Note is issued at nominal value of CZK 10,000. The maximum amount of the Notes that may be issued is 250,000 in case that the total nominal amount is no more than CZK 2,500,000,000 or 350,000 in case that the total nominal amount is increased to CZK 3,500,000,000. The Issue Date is 25 October 2024. The Maturity Date of the Notes is 25 October 2029.</p>
<b>Currency of the Notes</b>	<p>Czech crown (CZK).</p>
<b>The rights attached to the Notes</b>	<p>The primary right attached to the Notes is the right to the nominal value of the Notes as of the Maturity Date and right to the interest on the Notes. The interest will be paid for each Interest Period semi-annually in arrears.</p> <p>The Noteholders have the right to vote at and attend the Meeting of Noteholders, provided that the Meeting is convened in accordance with the Terms and Conditions and the Czech Notes Act. The Meeting may elect an individual or a legal entity to act as a common representative.</p> <p>The Notes are also associated with the right to request early redemption of the Notes held by the Noteholder in case an Event of Default occurs and is continuing. If a Change of Control occurs, a Noteholder has a right to request that the Issuer buys back the Notes owned by such Noteholder.</p> <p>Beginning three years after the Issue Date (inclusive), the Issuer has the right to redeem early all outstanding Notes (in part or in full) and may exercise this right only if it notifies the Noteholders no later than 60 days before the relevant early redemption date. The Issuer may partially redeem the Notes only as of an Issuer’s Early Redemption Date that is an Interest Payment Date. The redemption of all Notes in full may be performed as of any Issuer’s Early Redemption Date.</p> <p>The Issuer may repay all or part of the outstanding nominal amount of the Notes, the relevant interest income accruing on the amount of the early repaid nominal amount of the Notes as of the Issuer’s Early Redemption Date and the extraordinary income from the Notes determined as 1/60 of the annual Interest Rate on the total amount of the early repaid nominal amount of the Notes multiplied by the number of full months remaining from the relevant Issuer’s Early Redemption Date until the Maturity Date of the Notes. No Issuer’s Early Redemption Extraordinary Interest will be paid with respect to the redemption of all Notes in full if less than six months are remaining from the relevant Issuer’s Early Redemption Date until the Maturity Date of the Notes.</p> <p>Neither the shareholder of the Issuer nor any other person has any pre-emptive or conversion rights in relation to the Notes or any other priority subscription rights in relation to the Notes.</p> <p>If, at any time the outstanding aggregate principal amount of the Notes is 20 per cent. or less of the aggregate principal amount of the Notes issued and outstanding, the Issuer may, redeem or purchase (or procure the purchase of), all of the remaining outstanding Notes on any date (the Early Redemption Date) at their nominal amount, together with the relevant interest income accruing on the amount of the early repaid nominal amount of the Notes as of the Early Redemption Date and extraordinary interest income determined as 1/60 of the annual Interest Rate on the total amount of</p>

	the early repaid nominal amount of the Notes multiplied by the number of full months remaining from the relevant Early Redemption Date until the Maturity Date.
<b>The relative seniority of the Notes in case of insolvency</b>	The Notes constitute direct, general, unconditional and unsubordinated liabilities of the Issuer secured by the Financial Guarantee and the Security which rank and will rank pari passu among themselves and at least pari passu with any present and future unsecured and unsubordinated liabilities of the Issuer, with the exception of liabilities treated preferentially under applicable mandatory laws.
<b>Transferability</b>	Transferability of the Notes is not restricted.
<b>Interest rate policy</b>	The Notes bear a fixed interest rate 7.50% p.a.  The interest will accrue evenly from the first day of each Interest Period to the last day included in such Interest Period at the Interest Rate. The interest will be paid semi-annually in arrears, on each Interest Payment Date. The first Interest Payment Date will be 25 April 2025.

**Where will the Notes be traded?**

<b>Admission of the Notes to trading on regulated market</b>	The Issuer will apply for admission of the Notes for trading on the Regulated Market of the PSE through the Listing Agent and expects the Notes to be listed on the Issue Date.
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**Is there a guarantee attached to the Notes?**

<b>Description of the nature and scope of financial guarantee and security</b>	<p>The Issuer's liabilities arising from the Notes are secured by a Financial Guarantee issued by the Guarantor (as defined below) pursuant to Section 2029 et seqq. of the Civil Code. The amount guaranteed by the Guarantor under the Financial Guarantee shall in no event exceed the total amount of CZK 5,250,000,000.</p> <p>The Issuer's liabilities arising from the Notes and the Guarantor's liabilities arising from the Financial Guarantee will be further secured by security established in favour of the Noteholders and Security Agent, in form of first-ranking pledge over:</p> <p>(i) 131 ordinary shares in EPAS corresponding to 34.47% of the registered capital of EPAS as at the Issue Date; and</p> <p>(ii) intragroup receivables; i.e. the receivables arising under an intra-group loan agreement entered into between the Issuer as lender and the Guarantor as borrower.</p> <p>Provided that the conditions arising from the Terms and Conditions are met, the Issuer's liabilities arising from the Notes may be further secured by:</p> <p>(i) additional shares issued by EPAS; and</p> <p>(ii) receivables arising from an escrow account of the Issuer maintained with the Security Agent.</p> <p>In exercising the rights under the Security Documents, the Security Agent Agreement and the Terms and Conditions and other rights under the Czech Notes Act relating to the Security, the Security Agent is considered to be the creditor of each secured receivable in accordance with Section 20a(6) of the Czech Notes Act. To the extent that such rights (including those referred to in Section 20a(5) of the Czech Notes Act) are exercised by the Security Agent, no Noteholder is entitled to exercise such rights separately.</p>
<b>Description of the Guarantor and DKHI Group</b>	<p>DK Holding Investments, s.r.o. is a limited liability company incorporated and existing under the Czech law, with its registered office at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 046 45 740, LEI: 3157000SLFS3ZOO7HV02, maintained by the Municipal Court in Prague, file no. C 251383 (the "<b>Guarantor</b>"). The Guarantor is the parent company of the DKHI Group. Its main activities consist of holding shares in its subsidiary companies and activities relating to financing of the companies forming the DKHI Group.</p> <p>DKHI Group's main activities consist of distribution, supply and generation of electricity via hydropower plants mainly in Bulgaria, the Czech Republic, Georgia, Spain and Türkiye.</p> <p>The Guarantor's independent auditor is Ernst &amp; Young Audit, s.r.o., identification number: 267 04 153, with its registered office at Na Florenci 2116/15, Nové Město, 110 00 Prague 1.</p>
<b>Key financial information</b>	The table below provides an overview of key financial information related to the Guarantor.

related to the Guarantor	<b>Statement of Comprehensive Income (in EUR thousands):</b>		
		<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	Earnings before financial expenses and taxes (EBIT)	296,327	290,406
	<b>Statement of Financial Position (in EUR thousands):</b>		
		<b>31 December 2023</b>	<b>31 December 2022</b>
	Net financial debt (long-term debt plus short-term debt minus cash and cash equivalents)	1,019,949	865,365
	<b>Statement of Cash Flows (in EUR thousands):</b>		
		<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	Net cash flow from operating activities	387,487	359,787
	Net cash flow from financing activities	72,289	(161,235)
Net cash flow from investing activities	(447,478)	(138,082)	
	<p>The stated figures are based on the Guarantor's consolidated financial statements for year 2023 and 2022 which have been audited.</p> <p>In respect of the financial information for period from 1 January 2022 to 31 December 2022, EBIT, Net cash flow from operating activities and Net cash flow from investing activities were restated in the annual consolidated financial statements of the Guarantor for the year 2023. A brief summary of the restatements is as follows:</p> <p>The DKHI Group identified and corrected errors in the translation of the financial statements of its Turkish subsidiaries (Murat, Bilev, and Berta) from the Turkish lira to EUR, which related to IAS 29 for hyperinflationary economies. Initially, amounts in the statement of comprehensive income for the year 2022 were translated using the average annual exchange rate, instead of the closing rate as required by IAS 21.42. The DKHI Group subsequently recalculated the comparative figures and corrected errors in the translation of equity components. Going forward, the DKHI Group will use the closing rate for all translations from Turkish lira to EUR.</p>		
<b>Risk factors related to the Guarantor and DKHI Group</b>	<p>The key risk factors that are specific to the Guarantor and DKHI Group are:</p> <ol style="list-style-type: none"> <li><b>Licencing requirements</b> – The DKHI Group's activities require number of licences, permits and authorisations. Any revocation, withdrawal or amendment of them as well as failure to obtain, maintain, renew or extend such licences, permits and authorisations could have a material adverse effect on DKHI Group.</li> <li><b>Changes in regulated tariffs</b> – In the year ended 31 December 2023 the DKHI Group derived 59 per cent. of consolidated EBITDA from regulated activities which are subject to tariff regulation. Adverse change in tariff regulation and methodology could negatively affect DKHI Group.</li> <li><b>Less mature market risk</b> – The DKHI Group operates in less mature markets, which have higher volatility, more limited liquidity and a narrower export base than more mature markets and are subject to more frequent changes in the political, economic, social, legal and regulatory environment.</li> <li><b>Regulatory environment</b> – The DKHI Group is subject to extensive governmental and other regulations of the Czech Republic, Bulgaria, Georgia, Spain and Türkiye and the EU. Any new regulation or changes in the existing regulations that require the DKHI Group to restructure or otherwise change its business in any way, or that affect electricity generation, transmission, distribution or supply prices or related financial conditions, as well as any non-compliance or breach of licence conditions or other regulatory requirements could negatively affect DKHI Group.</li> <li><b>Environmental and health and safety laws</b> – The DKHI Group is subject to various environmental and health and safety laws and regulations and is required to obtain environmental and safety permits. Violations of these laws, regulations or permits, as well as any occurrence of environmental damage or loss of life or serious injury to its employees as a result of any breach of applicable health and safety legislation could negatively affect DKHI Group.</li> </ol>		

	<p><b>6. Fluctuations in electricity prices, demand for electricity and increases in the levels of its doubtful receivables as a result of poor economic conditions</b> – The DKHI Group’s revenue and margins in its generation activities are exposed to decreases in electricity prices significantly affected by economic conditions in Bulgaria, Georgia, Türkiye, Spain and the Czech Republic. The DKHI Group is also exposed to the risk that some of its customers may be unable or unwilling to fulfil their financial obligations to the DKHI Group.</p> <p><b>7. Economic conditions in the countries of DKHI Group’s operations</b> – The DKHI Group’s results of operations are affected by economic and political conditions in Bulgaria, Georgia, Türkiye, Spain and the Czech Republic, such as macroeconomic events, high inflation levels, decline in gross domestic product, volatility in commodity and energy prices, supply chain disruptions and social or political instability, which could negatively affect DKHI Group.</p> <p><b>8. The current conflict between Ukraine and Russia</b> – The countries where the DKHI Group operates may be, to varying degrees, directly or indirectly affected by the current conflict between Ukraine and Russia and the imposed sanctions against Russia, Belarus and certain Russian and Belarussian companies and institutions.</p> <p><b>9. Regional tensions</b> – The DKHI Group’s business may be adversely affected by political unrest in the DKHI Group’s countries of operations or countries bordering with the DKHI Group’s countries of operations as well as any disputes, tensions or deteriorations in relations with bordering countries or other countries in their region.</p> <p>The above stated risk factors can have significant negative impact on financial and economic situation of the Guarantor and his business activity respectively. Guarantor’s ability to pay the debts under the Financial Guarantee can thus be adversely affected.</p>
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**What are the risk factors that are specific to the Notes?**

<b>Risk factors related to the Notes</b>	<p>Risk factors related to the Notes include mainly the following:</p> <ol style="list-style-type: none"> <li><b>1. Risk of Early Redemption</b> – In case of a full or partial early redemption of the Notes, including where this takes place without the consent of the particular Noteholder, in accordance with the Terms and Conditions prior to their redemption date, the Noteholder is exposed to the risk of the yield being lower than expected due to such early redemption.</li> <li><b>2. Liquidity risk on the Regulated Market of the PSE</b> – The Issuer will apply for the Notes to be listed for trading on the Regulated Market of the PSE. Regardless of the listing of the Notes on a regulated market, there can be no assurance that a sufficiently liquid secondary market in the Notes will be created and exist. The fact that the Notes may be listed on a regulated market may not necessarily lead to the higher liquidity of the Notes in comparison with notes not listed on a regulated market. On a potentially non-liquid market, the investor may not be able to sell the Notes at an adequate market price at any time.</li> <li><b>3. Risk of the interest rate on the Notes</b> – The holder of a note with a fixed interest rate is exposed to the risk of a decrease in the price of such Note as a result of an increase in the market interest rates. While the nominal interest rate is fixed for the term of the existence of the Notes, the current interest rate on the capital market usually changes daily.</li> <li><b>4. Risk of non-payment</b> – Under certain circumstances, the Issuer may be unable to pay interest on, or the nominal value of, the Notes and the market value of the Notes in such circumstances may be lower than an initial investment made by a Noteholder; under certain circumstances, the Notes could even be worthless.</li> </ol> <p>The above stated risk factors can have significant negative impact on the value of the investment into the Notes. If any of these risks materialise, the Noteholder may lose all or part of the capital invested in.</p>
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**KEY INFORMATION ON THE OFFER OF NOTES TO THE PUBLIC AND THE ADMISSION TO TRADING ON REGULATED MARKET**

**Under which conditions and timetable can I invest into the Notes?**

<b>General conditions of public offer</b>	<p>The Notes will be offered by the Issuer through the Managers under a public offering in accordance with Article 2(d) of the Prospectus Regulation in the Czech Republic where the public offering lasts from 23 September 2024 to 18 September 2025. The Notes may be issued individually or in tranches.</p> <p>In order to participate in the public offering, the investor must present a valid identity document.</p>
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	<p>In connection with the placement of the Order, the investors must conclude, or have concluded, an agreement with the relevant Manager for purposes such as opening the asset account in the investment instrument register kept by the Central Depository (if they do not already have an opened asset account with a different Central Depository participant) or similar securities records by the relevant Manager and giving the instruction to arrange the purchase of the Notes under such an agreement, or they may be invited to present the required documents and identification details by the relevant Manager.</p>
<b>Expected offering period</b>	<p>The expected offering period is from 23 September 2024 to 18 September 2025.</p>
<b>Information about admission to trading on regulated market</b>	<p>The Issuer will apply for admission of the Notes for trading on the Regulated Market of the PSE through the Listing Agent and expects the Notes to be listed on the Issue Date and will be traded in accordance with the rule of the Regulated Market of the PSE.</p> <p>When listed by the PSE, the Notes will be traded at the PSE and the transactions will be settled in CZK. The settlement will be performed as DVP (delivery versus payment) or DFP (delivery free of payment) through the Central Depository and Fiscal and Paying Agent, as applicable, or through persons keeping the related records following the standard practices in accordance with the rules and operating procedures of the PSE and the Central Depository and within the deadlines set by the applicable rules.</p>
<b>Plan for distribution</b>	<p>The Notes will be offered by the Issuer through the Managers under a public offering to the domestic and foreign qualified and other than qualified (in particular, retail) investors in the Czech Republic, and to selected qualified investors and other potential investors abroad, subject to the conditions which do not impose the obligation on the offeror to prepare and publish a prospectus in accordance with the laws applicable in that jurisdiction.</p> <p>As part of the public offering, the investors will be approached by the Managers, in particular by means of distance communication, and invited to place an order for the purchase of the Notes.</p> <p>There is no minimum amount for which the investor may subscribe and purchase the Notes (other than the purchase price of each Note). The maximum amount for which an individual investor is to be entitled to subscribe for the Notes will be limited by the projected total nominal value of the Issue. If the volume of the Orders exceeds the volume of the Issue, the Managers may reduce the investor's Orders at their discretion (provided that any surplus will be immediately returned in the investor's account).</p> <p>The final nominal value of the Notes assigned to the individual investor will be stated in the transaction clearing confirmation by e-mail, which will be delivered by e-mail to the investor by the relevant Manager without unreasonable delay after the execution of the instruction. The investor may not trade in the subscribed Notes before this confirmation is delivered.</p> <p>On the relevant settlement date in accordance with the Subscription Agreement, the Notes will be subscribed for by the Managers (or directly by the investor through a Manager) against payment of the Issue Price in the manner specified in the Subscription Agreement. The purchase price of the Notes issued on the Issue Date will correspond to 100% of the nominal amount of the Notes. The purchase price of any Notes issued after the Issue Date shall be determined by the Managers taking into account the current market conditions. Where relevant, a corresponding accrued interest will be added to the amount of the issue price for any Notes issued after the Issue Date. The current purchase price will be published on the website of J&amp;T BANKA at <a href="http://www.jtbank.cz">www.jtbank.cz</a> (under "Důležité informace" in section "Emise cenných papírů" under ENERGO-PRO Green Finance s.r.o.) and on the website of UCB at <a href="http://www.unicreditbank.cz">www.unicreditbank.cz</a> (under "Information for investors, Information for investors in securities of UniCredit Bank's clients", under Information concerning the selected issues of bonds).</p>
<b>Estimate of total expenses of the Issue</b>	<p>The Issuer expects that the total costs of preparing the issue of the Notes, i.e. the costs of the Managers' fee, costs of the Issuer's auditor, fees of the Central Depository and CNB and certain additional costs associated with the issue of the Notes or its placement on the market, will not exceed (i) 3% of the total expected nominal value of the Issue, i.e. excluding an increase, if any (i.e. CZK 75,000,000), or (ii) 3% of the total nominal value of the Issue if the maximum total nominal value of the Notes are issued, including an increase, if any (i.e. CZK 105,000,000).</p> <p>Investors who subscribe for or purchase the Notes through J&amp;T BANKA in the Czech Republic, pay fees associated with acquiring the Notes according to the J&amp;T BANKA's current standard fee list as applicable on the date of the transaction and available on the website of the J&amp;T BANKA at <a href="http://www.jtbank.cz">www.jtbank.cz</a>, section "Užitečné informace", subsection "Sazebník poplatků". As of the date of this</p>

	<p>Prospectus, these costs amount to 0.15% of the nominal value of the Notes being acquired, but no less than CZK 2,000.</p> <p>In connection with the acquisition of the Bonds through UCB, the investor in the Notes will be charged, in accordance with the subscription instruction, an upfront fee of 0.25 % of the aggregate nominal amount of the Notes to be acquired, and in accordance with the current UCB price list available on the UCB's website <a href="http://www.unicreditbank.cz">www.unicreditbank.cz</a> (in the section <i>Price lists, Individuals, section 10.4 Providing custody/administration services</i>), UCB's current fees for keeping the securities account. These fees will not exceed 0.20 % of the total nominal value of the Notes registered in such an account per annum, excluding value added tax, but will be at least CZK 300, excluding value added tax.</p> <p>The investor may be required to pay additional fees charged by the intermediary of the purchase or sale of the Notes, the person keeping the records of the Notes, the person who performs the clearing of the Notes transaction, or by another person, e.g. fees for opening and maintaining an investment account, for arranging the transfer of the Notes, services related to custody of the Notes, their registration.</p>
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**Who is the offeror and the person asking for admission to trading on regulated market?**

<p><b>Description of person offering the Notes and person asking for admission to trading on regulated market</b></p>	<p>The Issuer will offer the Notes to public through the Managers, i.e. J&amp;T BANKA and UCB. The Issuer will apply for admission of the Notes for trading on the Regulated Market of the PSE through the Listing Agent. The Listing Agent is J&amp;T BANKA.</p> <p>J&amp;T BANKA and UCB are banks which operate under Czech Law, in particular under the Civil Code, the Business Corporations Act, Act No. 21/1992 Coll. on Banks, as amended, and Act No. 256/2004 Sb., on Capital Market Business, as amended.</p>
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**Why is this Prospectus being produced?**

<p><b>Use and estimated net amount of the proceeds</b></p>	<p>The Notes are issued as Green Notes. The Issuer intends to provide the proceeds from the issue of the Notes to the Guarantor which intends to apply an amount equal to the net proceeds from an offer of Notes to finance or refinance, in part or in full, eligible green projects in line with the Green Financing Framework of the DKHI Group. The Issuer intends that the eligible projects will belong to the following categories: Renewable Energy – Hydropower, Renewable energy – Solar power, Renewable energy – Wind power, Renewable Energy – Associated Grid Infrastructure, Renewable Energy – Energy Storage and Clean Transportation.</p> <p>The net proceeds from the issue of the Notes (i.e. after deduction of commissions, fees and estimated expenses) are expected to be approximately CZK 2,425,000,000 in the event that the Notes are issued in the anticipated aggregate nominal amount of CZK 2,500,000,000, and approximately CZK 3,395,000,000 in the event that the Notes are issued in the maximum aggregate nominal amount of CZK 3,500,000,000.</p>
<p><b>Method of the offering</b></p>	<p>Neither the Managers nor any other persons in relation to the Issue has undertaken an obligation to subscribe for or purchase any of the Notes. The placement of the Notes will thus be made on a “best efforts” basis, meaning that the Managers will use their best efforts to search for the prospective investors in the Notes and place the Notes with and sell them to such investors.</p>
<p><b>Conflict of interests</b></p>	<p>The Issuer is not aware of any interest of persons involved in the issuance and offering of the Notes which would be material for the Issue, except for any fees payable to J&amp;T BANKA, acting as manager, fiscal and paying agent, security agent and the listing agent and to UCB, acting as manager, in each case in connection with the offering and subscription and sale of the Notes.</p> <p>The J&amp;T BANKA also acts as the Fiscal and Paying Agent, the Listing Agent and the Security Agent.</p>

## **RISK FACTORS**

*Investors considering the subscription or purchase of the Notes should read this Prospectus in its entirety carefully. The information presented by the Issuer to the potential subscribers or purchasers of the Notes as well as any other information provided in this Prospectus should be carefully examined and considered by each party interested in the subscription or purchase of the Notes.*

*The subscription, purchase, holding and potential resale of the Notes are associated with a number of risks (including the risk of losing the entire investment), and the risks considered material by the Issuer are specified below in this Chapter. The text below does not substitute any professional analysis or any provision of the Terms and Conditions or data provided in this Prospectus, does not limit any rights or obligations arising from the Terms and Conditions and in no case is it an investment recommendation of any nature. Any decision to subscribe and/or purchase the Notes should be based on the information contained in this Prospectus, on the terms and conditions of the offering of the Notes and, in particular, on the analysis of the risks and benefits of the investment in the Notes by the prospective investor and/or the investor's legal, tax and other professional advisors.*

*Risk factors are ranked in the individual categories and sub-categories from the most to the least significant.*

*Capitalised terms used below shall have the meanings assigned to them in the Terms and Conditions or any other part of the Prospectus.*

### **RISKS RELATED TO THE ISSUER**

#### **Special purpose vehicle risk of the Issuer**

The Issuer is a special purpose vehicle that was established for the purposes of the issuance of bonds, including the Notes, and subsequent provision of intragroup financing. The Issuer has historically issued notes designated as EN.-PRO GF 6,50/23, ISIN: CZ0003527749 and has provided the net proceeds of such notes to other members of the DKHI Group by way of intercompany loans. All intercompany loans financed from the net proceeds of those notes and the notes themselves have been fully repaid prior to the date of this Prospectus. The Issuer does not carry out any other business activities and therefore cannot generate resources for the repayment of the debts under the Notes. The Issuer's cash flow and ability to service its indebtedness, including the Notes, will depend primarily on the operating performance and financial condition of the DKHI Group and the receipt by the Issuer of funds from the DKHI Group in the form of repayment of intercompany loans and related interest, capital increases or otherwise. Therefore, the risk of the Issuer's credit dependence on the DKHI Group can adversely affect the Issuer's ability to meet its obligations under the Notes.

#### **Risk of secondary dependence of the Issuer**

The Issuer is exposed to the secondary risk of dependence on the risks relating to the DKHI Group. In view of the Issuer's dependence on the DKHI Group, all risk factors relating to the DKHI Group described below can have an adverse impact on the Issuer's ability to meet its obligations under the Notes. The secondary dependence risk can adversely affect the Issuer's ability to meet its obligations under the Notes.

### **RISKS RELATED TO THE GUARANTOR**

#### **Holding company risk of the Guarantor**

The Guarantor is a holding company of the Issuer and the DKHI Group and the primary assets of the Guarantor consist of the shares in its subsidiaries and cash in its bank accounts. The major part of the Guarantor's activities is focused on management of ownership interests in its subsidiaries and activities relating to financing of its subsidiaries. The Guarantor's ability to fulfil its obligations under the Financial Guarantee will depend primarily on the operating performance and financial condition of its operating subsidiaries and external parties and the receipt by the Guarantor of funds from its subsidiaries or external parties in the form of intercompany loans, dividends or otherwise. The operating performance and financial condition of the Guarantor's operating subsidiaries and the ability of such subsidiaries to provide funds to the Guarantor will in turn depend, to some extent, on general economic, financial, competitive, market and other factors, many of which are beyond the Guarantor's control. The Guarantor's operating subsidiaries may not generate income and cash flow sufficient to enable the Guarantor to meet its obligations under the Financial Guarantee.



## **Risk of secondary dependence of the Guarantor**

The Guarantor is exposed to the secondary risk of dependence on the risks relating to the DKHI Group. In view of the Guarantor's dependence on the DKHI Group, all risk factors relating to the DKHI Group described below can have an adverse impact on the Guarantor's obligations to meet its obligations under the Financial Guarantee.

## **RISK FACTORS RELATED TO THE DKHI GROUP**

### **Regulatory risks**

#### *Licensing requirements*

The DKHI Group's activities of generation, distribution, supply and trading of electricity require a range of administrative permits, authorisations and licences, at both local and national levels, in the countries in which the DKHI Group operates. The procedures for obtaining and renewing these permits, authorisations and licences can be protracted and complex and the conditions attached to such licences may be subject to change and are not predictable. As a result, the DKHI Group may incur significant expenses in obtaining or renewing its permits, authorisations and licences. Delays, high costs or the suspension of the DKHI Group's operating activities due to its inability to obtain, maintain, or renew permits, authorisations and licences, may also have a negative impact on its business activities and profitability.

Further, the licenses, authorisations and permits required for the DKHI Group to conduct its business operations could be revoked, withdrawn or amended by the relevant authorities under certain circumstances, such as breach of a collateral clause, a subsequent change of facts or a relevant regulation, permit is found to be contrary to the public interest, the holder of the license is in breach of its duties, or it is deemed necessary to prevent severe harm to the common good. Any such license revocation, withdrawal or amendment decision would generally be subject to a judicial review if requested by the license holder. If any of the DKHI Group's licenses or permits is revoked, withdrawn or amended, or if the DKHI Group has difficulty renewing a license or permit, it may experience delays in operations which could adversely impact the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

Licences for the generation and distribution of electricity are granted for a maximum of 35 years in Bulgaria, indefinitely in Georgia, 49 years in Türkiye, and 75 years in Spain. No license for generation or distribution held by the DKHI Group is scheduled to expire before the maturity of the Notes.

Any failure to obtain, maintain, renew or extend all the necessary administrative permits, authorisations and licences necessary for the operation of the DKHI Group's business and the execution of its strategy could have a material adverse effect on its business, results of operations and financial condition. In addition, it is possible that future changes in licensing requirements could have an adverse effect on the DKHI Group.

#### *Changes in regulated tariffs*

The DKHI Group is subject to a substantial degree of regulation, particularly with respect to the tariffs it may charge for its distribution activities, for the regulated portion of its supply business, as well as for a portion of its generation volumes. Revenues from distribution activities in Bulgaria and distribution and generation activities in Georgia are dependent on regulated tariffs that are calculated using regulatory asset base ("**RAB**")<sup>1</sup> determined based on the book value of assets, approved average investments and necessary working capital, and weighted average cost of capital ("**WACC**")<sup>2</sup>, as well as approved operating expenditures. The DKHI Group also benefits from the feed-in-tariff ("**FIT**")<sup>3</sup> regimes in respect of its generation activities in Türkiye and from subsidies in the form of green bonuses<sup>4</sup> in respect of its generation activities in the Czech Republic.

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<sup>1</sup> RAB is a type of valuation of a company's assets that are used to provide regulated services. RAB is used by regulators to determine the amount of capital on which a utility or other regulated entity is permitted to earn a specified rate of return.

<sup>2</sup> The WACC is the rate that a company is expected to pay on average to all its security holders to finance its assets. The WACC is commonly referred to as the firm's cost of capital. Importantly, it is dictated by the external market and not by management. The WACC represents the minimum return that a company must earn on an existing asset base to satisfy its creditors, owners, and other providers of capital, or they will invest elsewhere.

<sup>3</sup> A feed-in tariff is a policy mechanism designed to accelerate investment in renewable energy technologies by offering long-term contracts to renewable energy producers. This means promising renewable energy producers an above-market price and providing price certainty and long-term contracts that help finance renewable energy investments.

<sup>4</sup> A green bonus is a policy mechanism according to which the producers of electricity from supported sources are paid an additional amount (a so-called "green bonus") on top of the regular electricity price achieved in the electricity market.

The DKHI Group derived approximately 59% of consolidated EBITDA in the year ended 31 December 2023 from activities subject to such tariff regulation (and 57% in the year ended 31 December 2022).<sup>5</sup>

Tariff setting methodology, including pricing is subject to review, decision and announcement by national regulatory bureaus, specifically the Energy and Water Regulatory Commission (“**EWRC**”) in Bulgaria, the Energy Regulatory Office (“**ERO**”) in the Czech Republic, the Georgian National Energy and Water Supply Regulatory Commission (“**GNERC**”) in Georgia, and the Council of Ministers, the Energy Market Regulatory Authority (“**EMRA**”) and TEİAŞ (Türkiye Elektrik İletim A.Ş.) in Türkiye and the Spanish Electricity System Operator (“**REE**”) in Spain. If the DKHI Group acquires a portfolio of HPPs in Brazil (see “*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*”), its Brazilian operations will be regulated by the competent Brazilian authorities, including the Ministry of Mines and Energy, the National Energy Policy Council and the National Electricity Agency.

Regulatory policies of Bulgaria, Georgia, Türkiye and Brazil are less developed and are more susceptible to political intervention and adverse regulatory action than in Western Europe. Public authorities and regulatory authorities in the countries in which the DKHI Group operates may decide to limit or block tariff increases, or even order tariff decreases, with no change to the quality of service, or may change the conditions of access to such regulated tariffs, including changes to the price setting mechanisms as a result of political interference. Any changes in regulated tariffs, particularly those that may affect the DKHI Group’s revenues from electricity generation and distribution, could have a material adverse effect on its business, results of operations and financial condition.

#### ***Less mature market risk***

DKHI Group generates a substantial part of its revenues and EBITDA in less mature markets. Less mature markets have higher volatility, more limited liquidity and a narrower export base than more mature markets and are subject to more frequent changes in the political, economic, social, legal and regulatory environment. They are subject to rapid change and are particularly vulnerable to market conditions and economic downturns elsewhere in the world.

In addition, international investors may react to events, disavouring an entire region or class of investment, a phenomenon known as the “contagion effect”. If such a contagion effect occurs, Bulgaria, the Czech Republic, Georgia or Türkiye or, if the DKHI Group acquires a portfolio of HPPs in Brazil (see “*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*”), Brazil, could be adversely affected by negative economic or financial developments as well as financial or political instability in other less mature market countries as investors move their money to countries that are perceived to be more stable and economically developed.

#### ***Regulatory environment***

The DKHI Group is subject to the laws of the Czech Republic, Bulgaria, Georgia, Türkiye, Spain and the European Union (“**EU**”), as well as the regulations of the EWRC in Bulgaria, the ERO in the Czech Republic, the Georgian Ministry of Economy and Sustainable Development of Georgia (“**MoEaSD**”) and the GNERC in Georgia and the Ministry of Energy and National Resources (“**MENR**”), the Ministry for Ecological Transition and Demographic Challenge (“**MITECO**”) and the Spanish National Commission on Markets and Competition (“**CNMC**”) in Spain and the EMRA in Türkiye. If the DKHI Group acquires a portfolio of HPPs in Brazil (see “*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*”), its Brazilian operations will be regulated by the competent Brazilian authorities, including the Ministry of Mines and Energy, the National Energy Policy Council and the National Electricity Agency. These laws and regulations affect many aspects of the DKHI Group’s business and, in many respects, determine the manner in which the DKHI Group conducts its business and its profitability. As an owner and operator of renewable energy generation facilities and electricity distribution networks, the DKHI Group is subject to extensive governmental and other regulations in the markets in which it operates. Any new regulation, changes in the existing regulations or delays in implementation of new regulation, such as Georgia’s decision to align its regulatory framework more closely with the EU, or requirements of the governments or regulatory authorities of the countries in which the DKHI Group operates may require significant changes in the DKHI Group’s business in ways that cannot be predicted. Any new regulations or requirements that require the DKHI Group to restructure or otherwise change its business in any way, or that affect electricity generation, transmission, distribution or supply prices or related financial

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<sup>5</sup> In the calculation of the percentage, the numerator is regulated EBITDA and represents the sum of regulated standalone EBITDAs of the respective operating companies (based on management accounting) while the denominator is total consolidated EBITDA of DKHI Group (based on the consolidated financial statements of DKHI prepared in accordance with IFRS).

conditions, could have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

For example, in 2019 the European Commission completed the legislation procedure for a package of provisions called Clean Energy for all Europeans, also known as the Winter Package (the "**Winter Package**"), a set of legislative motions including several directives, regulations and decisions whose application may significantly influence the energy sector in the EU and also the DKHI Group. The Winter Package increases the required share of renewable sources in the EU to 32% in 2030 and sets the energy efficiency target to at least 32.5% in 2030. A successful achievement of these goals may result in a change in DKHI Group's business in the EU, which may increase the costs of the DKHI Group, or a decrease in the DKHI Group's revenue or profitability. In addition, the European Commission proposed to increase the emission reduction requirement to 55% compared to 1990 levels in the so called European Climate Law. To implement the new target, the European Commission set out a plan including the Fit for 55 Package, which may significantly affect the energy sector in the EU. It cannot be excluded that it may have an adverse effect on the DKHI Group's operations or costs and in turn on the DKHI Group's business, financial situation, results of operations, cash flows and prospects. Given the current development in energy sector and climate policies adopted in various countries, it cannot be excluded that similar policies or targets will be adopted also in non-EU countries, including those where the DKHI Group operates. In the DKHI Group's view, it is impossible to quantify the anticipated impacts of the Winter Package on its business nor is the DKHI Group able to foresee the impact of any potential new regulations in the future.

Furthermore, the introduction of new regulatory requirements (such as stricter unbundling requirements) or changes in the laws of general application (including changes in the laws on corporate governance or accounting rules) may negatively affect the management of the DKHI Group's operations or management or control of any entities which are part of the DKHI Group.

Similarly, any non-compliance or breach of licence conditions or other regulatory requirements could lead to financial sanctions and potentially revocation of licences which could have a material adverse effect on the DKHI Group's business, results of operations and financial condition. In addition, the DKHI Group may fail to respond swiftly and appropriately to changes in applicable laws and regulations or to changes in the energy industry generally, which could have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

The DKHI Group is in all material respects in compliance with each regulatory regime to which it is subject in each of the jurisdictions in which it operates and it continues to allocate adequate resources to achieve and maintain compliance with such regulations applicable to it. However, the relevant authorities in Bulgaria, the Czech Republic, Georgia, Türkiye, Spain and the EU and, if the DKHI Group acquires a portfolio of HPPs in Brazil (see "*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*"), Brazil, may enforce existing regulations more strictly than they have done in the past and may in the future impose stricter standards, or higher levels of fines and penalties for violations, than those which are in effect at present. Any such changes in regulatory regimes applicable to the DKHI Group's business operations may result in increased capital and operating expenditures of the DKHI Group and could have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

#### ***Environmental and health and safety laws***

The DKHI Group is subject to various environmental and health and safety laws and regulations governing, among other things, the health and safety of the DKHI Group's employees.

The DKHI Group is also required to obtain environmental and safety permits from various governmental authorities for its operations. Certain permits require periodic renewal or review of their conditions as well as continuous monitoring and compliance reporting. The DKHI Group may not always be able to renew such permits or there may be material changes to its permits requiring significant expenditure. Violations of these laws, regulations or permits could result in fines or legal proceedings being commenced against the DKHI Group or other sanctions, in addition to negative publicity and significant damage to the DKHI Group's reputation.

The DKHI Group has adopted environmental standards applicable to its operations. While as of the date of this Prospectus, the DKHI Group is, in all material respects, in compliance with all applicable environmental and health and safety regulations in force in the countries in which it operates, there can be no guarantee that it will continue to be in compliance in the future. Should any DKHI Group company fail to comply with any such regulations, it may be liable for penalties and/or the consequences of default under any contractual obligations requiring it to comply with applicable regulations.

Any occurrence of environmental damage or loss of life or serious injury to its employees as a result of any breach of applicable health and safety legislation may result in a disruption of the DKHI Group's services or cause reputational harm. Significant liability could be imposed on the DKHI Group for damages, clean-up costs associated with the acquisition of polluted land or buildings, and penalties and/or compensation as a result.

The occurrence of any of these events may also cause disruption to the DKHI Group's projects and operations and result in additional costs to the DKHI Group, which may have a material adverse effect on the DKHI Group's business, financial condition, results of operations and cash flows.

Although environmental laws and regulations have an increasing impact on the DKHI Group's activities, it is impossible to predict accurately the effect of future developments in such laws and regulations and their impact on the DKHI Group's future earnings and operations. While the DKHI Group has budgeted for future capital and operating expenditures to comply with current environmental and health and safety laws, it is possible that any of these laws may change or become more stringent in the future or that new laws may be adopted. Some risk of environmental costs and liabilities is inherent in the DKHI Group's operations, as it is with other companies engaged in similar businesses.

### **Economic risks**

#### ***Fluctuations in electricity prices, demand for electricity and increases in the levels of its doubtful receivables as a result of poor economic conditions***

The DKHI Group's revenue and margins in its generation activities are exposed to decreases in electricity prices in the markets in which it sells its generated electricity. Electricity prices are determined by demand for electricity from end-users, supply of electricity from generation assets connected to the network, as well as interconnection capacity with, and the market situation in, neighbouring countries. The demand for the DKHI Group's electricity is principally driven by the level of economic activity in the countries in which the DKHI Group operates, which fluctuates with the economic cycles and general economic conditions in those countries and is also affected by seasonality. The DKHI Group's results of operations are therefore significantly affected by economic conditions in Bulgaria, the Czech Republic, Georgia, Türkiye and Spain. If the DKHI Group acquires a portfolio of HPPs in Brazil (see "*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*"), its results of operations will be also affected by economic conditions in Brazil.

Part of the DKHI Group's revenues and EBITDA from electricity distribution (approx. 27% of DKHI consolidated total revenues and 43% of DKHI consolidated EBITDA in the year ended 31 December 2023) do not depend on the overall volume of electricity consumed, but the DKHI Group's revenues are still affected by economic cycles and general economic conditions. Any economic slowdown typically leads to a reduction in electricity consumption and this has an adverse effect on the DKHI Group's financial condition and results of operation. Distribution tariff calculation methodology includes assumptions of the electricity distribution volume. If the actual distribution volume falls below the assumption, the DKHI Group's cash flows from electricity distribution will be negatively impacted through a delay in the allocation of compensation.

The DKHI Group's revenue and margins in the free market supply activities are exposed to mismatches between the price at which the DKHI Group purchases electricity and the price at which it sells electricity to supply customers. While the DKHI Group seeks to minimise this risk by entering into long-term power purchase contracts to source electricity in volumes matching its supply agreements, any open position, whether a surplus or a deficit, may adversely impact the DKHI Group's margins should the free market electricity prices fall or rise, respectively. In an environment of highly volatile electricity prices, the DKHI Group also faces increasing working capital requirements due to the lag between the time the DKHI Group is required to pay for purchased power and the time it collects payments from its customers.

The DKHI Group is exposed to the risk that some of its customers may be unable or unwilling to fulfil their financial obligations to the DKHI Group, whether as a result of a deterioration in their financial situation, general economic conditions, or otherwise. The total amount of receivables from DKHI Group's business relations was EUR 98,941 thousand as of 31 December 2023 (EUR 93,297 thousand as of 31 December 2022). As of the same date, provisions for impairment of trade receivables amounted to EUR 11,539 thousand (EUR 12,007 thousand as of 31 December 2022).

The DKHI Group is able to take legal action against its defaulting customers to seek to recover amounts outstanding, although the timing and amount of such recovery is uncertain. For instance, in the year ended 31 December 2023, EUR 1,013 thousand was written-off as uncollectible (EUR 324 thousand in the year ended 31 December 2022). Although the DKHI Group has been successful in monitoring and reducing the level of its

impaired receivables, any material increase in doubtful receivables, increased delays in payment times or write-offs could have a significant adverse effect on the DKHI Group's business, results of operations and financial condition and ultimately on the Issuer's ability to meet its obligations under the Notes and the Guarantor's ability to meet its obligations from the Financial Guarantee.

### *Economic conditions in the countries of DKHI Group's operations*

The DKHI Group's principal business activities consist of electricity generation in Bulgaria, the Czech Republic, Georgia, Spain and Türkiye and electricity distribution and supply in Bulgaria and Georgia. As a result, the DKHI Group's results of operations are affected by economic and political conditions in those countries, which in turn can be affected by developments including, but not limited to:

- macroeconomic events, including external economic shocks and high inflation levels;
- economic difficulties among their trading partners;
- a decline in their gross domestic product;
- the imposition of new or additional international sanctions against Russia or other trading partners;
- a decrease in foreign direct investment;
- increasing levels of unemployment;
- increasing government budget deficits or other fiscal difficulties;
- an inability or difficulty in obtaining energy imports and volatility in prices of energy;
- declines or volatility in commodity prices;
- increasing levels of corruption and/or economic crime;
- instability in the national banking systems;
- outbreaks of epidemics and pandemics and the potential restrictive measures adopted to slow down their spread;
- significant supply chain disruptions affecting key sectors of the economy; and
- social or political instability and other risks associated with developing countries such as Bulgaria, Georgia and Türkiye.

Georgia, which accounted for 40% of the DKHI Group's EBITDA in the year ended 31 December 2023, faces several challenges, one of which is the need to implement further economic and political reforms. The trend of business and investor friendly reforms may not continue or may be reversed or such reforms and economic growth may be hindered as a result of changes affecting the continuity or stability of existing reform policies, or as a result of a rejection of reform policies by the president, the parliament or others. Georgia's economy may be more vulnerable to external shocks due to the mix of its historically high current account deficit, low domestic savings rate and high level of dollarisation. The current account deficit has been improving, decreasing from 12.4% of GDP in 2020 to 10.3% of GDP in 2021, 4.5% in 2022, and 4.3% in 2023, according to data by the World Bank and the National Bank of Georgia. There can be no assurance, however, that the current account deficit will continue to be lower than it has been historically. Georgia's economy is diversified, with no significant dependence on a single country, although Russia, Türkiye, Azerbaijan and Armenia are significant trading partners. Adverse economic conditions in these countries can therefore negatively affect the Georgian economy. In particular, as Russia and Azerbaijan depend significantly on oil prices and the wider region in turn depends significantly on Russia, Georgia is also exposed to oil price shocks, which affect it both as an importer of energy as well as a small open economy that depends on regional economic conditions.

Political and macroeconomic developments have had a negative effect on investors' perceptions of Türkiye, which accounted for 21% of the DKHI Group's EBITDA in the year ended 31 December 2023, and on the strength of the Turkish economy. Since 2023, Türkiye's ratings have been gradually improving as its government is perceived to be returning to more orthodox economic policies, and Türkiye is currently rated B+ (positive outlook) by Fitch, B3 (positive outlook) by Moody's and B+ (positive outlook) by Standard & Poor's. However, the events

surrounding any future political developments could contribute to the volatility of Turkish financial markets and have an adverse effect on investors' perception of Türkiye.

The Turkish economy has experienced significant inflationary pressures in the past. Inflation remains higher than in certain emerging market peers and has been a key area of focus of the Central Bank of the Republic of Türkiye (the “**Turkish Central Bank**”). High inflation has recently re-emerged as a significant issue Türkiye has experienced high levels of inflation reaching (according to the Turkish Statistical Institute) 64.8%, 64.3%, 36.1%, 14.6% and 11.8% as of December 31, 2023, 2022, 2021, 2020 and 2019 respectively, which is mainly due to the pass-through effect from the depreciation of the Turkish Lira and rising food and other prices. Following the 2023 presidential elections, with the appointment of Mrs. Hafize Gaye Erkan as the new Central Bank chief, the Central Bank has started to increase the policy rates. Fatih Karahan replaced Hafize Gaye Erkan as the Turkish Central Bank governor in an unexpected change on 3 February 2024. The Central Bank announced on 4 February 2024 that it would continue its efforts targeted at disinflation and reaffirmed that it would maintain monetary tightness until inflation falls to levels consistent with its targets. Although certain prior policies have had some success in reducing inflation, current and/or future policies may not be successful to address the recent resurgence of inflation to new highs, especially given Türkiye's substantial current account deficit and global liquidity conditions. Since the majority of the DKHI Group's operating expenses incurred in connection with its business activities in Türkiye is denominated in Turkish Lira, inflationary pressures in Türkiye are a significant factor affecting the DKHI Group's Turkish business activities. For example, employee and contractor wages and prices of goods and services have been particularly sensitive to inflation. The electricity prices on the Turkish energy markets may not sufficiently increase and the DKHI Group might not be able to sell electricity on the Turkish energy market for a price which compensates for a high inflation. This may adversely affect the business, results of operations and financial condition of the DKHI Group's business activities in Türkiye.

The size of Türkiye's current account deficit or adverse changes in its balance of payments position (including the availability of external financing for Türkiye) could lead to exchange rate adjustments and higher inflation. The current account deficit increased to 5.4% of GDP as of 31 December 2022, on a 12-month rolling basis, primarily due to geopolitical factors, including the conflict in Ukraine, and related higher energy prices. In 2023, the current account deficit showed a modest improvement compared to the 2022 level, reaching approx. 4.25% of GDP as of 31 December 2023, on a 12-month rolling basis, primarily as a result of declining energy prices and some recovery in services income thanks to stronger tourism revenue. Turkish policymakers may take measures to decrease certain types of economic activity in an attempt to limit the current account deficit, which could have a negative impact on the Turkish economy. Although Türkiye's growth dynamics depend to a certain extent upon domestic demand, Türkiye is also dependent on trade with Europe. Türkiye has diversified its export markets in recent years, but the EU remains its largest export market. A significant decline in the economic growth of any of Türkiye's major trading partners, such as the EU, could have an adverse impact on Türkiye's balance of trade and adversely affect the country's economic growth.

Political developments in the EU, including any future integration or withdrawal of countries into or from the EU, such as the departure of the United Kingdom from the EU in 2021, or changes in the economic policy, executive authority or composition of the EU and its institutions, may have an adverse effect on the overall economic stability of the EU, including Spain. For example, the reform of the EU's electricity market design (EMD), introduced by amending Directive EU/2024/1711 and the amending Regulation EU/2024/1747 that were adopted on 21 May 2024 and entered into force on 16 July 2024 aims to make the electricity prices less dependent on the price of fossil fuels. The reform aims, among other things, to improve availability of fixed price and fixed term contracts for consumers as well as to provide them with a flexibility to chose dynamic pricing. The reform also aims to provide both the power producers and their business customers with more stable revenues and power prices, respectively. In the DKHI Group's view, it is impossible to quantify the anticipated impacts of the reform of the EU's electricity market design on its business nor is the DKHI Group able to foresee the impact of any potential new regulations in the future.

If the DKHI Group acquires a portfolio of HPPs in Brazil (see “*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*”), its results of operations will be also affected by economic and political conditions in Brazil.

Any changes in the political or economic stability of any of the countries in which the DKHI Group operates, as well as any political, economic, regulatory or administrative developments in these countries, over which the DKHI Group has no control, could have a material adverse effect on the DKHI Group's business, results of operations and financial condition. If any of these risks materialise in any of the countries in which the DKHI Group operates, they could have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

## **Political / legal risks**

### ***The current conflict between Ukraine and Russia***

In February 2022, Russia launched a full scale military invasion of Ukraine. Russian military forces entered Ukrainian territory and, as of the date of this Prospectus, occupy a large part of Ukraine, including several major cities and infrastructure sites. Several countries, including some of the countries where the DKHI Group operates, have provided both military and humanitarian aid to Ukraine and continue to do so even as of the date of this Prospectus.

The war in Ukraine has led to sanctions, individual restrictive measures and other penalties being levied against Russia and Belarus and certain Russian and Belarusian individuals and entities by the U.S., the EU, and other countries. As of the date of this Prospectus, these sanctions target a number of sectors of the Russian economy, such as the financial sector (including restricted access to EU primary and secondary capital markets for certain Russian banks and companies and SWIFT ban for certain Russian and Belarusian banks), trade (including prohibition on imports of iron, steel, wood, cement and plastics from Russia), energy (including prohibition on imports of oil and coal from Russia), transport (including the closure of EU airspace to all Russian-owned and Russian-registered aircraft and closure of EU ports to Russian vessels), as well as technology and defence sectors.

While the length and impact of the ongoing war and the related sanctions are unpredictable, it has led and continues to lead to global market disruptions, including supply chain interruptions, significant volatility in commodity and energy prices as well as in credit and capital markets, and may negatively affect the economy of the countries where the DKHI Group operates. In particular, the war has led and may continue to lead to further significant increase in prices of commodities and energy. This may put an additional financial strain on companies and households in Europe and has exacerbated and may further exacerbate supply chain risks. The sanctions imposed on Russia may also negatively affect the financial condition of the companies that conducted business in Russia or with Russian counterparties and that will not be able to sell their products and services on alternative markets. Finally, there is no guarantee that the war will not extend to other countries in the region, including those where the DKHI Group operates.

Following the imposition of sanctions against Russia, thousands of Russians and Ukrainians have fled to Türkiye and Georgia to stay, invest, and hold assets since neither Türkiye nor Georgia has imposed any sanctions on Russia. Additional sanctions imposed on Russia by other countries may have a material adverse effect on Türkiye and Georgia due to their relations with Russia. The impact of additional sanctions, or of a deterioration of relations between Türkiye or Georgia on the one hand and Russia or the United States and the European Union on the other hand over events in Ukraine, on the Turkish and Georgian economy may be significant, which in turn may materially and adversely affect the DKHI Group's business in Türkiye and Georgia.

The ongoing geopolitical tensions related to the war in Ukraine, as well as any escalations of the conflict and the potential imposition of further economic or other sanctions, could negatively affect global macroeconomic conditions and the countries where the DKHI Group operates, and in turn have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

### ***Regional tensions***

Georgia shares borders with Russia, Azerbaijan, Armenia and Türkiye and could be adversely affected by political unrest within its borders and in surrounding countries. In particular, Georgia has had ongoing disputes in the breakaway regions of Abkhazia and the Tskhinvali Region/South Ossetia, and with Russia, since Georgian independence in 1991. These disputes have led to sporadic violence and breaches of peace-keeping operations. For example, since 2013, the Russian occupation forces deployed in central Georgia have repeatedly moved the occupation line further into Georgian territories. This and similar future actions could further increase tensions.

In addition, the political and economic stability of Georgia may be affected by further deterioration in relations between Azerbaijan and Armenia. The long-running tensions between the two countries reignited in 2020, when during a six-week war, which killed more than 7,000 troops, Azerbaijan regained control of about one third of the Soviet-era Nagorno-Karabakh region and most of the adjacent territories. Russia brokered a ceasefire agreement to end the war and also took steps to maintain peace. Despite this, however, hostilities continued in 2021 and 2022. These hostilities saw Azerbaijan move troops into strategic positions inside Armenia itself that they still control. Over the course of 2022, even as mediators sought a comprehensive peace deal, three major bouts of fighting – the most recent in September which resulted in Azerbaijan regaining control over the Nagorno-Karabakh region and a mass forced exodus of ethnic Armenians – demonstrated the situation's volatility. Against this backdrop, the EU announced on 23 January 2023 that it will deploy a new monitoring mission to Armenia in

the border area with Azerbaijan. There is a risk that further hostilities could plunge the two countries back into war over Nagorno-Karabakh at significant human cost and to the detriment of the broader South Caucasus.

Türkiye is in a region that has been subject to ongoing political and security concerns. In recent years, political instability has at times increased markedly in several countries in the Middle East, North Africa and Eastern Europe. Unrest in those countries may have political implications in Türkiye or otherwise have a negative impact on the Turkish economy, including through both financial markets and the real economy. The ongoing conflict in Syria has been the subject of significant international attention and its impact and resolution are difficult to predict. Most recently, Türkiye has been actively involved in connection with the Russia-Ukraine conflict, ranging from security cooperation with Ukraine to energy cooperation with Russia to serving as a diplomatic mediator between Ukraine and Russia, and it is yet to be seen how this will affect Türkiye's relationship with Russia, the United States or the EU.

Türkiye has also experienced problems with domestic terrorist and ethnic separatist groups as well as other political unrest within its territory. In particular, Türkiye has been in conflict for many years with the PKK, an organisation that is listed as a terrorist organisation by various states and organisations, including Türkiye, the EU and the United States. These factors have had and may continue to have a material adverse effect on the Turkish economy, and therefore on the DKHI Group's business, results of operations and financial condition.

If any of these risks materialise, they could have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

***The legal infrastructure and the law enforcement systems in Bulgaria, the Czech Republic, Georgia and Türkiye are less developed compared to Western Europe***

The legal infrastructure and the law enforcement systems in Bulgaria, the Czech Republic, Georgia and Türkiye are less developed when compared to some western European countries and their lack of a long standing institutional history remains a problem. In some circumstances, it may not be possible to obtain legal remedies to enforce contractual or other rights in a timely manner or at all. As a result, shifts in government policies and regulations in these countries tend to be less predictable than in countries with more developed democracies. A lack of legal certainty or the inability to obtain effective legal remedies in a timely manner or at all may have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

In addition, in such countries, there may be fewer judges specialised and experienced in complex matters involving investments in securities when compared to judges in western European countries. Investors should therefore be aware that matters that must be brought before the relevant courts (for example, insolvency matters) may be subject to delays and may not be conducted in a manner similar to more developed legal systems and may, as a result, lead to delays in proceedings or losses on the Notes.

***Unlawful or arbitrary governmental action***

In some of the jurisdictions in which the DKHI Group operates, government authorities may have more onerous requirements or a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law or is influenced by political or commercial considerations. Such governmental action could include, amongst other things, the withdrawal of licences, the expropriation of property without adequate compensation or the forced recapitalisation, merger or sale of DKHI Group companies. Any such action taken in respect of the DKHI Group could have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

***Legal proceedings***

The DKHI Group is subject to various civil, administrative and arbitration proceedings (see "*Legal and Arbitration Proceedings*" for a detailed description of all material proceedings). In addition to the potential financial exposure that the DKHI Group may face in relation to such proceedings, any litigation, whether or not successful, could materially affect the DKHI Group's reputation in the market or relationships with its customers or suppliers, and the proceedings or settlements in relation to litigation may involve internal and external costs, which may, even in the case of the successful completion of a relevant proceeding, not be fully reimbursable, divert senior management's time or use other resources which would otherwise be utilised elsewhere in the DKHI Group's business. Each of these additional consequences of litigation could have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

The DKHI Group's financial statements show provisions created in relation to certain specific proceedings and the DKHI Group also records provisions relating to various other risks and charges, primarily in connection with



regulatory disputes and disputes with local authorities. As of 31 December 2023, these provisions amounted to EUR 8,580 thousand. The amount represents the estimate of the potential legal fees that would need to be paid to third parties in the event that the court cases are lost. However, the DKHI Group has not recorded provisions in respect of all legal, regulatory and administrative proceedings to which the DKHI Group or its operating subsidiaries are a party or to which they may become a party. In particular, the DKHI Group has not recorded provisions in cases in which the outcome is unquantifiable or that the DKHI Group currently expects to be ruled in its favour. As a result, the DKHI Group cannot give any assurance that its provisions, where created, will be adequate to cover all amounts payable in connection with any such proceedings. The DKHI Group's failure to quantify sufficient provisions or to assess the likely outcome of any proceedings could have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

#### *Unforeseen taxes, tax penalties and sanctions*

The DKHI Group is exposed to the risk that the countries in which it operates may increase tax rates, limit tax deductions and benefits, or introduce new specific taxes on certain sectors, including the utilities sector. Some provisions of the tax laws in some countries in which the DKHI Group operates are ambiguous and there is often no unanimous or uniform interpretation or practice of the law by the applicable tax authorities and the courts. In certain cases tax authorities could have a high degree of discretion, for instance in relation to transfer pricing tax legislation, and at times may exercise their powers arbitrarily and selectively enforce tax laws and regulations, which could be in a manner that is contrary to the law.

For example, in Türkiye, legislation may set out upper and lower limits for the corporate tax rate. For the years 2018 to 2020, the President was authorised to set corporate tax rate between 20% and 22%. Such upper and lower limit was not provided for 2021 and the standard corporate tax rate was set at 25%. For 2021, 23%. For 2022 and 25% for 2023 and 2024. The effective rate of tax paid by companies may be lowered by the use of available reductions, such as for qualifying export and production companies or for qualifying companies that list at least 20% of their shares on the Istanbul Stock Exchange in an initial public offering. The actual rates of corporate tax applicable for any given year may vary and are determined by the broad authority of the Ministry of Treasury and Finance or the President. Intra-year changes in tax rates are also possible.

The DKHI Group has also been subject to taxes or levies introduced by governments in Bulgaria and Türkiye in response to the significant and rapid increase in free market electricity prices during 2021-2023. These measures were aimed at placing a limit on the maximum revenues electricity generation companies can receive for the sale of their generated electricity.

For example, in January 2023, the Government of Bulgaria adopted a program requiring electricity generation companies to pay to the ESSF a charge on the revenues from the sale of their generated electricity in excess of certain caps, including a cap of BGN 350 per MWh (EUR 179 per MWh) for electricity generated by renewable sources (including DKHI Group's hydro power plants ("HPPs")), which was later lowered to BGN 300 per MWh (EUR 153 per MWh). The program is effective from 1 December 2022 until 31 December 2024. The effect of the cap is that during periods when free market electricity prices exceed the cap, the DKHI Group's revenue from the generation segment is lower than it would have been without the cap, which negatively affects the DKHI Group's results of operations.

Furthermore, electricity traders on the Bulgarian market (including EP Energy Services and EP Sales as a supplier of last resort) have a similar obligation to pay to the ESSF a charge on the transactions executed on the free (deregulated) segment of the electricity market. The program's duration is the same as for electricity generation companies. The amount of the required payment is calculated as the positive difference between the revenue (net of value added tax) and all costs related to the purchase and sale of electricity, after allowing for a margin of 10% on wholesale transactions and 15% on transactions with retail clients. The effect of the cap is that the potential for profit generation is limited.

Similarly, in Türkiye, in March 2022, the Government of Türkiye adopted a program requiring electricity generation companies to pay to the Energy Exchange Istanbul ("EPIAŞ") the amount corresponding to the price on the sale of their generated electricity in excess of certain caps. The program was effective from 1 April 2022 and expired at the end of September 2023. The caps were set in TRY per MWh and indexed monthly. 60% of the index was derived from changes in the USD/TRY exchange rate, 38% from changes in the PPI in Türkiye, and 2% from changes in the price of electricity distribution and transmission. The caps varied by source of generation, with the cap applicable to the DKHI Group's HPPs being initially set at TRY 1,200 per MWh (converted into EUR 75 per MWh using the exchange rate 1.0 EUR = 15.91 TRY in April 2022). (For renewable energy generation companies, the cap was applicable only to those not participating in the YEKDEM support mechanism.) During periods when free market electricity prices exceeded the cap, the DKHI Group's revenue

from the generation segment was lower than it would have been without the cap, which negatively affected the DKHI Group's results of operations.

The imposition of any new taxes in the countries in which the DKHI Group operates, or changing interpretations, possibly with retrospective effect, or application of tax regulations by the tax authorities or courts, harmonisation of the tax laws in the countries in which the DKHI Group operates and European Union ("EU") tax law and regulation, significant tax disputes with tax authorities, any change in the tax status of any member of the DKHI Group, extensive time periods relating to overdue liabilities and the possible imposition of penalties and other sanctions due to unpaid tax liabilities may result in additional amounts being payable by the DKHI Group, which could have a material adverse effect on its business, results of operations and financial condition.

## **Operational risks**

### ***Weather conditions and seasonal and intraday variations***

The DKHI Group's hydropower electricity generation is affected by hydrological conditions, which vary significantly throughout the year and can also vary on a year to year basis. In particular, higher water levels lead to higher electricity generation, without having a corresponding effect on operating expenses, and they consequently lead to a positive impact on the DKHI Group's margin and revenue. On the other hand, lower water levels adversely affect the DKHI Group's margin and revenue. Generally, Bulgaria, the Czech Republic, Georgia, and Türkiye enjoy greater levels of water from March to May, and Spain from October to March and during those months the DKHI Group's HPPs, especially its run-of-the-river HPPs, generate significantly more electricity compared to the rest of the year. In the spring months, electricity power prices are generally one of the lowest within the year. From year to year, the volume of electricity generated in the DKHI Group's HPPs also depends on the amount of precipitation, and conditions such as droughts or heat waves can have adverse effect on the DKHI Group's electricity generation volumes in the respective countries. Historically, while hydrological conditions in Bulgaria, the Czech Republic, Georgia, Spain and Türkiye have varied, the DKHI Group's geographical diversification of its generation portfolio has partly reduced the hydrology-driven volatility of generation activities. The DKHI Group generated 3.6 TWh and 3.4 TWh of electricity from hydropower in the years ended 31 December 2023 and 2022, respectively.

In addition, electricity consumption is seasonal and is mainly affected by weather conditions. In the markets in which the DKHI Group operates, electricity consumption is generally higher during the winter and summer months, and the DKHI Group generally experiences higher demand in November through February and in July through August, mainly as a result of the use of heating and air conditioning, respectively. Conversely, the DKHI Group generally experiences lower demand during the spring and autumn seasons. As a result of these seasonal patterns, the DKHI Group's sales and results of operations are typically higher in the first, third and fourth quarters and lower in the second quarter in any given year, except for Bulgaria where the DKHI Group's sales are generally highest in the second quarter in any given year. Unseasonably warm weather during the autumn and winter months may adversely affect the DKHI Group's results of operations, as was the case in Georgia in December 2019 and January 2020.

Finally, the electricity market in Europe has been increasingly affected by the growing share of intermittent generation sources, such as solar power plants and wind power plants, in the generation mix. This has led to the difference between the maximum and minimum hourly intraday electricity prices growing, with minimum intraday prices at times reaching deeply negative values in the Spanish market. For illustration, in 2020, the maximum and minimum intraday price was EUR 85 per MWh and EUR 0 per MWh, respectively, while in 2023 it was EUR 451 per MWh and EUR -100 per MWh. The DKHI Group aims to counter or even exploit this trend where possible by shifting its generation to the periods where hourly prices are the highest. However, where shifting production is not possible, for example for run-of-river HPPs with limited or no regulation, DKHI Group's revenues and results of operations may be negatively affected by this trend.

### ***Failures, breakdowns, planned or unplanned outages as well as natural disasters, sabotage or acts of terrorism at the DKHI Group's HPPs or damage to the distribution infrastructure***

The DKHI Group's business and its ability to generate revenue depend on the availability and operating performance of the equipment necessary to operate its HPPs and distribution networks. The DKHI Group's HPPs, distribution infrastructure and the information systems controlling these facilities could be subject to failure, breakdowns, unplanned outages, capacity limitations, system loss, breaches of security or physical damage due to natural disasters (such as adverse weather conditions, storms, floods, fires, explosions, landslides, slope ruptures or earthquakes), human error, criminal acts (such as sabotage or terrorism), legally permitted protests (such as demonstrations), unauthorised third party excavation works, unscheduled technological breakdowns at customers'

facilities or facilities operated by other third parties, other catastrophic events, data security breaches, cyber attacks and information system disruption, computer viruses and other causes. The main risk associated with the DKHI Group's hydropower facilities is the risk of damage during floods. For instance, almost all of Türkiye is classified by seismologists as being in a high-risk earthquake zone. As such, the DKHI Group's HPPs in Türkiye are exposed to the risk of damage in the event of an earthquake. The DKHI Group cannot give any assurance that accidents will not occur or that the preventative measures taken will be fully effective in all cases, particularly in relation to external events that are not within the DKHI Group's control, such as floods and other natural disasters. In addition, in the event any of the DKHI Group's dams are damaged through acts of terrorism or sabotage, any resulting floods may cause damage to the local environment and populations, severe damage to, and destruction of, property, plant and equipment and suspension of operations or supplies. The occurrence of any one of these events may result in increased insurance costs for the DKHI Group as well as fines and penalties.

Due to the complexity of operating HPPs, the DKHI Group is not able to eliminate the risk of unplanned outages and it cannot predict the timing or impact of these outages with certainty. The DKHI Group's emergency response, disaster recovery and crisis management measures may not effectively protect the DKHI Group from these events. Any physical damage to the DKHI Group's facilities, in particular to its HPPs, may be costly to repair and any service disruption may cause loss in electricity generation, customer dissatisfaction and may also lead to liability for damages, higher operating costs, limited sale of the DKHI Group's products, the imposition of penalties and other unforeseen costs and expenses which could have a material adverse effect on the DKHI Group's reputation, business, results of operations and financial condition. Critical equipment or parts may not always be readily available when needed, and this can also negatively affect the availability of the DKHI Group's power plants.

The condition of some of the DKHI Group's equipment and the components of its HPPs may also be affected by their continuous operation, as well as processes such as erosion and corrosion. The impact of such operation and processes tends to increase as the plant, equipment and components grow older. The DKHI Group may need to temporarily shut down some of the HPPs and may incur expenses in connection with inspections, maintenance or repair activities in addition to the periodic planned inspections, maintenance and repair that the DKHI Group currently conducts, including such additional activities that governmental authorities may require it to conduct.

The DKHI Group's business and its ability to generate revenue depend on the availability and operating performance of the equipment necessary to operate its HPPs and distribution networks. Mechanical failures or other defects in equipment, or accidents that result in non-performance or underperformance of a power plant or distribution network may have a direct impact on the profitability of the DKHI Group's operations. The DKHI Group generates its electricity from its HPPs. A failure of these plants would have a significant adverse effect on the DKHI Group's financial position. In addition, if the DKHI Group suffers a reduction in electricity generation, it may be required to purchase greater amounts of electricity in the open market, which may be at unfavourable prices. Further, any insurance coverage, warranties or guarantees provided by equipment suppliers in favour of the DKHI Group that purport to cover additional expenses incurred by the DKHI Group as a result of any failures, may not fully compensate the DKHI Group for any increased costs and any resulting decrease in revenue. This could mean that any significant expenses incurred as a result of failures, defects or accidents involving the DKHI Group's operating equipment and infrastructure could have a material adverse effect on the DKHI Group's business, financial condition, prospects or results of operations.

***The DKHI Group is subject to substantial uncertainties relating to the development of new power plants and these development projects may not be completed, either efficiently or at all, or perform as expected.***

From time to time the DKHI Group may decide to invest in the development of greenfield projects. As of the date of this Prospectus, the DKHI Group, through ENERGO-PRO Colombia S.A.S. and its subsidiary Generadora Chorreritas S.A.S. E.S.P., is engaged in the development of a 20 MW hydropower project on the San Andrés river in Colombia. The construction phase of this project started in January 2023. The DKHI Group is in the licensing and development phase in respect of two additional greenfield projects in Colombia: a contemplated 190 MW run-of-the-river hydropower project on the Penderisco river and a 68 MW run-of-the-river hydropower project on the San Andrés river. Greenfield projects may be large and complex, and the DKHI Group may not be able to complete them as planned or at all. There can be no assurance that the DKHI Group will be able to negotiate the required agreements and obtain the necessary licenses, permits and financing.

In addition, various groups, including local residents, associations and/or activists, may publicly oppose certain development projects, and this opposition, along with political developments, could hinder or prevent the development of certain projects. In particular, permits, authorisations and licenses necessary for the construction of a power plant may, once granted, be subject to challenges by local residents and associations, who may argue that the DKHI Group's installations will damage the landscape and biodiversity and generally harm the

environment. When the DKHI Group's permits and authorisations are invalidated or challenged, its development timeframes or associated costs may increase, and in some extreme cases, the DKHI Group may have to abandon projects that are already in development. Furthermore, any such opposition may also impact the DKHI Group's ability to obtain financing for the construction and development of such projects on favourable terms or at all.

Successful completion of greenfield power plants also depends on overcoming other substantial risks, including, but not limited to, risks relating to failures of siting, construction, permitting or commissioning delays as a result of a failure to meet certain milestones. To sell the electricity that the DKHI Group generates at its power plants, it must connect the power plants to the grid. As a result, the DKHI Group's ability to build its power plants at a given location and operate them successfully depends significantly on its ability to connect the power plant to the grid. The DKHI Group can give no assurance that it will obtain adequate grid connections within the expected time periods and at the expected cost for its future power plants. This could result in delays in the implementation of future projects.

When the DKHI Group commits to capital expenditures for projects under development, the DKHI Group expects these costs to be recoverable; however, there can be no assurance that any individual project will be completed and reach commercial operation. If these development efforts are not successful, the DKHI Group may abandon a project under development and write off the costs incurred in connection with such project. At the time of abandonment, the DKHI Group would expense all capitalised development costs incurred in connection with the project and could incur additional losses associated with any related contingent liabilities. Even if the DKHI Group can develop new projects, inefficient project management or poor execution of the development projects could result in delays or cost overruns. The success of the DKHI Group's development projects is also subject to additional risks, including, but not limited to, risks associated with operating in developing countries and risks relating to legal and regulatory developments.

An inability to obtain planning permission for sites the DKHI Group has identified, successfully develop at the sites where it has obtained such permission, or overcome the problems described above could have a material adverse effect on the DKHI Group's business, financial condition, results of operations and prospects.

***The DKHI Group may not be able to successfully integrate businesses acquired in the future and its acquisitions involve risks that may not be uncovered by prior due diligence.***

From time-to-time, the DKHI Group engages in acquisitions of other companies, assets and businesses, as summarised in "Description of the Business of the Group—History of the Group" below, and may engage in certain acquisitions in the future. Most recently, in October 2023, EPAS acquired Xeal in Spain and in June 2024, the Guarantor signed an agreement to acquire companies owning and operating 7 hydropower assets located in Brazil ("**Brazil HPP Portfolio**"). As of the date of this Prospectus, the acquisition of the Brazil HPP Portfolio has not closed. However, there can be no assurance that the DKHI Group will be able to successfully integrate Xeal or the Brazil HPP Portfolio (if it is acquired by the DKHI Group) into the DKHI Group or that the DKHI Group's expansion plans will not adversely affect existing operations. In addition, any future acquisitions of businesses or facilities could entail a number of additional risks, including problems with the effective integration of operations and personnel, the inability to maintain key pre-acquisition business relationships, increased operating costs, exposure to additional liabilities, and difficulties in realising projected efficiencies, synergies and cost savings, any of which could have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects. In addition, acquired businesses may not achieve the levels of revenue, profit or productivity the DKHI Group anticipates or otherwise perform as expected. The DKHI Group cannot be sure that past or future acquisitions will be accretive to earnings or otherwise meet their operational or strategic expectations. Further, the price the DKHI Group may pay in any future transaction may prove to be too high as a result of various factors, such as a significant change in market conditions, the limited opportunity to conduct due diligence prior to a purchase or unexpected changes in the acquired business or asset. Also, such acquisitions may represent a strategic move for the DKHI Group towards diversification into a new region and the DKHI Group's lack of prior experience with such a market compared to its core markets may lead to challenges in understanding and adapting to local market dynamics, regulatory framework and competitive landscape.

Before acquiring a target, the DKHI Group typically performs due diligence in order to evaluate the target and identify connected risks. However, the DKHI Group cannot guarantee that its due diligence will identify all of the potential liabilities and risks related to the target or that it will have recourse to the seller of the target for the non-disclosure of such liabilities or risks. Due diligence in general cannot identify all risks. There is a risk that the seller may not provide, or be in possession of, all the required information and documents and this may lead to the materialisation of risks not identified during the due diligence. These risks, among others, relate to title and security searches, material contracts (such as access to the site and connection to utilities), rights of third parties,

litigation, management of the property, tax issues, planning permissions and conditions, technical status of properties including permits, licenses, fire and health and safety certificates and the compliance with related regulations. When the DKHI Group acquires a company, additional risks arising from, among other things, the target company's corporate structure, financial and tax liabilities may arise and may not be identified, sufficiently or at all, through the DKHI Group's due diligence. Further, the historical books, records and contracts of acquired or newly consolidated businesses may be incomplete, and the DKHI Group cannot be certain that corporate and other actions have all been recorded or completed as required by applicable law. This could lead to adverse consequences, including potential disputes under contracts, the need to make provisions or to write down acquired assets and may place additional demands upon the DKHI Group's senior management in order to integrate the business.

Specifically, the legal framework in some of the countries in which the DKHI Group operates is at a different stage of development compared to countries with established market economies and is typically characterised by a lack of institutional history and lower legal certainty. In this context, it may be particularly difficult to fully verify title and uncover other legal risks in relation to an evaluated property as part of the due diligence.

Although the properties acquired by the DKHI Group are also inspected prior to purchase in the course of a technical due diligence investigation, it is possible that damage or quality defects could remain undiscovered, or that the scope of such problems may not be fully apparent in the course of the due diligence investigation. As a result, the DKHI Group may be subject to claims due to such defects or problems and the DKHI Group may be exposed to substantial undisclosed or unascertained liabilities relating to properties that were incurred or that arose prior to the completion of the DKHI Group's acquisition of such properties. Although the DKHI Group may obtain contractual protection against such claims and liabilities from the seller (for instance, by way of indemnity or warranty claims), such contractual protection may be unenforceable or ineffective. Because sellers typically exclude liability for hidden defects and are also typically not liable for defects that could have been identifiable in the course of the technical due diligence, the DKHI Group may not be able to claim under any indemnity for any such loss incurred by the DKHI Group. Even where liability for hidden defects has not been fully excluded, it is possible that the representations and warranties made in the purchase agreement with respect to the property fail to cover all risks and potential problems relating to the acquisition. Any claims for recourse that the DKHI Group may have against parties from which it has purchased property may fail because of the expiration of warranty periods and the statute of limitations, lack of proof that the seller knew or should have known of the defect or the insolvency of the seller.

Any occurrence of the above risks could have an adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

***The DKHI Group is subject to risks related to the contemplated acquisition of the Brazil HPP Portfolio.***

On 19 June 2024, the DKHI Group signed a share purchase agreement for, among other things, shares in companies owning and operating the Brazil HPP Portfolio (see "*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*" for more information). As of the date of this Prospectus, the acquisition of the Brazil HPP Portfolio has not closed.

While the acquisition represents a strategic move for the DKHI Group towards diversification into a new region, the Group's lack of prior experience with the Brazilian market compared to its core markets may lead to challenges in understanding and adapting to local market dynamics, regulatory framework and competitive landscape. Integrating companies with different management styles and operational procedures can be complex. Failure to successfully integrate the Brazil HPP Portfolio into the Group's business may lead to conflicts, labour disruptions, reduced operational efficiency and a potential loss of key personnel. In addition, the DKHI Group cannot guarantee that its due diligence of the Brazil HPP Portfolio as well as the Brazilian market which the DKHI Group performed as part of the acquisition identified (and is, therefore, able to adequately assess) all of the potential liabilities and risks, or that it will have recourse to the seller for the non-disclosure of such liabilities or risks (see also "*The DKHI Group may not be able to successfully integrate businesses acquired in the future and its acquisitions involve risks that may not be uncovered by prior due diligence*" above).

In addition, the Group's business in Brazil may be negatively affected by the same risks which are relevant in other regions and countries in which the DKHI Group operates, such as risks relating to:

- weather conditions, seasonal variations and macroeconomic conditions affecting electricity consumption and hydropower generation as the generation volumes from HPPs are highly dependent on hydrological conditions, which are beyond the Group's control and can vary significantly throughout the year and on a year-to-year basis, and can also be materially affected by general weather;

- fluctuations in electricity prices and demand for electricity;
- failures, breakdowns, outages, natural disasters or damage to the Group's infrastructure;
- dependency on the transmission systems owned by third parties such as the transmission system operated by the National Electric System Operator ("ONS");
- loss of or failure to renew material licenses or concessions or obtain new ones; and
- compliance with and changes in applicable regulation.

The DKHI Group currently relies on a third party provider, Elera Renováveis S.A. ("**Elera**"), for the provision of operations and maintenance ("**O&M**") services in Brazil. Elera is an experienced HPP O&M company, having been responsible for O&M of a number of HPP assets owned by entities controlled by the Brookfield Corporation ("**Brookfield**") in Brazil. Elera is engaged by the DKHI Group pursuant to a transition services agreement ("**TSA**") for a term of 6 months, which may be extended for an additional 3 months at the option of DKHI Group. The TSA provides for only limited remedies available to the DKHI Group in the event Elera fails to perform any of its obligations under the TSA. Consequently, any delay or failure in the performance by Elera of its obligations under the TSA may materially adversely affect the DKHI Group's business, financial condition, results of operations, cashflows and prospects in Brazil. In addition, there can be no guarantee that DKHI Group will be able to recruit sufficient qualified personnel to perform O&M on the Brazil HPP portfolio before the expiration of the TSA, or that it will be able to do so on terms at least as favourable as provided for in the TSA.

Further, the DKHI Group may be adversely affected by unforeseen geopolitical events, political developments and economic conditions in Brazil and the wider region.

Any occurrence of the above risks could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

#### ***Technical and non-technical electricity losses***

The DKHI Group is exposed to the risk of both technical and non-technical electricity losses from its distribution and supply networks. Technical losses occur when electricity is lost during its transmission through power wires and transformers, while non-technical losses occur when electricity is stolen, for instance via illegal connections. Total losses for Bulgaria amounted to 6.1% in the year ended 31 December 2023 and 6.3% in the year ended 31 December 2022. For Georgia, total losses amounted to 10.4% in the year ended 31 December 2023 and 10.0% in the year ended 31 December 2022. Whilst the DKHI Group has invested in improving its ability to monitor its networks and aims to reduce technical and non-technical losses, there can be no assurance that such investments will achieve the reduction of, or prevent an increase in, electricity losses in the future. This may have a material adverse effect on the DKHI Group's business, results of operations and financial condition.

#### ***Dependency on transmission systems***

Some of the DKHI Group's activities use infrastructure owned and operated by third parties. In particular, the transmission of electricity to the DKHI Group's distribution networks, as well as the delivery of the DKHI Group's generated electricity to its customers, is dependent upon the infrastructure of the transmission systems in the countries in which the DKHI Group operates. The DKHI Group has no control over the operation of these transmission systems and it is entirely reliant on the relevant transmission system operators, which are wholly or partially state-owned entities. Any failure of a transmission system in Bulgaria, the Czech Republic, Georgia, Spain or Türkiye, including as a result of natural disasters, insufficient maintenance or inadequate development, could prevent the DKHI Group from distributing electricity to its end customers, which in turn could have a material adverse effect on its business, results of operations and financial condition.

#### ***Counterparty default (including DKHI Group's partners, contractors, subcontractors, off-takers and suppliers)***

DKHI Group companies enter into contracts with a range of counterparties, including contractors, subcontractors, engineers, operators, other service providers, off-takers, suppliers and customers and, accordingly, the DKHI Group is subject to the risk that a counterparty will default or be delayed in performing its contractual obligations and that any guarantee or performance bond in respect of such obligations will not be honoured. The DKHI Group's counterparties may default or delay the performance of their obligations for a number of reasons, including as a result of their bankruptcy, a lack of liquidity or operational failure. Any default or delay in the performance of contractual obligations by the DKHI Group's counterparties may affect the cost of electricity

generated, distributed or supplied to its customers and/or the quality of its service. It may also expose the DKHI Group to reputational risk, business continuity risk and the loss of important contracts. In addition, the DKHI Group may be required to pay contractual penalties or find alternative counterparties. Any such setbacks may result in delays in the completion of the DKHI Group's projects and other unforeseen costs, which could have a material adverse effect on its business, results of operations and financial condition.

All of DKHI Group's HPPs require construction materials, maintenance equipment, spare parts and technical services. Failure to secure the equipment and services required for their operation in the necessary quantity and quality and on acceptable commercial terms could make the operation of the DKHI Group's HPPs unprofitable or cause operational issues. Furthermore, any difficulty in procuring construction materials, equipment and services could prevent the DKHI Group from pursuing new investment projects, make these investment projects less economically attractive, cause delays, result in cost overruns and adversely impact the DKHI Group's operations. There is no assurance that the DKHI Group will be able to secure the supply of the equipment and services that the DKHI Group needs for its operations, including with respect to its investment projects or opportunities, on commercially attractive terms, within their required timeframes or at all.

### **Competition**

The DKHI Group's unregulated business is competitive and, as such, the DKHI Group is exposed to the risk of failing to compete effectively on an on-going basis. The DKHI Group competes with other suppliers of electricity in Bulgaria, to a smaller extent, and Georgia as well as wholesale traders of electricity in Türkiye and Georgia. Some of the DKHI Group's competitors may have greater financial or technical resources than the DKHI Group or other competitive advantages. Across the markets in which the DKHI Group operates, legislation has brought about the gradual liberalisation of the energy sectors, which has resulted in increased competition for the DKHI Group in the supply segment. The DKHI Group's electricity supply products must remain competitive, primarily in terms of pricing, as otherwise the DKHI Group's customers may seek to obtain their power from other suppliers on more favourable terms. If a significant number of the DKHI Group's electricity customers choose to switch their supplier, the DKHI Group's supply business and therefore its results of operations could be adversely affected.

The unregulated electricity supply market in Bulgaria is competitive with a number of companies active in this market. The DKHI Group's primary competitors in the Bulgarian electricity supply market are Electrohold Trade EAD and Electrohold Sales AD, which are the supply platforms of Eurohold Bulgaria AD, and EVN Trading South East Europe EAD and EVN Bulgaria Elektrosnabdavane EAD, the supply platforms of EVN Bulgaria Group.

In Georgia, supply had been part of the distribution business, with legal unbundling being effective from 1 July 2021. As such, the transition to a competitive electricity supply market in Georgia is just starting. GNERC has approved retail electricity market rules, which include specific provisions to support the supplier switching process and allow for the enforcement of competition. Many customers were gradually obliged to transition to the free market, a process which is expected to continue until 2026 in line with the approved market model. An organised market for electricity, which is expected to contribute to the development of a competitive electricity supply market, started operating from 1 July 2024 on a non-mandatory basis. This means that DKHI Group's companies in Georgia are not obliged to trade on GENEX and that their participation is entirely voluntary. As a result, all of DKHI Group's Georgian companies continue purchasing and selling electricity based on the established model. Without an organised and well functioning electricity exchange, free market suppliers would be dependent on bilateral contracts to source their electricity. Given the market deficit during the winter months, free market suppliers are unlikely to be able to procure electricity in larger quantities throughout the whole year, so as to allow them to compete effectively with EP Georgia Supply and EPG Generation. However, once the organised market for electricity develops in Georgia, this is expected to lead to a more competitive supply market. Some of the DKHI Group's competitors may have greater financial or technical resources than the DKHI Group or other competitive advantages. The DKHI Group's competitiveness could be affected by, among other things, new entrants in the markets where the DKHI Group operates.

If the DKHI Group acquires a portfolio of HPPs in Brazil (see "*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*"), it will be competing against other suppliers of electricity active in the Brazilian electricity market.

In respect of electricity generation, an increase in generation capacity amongst the DKHI Group's competitors, including as a result of an increase in merchant generation, may result in over-supply, which could bring down the wholesale price of electricity on the non-regulated market. Any long-term decrease in the wholesale price of

electricity generated by the DKHI Group's HPPs that do not benefit from regulated tariffs may adversely affect the DKHI Group's results of operations.

#### ***A strike or other labour disruption at the DKHI Group's facilities***

The DKHI Group's employees are instrumental to the successful implementation of its business strategy. As of 31 December 2023, the DKHI Group had 10,127 full time employees. Any sustained labour dispute affecting the DKHI Group could lead to a substantial interruption of the DKHI Group's business. As of 31 December 2023, approximately 28% of the DKHI Group's employees was unionised and possessed certain bargaining or other rights. Most of the DKHI Group's employees in Bulgaria and Georgia are covered by collective bargaining agreements which are renegotiated on an annual basis. These collective bargaining agreements determine the framework for the DKHI Group's dealings with its employers and limit its ability to reduce its workforce. Management believes that partly as a result of these and similar agreements that the DKHI Group has executed in the past, it has experienced no strikes, threats of strikes, or other resistance or work stoppages.

However, if the DKHI Group's relations with its workforce or the trade unions deteriorate for any reason, including as a result of changes in compensation or any other changes in the DKHI Group's policies or procedures that are perceived negatively by employees or the trade unions, or if the DKHI Group is unable to successfully conclude any future collective bargaining agreements with the trade unions, the DKHI Group may experience a labour disturbance or work stoppage at the relevant facility or facilities. Furthermore, labour disruptions, strikes, disputes with trade unions and other similar actions may lead to delays, damages and increased costs, as well as to a loss of customers if any member of the DKHI Group becomes unable to meet its customers' service expectations in a timely manner and provide an appropriate level of customer care. Materialisation of any of these risks could have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

#### ***A malfunction, security breach or disruption of the DKHI Group's IT systems, cyber security issues***

Information and communication technology plays an important role in the DKHI Group's business operations, particularly its billing systems. The DKHI Group operates highly complex and sophisticated information systems (such as servers, networks, applications and databases) which are essential for the everyday operations of its business and are a key success factor for the DKHI Group. These information technology systems are required in order to, among other things, manage, monitor and control the DKHI Group's operations, internal networked data communication, external connection with vendors or partners, industrial process assets, peripheral devices and industrial equipment. The DKHI Group also generates and processes data, including operational data, personal and business data relating to its customers and other third parties.

The size and complexity of the DKHI Group's information and communication technologies ("ICT") and digital tools for customers systems make them potentially vulnerable to cyber attacks and data security breaches, including cybersecurity incidents by third parties, including potential terrorist activity, or deliberate or inadvertent actions by employees or suppliers. In addition, the DKHI Group's ICT systems are potentially vulnerable to breakdowns, malicious intrusions or computer viruses. All these threats may result in operation accidents, shutdowns, unauthorised persons accessing sensitive data, authorised individuals wrongfully misappropriating such data or service interruption, in some cases also for a large number of the DKHI Group's customers. Failure to prevent such unauthorised, improper or malicious activities could result in claims or penalties, key business and operations disruption, delays in activities and reputational damage. Further, such data security breaches or misappropriations could lead to the loss of trade secrets and confidential business information and may result in a breach of applicable data protection regulations.

As of the date of this Prospectus, the DKHI Group has not experienced any material data security breaches, cyber attacks or significant information system disruptions. However, it is not possible to predict the likelihood or size of the impact of future incidents. As these threats continue to evolve, particularly around cybersecurity, the DKHI Group may be required to invest significant resources to enhance its control environment, processes, practices and other protective measures. Despite these efforts, such events and a loss of trade secrets or confidential business information, or systems related disruption could have a material adverse effect on the DKHI Group's business, financial condition, results of operations, cash flows and prospects.



## **Financial risks**

### ***Indebtedness***

The DKHI Group has substantial debt and other financial obligations. As of the date of this Prospectus, the major part of indebtedness is represented by three notes issues issued by EPAS, which are outstanding (See “*Information about the Guarantor and DKHI Group – Financing Arrangements of the DKHI Group – Notes*” for further details). As of 31 December 2023, the total carrying amount of issued notes amounted to EUR 954.2 million.

As of 31 December 2023, the DKHI Group’s total outstanding indebtedness amounted to EUR 1,205 million. The level of the DKHI Group’s outstanding indebtedness could have important consequences. For instance, it could make it difficult for the DKHI Group to satisfy its obligations with respect to its outstanding indebtedness and reduce its flexibility to respond to general adverse economic and industry conditions. Further, it could require that a substantial portion of the DKHI Group’s cash flow from operations is dedicated to the payment of principal of, and interest on, the outstanding indebtedness, thereby reducing the availability of such cash flow for, and limiting the ability to obtain additional financing to fund, working capital, capital expenditures, or other general corporate needs, as well as limiting the DKHI Group’s ability to borrow additional funds and increasing the cost of any such borrowing or restricting the DKHI Group from making strategic acquisitions or entering into joint ventures and other partnerships. Moreover, any unpredictable events, such as market disruptions or a substantial interest rate increase, could limit the ability of the DKHI Group to obtain additional financing or refinance its existing debt on favourable terms or at all.

In addition, the DKHI Group may incur substantial additional indebtedness in the future. Although the terms of certain of the DKHI Group’s indebtedness (including, without limitation, indebtedness described in “*Information about the Guarantor and DKHI Group – Material Contracts*”), provide for restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial.

Ability of the DKHI Group to access the capital markets and other forms of financing (or refinancing), and the costs of such financing, depend in part on the credit ratings of EPAS, as the most important part of the DKHI Group. As of the date of this Prospectus, EPAS has been assigned a long-term corporate credit rating of BB- (outlook stable) by S&P and an issuer default rating of BB- (outlook stable) by Fitch. The ability of EPAS to maintain its current ratings is dependent on a number of factors, some of which may be beyond its control. These factors are more fully described in the various press releases and rating reports published by S&P and Fitch from time to time and available in the Investor Relations section of the EPAS website. In the event that the credit rating of EPAS is lowered, the DKHI Group’s ability to access credit and notes markets and other forms of financing (or refinancing) could be limited. This could have an adverse effect on its business, results of operations and financial condition of DKHI Group.

### ***Foreign currency risk***

Although the DKHI Group currently reports its results in euro, it operates in a number of different countries and is therefore exposed to fluctuations in the value of local currencies (primarily BGN, TRY and GEL) relative to the euro. The DKHI Group’s financial results in any given period may be materially adversely affected by fluctuations in the value of local currencies relative to the euro and by the related transaction and translation effects thereof. The DKHI Group is exposed to transaction effects when one of its subsidiaries incurs costs or earns revenue in a currency different from its functional currency. The DKHI Group is exposed to the translation effects of foreign currency exchange rate fluctuations when the DKHI Group converts currencies that it receives from its operating activities into currencies required to pay its debt, or into currencies in which the DKHI Group pays its contractors and suppliers, meet its fixed costs or pay for services, any of which could result in a gain or loss depending on such fluctuations.

The majority of the DKHI Group’s indebtedness is and is expected to continue to be denominated in EUR and USD, while much of the DKHI Group’s income is denominated in other currencies. In Bulgaria, the DKHI Group’s revenues and operating expenses are denominated in BGN. Given the fact that BGN has been pegged to the euro since 1 January 1999 at a rate of BGN1.95583 to EUR1.00, the DKHI Group’s exposure to movements in the BGN/EUR exchange rate has been eliminated. If the peg were to be changed to weaken the exchange rate of the BGN, or terminated, the cash flows generated by the DKHI Group’s activities in Bulgaria expressed in EUR terms could be reduced and the DKHI Group would be exposed to the fluctuation risk of an additional currency.

In Georgia, the DKHI Group's revenues and operating expenses are denominated in GEL, which is a free-floating currency. Any depreciation in the GEL against the EUR could cause the cash flows generated by the DKHI Group's activities in Georgia expressed in EUR terms to be reduced.

In Türkiye, all five HPPs operated by RH Türkiye sell the electricity in the merchant market for prices denominated in TRY. HPP Alpaslan 2 operated by Murat and HPP Karakurt operated by Bilsev sell their electricity under FiT, which is denominated in USD but paid in TRY. Between the time amounts under the FiT are converted from USD into TRY and the time that they are paid to Murat and Bilsev, which is approximately 20 days, the DKHI Group is exposed to TRY currency risk. Furthermore, when HPP Alpaslan 2 and HPP Karakurt leave the FiT regime after 2030 they expect to sell their electricity in the merchant market for prices denominated in TRY. Prices in the merchant market are currently lower than the FiT. On 28 June 2024, the TRY closed at TRY 33.92 to USD 1.

The table below summarises the DKHI Group's exposure to foreign currency exchange rate risk at the end of the reporting period. The table includes only monetary assets and liabilities of the DKHI Group as of 31 December 2023. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

	<b>Monetary financial assets</b>	<b>Monetary financial liabilities</b>	<b>Net balance sheet position</b>
		<i>(EUR thousands)</i>	
EUR .....	724,452	418,345	306,106
TRY .....	17,705	3,685	14,020
USD .....	38,101	877,691	(839,590)
GEL .....	40,337	60,161	(19,824)
CAD .....	-	(164)	164
Other currencies .....	52	(8,139)	8,191
<b>Total.....</b>	<b>820,647</b>	<b>1,351,580</b>	<b>(530,933)</b>

The following table presents sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective DKHI Group entities, with all other variables held constant. The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the respective entity of the DKHI Group.

	<b>Impact on profit and loss as of 31 December 2023</b>
	<i>(EUR thousands)</i>
EUR strengthening by 10% .....	30,611
EUR weakening by 10% .....	(30,611)
TRY strengthening by 10% .....	1,402
TRY weakening by 10% .....	(1,402)
US Dollar strengthening by 10% .....	(83,959)
US Dollar weakening by 10% .....	83,959
GEL strengthening by 10% .....	(1,982)
GEL weakening by 10% .....	1,982
CAD strengthening by 10% .....	16
CAD weakening by 10% .....	(16)
Other currencies strengthening by 10% .....	819
Other currencies weakening by 10% .....	(819)

There are limited effective and economical hedging instruments available to mitigate these foreign currency risks. DKHI Group does not use any derivatives to manage foreign currency risk exposure, at the same time the management of the DKHI Group is seeking to mitigate such risk by managing monetary assets and liabilities in foreign currencies at the DKHI Group level. Depreciation of BGN, GEL and TRY against the euro, appreciation of the US dollar against the euro, and the exposure to exchange rate volatility could materially adversely affect the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

#### **Insurance risk**

The DKHI Group maintains comprehensive insurance cover in respect of property damage designed as "all-risk" insurance and this cover includes, but is not limited to, fire, explosion, lightning, wind storms, hurricanes,

vandalism, malicious damage, riots, strikes, electrical damage, theft and machinery breakdown. Other than in respect of EP Georgia's and EP Varna's distribution businesses – transmission lines, the DKHI Group carries insurance for business interruption. The DKHI Group's Turkish operations are insured against terrorism, however this cover does not apply to other areas of the DKHI Group as maintaining such insurance cover is not considered to be economically efficient. The DKHI Group maintains comprehensive general liability policies, which provide cover against legal liability for causing any accidental bodily injury or death to third parties or damage to their property, as well as cover for environmental liability. The maximum insurance cover is USD 10.5 million and EUR 1 million for EP Varna

Although the DKHI Group is covered by industry standard insurance, the Issuer cannot provide any assurance that such insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the DKHI Group may be exposed. The DKHI Group's operations may be affected by a number of risks, including terrorist acts and war-related events, for which full insurance cover is either not available or not available on commercially reasonable terms. For example, the DKHI Group has not purchased business interruption, war, terrorist or expropriation insurance cover in all of the jurisdictions in which the DKHI Group operates. In addition, the severity and frequency of various insurance events, such as accidents, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and natural catastrophes, may result in losses or expose the DKHI Group to liabilities in excess of its insurance coverage. The DKHI Group cannot assure investors that its insurance coverage will be sufficient to cover losses arising from any, or all, of such events, or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.

In addition, the DKHI Group's insurance policies are subject to commercially negotiated deductibles, exclusions and limitations, and the DKHI Group will only receive insurance proceeds in respect of a claim made to the extent that its insurers have the funds to make payment. Therefore, insurance may not cover all losses incurred by the DKHI Group and no assurance is given that the DKHI Group will not suffer losses beyond the limits of, or outside the cover provided by, its insurance policies.

Should an incident occur in relation to which the DKHI Group has no insurance coverage or inadequate insurance coverage, the DKHI Group could lose the capital invested in, and anticipated future revenue relating to, any property that is damaged or destroyed and, in certain cases, the DKHI Group may remain liable for financial obligations related to the affected property. Similarly, in the event that any assessments are made against the DKHI Group in excess of any related insurance coverage that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the DKHI Group's business, financial condition and results of operations.

#### ***Covenants and other provisions in DKHI Group's finance documents***

The terms of certain of the DKHI Group's financial indebtedness contain restrictive provisions and undertakings standard for this type of financing that, among other things, require the DKHI Group to comply with certain financial ratios, such as consolidated net leverage ratio, maximum gross leverage ratio, proportion of equity to total assets and minimum debt service coverage ratio. The terms of certain of the DKHI Group's financial indebtedness (including, without limitation, financing arrangements described in "*Information about the Guarantor and DKHI Group – Material Contracts*") for instance, include undertakings that, among other things, limit the Issuer's, the Guarantor's, EPAS' or certain of EPAS' subsidiaries', ability to make distributions, dispose of assets, create security, change its business, merge with other companies or make acquisitions, as applicable. These restrictions are subject to exceptions and qualifications.

In addition, the terms of the DKHI Group's existing indebtedness contain customary events of default, including, among other things, non-payment, breach of financial covenants or other obligations, misrepresentation, cross default or cross acceleration, insolvency, insolvency proceedings, unlawfulness, material adverse change, cessation of business, validity and admissibility, merger, de-merger or change in corporate form, change of ownership structure, distribution of dividends, failure to pay tax and non-compliance with environmental regulations and social regulations and directives regulating environmental protection, health and safety, as applicable.

The finance documents contain negative covenants restricting, among other things, the ability of members of DKHI Group to:

- incur or guarantee additional debt;
- pay dividends and make other restricted payments;

- create or incur liens;
- make certain investments;
- agree to limitations on the ability of its subsidiaries to make distributions;
- engage in sales of assets and subsidiary stock; and
- transfer all or substantially all of its assets or enter into merger or consolidation transactions.

Any of the above restrictive provisions could limit the DKHI Group's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities, which may in turn adversely affect the business, financial condition, results of operations, cash flows and prospects of the DKHI Group. Any failure by the DKHI Group to comply with the restrictions contained in the terms of the DKHI Group's existing indebtedness or perform any of the obligations under its existing indebtedness or any future indebtedness could lead to an event of default (howsoever described), which could result in the immediate or accelerated repayment of the DKHI Group's indebtedness. There can be no assurance that the DKHI Group's future operating results will be sufficient to ensure compliance with the covenants in obligations under its existing indebtedness or to remedy any such default. In the event of acceleration, the DKHI Group may not have or be able to obtain sufficient funds to make any accelerated payments.

### **Liquidity risk**

The DKHI Group faces the risk that it will face difficulties in meeting its obligations associated with liabilities that are settled by the provision of cash or other financial assets. To mitigate this risk, the DKHI Group focuses on diversifying sources of funds and also holds a portion of its assets in highly liquid funds. Liquidity risk is evaluated by monitoring changes in the financing structure and comparing these changes with the DKHI Group's liquidity risk management strategy. The DKHI Group typically seeks to have sufficient cash available on demand and assets with short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations, although this excludes the impact of extreme events that cannot be reliably predicted, such as natural disasters. However, if these policies and procedures are not effective, are not followed or do not work as planned, this could adversely affect the DKHI Group's business, financial condition, results of operations, cash flows and prospects.

The table below shows maturity analysis of financial liabilities of the DKHI Group as of 31 December 2023 divided in respect of remaining contractual maturity. The amounts disclosed are the contractual undiscounted cash flows, which differ from the amount included in the statement of financial position, as figures in the statement of financial position are based on discounted cash flows. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

	<b>Up to 1 year</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
		<i>(EUR thousands)</i>		
Borrowings .....	53,048	164,142	33,672	<b>250,862</b>
Trade and other payables .....	151,563	-	-	<b>151,563</b>
Other non-current financial liabilities .....	-	2,053	-	<b>2,053</b>
Other current liabilities .....	31,613	-	-	<b>31,613</b>
Issued Notes .....	23,987	655,257	274,908	<b>954,152</b>
<b>Total .....</b>	<b>260,211</b>	<b>821,452</b>	<b>308,580</b>	<b>1,390,243</b>

### **Considerable part of the indebtedness of the DKHI Group is structurally senior to indebtedness of the Guarantor under the Financial Guarantee**

Considerable part of the indebtedness of DKHI Group consist of debts of the Guarantor's subsidiaries which are structurally senior to indebtedness of the Guarantor under the Financial Guarantee. In case of enforcement event, liquidation, insolvency or similar proceedings against a subsidiary of the Guarantor, the Noteholders would have, based on the Financial Guarantee, access to the assets of such Guarantor's subsidiary only after satisfaction of all creditors of such subsidiary and after the remaining assets are distributed to the Guarantor as direct or indirect shareholder of such subsidiary.

***The Guarantor's shareholder's interests may, in certain circumstances, be different from the interests of the Noteholders***

The DKHI Group's controlling shareholder, Mr. Jaromír Tesař, is the sole shareholder of the Guarantor. As a result, Mr. Tesař is in a position to control the outcome of actions requiring shareholders' approval and has the ability influence decisions of boards of other entities of DKHI Group and as well as the composition of boards of other entities of DKHI Group. The interests of Mr. Jaromír Tesař may be different from those of DKHI Group's creditors, including the Noteholders.

**RISKS RELATED TO THE FINANCIAL GUARANTEE AND THE SECURITY**

**Risk of Security created after the Issue Date**

Under the Terms and Conditions, the Issuer is under certain circumstances obliged to create additional security over shares in EPAS. If no such security was created (and rectification by way of transferring, or arranging for the transfer of, funds into the Escrow Account under Condition 4.2 has not been made) and if the Noteholders therefore requested early redemption of their Notes, they will be in a worse position than if the Notes were secured by additional shares in EPAS as there might be a risk that the Issuer is unable to pay the obligations under the Notes in due time, resulting in the investor losing the entire investment or a part of the investment in the Notes.

***Risk related to the value of the Security***

The value of the Security will depend on market and economic conditions, including the availability of suitable buyers. The Security that will be subject to a security interest may be illiquid, may not have a readily ascertainable market value, and their value to third parties may be less than their value to the relevant Pledgor. The value of the Security may decrease over time, and any adverse developments in the financial performance of the DKHI Group may also affect the value of the Security. As a result, the Noteholders may not be fully satisfied in the event of the enforcement of the Security.

***Risk regarding the enforceability of the security interest***

The Security eliminates the Issuer's default risk only to the extent that the Security is enforceable and the proceeds from the realisation of the Security in the event of a realisation (less the costs of realisation and redemption) are able to cover the claims of the investors. It cannot be entirely excluded that the Security is contested in accordance with the rules of foreclosure, so that the Security cannot be realised in favour of the investors in accordance with the provisions of the Security Documents. The Noteholders may lose all or part of their invested capital in a worst-case scenario. Payments to investors may be delayed for factual or legal reasons. There is no certainty regarding the time frame such enforcement or liquidation will take and there may pass a significant amount of time until the investors receive such payments.

***No application practice***

Prospective investors should be aware of the fact that the security over the claims arising from the Notes provided in the form of the Financial Guarantee has not yet been tested before the Czech courts. It cannot be guaranteed that the court ruling on the Noteholders' petition against the Guarantor under the Financial Guarantee will recognise the Financial Guarantee and if so, to what extent.

***Limitation of the amount of secured debts***

The Guarantor's liability under the Financial Guarantee is limited by the amount of CZK 5,250,000,000. Prospective investors should be therefore aware of the fact that this limitation could adversely affect the Noteholder's satisfaction under the Financial Guarantee in case the Issuer is unable to fulfil its obligations under the Notes.

***Commencement of time limits for claiming ineffectiveness of legal acts***

The provision of the Security in connection with the Issue may result in the commencement of time limits for claiming ineffectiveness of the Security. These time limits start upon the provision or creation of the relevant Security; pursuant to the Insolvency Act, the insolvency trustee may challenge the debtor's legal acts within one year from the date on which the insolvency decision became effective, provided that these legal acts were made within one to five years before the commencement of the insolvency proceedings (depending on the nature of the legal act challenged). If the Security is enforced before the end of the relevant time limit, it could be declared invalid or ineffective and such Security could not be enforced.

## **RISKS RELATED TO THE EXISTENCE OF THE SECURITY AGENT**

### ***The rights arising from the Security and the Financial Guarantee will be exercised by the Security Agent***

Security is provided and the Financial Guarantee is issued in favour of the Security Agent and for the benefit of the Security Agent and the Noteholders. The rights to the Security and the rights arising from the Financial Guarantee will be exercised and enforced by the Security Agent in its own name. The Security will be provided and the Financial Guarantee is issued for the benefit of the Noteholders and the Security Agent, with the understanding that the Security Agent will exercise the rights of the Noteholders from the Security and Financial Guarantee in its own name, based on the legal fiction contained in the Czech Notes Act. Thus, the Security Agent will be, alongside the relevant provider of the security or guarantee, the only party to the Security Agency Agreement and the Financial Guarantee. To the extent that the Security Agent exercises and enforces the rights from the Security or the Financial Guarantee, no individual Noteholder may independently exercise or enforce such rights. In the event that the Security Agent is in delay with the exercise or enforcement of the rights from the Security or the Financial Guarantee, the Noteholders may suffer harm associated with this delay, without having the possibility to independently exercise or enforce such rights. The Security Agent will use any proceeds from the security primarily to cover payments due to the Security Agent (including its fee of 2.5% of the proceeds and reimbursement of a proportional amount of compensation paid to the Security Agent).

The legal concept of the Security Agent was introduced into the Czech Notes Act by an amendment, specifically by Act No. 307/2018 Coll., which amends the Czech Notes Act, and other related laws, which came into effect on 4 January 2019. Since this is the first legal regulation of this concept in the Czech legal order, there is no judicial decision-making practice or generally accepted legal interpretation yet. The absence of relevant case law – and the resulting legal uncertainty – may negatively affect the fulfilment of debts arising from the Notes, especially in the case that the relevant court decides that some provisions of the Czech Notes Act should be interpreted differently than is currently reflected and detailed in the Terms and Conditions.

### ***Risks related to the appointment or replacement of the Security Agent***

The Issuer cannot ensure that when appointing the Security Agent or replacing it, there will be a Security Agent available who will have sufficient experience with fulfilling the duties of a security agent or a similar role, although the Issuer will proceed in good faith and with due diligence in its selection. This problem is caused by the fact that this concept is laid down in the Czech Republic by the last amendment to the Czech Notes Act, for which there is no case law market practice. According to the Issuer's experience with dealing with financial institutions in the financial markets, this may lead to a situation where institutions that typically perform this role in the international capital market may not be willing to accept the role of the Security Agent. As of the date of this Prospectus, the Security Agent is J&T BANKA, a.s.

In the event that it is not possible to select a Security Agent with sufficient experience, there is a risk that its potential inability to perform the Security in a timely manner or other delays in its activities, caused by its insufficient expertise or experience, may have a negative impact on the satisfaction of the Noteholders from the Security, which may be less successful in such a situation, and ultimately the Noteholders may receive less from the proceeds of the enforcement of the Security.

### ***Compensation for the Security Agent***

The Security Agent is obliged, with the reservations set out in the Terms and Conditions, to exercise any right or to refrain from exercising any right that it has as the Security Agent, in accordance with any instruction approved by a simple majority of the Meeting. The Security Agent may require that it be provided with sufficient security or promised indemnification by the Noteholders or the Issuer in the event of any material damage or non-material harm. If the Noteholders provide the Security Agent with security or promise indemnification and this value is subsequently paid to the Security Agent, there is a risk that the Noteholders may lose a part of their investment.

## **RISKS RELATED TO THE NOTES**

### ***The Notes may be redeemed prior to maturity.***

In the event of an early redemption of the Notes in accordance with the Terms and Conditions, the Noteholders would be exposed to the risk of the value of the yield on the Notes being lower than anticipated due to such early redemption. Also, there can be no assurance that at the relevant time the Noteholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed. Potential investors should consider such reinvestment risk in light of other investments available at that time.

In addition, in the event of an early redemption of the Notes in accordance with the Terms and Conditions, the Noteholders would be exposed to the risk of having their hedging strategy disrupted and may incur costs connected with early termination of their outstanding hedging arrangements.

***An active secondary market in respect of the Notes may never be established or may be illiquid.***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. Although an application has been made for the Notes to be admitted to trading on the Regulated Market, there is no assurance that such application will be accepted or that an active trading market will develop or, if developed, that it will continue. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severe adverse effect on the market value of Notes. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

***Return on investment in the Notes may be affected by the interest rate.***

Investment in the Notes, which bear interest at a fixed rate, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. The holder of a Note with a fixed interest rate is exposed to the risk of a decrease in the price of such a Note as a result of an increase in the market interest rates. As of the date of this Prospectus, the CNB has been continuously lowering the two-week repo rate to the current 4.5% applicable from 2 August 2024. While the nominal interest rate is fixed for the term of the existence of the Notes, the current interest rate on the capital market (the “**market interest rate**”) usually changes daily. As the market interest rate changes, the price of the fixed-rate Note changes too, but it does so inversely. If the market interest rate increases, the price of the fixed-rate Note usually drops to a level where the yield of such a Note roughly equals the market interest rate. On the contrary, if the market interest rate decreases, the price of the fixed-rate Note usually rises to a level where the yield of such a Note roughly equals the market interest rate. This fact may have an adverse impact on the value and development of the investment in the Notes.

***Return on investment in Notes may be affected by various fees.***

The overall return on investment in the Notes may be affected by the fees charged by the agent for the sale/purchase of the Notes (such as the Managers) or charged by the relevant settlement system used by the investor. Any such person or institution may charge fees for the opening and keeping of an investment account, securities transfers, securities safekeeping services, and other services. The Issuer recommends that potential investors in the Notes familiarise themselves with the materials that will serve as the basis for charging fees related to the Notes.

Investors who subscribe for or purchase the Notes through J&T BANKA in the Czech Republic, pay fees associated with acquiring the Notes according to J&T BANKA’s fee list as applicable on the date of the transaction and available on the website of J&T BANKA at [www.jtbank.cz](http://www.jtbank.cz), section “*Užitečné informace*”, subsection “*Sazebník poplatků*”. As of the date of this Prospectus, these costs amount to 0.15% of the transaction volume, but no less than CZK 2,000.

In connection with the acquisition of the Notes through UCB, the investor in the Notes will be charged, in accordance with the subscription instruction, an upfront fee of 0.25 % of the aggregate nominal amount of the Notes to be acquired, and in accordance with the current UCB price list available on the UCB’s website [www.unicreditbank.cz](http://www.unicreditbank.cz) (in the section *Price lists, Individuals, section 10.4 Providing custody/administration services*), UCB’s current fees for keeping the securities account. These fees will not exceed 0.20 % of the total nominal value of the Notes registered in such an account per annum, excluding value added tax, but will be at least CZK 300, excluding value added tax.

The investor may be required to pay additional fees charged by the intermediary of the purchase or sale of the Notes, the person keeping the records of the Notes, the person who performs the clearing of the Notes transaction, or by another person, e.g. fees for opening and maintaining an investment account, for arranging the transfer of the Notes, services related to custody of the Notes, their registration.

***Return on investment in the Notes may be negatively affected by the inflation rate.***

Prospective investors in or sellers of the Notes should be aware that the value of the investment in real terms may diminish concurrently with inflation, reducing the currency value. As the Notes do not contain an anti-inflation clause, inflation (which was high in the Czech Republic for the past two years as compared to prior years) causes a decline in the yield of the Notes. According to the latest CNB forecast published on 1 August 2024, the year-

on-year overall inflation is expected to reach 2.2% in 2024 and 2.0% in 2025. If, however, a situation occurs where this forecast is not fulfilled and the inflation rate exceeds the nominal yield on the Notes which equals 7.50%, the real yield on the Notes will be negative.

***The Terms and Conditions contain provisions which deviate from the Czech Notes Act.***

The Terms and Conditions contain certain provisions which deviate from the default provisions set out in the Czech Act No. 190/2004 Coll., on Notes, as amended (the “**Czech Notes Act**”). The aim of these provisions is to better align the terms of the Notes with the terms of the outstanding Eurobonds issued by the Issuer in the international market. Specifically, the Terms and Conditions:

- (a) by way of derogation from Section 23(5) of the Czech Notes Act, in the cases specified in Condition 13.4.1, the Applicant has the right to request only the repayment of the at the time outstanding nominal amount of the Notes, not the buyback of the Notes at market price; and
- (b) by way of derogation from Sections 23(5) and (7), the amounts the repayment of which the Applicant is entitled to under Condition 13.4.1 will become due and payable on the last Business Day of the month following the month in which the Application Period expires, not 30 days following the Application;

These deviations may adversely affect the value and development of the investment in the Notes. In addition, Section 23(9) of the Czech Notes Act, which anticipates possible deviations from the provisions of the Czech Notes Act relating to bondholders’ meetings, became effective only on 1 January 2024 and is untested in practice. Accordingly, there is a risk that the competent courts may take a conservative view that some or all of the above deviations from the default provisions of the Czech Notes Act are not permitted. Any uncertainty regarding the possibility to deviate from the provisions of the Czech Notes Act may adversely affect the value of the Notes or the ability of the Noteholders to sell the Notes;

***Risk of non-payment.***

Like any other monetary debt, Notes are exposed to the risk of non-payment. Under certain circumstances, the Issuer may be unable to pay interest on the Notes, and the market value of the Notes in such circumstances may be lower than an initial investment made by a Noteholder; under certain circumstances, the Notes could even be worthless. The Issuer’s ability to pay interest on the Notes or repay their nominal value depends, among other things, on the performance and solvency of the entities with whom it does business. If the Issuer’s debtors (current or future) default on their debts, such fact might have a negative impact on its ability to meet its obligations under the Notes in a due and timely manner.

***Risk of order reduction.***

The prospective buyers of the Notes should be aware that the Managers may, at their own discretion, reduce the investor’s order, and the overpayment, if any, will be without delay disbursed to the investor’s account. If the order is reduced, the prospective investor will not be able to invest in the originally contemplated volume or not at all. Thus, reducing the order can adversely affect the value of the investment into the Notes.

***If an investor holds Notes which are not denominated in the investor’s home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in Czech Koruna (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to depreciation of the Specified Currency or appreciation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease: (1) the Investor’s Currency-equivalent yield on the Notes; (2) the Investor’s Currency-equivalent value of the principal payable on the Notes; and (3) the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.



***The Notes may not meet investor expectations or requirements.***

This Prospectus provide that it is the Issuer’s intention to apply an amount, which is equal to the net proceeds of the issue of the Notes to fund projects which qualify as eligible projects in accordance with the Green Financing Framework as defined under the “Use and Estimated Net Amount of Proceeds” below. A prospective investor should have regard to the information set out in the section “Use and Estimated Net Amount of Proceeds” and determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary. The proceeds of such Notes are not segregated and the performance of the Eligible Projects in which the proceeds or an amount equivalent to the proceeds of the Notes may have been invested has no impact on the payment of principal and interest on the Notes.

In particular, no assurance is given that such use of proceeds will satisfy, whether in whole or in part, any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental, sustainability or social impact of any project or uses, the subject of or related to, the Green Financing Framework (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation (which is expected to come into effect on 21 December 2024), SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom). The Notes do not constitute European Green Bonds under the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Green Financing Framework.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such “green”, “sustainable”, “social” or similar labels (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or any requirements of such labels as they may evolve from time to time.

It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as “environmentally sustainable” under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Notes. It could result in reduced liquidity or lower demand or could otherwise affect the market price of the Notes which do not comply with European Green Bond standards under the EU Green Bond Regulation.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of any Notes to Eligible Projects and to report on the use of proceeds or Eligible Project as described in “*Use and Estimated Net Amount of Proceeds*” below, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in, or substantially in, the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use an amount equal to the net proceeds of the issue of the Notes for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes or to report on the use of proceeds or Eligible Projects as anticipated or the failure of the Notes to meet investors’ expectations requirements regarding any “green”, “sustainable”, “social” or similar labels will constitute an Event of Default or breach of contract with respect to any of the Notes.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of an amount equal to the net proceeds of the issue of the Notes in full. An amount equal to the net proceeds of the issue of the Notes which, from time to time, are not allocated as funding for Eligible Projects is intended by the Issuer to be held pending allocation.

Each prospective investor should have regard to the factors described in the Green Financing Framework and the relevant information contained in this Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any Notes before deciding to invest. In addition, the Green Financing Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Prospectus. The Green Financing Framework does not form part of, nor is incorporated by reference, in this Prospectus.

***No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to the Notes.***

The Second Party Opinion provides an opinion on certain environmental and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) made available in connection with an issue of the Notes and in particular with any Eligible Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion or certification (i) is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus, (ii) is not, nor should it be deemed to be, a recommendation by the Issuer, the Arranger, the Managers or any other person to buy, sell or hold any such Notes, (iii) is current only as of the date it was initially issued, (iv) may be subsequently withdrawn and (v) may not address risks that relate to any Eligible Project or may affect the value of the Notes.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of the Second Party Opinion or any other opinion or certification may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of this Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Prospectus.

In addition, the failure to provide, or the withdrawal of, a third party report, assessment, opinion or certification, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

***There is no assurance that the Notes will be admitted to trading on any dedicated "green", "sustainable", "social" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained.***

In the event that the Notes are listed or admitted to trading on a dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Managers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investment criteria or guidelines with which such investor or its investments is required, or intends, to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arranger, the Managers or any other person that any such listing or admission to trading will be obtained in respect of the Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

***Notes are not linked to the performance of the Eligible Projects, do not benefit from any arrangements to enhance the performance of the Notes or any contractual rights derived solely from the intended use of proceeds of the Notes.***

The performance of the Notes is not linked to the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Notes and the Eligible Projects. Consequently, neither payments of principal and/or interest on the Notes nor any rights of Noteholders shall depend on the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any such environmental or similar targets. Noteholders shall have no preferential rights or priority against the assets of any Eligible Project nor benefit from any arrangements to enhance the performance of the Notes.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Group’s financial information set forth in this Prospectus, unless otherwise indicated, presents the Guarantor’s audited consolidated financial information derived from the audited consolidated financial statements as of and for the year ended 31 December 2023 (the “**2023 Financial Statements**”) and audited consolidated financial statements as of and for the year ended 31 December 2022 (the “**2022 Financial Statements**”) and together with the 2023 Financial Statements, the “**Financial Statements**”) The Financial Statements have been incorporated by reference into this Prospectus. See “*Information Incorporated by Reference*”.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted in the EU (“**IFRS**”). The DKHI Group presents its financial statements in euros, which is the presentation currency of the Group.

### *Non-IFRS measures*

This Prospectus uses certain other ratios and measures that are not measures defined by IFRS, namely CAPEX, CAPEX to EBITDA ratio, EBITDA, EBITDA Margin, Gross Leverage Ratio, Group’s EBITDA, Net Leverage Ratio and Regulated EBITDA.

“**CAPEX**” is defined as funds used by the DKHI Group to purchase property, plant and equipment and intangible assets as reported in consolidated statement of cash flows as part of cash flows from investing activities.

“**CAPEX to EBITDA ratio**” is defined as CAPEX *divided* by EBITDA.

The following table provides a reconciliation of CAPEX to EBITDA ratio for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i>(in EUR million)</i>	
CAPEX .....	115.1	108.1
EBITDA .....	381.4	365.3
<b>CAPEX to EBITDA ratio</b> .....	<b>30%</b>	<b>30%</b>

“**EBITDA**” is defined as profit/(loss) for the period before total income tax expense, finance costs-net and depreciation, amortisation and impairment losses.

The following table provides a reconciliation of EBITDA by type of regulation:

	<b>Year ended 31 December 2023</b>	
	<i>(in EUR million)</i>	<i>(in %)</i>
Regulated (RAB) .....	179.7	47
Regulated (FiT) .....	45.5	12
Non-regulated .....	156.2	41
<b>EBITDA (Consolidated)</b> .....	<b>381.4</b>	<b>100</b>

The following table provides a reconciliation of EBITDA by currency:

	<b>Year ended 31 December 2023</b>	
	<i>(in EUR million)</i>	<i>(in %)</i>
EUR and EUR-pegged .....	152.8	40
USD-pegged .....	55.1	14
Other currency .....	173.5	45
<b>EBITDA (Consolidated)</b> .....	<b>381.4</b>	<b>100</b>

“**EBITDA Margin**” is defined as EBITDA *divided* by Total revenue.

The following table provides a reconciliation of EBITDA Margin for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i>(in EUR million, unless indicated otherwise)</i>	
Total revenue .....	1,405.7	1,849.5
EBITDA .....	381.4	365.3
<b>EBITDA Margin .....</b>	<b>27%</b>	<b>20%</b>

“**Gross Leverage Ratio**” is defined as total debt (including leases) *divided* by EBITDA.

The following table provides a reconciliation of Gross Leverage Ratio for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i>(in EUR million, unless indicated otherwise)</i>	
Total debt.....	1,208.2	1,016.9
EBITDA .....	381.4	365.3
<b>Gross Leverage Ratio .....</b>	<b>3.2x</b>	<b>2.8x</b>

“**Group’s EBITDA**” is defined as the sum of standalone EBITDA of the respective operational companies in Bulgaria, Georgia, Türkiye, Spain and the Czech Republic. It excludes IFRS consolidation adjustments and standalone EBITDA of the Issuer, the other Czech companies within the DKHI Group, ENERGO-PRO Industries, s.r.o., is a limited liability company incorporated under Czech law, with its registered seat at Na pořící 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 025 88 897, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 221137 (“**EPI**” and with its subsidiaries “**EPI Group**”) and the Brazilian and Colombian companies within the DKHI Group. The following table provides a reconciliation of Group’s EBITDA and EBITDA by operating geography:

	<b>Year ended 31 December 2023</b>	
	<i>(in EUR million)</i>	<i>(in %)</i>
Bulgaria.....	136.6	34
Georgia.....	163.0	40
Spain <sup>(1)</sup> .....	16.3	4
Türkiye.....	84.0	21
Czech Republic .....	6.9	2
<b>Group’s EBITDA .....</b>	<b>406.7</b>	<b>100</b>
Other.....	(25.2)	n/a
<b>EBITDA (Consolidated).....</b>	<b>381.4</b>	<b>n/a</b>

Notes:

(1) The DKHI Group acquired Xeal on 4 October 2023. Data for Spain are for the period from 1 October until 31 December 2023 only.

The following table provides a reconciliation of Group’s EBITDA and EBITDA by operating segment:

	<b>Year ended 31 December 2023</b>	
	<i>(in EUR million)</i>	<i>(in %)</i>
Distribution and supply .....	225.1	55
Generation.....	177.3	44
Other.....	4.0	1
<b>Group’s EBITDA .....</b>	<b>406.7</b>	<b>100</b>
Issuer and other companies and IFRS adjustments .....	(25.2)	n/a
<b>EBITDA .....</b>	<b>381.4</b>	<b>n/a</b>

“**Net Leverage Ratio**” is defined as total debt (including leases) *minus* cash and cash equivalents, divided by EBITDA.

The following table provides a reconciliation of Net Leverage Ratio for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i>(in EUR million, unless indicated otherwise)</i>	
Total debt.....	1,208.2	1,016.9
Less: Cash and cash equivalents.....	185.1	149.7
Net debt .....	<u>1,023.1</u>	<u>867.2</u>
EBITDA .....	381.4	365.3
<b>Net Leverage Ratio .....</b>	<b><u>2.7x</u></b>	<b><u>2.4x</u></b>

“**Regulated EBITDA**” is defined as the sum of standalone EBITDA of the respective operational companies in Bulgaria, Georgia, Spain, Türkiye and the Czech Republic derived from regulated activities. Regulated activities include the distribution, supply and generation of electricity where tariffs are set using a RAB methodology and the generation of electricity where the produced volume is sold pursuant to a FiT regime.

The following table provides a reconciliation of Regulated EBITDA by regulated segment:

	<b>Year ended 31 December 2023</b>	
	<i>(in EUR million)</i>	<i>(in %)</i>
Generation.....	48.9	22
<i>Generation Bulgaria.....</i>	-	-
<i>Generation Georgia.....</i>	3.3	1
<i>Generation Spain.....</i>	-	-
<i>Generation Türkiye.....</i>	38.6	17
<i>Generation Czech Republic.....</i>	6.9	3
Distribution.....	136.3	61
<i>Distribution Bulgaria.....</i>	69.4	31
<i>Distribution Georgia.....</i>	66.9	30
Supply .....	40.1	18
<i>Supply Bulgaria.....</i>	9.4	4
<i>Supply Georgia.....</i>	30.6	14
<b>Regulated EBITDA .....</b>	<b><u>225.2</u></b>	<b><u>100</u></b>
Non-regulated EBITDA .....	156.2	n/a
<b>EBITDA (Consolidated).....</b>	<b><u>381.4</u></b>	<b><u>n/a</u></b>

The DKHI Group has presented these measures to represent similar measures that are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. The DKHI Group believes that the inclusion of these ratios and measures, when considered in conjunction with measures reported under IFRS, is useful to investors because it provides a basis for measuring the organic operating performance in the periods presented and enhances investors’ overall understanding of the DKHI Group’s financial performance.

However, the non-IFRS measures mentioned in this Prospectus are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing non-IFRS measures mentioned in this Prospectus to similar measures used by other companies.

Further, none of these non-IFRS measures is a measurement of performance under IFRS, and investors should not consider non-IFRS measures mentioned in this Prospectus as an alternative to net income, operating profit, cash flows from operations, investing activities or financing activities or other measures determined in accordance with IFRS. These non-IFRS measures have limitations as analytical tools, and investors should not consider them in isolation. Some of these limitations include that:

- they do not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital needs;
- they do not reflect the interest expense, or the cash requirements necessary, to service interest or principal payments on debt;
- although depreciation and amortisation are non-monetary charges, the assets being depreciated and amortised will often need to be replaced in the future and Group's EBITDA and EBITDA do not reflect any cash expenditures that would be required for such replacements; and
- the fact that other companies in the same industry may calculate CAPEX, CAPEX to EBITDA ratio, EBITDA, EBITDA Margin, Gross Leverage Ratio, Group's EBITDA, Net Leverage Ratio and Regulated EBITDA and the other non-IFRS measures mentioned in this Prospectus differently than those mentioned in this Prospectus, which limits their usefulness as comparative measures.

### *Use of certain terms and conventions*

The terms CAPEX, CAPEX to EBITDA ratio, EBITDA, EBITDA Margin, Gross Leverage Ratio, Group's EBITDA, Net Leverage Ratio and Regulated EBITDA included in this Prospectus do not necessarily represent the items of the same or similar names as may be defined by any documentation for any financial liabilities of the DKHI Group.

### *Rounding adjustments*

Certain amounts which appear in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### *Currency presentation*

In this Prospectus, references to "€", "euro" and "EUR" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; references to "U.S.\$", "U.S. dollars" "USD" refer to United States dollars, the lawful currency of the United States; references to "BGN" refer to Bulgarian lev, the lawful currency of Bulgaria; references to "GEL" refer to Georgian lari, the lawful currency of Georgia; references to "TRY" refer to Turkish lira, the lawful currency of the Republic of Türkiye; references to "BRL" or "R\$" refer to Brazilian real, the lawful currency of the Federative Republic of Brazil; and references to "CZK" refer to Czech crown, the lawful currency of the Czech Republic.

### *Exchange rate information*

The functional currency of the Issuer is CZK and the DKHI Group's presentation currency is EUR. Fluctuations in the exchange rate between relevant currencies in the past are not necessarily indicative of fluctuations that may occur in the future. The past rates may also differ from the actual rates used in the preparation of the Financial Statements and other financial information presented in this Prospectus. None of the Issuer, the Guarantor and the Managers make any representation that EUR, USD, BGN, GEL, TRY, BRL or CZK amounts referred to in this Prospectus have been, could have been or could, in the future, be converted into EUR, USD, BGN, GEL, TRY, BRL or CZK, as the case may be, at any particular rate, if at all.

### *Industry and market data*

This Prospectus contain certain market, historical and forward looking economic and industry data, including information in "Risk Factors", "Information about the Guarantor and the DKHI Group" and "Industry" which have been obtained from publicly available information, independent industry publications and reports prepared by industry consultants.

The Issuer and the Guarantor have relied on the accuracy of such information without an independent verification thereof, however, the Issuer and the Guarantor believe the information to be reliable. Where information in these Prospectus has been sourced from a third party, this information has been accurately reproduced and, so far as the Issuer and the Guarantors are aware, and are able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be approximations or estimates or use rounded numbers.

Information in this Prospectus which has been sourced from a third party is identified as such with the name of the third-party source. None of the Issuer, the Guarantor, the Arranger and the Managers represents that such information is accurate.

## INFORMATION INCORPORATED BY REFERENCE

The following documents which have previously been published on the Issuer's website <https://www.energo-pro.com/> in section "For investors - Investor Relations pages of ENERGO-PRO Green Finance s.r.o.", shall be incorporated in, and form part of, this Prospectus.

Information about the Issuer	Pages	Hyperlink
Audited standalone financial statements of the Issuer according to IFRS as of and for the year ended 31 December 2023, including notes thereto and including the independent auditor's report relating to the Audited standalone financial statements of the Issuer according to IFRS as of and for the year ended 31 December 2023	1-3, 26-60	<a href="https://www.energo-pro.com/files/2024-08-22_12-32-53_epgf_ar_2023_final.pdf">https://www.energo-pro.com/files/2024-08-22_12-32-53_epgf_ar_2023_final.pdf</a>
Audited standalone financial statements of the Issuer according to IFRS as of and for the year ended 31 December 2022, including notes thereto and including the independent auditor's report relating to the Audited standalone financial statements of the Issuer according to IFRS as of and for the year ended 31 December 2022	3-7, 31-62	<a href="https://www.energo-pro.com/files/2023-04-28_16-04-47_epgf_-_annual_report_2022_(cz)_xhtml_audited_version_ifrs_isin_cz0003527749.zip">https://www.energo-pro.com/files/2023-04-28_16-04-47_epgf_-_annual_report_2022_(cz)_xhtml_audited_version_ifrs_isin_cz0003527749.zip</a>

Information about the Guarantor	Pages	Hyperlink
Consolidated audited financial statements of the Guarantor according to IFRS as of and for the year ended 31 December 2023, including notes thereto and the independent auditor's report relating to the consolidated audited financial statements of the Guarantor according to IFRS as of and for the year ended 31 December 2023	3-83	<a href="https://www.energo-pro.com/files/2024-07-26_11-02-21_dkhi_ar_2023_final.pdf">https://www.energo-pro.com/files/2024-07-26_11-02-21_dkhi_ar_2023_final.pdf</a>
Consolidated audited financial statements of the Guarantor according to IFRS as of and for the year ended 31 December 2022, including notes thereto and the independent auditor's report relating to the consolidated audited financial statements of the Guarantor according to IFRS as of and for the year ended 31 December 2022	1-78	<a href="https://www.energo-pro.com/files/2023-07-10_17-29-25_dkhi_ar_2022_final.pdf">https://www.energo-pro.com/files/2023-07-10_17-29-25_dkhi_ar_2022_final.pdf</a>

Information about EPAS	Pages	Hyperlink
Consolidated financial statements of EPAS according to IFRS as of and for the year ended 31 December 2023, including notes thereto and the independent auditor's report relating to the consolidated financial statements of EPAS according to IFRS as of	4-6, 25-79	<a href="https://www.energo-pro.com/files/2024-07-08_10-59-17_epas_ar_2023_final.pdf">https://www.energo-pro.com/files/2024-07-08_10-59-17_epas_ar_2023_final.pdf</a>



Information about EPAS	Pages	Hyperlink
and for the year ended 31 December 2023, including notes thereto		
Consolidated financial statements of EPAS according to IFRS as of and for the year ended 31 December 2022, including notes thereto and the independent auditor's report relating to the consolidated financial statements of EPAS according to IFRS as of and for the year ended 31 December 2022, including notes thereto	4-6, 21-70	<a href="https://www.energo-pro.com/files/2023-04-05_10-41-11_epas_ar_2022_final.pdf">https://www.energo-pro.com/files/2023-04-05_10-41-11_epas_ar_2022_final.pdf</a>

References in the independent auditor's reports to "other information" are references to other information in the respective annual reports. Such other information is not incorporated by reference in this Prospectus. References in the independent auditor's reports to "separate financial statements" are references to the separate financial statements of the Issuer, disclosed in the respective annual reports. Such separate financial statements of the Issuer are not incorporated by reference in this Prospectus.

Parts of the above documents that have not been incorporated into the Prospectus by reference are not material to the investor, or the information collected from these parts is directly mentioned in the chapter "Description of the Issuer".

## RESPONSIBILITY STATEMENT

The Issuer is responsible for the completeness and accuracy of information contained in this Prospectus. To the best of the Issuer's knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

The information contained in this Prospectus is accurate only as of the date of this Prospectus and any delivery of this Prospectus at any time after the date hereof does not imply that the information in this Prospectus is correct at such subsequent time.

In Prague on the date of this Prospectus.

**ENERGO-PRO Green Finance s.r.o.**

A large black rectangular redaction box covers the signature area. Above the box, there are faint blue ink scribbles, likely remnants of a signature or initials.

Name: Petr Zafirov Milev

Title: Executive Director

## TERMS AND CONDITIONS OF THE NOTES

The notes issued by ENERGO-PRO Green Finance s.r.o., incorporated under the laws of the Czech Republic, with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Identification Number: 093 85 801, registered in the Commercial Register maintained by the Municipal Court in Prague, File Number: C 335515 (the **Issuer**), in the anticipated aggregate nominal amount of up to CZK 2,500,000,000 (two billion five hundred million Czech Koruna) with the possibility of increase up to CZK 3,500,000,000 (three billion five hundred million Czech Koruna), bearing fixed interest rate of 7.50% p.a., due in 2029 (the **Issue** and the **Notes**), are governed by these terms and conditions of the Notes (the **Conditions**) and by Act No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**).

The Issue was approved by the resolution of the executive directors of the Issuer dated 16 September 2024 and the resolution of the sole shareholder of the Issuer dated 16 September 2024.

The ISIN of the Notes allocated by the Central Depository is CZ00035655723. The CFI code of the Notes allocated by the Central Depository is DBFSGN. The FISN code of the Notes allocated by the Central Depository is ENERGO-PRO GF/7.5 DEB 20291025. The abbreviated title of the Issue is EN.-PRO GF 7,50/29.

For the purpose of the public offering of the Notes and the admission of the Notes to trading on the regulated market of Burza cenných papírů Praha, a.s. (the **PSE** and the **Regulated Market**), the Issuer has prepared a prospectus for the Notes (the **Prospectus**) that includes these Conditions. The Prospectus constitutes a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the **Prospectus Regulation**). The Prospectus has been approved by the Czech National Bank (the **CNB**) as the competent authority under the Prospectus Regulation in its decision ref. no. 2024/107627/CNB/650, file no. S-Sp-2024/00224/CNB/653 dated 19 September 2024, which became final and effective on 21 September 2024.

The CNB only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and its approval should not be considered as an endorsement of the Notes that are the subject of the Prospectus or the Issuer's or the Guarantor's profitability. By approving the Prospectus, the CNB certifies that the Prospectus contains all information required by law necessary for the investor to take an investment decision. The CNB assesses neither the financial results nor the financial situation of the Issuer or the Guarantor and, by approving the Prospectus, it does not guarantee the quality of the security or the Issuer's future profitability or its ability to pay the interest on, and the principal of, the Notes or the Guarantor's future profitability and its ability to meet its obligations under the Financial Guarantee. Potential investors should make their own assessment as to the suitability of investing in the Notes.

These Conditions were published as a part of the Prospectus and are available on the Issuer's website [www.energo-pro.com](http://www.energo-pro.com), section "For investors" under "Access Investor Relations pages of ENERGO-PRO Green Finance s.r.o." (**Issuer's Website**).

The liabilities of the Issuer arising from the Notes will be unconditionally and irrevocably secured by the Financial Guarantee (as defined in Condition 3.3) issued by DK Holding Investments, s.r.o., with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Identification Number: 046 45 740, registered in the Commercial Register maintained by the Municipal Court in Prague, File Number: C 251383 (the **Guarantor**). A copy of the Financial Guarantee is available for inspection to the Noteholders during regular business hours at the Specified Office as set out in Condition 11.1 and the wording of the Financial Guarantee is also included in the Prospectus.

The Issuer's liabilities arising from the Notes and the Guarantor's liabilities arising from the Financial Guarantee will be further secured in accordance with Conditions 3.5 and 4.13 by the Security (as defined in Condition 3.5).

Services of the fiscal and paying agent related to interest payments and Notes redemption will be provided by J&T BANKA, unless another person becomes a fiscal and paying agent in accordance with Condition 11.2 (J&T BANKA or any such other person as the **Fiscal and Paying Agent**). The relationship between the Issuer and the Fiscal and Paying Agent in connection with the performance of payments to the Noteholders (as this term is defined below) and some other administrative services related to the Issue is governed by an agreement between the Issuer and the Fiscal and Paying Agent (the **Fiscal and Paying Agency Agreement**). A copy of the Fiscal and Paying Agency Agreement is available for inspection to the Noteholders during regular business hours at the Specified Office as set out in Condition 11.1. Noteholders are advised to familiarise themselves thoroughly with the Fiscal and Paying Agency Agreement.

Services of the security agent (In Czech *agent pro zajištění*) within the meaning of Section 20(1) et seq. of the Bonds Act will be provided by J&T BANKA (the **Security Agent**) on the basis of an agreement between the Issuer and the Security Agent (the **Security Agency Agreement**), unless another person becomes a security agent in accordance with Condition 3.6. A copy of the Security Agency Agreement is available for inspection to the Noteholders during regular business hours at the Specified Office as set out in Condition 11.1. Noteholders are advised to familiarise themselves thoroughly with the Security Agency Agreement.

Services of the listing agent related to the admission of the Notes comprising the Issue to trading on the Regulated Market will be provided by J&T BANKA (the **Listing Agent**) under the terms of the Fiscal and Paying Agency Agreement.

To the extent that the Issuer undertakes in these Conditions to ensure that a third party will fulfil a certain obligation, this shall be understood to mean that the Issuer warrants the agreed performance by a third party within the meaning of Section 1769, second sentence, of Act No. 89/2012 Coll., the Civil Code, as amended (the **Civil Code**), whereas the first sentence of Section 1769 of the Civil Code shall not apply to such cases.

The CNB carries out supervision of the Issue and the Issuer within the scope of legislation regulating public offering of securities and admission of securities to trading on a regulated market.

Capitalised terms, unless defined otherwise, have the meaning assigned to them in Condition 16. In these Conditions, reference to any provision of law or regulation is a reference to that provision as extended, amended or re-enacted.

## **1 General Characteristics of the Notes**

### **1.1 Form, Nominal Amount, Anticipated Volume of the Issue**

The Notes will be issued on the Issue Date (as defined in Condition 2) as book-entered securities. The nominal amount of each Note is CZK 10,000 (ten thousand Czech Koruna). The anticipated aggregate nominal amount of the Issue is up to CZK 2,500,000,000 (two billion five hundred million Czech Koruna), with the possibility of increase up to CZK 3,500,000,000 (three billion five hundred million Czech Koruna) in accordance with Condition 2. In accordance with the Bonds Act, the Issuer may issue the Notes in a lower aggregate nominal amount of the Issue than the anticipated aggregate nominal amount of the Issue.

### **1.2 Separation of the Right to Interest**

There will be no separation of the right to receive interest payable under the Notes through an issue of coupons as separate securities or otherwise.

### **1.3 Noteholders**

For the purpose of these Conditions, an owner of the Note (the **Noteholder**) is the person on whose owner's securities account (in Czech *účet vlastníka*) with the Central Depository or in follow-up records (in Czech *navazující evidence*) linked to the Central Depository, the relevant Note is recorded.

Unless and until the contrary is proved to the Issuer and the Fiscal any Paying Agent at least five Business Days prior to a Payment Date, the Issuer and the Fiscal and Paying Agent shall treat each Noteholder for all purposes as the owner of the nominal amount of the Notes recorded on their owner's securities account with the Central Depository or in follow-up records linked to the Central Depository and the Issuer and the Fiscal and Paying Agent will make all payments to such Noteholder in accordance with these Conditions. Persons who are owners of the Notes and who are not registered for any reason in the relevant records of owners of book-entered securities will be obliged to promptly notify the Issuer and the Fiscal and Paying Agent in writing of such fact and of their acquisition of the ownership title to the Notes and prove these facts to them in the form and substance satisfactory to the Issuer and the Fiscal and Paying Agent.

### **1.4 Transfer of the Notes**

Transferability of the Notes is not restricted.

The transfer of the Notes will be effective upon the crediting thereof to the owner's securities account with the Central Depository in accordance with the rules and regulations of the Central Depository and applicable law. In case that the Notes are recorded in the client's securities account (In Czech *účet zákazníka*) in the Central Depository, the transfer of the Notes will be effective (i) upon crediting of the transferred Note to the client's

securities account in accordance with the rules and regulations of the Central Depository and applicable law and the owner of the client's securities account is obliged to promptly register such transfer in the owner's securities account as of the moment of registration thereof in the client's securities account, or (ii) in case of any transfer between the Noteholders within one client's securities account or in the central register maintained by the Central Depository, upon the registration of such transfer in the owner's securities account in the follow-up records linked to the Central Depository or in the records of the Central Depository, respectively.

## **2 Issue Date**

The issue date of the Notes is 25 October 2024 (the **Issue Date**). The Notes may be issued (i) in a single series on the Issue Date or (ii) in tranches during the subscription period beginning on and including 23 September 2024 and ending on and including 18 September 2025 (the **Issue Period**). If, upon agreement with the Manager, the Issuer decides to issue Notes in a higher total nominal value than the anticipated total nominal value of the Issue, the total nominal value of all the issued Notes must not exceed CZK 3,500,000,000 (in words: three billion five hundred million Czech Koruna).

If all the Notes are not issued during the Issue Period, the Notes may also be issued during an additional issue period determined by the Issuer and ending no later than on the Record Date for Nominal Amount Repayment (as defined below). The Issuer will notify the Noteholders, in the same manner as used for publication of these Conditions, of the determination of such additional issue period.

Without undue delay after the Issue Date and after the expiry of the Issue Period, the Issuer will notify the Noteholders, in the same manner as used for publication of these Conditions, of the aggregate nominal amount of all issued Notes comprising the Issue.

## **3 Status of the Notes**

### **3.1 Ranking**

The Notes constitute direct, general, unconditional and unsubordinated liabilities of the Issuer secured by the Financial Guarantee (as defined in Condition 3.3) and the Security (as defined in, and subject to the provisions of, Condition 3.5) which rank and will rank *pari passu* among themselves and at least *pari passu* with any present and future unsecured and unsubordinated liabilities of the Issuer, with the exception of liabilities treated preferentially under applicable mandatory laws.

### **3.2 No Pre-emptive or Priority Rights**

Neither the shareholders of the Issuer nor any other person has any pre-emptive or conversion rights in relation to the Notes or any other subscription rights in relation to the Notes.

### **3.3 Financial Guarantee**

The liabilities of the Issuer under the Notes are unconditionally and irrevocably secured by a financial guarantee (the **Financial Guarantee**) constituted by a financial guarantee deed (the **Financial Guarantee Deed**) within the meaning of Section 2029 *et seq.* of the Civil Code granted by the Guarantor, which is available for inspection to the Noteholders during regular business hours at the Specified Office as set out in Condition 11.1 and the wording of which is also included in the Prospectus.

The exercise of the right of the Noteholders to require the repayment of the Issuer's debts arising from the Notes from the Guarantor is independent of the enforcement of the Security (as defined in Condition 3.5) by the Security Agent.

The Security Agent is, alongside the Guarantor, the only party to the Financial Guarantee. To the extent that the Security Agent exercises and enforces the rights from the Financial Guarantee, no individual Noteholder may independently exercise or enforce such rights.

### **3.4 Security Agent**

The Security Agent exercises the rights of the creditor and the pledgee or the recipient of other security, including the rights arising from or related to the Security Documents (as defined in Condition 3.5) or the Financial Guarantee (as defined in Condition 3.3), in its own name for the benefit of the Noteholders, also in the event of insolvency proceedings, enforcement of a decision or distraintment concerning the Pledgor (as defined below),

the Guarantor and the Issuer. The relationship between the Issuer and the Security Agent is governed by the Security Agency Agreement.

The funds obtained under the Security or the Financial Guarantee that the Security Agent receives belong to the Noteholders (proportionately to the number of the Notes held by them), as provided for in these Conditions, whereas in accordance with Section 20(2) of the Bonds Act, such funds are considered to be the customer's property under the Capital Market Act. In exercising the rights under the Security, the Security Documents, the Financial Guarantee, the Security Agency Agreement and these Conditions and other rights under the Bonds Act relating to the Security or the Financial Guarantee, the Security Agent is considered to be the creditor of each secured receivable in accordance with Section 20a(6) of the Bonds Act. To the extent that such rights (including those referred to in Section 20a(5) of the Bonds Act) are exercised by the Security Agent, no Noteholder may exercise such rights separately. In cases where the Security Agent is in delay with the exercise of the applicable rights or the performance of its duties for more than 60 Business Days, this constitutes a reason for which the Security Agent may be dismissed under the Security Agency Agreement and the Issuer is obliged to convene a Meeting on this event under Condition 13.1.2.

The Security Documents, the Financial Guarantee and the Security Agency Agreement, will be available for inspection to the Noteholders or investors in the Notes prior to subscription for or purchase of the Notes during usual business hours at the Specified Office as set out in Condition 11.1 and on the website at [www.jtbank.cz](http://www.jtbank.cz) (under "Důležité informace" in section "Emise cenných papírů" under "ENERGO-PRO Green Finance s.r.o.") or on the website of the New Security Agent, if another person becomes a security agent in accordance with Condition 3.6.

By subscribing for or purchasing the Notes, each Noteholder agrees to the appointment of the Security Agent as a security agent under Section 20 *et seq.* of the Bonds Act. Each Noteholder further agrees that the Security Agent may, in its name and on behalf of the Noteholders, exercise all rights of a creditor, pledgee or recipient of any other security arising from the Security, the Security Documents, the Financial Guarantee, the Conditions, the Security Agency Agreement and the Bonds Act or other applicable legislation under the terms and conditions set forth therein.

The Security Agent agrees to its appointment as a security agent and other authorisations under the Conditions and Section 20 *et seq.* of the Bonds Act in connection with the Notes, the Financial Guarantee and the Security Documents contained in the Security Agency Agreement and the Security Documents. In the Security Agency Agreement, the Security Agent undertook to exercise its role in compliance with the Conditions, in particular with Conditions 3.6 to 3.10 which set out the key rights and obligations of the Security Agent. The Security Agency Agreement, the Financial Guarantee and the Security Documents may include additional details regarding the rights and obligations of the Security Agent, including, where applicable, the enforcement of the Security or the Financial Guarantee for the benefit of the Noteholders and the Security Agent.

### 3.5 Establishment and Maintenance of the Security

The Issuer shall ensure, under the conditions specified in Condition 4, that the liabilities of the Issuer arising from the Notes and the liabilities of the Guarantor arising from the Financial Guarantee are secured by a Security (as defined below) established in favour of the Noteholders, and the Security Agent, respectively, under the following pledge or other security agreements concluded between the Security Agent as a pledgee and the relevant pledgor or other security provider (the **Pledgor**):

- (a) an initial Czech law-governed share pledge agreement in respect of 131 ordinary shares in ENERGO - PRO a.s., with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Identification Number: 632 17 783, registered in the Commercial Register maintained by the Municipal Court in Prague, File Number: B 20745 (**EPAS**), corresponding to 34.47% of the registered capital of EPAS as at the Issue Date, concluded between the Security Agent as pledgee and the Guarantor as pledgor, as amended, supplemented or restated from time to time (the **Initial Share Pledge Agreement**);
- (b) if necessary for the purpose of the Equity Cure in accordance with Condition 4.2, one or more additional agreements creating a security interest in respect of shares in EPAS or, if the form of the EPAS shares so requires at the relevant time, any securities account where shares in EPAS may be held from time to time, including any nominee account, or any rights arising from an entry in a securities register enabling the entitled person to directly or indirectly deal or restrict dealing with the EPAS shares in a way similar to a due possessor (including by way of a control agreement), concluded between the Security Agent as pledgee and the Guarantor as pledgor, as amended, supplemented or restated from time to time (the **Additional Share Pledge Agreements** and each the **Additional Share Pledge Agreement** and the

Initial Share Pledge Agreement, together with the Additional Share Pledge Agreements, the **Share Pledge Agreements** and each a **Share Pledge Agreement**);

- (c) if necessary for the purpose of the Equity Cure in accordance with Condition 4.2, a Czech law-governed receivables pledge agreement in respect of receivables arising under an agreement on maintenance of the Escrow Account (as defined below), concluded between the Security Agent as pledgee and the Issuer as pledgor, as amended, supplemented or restated from time to time (the **Escrow Account Pledge Agreement**); and
- (d) a Czech law-governed intragroup receivables pledge agreement in respect of any receivables arising under an intra-group loan agreement or agreements entered into between the Issuer as lender and the Guarantor as borrower prior to the Issue Date by virtue of which the proceeds of the Issue will be made available to the Guarantor, concluded between the Security Agent as pledgee and the Issuer as pledgor, as amended, supplemented or restated from time to time, including pursuant to paragraph (c) of Condition 4.13 (the **Intragroup Receivables Pledge Agreement** and together with the Initial Share Pledge Agreement the **Initial Security Documents**); and the pledges or other security interests created under the Initial Security Documents together as **Initial Security** and the Initial Security Documents, the Additional Share Pledge Agreements and the Escrow Account Pledge Agreement together as the **Security Documents**, the pledges or other security interests created under the Security Documents together as **Security** and the assets which are subject to the Security together as the **Security Assets**.

The Financial Guarantee was entered into as of the date of the Prospectus. The Issuer is obliged to enter into the Security Documents or, as the case may be, arrange for the relevant Pledgor to enter into the Security Documents, and to ensure that the Security is established and perfected within the periods set out in Condition 4.13, and the Security Agent shall provide all necessary or reasonably required cooperation.

Each Additional Share Pledge Agreement will, if necessary, create Security over such volume of shares in EPAS to ensure the compliance of the Issuer with the financial covenant set out in Condition 4.2.

The Issuer will, and will ensure that (i) the Guarantor will, properly maintain the Financial Guarantee in full in accordance with the Financial Guarantee Deed and (ii) each relevant Pledgor will, properly maintain the Security in full in accordance with the relevant Security Documents and the Security Agency Agreement, in each case until all of the Issuer's liabilities arising from the Notes or other secured liabilities under the Financial Guarantee or the Security Documents have been paid.

If the Security is not established within the period specified in Condition 4.13, or if the Financial Guarantee or any Security ceases to exist in whole or in part in violation of these Conditions, the Issuer will be obliged to notify the Security Agent thereof within three (3) Business Days and, without delay within the periods set out in the Bonds Act and these Conditions convene a Meeting (as this term is defined in Condition 13.1.1), at which the Issuer will justify that. The Meeting will subsequently decide by a Simple Majority on further actions, including the possible extension of the time limit for the establishment of the Financial Guarantee or the Security, the setting of the time limit for the establishment of another security in favour of the Noteholders or the Security Agent as a pledgee or beneficiary of another security or the setting of an early repayment of the Notes, unless the Financial Guarantee or the Security is established before the date of the Meeting. The Security Agent shall be obliged to cooperate with the Issuer and (i) the Guarantor in connection with the establishment of the Financial Guarantee or (ii) the respective Pledgor in connection with establishment of such Security.

If the Meeting, under its decision taken in accordance with the preceding paragraph, has not decided on an early repayment of the Notes, the procedure set out in Condition 13.4.1 will apply unless the Meeting also decides to extend the time limit for establishing the Security.

### 3.6 Position of the Security Agent

The Security Agent is obliged to act with due care, in particular, to act in a qualified, honest and fair manner and in the best interests of the Noteholders, and is always bound by the instructions validly given by the Meeting. The Security Agent exercises the rights and obligations contained in these Conditions, the Financial Guarantee, the Security Documents, the Security Agency Agreement and Section 20 *et seq.* of the Bonds Act. In accordance with Section 20a(8) of the Bonds Act, the provisions of the Civil Code on the management of another's assets will not apply to the activities of the Security Agent. The Security Agent is not obliged to review the accuracy of any documents or any calculations made by the Issuer, the Fiscal and Paying Agent or any Chosen Auditor under these Conditions.

If there are any reasons for the termination of the activities of the Security Agent under the Security Agency Agreement or any other reasons under Section 21(1)(b) of the Bonds Act (i.e., reasons due to which the activities of the Security Agent were or can be terminated under the Security Agency Agreement) or Section 21(1)(c) of the Bonds Act (i.e., request for a change in the identity of the Security Agent by Noteholders whose Notes' nominal amount represents at least 5% of the total nominal amount of the Notes), the Issuer is obliged to convene a Meeting (as defined in Condition 13.1.1) without undue delay in accordance with Condition 13.1.2 to decide on the appointment of a new security agent, whereas only a licensed credit institution with its registered seat in the Czech Republic may be appointed as the new security agent (the **New Security Agent**). In the event the Issuer does not convene a Meeting, the Security Agent is obliged to convene the Meeting without undue delay and at the Issuer's expense in accordance with Condition 13.1.1. If the Meeting is not convened by either the Issuer or the Security Agent, any Noteholder is authorised to convene the Meeting in accordance with Condition 13.1.1.

The rights and obligations arising from the Security, the Financial Guarantee, the Security Documents, these Conditions and the Security Agency Agreement pursuant to Section 20(6) of the Bonds Act will automatically be transferred to the New Security Agent with effect as of the date on which the Meeting adopted the decision to appoint the New Security Agent, unless a later date is specified in the Meeting's decision. The procedure for changing the Security Agent is further specified in the Security Agency Agreement. However, the transfer of rights and obligations to the New Security Agent will not take place before the New Security Agent has consented to its appointment as a security agent in respect of the Notes. No obligations of the Security Agent arising from a breach of its obligations as a security agent or any liabilities related to the office of the Security Agent that originated before the effective date of appointment of the New Security Agent will be transferred to the New Security Agent. The Issuer will notify the Noteholders and the Fiscal and Paying Agent of the appointment of the New Security Agent in the manner specified in Condition 14. If a new Security Agency Agreement is entered into between the Issuer and the New Security Agent, a copy of such a new Security Agency Agreement will be available for inspection to the Noteholders during usual business hours at the Specified Office, as stipulated in Condition 3.4.

### 3.7 **Actions of the Security Agent**

#### (a) The Security Agent

- (i) is obliged, subject to paragraphs (d) and (e) below, to exercise any right or refrain from exercising any right which it has as the Security Agent, in accordance with any instruction approved by the Meeting by a Simple Majority (the **Meeting Instruction**); and
- (ii) is not responsible for any action (or omission) if it acts (or refrains from acting) in accordance with the Meeting Instruction.

#### (b) Instruction clarification

The Security Agent is entitled to request:

- (i) convening a Meeting to issue a Meeting Instruction or to specify the decisions under previous Meeting Instruction; or
- (ii) if the statutory conditions for making a decision on matters that were not included in the proposed agenda of the Meeting are fulfilled, a Meeting Instruction or specifying the Meeting Instruction directly during the Meeting,

as to whether and how it should exercise any right or refrain from exercising any right or authority, and the Security Agent may refrain from acting until it receives such a Meeting Instruction or specification. This is without prejudice to the right, and not the obligation, of the Security Agent to exercise any right or refrain from exercising any right or authority if the delay, in the opinion of the Security Agent, could cause serious damage to the Noteholders.

#### (c) Binding nature of instructions

Any Meeting Instruction will be binding on all Noteholders.

#### (d) In the exercise of any right of the Security Agent under the Financial Guarantee or the Security Documents or any related right, including the exercise of creditor's rights under Section 20a(5) of the Bonds Act, where:



- (i) the Security Agent has not received any instruction regarding the exercise of that right; or
- (ii) in the opinion of the Security Agent, the Meeting Instruction is in violation of law or good morals,

the Security Agent will act at its discretion, taking into account the interests of all Noteholders.

- (e) The Security Agent is not obliged to act in accordance with the Meeting Instruction unless it is also provided with sufficient security or promised indemnification by the Noteholders (and approved by a Meeting) or the Issuer (in the opinion of the Security Agent to a sufficient extent) in the event of any material damage (*škoda*) or non-material harm (*nemajetková újma*).

Without prejudice to the provisions of Condition 3.9 or other provisions of this Condition 3.7, in the absence of any Meeting Instructions, the Security Agent may act (or refrain from acting) as it deems appropriate, but always in the best interest of the Noteholders.

### 3.8 Acceleration

If an Event of Default (as defined in Condition 9.1) under Conditions 9.1(a), 9.1(d) or 9.1(f) occurs and is continuing, the Security Agent may, if it is in its opinion necessary to take such action without undue delay in order to protect the rights and interests of the Noteholders, decide that all liabilities arising under the Notes, including any unpaid accrued interest or other yield on these Notes in accordance with Condition 5, become due and payable (**Acceleration**), or convene a Meeting to obtain a Meeting Instruction for Acceleration.

The Security Agent must always decide on Acceleration if so decided by a Simple Majority, whereas any Event of Default may form the basis for such a decision of the Meeting. The decision on Acceleration will state as a result of which occurred and continuing Event of Default it was adopted by the Security Agent and will be effective upon its delivery to the Issuer and publication on its website [www.jtbank.cz](http://www.jtbank.cz) (under “Důležité informace” in section “Emise cenných papírů” under “ENERGO-PRO Green Finance s.r.o.”).

If the decision on Acceleration is made, all amounts payable by the Issuer to the Noteholders shall become payable (unless they have become payable earlier) on the last Business Day of the month following the month in which the Security Agent decided on the Acceleration (the **Early Redemption Date**) and the decision became effective in accordance with the preceding paragraph. At one Meeting, both a decision on Acceleration and an Enforcement Decision (as defined in Condition 3.9) can be adopted, provided, however, that the decision on Acceleration is adopted first and the Enforcement Decision is made subsequently.

### 3.9 Enforcement of the Security and Other Decisions

Pursuant to Section 20a(7) of the Bonds Act, the Noteholders will not have any direct rights under the Financial Guarantee or the Security Documents and will not be able to exercise any separate authorisation, right or remedy regarding the Financial Guarantee or any Security or grant consent or waive the right to the Financial Guarantee or the Security or make any direct use of the Financial Guarantee or any Security if such rights are exercised by the Security Agent. None of the Noteholders will be entitled to ask the Security Agent independently to act in any way in relation to the Financial Guarantee or the Security Documents.

Before the Security Agent commences the enforcement of the Financial Guarantee or the Security and without prejudice to the following paragraph, the Security Agent must convene a Meeting at the Issuer’s expense in accordance with Condition 13.1.1. The Meeting will decide whether the Security Agent is to commence the enforcement of the Financial Guarantee and/or the Security or take other steps in relation to the Financial Guarantee or the Security (the **Enforcement Decision**). The Enforcement Decision must be approved by a Simple Majority and must contain the manner of enforcement of the Financial Guarantee and/or the Security in accordance with the Financial Guarantee, the Security Documents and applicable law. The Enforcement Decision is binding on the Security Agent and all Noteholders. The Security Agent will start to proceed in accordance with the Enforcement Decision without undue delay after the Enforcement Decision has been delivered to it.

If the Security Agent made a decision on Acceleration without seeking a Meeting Instruction in accordance with Condition 3.8, the Security Agent may, if it is in its opinion necessary to take such action without undue delay to protect the rights and interests of the Noteholders, decide to initiate enforcement of the rights under the Financial Guarantee and/or the Security Documents or to take any steps in relation thereto, including prior to the Enforcement Decision being made in accordance with the preceding paragraph.

The Security Agent will inform the Noteholders about the status of the enforcement of the Financial Guarantee and/or the Security by way of publication on its website [www.jtbank.cz](http://www.jtbank.cz) (under “Důležité informace” in section “Emise cenných papírů” under “ENERGO-PRO Green Finance s.r.o.”). Documents related to the enforcement of the Financial Guarantee and/or the Security will be available for inspection by the Noteholders during usual business hours at the Specified Office, as set out in as set out in Condition 11.1.

### 3.10 Use of Proceeds

The Security Agent will use (and is so obliged under the Security Agency Agreement) any proceeds from the Financial Guarantee and/or the Security that it receives as follows:

- (a) first, to cover all payments due to the Security Agent in connection with the performance of its office (excluding the Security Agent’s remuneration), including any costs and expenses related to the enforcement of the Financial Guarantee and/or the Security , unless such payments have been made otherwise;
- (b) second, to pay the Security Agent’s remuneration of 2.50% of the proceeds from the enforcement of the Financial Guarantee and/or the Security;
- (c) third, to pay the proportionate amount of any indemnification or advance on enforcement costs paid to the Security Agent by the Noteholders;
- (d) fourth, to pay the proportionate amount of any due and outstanding principal of, and due and outstanding interest on, the Notes to the Noteholders; and
- (e) fifth, to refund any surplus to the Guarantor and/or the relevant Pledgor.

The principal and interest accrued on the Notes under the preceding paragraph will be paid by the Security Agent through the Fiscal and Paying Agent. The Security Agent will inform the Noteholders of the distribution of these proceeds among the Noteholders by publishing it on the Security Agent’s website [www.jtbank.cz](http://www.jtbank.cz) (under “Důležité informace” in section “Emise cenných papírů” under “ENERGO-PRO Green Finance s.r.o.”) and on the Issuer’s Website. In the case of enforcement of the Financial Guarantee and/or the Security as part of the Issuer’s insolvency proceedings, the rules for the distribution of the proceeds from the realisation of the Financial Guarantee and/or the Security will be adjusted in accordance with the statutory conditions.

## 4 Issuer’s Covenants

### 4.1 Negative Pledge

So long as any of its liabilities from the Notes remain outstanding, the Issuer must not, and will ensure that the Guarantor will not, create, or enable the creation of:

- (a) any Other Security in respect of any of the Security Assets; or
- (b) any Other Security that would fully or partially restrict the Issuer’s rights to its current or future assets or income, unless the creation of the Other Security is approved by the Meeting by a Qualified Majority in accordance with Condition 13.

The restriction in paragraph (a) of this Condition 4.1 shall not apply to any (existing or future) Other Security if, at the time of, or immediately before, the creation of the Other Security there is no Event of Default and no Event of Default occurs or is imminent as a result of the creation of the Other Security, and if the Other Security:

- (a) exists on the Issue Date;
- (b) is attached to, or has been created over, the Issuer’s assets in connection with the entering into contractual or other similar arrangements by the Issuer or any of its Affiliates in order to refinance, prepay or duly pay the liabilities from the Notes; or
- (c) is created by operation of law or under a judicial or administrative decision or arbitration award, if in the judicial or administrative proceedings leading to the issuance of the judicial or administrative decision the Issuer acted actively and protected its interests in good faith.

#### 4.2 Obligation to Maintain the LTV Ratio

So long as any of its liabilities from the Notes remain outstanding, the Issuer undertakes and will ensure that the LTV Ratio will not exceed 50.00% (the **Permitted Level**).

Annually no later than on each anniversary of the Issue Date, the Issuer must publish and make available to the Noteholders in the manner specified in Condition 14 a confirmation issued by the persons authorised to act on behalf of the Issuer that the LTV Ratio as at the date of the confirmation (the **Testing Date**) does not exceed the Permitted Level (the **Compliance Confirmation**). The Issuer further must, as at the Testing Date, provide the Compliance Confirmation to the Fiscal and Paying Agent and the Security Agent together with the relevant Valuation and calculations demonstrating compliance with the Permitted Level as at the Testing Date.

Promptly after the Issuer has learned that the LTV Ratio has exceeded the Permitted Level, the Issuer must notify such fact to the Fiscal and Paying Agent, the Security Agent and to the Noteholders in the manner specified in Condition 14.

Within 10 Business Days after the Issuer has duly notified the fact pursuant to the preceding paragraph, the Issuer may rectify, or ensure the rectification of, the LTV Ratio by:

- (a) arranging for Additional Security (as defined below) to be provided under an Additional Share Pledge Agreement; and/or
  - (b) transferring, or arranging for the transfer of, funds into the Escrow Account
- (each an **Equity Cure**).

After each Equity Cure, the Issuer is obliged, without undue delay and no later than 25 days from the day on which it became aware of the breach and notified it to the Fiscal and Paying Agent and the Security Agent to prove the reduction of the LTV Ratio below the Permitted Level to the Fiscal and Paying Agent and the Security Agent, together with (i) a new Compliance Confirmation issued by the persons authorised to act on behalf of the Issuer that the LTV Ratio, after the Equity Cure, as at the Testing Date does not exceed the Permitted Level, (ii) a new Valuation and (iii) new calculations demonstrating compliance with the Permitted Level as at the Testing Date and must publish the Compliance Confirmation in the manner specified in Condition 14.

The Issuer may:

- (a) release any excess funds from the Escrow Account; or
- (b) request that the Security Agent releases any Additional Security and the Security Agent shall, within 10 Business Day of receipt of the Issuer's request, release such Additional Security,

if, according to the Compliance Confirmation issued in respect of any Testing Date or any other testing date, in each case on a *pro forma* basis after giving effect to any such intended release (and intended provision of Additional Security or transfer of funds into the Escrow Account in accordance with the following sentence), does not exceed the Permitted Level. In connection with such proposed release, the Issuer may arrange for Additional Security to be provided pursuant to an Additional Share Pledge Agreement (in exchange for release of funds from the Escrow Account) or transfer, or arrange for the transfer of, funds into the Escrow Account (in exchange for release of any Additional Security). Such release is subject to the consent of the Security Agent (which is to be given if the conditions stipulated in this paragraph are satisfied).

If the shares in EPAS, in relation to which any Additional Security had been established, are represented by a global share (*hromadná akcie*) and such global share represents more shares in EPAS than the number of shares in EPAS in relation to which the Issuer requests that Additional Security is released pursuant to the previous paragraph, the Security Agent shall release Additional Security over such global share if the Issuer evidences to the Security Agent that, without undue delay after release of such Additional Security, Additional Security over other shares in EPAS will be established in favour of the Security Agent and the LTV Ratio on a *pro forma* basis after giving effect to any such intended release of Additional Security over a global share and establishment of other Additional Security, does not exceed the Permitted Level.

The volume and frequency of the Equity Cures is not limited.

#### 4.3 **Leverage Ratio**

The Issuer undertakes and will ensure that, so long as any of its liabilities arising under the Notes remain outstanding, the Consolidated Leverage Ratio calculated as of each testing date determined in accordance with Conditions 4.4, 4.7 and 4.8 will not exceed 4.75.

#### 4.4 **Leverage Ratio Testing**

The Issuer undertakes and will ensure that the testing of the covenant under Conditions 4.3 will be performed on a last twelve month basis based on the relevant financial statements or management accounts of the Guarantor (as described in detail in Condition 4.12 below), and the compliance with this covenant (including results of the relevant testing, as and where applicable) will be reported within the deadlines stated in Condition 4.12.

#### 4.5 **Indebtedness**

The Issuer undertakes and will ensure that, so long as any of its liabilities from the Notes remain outstanding, its Indebtedness will not increase and no new Indebtedness of the Issuer will be created.

The restriction in this Condition 4.5 shall not apply to any (i) Indebtedness that is created by operation of law or under a judicial or administrative decision against the Issuer, if in the judicial or administrative proceedings leading to the issuance of the judicial or administrative decision the Issuer acted actively and protected its interests in good faith, (ii) Indebtedness during the creation of which there are refinanced, prepaid or duly paid the liabilities from the Notes by the Issuer; and (iii) Indebtedness of the Issuer in the form of a loan or borrowing accepted from the Guarantor or any of the Issuer's Affiliates which is contractually subordinated to the Issuer's liabilities under the Notes.

#### 4.6 **Transactions with Affiliated Persons**

So long as any of its liabilities from the Notes remain outstanding, the Issuer must not, and will ensure that no member of DKHI Group will, enter into any agreements or carry out any transactions with any of its Affiliates otherwise than on an arm's length basis.

The restriction in this Condition 4.6 shall not apply to the agreements entered into and transactions carried out by:

- (a) carried out by the members of the DKHI Group (other than members of the EPAS Group) solely between themselves;
- (b) carried out by the members of EPAS Group solely between themselves;
- (c) not permitted by the preceding paragraphs if carried out by any member of DKHI Group (other than a member of EPAS Group) and if the aggregate value of all such agreements and transactions in any calendar year does not exceed EUR 15,000,000 or its equivalent in any other currency;
- (d) not permitted by the preceding paragraphs if carried out by any member of EPAS Group and if the aggregate value of all such agreements and transactions in any calendar year does not exceed EUR 15,000,000 or its equivalent in any other currency; or
- (e) which constitutes a Distribution permitted in accordance with Condition 4.8.

#### 4.7 **Disposal of Assets**

So long as any of its liabilities from the Notes remain outstanding:

- (a) the Issuer must not, and will ensure that no Pledgor will, sell, lease, transfer or otherwise dispose of any of the Security Assets;
- (b) except as provided in this Condition 4.7 below, the Issuer must not, and will ensure that no member of the DKHI Group will, sell, contribute into the registered or other capital of another company, lease, transfer or otherwise dispose of its assets within one or more transactions the value of which exceeds 5% of the consolidated total assets of the DKHI Group as set out in the most recent audited financial statements of the Guarantor (the **Disposal**).

Related Disposals, especially if they are carried out in a single transaction, are counted as one Disposal for the purposes of this Condition 4.7.

The Issuer or any member of the DKHI Group may make a Disposal (other than Disposal of the Security Assets) and the restrictions arising under this Condition 4.7 will not apply if, prior to the signing of the relevant Disposal:

- (c) the Issuer declares and certifies to the Security Agent in a confirmation issued by the persons authorised to act on behalf of the Issuer that (i) the Disposal will be executed on an arm's length basis; (ii) at least 75 per cent. of the consideration received in the Disposal will be paid in Cash or Cash Equivalents; (iii) the Disposal will not result in a breach of the covenants set out in Condition 4.2 and 4.3; and (iv) no Event of Default is threatening or will occur as a result of the relevant Disposal; and
- (d) the Issuer provides the Security Agent as at the date of the confirmation under paragraph (c) above with a calculation demonstrating the effect of the Disposal on the LTV Ratio, provided that the Issuer may use, for the purpose of such calculation, market value of the Pledged EPAS Shares as set out in the Valuation as at the date preceding the date of the confirmation under paragraph (c) above by no more than six months.

For the purpose of determining whether the Disposal has not breached the obligation referred to in Condition 4.3 above, the Issuer is obliged to calculate the Consolidated Leverage Ratio as of the intended date of the relevant Disposal on a *pro forma* basis after giving effect to any such intended Disposal.

Within 10 Business Days after the Disposal, the Issuer must publish and make available to the Noteholders in the manner specified in Condition 14 a confirmation issued by persons authorised to act on behalf of the Issuer to the effect that (i) the Disposal was executed on an arm's length basis; (ii) at least 75 per cent. of the consideration received in the Disposal will be paid in Cash or Cash Equivalents; (iii) the Disposal did not result in a breach of the covenants set out in Conditions 4.2 and 4.3; and (iv) no Event of Default occurred or is ongoing as a result of the relevant Disposal.

The restriction in this Condition 4.7 shall not apply to the Disposals carried out by the members of the DKHI Group solely between themselves, provided that members of the DKHI Group remain the owners of all assets which are subject to the relevant Disposal.

#### 4.8 Restrictions on Distributions

So long as any of its liabilities from the Notes remain outstanding, the Issuer will not, and will ensure that no member of the DKHI Group will make any Distribution in favour of any Restricted Person if:

- (a) as a result of that Distribution, the Consolidated Leverage Ratio would exceed 4.75; or
- (b) at the time of, or immediately before, the Distribution there is an Event of Default or an Event of Default would occur or would be imminent as a result of the Distribution.

For the purpose of determining whether the Distribution has not breached the obligation referred to in paragraph (a) above, the Issuer is obliged to calculate the Consolidated Leverage Ratio as of the intended payment date of the relevant Distribution on a *pro forma* basis after giving effect to any such intended Distribution.

Beginning in the year ending 31 December 2025, the restriction in this Condition 4.8 shall not apply to the Distributions made by all members of the DKHI Group up to the total aggregate amount EUR 10,000,000 or its equivalent in any other currency in the relevant calendar year, provided that at the time of, or immediately before, the Distribution there is no Event of Default and no Event of Default would occur or would be imminent as a result of the Distribution.

If, so long as any of the Issuer's liabilities from the Notes remain outstanding, EPAS is restricted in its ability to make distributions on the basis of its inability to achieve a consolidated leverage ratio which EPAS is required to maintain under the terms of the notes issued by EPAS (the **Relevant Instruments**) in order to make distributions, then the Issuer will ensure the conditions of such Relevant Instruments allow EPAS to make a Distribution to the Guarantor for the purposes of interest payments under the Notes in an amount of at least EUR 10,000,000 (or its equivalent in other currency) by relying on another provision or provisions of the terms of the Relevant Instruments or otherwise.

#### 4.9 Restrictions on Transformations

So long as any of its liabilities from the Notes remain outstanding, the Issuer will ensure that:

- (a) the Guarantor will not participate in a merger, division, transfer of assets to a shareholder or other similar transformation, or change its legal form (a **Transformation**), other than any Transformation in which only the members of the DKHI Group participate and the Guarantor is a surviving entity of such Transformation; and
- (b) no member of the DKHI Group will participate in any Transformation which has a material adverse effect on the Issuer's ability to pay its liabilities under the Notes or Guarantor's ability to pay its liabilities under the Financial Guarantee or the validity, effectiveness and enforceability of any Security Document or any Security created or provided thereunder.

#### 4.10 Subordination

The Issuer shall ensure that any of its Indebtedness in the form of a loan or borrowing accepted from the Guarantor or any of the Issuer's Affiliates is contractually subordinated to the Issuer's liabilities under the Notes.

#### 4.11 Proceeds of the Issue

The Issuer shall ensure that the proceeds of the Issue will be made available to the Guarantor only by means of loans provided on the basis of an intra group loan agreement entered into between the Issuer as lender and the Guarantor as borrower in relation to which the Intragroup Receivables Pledge Agreement has been entered into.

#### 4.12 Information Duties

The Issuer must inform the Fiscal and Paying Agent, the Security Agent and the Noteholders in writing of (i) any Event of Default and (ii) any Change of Control within five Business Days after the day when it learned about the occurrence of such an event.

The Issuer must publish and make available to the Noteholders in the manner stipulated in Condition 14 and within the deadlines set out below the following documents and information in English or Czech language:

- (a) by 30 April of each year:
  - (i) the Issuer's annual reports and annual unconsolidated financial statements prepared in accordance with IFRS and audited by the Chosen Auditor, starting with the annual report and financial statements prepared as at the last day of the accounting period ending on 31 December 2024; and
  - (ii) EPAS's annual reports and annual consolidated financial statements prepared in accordance with IFRS and audited by the Chosen Auditor, starting with the annual report and financial statements prepared as at the last day of the accounting period ending on 31 December 2024;
- (b) by 31 July of each year the Guarantor's annual reports and annual consolidated financial statements prepared in accordance with IFRS and audited by the Chosen Auditor, starting with the annual report and financial statements prepared as at the last day of the accounting period ending on 31 December 2024
- (c) by 30 September of each year:
  - (i) the Issuer's half-year reports and half-year unconsolidated and unaudited financial statements prepared in accordance with IFRS, starting with the half-year report and half-year financial statements for the half-year ending on 30 June 2025; and
  - (ii) EPAS's half-year consolidated and unaudited financial statements prepared in accordance with IFRS, starting with the half-year financial statements for the half-year ending on 30 June 2025;
- (d) confirmation of compliance with the covenants set out in Condition 4.3 and 4.8 issued by persons authorised to act on behalf of the Guarantor as follows:
  - (iii) by 31 January of each year (tested as of 30 September of the immediately preceding year and starting with the confirmation for the twelve month period ending on 30 September 2025) based

on the consolidated management accounts of the Guarantor (whereas details of the results of the covenant testing will be provided within the same deadline solely to the Security Agent);

- (iv) by 31 July of each year (tested as of 31 December of the immediately preceding year and starting with the confirmation for the twelve month period ending on 31 December 2024) based on the financial statements referred to in paragraph (b) above (whereas this confirmation will also include details of the results of the covenant testing);
- (v) by 31 July of each year (tested as of 31 March of the given year and starting with the confirmation for the twelve month period ending on 31 March 2025) based on the consolidated management accounts of the Guarantor (whereas details of the results of the covenant testing will be provided within the same deadline solely to the Security Agent); and
- (vi) by 31 October of each year (tested as of 30 June of the given year and starting with the confirmation for the twelve month period ending on 30 June 2025) based on the consolidated management accounts of the Guarantor (whereas details of the results of the covenant testing will be provided within the same deadline solely to the Security Agent); and

(e) information on the LTV Ratio values in the manner and within the periods specified in Condition 4.2.

#### 4.13 **Obligation to Create Security**

The Issuer undertakes and will ensure that:

- (a) the Initial Security Documents will be entered into, and the Initial Security thereunder will be perfected, no later than on the Initial Security Establishment Date;
- (b) the relevant Additional Security Document will be entered into, and the Additional Security thereunder will be perfected, no later than on the relevant Additional Security Establishment Date; and
- (c) if any intra group loan agreement by virtue of which the proceeds of the Issue shall be made available to the Guarantor and which is not subject to the Initial Security is entered into between the Issuer as lender and the Guarantor as borrower (a **New Intragroup Loan Agreement**), an amendment to the Intragroup Receivables Pledge Agreement is entered into and the Security over the receivables under such New Intragroup Loan Agreement will be perfected prior to the date on which a loan is provided under such New Intragroup Loan Agreement.

#### 4.14 **Definitions**

For the purpose of this Condition 4:

**Additional Security** means any pledge of or other security interest over shares in EPAS established pursuant to the Additional Share Pledge Agreement that is additional to the Initial Security over shares in EPAS established on or prior to the Initial Security Establishment Date pursuant to the Initial Share Pledge Agreement;

**Additional Security Establishment Date** means, for the purposes of Condition 4.2, the day as of which Equity Cure by way of (i) entering into an Additional Share Pledge Agreement or (ii) transferring, or arranging for the transfer of, funds into the Escrow Account is to be carried out under Condition 4.2;

**Affiliate** means, in relation to a person (the **Relevant Person**), (i) a person controlled or influenced by the Relevant Person, or (ii) a person controlling the Relevant Person or having an influence on the Relevant Person, or (iii) a person controlled or influenced by the same person that controls the Relevant Person (or which is a person having an influence on the Relevant Person);

**CAS** means generally accepted accounting principles in the Czech Republic;

**Cash and Cash Equivalents** means the cash and cash equivalents of the DKHI Group defined as such in the most recent consolidated financial statements of the Guarantor (or equivalent items in the consolidated management accounts of the Guarantor), including any cash and cash equivalents which are listed as “Restricted cash” in the most recent consolidated financial statements of the Guarantor.

**Chosen Auditor** means any reputable auditor company providing auditor services in accordance with the law of the relevant jurisdiction;

**Consolidated EBITDA** is the consolidated EBITDA of the DKHI Group for the relevant twelve-month period shown as earnings before interest, taxes, depreciation and amortization (EBITDA) in the consolidated statement of comprehensive income forming part of the financial statements (or equivalent items in the consolidated management accounts of the Guarantor) most recently drawn, or where the Guarantor for any period does not report EBITDA, EBITDA will be calculated as earnings before financial expenses and taxes (EBIT) plus depreciation and amortization expense, each as stated in the most recent consolidated statement of comprehensive income forming part of the financial statements (or equivalent items in the consolidated management accounts of the Guarantor) most recently drawn;

**Consolidated Net Indebtedness** means the Indebtedness of the DKHI Group on a consolidated basis, after deducting the total amount of Cash and Cash Equivalents of the DKHI Group on a consolidated basis;

**Consolidated Leverage Ratio** means the ratio of Consolidated Net Indebtedness to Consolidated EBITDA; in addition, for the purposes of calculating the Consolidated Leverage Ratio, any acquisitions that have been made through mergers, consolidations or otherwise, during the period for which the Consolidated Leverage Ratio is calculated or subsequent to such period, but prior to the date on which the calculation of the Consolidated Net Leverage Ratio is made, any such acquisition will be given a *pro forma* effect as if it had occurred on the first day of a period for which the Consolidated Leverage Ratio is calculated, including reductions in costs and related adjustments that have been actually realised or are projected by an authorised accounting or financial officer of the Issuer in good faith to result from reasonably identifiable and factually supportable actions or events, but only if such reductions in costs and related adjustments are so projected by the Issuer to be realised during the consecutive twelve-month period commencing after the transaction giving rise to such calculation.

**Distribution** means:

- (a) making of any direct or indirect repayment of any subordinated debt (including the making of any interest payments);
- (b) proposing any resolution on distribution, or distributing or paying any dividend, other share of profit, share in the registered capital or equity, other payment related to the capital of a relevant person, interest on unpaid dividends, other payment or similar amount (e.g. dividend advance or interest on unpaid dividends);
- (c) providing any credit, loan, (obligation or *in rem*) security or affirmation; or
- (d) without prejudice to the generality of any of the items referred to in paragraphs (a) to (c) above, repaying or paying any Ultimate Controlling Person Indebtedness;

**EPAS Group** means EPAS and its Subsidiaries;

**Escrow Account** means a bank account of the Issuer to be opened with the Security Agent for the purposes of Equity Cure by way of transferring, or arranging for the transfer of, funds into the Escrow Account under Condition 4.2, whereas (i) the holder of such an account shall not have the right to effect any transfers from that account without the prior written consent of the Security Agent (which shall not be unreasonably withheld or delayed); and (ii) the receivables of the holder of such an account against the Security Agent under the terms of the relevant bank account agreement shall be pledged in favour of the Security Agent;

**IFRS** means International Financial Reporting Standards (IFRS and IFRIC Interpretation), as amended and adopted by European Union legislation, which are consistently applied;

**Indebtedness** means the aggregate outstanding principal, capital or nominal amount of any below indebtedness (other than any debt of the Issuer subordinated to the liabilities arising under or in connection with the Notes under Section 172 of the Insolvency Act or contractually subordinated to the liabilities arising under or in connection with the Notes) of a relevant person that will, except for indebtedness described in paragraphs (g) and (h) below, be considered as a liability recognised in the balance sheet according to IFRS of the relevant person (if certain indebtedness has elements of more than one category of Indebtedness, it will be counted only once):

- (a) borrowed funds;
- (b) note purchase facility or note issue (including the Notes), debentures, loan stock or any other similar instrument;
- (c) redeemable preference shares;



- (d) factoring or any other assignment of claims for consideration in which there may occur a reassignment of the claims to the assignor in the extent of potential consideration or monetary compensation for the reassignment or recourse (except for claims sold without recourse if there are met the requirements on elimination from the balance sheet (derecognising) according to IFRS);
- (e) any debt arising from any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (f) acquisition price of assets in the extent in which it is paid after delivery of the assets within a period exceeding 90 days if the deferral of maturity is agreed primarily as a method of obtaining financing, or financing of acquisition of the relevant assets, excluding lease financing as defined under IFRS;
- (g) any interest rate forward contracts, interest rate swap agreements, interest rate options agreements or other arrangements designed to manage interest rate risk or any foreign exchange forward contracts, currency swap agreements, currency options agreements or other arrangements designed to protect against fluctuations in currency exchange rates (for the purposes of the calculation of the amount of Indebtedness, the mark-to-market value of the derivative transaction will be used);
- (h) any counter-indemnity obligation to a third party that satisfied the debtor's or obligor's debt (including a recourse claim) from a guarantee, indemnity, note, stand-by letter of credit, documentary letter of credit or any other instrument issued by a bank or a financial institution (except for a supplier credit in connection with ordinary business activities of the relevant person), whereas solely for the purposes of the calculation of "Consolidated Net Indebtedness" and solely in relation to counter-indemnities with respect to debt of a DKHI Group member only those counter-indemnity obligations that are duly called in accordance with the relevant instrument shall be counted;
- (i) any other transaction (including forward purchase or sale contracts) that has the business effect of a simple loan or a loan; or
- (j) (without double counting) the amount of any debt in respect of any provided guarantee, financial guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

**Initial Security Establishment Date** means the day falling 5 Business Days before the Issue Date;

**LTV Ratio** means a value calculated using the following formula:

- (a) the aggregate outstanding nominal amount of all Notes, except for Notes held by the Issuer, as at the date preceding the relevant testing date by no more than ten days – (*minus*)
- (b) the positive balance standing to the credit of the Escrow Account (if any) as at the relevant testing date / (*divided by*)
- (c) the market value of the Pledged EPAS Shares as set out in the Valuation as at the date preceding the relevant testing date by no more than six months;

**Other Security** means any pledge, security assignment of a right, lien or any other form of *in rem* security, including (among others) any similar institute under the law of any jurisdiction, other than the Security under the Security Documents;

**Pledged EPAS Shares** means the shares in EPAS which are, at any time, subject to Security in accordance with these Conditions;

**Restricted Person** means, in relation to any member of DKHI Group, any of its Affiliates which is not a member of DKHI Group;

**Ultimate Controlling Person Indebtedness** means any subordinated or other Indebtedness (including interest payments) towards the Ultimate Controlling Person or any deferred purchase price or any other debt arising from any share purchase, acquisition or any other contract owed towards the Ultimate Controlling Person;

**Valuation** means a valuation of the Pledged EPAS Shares prepared by the Valuation Expert; and

**Valuation Expert** means any financial advisory entity of KPMG, Deloitte, PricewaterhouseCoopers, Ernst & Young (whereas no such entity may serve as the Valuation Expert if, and for so long as, it or any of its Affiliates serves as an auditor of DKHI), or any other person approved in advance by the Security Agent.

## 5 Interest

### 5.1 Interest Rate and Interest Payment Dates

The Notes will bear a fixed interest rate of 7.50 per cent. p.a. (the **Interest Rate**). The interest will be paid semi-annually in arrears, on 25 April and 25 October each year (each the **Interest Payment Date**) in accordance with these Conditions. The first Interest Payment Date will be 25 April 2025.

For the purposes of these Conditions, **Interest Period** means the six-month period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and each immediately following period from (and including) the Interest Payment Date to (but excluding) the next Interest Payment Date until the maturity date of the Notes (as specified in Condition 6.1). For the purposes of determining the Interest Periods, the Interest Payment Date will not be adjusted according to the Business Day Convention (see Condition 7.3).

The interest will accrue evenly from the first day of each Interest Period to the last day included in such Interest Period at the Interest Rate.

### 5.2 End of Interest Accrual

The Notes will cease to bear interest on the Maturity Date (as this term is defined in Condition 6.1) or on the Early Redemption Date (as this term is defined in Conditions 3.8, 6.2, 7.2, 9.2, 13.4.1 and 13.4.2.), unless the payment of any due amount is unlawfully retained or refused by the Issuer although all relevant conditions and requirements for payment on the Maturity Date or the Early Redemption Date have been complied with. In such an event, interest will continue to accrue at the interest rate set out in Condition 5.1 until the earlier of (i) the date on which all amounts due and payable as of that date in accordance with these Conditions are paid to the Noteholders or (ii) the date on which the Fiscal and Paying Agent notifies the Noteholders that it has received all amounts payable in connection with the Notes, unless any additional unlawful retention or refusal of payments occurs after such notice.

### 5.3 Day Count Convention for Interest Calculation

The interest payable on the Notes for a period of less than one year will be calculated on the basis of an BCK Standard 30E/360 day count fraction, i.e., a year shall be deemed to consist of 360 (three hundred sixty) days divided into 12 months of 30 calendar days each, whereas in the event of an incomplete month, the number of days actually expired will apply.

### 5.4 Calculation of Interest

The amount of interest accrued on one Note over any period of one current year will be calculated as a multiple of the nominal amount of such Note and the relevant interest rate (expressed in decimal form). The amount of interest accrued on one Note over any period shorter than one current year will be calculated as a multiple of the nominal amount of such Note, the relevant interest rate (expressed in decimal form) and the relevant day-count fraction determined according to the day count convention under Condition 5.3. The total interest amount calculated according to this Condition 5.4 will be rounded to two decimal points.

## 6 Redemption and Purchase

### 6.1 Redemption at Maturity

Unless previously redeemed or purchased by the Issuer and cancelled as specified below, each Note will be redeemed by the Issuer at its outstanding nominal amount in a single payment on 25 October 2029 (the **Maturity Date**), subject as provided in Condition 7.

### 6.2 Early Redemption at the Option of the Issuer

Beginning three years after the Issue Date (inclusive), the Issuer has the right to redeem early all outstanding Notes (in part or in full), and may exercise this right only if it notifies the Noteholders in accordance with Condition 14 no later than 60 days before the relevant early redemption date (the **Early Redemption Date**). The Issuer may partially redeem the Notes only as of an Early Redemption Date that is an Interest Payment Date. The redemption of all Notes in full may be performed as of any Early Redemption Date.

The Issuer shall repay all or part of the outstanding nominal amount of the Notes, the relevant interest income accruing on the amount of the early repaid nominal amount of the Notes as of the Early Redemption Date and extraordinary interest income determined as 1/60 of the annual Interest Rate on the total amount of the early repaid

nominal amount of the Notes multiplied by the number of full months remaining from the relevant Early Redemption Date until the Maturity Date (the **Early Redemption Extraordinary Interest**). No Early Redemption Extraordinary Interest will be paid with respect to the redemption of the Notes if less than six months are remaining from the relevant Early Redemption Date until the Maturity Date.

The provisions of these Conditions on the payment of the nominal amount of the Notes will apply accordingly to the payment of the Early Redemption Extraordinary Interest.

The early redemption notice at the option of the Issuer under this Condition 6.2 is irrevocable and obliges the Issuer to redeem the Notes early in accordance with the provisions of this Condition 6.2.

The early partial redemption of the Notes does not restrict the Issuer from making any further early redemption of the Notes in accordance with this Condition 6.2.

Provisions of Condition 7 with the necessary modifications will otherwise apply to the early redemption of the Notes under this Condition 6.2.

### 6.3 **Buyback at the Option of the Noteholders**

For the purpose of this Condition 6.3, a **Change of Control** means a situation where:

- (a) the Guarantor:
  - (i) ceases to hold, directly or indirectly, more than 50.1 % participation in the registered capital of, or voting rights in, EPAS; or
  - (ii) loses the right to appoint a majority of members of the governing body of EPAS;
- (b) the Guarantor:
  - (i) ceases to hold directly or indirectly a 100 % participation in the registered capital of, or voting rights in, the Issuer; or
  - (ii) loses the right to appoint a majority of members of the governing body of the Issuer; or
- (c) the Ultimate Controlling Person or a person controlled by the Ultimate Controlling Person:
  - (i) ceases to hold, directly or indirectly, more than a 50.1 % participation in the registered capital of, or voting rights in, (A) the Guarantor, or (B) EPAS; or
  - (ii) loses the right to appoint a majority of members of the governing body of (A) the Guarantor, or (B) EPAS.

If a Change of Control occurs, a Noteholder may, at its own discretion, request the Issuer to purchase its Notes before the Maturity Date, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office (the **Buyback Notice**), always for 101% of the outstanding nominal amount of its Notes on the Buyback Date (as defined below) increased by interest accrued and due as of the Buyback Date (as defined below), and the Issuer must purchase the Notes of the relevant Noteholder no later than on (and including) the last day of a calendar month following the calendar month in which the Noteholder delivered the Buyback Notice to the Fiscal and Paying Agent (the **Buyback Date**).

The Buyback Notice must be delivered to the Fiscal and Paying Agent no later than 30 days after the day when the Noteholder learned, or could have learned, about the Change of Control. The Buyback Notice must be signed by the relevant Noteholder or a person authorised to act on behalf of the Noteholder, whereas the signatures on the Buyback Notice must be notarised or otherwise verified by an authorised employee of the Fiscal and Paying Agent.

This is without prejudice to the right of the Noteholder to request early redemption of 100% of the nominal amount of the Notes and the payment of the related accrued and unpaid interest on the Notes in accordance with Conditions 9, 13.4.1 and 13.4.2.

Provisions of Condition 7 with the necessary modifications will otherwise apply to the early redemption of the Notes under this Condition 6.3.

## 6.4 Clean-up Call

If, at any time the outstanding aggregate principal amount of the Notes is 20 per cent. or less of the aggregate principal amount of the Notes issued and outstanding, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall specify the date for redemption and shall be irrevocable), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes on any date (the **Early Redemption Date**) at their nominal amount, together with the relevant interest income accrued on the amount of the early repaid nominal amount of the Notes as of the Early Redemption Date and extraordinary interest income determined as 1/60 of the annual Interest Rate on the total amount of the early repaid nominal amount of the Notes multiplied by the number of full months remaining from the relevant Early Redemption Date until the Maturity Date.

## 6.5 Purchases

The Issuer may purchase the Notes at any time on the market or otherwise at any price.

## 6.6 Cancellation of the Notes

The Notes purchased by the Issuer will not be cancelled, unless decided otherwise by the Issuer. If the Issuer does not decide on the cancellation of the Notes purchased by it, it will be entitled to dispose of such Notes at its sole discretion.

# 7 Payment Terms

## 7.1 Currency of Payments

The Issuer undertakes to pay interest on and repay the nominal amount of the Notes solely in the Czech Koruna, or in any other lawful currency of the Czech Republic that might replace the Czech Koruna. Interest will be paid to the Noteholders and the nominal amount of the Notes will be repaid subject to and in accordance with these Conditions and the tax, foreign exchange and other applicable laws of the Czech Republic in effect at the time of the relevant payment.

In the event that the Czech Koruna in which the Notes are denominated and in which the payments relating to the Notes should be made in compliance with these Conditions ceases to exist and is replaced by Euro, (i) the denomination of such Notes will be changed to Euro in conformity with the applicable laws, and (ii) all monetary liabilities arising from such Notes will automatically and without any further notice to the Noteholders be payable in Euro, with the official rate (i.e. the fixed conversion ratio) being in accordance with the applicable law being used as the exchange rate between the Czech Koruna and Euro. Such replacement of the Czech Koruna (i) will not, in any respect, affect the existence or enforceability of the Issuer's liabilities under the Notes, and (ii) for the avoidance of doubt, will not be deemed to constitute any change to these Conditions or a default or an event of default or an enforcement event under these Conditions.

## 7.2 Payment Date

The payment of interest on and the repayment of the nominal amount of the Notes will be made by the Issuer through the Fiscal and Paying Agent on the dates specified in these Conditions (each such date further referred to, according to its meaning, as the **Interest Payment Date** or the **Maturity Date** or the **Early Redemption Date** or the **Payment Date**).

## 7.3 Business Day Convention

If any Payment Date falls on a day that is not a Business Day, such Payment Date will instead fall on the next following Business Day, and the Issuer will not be obliged to pay any interest or any other additional charges by reason of such delay in payment resulting from the application of any Business Day convention (the **Business Day Convention**).

## 7.4 Determination of the Right to Receive Payments Related to the Notes

The authorised persons to whom the Issuer will pay interest or other amounts on the Notes will be persons on whose owner's securities account kept with the Central Depository, or in the register maintained by a person keeping follow-up records linked to the Central Depository, the Notes are recorded at the close of the relevant Record Date for Interest Payment (the **Authorised Persons**).

**Record Date for Interest Payment** is a day falling 30 (thirty) calendar days prior to the relevant Interest Payment Date; however, for the purposes of determining the Record Date for Interest Payment, the Interest Payment Date will not be adjusted according to the Business Day Convention.

For the purposes of determining the recipient of interest, neither the Issuer nor the Fiscal and Paying Agent will take into account any transfer of any Notes registered in the Central Depository or in the register maintained by a person keeping follow-up records linked to the Central Depository after the Record Date for Interest Payment.

The authorised persons to whom the Issuer will repay the nominal amount of the Notes shall be persons on whose owner's securities account with the Central Depository, or in the register maintained by a person keeping follow-up records linked to the central registry for securities, the Notes are recorded at the close of the relevant Record Date for Nominal Amount Repayment (also the **Authorised Persons**).

**Record Date for Nominal Amount Repayment** is a day falling 30 (thirty) calendar days prior to the relevant Maturity Date or the Early Redemption Date; however, for the purposes of determining the Record Date for Nominal Amount Repayment, such Payment Date will not be adjusted according to the Business Day Convention.

For the purposes of determining the recipient of the nominal amount of the Notes, neither the Issuer nor the Fiscal and Paying Agent will take into account any transfer of any Notes registered in the Central Depository or in the register maintained by a person keeping follow-up records linked to the Central Depository after the Record Date for Nominal Amount Repayment.

If, according to the entry in the owner's securities account kept with the Central Depository, or in the register maintained by a person keeping follow-up records linked to the Central Depository, the Notes with respect to which the payments of interest or other amounts shall be performed by the Fiscal and Paying Agent, are pledged, then the pledgee recorded in the extract from the register of the Issue shall be considered an Authorised Person in respect of the Notes, unless (i) it is evident that a person authorised to receive the payments of interest or other amounts attached to the pledged Notes is the respective Noteholder and (ii) it is proven to the Fiscal and Paying Agent in other satisfactory manner that the respective Noteholder has the right to receive the payments of interest or other amounts attached to the pledged Notes by virtue of an agreement between such Noteholder and the pledgee.

## 7.5 Payments

The Fiscal and Paying Agent will make payments to the Authorised Persons by means of wire transfer to their accounts kept with a bank in the European Union or other state that is a member of the European Economic Area. The Authorised Person's account details shall be communicated together with an instruction by the Authorised Person to the Fiscal and Paying Agent at the address of the Fiscal and Paying Agent's Specified Office in a verifiable manner no less than five (5) Business Days prior to the Payment Date.

Such instruction shall be in the form of a written statement with an officially verified signature or signatures or a signature verified by an authorised employee of the Fiscal and Paying Agent, and shall contain sufficient details of such bank account to allow the Fiscal and Paying Agent to make the payment, and, if the Authorised Person is a legal entity, it shall be accompanied by an original or an officially certified copy of an extract from the Commercial Register or other respective register in which the Authorised Person is registered not older than six months and the authorised employee of the Fiscal and Paying Agent will verify the validity of the information contained in such extract from the Commercial Register or other respective register (such instruction, excerpt from the Commercial Register or other respective register and certificate of tax domicile, and other required appendices, if any (the **Instruction**)). In the case of original foreign official documents or official verification abroad, legalisation of the documents or an apostille according to the Hague Apostille Convention (as applicable) is required. The Instruction must be in form and substance that meet the specific requirements of the Fiscal and Paying Agent, whereas the Fiscal and Paying Agent is entitled to require sufficiently satisfactory evidence that the person who signed the Instruction is authorised to sign such Instruction on behalf of the Authorised Person. Such evidence must be delivered to the Fiscal and Paying Agent together with the Instruction.

The Instruction must be in form and substance that meet the specific requirements of the Fiscal and Paying Agent, and the Fiscal and Paying Agent may require reasonably satisfactory evidence that the signatory of such Instruction had the authority to sign such Instruction on behalf of the Authorised Person. Such evidence shall also be delivered to the Fiscal and Paying Agent no less than five (5) Business Days prior to the Payment Date. In this respect, the Fiscal and Paying Agent may require that (a) a power of attorney be delivered in the event that the Authorised Person is acting through an agent or (b) the instruction from the Authorised Person be subsequently confirmed.

Notwithstanding the foregoing, neither the Fiscal and Paying Agent nor the Issuer must examine the correctness, completeness or authenticity of any such Instruction in any manner whatsoever and neither of them will be liable for any damage incurred in connection with any delay in the delivery of such Instruction by the Authorised Person or with the delivery of an incorrect or otherwise defective Instruction. The Instruction will be deemed properly made if it contains all the items required by this Condition, is delivered to the Fiscal and Paying Agent in accordance with this Condition and complies with the requirements of this Condition in all other respects. Upon the Issuer's request, the Fiscal and Paying Agent shall provide the Issuer with other information as set out in the Fiscal and Paying Agency Agreement, if any.

Any Authorised Person who claims tax relief in accordance with any applicable double taxation treaty to which the Czech Republic is a party shall deliver to the Fiscal and Paying Agent, together with the Instruction as an integral part thereof, a current proof of its tax domicile as well as other documents that the Fiscal and Paying Agent and the relevant tax authorities may request (always including information regarding the relevant yield payment). Notwithstanding such rights, neither the Fiscal and Paying Agent nor the Issuer shall verify the authenticity or completeness of such Instructions, or be liable for any damage incurred in connection with any delay in the delivery of such Instruction by any Authorised Person, or with the delivery of an incorrect or otherwise defective Instruction.

If the above documents (especially the proof of tax domicile) are not delivered to the Fiscal and Paying Agent in the time period stipulated for the delivery of the Instruction, the Fiscal and Paying Agent will act as if the documents have not been delivered at all. The Authorised Person may, unless it applies for the refund with the relevant tax authority on its own, subsequently deliver such documents proving entitlement to a tax benefit and request the Issuer through the Fiscal and Paying Agent to refund the withholding tax or its part. In such a case, the Issuer has the right to require the Authorised Person to pay a fee calculated as the sum of (in each case plus value added tax, if any) (a) a fixed amount of CZK 25,000 and (b) any administrative fees, penalties, interest or similar costs that the Issuer may incur in connection with such refund application, additional administrative costs and correspondence and communication with relevant tax authorities. In this case, the Issuer will pay the amount corresponding to the refunded withholding tax to the Authorised Person only after (i) such Authorised Person pays the relevant compensation amount under this paragraph to the Issuer and (ii) the Issuer has already received amount corresponding to the refunded withholding tax from the relevant tax authority. The Issuer is not required to take any other steps, make any other applications or enforce any claim or assist with an enforcement of any claim in connection with the refund of the withholding tax or its part.

The Issuer's obligation to pay any amount due in connection with the Notes will be deemed discharged in a due and timely manner if the relevant amount has been remitted to the Authorised Person in compliance with a proper Instruction pursuant to this Condition 7.5 and if such amount is credited to the account of the Authorised Person's bank with the clearing centre of the Czech National Bank not later than on the relevant due date if the payment is made in the Czech Koruna or in a currency that replaces the Czech Koruna (provided that settlement in such currency is made through the clearing centre of the Czech National Bank).

Neither the Issuer nor the Fiscal and Paying Agent shall be liable for any delay in the payment of any amount due caused by the Authorised Person, e.g. by its failure to deliver a proper Instruction in a timely manner. If any Authorised Person fails to deliver to the Fiscal and Paying Agent in time a proper Instruction under this Condition 7.5, it will have no right to receive either from the Fiscal and Paying Agent or the Issuer any interest or any other payment on account of such delay if (i) the relevant amount has been remitted to the Authorised Person in accordance with a proper Instruction pursuant to this Condition 7.5 and (ii) such amount has been debited from the Fiscal and Paying Agent's account not later than ten (10) Business Days following the day on which the Fiscal and Paying Agent received the proper Instruction.

Neither the Issuer nor the Fiscal and Paying Agent will be liable for any damage incurred by (i) the failure to deliver in time the proper Instruction or any other documents or information required to be delivered under this Condition 7.5, or (ii) such Instruction or any related document or information being incorrect, incomplete or untrue, or (iii) circumstances beyond the control of the Issuer or the Fiscal and Paying Agent. No Authorised Person will be entitled in any such event to receive any additional payment, other compensation or interest for any such delay in the relevant payment.

#### **7.6 Change in the Payment Method**

The Issuer and the Fiscal and Paying Agent are jointly entitled to elect to change the payment procedure. However, such change may not negatively affect the position and interests of the Noteholders. The Noteholders will be notified of such change in the same manner as set out in Condition 14. If such change would affect the position and interests of the Noteholders, the Issuer will be obliged to promptly convene the Meeting (as defined in

Condition 13) and request the Noteholders to provide their opinion on the Issuer's proposal for any amendment to these Conditions that requires the Noteholders' consent under applicable laws as set out in Condition 13.

## **8 Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Czech Republic or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If any such deduction or withholding is so required, the Issuer shall not be obligated to pay to the Noteholders any additional amounts in respect of any such withholding or deduction.

## **9 Early Redemption of the Notes upon the Occurrence of Events of Default**

### **9.1 Events of Default**

If any of the following events (each an **Event of Default**) occurs and is continuing:

(a) **Non-payment**

any payment in respect of the Notes is not made on the due date thereof and such default remains unremedied for more than 10 Business Days from the date on which the Issuer is notified of such default by any Noteholder in writing by letter delivered to the Issuer or at the address of the Specified Office; or

(b) **Breach of other obligations**

the Issuer defaults in the performance or observance of any of its other obligations (other than under paragraph (a) above) under these Conditions (including, for the avoidance of doubt, any obligations set out in Condition 4 provided that such breach of obligations is not remedied in accordance with the conditions set out in Condition 4) and such default remains unremedied for more than 20 days from the date on which the Issuer is notified of such default by any Noteholder in writing by letter delivered to the Issuer or at the address of the Specified Office; or

(c) **Cross-acceleration**

Any Indebtedness of the Issuer or any member of the DKHI Group, the principal amount of which in aggregate reaches at least EUR 20,000,000 or its equivalent in any other currency, (i) becomes prematurely due and payable before its stated maturity other than at the option of the Issuer or the relevant member of the DKHI Group or (provided that there has been no event of default, however indicated) at the option of the creditor and is not paid within 10 Business Days, unless in the meantime the Indebtedness ceases to exist, or (ii) is not paid when it becomes due after expiry of any relevant grace period (originally agreed), unless this Indebtedness ceases to exist in the meantime; or

(d) **Insolvency etc.**

(A) The Issuer, the Guarantor, EPAS or any Material Member proposes to the court to initiate insolvency proceedings, declare bankruptcy of its assets, permit reorganisation or debt relief or similar proceedings (the **Insolvency Petition**), the purpose of which is to collectively or gradually satisfy creditors under applicable law; (B) the assets of the Issuer, the Guarantor, EPAS or any Material Member are declared bankrupt by the relevant court or other competent authority, a reorganisation or debt relief is allowed or any other similar proceedings are initiated; (C) the Insolvency Petition is rejected by the competent authority on the grounds that the Issuer's, the Guarantor's, EPAS's or any Material Member's assets would not cover the costs and expenses of the proceedings; or (D) the Issuer, the Guarantor, EPAS or any Material Member proposes or enters into an agreement to postpone, set a schedule or otherwise adjust all of its debts on the grounds that it is unable to settle them at maturity, provided however that this provision shall not apply to any winding-up, insolvency petition or any other action which is frivolous or vexatious or is discharged, stayed or dismissed within 30 days of commencement; or

(e) **Cessation of business**

the Issuer, the Guarantor, EPAS or any Material Member ceases to carry out its principal business or ceases to hold a valid licence or permit to pursue its principal business; or

(f) **Liquidation**

a final decision of an authority of the relevant jurisdiction or a decision of the relevant body of the Issuer, the Guarantor, EPAS or any Material Member is adopted on dissolution with liquidation (other than, in the case of a Material Member, for the purposes of, or pursuant to, an amalgamation, reorganisation or restructuring whilst the Issuer or such Material Member remains solvent); or

(g) Judicial and Other Decisions

the Issuer or any member of the DKHI Group fails to comply with the payment obligation finally imposed by the competent authority which, individually or in aggregate, exceeds EUR 20,000,000 or its equivalent in another currency within the period specified in the relevant decision or within 30 days of receipt of that decision, whichever comes later; or

(h) Illegality

the Issuer's liabilities under the Notes or the Guarantor's liabilities arising from the Financial Guarantee cease to be fully or partially legally enforceable or become in breach of applicable laws, or for the Issuer or the Guarantor it becomes illegal to meet any of its obligations under these Conditions or in connection with the Notes or the Financial Guarantee, and such state is not remedied within (and including) five Business Days; or

(i) Security

the Security is not created in favour of the Noteholders and the Security Agent under the terms and deadlines set out in Conditions 3.5 and 4.13 or any other breach under the Security Documents occurs, and such breach is not remedied within (and including) 30 Business Days after the date on which such breach occurred, or the Security ceases to exist or ceases to be valid and enforceable (except as permitted pursuant to these Conditions), and such breach is not remedied within (and including) 10 Business Day, or the Issuer or any Pledgor under the Security Documents claim that the Security is invalid or not enforceable;

(j) Listing of the Notes

the Notes are not admitted to trading on the Regulated Market of the PSE or any other regulated market that replaces the Regulated Market of the PSE (or a similar market of any PSE successor) as of the Issue Date at the latest or, at any time after that date, or the Notes cease to be admitted to trading on the Regulated Market of the PSE (except as a result of early redemption or buyback, as applicable, in accordance with Conditions 6.2 or 6.3) or any other regulated market that replaces the Regulated Market of the PSE (or a similar market of any PSE successor),

then any Noteholder, at its discretion, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office (the **Early Redemption Notice**), may request early redemption of the Notes held by such Noteholder which the Noteholder undertakes not to dispose of since that moment, plus any accrued and unpaid interest thereon pursuant to Condition 5.1, as at the Early Redemption Date (as this term is defined below), and the Issuer is obliged to redeem such Notes (together with accrued and undistributed interest thereon) in accordance with Condition 9.2.

## 9.2 Maturity of Accelerated Notes

Any and all amounts payable by the Issuer to any Noteholder according to Condition 9.1 will become due and payable as of the last Business Day of the month following the month in which the Noteholder delivered the relevant Early Redemption Notice for the Issuer to the Specified Office of the Fiscal and Paying Agent (the **Early Redemption Date**), unless the relevant event of default is remedied by the Issuer before the delivery of the Early Redemption Notice with respect to the relevant Notes or unless the Early Redemption Notice is withdrawn in accordance with Condition 9.3.

## 9.3 Withdrawal of Early Redemption Notice

A Noteholder may withdraw, in writing, the Early Redemption Notice but only with respect to the Notes held by such Noteholder and only if such withdrawal is addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office not later than 8 Business Days before the relevant amounts become due and payable according to preceding Condition 9.2. However, any such withdrawal of the Early Redemption Notice will not affect any Early Redemption Notices given by the other Noteholders.



#### 9.4 **Other Conditions for Early Redemption of the Notes**

The provisions of Condition 7 will apply mutatis mutandis to the early redemption of the Notes pursuant to this Condition 9.

#### 10 **Statute of Limitations**

All rights connected with the Notes will become statute-barred upon the expiration of ten (10) years from the day when such rights could be exercised for the first time.

#### 11 **Fiscal and Paying Agent**

##### 11.1 **Fiscal and Paying Agent and Specified Office**

J&T BANKA will act as the Fiscal and Paying Agent. The Fiscal and Paying Agent's specified office and place of payment (the **Specified Office**) will be at the following address:

J&T BANKA, a.s.  
Sokolovská 700/113a  
186 00 Prague 8  
Czech Republic

##### 11.2 **Additional and Other Fiscal and Paying Agent and Specified Office**

The Issuer reserves the right to appoint, at any time, an additional or other Fiscal and Paying Agent and to designate an additional or other Specified Office, or to appoint additional payment providers.

The Issuer will give a notice of such change in the Fiscal and Paying Agent or Specified Office and of the appointment of additional payment providers to the Noteholders in the manner set out in Condition 14 and any such change will become effective upon the expiration of 15 (fifteen) calendar days following the date of such notice unless a later effective date is specified in the notice. In any event, any such change that would otherwise become effective less than 30 (thirty) calendar days before or after the Payment Date for any amount payable under the Notes will become effective on the 30th day following such Payment Date.

##### 11.3 **Relationship between the Fiscal and Paying Agent and the Noteholders**

Unless provided otherwise by law or by the Fiscal and Paying Agency Agreement, the Fiscal and Paying Agent will act as an agent of the Issuer when performing its duties under the Fiscal and Paying Agency Agreement, providing no guarantee or security for the Issuer's liabilities under the Notes, and will be in no legal relationship with the Noteholders.

##### 11.4 **Amendments and Waivers**

The Issuer and the Fiscal and Paying Agent may, without the consent of the Noteholders, agree to (A) any amendment or waiver of any provision of the Agency Agreement if the amendment or waiver is solely of a formal, ancillary or technical nature or is made to correct a manifest error or required by changes in law; and (B) any other amendment or waiver of any provision (or breach of any provision) of the Agency Agreement that, in the reasonable opinion of the Issuer and the Fiscal and Paying Agent, will not cause any harm to the Noteholders. For the avoidance of doubt, if an amendment or waiver of any provision (or breach of any provision) of the Agency Agreement under the previous sentence would lead to an amendment to these Conditions for which approval of the Meeting is required by the Bonds Act, such amendment to these Conditions may occur only with the consent of the Meeting.

#### 12 **Listing Agent**

##### 12.1.1 **Listing Agent**

J&T BANKA will be the Listing Agent.

##### 12.1.2 **Additional and other Listing Agent**

The Issuer reserves the right to appoint another or additional Listing Agent. If a change of the Listing Agent occurs, the Issuer will notify the Noteholders of such change in the manner set out in Condition 14 and any such

change will become effective upon the expiration of 15 (fifteen) calendar days following the day of such notice unless a later effective date is set out in such notice.

### 12.1.3 *Relationship between the Listing Agent and the Noteholders*

The Listing Agent acts as the Issuer's agent and has no legal relationship with the Noteholders.

## 13 **Noteholders' Meeting**

### 13.1 **Authority and Convocation of the Meeting**

#### 13.1.1 *Right to Convene the Meeting*

A Noteholder or Noteholders may convene a meeting of the Noteholders (the **Meeting**) only in cases:

- (a) where the Issuer has not convened in a Meeting when it is obligated to do so under Condition 13.1.2; and
- (b) where the convocation of the Meeting is envisaged in Conditions 3.6.

The Security Agent is obliged to convene the Meeting without undue delay at the Issuer's expense in any of the following cases:

- (a) the Issuer has not convened in meeting when it is obligated to do so under Condition 13.1.2; and
- (b) the convocation of the Meeting is envisaged in Conditions 3.6 and 3.9.

In cases where the Meeting is convened by the Security Agent, the Issuer is obliged to provide the Security Agent with any necessary assistance.

The costs of organising and convening the Meeting will be borne by the person who convened the Meeting, unless the Issuer has breached its obligation to convene the Meeting, in which case the Issuer bears the costs of organising, convening and holding the Meeting. The costs related to the attendance at the Meeting will be borne by each participant itself.

If the convening person is one or more Noteholders, such person will be required, not later than on the date on which a notice of the Meeting is published (see Condition 13.1.3: (i) to deliver to the Fiscal and Paying Agent a request for procuring evidence of the number of all Notes within the Issue entitling the holder(s) to attend the Meeting convened by a Noteholder or the Noteholders, i.e. an extract from the register of the Issue (*výpis emise*) maintained by the Central Depository, and (ii) where relevant, to pay to the Fiscal and Paying Agent an advance to cover the costs associated with its services in relation to the Meeting. The due and timely delivery of the request under item (i) above and the payment of the advance for the costs referred to in item (ii) above are conditions for the valid convocation of the Meeting.

#### 13.1.2 *Meeting Convened by the Issuer*

The Issuer is obliged to promptly convene the Meeting and request the Noteholders to provide their opinion on (each from the events below individually as a **Material Change**):

- (a) the Issuer's proposal for any amendment to these Conditions that requires the Noteholders' consent under applicable laws;
- (b) termination of the activities of the Security Agent under the Security Agency Agreement without a timely appointment of a New Security Agent in accordance with these Conditions;
- (c) request for a change in the identity of the Security Agent by Noteholders whose Notes' nominal amount represents at least 5% of the total nominal amount of the Notes,

The Issuer (i) is further obliged to convene, without any undue delay, the Meeting and request the Noteholders to provide their opinion in the event that any Event of Default has occurred and is continuing and (ii) may convene the Meeting to propose a collective action if it has knowledge that any Event of Default may occur or when the convocation and holding of the Meeting is envisaged in Condition 4.1. This is without prejudice to the Noteholders' right to request early redemption under Condition 9.1.

### 13.1.3 *Notice of the Meeting*

The Issuer is obliged to give notice of the Meeting in a manner set out in Condition 14 no later than 15 calendar days prior to the date of the Meeting. If the Meeting is convened by the Noteholder (or Noteholders) or the Security Agent, such person(s) will deliver a notice of the Meeting (containing all statutory elements) sufficiently in advance (at least 20 calendar days prior to the proposed date of the Meeting) to the Issuer at the address of the Specified Office. The Issuer will promptly ensure that such notice of the Meeting is published in the manner and within the time limit specified in the first sentence of this Condition 13.1.3 (however, the Issuer is responsible neither for the content of such notice nor for any delay or default in complying with any statutory time limits by a Noteholder who convened the Meeting). The notice of the Meeting must contain at least (i) the business name, identification number and registered office of the Issuer; (ii) the identification of the Notes, at least the Note title, the Issue Date and the ISIN; (iii) the venue, date and time of the Meeting provided that the Meeting may only take place in Prague and the date of the meeting must fall on a day that is a Business Day and that the time of the Meeting shall not be earlier than 11:00 CET; (iv) the agenda of the Meeting and, in the case of any proposed amendment(s) to these Conditions within the meaning of Condition 13.1.2, the specification of the proposed amendment(s) and justification thereof; and (v) the day that is the record date for the attendance at the Meeting. The Meeting shall be authorised to decide on the proposed resolutions that have not been contained in the notice of the Meeting only in the presence of and with the consent of all Noteholders.

If the reason for convocation of the Meeting is not continuing, the person, who convened the Meeting, will revoke the convocation of the Meeting in the same manner as convened.

## 13.2 **Persons Authorised to Attend and Vote at the Meeting**

### 13.2.1 *Persons Authorised to Attend the Meeting*

A person entitled to attend and vote at the Meeting shall only be (i) the Noteholder recorded as a Noteholder in the register of the Issue maintained by the Central Depository and in an extract from such Issue register at the close of the Meeting Attendance Record Date or (ii) a person who provides to the Issuer and the Fiscal and Paying Agent a certificate of the custodian in whose owner's securities account with the Central Depository the relevant number of the Notes was recorded as of the Meeting Attendance Record Date certifying that such person was a Noteholder as at the Meeting Attendance Record Date and that the Notes held by such person are registered in the securities account of the custodian by reason of their custodianship (the **Person Authorised to Attend the Meeting**). The certificate according to the preceding sentence must be in writing (with notarised signatures) and otherwise satisfactory in form and substance to the Fiscal and Paying Agent. In the case of the custodian being a legal entity, the Fiscal and Paying Agent may, at its own discretion, require such certificate to be accompanied by an original or an officially certified copy of an extract from the commercial register or other respective register in respect of the custodian not older than three months prior to the date of the relevant Meeting. No transfers of the Notes made after the Meeting Attendance Record Date will be taken into account.

**Meeting Attendance Record Date** is a day falling seven calendar days prior to the date of the relevant Meeting.

### 13.2.2 *Voting Rights*

Each Person Authorised to Attend the Meeting will have such number of votes out of the total number of votes that corresponds to the ratio between the nominal amount of the Notes held by such person on the Meeting Attendance Record Date to the total outstanding nominal amount of the Issue on the Meeting Attendance Record Date. No voting right will be attached to any Notes held by the Issuer or any of its Affiliates as of the Meeting Attendance Record Date that have not been cancelled by the Issuer within the meaning of Condition 6.6, and no such Notes will be taken into account when determining the presence of a quorum at the Meeting under Condition 13.3.1. If the Meeting decides on recalling a common proxy, the common proxy (if they are a Person Authorised to Attend the Meeting) may not exercise his/her/its voting right at such Meeting.

### 13.2.3 *Attendance of the Meeting by Other Persons*

The Issuer is obliged to attend the Meeting, either in person or by proxy. Other persons entitled to attend the Meeting are Noteholders, proxies of the Noteholders, proxies of the Fiscal and Paying Agent, the common proxy of the Noteholders under Condition 13.3.3 (unless he is a Person Authorised to Attend the Meeting) and any guests invited by the Issuer or the Fiscal and Paying Agent.

A power of attorney granted by a Noteholder to any proxy must be in writing with a notarised signature of the Noteholder. In the case of a Noteholder being a legal entity, the Fiscal and Paying Agent may, at its own discretion, require from an individual entitled to represent such Noteholder at the Meeting on the basis of a power of attorney

or otherwise an original or an officially certified copy of an extract from the commercial register or other respective register in respect of such Noteholder not older than three months prior to the date of the relevant Meeting.

### **13.3 Course of the Meeting; Decision-Making**

#### **13.3.1 Quorum**

The Meeting will constitute a quorum if attended by the Persons Authorised to Attend the Meeting, who were, as of the Meeting Attendance Record Date, owners of the Notes the nominal amount of which represents more than 30% of the aggregate nominal amount of the issued and outstanding Notes of the Issue. Any Notes held by the Issuer as of the Meeting Attendance Record Date that have not been cancelled by the Issuer within the meaning of Condition 6.6 will not be taken into account for the purposes of determination of the quorum of the Meeting. If the Meeting decides on recalling a common representative, any votes belonging to the common representative (if he is a Person Authorised to Attend the Meeting) will not be included in the total number of votes. Before opening the Meeting, the Issuer will inform the Meeting, either alone or through the Fiscal and Paying Agent, about the number of all the Notes in respect of which the Persons Authorised to Attend the Meeting are entitled to vote at the Meeting in accordance with these Conditions.

#### **13.3.2 Chairman of the Meeting**

The Meeting convened by the Issuer will be chaired by a chairman appointed by the Issuer. The Meeting convened by a Noteholder or the Noteholders will be chaired by a chairman elected by a Simple Majority. Until the chairman is elected, the Meeting will be chaired by a person appointed by the convening Security Agent or Noteholder(s) (as relevant), and the election of the chairman must be the first item on the agenda of any Meeting not convened by the Issuer.

#### **13.3.3 Common Representative**

The Meeting may elect, by resolution, an individual or a legal entity to act as a common representative. The common representative is authorised under the law (i) to enforce, on behalf of all of the Noteholders, any rights associated with the Notes to the extent specified in a resolution adopted by the Meeting, (ii) to supervise the compliance with these Conditions by the Issuer, and (iii) to execute, on behalf of all of the Noteholders, any other acts or protect the Noteholders' interests in the manner and to the extent specified in a resolution adopted by the Meeting. The Meeting may recall the common representative in the same way in which the common representative was elected or replace him with a new common representative. An agreement on appointment of the common representative shall be publicly available on the Issuer's website specified under Condition 14.

#### **13.3.4 Decision-Making at the Meeting**

The Meeting will decide on any issues on its agenda in the form of resolutions. Any resolution that (i) approves a proposal on any Material Change, or (ii) appoints or recalls a common proxy, will require the affirmative vote of a Qualified Majority. Unless provided otherwise by law, any other resolutions will require a Simple Majority in order to pass.

#### **13.3.5 Adjourned Meeting**

If within one hour after the scheduled opening of the Meeting a quorum is not present, then such Meeting will be automatically dissolved without further notice.

If the Meeting convened by the Issuer which is to decide on amendments to the Conditions does not have a quorum within one hour after the scheduled opening of the Meeting, the Issuer will convene, if necessary, a substitute Meeting to be held not later than six weeks after the scheduled date of the original Meeting. The holding of a substitute Meeting with the unchanged agenda will be notified to the Noteholders not later than 15 calendar days after the scheduled date of the original Meeting.

No quorum requirements will apply to the substitute Meeting convened by the Issuer deciding on amendments to these Conditions under Condition 13.1.2 irrespective of the conditions for quorum set out in Condition 13.3.1. The Issuer is obliged to give notice of the substitute Meeting in the manner set out in Condition 14 no later than 5 Business Days prior to the date of the substitute Meeting.

The Issuer is entitled to convene the substitute Meeting simultaneously with the convening of the original Meeting or at any time before the holding of the regular Meeting so that it takes place at least five (5) Business Days from

the date on which the original Meeting was convened. The Issuer shall, no later than the day following the day of the original Meeting, notify the Noteholders in the manner set out in Condition 14 that the original Meeting was not capable of forming a quorum.

#### 13.4 **Certain Additional Rights of the Noteholders**

##### 13.4.1 *Consequence of Voting against Certain Resolutions of the Meeting*

If the Meeting approved the Material Change, the Person Authorised to Attend the Meeting who, according to the minutes of such Meeting, voted against the resolution adopted by the Meeting or did not attend the Meeting (**Applicant**), may request the repayment of the at the time outstanding nominal amount of the Notes which such Noteholder held as of the Meeting Attendance Record Date, together with the pro-rata interest accrued on such Notes, if the Notes are not subsequently transferred after the Meeting (in the event of a transfer, this right ceases to exist). This right must be exercised by the Applicant within 30 days of the publication date of such Meeting resolution according to Condition 13.4 (the **Application Period**) by a written application (the **Application**) addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office, failing which the right will cease to exist. The amounts referred to above will become due and payable on the last Business Day of the month following the month in which the Application Period expires (the **Early Redemption Date**), unless the Notes become due and payable earlier under these Conditions or a mandatory provision of the law (in which case, the relevant provision of the Conditions or the law must be followed). The Issuer may repay the Notes to each Noteholder who has delivered the Application within the Application Period before the Early Redemption Date.

##### 13.4.2 *Resolution on Early Redemption of the Notes upon Noteholders' request*

If the Meeting agenda includes a Material Change under Conditions 13.1.2(b) to (c) of these Conditions and the Meeting does not consent to such a Material Change, the Meeting may, even beyond the scope of the agenda, decide that if the Issuer proceeds in conflict with the resolution of the Meeting that disagreed with such a Material Change under Conditions 13.1.2(b) to (c) of these Conditions, the Issuer will be obliged to repay the nominal amount of the Notes and any pro-rata interest accrued thereon (if relevant) to any Noteholder who requests such early repayment (the **Applicant**). This right must be exercised by the Applicant within 30 days of the minutes being available in accordance with Condition 13.4 by a written notice (the **Application**) addressed to the Issuer and delivered to the Specified Office of the Fiscal and Paying Agent, otherwise the right ceases to exist. The amounts referred to above will become due and payable on the last Business Day of the month following the month in which the period for delivering the Application to the Fiscal and Paying Agent has expired (the **Early Redemption Date**). The Issuer may repay the Notes to each Noteholder, who has delivered the Application within the Application Period, before the Early Redemption Date.

##### 13.4.3 *Requirements as to the Application*

The Application must specify the number of Notes the early redemption of which is requested in accordance with Condition 13.4.1 or 13.4.2 and the owner's securities account (including the type of the owner's securities account and the person maintaining the owner's securities account). The Application must be in writing and signed by persons authorised to act on behalf of the Applicant; the authenticity of such signatures must be officially verified or verified by an authorised employee of the Fiscal and Paying Agent. Within the same time limit, the Applicant is obliged to deliver to the Specified Office of the Fiscal and Paying Agent also all the documents required for making the payment under Condition 7.

#### 13.5 **Minutes of the Meeting**

Minutes of the business discussed and resolved at the Meeting will be taken by the person who convened the Meeting or by a person authorised by such person within 30 (thirty) calendar days after the date of the Meeting. The minutes will contain the conclusions of the Meeting, including, without limitation, any resolutions adopted by such Meeting. If the Meeting is convened by a Noteholder or the Noteholders, the minutes of such Meeting must also be delivered to the Issuer at the Specified Office address not later than 30 (thirty) calendar days after the date of the Meeting. The Issuer is obliged to keep the minutes of the Meeting until the rights under the Notes expire under the statute of limitations. The minutes of the Meeting will be available for inspection by the Noteholders at the registered office of the Issuer during regular office hours. The Issuer is obliged, in person or through its authorised person, to publish information on all resolutions adopted at the Meeting in the manner set out in Condition 14 not later than 30 (thirty) calendar days after the date of the Meeting. If the Meeting discussed a resolution on a Material Change under Condition 13.1.2, a notarial deed must be made about the attendance at the Meeting and about the resolutions of the Meeting, stating the names of the Persons Authorised to Attend the

Meeting that voted for a resolution and the number of the Notes these persons held as at the Meeting Attendance Record Date.

### 13.6 **Decision-Making outside of the Meeting**

#### 13.6.1 *Notification of the Decision Proposal*

Decisions may be adopted outside of the Meeting (per rollam) in accordance with these Conditions. In such case, the person authorised to convene the Meeting shall notify all Noteholders of the decision proposal in the manner set out in Condition 14. The decision proposal shall include at least (i) the business name, identification number and registered office of the Issuer, (ii) the identification of the Notes, at least the Note title, the Issue Date and the ISIN, (iii) the wording of the proposed decision and justification thereof, (iv) the period for delivery of the Noteholder's statement, which shall be at least 15 (fifteen) calendar days from the date of the notification of the decision proposal, (v) the day that is the record date for the participation in the decision-making outside of the Meeting, (vi) any documents required for the adoption of the decision and (vii) other information and data at the discretion of the notifying person.

#### 13.6.2 *Persons Authorised to Participate in the Decisions-Making outside of the Meeting*

A person entitled to participate in the decision-making outside of the Meeting shall only be (i) the Noteholder recorded as a Noteholder in the register of the Issue maintained by the Central Depository and in an extract from such Issue register at the close of the day falling seven (7) calendar days prior to the date of the notice of the decision proposal pursuant to Condition 13.6.1 (the **Per Rollam Record Date**) or (ii) a person who provides to the Issuer and the Fiscal and Paying Agent a certificate of the custodian in whose owner's securities account with the Central Depository the relevant number of the Notes was recorded as of the Per Rollam Record Date certifying that such person was a Noteholder as at the Per Rollam Record Date and that the Notes held by such person are registered in the securities account of the custodian by reason of their custodianship. The certificate according to the preceding sentence must be in writing (with notarised or officially certified signatures) and otherwise in form and substance satisfactory to the Fiscal and Paying Agent. In the case of the custodian being a legal entity, the Fiscal and Paying Agent may, at its own discretion, require such certificate to be accompanied by an original or an officially certified copy of an extract from the commercial register or other respective register in respect of the custodian not older than three (3) months prior to the date of the notice of the decision proposal pursuant to Condition 13.6.1. No transfers of the Notes made after the Per Rollam Record Date will be taken into account.

#### 13.6.3 *Adoption of the Decision*

A decision shall be adopted on the earlier of: (i) the date on which the last Noteholder's statement on the proposal is delivered, or (ii) the expiry of the last day of the period for delivery of the Noteholders' statement specified in the notice of the decision proposal pursuant to Condition 13.6.1, in both cases if the number of votes required for the adoption of the decision has been reached. Should a Noteholder fail to provide a response within the stipulated period, it will be interpreted as a vote against the proposal. In the case of a proposal on matters constituting a Material Change, a notarised signature or a vote made by means of a data box (*datová schránka*) is required in order for the vote to be validly counted.

#### 13.6.4 *Other Provisions*

The provisions of Conditions 13.1 to 13.5 will apply mutatis mutandis to decision-making outside of the Meeting. The date of the Meeting will be deemed to be the last day of the period for delivery of the Noteholders' statement specified in the notice of the decision proposal pursuant to Condition 13.6.1. Section 80gd(2) of Act No. 35/1992 Coll., the Notarial Code, as amended (the **Notarial Code**) will apply mutatis mutandis to the content of the notarial deed, except that instead of the information identifying the notarial deed of the decision proposal, the content of the decision proposal shall be included and the statement referred to in Section 80gd(2)(j) of the Notarial Code shall not be included.

#### 13.6.5 *Notice*

In accordance with Section 23(9) of the Bonds Act, the Issuer hereby calls attention to the fact that these Conditions deviate from the provisions of Section 23(5) and (7) of the Bonds Act in the following respect:

- (a) by way of derogation from Section 23(5) of the Bonds Act, in the cases specified in Condition 13.4.1, the Applicant has the right to request only the repayment of the at the time outstanding nominal amount of the Notes, not the buyback of the Notes at market price; and

- (b) by way of derogation from Section 23(5) and (7), the amounts the repayment of which the Applicant is entitled to under Condition 13.4.1 will become due and payable on the last Business Day of the month following the month in which the Application Period expires, not 30 days following the Application;

Also see *Risk Factors – Risks related to the Notes – The Terms and Conditions contain provisions which deviate from the Notes Act* for a detailed description of such deviation from the statutory provisions of the Bonds Act.

## **14 Notices**

### **14.1 Notices to the Noteholders by the Issuer**

Any notice to the Noteholders will be valid and effective if published in Czech or English languages or both on the Issuer's Website. If mandatory provisions of applicable laws or these Conditions determine any other method for publishing any of the notices given hereunder, such notice will be deemed to be validly published upon its publication in the manner prescribed by the relevant legislation. The date of such a notice shall be the date on which it was first published on the above Issuer's website.

### **14.2 Notices to the Noteholders by the Security Agent**

Any notice to the Noteholder by the Security Agent will be valid and effective if published in English or Czech language or both on [www.jtbank.cz](http://www.jtbank.cz) or on the website of the New Security Agent, if another person becomes a security agent in accordance with Condition 3.6. If mandatory provisions of applicable laws or these Conditions determine any other method for publishing any of the notices given hereunder, such notice will be deemed to be validly published upon its publication in the manner prescribed by the relevant legislation. If a notice is published in more than one manner, the date of the first publication will be considered as the date of the notice.

### **14.3 Notices to the Issuer**

Any notice to the Issuer will be valid and effective upon its delivery by registered post (or in a similar way) or courier.

For the purposes of a due notification, any such notice shall contain the ISIN of the Notes.

## **15 Governing Law and Submission to Jurisdiction**

### **15.1 Governing law**

Any rights and obligations under the Notes will be governed by, and interpreted and construed in accordance with, the laws of the Czech Republic.

### **15.2 Submission to Jurisdiction**

The Czech courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and the Conditions, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes or the Conditions (a **Dispute**) and, accordingly, each of the Issuer and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the Czech courts.

### **15.3 Language Versions**

These Conditions may be translated into other languages. In the event of any inconsistencies between the various language versions, the English language version shall prevail.

## **16 Definitions**

In these Conditions:

**Business Day** means any day (other than a Saturday, Sunday or a public holiday) on which banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in the Czech Koruna, or in any other lawful currency of the Czech Republic that might replace the Czech Koruna, are settled;

**Central Depository** means Centrální depozitář cenných papírů, a.s., a company with its registered office in Prague 1, Rybná 14, Postal Code: 110 05, Identification No. 250 81 489, registered with the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 4308, or any of its successors;

**Control** means the power to direct the management and policies or affairs of an entity, directly or indirectly, and whether through the ownership of voting capital, by contract or otherwise;

**Czech Koruna** and **CZK** means the Czech Koruna, the currency of the Czech Republic;

**DKHI Group** means the Guarantor and its Subsidiaries;

**EPAS** means ENERGO - PRO a.s., with its registered office at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, identification number: 632 17 783, incorporated in the Commercial Register maintained by the Municipal Court in Prague, file no. C 20745;

**EUR, Euro** and **€** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

**J&T BANKA** means J&T BANKA, a.s., incorporated under the laws of the Czech Republic, with its registered office at Sokolovská 700/113a, 186 00 Prague 8, Identification Number: 093 85 801, registered in the Commercial Register maintained by the Municipal Court in Prague, File Number B 1731;

**Material Member** means, at any time, a member of DKHI Group which has earnings before interest, tax, depreciation and amortisation (calculated in the same manner as the Consolidated EBITDA) representing 10 % or more of the Consolidated EBITDA;

**Person** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**Qualified Majority** means a two-third majority of the votes of the attending Persons Authorised to Attend the Meeting;

**Simple Majority** means simple majority of votes of the attending Persons Authorised to Attend the Meeting;

**Subsidiary** means any person in which another person has a direct or indirect participation of at least 50 % in the registered capital or voting rights or has the right to appoint or recall a majority of the persons that are members of the governing body or supervisory body of the person, or persons in a similar position, or may push through such appointment or recalling, or whose financial statements are included in the consolidation level of the controlling person, or whose financial statements are consolidated with the financial statements of the controlling person in accordance with IFRS; and

**Ultimate Controlling Person** means Mr. Jaromír Tesař (or his inheritors, legal successors or executors and whether through any trust, legal entity or other entity directly and/or indirectly controlled by him or them (acting jointly or severally (including such persons acting in concert))).



## **FINANCIAL GUARANTEE**

## FINANCIAL GUARANTEE DEED

by **DK Holding Investments, s.r.o.** in relation to notes issued by **ENERGO-PRO Green Finance s.r.o.**

in the anticipated total nominal amount of up to CZK 2,500,000,000 (subject to a potential increase up to CZK 3,500,000,000 with the nominal amount of CZK 10,000 each, due in 2029, ISIN: CZ0003565723)

(the **Financial Guarantee Deed**)

### WHEREAS:

- (1) ENERGO-PRO Green Finance s.r.o., with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 093 85 801, LEI: 315700V95FJQL6ANM434, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. C 335515 (the **Issuer**), has decided to issue 7.50% p.a. fixed rate notes in the anticipated total nominal amount of CZK 2,500,000,000 subject to a potential increase of up to CZK 3,500,000,000 with the nominal amount of CZK 10,000 each, due in 2029, ISIN: CZ0003565723 (the **Notes**);
- (2) Under the terms and conditions of the Notes (the **Terms and Conditions**), the Notes are to be secured, *inter alia*, by the financial guarantee issued by DK Holding Investments, s.r.o., with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 046 45 740, LEI: 3157000SLFS3ZOO7HV02, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. C 251383 (the **Guarantor**), under this Financial Guarantee Deed (the **Financial Guarantee**) in favour of J&T BANKA, a.s., with its registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic, identification number: 47115378, LEI: 31570010000000043842, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. B 1731, as the security agent (the **Security Agent**), to secure the due payment of the Guaranteed Debts (as defined below) on the terms and subject to the conditions set out in this Financial Guarantee Deed;
- (3) The Security Agent has been appointed as a security agent pursuant to Section 20 *et seq.* of Act No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**), and on the basis of the security agency agreement dated 18 September 2024 and entered into among the Security Agent, the Issuer and the Guarantor (the **Security Agency Agreement**), and as such is entitled to require the Guarantor to pay any amount which the Guarantor is obliged to pay to any holder of the Notes (each a **Noteholder**, and collectively the **Noteholders**) under this Financial Guarantee;
- (4) The Guarantor hereby acknowledges that (i) it has received, read and fully understood the Terms and Conditions and (ii) it will adhere to those provisions of the Terms and Conditions (including any limitations or duties) relating to the Guarantor; and
- (5) The Guarantor is prepared and agree to guarantee the Guaranteed Debts of the Issuer arising from or relating to the Notes by the Financial Guarantee on the terms and subject to the conditions set out in this Financial Guarantee Deed.

The Guarantor hereby issues a financial guarantee in favour of the Security Agent pursuant to Section 2029 *et seq.* of Act No. 89/2012 Coll., Civil Code, as amended (the **Civil Code**):

## 1. FINANCIAL GUARANTEE DECLARATION

1.1 Subject to terms and conditions set out in this Financial Guarantee Deed, the Guarantor hereby irrevocably, absolutely and unconditionally undertakes with the Security Agent that, whenever the Issuer does not pay any amount of the Guaranteed Debts owed to the respective Noteholder when due or, if applicable, after the lapse any grace period provided in respect of the Guaranteed Debts according to the Terms and Conditions, the Guarantor will upon written demand by the Security Agent (the “**Demand**”) and within the period stated in Clause 1.3 below, pay that amount to the Security Agent, in the currency prescribed in the Terms and Conditions. The Security Agent can make a Demand pursuant to this Clause only if conditions under Clause 3.8 (*Acceleration*) and 3.9 (*Enforcement of the Security and Other Decisions*) of the Terms and Conditions are satisfied.

1.2 In this Financial Guarantee Deed the **Guaranteed Debts** means:

- (a) a debt of the Issuer to repay the nominal amount of the Notes held by the relevant Noteholder and any accrued and unpaid interest thereon;
- (b) a debt of the Issuer from unjust enrichment, compensation of damage or other harm owed to the relevant Noteholder which has arisen as a result of any of the Notes being cancelled or ceasing to exist or being or becoming void, ineffective, unenforceable, voidable or invalid; and
- (c) a debt of the Issuer consisting in any default interest and any other pecuniary sanction arising from the failure to repay the Notes duly and timely,

whether existing as at the date hereof or arising in the future at any time up to and including 25 October 2034.

1.3 Guarantor shall pay to the Security Agent the respective amount specified in a Demand not later than within 10 Business Days after receipt of that Demand to the account specified by the Security Agent in that Demand.

1.4 The Guaranteed Debts will be repaid by the Guarantor in the order according to the dates of delivery of the relevant Demands to the Guarantor by the Security Agent.

## 2. TERMS AND LIMITATIONS OF THE FINANCIAL GUARANTEE DECLARATION

2.1 This Financial Guarantee is an irrevocable financial guarantee within the meaning of Section 2029 of the Civil Code.

2.2 Subject to Clauses 2.3 to 2.5 (inclusive) below, the Guarantor grants this Financial Guarantee as its continuing obligation, notwithstanding any settlement of account or the occurrence of any other event, and this Financial Guarantee shall remain in full force and effect until the full discharge and satisfaction of the Guaranteed Debts, regardless of any intermediate payment or discharge in whole or in part. By the full discharge and satisfaction of the Guaranteed Debts this Financial Guarantee shall cease to exist.

2.3 The Demand by the Security Agent pursuant to Clause 1.1 above must be made in the form of and must contain all information as set out in Schedule 1 (*Form of Demand*) of this Financial Guarantee Deed and must be delivered by registered mail to the Guarantor at its registered office (which, at the moment of making of this Financial Guarantee, is, Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic). The Demand must be signed by an authorized representative of the Security Agent, whereas the signature on the Demand must be officially

authenticated and, if relevant, it must be delivered together with documents sufficiently proving the authority of the signatory to act on behalf of the Security Agent. The Demand can be made repeatedly provided that:

- (a) the aggregate amount of the Guaranteed Debts under all Demands delivered to the Guarantor does not exceed to the Total Maximum Amount (as defined below); and
  - (b) the amount under any Demand does not exceed the actual amount of the Guaranteed Debts as of the date of delivery of the Demand to the Guarantor.
- 2.4 The aggregate amount of the Guaranteed Debts, which the Guarantor guarantees and shall discharge pursuant to Clause 1.1 above, shall be limited to an amount equal to the aggregate total amount of CZK 5,250,000,000 (the **Total Maximum Amount**).
- 2.5 If, by repayment of the Guaranteed Debts based on Demands delivered on the same date, the Total Maximum Amount would have been exceeded, any rights in respect of repayment of the Guaranteed Debts exercised on that same date will be satisfied on *pro rata* basis according to the amount of the Guaranteed Debts in respect of which the relevant Demands under this Financial Guarantee have been made, so that the total amount of the repaid Guaranteed Debts does not exceed the Total Maximum Amount. The Guaranteed Debts which will remain unsatisfied after the Total Maximum Amount has been reached will not be repaid or reimbursed by the Guarantor.
- 2.6 Notwithstanding Clauses 2.1 and 2.2 above, the Guarantor is only obliged to make any payment in discharge of the Guaranteed Debts under this Financial Guarantee if any payment payable to the Noteholders in connection with the Notes is not paid on the due date and the default remains unremedied for more than 10 Business Days after the date on which the Issuer was informed of this fact in writing by any Noteholder by a registered mail addressed to the Issuer and delivered to the Fiscal and Paying Agent to the address of the Specified Office.
- 2.7 The Guarantor's debts under this Financial Guarantee are direct, unsubordinated and unsecured obligations of the Guarantor and rank and will rank *pari passu*, without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws and regulations relating to creditors' rights.
- 2.8 Provided that:
- (a) the Enforcement Decision (as defined in the Terms and Conditions) was approved pursuant to clause 3.9 (*Enforcement of the Security and Other Decisions*) of the Terms and Conditions; or
  - (b) the Security Agent decided to initiate the enforcement of the rights under this Financial Guarantee pursuant to clause 3.9 (*Enforcement of the Security and Other Decisions*) of the Terms and Conditions,

the Security Agent may assign any or all of its rights under this Financial Guarantee relating to the respective Note to a third party including, among other things, its right to receive payments under this Financial Guarantee, provided that the third party is entitled to the payment of the interest and nominal value of such Note.

- 2.9 The Guarantor further confirms and acknowledges that:

- (a) it will not be relieved from its obligations in the event that the Issuer's obligations become invalid due to a lack or limitation of eligibility or authority (including a lack of capacity to act of persons who enter into any agreement on behalf of the Issuer);
- (b) its obligations under this Financial Guarantee will continue to be valid and fully effective regardless of any cancellation, merger, demerger, takeover, other transformation or reorganization of the Issuer or the commencement of insolvency proceedings or other proceedings similar to the compulsory administration or liquidation of the Issuer;
- (c) its obligations under this Financial Guarantee will not be conditional on validity or enforcement of any security provided by the Issuer, the Guarantor or any other third party nor on existence or creation of any security in favour of the Security Agent; and
- (d) no notice or formal demand addressed to the Issuer or any other person is condition for payment or fulfilment of obligations of the Guarantor under this Financial Guarantee.

### **3. PAYMENTS**

- 3.1 All payments which the Guarantor is required to make under this Financial Guarantee Deed will be made without any set-off or counterclaim.
- 3.2 All payments by the Guarantor under this Financial Guarantee will be made to the account and in the currency specified by the Security Agent in its Demand pursuant to Clause 1.1.
- 3.3 All payments made by the Guarantor will be made free of any withholdings or any deductions on account of any taxes or other charges of any kind, unless such withholding or deduction of taxes or other charges is required by applicable law (including in respect of the Guaranteed Debts). If any such withholdings or deductions are required (including in respect of the Guaranteed Debts), the Guarantor will not be obliged to pay to the Noteholders any further amounts as a reimbursement for those withholdings or deductions.
- 3.4 All proceeds received by the Security Agent hereunder shall be used in accordance with the relevant provisions of the Terms and Conditions, the Security Agency Agreement and the Bonds Act.

### **4. REPRESENTATIONS OF THE GUARANTOR**

- 4.1 The Guarantor represents that it is a limited liability company duly formed or organized and existing under the laws of the Czech Republic and it is not insolvent within the meaning of Section 3 of Act No. 182/2006 Coll., on insolvency and methods of its resolution, as amended (the **Insolvency Act**), and will not become insolvent as a result of issuing the Financial Guarantee.
- 4.2 The Guarantor represents that the Financial Guarantee constitutes its valid, effective and enforceable obligations in accordance with its terms.
- 4.3 The Guarantor represents that it has all necessary authorisations, power and capacity to make this Financial Guarantee Deed and issue this Financial Guarantee.
- 4.4 The Guarantor represents that it has obtained all corporate and other authorisations (if required) for making of this Financial Guarantee Deed and issuing this Financial Guarantee.

4.5 The Guarantor represents that it has full and unlimited power and right to own its assets and all relevant authorisations or licences required to do its business and it carries out such business in accordance with applicable law and regulations in all material respects.

## **5. SUBORDINATION OF SUBROGATION RIGHTS**

5.1 Until the Guaranteed Debts have been irrevocably discharged, all the rights that the Guarantor acquired under Section 1937(2) of the Civil Code or any other provision or agreement of a similar nature (the **Subrogation Rights**) shall be subordinated to the Noteholders' claims for the payment of the Guaranteed Debts, i.e. the Guarantor shall not be entitled to receive any performance in satisfaction of its Subrogation Rights until and unless the Guaranteed Debts have been irrevocably discharged in full. In addition, Subordinated Rights shall be subordinated to the Noteholders' claims for the payment of the Guaranteed Debts in the event of insolvency of the Issuer in accordance with Section 172 of the Insolvency Act.

5.2 The Guarantor shall not take any steps to enforce any rights or obligations against the Issuer until and unless the Guaranteed Debts have been irrevocably discharged in full. Notwithstanding the previous sentence, the Guarantor is entitled to carry out its Subrogation Rights through filing an application for submission of its Subrogation Rights into (i) any insolvency proceedings of the Issuer, (ii) any liquidation of the Issuer or (iii) any other similar proceeding and/or process in relation to the Issuer.

## **6. REPAYMENT BY THE ISSUER**

If a payment received from the Issuer by a Noteholder, or other obligation performed for the benefit of or on the instruction of a Noteholder, is declared invalid or ineffective by a final decision of the competent court under any rule applicable to insolvency or similar proceedings held against the Issuer or the Guarantor, such payment or obligation will not decrease the extent of obligations of the Guarantor, and the Financial Guarantee will continue to be valid and effective and will continue to guarantee any such payments or obligations, in any event only to the extent permitted by applicable laws and regulations and this Financial Guarantee Deed.

## **7. ACCEPTANCE OF THE FINANCIAL GUARANTEE**

By countersigning this Financial Guarantee Deed, the Security Agent accepts the Financial Guarantee.

## **8. FINAL PROVISIONS**

8.1 This Financial Guarantee Deed and the Financial Guarantee and any non-contractual obligations arising out of or in connection with this Financial Guarantee Deed and the Financial Guarantee will be governed by and construed in accordance with Czech law, in particular the Civil Code.

8.2 Should any dispute in connection with the Financial Guarantee arise, including a dispute relating to its existence, validity or termination, such dispute will be submitted to and finally resolved by a competent Czech court.

8.3 If for any reason whatsoever any provision of this Financial Guarantee Deed is or becomes illegal, invalid or unenforceable, in whole or in part, that shall not in any way affect the validity or enforceability of any of the other provisions of this Financial Guarantee Deed or the Financial Guarantee, which provisions shall remain valid and enforceable in all respects.

- 8.4 Capitalised terms defined in the Terms and Conditions have, unless expressly defined in this Financial Guarantee Deed, the same meaning in this Financial Guarantee Deed.
- 8.5 Save for (i) the declarations of the Guarantor set out in recitals (1) to (5) above; (ii) the confirmations and acknowledgements of the Guarantor set out in Clause 2.9 above; (iii) the representations of the Guarantor set out in Clause 4 (Representations of the Guarantor); and (vi) the provisions of the Clause 8 (Final Provisions), which shall become effective upon the execution of this Financial Guarantee Deed by the Guarantor, the rights and obligations under this Financial Guarantee Deed shall become effective on 25 October 2024.

On 18.09.2024

For **DK Holding Investments, s.r.o.**

  
Name: Petr Tesař

Title: Executive Director



On 18.09.2024

For **J&T BANKA, a.s.**



Name:  
Title: **Ing. Jan Kotek**  
Member of the Board of Directors



Name:  
Title: **Ing. Michal Kubeš**  
Member of the Board of Directors

## Schedule 1 - Form of Demand

**To: DK Holding Investments, s.r.o.**, with its registered office at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic, identification number: 046 45 740, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. C 251383 (the **Issuer**)

**From: J&T BANKA, a.s.**, with its registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic, identification number: 47115378, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. B 1731 (the **Security Agent**)

1. We refer to the financial guarantee issued by you under the financial guarantee deed dated \_\_\_\_\_ 2024, and granted in our favour (the **Financial Guarantee Deed**). This document is a Demand, as this term is defined in the Financial Guarantee Deed.
2. Unless a contrary indication appears herein, a term which is defined (or expressed to be subject to a particular construction) in the Financial Guarantee Deed shall have the same meaning (or be subject to the same construction) in this Demand.
3. In accordance with condition 3.8 (*Acceleration*) of the Terms and Conditions, the Security Agent has decided that all liabilities arising under the Notes, including any unpaid accrued interest or other yield on these Notes, became due and payable due to [an occurrence of an Event of Default under condition [\_\_\_\_\_] of the Terms and Conditions] / [the Security Agent obtaining a Meeting Instruction for Acceleration].
4. In accordance with clause 3.9 (*Enforcement of the Security and Other Decisions*) of the Terms and Conditions, [an Enforcement Decision was approved at a Meeting on [\_\_\_\_\_] / [the Security Agent decided on [\_\_\_\_\_] to initiate enforcement of the rights under the financial guarantee issued under the Financial Guarantee Deed].
5. In accordance with clause 1.1 of the Financial Guarantee Deed, we hereby demand the payment of [CZK] [\_\_\_\_\_].
6. The payment shall be made within 10 Business Days after receipt of this Demand to the following account:
  - Account number: [\_\_\_\_\_]
  - IBAN: [\_\_\_\_\_]
  - SWIFT code: [\_\_\_\_\_]
  - Account bank: [\_\_\_\_\_]
  - Account holder: [\_\_\_\_\_]

Yours faithfully,

**J&T BANKA, a.s.**

as Security Agent

By:

Name:

Title:

By:

Name:

Title:

## USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The net proceeds from the issue of the Notes (i.e. after deduction of commissions, fees and estimated expenses) are expected to be approximately CZK 2,425,000,000 in the event that the Notes are issued in the anticipated aggregate nominal amount of CZK 2,500,000,000, and approximately CZK 3,395,000,000 in the event that the Notes are issued in the maximum aggregate nominal amount of CZK 3,500,000,000.

The Notes are issued as Green Notes. The Issuer intends to provide the proceeds from the issue of the Notes to the Guarantor which intends to apply an amount equal to the net proceeds from an offer of Notes to finance or refinance, in part or in full, eligible green projects that meet the eligibility criteria set out in the Green Financing Framework (as defined below) (“**Eligible Projects**”). The Eligible Projects may include assets, capital expenditures and operational expenditures including research & development expenses associated with the eligibility criteria set out in the Green Financing Framework. The Issuer intends that the Eligible Projects will belong to the following categories:

- Renewable Energy – Hydropower;
- Renewable energy – Solar power;
- Renewable energy – Wind power;
- Renewable Energy – Associated Grid Infrastructure;
- Renewable Energy – Energy Storage; and
- Clean Transportation,

provided that a detailed description of the eligibility criteria applicable to individual categories of Eligible Projects are described in the Green Financing Framework.

The Green Financing Framework of the DKHI Group (the “**Green Financing Framework**”) is available at [https://www.energo-pro.com/files/2024-08-30\\_11-22-34\\_green\\_financing\\_framework\\_\(290824\)\\_vf.pdf](https://www.energo-pro.com/files/2024-08-30_11-22-34_green_financing_framework_(290824)_vf.pdf). The Second-Party Opinion prepared by S&P Global Ratings dated 30 August 2024 and confirming the alignment of the Green Financing Framework with the Green Bond Principles published in June 2021 (with June 2022 Appendix 1) and the Green Loan Principles published in February 2023 is available at [https://www.energo-pro.com/files/2024-08-30\\_15-26-33\\_s&p\\_spo\\_green\\_finance\\_framework\\_\(300824\).pdf](https://www.energo-pro.com/files/2024-08-30_15-26-33_s&p_spo_green_finance_framework_(300824).pdf).

The Green Financing Framework stipulates that a green finance committee established by the DKHI Group and composed of selected key employees of the DKHI Group shall act as the oversight mechanism for reviewing, selecting and validating the Eligible Projects, annually reviewing the list of Eligible Projects against the eligibility and exclusionary criteria, overseeing, approving and publishing the relevant reports anticipated by the Green Financing Framework, including external assurance statements and monitoring the evolution of market practices, particularly in relation to disclosure and reporting. The Green Financing Framework stipulates that the treasury team of the DKHI Group will manage the allocation of the net proceeds of the Notes or other green financing instruments using a portfolio approach and will establish a green financing register which will be reviewed annually. Pending full allocation of an amount equal to the net proceeds of the Notes, the unallocated proceeds will be held in temporary investments, such as cash, cash equivalents and / or other liquid marketable investments in line with DKHI Group’s treasury management policies

The Issuer intends to request on an annual basis, starting one year after issuance of the Notes and until full allocation, an assurance report on the allocation of proceeds of the Notes to Eligible Projects, provided by an external review provider (the “**Green Note Report**”).

For the avoidance of doubt, neither the Green Financing Framework, the Second-Party Opinion nor the Green Note Report are, nor shall either of them be deemed to be, incorporated in, and/or form part of, this Prospectus.

## SELECTED FINANCIAL INFORMATION

The following tables present selected historical consolidated financial information of the Issuer as of and for the years ended 31 December 2023 and 2022 which has been derived from the Financial Statements incorporated by reference into this Prospectus. The information below should be read in conjunction with the information contained in “Presentation of Financial and Other Information” and the Financial Statements incorporated by reference into this Prospectus.

### Individual Statement of Financial Position

	31 December 2023	31 December 2022
	(CZK thousands)	
<b>ASSETS</b>		
<b>Current assets</b>		
Trade and other receivables .....	9,124	560
Current income tax asset .....	481	692
Financial instruments and other financial assets....	-	723,789
Cash and cash equivalents .....	2,735	350,034
Other current assets .....	-	1,937
<b>Total current assets .....</b>	<b>12,340</b>	<b>1,077,013</b>
<b>Total assets .....</b>	<b>12,340</b>	<b>1,077,013</b>
<b>EQUITY</b>		
Authorised share capital .....	100	100
Additional paid-in capital .....	26,712	800
Retained earnings/(losses) & Other reserves .....	(16,673)	11,028
<b>Total equity .....</b>	<b>10,139</b>	<b>11,928</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities .....	-	1,832
<b>Total non-current liabilities .....</b>	<b>-</b>	<b>1,832</b>
<b>Current liabilities</b>		
Financial instruments and other financial liabilities .....	-	1,061,801
Trade and other payables .....	2,201	1,452
<b>Total current liabilities .....</b>	<b>2,201</b>	<b>1,063,253</b>
<b>Total liabilities .....</b>	<b>2,201</b>	<b>1,065,085</b>
<b>Total liabilities and equity .....</b>	<b>12,340</b>	<b>1,077,013</b>
Net financial debt (long-term debt plus short-term debt minus cash and cash equivalents) .....	(2,735)	711,767

### Individual Statement of Comprehensive Income

	1 January – 31 December 2023	1 January – 31 December 2022
	(CZK thousands)	
<b>Revenue .....</b>	<b>-</b>	<b>-</b>
Service expenses .....	(711)	(1,026)
<b>Earnings before interest and taxes (EBIT) .....</b>	<b>(711)</b>	<b>(1,026)</b>
Finance income .....	32,636	76,888
Finance costs .....	(67,918)	(62,250)
Changes in the valuation allowance for financial instruments creation (-) / dissolution (+) .....	6,573	3,107
<b>Finance costs – net .....</b>	<b>(28,708)</b>	<b>17,745</b>
<b>Income before income tax (EBT) .....</b>	<b>(29,419)</b>	<b>16,719</b>
Income tax .....	(106)	-

	<b>1 January – 31 December 2023</b>	<b>1 January – 31 December 2022</b>
	<i>(CZK thousands)</i>	
Deferred taxes.....	1,832	(3,587)
<b>Total income tax expense .....</b>	<b>1,726</b>	<b>(3,587)</b>
<b>Profit/(loss) for the year .....</b>	<b>(27,694)</b>	<b>13,132</b>
Profit/(loss) attributable to:		
- Owners of the company .....	(27,694)	13,132
- Non-controlling interest .....	-	-

#### *Individual Statement of Cash-flows*

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
	<i>(CZK thousands)</i>	
<b>Profit/(loss) before income tax.....</b>	<b>(29,419)</b>	<b>16,719</b>
Changes in provisions and impairment.....	(6,573)	(3,107)
(Gain)/Loss on financial instruments .....	35,281	(14,675)
Other changes .....	(7)	-
<b>Cash (outflow)/inflow from operating activities before changes in operating assets and liabilities.....</b>	<b>(719)</b>	<b>(1,062)</b>
<i>Movements in working capital</i>		
Increase/(decrease) in trade and other receivables .....	866	(2,160)
Increase/(decrease) in trade and other payables .....	749	1,398
<b>Changes in working capital .....</b>	<b>1,615</b>	<b>(762)</b>
Income tax paid .....	105	(1,761)
<b>Net cash (outflow)/inflow from operating activities.....</b>	<b>1,720</b>	<b>(3,585)</b>
<i>Cash flows from financing activities</i>		
Proceeds from borrowings.....	688,890	346,813
Issued bonds .....	(1,060,000)	-
Repayment of issued bonds .....	(68,900)	(68,900)
Fees related to issued bonds .....	-	(1,060)
Interest paid .....	65,798	75,218
Additional paid-in capital .....	25,912	-
<b>Net cash (used in)/provided by financing activities .....</b>	<b>(348,300)</b>	<b>352,071</b>
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>(347,299)</b>	<b>348,486</b>
<b>Cash and cash equivalents at the beginning of the period .....</b>	<b>350,034</b>	<b>1,548</b>
<b>Cash and cash equivalents at the end of the period.....</b>	<b>2,735</b>	<b>350,034</b>

The following tables present selected historical consolidated financial information of the Guarantor as of and for the years ended 31 December 2023 and 2022 which has been derived from the Financial Statements incorporated by reference into this Prospectus. The information below should be read in conjunction with the information contained in “Presentation of Financial and Other Information” and the Financial Statements incorporated by reference into this Prospectus.

#### *Consolidated Statement of Financial Position*

	<b>31 December 2023</b>	<b>31 December 2022 (Restated)<sup>(1)</sup></b>
	<i>(EUR thousands)</i>	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment.....	1,329,001	1,211,789
Prepayments for property, plant and equipment....	542	275
Goodwill.....	297,393	77,200

	31 December 2023	31 December 2022 (Restated) <sup>(1)</sup>
	<i>(EUR thousands)</i>	
Other intangible assets.....	36,294	25,362
Non-current financial assets .....	4,034	3,765
Prepayments for an acquisition of investments .....	-	15,072
Deferred tax assets.....	22,642	12,916
Non-current portion of issued loans .....	36,283	281
Other non-current assets .....	6,086	7,414
<b>Total non-current assets.....</b>	<b>1,732,275</b>	<b>1,354,074</b>
<b>Current assets</b>		
Inventories.....	53,197	26,848
Trade and other receivables .....	106,214	105,262
Current income tax asset .....	3,757	2,114
Current portion of issued loans.....	26,668	14,512
Contract assets .....	49,089	80,524
Cash and cash equivalents .....	185,065	149,739
Other current assets .....	22,055	37,707
<b>Total current assets .....</b>	<b>446,045</b>	<b>416,706</b>
<b>Total assets .....</b>	<b>2,178,320</b>	<b>1,770,780</b>
<b>EQUITY</b>		
Authorised share capital .....	7	7
Additional paid-in capital .....	293,330	340,000
Hyperinflationary effect – IAS 29 .....	382,802	243,848
Translation reserve .....	(350,543)	(225,533)
Retained earnings/(losses) & Other reserves.....	300,657	106,770
<b>Equity attributable to the company's owners ...</b>	<b>626,253</b>	<b>465,092</b>
Non-controlling interest.....	36,495	32,868
<b>Total equity .....</b>	<b>662,748</b>	<b>497,960</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities .....	11,534	4,095
Non-current portion of provisions .....	15,992	12,657
Non-current portion of borrowings.....	1,127,979	892,415
Non-current financial liabilities.....	3,442	2,548
Other non-current liabilities.....	14,215	18,957
<b>Total non-current liabilities.....</b>	<b>1,173,162</b>	<b>930,672</b>
<b>Current liabilities</b>		
Current portion of provisions .....	17,552	8,211
Trade and other payables.....	151,588	124,230
Income tax payable.....	3,495	3,023
Current portion of borrowings.....	77,035	122,680
Contract liabilities .....	41,417	34,216
Other current liabilities to shareholder .....	7,294	23,804
Other current liabilities.....	44,029	25,984
<b>Total current liabilities.....</b>	<b>342,410</b>	<b>342,148</b>
<b>Total liabilities .....</b>	<b>1,515,572</b>	<b>1,272,820</b>
<b>Total liabilities and equity .....</b>	<b>2,178,320</b>	<b>1,770,780</b>
Net financial debt (long-term debt plus short-term debt minus cash and cash equivalents) .....	1,019,949	865,365

Notes:

- (1) The DKHI Group has identified and retrospectively corrected errors and made reclassifications in connection with IAS 29 “Financial Reporting in Hyperinflationary Economies” concerning the Turkish subsidiaries Murat, Bilsve, and Berta. This involves translating financial statements of these companies from the functional currency (Turkish lira) to the presentation currency (EUR). For the year ended 31 December 2022, all amounts stated in the Statement of the Comprehensive Income were initially translated into the presentation currency (EUR) using the average

exchange rate for the year ended 31 December 2022 instead of the closing exchange rate as it is required by IAS 21.42 for the hyperinflationary subsidiaries consolidated to non-hyperinflationary parent company. The DKHI Group has decided to restate all amounts for the year 2022 aligning with the IAS 21 and IAS 29 and recalculated the comparative figures using the closing exchange rate. Furthermore, the management incorrectly used incorrect exchange rate for translation of the equity components and also restated the equity components on the Consolidated Statement of Financial Position using the closing exchange rate applying the same paragraph of IAS 21. Prospectively, the DKHI Group will continue to apply the closing exchange rate for translation into the presentation currency (EUR).

### Consolidated Statement of Comprehensive Income

	<b>1 January – 31 December 2023</b>	<b>1 January – 31 December 2022 (Restated)<sup>(1)</sup></b>
	<i>(EUR thousands)</i>	
<b>Revenue</b> .....		
Sales of electricity in local markets .....	1,092,926	1,573,560
Grid components of electricity sales price .....	184,639	168,950
Services and other .....	128,117	107,038
<b>Total revenue</b> .....	<b>1,405,682</b>	<b>1,849,548</b>
Other income .....	21,019	5,899
Changes in inventory of products and in work in progress .....	(756)	574
Purchased power .....	(660,230)	(1,167,520)
Service expenses .....	(146,504)	(135,297)
Labour costs .....	(136,289)	(105,301)
Material expenses .....	(34,820)	(28,482)
Other tax expenses .....	(34,826)	(9,848)
Other operating expenses .....	(31,834)	(44,271)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)<sup>2</sup></b> .....	<b>381,442</b>	<b>365,302</b>
Depreciation, amortisation and impairment losses .....	(85,115)	(74,896)
<b>Earnings before interest and taxes (EBIT)</b> .....	<b>296,327</b>	<b>290,406</b>
Finance income .....	6,832	4,716
Finance costs .....	(203,353)	(177,045)
Hyperinflationary effect - IAS 29 – Monetary items gains/(losses) .....	106,040	113,124
<b>Finance costs – net</b> .....	<b>(90,481)</b>	<b>(59,205)</b>
<b>Income before income tax (EBT)</b> .....	<b>205,846</b>	<b>231,201</b>
Income tax .....	(14,353)	(15,148)
Deferred taxes .....	6,040	5,392
<b>Total income tax expense</b> .....	<b>(8,313)</b>	<b>(9,756)</b>
<b>Profit/(loss) for the year</b> .....	<b>197,533</b>	<b>221,445</b>
Profit/(loss) attributable to:		
- Owners of the company .....	193,875	218,430
- Non-controlling interest .....	3,658	3,015
<b>Other comprehensive income:</b> .....		
<i>Items that may be reclassified subsequently to profit or loss:</i> .....		
Currency translation differences .....	(125,015)	37,095
<i>Items that will not be reclassified to profit or loss:</i> .....		
Actuarial loss .....	-	-
Gross amount .....	(640)	(389)
Tax effect .....	-	-
Net amount .....	(640)	(389)
<b>Other comprehensive income/(loss)</b> .....	<b>(125,655)</b>	<b>36,706</b>
<b>Total comprehensive income/(loss)</b> .....	<b>71,878</b>	<b>258,151</b>
Total comprehensive income attributable to:		
- Owners of the company .....	68,251	255,150

	<b>1 January – 31 December 2023</b>	<b>1 January – 31 December 2022 (Restated)<sup>(1)</sup></b>
	<i>(EUR thousands)</i>	
- Non-controlling interest .....	3,627	3,001

Notes:

- (1) The DKHI Group has identified and retrospectively corrected errors and made reclassifications in connection with IAS 29 “Financial Reporting in Hyperinflationary Economies” concerning the Turkish subsidiaries Murat, Bilsev, and Berta. This involves translating financial statements of these companies from the functional currency (Turkish lira) to the presentation currency (EUR). For the year ended 31 December 2022, all amounts stated in the Statement of the Comprehensive Income were initially translated into the presentation currency (EUR) using the average exchange rate for the year ended 31 December 2022 instead of the closing exchange rate as it is required by IAS 21.42 for the hyperinflationary subsidiaries consolidated to non-hyperinflationary parent company. The DKHI Group has decided to restate all amounts for the year 2022 aligning with the IAS 21 and IAS 29 and recalculated the comparative figures using the closing exchange rate. Furthermore, the management incorrectly used incorrect exchange rate for translation of the equity components and also restated the equity components on the Consolidated Statement of Financial Position using the closing exchange rate applying the same paragraph of IAS 21. Prospectively, the DKHI Group will continue to apply the closing exchange rate for translation into the presentation currency (EUR).
- (2) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of its economic performance. EBITDA is calculated as total revenues minus certain operating expenses, as shown above.

**Consolidated Statement of Cash-flows**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022 (Restated)<sup>(1)</sup></b>
	<i>(EUR thousands)</i>	
<b>Profit/(loss) before income tax.....</b>	<b>205,846</b>	<b>231,201</b>
<b>Adjusted for: .....</b>		
Depreciation, amortisation and impairment losses .....	85,115	74,896
Unrealised currency translation losses/(gains) .....	110,433	105,939
Interest income .....	(3,378)	(284)
Interest expenses.....	81,360	70,316
Changes in provisions and impairment.....	5,536	10,065
Assets granted free of charge.....	(5,293)	(499)
Inventory surplus .....	(47)	(107)
(Gain)/Loss on disposal of property, plant and equipment.....	1,702	1,803
Inventory obsolescence expense.....	3,976	2,246
(Income)/Loss on disposal of subsidiaries.....		(467)
Hyperinflationary effect - IAS 29 - Monetary items (gains)/losses....	(106,040)	(113,124)
Hyperinflationary effect - IAS 29 - Non-cash adjustments of Statement of comprehensive income items .....	11,172	6,037
Other changes - difference in rate of exchange etc.....	3,419	(405)
<b>Cash (outflow)/inflow from operating activities before changes in operating assets and liabilities.....</b>	<b>393,801</b>	<b>387,617</b>
<b>Movements in working capital</b>		
Decrease/(increase) in inventories.....	(14,873)	(806)
Decrease/(increase) in trade accounts receivable .....	24,131	6,650
Decrease/(increase) in other current assets.....	13,679	19,016
Increase/(decrease) in trade and other payables .....	(15,722)	(33,387)
Increase/(decrease) in other current liabilities.....	3,486	191
<b>Cash (outflow)/inflow from operating activities before interest income received, interest expense paid and income tax paid.....</b>	<b>404,502</b>	<b>379,281</b>
Interest received .....	2,436	196
Income tax paid .....	(19,451)	(19,690)
<b>Net cash (outflow)/inflow from operating activities.....</b>	<b>387,487</b>	<b>359,787</b>
<b>Cash flows from investing activities</b>		



	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022 (Restated)<sup>(1)</sup></b>
	<i>(EUR thousands)</i>	
Acquisition of subsidiaries, net of cash of entities acquired (-),		
Disposal of subsidiaries, net of cash of entities disposed .....	(283,949)	(19,268)
Purchases of property, plant and equipment and intangible assets .....	(115,124)	(108,089)
Proceeds from sale of property plant and equipment .....		54
Loans granted .....	(54,945)	(11,985)
Loans repaid .....	6,540	1,206
<b>Net cash (outflow)/inflow from investing activities.....</b>	<b>(447,478)</b>	<b>(138,082)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings.....	1,426,854	2,414,440
Repayment of borrowings .....	(1,537,840)	(2,526,883)
Issued bonds .....	581,399	379,482
Repayment of issued bonds .....	(294,154)	(370,000)
Fees related to issued bonds .....	(33,169)	(4,586)
Interest paid .....	(70,801)	(53,688)
Dividends paid to non-controlling interest .....		
Dividends paid to the shareholders of the parent company .....		
<b>Net cash (used in)/provided by financing activities .....</b>	<b>72,289</b>	<b>(161,235)</b>
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>12,298</b>	<b>60,470</b>
<b>Cash and cash equivalents at the beginning of the period .....</b>	<b>149,739</b>	<b>83,220</b>
Effect of exchange rate on changes on Cash and Cash equivalents....	23,028	6,049
<b>Cash and cash equivalents at the end of the period.....</b>	<b>185,065</b>	<b>149,739</b>

Notes:

- (1) The DKHI Group has identified and retrospectively corrected errors and made reclassifications in connection with IAS 29 “Financial Reporting in Hyperinflationary Economies” concerning the Turkish subsidiaries Murat, Bilsev, and Berta. This involves translating financial statements of these companies from the functional currency (Turkish lira) to the presentation currency (EUR). For the year ended 31 December 2022, all amounts stated in the Statement of the Comprehensive Income were initially translated into the presentation currency (EUR) using the average exchange rate for the year ended 31 December 2022 instead of the closing exchange rate as it is required by IAS 21.42 for the hyperinflationary subsidiaries consolidated to non-hyperinflationary parent company. The DKHI Group has decided to restate all amounts for the year 2022 aligning with the IAS 21 and IAS 29 and recalculated the comparative figures using the closing exchange rate. Furthermore, the management incorrectly used incorrect exchange rate for translation of the equity components and also restated the equity components on the Consolidated Statement of Financial Position using the closing exchange rate applying the same paragraph of IAS 21. Prospectively, the DKHI Group will continue to apply the closing exchange rate for translation into the presentation currency (EUR).

## INFORMATION ABOUT THE ISSUER

### BASIC INFORMATION ABOUT THE ISSUER

Legal and commercial name:	ENERGO-PRO Green Finance s.r.o.
Place of registration:	The Issuer is incorporated in the Commercial Register maintained by the Municipal Court in Prague, file no. C 335515
Identification number:	093 85 801
Legal entity identifier (LEI):	315700V95FJQL6ANM434
Date of incorporation:	The Issuer was incorporated in the Commercial Register on 3 August 2020. The issuer was established for the indefinite period of time.
Registered capital:	CZK 100,000, fully paid-up
Domicile and country of incorporation:	Czech Republic
Legal form:	Limited liability company
Governing law:	Czech Republic
Legislation under which the Issuer operates:	The Civil Code, The Act on Business Corporations The Trade Licensing Act The Insolvency Act
Registered office:	Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic
Telephone number:	+420 222 310 245
E-mail:	ir@energo-pro.com
Website:	<a href="http://www.energo-pro.com/pro-dkhi-investory">http://www.energo-pro.com/pro-dkhi-investory</a> The information available on the website is not part of the Prospectus unless such information is incorporated in the Prospectus by reference.
Credit rating:	The Issuer was not assigned any credit rating by a company registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council (the “ <b>CRA Regulation</b> ”) or any other company.
Goal and purpose:	The Issuer was established for the purpose of issuing of notes or other securities and distribution of the proceeds from such notes to DKHI Group entities in the form of loans, borrowings or other forms financing.

### History and Development of the Issuer

The Issuer was established on 21 July 2020 pursuant to the memorandum of association (NZ 782/2020 N 589/2020) under Czech law as a limited liability company with a business name ENERGO-PRO Green Finance s.r.o. The Issuer was incorporated in the Commercial Register administered by the Municipal Court in Prague under file no. C 335515 on 3 August 2020.

The Issuer is a company incorporated for the purpose of issuing notes or other securities and distribution of the proceeds from such notes to DKHI Group entities in the form of loans, borrowings or other forms financing and has not carried out any significant business activity in the past, other than the past issuance of the notes designated as EN.-PRO GF 6,50/23, ISIN: CZ0003527749 and the subsequent provision of their net proceeds to other DKHI Group entities by way of intra-group loans. The notes designated as EN.-PRO GF 6,50/23, ISIN: CZ0003527749 and all related intra-group loans have been fully repaid.

### **Recent Events Particular to the Issuer**

The Issuer is not aware of any event particular to it which would have a material impact on the assessment of the Issuer's solvency.

### **Description of the Issuer's Financing Activities**

The Issuer was established for the purpose of issuing notes and other securities and providing loans and credits or other financing to other DKHI Group entities. The source of its future funding is thus in particular the proceeds from the Notes and other securities and income generated from financing provided to DKHI Group entities.

The Issuer issued the notes designated as EN.-PRO GF 6,50/23, ISIN: CZ0003527749 and subsequently provided their net proceeds to other DKHI Group entities by way of intra-group loans. The notes designated as EN.-PRO GF 6,50/23, ISIN: CZ0003527749 and all related intra-group loans have been fully repaid. As of 31 December 2023, the Issuer had receivables against other members of the DKHI Group amounting to CZK 9.124 million arising out of trade and other business relations.

### **Outstanding Loans and Investment Instruments Issued by the Issuer**

As at the date of this Prospectus, the Issuer has no outstanding loans or notes issued by it that would give rise to its liability towards third parties. The Issuer is also not aware of any material changes in its borrowing or funding structure since the last financial year.

### **Information about the Number of Employees**

The Issuer does not have any employees.

### **Business, Objectives and Activities of the Issuer**

The Issuer was established for the purpose of issuing of notes and other securities and providing loans and credits or other financing to other DKHI Group entities and is not engaged in any other material commercial activity.

### **Organisational Structure of the Issuer**

#### ***Issuer's shareholder structure and its position in the DKHI Group***

The Issuer is owned by the Guarantor, which holds shareholding interest representing 100% of the Issuer's registered capital and voting rights. The Guarantor is wholly owned by Mr. Jaromír Tesář.

The Issuer is not aware of any agreements that may lead to a change in control of the Issuer. As at the date of the Prospectus, no measures against abuse of control of the Issuer have been adopted.

The Issuer has no subsidiaries.

#### ***Issuer's Dependence on DKHI Group entities***

The Issuer is entirely dependent on the Guarantor, which results from its ownership of a 100% shareholding interest and voting rights in the Issuer. The Issuer was established for the purpose of issuing the Notes and other securities and providing loans and credits or other financing to other DKHI Group entities.

The Issuer's ability to meet its obligations will thus be significantly affected by the ability of the DKHI Group to meet its obligations towards the Issuer, which creates a dependence of the Issuer's sources of income on the DKHI Group and its economic results.

## INFORMATION ABOUT THE GUARANTOR AND DKHI GROUP

### Basic Information about the Guarantor

Legal and commercial name:	DK Holding Investments, s.r.o.
Place of registration:	The Guarantor is incorporated in the Commercial Register maintained by the Municipal Court in Prague, file no. C 251383
Identification number:	046 45 740
Legal entity identifier (LEI):	3157000SLFS3ZOO7HV02
Date of incorporation:	The Guarantor was incorporated in the Commercial Register on 16 December 2015. The Guarantor was established for the indefinite period of time.
Registered capital:	CZK 200,000, fully paid-up
Domicile and country of incorporation:	Czech Republic
Legal form:	Limited liability company
Governing law:	Czech Republic
Legislation under which the Guarantor operates:	The Civil Code The Act on Business Corporations The Trade Licensing Act The Insolvency Act
Registered office:	Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic
Telephone number:	+420 222 310 245
E-mail:	ir@energo-pro.com
Website:	<a href="http://www.energo-pro.com/">http://www.energo-pro.com/</a> . The information available on the website is not part of the Prospectus unless such information is incorporated in the Prospectus by reference.
Credit rating:	The Guarantor was not assigned any credit rating by a company registered under the CRA Regulation or any other company
Goal and purpose:	The Guarantor is the holding company of the DKHI Group. The Guarantor was established with the goal to generate a profit. Its main purpose is holding shares in DKHI Group entities and activities relating to the financing of DKHI Group entities.

### Overview of the Business of the DKHI Group

The DKHI Group is a major European electricity distribution and hydropower generation company. The DKHI Group's principal countries of operation are Bulgaria, Georgia, Türkiye Spain, and the Czech Republic. The DKHI Group is also constructing and developing power plants in Columbia.

The DKHI Group operates a generation portfolio of:

- 49 HPPs in Bulgaria, Georgia, Türkiye, Spain and the Czech Republic, with a total installed capacity of 1,307 MW as of 31 December 2023 and average annual generation of 3.8<sup>6</sup> TWh of electricity over the past 10 years; and

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<sup>6</sup> Includes generation volumes for Alpaslan 2 HPP, Karakurt HPP and Meydancık HPP for 2021-2023 only as these HPPs were commissioned in 2020, 2020 and 2021, respectively. Includes generation volumes for Xeal for 2014-2023 (the DKHI Group acquired Xeal on 4 October 2023).

- one gas-fired thermal power plant (“**TPP**”) in Georgia, with a total installed capacity of 110 MW as of 31 December 2023, which provides grid support services.

Further, in June 2024, the Guarantor signed an agreement to acquire 100% of shares in companies owning and operating 7 HPPs in Brazil with a total installed capacity of 90 MW (“**Brazil HPP Portfolio**”) (see “- *Recent Developments*” for more information). As of the date of this Prospectus, the acquisition of the Brazil HPP Portfolio has not closed.

In addition to the DKHI Group’s generation portfolio, the DKHI Group owns and operates electricity distribution networks in Bulgaria and Georgia which, as of 31 December 2023:

- covered a geographical area of approximately 89,000 square km;
- extended to approximately 97,000 km of network cable; and
- served over 2.5 million grid customers.

Within its license areas, which cover approximately 27% and 85% of the territory of Bulgaria and Georgia, respectively, the DKHI Group is the sole distributor of electricity, distributing 10.4 TWh, 10.6 TWh of electricity in the years ended 31 December 2023 and, 2022, respectively.

The DKHI Group’s business activities also include the supply of electricity, pursuant to which approximately 10.5 TWh and 10.5 TWh of electricity was supplied to customers in Bulgaria and Georgia in the years ended 31 December 2023 and 2022, respectively.<sup>7</sup> The DKHI Group’s supply activities consists of:

- electricity supply to regulated customers within the DKHI Group’s license area in Bulgaria and Georgia, pursuant to which 3.3 TWh was supplied to more than 1 million customers in Bulgaria and 3.9 TWh to more than 1.3 million customers in Georgia in the year ended 31 December 2023 and 3.3 TWh was supplied to more than 1 million customers in Bulgaria and 3.8 TWh to more than 1.3 million customers in Georgia in the year ended 31 December 2022;
- electricity supply on the free market across Bulgaria, with supply of 3.3 TWh to more than 28,000 customers in the year ended 31 December 2023 and 3.4 TWh to more than 30,000 customers in the year ended 31 December 2022; and
- being a supplier of last resort in Bulgaria and Georgia.

The DKHI Group’s other material activities include:

- electricity trading in Türkiye and Bulgaria, primarily comprising of wholesale electricity trading and the import and export of electricity;
- the operation of a payment terminal business in Georgia, facilitating the collection of customer payments in respect of the DKHI Group’s electricity sales in Georgia;
- the operation of two ferroalloy plants in Spain;
- design, manufacture and installation of hydropower equipment.

In the year ended 31 December 2023, the DKHI Group generated consolidated EBITDA of EUR 381.4 million, as compared to consolidated EBITDA of EUR 365.3 million in the year ended 31 December 2022. In the years ended 31 December 2023 and 2022, approximately 59% and 57%, respectively, of consolidated EBITDA was derived from regulated activities. Regulated activities include the distribution, and generation of electricity where tariffs are set using a RAB based methodology and the generation of electricity sold pursuant to the FiT regime. As of 31 December 2023, DKHI Group had 10,127 employees.

The table below provides an overview of the DKHI Group’s Revenue and EBITDA for the years ended 31 December 2023 and 2022:

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<sup>7</sup> The figures represent a net supplied volume of electricity, in each case excluding intragroup and imbalances transactions.

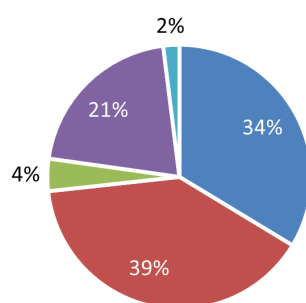
	Year ended 31 December			
	2023		2022	
	<i>(in EUR million)</i>			
	Revenue	EBITDA <sup>(2)</sup>	Revenue	EBITDA <sup>(2)</sup>
Bulgaria.....	835.7	136.6	1,352.5	141.1
Georgia.....	572.9	163.0	512.0	153.1
Spain <sup>(1)</sup> .....	17.1	16.3	n/a	n/a
Türkiye.....	103.6	84.0	157.8	101.0
Czech Republic.....	8.9	6.9	6.4	5.5
<b>Group's EBITDA.....</b>	<b>1,538.2</b>	<b>406.7</b>	<b>1,990.1</b>	<b>400.7</b>
Consolidation adjustments and other.	(132.5)	(25.2)	(140.6)	(35.4)
<b>EBITDA (Consolidated).....</b>	<b>1,405.7</b>	<b>381.4</b>	<b>1,849.5</b>	<b>365.3</b>

Notes:

- (1) The DKHI Group acquired Xeal on 4 October 2023. Data for Spain are for the period from 1 October until 31 December 2023 only.
- (2) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses.

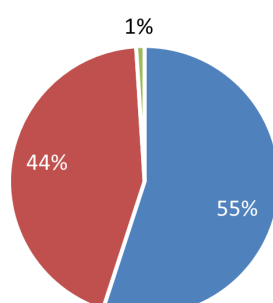
The charts below provide a breakdown of the Group's EBITDA for the year ended 31 December 2023 across its operating geographies, business lines and business types:

**Group's EBITDA by country** <sup>(1)</sup>  
<sub>(2)</sub>



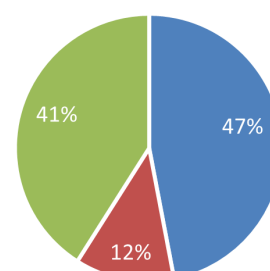
■ Bulgaria ■ Georgia  
■ Spain ■ Türkiye  
■ Czech Republic

**Group's EBITDA by segment** <sup>(1)</sup>  
<sub>(2)</sub>



■ Distribution and supply  
■ Generation  
■ Other

**Group's EBITDA by regulated business** <sup>(1)</sup> <sub>(3)</sub>



■ Regulated (RAB)  
■ Regulated (FiT)  
■ Non-regulated

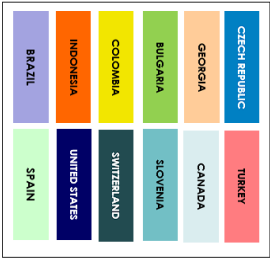
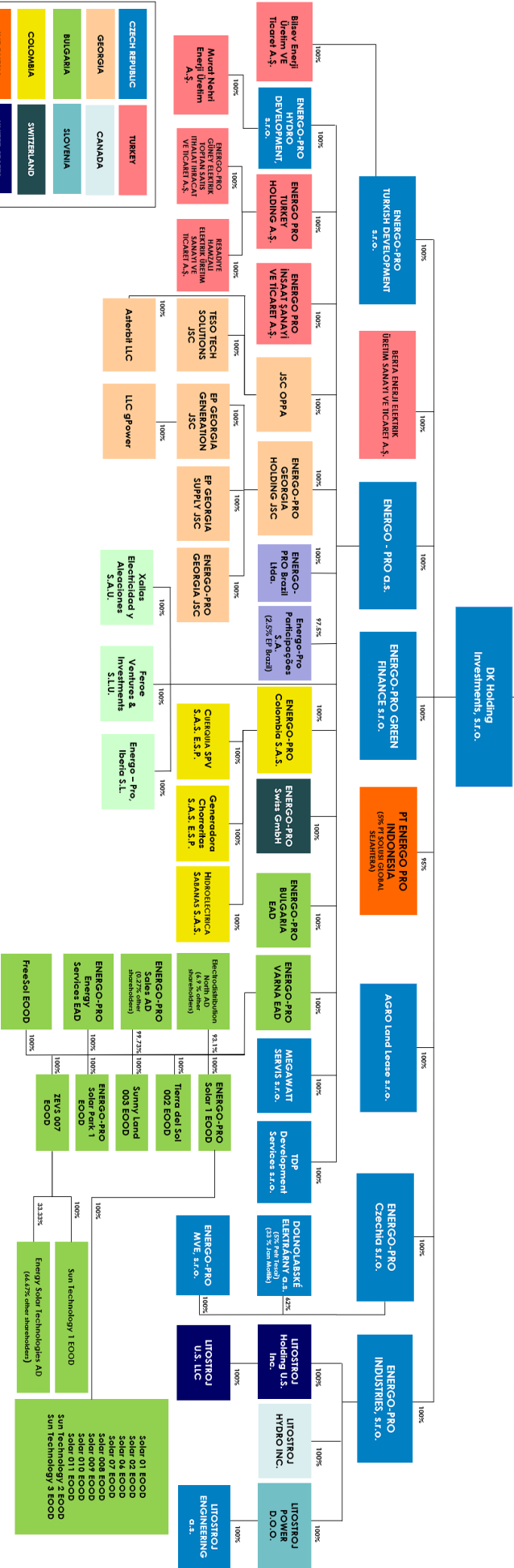
Notes:

- (1) The DKHI Group acquired Xeal on 4 October 2023. Data for Spain are for the period from 1 October until 31 December 2023 only.
- (2) The DKHI Group's EBITDA represents the sum of standalone EBITDAs of the respective operational companies in Bulgaria, Georgia, Spain, Türkiye, and the Czech Republic. It excludes IFRS consolidation adjustments and standalone EBITDA of the Issuer, the other Czech companies within the DKHI Group, EPI Group and the Brazilian and Colombian companies within the DKHI Group.
- (3) Regulated EBITDA represents the sum of regulated standalone EBITDAs of the respective operating companies divided by total consolidated EBITDA.

The below chart sets out a simplified chart of the companies within the DKHI Group controlled by the Guarantor as of the date of the Prospectus. A complete list of subsidiaries is listed in Note 1.1 (Subsidiaries) to the Consolidated Financial Statements of the Guarantor for the year ended 31 December 2023. No material changes in the structure of the DKHI Group have occurred between 31 December 2023 and the date of this Prospectus. Unless otherwise stated, all ownership interests are 100%: The Issuer is not aware of any agreements that may

lead to a change in control of the Guarantor. As at the date of the Prospectus, no measures against abuse of control of the Guarantor have been adopted. The Guarantor prepares and publishes the report on relations between controlling and controlled person.

Organizational structure  
DK Holding Investments Group & ENERGO-PRO Group





## Key strengths

The DKHI Group believes that it benefits from the following strengths:

### *Leading electricity distribution and renewable generation company*

With more than 2.5 million grid customers and 10.4 TWh of distributed electricity, and 49 operating HPPs with an installed capacity of 1,307 MW as of and for the year ended 31 December 2023, the DKHI Group is a leading electricity company in Bulgaria and Georgia, the two main markets in which it operates. According to data published by the Bulgarian Sustainable Energy Development Agency, as of 31 December 2023, the DKHI Group was the largest private producer of electricity generated from hydropower by installed capacity and electricity produced. The DKHI Group is also the third largest electricity distribution company in Bulgaria by geographic area covered, number of connection points and volume of electricity distributed.<sup>8</sup> Furthermore, JSC Electricity System Commercial Operator (“ESCO”) estimates that in Georgia over the same period, the DKHI Group was the largest privately owned electricity generation company by installed capacity and volume of electricity produced as well as the largest electricity distribution company by geographic area covered, number of customers and volume of electricity distributed. The size of the DKHI Group’s business provides it with a deep knowledge of the markets in which it operates, helps ensure good access to the relevant regulators and allows the DKHI Group to realise economies of scale.

### *Diversified operations*

The DKHI Group’s business benefits from geographical diversification across Bulgaria, Georgia, Türkiye, Spain and the Czech Republic, as well as from exposure to a mix of generation and distribution and supply activities. In year ended 31 December 2023, 34% of the DKHI Group’s EBITDA was generated from its Bulgarian operations, 40% from its Georgian operations, 21% from its Turkish operations, 4% from its Spanish operations, and 2% from its Czech operations.<sup>9</sup> In the year ended 31 December 2023, electricity generation activities accounted for 44 % of the DKHI Group’s EBITDA<sup>15</sup>, with electricity distribution and supply activities accounting for 55 % and other business activities accounting for 1 %. This diversification helps the DKHI Group reduce the impact of potentially unfavourable hydrological conditions in any particular geographical area on its cashflows. It also reduces the risks of being significantly exposed to any one regulatory regime or currency exchange rate. If the DKHI Group acquires a portfolio of HPPs in Brazil (see “– Recent Developments – Acquisition of a Portfolio of HPPs in Brazil”), it will expand its electricity generation business to Brazil.

### *Stable cash flow generation profile from significant share of regulated activities*

The DKHI Group’s distribution activities are subject to ‘revenue cap’ regulations while a substantial portion of its hydropower generation assets benefits from regulated tariffs which eliminate or substantially reduce the price risk with respect to the DKHI Group’s generated electricity. For the year ended 31 December 2023, the DKHI Group estimates that 59%, of its consolidated EBITDA was derived from these regulated activities.<sup>10</sup> The stability provided by the regulated nature of the majority of the DKHI Group’s cashflows further de-risks the DKHI Group’s business by allowing it to plan capital investments in an environment that benefits from predictable returns and by reducing its dependence on potentially volatile free market electricity prices.

### *Efficient asset portfolio with proven track record and high cash conversion*

The DKHI Group’s HPPs have a strong operating track record, with high availability and efficiency factors and limited periods of down time. Management believes that the nature of these assets ensures that the DKHI Group has some of the lowest generation costs in the markets in which it operates. Moreover, the DKHI Group’s HPPs are very long-life assets with relatively low on-going maintenance expenditures and larger, periodic rehabilitation projects at long time intervals. This provides the DKHI Group with flexibility to adjust its capital expenditure schedule in time. The DKHI Group’s distribution assets provide a highly reliable service platform with limited loss ratios, having benefited from various investments to improve the system average interruption duration index (“SAIDI”) and the system average interruption frequency index (“SAIFI”) indicators, as well as an investment programme to reduce both technical and commercial losses. In addition, the DKHI Group’s revenues from (i) its

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<sup>8</sup> Source: Ministry of Energy of Bulgaria.

<sup>9</sup> Consolidated EBITDA for the year ended 31 December 2023 includes results of Spanish operations only for the period from 1 October until 31 December 2023.

<sup>10</sup> Consolidated EBITDA for the year ended 31 December 2023 includes results of Spanish operations only for the period from 1 October until 31 December 2023. Spanish HPPs sell their generated electricity on a merchant basis (therefore, it is part of unregulated segment)

Bulgarian generation, distribution and supply activities are paid in BGN, which is pegged to EUR, (ii) its Spanish generation activities are paid in EUR, and (iii) the Alpaslan 2, Karakurt and Meydancık generation activities are linked to the U.S. dollar under the YEKDEM FiT regime. As such, the DKHI Group's exposure to foreign exchange risk is partially reduced.

### ***Highly experienced management team supported by a long-term, committed shareholder***

The DKHI Group's founder and sole shareholder, Mr. Jaromír Tesař, has been committed to the business of the DKHI Group since its establishment in 1994. He used his long-term vision and experience to build the DKHI Group over the years into its current form, and the DKHI Group remains his key asset. Mr. Tesař, in his role as Chairman of the Board of Directors of EPAS, continues to provide strategic direction and deep knowledge to a team of highly experienced and motivated executives in the head-office in Prague, and across each of the countries in which the DKHI Group operates. Many senior managers have held positions across a number of the DKHI Group's operating companies, thereby helping to share best practices across the DKHI Group. The DKHI Group's senior management team has substantial experience in the energy sector, in particular across each market in which the DKHI Group operates. In addition to senior management, the DKHI Group has experienced core teams at the asset level with operations, management, and financial expertise in the power sector across the region.

### **Strategy**

The DKHI Group's strategy is focused on maintaining and enhancing free cashflows from its existing hydropower generation and electricity distribution assets, and on selectively expanding the DKHI Group's business through the acquisition of operating generation assets or development projects in markets with characteristics favourable for the hydropower sector, as well as adding additional renewable power generation capacity to certain of its existing assets to optimise operations, always in keeping with the principles of sustainability and in line with the DKHI Group's ESG policies and best practices. The DKHI Group aims to achieve these strategic objectives by:

#### ***Enhancing existing generation and distribution assets***

The DKHI Group's objective in the generation segment is to further increase the efficiency of its HPPs, improve their reliability and safety, as well as to prolong their service lifetime, through the implementation of a cost-effective rehabilitation and modernisation programme. This programme is aimed at achieving excellence in technical operations, maximising efficiency and minimising the levels of unprocessed water losses.

In respect of the DKHI Group's distribution assets, the DKHI Group continues to target the reduction of commercial grid losses through effective grid management and monitoring. In addition, the DKHI Group continuously invests towards the improvements of its distribution networks, seeking to enhance the grids' reliability and the quality of electricity supply. Such improvements are principally achieved by implementing various rehabilitation and re-metering projects throughout the DKHI Group's license areas.

#### ***Increasing profitability, stability and flexibility***

The DKHI Group consistently aims to improve its profitability by remaining focused on cost reduction while benefiting from the revenue-stabilizing effects of regulated tariffs in its distribution business as well as a portion of its generation activities. The cost control strategy is based on sharing and implementing best practices across the entire DKHI Group, as well as on appropriately incentivising its management and employees in order to achieve their buy-in. The key pillars of the DKHI Group's strategy to increase its financial stability and flexibility are geographical and segment diversification, ability to tightly control and adjust discretionary capital expenditures, and a simple capital structure anchored around long-term financings with bullet-repayments, manageable redemption schedules and a currency profile aiming to reflect that of its free cashflows. The DKHI Group believes that this creates a robust platform for it to withstand any unexpected volatility and positions it well for further growth.

#### ***Growth through selective acquisitions and development***

The management of the DKHI Group believes that its operational expertise, as well as the knowledge of the markets in which it currently operates, positions it favourably to pursue selective acquisitions or development projects involving attractively-priced, quality assets in the hydropower generation segment, preferably with regulated or long-term contracted revenue. The DKHI Group is diligent and disciplined in its approach as regards to the strategic fit, purchase price, as well as the synergistic nature of such opportunities. When entering new markets the DKHI Group focuses on a gradual roll-out with limited exposure. The DKHI Group also intends to optimise the return on its existing assets by adding renewable power generation capacity where this offers compelling value-accretive opportunities with highly mitigated risk.

### ***Integrating ESG aspects into the DKHI Group's day-to-day operations***

The DKHI Group aims to further increase its commitment to sustainable development, the protection of the environment, and the well-being of the communities living in the areas of influence of the DKHI Group's investments. Almost all of the DKHI Group's generated electricity is already carbon-free and the carbon footprint of the distribution and supply business is modest. The management of the DKHI Group believes that hydropower generation will play a key role in decarbonisation efforts, placing it in central position to contribute to the decarbonisation targets. The DKHI Group implemented new policies to support its sustainability performance and established a set of ESG key performance indicators which are reported and monitored on an ongoing basis. Since 2022, the DKHI Group has published annual Sustainability Reports in accordance with Global Reporting Initiative Standards<sup>11</sup>. The focus will be on becoming carbon-neutral by 2050, further reducing the DKHI Group's use of natural resources, and also on limiting the environmental and social impact of any future projects. In the area of governance, the DKHI Group aims to apply the highest standards of honesty and integrity across all its operations in all business dealings with Governments, business partners and communities.

### **Challenges for the operation of the DKHI Group**

The management of the DKHI Group believes the DKHI Group is well-positioned to continue benefiting from the aforementioned strengths of the DKHI Group described above and to execute its strategy described above. However, the DKHI Group is also exposed to risks, which are detailed in the section "*Risk Factors – Risks Factors Related to the DKHI Group*" and the materialisation of these risks may have a negative impact on the position of the DKHI Group on the market and on its business, results of operations and financial condition.

### **History and Development of the Guarantor and the DKHI Group**

The key milestones in the DKHI Group's history are set out below:

<b>1994</b>	In September, ENERGO-PRO s.r.o is incorporated in Svitavy, Czech Republic as a limited liability company by Mr. Jaromír Tesař and Mr. Josef Mojžíš.
<b>1995</b>	In March, EPAS is incorporated as a joint stock company and, effective 1 April 1995, ENERGO-PRO s.r.o. is merged into the EPAS. The shares of the EPAS are split equally between Mr. Jaromír Tesař and Mr. Mojžíš. Mr. Mojžíš later sells his shares to Mr. Jaromír Tesař and Mr. Jiří Krušina.
<b>2000</b>	DKHI Group starts foreign expansion in Bulgaria.
<b>2002-2004</b>	As part of the privatisation of the Bulgarian energy sector, DKHI Group acquires eight HPPs in Bulgaria.
<b>2006</b>	DKHI Group commences operations in Türkiye and Georgia.
<b>2007-2009</b>	As part of the privatisation of the Georgian energy sector, DKHI Group acquires two electricity distribution businesses and fifteen HPPs in Georgia.
<b>2010</b>	DKHI Group acquires the Gardabani thermal power plant in Georgia and five HPPs in Türkiye.
<b>2012</b>	DKHI Group acquires E.ON's electricity distribution and supply business in Bulgaria.
<b>2012</b>	Dolnolabské elektrárny commissions HPP Litoměřice which is granted a 30-year FiT.
<b>2013</b>	DKHI Group acquires an additional six HPPs in Bulgaria.
<b>2014</b>	EPI Group acquires Slovenian Litostrój Power Group.
<b>2016</b>	Mr. Tesař acquires Mr. Krušina's beneficial shareholding in EPAS and assumes 100% control of DKHI Group (following an internal reorganization of the group).
<b>2016</b>	In response to regulatory changes in Georgia, DKHI Group 'unbundles' its Georgian generation and distribution and supply businesses, resulting in the incorporation of EPG Generation to control DKHI Group's Georgian HPP assets.
<b>2017</b>	DKHI Group acquires assets of the Kakheti electricity distribution business in Georgia.

<sup>11</sup> The GRI Standards are a set of reporting standards which enable an organization to understand and report on their impacts on the economy, environment and people in a comparable and credible way.

2017	DKHI Group acquires HPP Alpaslan 2.
2017	EPAS raises EUR 370 million in its debut Eurobond issue.
2017	EPMVE finishes complete rehabilitation of HPP Brandýs nad Labem which is granted a 30-year FiT.
2018	EPAS places EUR 250 million Eurobond issue.
2019	DKHI Group raises EUR 175 million financing for the completion of the construction of HPP Alpaslan 2.
2020	HPP Alpaslan 2 and HPP Karakurt are commissioned and become eligible for 10-year FiT (YEKDEM) starting from January 2021.
2021	In response to the legal unbundling regulations in Georgia, DKHI Group restructures its Georgian distribution and supply activities, resulting in the incorporation of EP Georgia Supply JSC (“ <b>EP Georgia Supply</b> ”) to carry out DKHI Group’s supply activities in Georgia.
2022	EPAS places USD 435 million Eurobond issue.
2023	EPAS raises EUR 300 million in a Eurobond issue guaranteed by the United States International Development Finance Corporation, with proceeds used to repay the EUR 250 million Eurobonds issued in 2018.
2023	DKHI Group acquires a portfolio of 10 HPPs in Galicia, Spain, together with two ferroalloy plants and a project to potentially build a 400 MW pumped-storage facility. EPAS places USD 300 million Eurobond issue to finance the acquisition.
2024	DKHI Group signs an agreement to acquire a portfolio of 7 HPPs in Brazil with a total installed capacity of 90 MW (see “ <i>Recent Developments – Acquisition of a Portfolio of HPPs in Brazil</i> ” for more information).

## Recent Developments

This section describes the recent material developments with an effect on the Issuers financial position and solvency.

### *Acquisition of a Portfolio of HPPs in Brazil*

On 19 June 2024, the Guarantor as purchaser and entities controlled by Brookfield Corporation (“**Brookfield**”) and certain other parties entered into a share purchase agreement (“**SPA**”) for, among other things, the purchase of shares in companies owning and operating 7 hydropower assets located in Brazil (“**Brazil HPP Portfolio**”).

The transaction is subject to certain conditions precedent, primarily related to obtaining change-of-control approvals from the existing lender (BNDES (*Banco Nacional de Desenvolvimento Economico e Social*)) and certain regulatory entities in Brazil. As of the date of this Prospectus, the acquisition of the Brazil HPP Portfolio has not closed. Prior to the closing of the transaction, the Guarantor may, in accordance with the terms of the SPA, assign its rights to acquire the Brazil HPP Portfolio to Energo-Pro Participações S.A., a wholly-owned subsidiary of EPAS in Brazil.

In accordance with the terms of the SPA, to the Guarantor will acquire 100% of shares in the companies owning and operating the Brazil HPP Portfolio for a cash consideration of BRL 701.1 million (EUR 119.8 million<sup>12</sup>), subject to certain adjustments.

#### *Asset overview*

The Brazil HPP Portfolio is comprised of 7 hydropower plants with 90 MW of installed capacity and 58.2 MW of physical guarantee. The Brazil HPP Portfolio is located in the state of Minas Gerais on the Lambari and Pomba rivers, the state of Rio de Janeiro on the river Grande, and in the state of Mato Grosso do Sul on the river Verde.

The table below sets out certain information relating to the Brazil HPP Portfolio:

<sup>12</sup> Converted into EUR using the exchange rate of 1.0 EUR = 5.85 BRL as of 19 June 2024.

<b>Facility name</b>	<b>River</b>	<b>Type</b>	<b>COD</b>	<b>Installed capacity (MW)</b>	<b>Tariff</b>	<b>Concession expiry</b>
Cristina.....	Lambari	With reservoir	2011	3.8	Merchant	2032
Zé Tunin.....	Pomba	With reservoir	2019	8.0	Merchant	2049
Santo Antônio .....	Grande	With reservoir	2012	8.0	Merchant	2049
Caju .....	Grande	With reservoir	2011	10.0	Merchant	2048
São Sebatião do Alto.....	Grande	With reservoir	2011	13.2	Merchant	2048
Verde 4.....	Verde	With reservoir	2019	19.0	LEN 2015 <sup>(1)</sup>	2049
Verde 4A.....	Verde	With reservoir	2018	28.0	LEN 2015 <sup>(1)</sup>	2049
<b>Total .....</b>				<b>90.0</b>		

Notes:

- (1) New Energy Auction ("LEN"): Type of PPA contract signed with private distributors in regulated energy auctions.

The hydropower plants comprising the Brazil HPP Portfolio are considered Small Hydropower Plants ("SHPPs") for regulatory purposes (see also "*Regulation – Regulation in Brazil – Most relevant laws*" below), except for Cristina HPP which is considered a Hydro Generation Unit but enjoys virtually the same benefits as SHPPs.

The table below provides an overview of electricity generated by the Brazil HPPs Portfolio and the monthly average spot price for the years ended 31 December 2023 and 2022:

	<b>Electricity generated</b>	
	<b>Years ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i>(GWh)</i>	
Net generation.....	425	435
Average spot price (R\$/MWh) <sup>(1)</sup> .....	72.2	59.0
Average spot price (EUR/MWh) <sup>(1)(2)</sup> .....	13.4	10.8

Notes:

- (1) The monthly average spot price for the South-eastern submarket.  
(2) Converted into EUR using the exchange rate of 1.0 EUR = 5.4010 BRL for the year ended 31 December 2023, and the exchange rate of 1.0 EUR = 5.4399 for the year ended 31 December 2022.

The table below provides an overview of the gross revenue, EBITDA, capital expenditures, total assets and total liabilities attributable to the hydropower generation business of the Brazil HPP Portfolio for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i>(in EUR million)</i> <sup>(4,5)</sup>	
Gross revenue <sup>(1)</sup> .....	24.9	27.9
EBITDA <sup>(1)(6)</sup> .....	17.8	19.3
Capital expenditures <sup>(1)</sup> .....	0.4	0.6
Total assets <sup>(2) (3)</sup> .....	159.9	155.7
Total debt <sup>(2)</sup> .....	58.1	60.6

Notes:

- (1) Converted into EUR using the exchange rate of 1.0 EUR = 5.4010 BRL for the year ended 31 December 2023, and the exchange rate of 1.0 EUR = 5.4399 for the year ended 31 December 2022.  
(2) Converted into EUR using the exchange rate of 1.0 EUR = 5.3618 BRL for the year ended 31 December 2023, and the exchange rate of 1.0 EUR = 5.6386 for the year ended 31 December 2022.  
(3) Total assets do not include investments which is allocated at sub holding level (consolidation of Verde 4 and Verde 4A).  
(4) Financial information for the years ended 31 December 2023, 2022 and 2021 is based on the audited financial statements of the companies comprising the Brazil HPP Portfolio.  
(5) The financial information considers the consolidated figures of: Geração Hidroelétrica Rio Grande S.A., Pequena Central Hidroelétrica Zé Tunin S.A., Spe Cristina Energia S.A., Phoenix Geração De Energia S.A., Savana Geração De Energia S.A.

- (6) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

As of 31 December 2023, the Brazil HPP Portfolio had total debt of BRL 311.5 million (EUR 58.1 million) and cash of BRL 23.9 million (EUR 4.5 million). The debt consisted of BRL 234.8 million (EUR 43.8 million) long-term facility provided by the Brazilian Development Bank, BNDES (*Banco Nacional de Desenvolvimento Economico e Social*) and BRL 76.6 million (EUR 14.3 million) of debt (including accrued interest) owed to related parties to be fully repaid upon closing.

The table below provides an overview of the total debt attributable to the companies comprising the Brazil HPP Portfolio:

	<u>Verde 4</u>	<u>Verde 4A</u>	<u>Related Parties</u>
	BRL 130 million (EUR 24.2 million) <sup>(3)</sup>	BRL 166 million (EUR 31.0 million) <sup>(3)</sup>	BRL 100 million (EUR 18.7 million) <sup>(3)</sup>
Facility amount.....			
Interest rate.....	TJLP <sup>(4)</sup> + 2.15%	TJLP <sup>(4)</sup> + 2.12%	n.a.
Final maturity date .....	15 September 2038	15 June 2038	n.a.
Financial covenant <sup>(1)</sup> .....	DSCR > 1.3x	DSCR > 1.3x	n.a.
	BRL 108.8 million (EUR 20.3 million) <sup>(3)</sup>	BRL 126.0 mm (EUR 23.5 million) <sup>(3)</sup>	BRL 76.6 million (EUR 14.3 million) <sup>(3)</sup>
Outstanding amount <sup>(2)</sup> .....			

Notes:

- (1) Non-exhaustive list.
- (2) As of 31 December 2023, based on the audited financial statements of the companies comprising the Brazil HPP Portfolio.
- (3) Converted into EUR using the exchange rate of 1.0 EUR = 5.3618 BRL.
- (4) The Long-Term Interest Rate or TJLP (*Taxa de Juros de Longo Prazo*) is the main financing rate of the National Bank for Economic and Social Development (BNDES) in Brazil. Effective from 1 January 2018, TJLP was replaced by TLP (*Taxa de Longo Prazo* or Long Term Rate). The TLP is set by the National Monetary Council every three months based on the inflation target for the year.

#### *Transaction rationale*

The DKHI Group believes that the acquisition of the Brazil HPP Portfolio presents an attractive opportunity given its complementarity to its existing hydropower generation assets:

- A well-maintained HPP portfolio backed by long concession life (weighted average of approximately 24 years) and a balanced PPA mix with 60% of capacity served by long-term inflation adjusted contracts while the remaining 40% available to serve new bilateral contracts;
- Low level of debt comprised of long-term facilities provided by the local development bank;
- Attractive entry pricing translated into excess returns when compared to more mature regions, contributing to the creation of a sizeable risk-adjusted generation portfolio. The annual inflation adjustment of existing PPAs and the opportunity to enter into new PPAs, either annually adjusted by inflation or denominated in hard currencies, offer robust foreign exchange risk mitigation; and
- Provides geographical earnings diversification into a country with a long history of hydropower generation coupled with strong market fundamentals and high electricity prices.

#### *Government intervention in free market electricity pricing in Bulgaria*

On 31 July 2024, the Government of Bulgaria adopted a program requiring companies supplying electricity to non-household customers, including EP Energy Services and EP Sales (in its capacity as supplier of last resort), to effectively cap the electricity prices charged to these customers. The program has been notified to the European Commission and is expected to become effective if and when approved by it, and apply to the period from 1 July 2024 until 31 December 2024. Under the program the electricity prices paid by non-household customers will include a compensation equal to the difference between the monthly average IBEX baseload price and BGN 180 per MWh (EUR 92 per MWh), if positive. Supply companies will, in turn, receive the same

compensation from the ESSF. The compensation will be paid to the supply companies monthly, typically within 20 days after the end of the month to which it relates. Because supply companies buy, and pay for, electricity daily they will be effectively required to finance the amount of compensation they are entitled to each month and for the additional 20 days it typically takes for them to receive the compensation payment. The compensation amount increases significantly the higher the free-market electricity prices rise above the cap. The DKHI Group's working capital requirement increases in correspondingly to the amount of the compensation payment.

## Business of the DKHI Group

### Generation

#### HPP Generation

Hydropower is a versatile, flexible, clean and proven technology that at its smallest can power a single home, and at its largest can supply industry and the public with renewable electricity on a national and even international scale. Compared to other methods of electricity generation, hydropower assets have generally very long lifecycles, which can approach 100 years. Due to the exceptionally long lifecycle of its hydropower generation assets, DKHI Group's HPPs benefit from low capex requirements, which can be flexibly adjusted in time. The mature technology used in HPPs means that DKHI Group's HPPs are efficient and display high cash conversion rates.

The table below provides an overview of DKHI Group's HPP generation portfolio as at and for the years ended 31 December 2023 and 2022 and DKHI Group's EBITDA from its HPP generation portfolio for the years ended 31 December 2023 and 2022:

	Installed capacity (MW)	% of DKHI Group capacity	Electricity Generated (GWh)		% DKHI Group HPP generation		EBITDA <sup>(2)</sup> from HPP generation (EUR million)		% of DKHI Group's EBITDA <sup>(2)</sup> from HPP generation	
			2023	2022	2023	2022	2023	2022	2023	2022
Bulgaria .....	166	13%	388	389	11%	13%	34.7	65.3	20%	32%
Georgia .....	491	38%	1,819	1,703	51%	50%	34.6	28.0	20%	14%
Spain <sup>(1)</sup> .....	167	13%	203	n/a	6%	n/a	13.6	n/a	8%	n/a
Türkiye .....	473	36%	1,148	1,249	32%	37%	84.0	104.1	48%	51%
Czechia .....	10	1%	40	38	1%	1%	6.9	5.5	4%	3%
<b>Total.....</b>	<b>1,307</b>	<b>100%</b>	<b>3,599</b>	<b>3,378</b>	<b>100%</b>	<b>100%</b>	<b>173.6</b>	<b>202.8</b>	<b>100%</b>	<b>100%</b>

Notes:

- (1) The DKHI Group acquired Xeal on 4 October 2023. Data for Spain are for the period from 1 October until 31 December 2023 only.
- (2) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

#### TPP generation

In addition to DKHI Group's HPPs, DKHI Group also owns and operates a 110 MW gas fired TPP in Georgia. This TPP is currently used for grid support services.

The table below provides an overview of the DKHI Group's generation portfolio for the years ended 31 December 2023 and 2022:

	Installed capacity	% of DKHI Group capacity	Electricity generated		% of DKHI Group generation	
			2023	2022	2023	2022
			(GWh)			
HPPs .....	1,307 MW	92%	3,599	3,378	98%	99%
TPP (Georgia).....	110 MW	8%	86	49	2%	1%
<b>Total.....</b>	<b>1,417 MW</b>	<b>100%</b>	<b>3,685</b>	<b>3,427</b>	<b>100%</b>	<b>100%</b>

The table below provides an overview of the Group's EBITDA from its generation portfolio for the years ended 31 December 2023 and 2022:

	EBITDA <sup>(1)</sup> from generation		% of DKHI Group's EBITDA <sup>(1)</sup> from generation	
	2023	2022	2023	2022
	<i>(in EUR million)</i>			
HPPs .....	173.8	202.8	98%	98%
TPP (Georgia).....	3.8	3.3	2%	2%
<b>Total.....</b>	<b>177.6</b>	<b>206.1</b>	<b>100%</b>	<b>100%</b>

Notes:

- (1) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

### Distribution and supply

DKHI Group's distribution business in Bulgaria and Georgia is a natural monopoly. DKHI Group is the sole distributor of electricity across its licence area. In respect of the electricity supply business, DKHI Group is the sole supplier of electricity to regulated customers in Bulgaria, and to all customers in Georgia, across its licence area. It can supply electricity to free market customers across the entire territory of Bulgaria. DKHI Group continues to strengthen its position in the distribution business through capital investment into the network.

The table below provides an overview of DKHI Group's distribution and supply activities as at and for the years ended 31 December 2023 and 2022:

	Area covered (km <sup>2</sup> ) <sup>(1)</sup>	Network length (km)	Total Electricity Distributed (GWh)		Grid losses (%)		Total Number of connection points ('000)		EBITDA <sup>(2)</sup> from distribution and supply (EUR million)		% of DKHI Group's EBITDA <sup>(2)</sup> from distribution and supply	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			Bulgaria	30,000	43,883	5,466	5,497	6.1%	6.3%	1,248	1,240	101.9
Georgia	58,847	52,955	4,979	5,131	10.4%	10.0%	1,332	1,311	123.2	121.1	55%	62%
<b>Total</b>	<b>88,847</b>	<b>96,838</b>	<b>10,445</b>	<b>10,628</b>	<b>n/a</b>	<b>n/a</b>	<b>2,580</b>	<b>2,551</b>	<b>225.1</b>	<b>196.9</b>	<b>100%</b>	<b>100%</b>

Notes:

- (1) Approximate coverage area for Bulgaria.  
(2) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

Grid losses occur when electricity is transmitted across extensive distribution networks, with electricity being lost in both power lines and transformers (technical losses). In addition to technical losses, DKHI Group is also exposed to electricity theft from its networks (commercial losses). As part of DKHI Group's strategy to enhance the effectiveness of its assets, DKHI Group operates a continuous programme to reduce its grid losses.

### Other Businesses

The DKHI Group's other businesses include (i) electricity trading in Türkiye and Bulgaria, primarily comprising of wholesale electricity trading and the import and export of electricity; (ii) the operation of a payment terminal business in Georgia, facilitating the collection of customer payments in respect of the DKHI Group's electricity sales in Georgia; (iii) the operation of two ferroalloy plants in Spain and (iv) design, manufacture and installation of hydropower equipment.

### Description of major companies in the DKHI Group

Unless stated otherwise, financial information for individual DKHI Group entities and aggregated country data for the years ended, and as of 31 December 2023 and 31 December 2022 have been derived from unaudited internal accounting records of DKHI Group and prepared in accordance with IFRS. Data regarding regulated and non-regulated activities is based on unaudited management information and estimates.



## Bulgaria

Through the EPAS' subsidiaries in Bulgaria, the DKHI Group operates the following businesses:

- Electricity generation through ENERGO-PRO Bulgaria EAD (“**EP Bulgaria**”); and
- Electricity distribution, wholesale trading and supply to end customers through subsidiaries of ENERGO-PRO Varna EAD (“**EP Varna**”), namely:
- Electricity distribution through Electrodistribution North AD (“**EDC North**”);
- Electricity supply on the regulated market, electricity supply of last resort, and electricity supply on the free market through EP Sales; and
- Electricity supply on the free market and wholesale/cross-border trading through EP Energy Services.

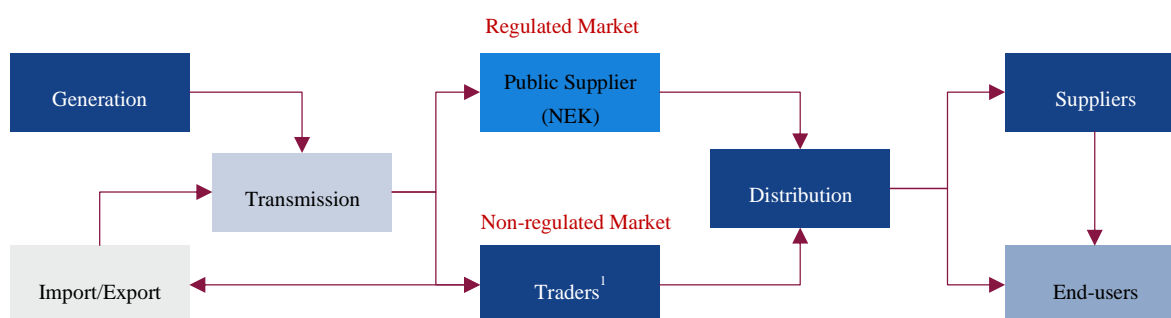
The table below provides an overview of DKHI Group’s Bulgarian operations’ revenue and EBITDA for the years ended 31 December 2023 and 2022:

	Year ended 31 December			
	2023		2022	
	Revenue	EBITDA <sup>(1)</sup>	Revenue	EBITDA <sup>(1)</sup>
	(in EUR million)			
EP Bulgaria .....	49.0	34.7	103.3	65.3
EP Varna .....	786.8	101.9	1,249.2	75.8
<b>Total.....</b>	<b>835.7</b>	<b>136.6</b>	<b>1,352.5</b>	<b>141.1</b>

Notes:

- (1) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

The following diagram provides an overview of Bulgaria’s energy supply chain. In Bulgaria, low-voltage customers purchase electricity at regulated prices approved by the national regulator – the EWRC, whereas medium-voltage, high-voltage and industrial customers purchase electricity at free market prices. From 1 October 2020, only low-voltage household customers are able to purchase electricity at regulated prices. See Clause “*Regulation*” below for further details.



<sup>1</sup> Participants in liberalized market: Generators, traders, suppliers of last resort, end customers, power exchange operator.

■ DKHI Group's operation areas

### **EP Bulgaria (business name: ENERGO-PRO Bulgaria EAD)**

According to the Bulgarian Sustainable Energy Development Agency, EP Bulgaria is the largest private producer of electricity generated from hydropower by installed capacity and electricity produced in Bulgaria as of 31 December 2023. As at the date of this Prospectus, EP Bulgaria owns and operates 14 HPPs. Ten of the HPPs are united in four cascades, i.e. Sandanska Bistritsa Cascade, Pirinska Bistritsa Cascade, Koprinka Cascade and Petrohan Cascade.

In the year ended 31 December 2023, EP Bulgaria generated EBITDA of EUR 34.7 million, as compared to EUR 65.3 million in the year ended 31 December 2022. As of 31 December 2023, the total installed capacity of EP Bulgaria's HPPs was 166 MW. In the year ended 31 December 2023, EP Bulgaria generated 388 GWh of hydropower, compared to 389 GWh in 2022. The average annual electricity Net Generation of EP Bulgaria's HPPs in the period from 2014 until and 2023 (inclusive) amounted to 428 GWh.

The table below sets out certain information relating to EP Bulgaria's generation assets as at 31 December 2023 and its generation data for the years ended 31 December 2023 and 2022:

Facility name	Installed capacity (MW)	Electricity generated	
		Years ended 31 December	
		2023	2022
		(GW)	
Spanchevo .....	28.0	67	64
Stara Zagora .....	22.4	28	44
Popina Laka.....	22.0	54	56
Pirin .....	22.0	48	49
Lilyanovo .....	20.0	52	52
Sandanski .....	14.4	30	29
Petrohan.....	7.6	23	20
Koprinka.....	7.0	7	10
Barziya .....	5.6	26	23
Ogosta .....	5.0	12	4
Klisura .....	3.5	14	12
Katuntsi .....	3.5	10	9
Samoranovo.....	2.9	8	10
Karlukovo.....	2.4	9	8
<b>Total.....</b>	<b>166.2</b>	<b>388</b>	<b>389</b>

The table below sets forth certain information relating to EP Bulgaria's generation assets as of 31 December 2023.

Facility name	Type	Commissioning date	Installed capacity (MW)	Tariff
Spanchevo .....	With reservoir	1981	28.0	Free market
Stara Zagora .....	With reservoir	1955	22.4	Free market
Popina Laka.....	With reservoir	1969	22.0	Free market
Pirin .....	With reservoir	1992	22.0	Free market
Lilyanovo .....	With reservoir	1969	20.0	Free market
Sandanski .....	With reservoir	1971	14.4	Free market
Petrohan.....	With reservoir	1956	7.6	Free market <sup>(1)</sup>
Koprinka.....	With reservoir	1954	7.0	Free market <sup>(1)</sup>
Barziya .....	With reservoir	1956	5.6	Free market <sup>(1)</sup>
Ogosta .....	With reservoir	2002	5.0	Free market <sup>(1)</sup>
Klisura .....	With reservoir	1953	3.5	Free market <sup>(1)</sup>
Katuntsi .....	With reservoir	2006	3.5	Free market <sup>(1)</sup>
Samoranovo.....	With reservoir	1965	2.9	Free market <sup>(1)</sup>
Karlukovo.....	Run-of-the river	2010	2.4	Free market <sup>(1)</sup>
<b>Total.....</b>	<b>n/a</b>	<b>n/a</b>	<b>166.2</b>	<b>n/a</b>

Notes:

- (1) Since June 2022, when EP Bulgaria terminated its agreements with the ESSF and its HPPs ceased to participate in the Feed-in Premium support scheme.

HPPs of EP Bulgaria no longer participate in the feed-in-premium support scheme and EP Bulgaria operates on the free (deregulated) segment of the wholesale electricity market in Bulgaria.

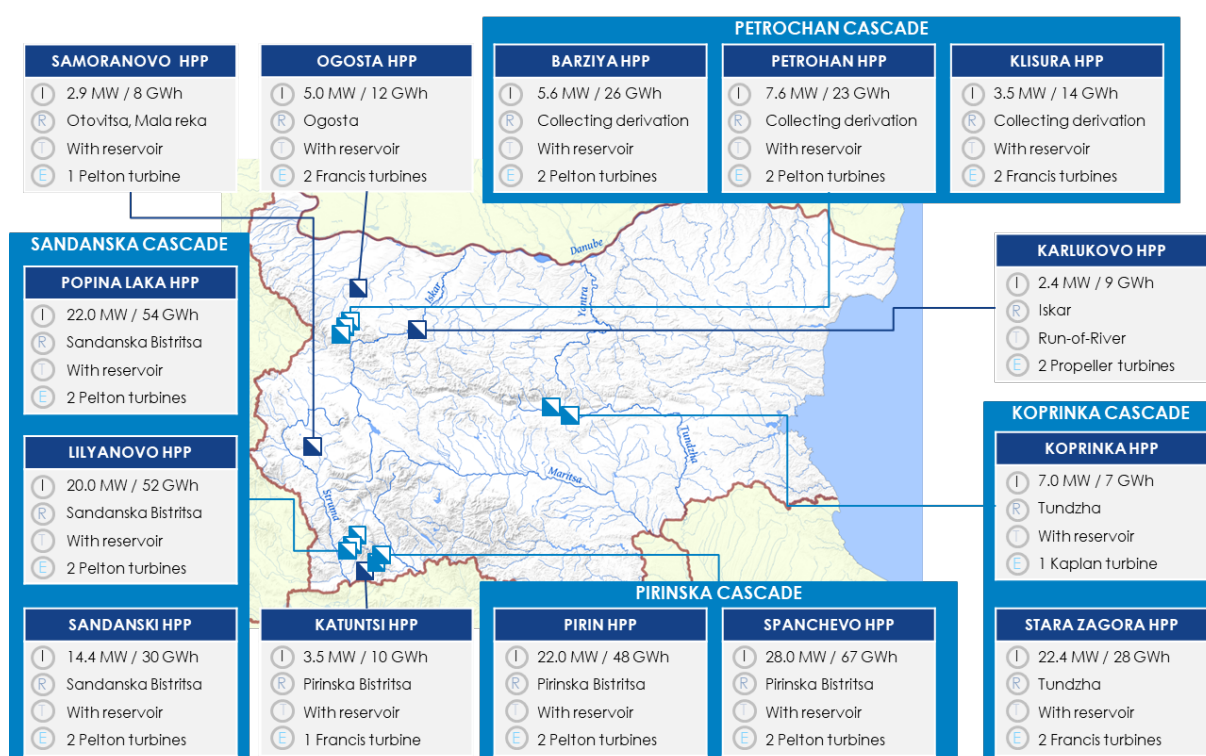
The table below sets out the average selling prices for electricity generated and sold at free market prices in the years ended 31 December 2023 and 2022:

	Years ended 31 December	
	2023	2022
	(in EUR million)	
<b>Overall average sales price .....</b>	<b>113.4</b>	<b>208.1</b>
<b>HPPs with installed capacity &gt; 10MW</b>		
Long-term contract with EP Energy Services .....	n/a	119.1
<b>IBEX<sup>(1)</sup></b>		
Intraday Market Segment .....	89.8	236.1
Day Ahead Market Segment .....	106.7	278.1
Bilateral Contracts Market .....	178.4	n/a

Notes:

(1) Independent Bulgarian Energy Exchange.

The following map shows the location of EP Bulgaria's HPPs:



Legend: I – installed capacity and 2023 annual generation; R – river; T – type of the HPP (with reservoir or run-of-river); E – # of turbines + type

### EP Varna (business name: ENERGO-PRO Varna EAD)

EP Varna is the parent company of the group of companies that operate, maintain and undertake the DKHI Group's electricity distribution, wholesale trading and supply activities in Bulgaria.

In the year ended 31 December 2023, the EP Varna Group generated EBITDA of EUR 101.9 million, as compared to EUR 75.8 million in the year ended 31 December 2022. Of that, EUR 78.8 million was derived from the regulated activities of EDC North and EP Sales, as compared to EUR 64.0 million in the year ended 31 December 2022. Given the significance of the regulated market to the EP Varna Group's operations in Bulgaria, its activities and development are dependent on the decisions of EWRC.

The table below provides an overview of the EP Varna Group's revenue and EBITDA for the years ended 31 December 2023 and 2022:

Year ended 31 December					
2023			2022		
Revenue	EBITDA <sup>(2)</sup>	Regulated	Revenue	EBITDA <sup>(2)</sup>	Regulated

		<u>EBITDA<sup>(2)</sup></u>			<u>EBITDA<sup>(2)</sup></u>	
			<i>(in EUR million)</i>			
EDC North.....	195.4	71.8	69.4	171.6	56.8	55.1
EP Sales.....	209.1	10.0	9.4	271.5	6.6	8.8
EP Energy Services .....	383.6	16.8	–	809.7	10.0	–
EP Varna (stand-alone).....	25.9	3.7	–	18.5	3.1	–
Solar powerplants <sup>(1)</sup> .....	2.3	0.1	–	0.3	0.2	–
Consolidation adjustments.....	(29.5)	(0.4)	–	(22.4)	(0.9)	–
<b>Total EP Varna Consolidated.....</b>	<b>786.8</b>	<b>101.9</b>	<b>78.8</b>	<b>1,249.2</b>	<b>75.8</b>	<b>64.0</b>

Notes:

- (1) From 2021 includes Energo-Pro Solar 1 EOOD, Tierra del Sol 002 EOOD, Sunny Land 003 EOOD, ENERGO-PRO Solar Park 1 EOOD and Zeus 007 EOOD. From 1 July 2022 also includes FreeSol EOOD. All of these companies are engaged in the development, construction and operation of solar powerplants.
- (2) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

In 2020, the liberalisation of the Bulgarian energy supply market continued. Changes to the Energy Act (see “*Regulation*” below for further details) required all non-household customers connected to the distribution network at low voltage to switch from their regulated market supplier to a free market supplier by 30 September 2020. Therefore, since 1 October 2020, only household customers are entitled to purchase electricity at regulated prices. Those non-household customers who had been unable to switch to a free market supplier by 30 September 2020 were supplied electricity by their existing regulated market supplier but at free market prices. Since 1 July 2021, those non-household customers who did not switch to a free market supplier have been supplied electricity by the supplier of last resort.

***EDC North (business name: Electrodistribution North AD)***

EDC North operates and maintains an electricity distribution network in north-eastern Bulgaria that extended to 43,883 km as of 31 December 2023. EDC North holds a licence for the distribution of electricity issued by EWRC and valid until 2039. The licence area covers approximately 27% of the territory of Bulgaria. The licence also gives EDC North certain rights and imposes on it certain obligations related to the balancing of distribution losses.

In the year ended 31 December 2023, EDC North generated EBITDA of EUR 71.8 million, as compared to EUR 56.8 in the years ended 31 December 2022.

EDC North is one of three main electricity distributors in Bulgaria, each benefitting from a natural monopoly in its respective licence area. EDC North operates within the boundaries of its licenced territory, which includes nine districts in North Eastern Bulgaria: Varna, Veliko Turnovo, Gabrovo, Dobrich, Razgrad, Ruse, Silistra, Targovishte and Shumen. EDC North distributed 5,466 GWh of electricity to more than 1.2 million points of delivery in the year ended 31 December 2023, as compared to 5,497 GWh to more than 1.2 million points of delivery in the year ended 31 December 2022.

The map below indicates the licenced territories of the three main electricity distribution companies in Bulgaria:



The table below sets out details of EDC North’s operational activities for the years ended 31 December 2023 and 2022:

	Unit	Years ended 31 December	
		2023	2022
Wheeling volume <sup>(1)</sup> .....	GWh	5,821	5,868
Grid loss volume <sup>(2)</sup> .....	GWh	356	371
Grid losses .....	%	6.1	6.3
Distributed volume <sup>(3)</sup> .....	GWh	5,466	5,497
Number of connection points ....	('000)	1,248	1,240
SAIDI unplanned <sup>(4)</sup> .....	(minutes)	111.6	78.6
SAIFI unplanned <sup>(5)</sup> .....	(frequency)	2.6	2.2
Network length.....	(km)	43,883	43,707
RAB <sup>(6)</sup> .....	(EURm)	138	144
WACC (nominal, pre-tax).....	%	5.74	5.74

Notes:

- (1) Total volume of electricity transmitted over the grid.
- (2) The volume difference between purchased and sold electricity, as well as own consumption.
- (3) Total volume of supplied electricity over the grid.
- (4) System Average Interruption Duration Index, gives information about the average time in minutes of customer supply being interrupted per reported period. The interruptions may be caused by various factors, including malfunction of equipment, severe weather conditions or human errors.
- (5) System Average Interruption Frequency Index, gives information about the average frequency of sustained interruptions greater than 3 minutes per customer for each reported period over a predefined service area. The interruptions may be caused by various factors, including malfunction of equipment, severe weather conditions or human errors.
- (6) Value of net invested capital for regulatory purposes. Converted from BGN at BGN 1.95583 per EUR 1.

In Bulgaria, electricity distribution is regulated by EWRC, with EDC North being subject to a revenue cap regulation that is applicable for a regulatory period that lasts three years. The current seventh regulatory period started on 1 July 2024 and will continue until 30 June 2027. Within a regulatory period prices are adjusted each price period, which is one year long, by only a limited number of parameters.

The distribution tariff consists of a number of components, including costs approved by EWRC, EDC North’s RAB and the weighted average cost of capital (“WACC”).

**EP Sales (business name: ENERGO-PRO Sales AD)**

EP Sales holds the following three licences issued by EWRC:

- Licence for the supply of electricity as an end supplier for the territory of north-eastern Bulgaria. The licence is valid until 2039. The licence also gives EP Sales certain rights and imposes on it certain obligations related to its role as “special balancing group coordinator”. The licence entitles the company to sell electricity at regulated prices to household customers connected to the distribution network at low

voltage across its licence territory. This license is expected to be updated by EWRC for the period after 1 July 2024 to reflect the amendments to the Energy Act, promulgated in State Gazette on 17 November 2023, and the introduction of a competitive market for end suppliers supplying electricity to households sourced from the free market under a price-protection mechanism.

- Licence for the supply of electricity as a supplier of last resort for the territory of north-eastern Bulgaria. The licence is valid until 2039. This licence includes also the role of “special balancing group coordinator”. Under this licence the company ensures the supply of electricity to (1) non-household customers connected to the distribution network who have not chosen a free market supplier; (2) customers who do not have a free market supplier for any other reason (e.g. bankruptcy of the supplier). Electricity sold pursuant to EP Sales’ role as supplier of last resort benefits from a 5% mark-up on 80% day-ahead market price and 20% price for energy shortage on the balancing market.
- Licence to trade in electricity. The licence is valid until 2030 and is not restricted to a certain territory in Bulgaria. The licence also gives EP Sales certain rights and imposes on it certain obligations related to its role as “standard balancing group coordinator” and “combined balancing group coordinator”. Non-household customers connected to the distribution network of EDC North at low voltage who had not chosen a free market supplier by 30 September 2020 were supplied electricity by EP Sales under this licence at free market prices until 30 June 2021.

In the year ended 31 December 2023, EP Sales generated EBITDA of EUR 10.0 million, as compared to EUR 6.6 million in the year ended 31 December 2022.

The table below sets out selected performance indicators of EP Sales for the years ended 31 December 2023 and 2022:

	Unit	Year ended 31 December	
		2023	2022
Supplied volume <sup>(1)</sup> .....	GWh	3,314	3,308
Number of customers <sup>(2)</sup> .....	(‘000)	1,012	1,009
Supply margin (regulated) <sup>(3)</sup> .....	%	7.0	7.0

Notes:

- (1) Supplied volume to end customers, excluding grid losses billed and imbalances.
- (2) Number of customers on regulated and free market.
- (3) Supply margin including balancing costs.

EP Sales’ cash collection rate was approximately 98.1% in the year ended 31 December 2023, compared to approximately 97.7% in the year ended 31 December 2022.

#### ***EP Energy Services (business name: ENERGO-PRO Energy Services EAD)***

EP Energy Services is the result of a business combination of EP Energy Services, a company focussed on free market electricity supply, and EP Trading, a company focussed on wholesale/cross-border electricity trading, which became effective on 17 February 2020. EP Energy Services holds a licence to trade in electricity issued by EWRC that is valid until 2031. The licence also gives EP Energy Services certain rights and imposes on it certain obligations related to its role as “standard balancing group coordinator” and “combined balancing group coordinator”. The licence is not restricted to a certain territory in Bulgaria.

The licence enables EP Energy Services to buy and sell electricity at freely negotiated prices and to supply electricity to end customers across Bulgaria. EP Energy Services is a licenced participant and active electricity trader on the Independent Bulgarian Energy Exchange (“IBEX”) and is one of the leading traders on the Bulgarian free market.

EP Energy Services sources electricity on the wholesale market from generators, traders and IBEX.

In the year ended 31 December 2023, EP Energy Services generated EBITDA of EUR 16.8 million, as compared to EUR 10.0 million and in the year ended 31 December 2022.

The table below sets out selected performance indicators of EP Energy Services for the years ended 31 December 2023 and 2022:

	Unit	Year ended 31 December	
		2023	2022
Supplied volume <sup>(1)</sup> .....	GWh	3,316	3,350
Number of customers .....	#	28,107	30,422
Average sales price .....	BGN/MWh	220	467
Total electricity sold on free market <sup>(2)</sup>	GWh	17,443	17,806

Notes:

- (1) Includes electricity supplied to end customers across Bulgaria and wholesale/cross-border electricity trading.
- (2) Data is available on a yearly basis only.

EP Energy Services is a coordinator of two balancing groups and receives a fee for this service. The service consists of aggregating and managing hourly deviations from forecasted schedules, thus minimising the balancing cost for its own portfolio and its members.

EP Energy Services also trades in electricity on local and regional wholesale markets and trades with ‘Guarantees of Origin’ which it uses to show that a given share or quantity of energy is produced from renewable sources. These were the primary activities of EP Trading before this business was combined with EP Energy Services pursuant to the merger.

## Georgia

Through the Guarantor’s subsidiaries in Georgia, DKHI Group operates the following businesses:

- Electricity generation through Georgia Generation (“**EPG Generation**”) and LLC gPower („**gPower**”);
- Electricity distribution through JSC ENERGO-PRO Georgia (“**EP Georgia**”);
- Electricity supply on the regulated market through EP Georgia Supply JSC;
- Shared service center for EPG Generation, gPower, EP Georgia and EP Georgia Supply through ENERGO-PRO Georgia Holding JSC (“**EP Georgia Holding**”); and
- Payment collection through JSC OPPA (“**OPPA**”).

The table below provides an overview of DKHI Group’s Georgian operations’ financial performance in the years ended 31 December 2023 and 2022:

	Year ended 31 December			
	2023		2022	
	Revenue	EBITDA <sup>(1)</sup>	Revenue	EBITDA <sup>(1)</sup>
	<i>(in EUR million)</i>			
EP Georgia .....	178.1	90.5	161.4	91.2
EPG Generation.....	61.9	38.4	48.3	31.3
EP Georgia Supply .....	316.6	30.6	288.5	27.4
EP Georgia Holding (stand-alone)	9.3	2.2	8.2	2.4
OPPA.....	16.2	1.4	13.9	0.8
Consolidation adjustments .....	(9.3)	(0.0)	(8.1)	(0.1)
<b>Total.....</b>	<b>572.9</b>	<b>163.0</b>	<b>512.1</b>	<b>153.0</b>

Notes:

- (1) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

The table below provides a breakdown of the EBITDA generated by EP Georgia’s operations in the years ended 31 December 2023 and 2022.

	Year ended 31 December	
	2023	2022
	(in EUR million)	
Distribution and Supply <sup>(1)</sup> .....	123.2	121.1
Grid Support Services (gPower).....	3.8	3.2
HPP Generation (EPG Generation).....	34.6	28.0
<b>Total</b> .....	<b>161.6</b>	<b>152.2</b>

Notes:

(1) Includes EBITDA of EP Georgia, EP Georgia Holding and EP Georgia Supply.

In the year ended 31 December 2023, approximately 62% of DKHI Group's EBITDA in Georgia was derived from regulated activities.

### **ENERGO-PRO Georgia Holding JSC**

EP Georgia Holding was established by EPAS on 15 April 2021 to provide management and shared services to EP Georgia, EPG Generation and EP Georgia Supply. EP Georgia Holding owns 100% of shares in EP Georgia, EPG Generation and EP Georgia Supply.

### **EPG Generation (business name: Georgia Generation)**

EPG Generation owns and operates 15 medium sized HPPs with a total capacity of 491 MW, representing 14% of Georgia's hydropower generation capacity. In the year ended 31 December 2023, the EPG Generation's net electricity generation was 1,819 GWh, as compared to 1,703 GWh in the year ended 31 December 2022. The average annual electricity Net Generation of EPG Generation's HPPs in the period from 2014 until 2023 (inclusive) amounted to 1,720 TWh.

LLC gPower ("gPower"), held by EPG Generation, owns and operates the Gardabani gas turbine with installed capacity of 110 MW, which provides guaranteed reserve capacity to ensure stability, security and reliability of Georgia's unified electricity system.

The table below sets forth certain information relating to EPG Generation's generation assets as of 31 December 2023.

Facility name	Type	Commissioning date	Installed capacity (MW)	Tariff	Tariff expiry
Lajanuri .....	With reservoir	1960	115.6	Regulated <sup>(1)</sup>	Dec-26
Dzevrula .....	With reservoir	1956	80.0	Regulated <sup>(1)</sup>	Apr-26
Gumati I .....	With reservoir	1958	48.4	Free market <sup>(2)</sup>	n/a
Gumati II .....	Run-of-the-river	1956	22.8	Free market <sup>(2)</sup>	n/a
Rioni .....	Run-of-the-river	1933-34	54.0	Free market <sup>(3)</sup>	n/a
Shaori .....	With reservoir	1955	40.3	Free market	n/a
Zahesi .....	With reservoir	1927-38	38.6	Free market	n/a
Chitakhevi .....	Run-of-the-river	1949-51	21.0	Free market	n/a
Atsi .....	Run-of-the-river	1937	18.4	Free market	n/a
Ortachala .....	Run-of-the-river	1954	18.0	Free market	n/a
Satskhenisi.....	Run-of-the-river	1952	14.0	Free market	n/a
Sioni .....	With reservoir	1964	9.0	Free market	n/a
Chkhorotsku .....	Run-of-the-river	1967	6.0	Free market	n/a
Martkhopi.....	Run-of-the-river	1952	3.9	Free market	n/a
Kinkisha .....	Run-of-the-river	1954	0.9	Free market	n/a
<b>HPPs Total</b> .....	<b>n/a</b>	<b>n/a</b>	<b>490.9</b>	<b>n/a</b>	<b>n/a</b>
gPower.....	TPP	2006	110.0	Regulated <sup>(4)</sup>	Dec-24
<b>Total</b> .....	<b>n/a</b>		<b>600.9</b>	<b>n/a</b>	<b>n/a</b>

Notes:

- (1) The regulated generation tariff is calculated using RAB based methodology for each HPP.
- (2) Free market from May 2024.



(3) Free market from May 2022.

(4) The regulated tariff for gPower is calculated using RAB based methodology for TPPs.

The table below provides an overview of electricity generated by the DKHI Group’s generation assets in Georgia for the years ended 31 December 2023 and 2022:

Facility name	Electricity generated	
	Years ended 31 December	
	2023	2022
	(GWh)	
Lajanuri .....	394	371
Dzevrula .....	146	159
Gumati I <sup>(1)</sup> .....	n/a	n/a
Gumati II <sup>(1)</sup> .....	326	274
Rioni .....	272	285
Shaori .....	156	125
Zahesi .....	208	169
Chitakhevi .....	105	98
Atsi .....	99	96
Ortachala .....	74	79
Satskhenisi.....	5	10
Sioni .....	12	14
Chkhorotsku .....	19	17
Martkhopi.....	1	2
Kinkisha .....	2	2
<b>HPPs Total</b> .....	<b>1,819</b>	<b>1,703</b>
gPower.....	86	49
<b>Total</b> .....	<b>1,906</b>	<b>1,752</b>

Notes:

(1) Combined generation for Gumati I and Gumati II.

The table below sets out the average JSC Electricity System Commercial Operator (“ESCO”) balancing market price (set by the Georgian market operator), which can be used as a proxy for evaluating wholesale prices in the years ended 31 December 2023 and 2022 and the fixed regulated tariffs applicable for those periods for regulated HPPs operated by the EPG Generation and its subsidiaries (the “EPG Generation Group”):

	Year ended 31 December	
	2023	2022
	(in GEL per MWh)	
Average ESCO balancing electricity price <sup>(1)</sup> .....	136.2	157.6
Average EPG Generation selling (non-regulated) price <sup>(1)</sup> .....	131.0	124.8
Average regulated price for HPPs operated by EPG Generation Group .	29.8	28.7

Notes:

(1) There was no free market electricity price in Georgia as the Georgian Energy Exchange deferred the launch of electricity trading to 1 July 2024 on a non-mandatory basis. The market price above is based on the balancing price for electricity used by ESCO (a wholesale proxy).

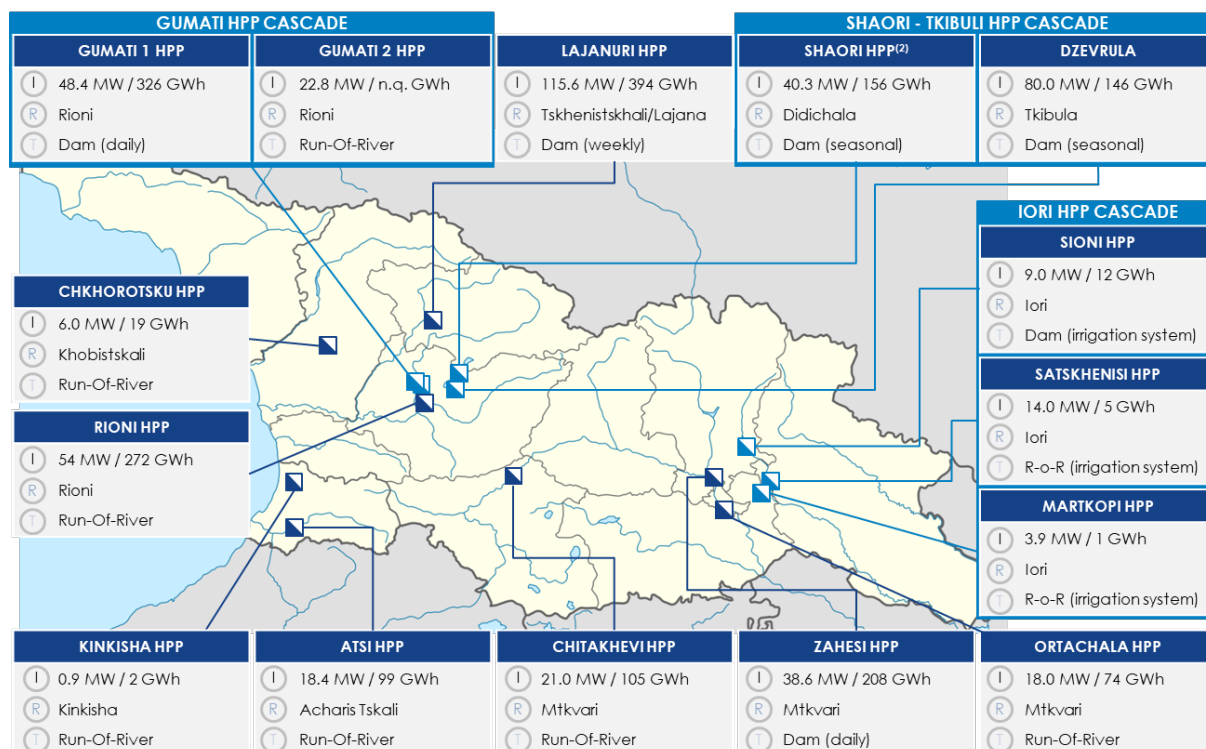
In Georgia, all HPPs with installed capacity above 65 MW and commissioned prior to August 2008 are subject to price regulation. Therefore, two of the EPG Generation’s 15 HPPs sell electricity at regulated prices to EP Georgia Supply under a power purchase agreement. The remaining 13 Georgian HPPs sell their electricity to third party customers and EP Georgia Supply pursuant to annual and monthly contracts at negotiated prices.

According to the Electricity Market Model Concept adopted by the Government of Georgia on 16 April 2020 (“EMMC”) as part of the on-going process of reform of the country’s electricity sector, a temporary Public Service Obligation may be imposed on certain electricity producers. All electricity producers with installed capacity up to 120 MW shall be gradually relieved of the public service obligation starting from 1 January 2021 for producers with installed capacity up to 50 MW, from 1 May 2022 for producers with installed capacity up to 65 MW, from 1 May 2024 for producers with installed capacity up to 75 MW, from 1 May 2026 for producers with installed capacity up to 90 MW and from 1 January 2027 for producers with installed capacity up to 120MW.

As a result, Shaori HPP was released from the public service obligation from 1 January 2021, Rioni HPP was released from the public service obligation from 1 May 2022 and Gumati I HPP and Gumati II HPP were released from the public service obligation from 1 May 2024.

The current regulation of electricity pricing is based on an HPP’s commissioning date, installed capacity and costs (regulated asset base). GNERC approves the regulatory cost base for each regulated HPP, which sets the level of permitted revenue that can be generated. A number of components are used by GNERC to calculate the tariffs applicable to each HPP, with the key variable factors being the RAB and the WACC. By increasing the RAB through capital expenditure and modernisation, DKHI Group is able to benefit from higher regulated tariffs. The WACC applicable to the current seventh regulatory period is 15.73%. See “Regulation – Regulation in Georgia”.

The following map shows the location of EPG Generation’s HPPs:



Legend: I – installed capacity and 2023 annual generation; R – river; T – type of the HPP (with reservoir or run-of-the-river)

**EP Georgia (business name: ENERGO-PRO Georgia JSC)**

The DKHI Group’s distribution business in Georgia is operated through EP Georgia.

EP Georgia is the largest energy distribution company in Georgia in terms of the number of customers served and its sales and services territory, according to management estimates. EP Georgia operates and maintains an electricity distribution network in Georgia, which extended to 52,955 km as of 31 December 2023 and its license area covers approximately 85% of Georgia’s territory, which allows EP Georgia to benefit from a natural monopoly within the territories in which it operates. In the year ended 31 December 2023, EP Georgia distributed 4,979 GWh of electricity to 1.3 million points of delivery. In the year ended 31 December 2022, EP Georgia distributed 5,131 GWh of electricity to 1.3 million points of delivery.

The table below sets out details of EP Georgia’s operational activities for the years ended 31 December 2023 and 2022:

	Unit	Years ended 31 December	
		2023	2022
Wheeling volume <sup>(1)</sup> .....	GWh	5,555	5,700
Grid loss volume <sup>(2)</sup> .....	GWh	576	570
Grid losses .....	%	10.4	10

	Unit	Years ended 31 December	
		2023	2022
Distributed volume <sup>(3)</sup> .....	GWh	4,979	5,131
Transmitted volume <sup>(4)</sup> .....	GWh	1,115	1,312
Number of connection points.....	('000)	1,332	1,311
Number of meters.....	('000)	1,350	1,333
SAIDI unplanned <sup>(5)</sup> .....	(minutes)	1,245	1,242
SAIFI unplanned <sup>(6)</sup> .....	(frequency)	18.8	16.8
Network length <sup>(7)</sup> .....	(km)	52,955	59,479
RAB.....	(GELm)	587	533
WACC (nominal, pre-tax).....	%	15.39	15.39

Notes:

- (1) Total volume of electricity transmitted over the grid.
- (2) The volume difference between purchased electricity and sold electricity, as well as own consumption.
- (3) Total volume of supplied electricity over the grid.
- (4) Volume distributed to non-EP Georgia customers (supplied volume).
- (5) System Average Interruption Duration Index, gives information about the average time in minutes of customer supply being interrupted per reported period. The interruptions may be caused by various factors, including malfunction of equipment, severe weather conditions or human errors.
- (6) System Average Interruption Frequency Index, gives information about the average frequency of sustained interruptions greater than 3 minutes per customer per reported period over a predefined service area. The interruptions may be caused by various factors, including malfunction of equipment, severe weather conditions or human errors.
- (7) Network length in Georgia decreased from 59,479 km as of 31 December 2022 as a result of GPS mapping of the entire grid undertaken by EP Georgia in 2023, resulting in greater measurement accuracy.

### **Supply of Electricity - EP Georgia Supply**

EP Georgia Supply was established in May 2021 to carry out supply activities as a result of the legal unbundling of distribution and supply activities of EP Georgia. Pursuant to the decision of Government of Georgia dated 25 May 2021, EP Georgia Supply was nominated to carry out public service obligations (“PSO”) from 1 July 2021 until 1 January 2023, which was further extended to 1 January 2025. PSO is an obligation imposed on an energy undertaking by the Law on Energy and Water Supply to provide a service of general interest. EP Georgia Supply provides electricity to regulated customers within the territory of EP Georgia’s network. EP Georgia Supply is also nominated as “supplier of last resort” until 1 January 2025 which obliges EP Georgia Supply to provide electricity to those customers who either: (i) do not have an electricity supplier; or (ii) were purchasing electricity on the free market but their electricity provider has subsequently left the free market.

The aim of the energy sector reforms in Georgia is the creation of a market with high standards of public service and consumer protection that allows customers to freely choose their suppliers. In 2021, liberalisation of the Georgian retail market has continued, with more non-household customers obliged to move from the regulated market to the free market. The Electricity Market Concept Design sets out the gradual opening of the retail market, with all retail customers connected to high voltage and retail customers connected to medium voltage with monthly consumption in excess of 1 GWh being required to move to the free market from 1 July 2025. All remaining customers except households and small enterprises will have to choose their suppliers by 1 July 2026.

For the years ended 31 December 2023 and 2022, EP Georgia Supply supplied 3,864 GWh and 3,818 GWh of electricity, respectively, to regulated customers.

The table below sets out the sources of the electricity supplied by EP Georgia Supply for the years ended 31 December 2023 and 2022:

	2023	2022
	<i>(in GWh)</i>	
Purchased from external parties.....	2,895	2,993
Purchased from EPG Generation / gPower.....	970	826
<b>Total</b> .....	<b>3,864</b>	<b>3,818</b>

In the year ended 31 December 2023, EP Georgia Supply generated EBITDA of EUR 30.6 million, as compared to EUR 27.4 million for the year ended 31 December 2022.

**gPower (business name: LLC gPower)**

gPower provides support services to the Georgian electricity system through the provision of reserve capacity. gPower is wholly owned by EPG Generation.

gPower owns and operates the gas turbine power plant with a capacity of 110 MW located in Gardabani. This power plant is used to generate electricity during seasonal peaks when there is a shortfall in capacity on the Georgian grid. As the gPower plant is only run periodically, it derives its revenue from two sources: (i) a system reserve tariff which represents the guaranteed capacity that is available to the national grid; and (ii) electricity revenue which covers the variable costs of operating the plant.

The table below sets out the tariff of gPower for the years ended 31 December 2023 and 2022:

	<b>Years ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
Daily fee (GEL).....	41,106	39,742
Generation tariff (GEL/MWh) <sup>2</sup> .....	114.49	123.98

Notes:

- (1) Starting from 1 January 2020 generation tariffs are not fixed but are set on a monthly basis.

From 1 January 2024 the WACC on RAB has increased to 15.73% See “Regulation – Regulation in Georgia”.

**OPPA (business name: OPPA JSC)**

The DKHI Group acquired OPPA in 2014 in order to reduce its reliance on third parties with respect to the collection of payments from its customers in Georgia, and to help improve the collection rate. As Georgia was a largely cash based economy, DKHI Group found that it was reliant upon third party cash terminals to receive payments from its customers and thus faced counterparty credit risk. OPPA offers an exclusive payment service to DKHI Group’s Georgian electricity supply customers through its network of approx. 9,000 payment terminals. In the year ended 31 December 2023, these terminals served 210,000 customers in Georgia a day. The payment collection services provided by OPPA have resulted in improved cash collections for DKHI Group, with more than 55% of supply customer payments made through OPPA terminals in the year ended 31 December 2023.

**Spain**

In October 2023, EPAS acquired Xallas Electricidad y Aleaciones, S.A. (“**Xeal**”) and Feroe Ventures & Investments, S.L.U. (“**Feroe**”), expanding the DKHI Group’s business operations also to Spain. Through its subsidiaries in Spain, the DKHI Group operates the following businesses:

- electricity generation through Xeal; and
- two ferroalloy plants through Xeal.

For a description of these market segments and an overview of the Spanish electricity market, see “Regulation—Regulation in Spain”.

The table below provides an overview of the revenue and EBITDA generated by the Spanish operations for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December<sup>(1)</sup></b>	
	<b>2023<sup>(2)</sup></b>	<b>2022</b>
	<i>(in EUR million)</i>	
Revenue.....	98.7	184.7
EBITDA .....	47.6	45.4

Notes:

- (1) Financial information for the years ended 31 December 2023 and 2022 is based on Xeal’s audited financial statements. These financial statements were not audited by the DKHI Group’s independent auditors and may not be consistent with the DKHI Group’s financial reporting policies and standards.
- (2) The DKHI Group acquired Xeal on 4 October 2023. In the period from 1 October until 31 December 2023 Revenue

amounted to EUR 16.6 million and, EBITDA amounted to EUR 16.3 million.

### **Electricity Generation – Xallas Electricidad y Aleaciones, S.A.**

Zeal owns and operates a portfolio of 10 HPPs on the rivers Xallas and Grande in the region of Galicia, Spain. Total installed capacity of these HPPs is 167 MW and their annual net generation is 488 GWh (P50). In the year ended 31 December 2023, Zeal's HPPs generated 462 GWh of electricity.

For the year ended 31 December 2023, Zeal's hydropower generation business generated EBITDA of EUR 41.2 million, as compared to EUR 38.4 million for the year ended 31 December 2022. The DKHI Group acquired Zeal on 4 October 2023. EBITDA for the period from 1 October until 31 December 2023 is EUR 13.6 million.

The table below sets out certain information relating to Zeal's owned generation assets as of 31 December 2023:

<b>Facility name</b>	<b>River</b>	<b>Type</b>	<b>COD</b>	<b>Installed capacity (MW)</b>	<b>Tariff</b>	<b>Concession expiry</b>
Fervenza I .....	Xallas	With reservoir	1966	3.6	Free market	2060
Fervenza II .....	Xallas	With reservoir	2018	6.3	Free market	2060
Ponte Oliveira I ....	Xallas	With reservoir	1966	2.7	Free market	2060
Ponte Oliveira II...	Xallas	With reservoir	2018	6.3	Free market	2060
Novo Castrelo.....	Xallas	With reservoir	2018	6.1	Free market	2060
Castrelo .....	Xallas	With reservoir	1956	28.7	Free market	2060
Santa Uxia I.....	Xallas	With reservoir	1988	49.1	Free market	2060
Santa Uxia II.....	Xallas	With reservoir	1988	49.1	Free market	2060
Novo Pindo.....	Xallas	With reservoir	2004	9.8	Free market	2060
Carantoña .....	Grande	Run-of-the-river	1963	5.0	Free market	2036
<b>Total.....</b>		<b>n/a</b>	<b>n/a</b>	<b>166.6</b>	<b>n/a</b>	<b>n/a</b>

The table below provides an overview of electricity generated Zeal's generation assets in Spain for the years ended 31 December 2023 and 2022:

	<b>Years ended 31 December</b>	
	<b>2023<sup>(1)</sup></b>	<b>2022</b>
	<i>(GWh)</i>	
Net generation .....	462	386

Notes:

(1) The DKHI Group acquired Zeal on 4 October 2023. Net generation for the period from 1 October until 31 December 2023 is 203 GWh.

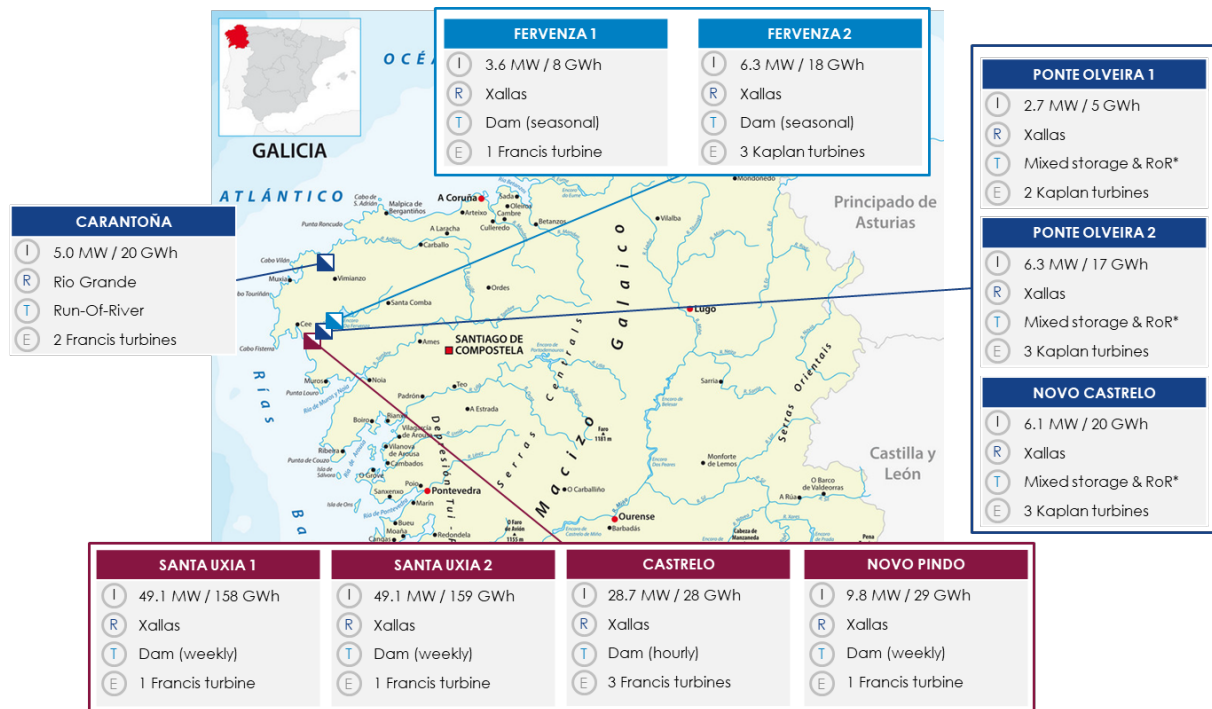
The table below provides an overview of the revenue, EBITDA and capital expenditures attributable to the hydropower generation business of Zeal for the years ended 31 December 2023 and 2022:

	<b>Year ended 31 December<sup>(1)</sup></b>	
	<b>2023<sup>(2)</sup></b>	<b>2022</b>
	<i>(in EUR million)</i>	
Revenue.....	49.4	45.3
EBITDA <sup>(3)</sup> .....	41.2	38.4
Capital expenditures.....	2.3	2.0

Notes:

- (1) Financial information for the years ended 31 December 2023 and 2022 is based on Zeal's audited financial statements. These financial statements were not audited by the DKHI Group's independent auditors and may not be consistent with the DKHI Group's financial reporting policies and standards.
- (2) The Issuer acquired Zeal on 4 October 2023. In the period from 1 October until 31 December 2023 Revenue amounted to EUR 16.1 million, EBITDA amounted to EUR 13.6 million and Capital expenditures amounted to EUR 0.9 million.
- (3) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses.

The following map shows the location of Xeal's HPPs:



Legend: I – installed capacity and 2023 annual generation; R – river; T – type of the HPP (with reservoir or run-of-the-river); E – # of turbines + type. Except for Carantoña HPP, all HPPs are located downstream of dams (operated in a cascade).

In addition, Xeal owns and operates two ferroalloy plants, Cee and Dumbria, with a total capacity of 215,000 tons. The plants are operated under a long-term off-take agreement with Ferroglobe plc. Under the agreement, Ferroglobe plc is principally responsible for the commercialisation of output.

Xeal also has one project under development, Santa Uxía Ecological Flow, with planned installed capacity of 3.4 MW, expected annual generation of approx. 15 GWh and expected concession end date in 2060. The project involves the construction of a new HPP using existing infrastructure to enable the ecological flow from the related reservoir to be used to generate electricity. The project is currently subject to proceedings for the amendment of the existing Santa Uxía concession.

### Feroe Ventures & Investments, S.L.U.

Feroe is, as of the date of this Prospectus, applying for a new water concession at Santa Uxía dam (Xallas river) for a pumped-storage facility in Mazaricos, Galicia. The project involves the construction of a reversible pumped storage hydropower plant in Monte da Ruña, with planned installed capacity of approximately 400 MW.

### Türkiye

- Through its subsidiaries in Türkiye, the DKHI Group operates the following businesses:
- electricity generation through Reşadiye Hamzalı Elektrik Üretim San.ve Tic. A.Ş. (“**RH Turkey**”), Bilsev (which owns Karakurt HPP), Murat (which owns Alpaslan 2 HPP) and Berta Enerji Elektrik Üretim Sanay ve Ticaret A.Ş. (“**Berta**”) (which owns Meydancık HPP);
- electricity trading and supply of electricity to wholesale customers through ENERGO-PRO Güney Elektrik Toptan Satış İthalat İhracat ve Ticaret A.Ş. (“**EP Toptan**”);
- project management and civil construction works in the hydropower segment through ENERGO PRO İnşaat Sanayi ve Ticaret A.Ş. (“**EP Insaat**”); and
- shared service center for Turkish entities of DKHI Group through Energo Pro Turkey Holding A.Ş. (“**EP Turkey Holding**”);

Türkiye provides the DKHI Group with an attractive hydropower market in which to operate. Hydropower is the primary domestic source of electricity within Türkiye, that accounted for approximately 30% of the country's installed generation capacity at the end of August 2023.<sup>13</sup> The two largest HPPs owned by the DKHI group in Türkiye, Alpaslan 2 HPP and Karakurt HPP, benefit from a renewable energy resources support mechanism (“YEKDEM”) that enables them to sell all of their generated electricity for a guaranteed fixed price per MWh, denominated in the U.S. dollars, for the first 10 years after commissioning.

The table below sets forth certain information relating to the DKHI Group's generation assets in Türkiye as of 31 December 2023.

Facility name	Type	Commissioning date	Installed capacity (MW)	Tariff	Tariff expiry
Resadiye I.....	Run-of-the-river	2010	15.7	Free market	n/a
Resadiye II .....	Run-of-the-river	2010	26.1	Free market	n/a
Resadiye III .....	Run-of-the-river	2009	22.5	Free market	n/a
Hamzalı .....	Run-of-the-river	2008	16.7	Free market	n/a
Aralık.....	Run-of-the-river	2010	12.4	Free market	n/a
<b>RH Turkey total ..</b>	<b>n/a</b>	<b>n/a</b>	<b>93.4</b>	<b>n/a</b>	<b>n/a</b>
Alpaslan 2.....	With reservoir	2020	280.0	Regulated (FiT)	2030
Karakurt.....	With reservoir	2020	97.0	Regulated (FiT)	2030
Meydancık.....	With reservoir	2021	2.5	Regulated (FiT)	2030
<b>Total.....</b>	<b>n/a</b>	<b>n/a</b>	<b>472.9</b>	<b>n/a</b>	<b>n/a</b>

The table below provides an overview of electricity generated by the DKHI Group's generation assets in Türkiye for the years ended 31 December 2023 and 2022:

Facility name	Electricity generated	
	Years ended 31 December	
	2023	2022
	<i>(GWh)</i>	
Resadiye I.....	99	82
Resadiye II .....	164	134
Resadiye III .....	134	107
Hamzalı .....	51	61
Aralık.....	55	52
<b>RH Turkey total .....</b>	<b>503</b>	<b>436</b>
Alpaslan 2.....	425	558
Karakurt.....	212	247
Meydancık.....	9	7
<b>Total.....</b>	<b>1,148</b>	<b>1,249</b>

The table below provides an overview of the DKHI Group's revenue and EBITDA from its Turkish operations for the years ended 31 December 2023 and 2022:

	Year ended 31 December			
	2023		2022	
	Revenue	EBITDA <sup>(1)</sup>	Revenue	EBITDA <sup>(1)</sup>
	<i>(in EUR million)</i>			
RH Turkey.....	35.0	28.7	36.8	30.3

<sup>13</sup> Source: TEİAŞ.

**Year ended 31 December**

	2023		2022	
	Revenue	EBITDA <sup>(1)</sup>	Revenue	EBITDA <sup>(1)</sup>
	<i>(in EUR million)</i>			
EP Toptan.....	25.4	(0.1)	38.4	(3.0)
EP Insaat.....	-	(0.1)	-	(0.1)
EP Turkey Holding (stand-alone)	2.7	0.3	1.9	0.0
Murat.....	42.5	35.1	53.5	49.7
Bilsev.....	23.2	19.6	26.6	23.6
Berta.....	0.8	0.3	0.7	0.5
Consolidation adjustments .....	(25.9)	(0.0)	(38.7)	(0.1)
<b>Total.....</b>	<b>103.6</b>	<b>84.0</b>	<b>119.2</b>	<b>100.9</b>

Notes:

- (1) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

The following map shows the location of the DKHI Group's material HPPs in Türkiye:



Legend: I – installed capacity and 2021 annual generation; R – river; T – type of the HPP (with reservoir or run-of-the-river); E – # of turbines + type;

Türkiye's Electricity Market Supply Chain consists of five segments, as shown below:

Generation <sup>(1)</sup>	Transmission	Wholesale <sup>(1)</sup>	Distribution	Supply
<ul style="list-style-type: none"> <li>EÜAŞ (Public generation and wholesale company)</li> <li>BO-BOT-TOR Generation companies</li> <li>Private</li> </ul>	<ul style="list-style-type: none"> <li>TEİAŞ (Public Transmission Company) as transmission system operator</li> </ul>	<ul style="list-style-type: none"> <li>Private wholesale companies (wholesale / retail supplier)</li> <li>EÜAŞ (Public generation and wholesale company)</li> </ul>	<ul style="list-style-type: none"> <li>21 private distribution companies</li> </ul>	<ul style="list-style-type: none"> <li>21 private retail companies (supply company in charge – last resort supply)</li> </ul>



<b>Generation<sup>(1)</sup></b>	<b>Transmission</b>	<b>Wholesale<sup>(1)</sup></b>	<b>Distribution</b>	<b>Supply</b>
Generation Companies				

Notes:

(1) Segments in which DKHI Group companies are active

For a description of these market segments and an overview of the Turkish electricity market, see “*Regulation—Regulation in Türkiye*”.

***RH Turkey (business name: Reşadiye Hamzalı Elektrik Üretim San.ve Tic. A.Ş.)***

RH Turkey operates five HPPs and sells the electricity produced by these plants on the market. RH Turkey has a total installed capacity of 93.4 MW, representing 0.3% of Turkey’s total installed HPP generation capacity. In the year ended 31 December 2023, RH Turkey’s net electricity generation was 503 GWh, as compared to 436 GWh in the year ended 31 December 2022. The average annual electricity Net Generation of RH Turkey’s HPPs in the period from 2014 until 2023 (inclusive) amounted to 459 GWh.

RH Turkey’s generation assets are owned and operated by the DKHI Group. As a private generation company, RH Turkey’s licence is valid until 17 November 2054 (Hamzalı HPP), 16 May 2055 (Aralık HPP) and 5 October 2055 (Resadiye HPPs). After such term, RH Turkey may apply to EMRA to renew the licence, and the decision on renewal will be made by EMRA. In practice, it is likely that RH Turkey’s generation assets will be transferred to the state at that time.

The electricity RH Turkey generates is sold at free market prices to eligible customers, through bilateral contracts. In addition, RH Turkey is able to participate in the balancing market in some periods, particularly during the summer and winter, when balancing activities provide a source of incremental revenue. Through balancing activities, RH Turkey has the opportunity to sell electricity in the balancing power market, which is used to balance demand and supply at real-time. The balancing power market is operated by the system operator, EPIAŞ. Based on the merit order list, EPIAŞ issues up/down regulations to balancing group coordinators such as RH Turkey, either ordering an increase or a decrease in production. If an up regulation is issued to RH Turkey, it is able to sell the increase in production at a rate higher than the DAMP.

***Murat (business name: Murat Nehri Enerji Üretim A.S.)***

Murat Nehri Enerji Üretim A.S. (“**Murat**”) owns the Alpaslan 2 dam and HPP (“**Alpaslan 2**”) in Türkiye with total installed capacity of 280 MW. Alpaslan 2 is located on the Murat River in Mus province of the Eastern Anatolian region of Türkiye. Murat holds a generation licence for Alpaslan 2 which is valid until 6 September 2059.

Alpaslan 2 includes a rockfill dam with a central asphalt core with a height of 104 metres and a crest length of 829 metres, excluding the spillway bridge. A 1,191 metres long spillway with five gated bays of 11 metres width each, including a chute channel, stilling basin and discharge canal, is constructed to provide a safe discharge of floods. The reservoir has a surface area of approximately 50 square kilometres, gross storage of approximately 2.1 billion cubic metres and active volume of approximately 1.1 billion cubic metres. The construction of the dam body was completed in August 2020 and a provisional acceptance certificate in respect of the dam body was issued by the General Directorate of State Hydraulic Works (Devlet Su İşleri Genel Müdürlüğü “**DSİ**”) on 21 October 2020.

The surface powerhouse of Alpaslan 2 is located at the dam toe on the left bank and contains four Francis turbines and generators supplied by a consortium of GE Renewable Enerji A.S., GE Renewable Hydro Spain S.L.U. and GES Genel Elektrik Sistemleri Yapım ve Mühendislik A.S., together providing a combined installed capacity of 280 MW. The generation units of Alpaslan 2 were granted provisional acceptance certificates by the Ministry of Energy between 24 October 2020 and 25 February 2021.

Alpaslan 2 is eligible for the YEKDEM FiT (see “*Regulation – Regulation in Türkiye*” for more information) regime as well as the bonus tariff for renewable power plants using domestically manufactured products. Murat is, therefore, able to sell the entire production of Alpaslan 2 for a fixed price of USD 73 per MWh until 31 December 2030, plus an additional USD 13 per MWh as a domestic equipment bonus until 31 December 2025. The prices are fixed in USD but payable in TRY. To benefit from the YEKDEM mechanism Murat has to apply to the EMRA by October 31 in order to register for the following calendar year. Once approved, Murat is then

committed to the YEKDEM scheme for the full calendar year. The terms of the Murat Facility Agreement require Murat to apply for, and participate in, the YEKDEM support mechanism every year. Finally, Alpaslan 2 is certified to provide ancillary services including YAL/YAT regulation and secondary frequency control, which provide an additional revenue stream.

***Bilsev (business name: Bilsev Enerji Üretim ve Ticaret A.Ş.)***

Bilsev Enerji Üretim ve Ticaret A.Ş. (“Bilsev”) owns the Karakurt dam and HPP (“**Karakurt**”) in Türkiye, with total installed capacity of 97 MW. Karakurt is located on Aras River, within the borders of Kars province of the Sarıkamış district in Eastern Anatolian Region of Türkiye Bilsev holds a generation licence for Karakurt which is valid until 24 February 2060.

Karakurt includes a dam with a height of 137 metres. The construction of the dam body was completed in January 2020 and a provisional acceptance certificate from DSI in respect of the dam body was issued on 16 October 2020. The surface powerhouse of Karakurt is equipped with 3 vertical axis Francis turbines and generators, together providing a combined installed capacity of 97 MW. The generation units of Karakurt were granted provisional acceptance certificates by the Ministry of Energy between 26 October 2020 and 16 December 2020.

Karakurt is eligible for the YEKDEM FiT (see “*Regulation – Regulation in Türkiye*” for more information) regime as well as the bonus tariff for renewable power plants using domestically manufactured products. Bilsev is, therefore, able to sell the entire production of Karakurt for a fixed price of USD 73 per MWh until 31 December 2030, plus an additional USD 23 per MWh as a domestic equipment bonus until 31 December 2025. The prices are fixed in USD but payable in TRY. To benefit from the YEKDEM mechanism Bilsev has to apply to the EMRA by October 31 in order to register for the following calendar year. Once approved, Bilsev is then committed to the YEKDEM scheme for the full calendar year. The terms of the Bilsev Facility Agreement require Bilsev to apply for, and participate in, the YEKDEM support mechanism every year. Finally, Karakurt is certified to provide ancillary services including YAL/YAT regulation and secondary frequency control, which provide an additional revenue stream.

***EP Toptan (business name: ENERGO-PRO Güney Elektrik Toptan Satış İth. İhr. Ve Tic. A.Ş.)***

EP Toptan activities are focused on wholesale electricity trading and the import and export of electricity. In 2023, EP Toptan sold 302.8 GWh of electricity in the day ahead market and 30.0 GWh to third parties in Türkiye and exported 6.3 GWh to Bulgaria. EP Toptan sourced its electricity by importing 5.0 GWh from Bulgaria and purchasing 334.0 GWh from RH Turkey under bilateral agreements.

***EP Insaat (business name: ENERGO PRO İnşaat Şanyı ve Ticaret A.Ş.)***

EP Insaat was established to provide project management and civil construction works primarily in relation to the Alpaslan 2 and Karakurt HPPs. EP Insaat is not currently engaged in any material business activities.

***Berta (business name: Berta Enerji Elektrik Üretim Sanay ve Ticaret A.Ş.)***

Berta Enerji Elektrik Üretim Sanay ve Ticaret A.Ş. (“**Berta**”) owns a licence to build a cascade consisting of three dams with HPPs (Meydancık, Bayram and Bağlık) on the Berta river in the Artvin province of Türkiye. The licence is valid until 2067. As of the date of the Prospectus, the DKHI Group has built just an ecological unit of the Meydancık project, with installed capacity of 2.5 MW, which was commissioned in June 2021. This ensures that the project is eligible for the YEKDEM FiT of USD 73 per MWh from 1 January 2022 until 31 December 2030 (plus a potential additional USD 23 per MWh domestic equipment bonus until 31 December 2026). No decision has been made to proceed further with this project.

In July 2024, Berta applied to EMRA in accordance with Article 13 of the Law on Amendments to the Mining Law and Certain Laws (Official Gazette dated 11 May 2024, No. 32543) for a decrease in the installed capacity of the generation facility subject to its energy generation license by removing 2 x (30,315 MWm / 29,595 Mwe) and 1 x (2,60 MWm / 2,50 Mwe) from the scope of the same. The purpose of such application was the partial revocation of the energy generation license so as exclude from it the Bayram Dam and HPP. EMRA is expected to approve the application in due course, following which Berta will apply to DSI for a corresponding revision of the water usage agreement binding on them.

## Czech Republic

Through its subsidiaries in the Czech Republic, the DKHI Group operates two HPPs, the Litoměřice HPP and the Brandýs nad Labem HPP.

The table below sets forth certain information relating to the DKHI Group's generation assets in the Czech Republic as of 31 December 2023.

Facility name	Type	Commissioning date	Installed capacity (MW)	Tariff	Tariff expiry
Litoměřice .....	Run-of-the-river	2012	7.2	Regulated (FiT)	2042
Brandýs nad Labem	Run-of-the-river	1934/2017	2.8	Regulated (FiT)	2047
<b>Total</b> .....	<b>n/a</b>	<b>n/a</b>	<b>10.0</b>	<b>n/a</b>	<b>n/a</b>

The table below provides an overview of electricity generated by the DKHI Group's generation assets in the Czech Republic for the years ended 31 December 2023 and 2022:

	Electricity generated	
	Years ended 31 December	
	2023	2022
	(GWh)	
Litoměřice .....	28	27
Brandýs nad Labem.....	12	11
<b>Total</b> .....	<b>40</b>	<b>38</b>

The table below provides an overview of the DKHI Group's revenue and EBITDA from its Czech Republic generation assets for the years ended 31 December 2023 and 2022:

	Year ended 31 December			
	2023		2022	
	Revenue	EBITDA <sup>(1)</sup>	Revenue	EBITDA <sup>(1)</sup>
	(in EUR million)			
Dolnolabské elektrárny.....	6.2	4.7	5.1	4.3
EPMVE .....	2.6	2.2	1.4	1.2
<b>Czech Republic HPPs total</b> .....	<b>8.9</b>	<b>6.9</b>	<b>6.4</b>	<b>5.5</b>

Notes:

- (1) EBITDA is a non-GAAP measure in this Consolidated Statement of Comprehensive Income (there is no IFRS standard for EBITDA specification). The DKHI Group considers EBITDA to be an important indicator of economic performance. EBITDA is calculated as total revenues minus certain operating expenses. The presented EBITDA figures are based on unaudited financial information.

### *Dolnolabské elektrárny (business name: Dolnolabské elektrárny a.s.)*

Dolnolabské elektrárny is a joint stock company established on 15 May 2000. Dolnolabské elektrárny is owned by ENERGO-PRO Czechia s.r.o., (an intermediate holdco through which DKHI owns 62% of its shares), Mr. Petr Tesař (who owns 5% of its shares) and Mr. Jan Motlík (who owns 33% of its shares). The registered address of the company is at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic. The main activity of Dolnolabské elektrárny is the operation of the run-of-the-river HPP in Litoměřice on the Labe river in the Czech Republic.

The run-of-the-river HPP with installed capacity of 7.2 MW was built as a greenfield project and was commissioned in 2012. It benefits from a 30 years FiT with the FiT being annually announced by the ERO. FiT is subject to annual indexation.

***EPMVE (business name: ENERGO - PRO MVE, s.r.o.)***

EPMVE is a limited liability company established on 11 January 2016. The Company is fully owned by DKHI through its intermediate holdco ENERGO-PRO Czechia s.r.o. The registered address of the company is at Na Poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic. The main activity of EPMVE is the operation of the run-of-the-river HPP in Brandýs nad Labem on the river Labe in the Czech Republic with installed capacity of 2.8 MW. The HPP was fully rehabilitated in 2017 and was granted new FiT for 30 years in 2017 with annual indexation.

***Litostroj Engineering (business name: Litostroj Engineering, a.s.)***

Litostroj Engineering is a leading supplier of technology for hydropower plants and pumping stations. Its core activities are design and engineering. Litostroj Engineering is also involved in R&D through its hydraulic laboratory in Blansko.

***AGRO Land Lease (business name: AGRO Land Lease s.r.o.)***

AGRO Land Lease s.r.o. is a limited liability company established on 14 September 2023 with registered address of Na Poříčí 1079/3a, Nové Město, 110 00 Praha 1, Czech Republic, identification number of the company is 19728395. The main activity of AGRO Land Lease s.r.o. is the rental of agricultural real estate.

***TDP Development Services (business name: TDP Development Services s.r.o.)***

TDP Development Services is a special purpose vehicle which owns a land plot in Prague and is engaged in development of a residential real estate project.

***MEGAWATT SERVIS (business name: MEGAWATT SERVIS s.r.o.)***

The main activities of MEGAWATT SERVIS are consultancy in the hydro energy sector and the assembling of hydro technical facilities. MEGAWATT SERVIS's activities are predominantly carried out within the Group, in particular in respect of the rehabilitation of the Group's HPPs in Georgia.

**Other countries**

***Litostroj Power (business name: LITOSTROJ POWER, D.O.O.)***

Litostroj Power is involved in design and production of energy and industrial equipment, as well as hydropower plant engineering. Its product range consists of water turbines, hydro mechanical equipment and pumps for new or refurbished hydropower plants and pump stations. Litostroj Power offers integrated solutions to its customers from design to implementation on a turnkey basis. Litostroj Power operates machining, welding and assembly facilities in Ljubljana, Slovenia.

***PT ENERGO PRO Indonesia ("EP Indonesia")***

EP Indonesia is a joint stock company established on 15 August 2018 with registered address of Jl. Raya Karang Congok No. 8 Kel. Karang Satria, Indonesia. The company's main activity is investigation of the new hydropower project possibilities in the territory.

***ENERGO-PRO Colombia SAS ("EP Colombia")***

EP Colombia is a simplified joint stock company established on 5 June 2019 with registered address Carrera 43 A # 1 Sur 50, Edificio CROSS Business Center, Oficina 703, Medellín, Colombia. EP Colombia is a holding company for the DKHI Group's assets in Colombia, which comprise the hydropower projects listed below.

***Generadora Chorreritas S.A.S. E.S.P. ("Chorreritas")***

Chorreritas is a simplified joint stock company established on 11 January 2018 with registered address of Carrera 43 A # 1 Sur 50, Edificio CROSS Business Center, Oficina 703, Medellín, Colombia. Chorreritas is engaged in the development and construction of the Group's inaugural project in the Colombian renewable energy market and Latin America in general, a 20 MW run-of-the-river hydropower project on San Andrés River in the Antioquia region of Colombia.

### ***Cuerquia SPV S.A.S. E.S.P. (“Cuerquia”)***

Cuerquia is simplified a joint stock company established on 27 December 2016 with registered address of Carrera 43 A # 1 Sur 50, Edificio CROSS Business Center, Oficina 703, Medellín, Colombia. Cuerquia is engaged in the development of a run-of-the-river hydropower project on San Andrés River in the Antioquia region of Colombia.

### ***Hidroeléctrica Sabanas S.A.S. (“Sabanas”)***

Sabanas is a simplified joint stock company established on 21 December 2016 with registered address of Carrera 43 A # 1 Sur 50, Edificio CROSS Business Center, Oficina 703, Medellín, Colombia. Sabanas is engaged in the development of a run-of-the-river hydropower project on Penderisco river in the Antioquia region of Colombia.

### **ENERGO-PRO Swiss GmbH (“EP Swiss”)**

EP Swiss is a limited liability company established on 27 May 2019 with registered address of Zürcherstrasse 15, 5400 Baden, Switzerland. The company’s main activity is providing hydro engineering consulting services.

### **Information about Trends**

Except for the trends and uncertainties described below, the Issuer is not aware, as of the date of this Prospectus, of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor’s and the DKHI Group’s prospects for at least the current financial year.

### ***Distribution***

The Guarantor, through its subsidiaries EDC North and EP Georgia, has a long term, stable position on both of its electricity distribution markets. Given the fact that Bulgaria is member of the European Union since 2007, the Bulgarian energy market is considered transparent and very standardized, especially given that is under the control and guidance of the ACER.

DKHI Group expects continuing balanced and trusted relationship with regulatory authorities and is regularly discussing parameters of regulatory principles that should be applied in the respective countries in which DKHI Group operates. The regulatory conditions, which will apply to the DKHI Group in the future are, however, beyond control of the DKHI Group.

### ***Generation***

Hydropower generation will be still for upcoming decades a preferred source of electricity given its position within merit order in each of the countries DKHI Group operates in and also thanks to its limited impact on the environment. The generation activities are also significantly influenced by the climate policy of the European Union. For example, in 2019 the European Commission completed the legislation procedure for a package of provisions called Clean Energy for all Europeans, also known as the Winter Package (the “**Winter Package**”), a set of legislative motions including several directives, regulations and decisions whose application may significantly influence the energy sector in the EU and also the DKHI Group. The Winter Package increases the required share of renewable sources in the EU to 32% in 2030 and sets the energy efficiency target to at least 32.5% in 2030. In addition, the European Commission proposed to increase the emission reduction requirement to 55% compared to 1990 levels in the so called European Climate Law. To implement the new target, the European Commission set out a plan including the Fit for 55 Package, which may significantly affect the energy sector in the EU. Given the current development in energy sector and climate policies adopted in various countries, it cannot be excluded that similar policies or targets will be adopted also in non-EU countries, including those where the DKHI Group operates.

Additionally, DKHI Group is eligible for long term USD denominated tariff (YEKDEM) for the recently constructed Turkish HPPs (HPP Karakurt and HPP Alpaslan 2) which help making DKHI Group’s cash flow more stable and predictable. What remains beyond control of the Guarantor are the weather conditions (hydrology) which can have both positive and negative impact on the volume of generated electricity, as well as the development of electricity prices in the individual markets, which have shown considerable volatility in recent years, especially since the fourth quarter of 2021. DKHI Group further sees an opportunity in a liberalization of Georgian power generation market which could increase revenue from power generation activities in Georgia.

## ***Supply***

Both DKHI Group's Bulgarian and Georgian supply markets are facing different stages of liberalizations and potential digitalization as well. DKHI Group observes these trends in other European countries and takes steps in advance to be prepared for the anticipated changes.

Taking in consideration electricity consumption trends in other less mature markets, DKHI Group sees the electricity demand as likely to grow as usage and penetration will outgrow economies made from more efficient use of electricity.

## **Legal and Arbitration Proceedings**

Except for the proceedings described below, the Issuer is not aware of any governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Issuer, the Guarantor or DKHI Group or DKHI Group's financial position or profitability, nor are, to the Issuer's best knowledge, any such proceedings threatened.

### ***Dispute with Turkish Construction Company AGE***

A request for arbitration has been submitted by the construction company Age İnşaat ve Ticaret A.Ş. ("**AGE**") against Bilsev in relation to Bilsev's termination of the Karakurt Dam and HPP Main Construction Works Contract for Karakurt HPP (the "**Karakurt Works Contract**"). AGE asserts claims based upon alleged (i) unpaid progress payments (approximately USD 5.5 million), (ii) unjust termination of the Karakurt Works Contract (approximately USD 1.7 million equivalent), (iii) unjust liquidation of certain performance bonds and related damages (approximately USD 12.5 million equivalent) and (iv) other damages (approximately USD 1 million equivalent). Bilsev rejected all such claims and brought substantial counterclaims principally in respect of (i) damages arising from AGE's defective performance of the Karakurt Works Contract and its termination (approximately USD 4.1 million equivalent), (ii) delay penalties accrued under the Karakurt Works Contract (approximately USD 5.7 million), (iii) damages arising from AGE's delayed performance of the works (loss of profit and loss of generation) (approximately USD 14 million equivalent), and (iv) damages for alleged over-payments made under the Karakurt Works Contract (USD 3 million). AGE's claims and Bilsev's counterclaims are the subject of separate arbitration proceedings brought under the rules of the Istanbul Arbitration Centre. The hearing in the first set of proceedings took place in January 2024 and the final award is expected in September 2024. The hearing in the second set of proceedings will be scheduled upon completion of the first set of proceedings.

### ***Disputes with Local Activists***

Bilsev is facing administrative court proceedings initiated by activists from the geographic region of Karakurt HPP, including in respect of alleged heritage site impacts at the project site. The main set of recent proceedings related to a request for the cancellation of the electricity generation licence applicable to Karakurt HPP brought before the Ankara Administrative Court against the Turkish Energy Market Regulatory Authority. The first instance judgment rejected the claim in full and confirmed the validity of the electricity generation licence, however it was appealed by the claimants. The same group of activists has initiated various other court proceedings involving Bilsev which have been dismissed at first instance and in respect of which appeals are pending.

### ***Dispute with Turkish Construction Company ÖZİŞİK***

A claim has been brought by the construction company ÖZİŞİK İNŞAAT VE ENERJİ A.Ş. ("**ÖZİŞİK**") against ENERJİSA ENERJİ ÜRETİM A.Ş. ("**ENERJİSA**"), being the former sponsor of Alpaslan 2 HPP, and Murat Nehri in relation (among other things) to a penalty corresponding to approximately USD 8 million that was allegedly payable to it. The court of first instance found substantially in favour of ÖZİŞİK and made an award against Murat Nehri equalling approximately USD 6.5 million in principal and accrued interest. Murat Nehri appealed the decision, having first procured the issuance of a bank guarantee securing the satisfaction of ÖZİŞİK's award (if upheld at appeal). Murat Nehri deposited approximately EUR 6 million on an account held with the issuing bank as collateral for its counter-indemnity obligations to such bank. ENERJİSA has agreed to indemnify Murat Nehri in full against any amount awarded in favour of ÖZİŞİK against Murat Nehri pursuant to a final court decision. Appeal proceedings are expected to be completed by year end 2024.

### ***Dispute relating to Refurbishment of Romanian HPP***

Litostroj Power and ROMELECTRO S.A. (“**ROMELECTRO**”) were members of a consortium appointed by HIDROELECTRICA S.A. (“**HIDROELECTRICA**”) under a contract to perform refurbishment works in respect of the Stejaru HPP located near Bicaz, Romania (the “**Stejaru Works Contract**”). A dispute arose under the contract pursuant to which HIDROELECTRICA claimed from the consortium approximately EUR 16 million in delay penalties and the consortium, acting through its leader ROMELECTRO, claimed from HIDROELECTRICA payment for additional works due to extensions of time, which extensions in turn removed the legal basis for such penalties. In February 2021, HIDROELECTRICA commenced commercial arbitration proceedings before the Bucharest International Court of Arbitration against ROMELECTRO as consortium leader. In January 2022, ROMELECTRO entered into insolvency proceedings and in May 2022 the judicial administrator representing its creditors terminated the Stejaru Works Contract under applicable insolvency law provisions. As at the date of this Prospectus, the commercial arbitration proceedings are ongoing only in respect of ROMELECTRO’s counterclaim for extensions of time, since the claims of HIDROELECTRICA in the commercial arbitration proceedings were suspended automatically under applicable insolvency law provisions. Hence, HIDROELECTRICA is pursuing its claim for delay penalties within the scope of ROMELECTRO’s insolvency proceedings. Litostroj Power also submitted its claim/statement of receivables in ROMELECTRO’s insolvency proceedings, including also the amount of delay penalties which could be demanded by HIDROELECTRICA against Litostroj Power as a member of the consortium, as well as additional costs incurred by Litostroj Power due to ROMELECTRO during the performance of the Stejaru Works Contract. HIDROELECTRICA’s claim was registered in the table of creditors as a conditional claim, considering the pending commercial arbitration proceedings regarding ROMELECTRO’s counterclaim. HIDROELECTRICA challenged this decision, however the syndic judge upheld the conditional registration. Litostroj Power’s claim/statement of receivables was not registered by the judicial administrator of ROMELECTRO. Consequently, Litostroj Power filed a complaint that has yet to be resolved by the syndic judge since work on a judicial technical report in hydro-construction is ongoing pursuant to the pending court file. The next hearing is scheduled in October 2024.

### ***Dispute relating to Power Machinery Supplied in Canada***

A lawsuit has been filed against Litostroj Hydro Inc and Litostroj Power in the amount of approximately EUR 2.5 million equivalent representing damages allegedly resulting from the breakage of equipment supplied to Franquelin HPP located in Quebec, Canada. Litostroj Hydro as seller and Litostroj Power as producer of the relevant equipment deny any responsibility for the breakage, which they assert was caused by incorrect usage by the customer. The court has scheduled a trial from November until December 2025, allowing the parties the possibility of reaching an out-of-court settlement.

### ***Dispute relating to Power Machinery Supplied in India***

A lawsuit has been filed against Litostroj Power in the amount of approximately EUR 6.8 million representing damages allegedly caused under a sub-contract relating to the supply of equipment to Koyna HPP located in Maharashtra, India. The subcontractor, Končar KET, claimed that Litostroj Power failed to assign the proceeds from the end customer’s letters of credit. In addition, Končar KET claimed that Litostroj Power unjustifiably encashed a certain bank counter guarantee procured by it. In June 2023, the first-instance court issued a partial and interim judgment ruling that Litostroj Power had violated its obligations under the subcontract entered into by it and Končar KET and that Litostroj Power is obliged to pay approximately EUR 1.7 million, while the court rejected another claim in the amount of approximately EUR 2.1 million. Regarding the remaining claim in the amount of approximately EUR 3 million, the court decided that there was a legal basis of the same, however the amount would be decided in later proceedings taking into account an advance payment made by Litostroj Power to Končar KET in the amount of approximately EUR 1.5 million. Both parties filed an appeal against the judgment. The High Court’s decision in appeal proceedings is expected by the end of 2024.

### **Financing Arrangements of the DKHI Group**

The Guarantor and the members of the DKHI Group do finance and expect to finance their activities in various manners, in particular through intra-group financing provided to them by the Issuer from the proceeds of the Issue, receiving loans and borrowings from their affiliates, banks, other financial institutions and other entities, issuing bonds or by other means of financing.

The following table sets forth the Group’s loans and borrowings as of 31 December 2023 and 2022:

	As of 31 December	
	2023	2022
	<i>(in EUR million)</i>	
Bank overdrafts and other bank debt .....	0.8	9.7
Term loans .....	250.1	286.8
Notes issued .....	954.2	718.6
<b>Total</b> .....	<b>1,205.0</b>	<b>1,015.1</b>
Current.....	77.0	122.7
Non-current.....	1,128.0	892.4
<b>Total</b> .....	<b>1,205.0</b>	<b>1,015.1</b>
Secured .....	250.1	289.9
Unsecured .....	954.9	725.2
<b>Total</b> .....	<b>1,205.0</b>	<b>1,015.1</b>

As of 31 December 2023, the DKHI Group's loans and borrowings amounted to EUR 1,205.0 million. As of 31 December 2023, the DKHI Group's undrawn committed credit facilities and overdrafts in place to fund its liquidity needs amounted to EUR 152.1 million. The Issuer is also not aware of any material changes in the borrowing or funding structure of the Guarantor and the DKHI Group since the last financial year of the Guarantor.

#### Notes

The following table provides an overview of outstanding notes issued by the DKHI Group, as of 31 December 2023:

<u>Group Member</u>	<u>Ranking</u>	<u>Credit rating by Fitch / S&amp;P</u>	<u>Notes Outstanding<sup>(1)</sup></u> <i>(in EUR million)</i>	<u>Maturity</u>	<u>Coupon</u> <i>(in %)</i>
	Guaranteed <sup>(2)</sup> unsecured			2 November 2028	
EPAS .....	unsubordinated guaranteed <sup>(2)</sup> unsecured	BB- / BB-	271.5 <sup>(3)</sup>		11.000
EPAS .....	unsubordinated guaranteed <sup>(2)</sup> unsecured	- / - <sup>(4)</sup>	300.0	27 July 2035	4.262
EPAS .....	unsubordinated	BB- / BB-	393.7 <sup>(4)(5)</sup>	4 February 2027	8.500
<b>Total</b> .....			<b>965.2</b>		

#### Notes:

- (1) Represents outstanding principal only, excluding accrued interest and IFRS adjustments.
- (2) The guarantors of the notes are EP Varna, EP Georgia Holding, EP Georgia, EPG Generation, EP Georgia Supply, EP Turkey Holding, and RH Turkey.
- (3) Represents USD 300.0 million converted into EUR using the exchange rate 1.0 EUR = 1.105 USD.
- (4) The 2035 Eurobonds benefit from a guaranty from the United States International Development Finance Corporation and are rated Aa1 by Moody's.
- (5) Represents USD 435.0 million converted into EUR using the exchange rate 1.0 EUR = 1.105 USD.

#### Principal bank loans

The following table provides a basic overview of the Group's principal bank loan facilities as of 31 December 2023:

<u>Group Member</u>	<u>Type of Facility</u>	<u>Security and Guarantees</u>	<u>Aggregate Outstanding Balance<sup>(1)</sup></u> <i>(in EUR million)</i>	<u>Base Rate<sup>(20)</sup></u>	<u>Final Maturity</u>
Murat.....	Term loan <sup>(15)</sup>	Full security package typical for project finance	117.8	Facility A and B: Fixed rate;	Facility A and B: October 2030;



<u>Group Member</u>	<u>Type of Facility</u>	<u>Security and Guarantees</u>	<u>Aggregate Outstanding Balance<sup>(1)</sup></u> <i>(in EUR million)</i>	<u>Base Rate<sup>(20)</sup></u>	<u>Final Maturity</u>
		facilities		Facility C: EURIBOR <sup>(2)</sup>	Facility C: April 2027
Bilsev .....	Term loan <sup>(16)</sup>	Full security package typical for project finance facilities	76.6 <sup>(11)</sup>	SOFR <sup>(3)</sup>	December 2026
Dolnolabské Elektrárny.....	Term loan <sup>(17)</sup>	Full security package typical for project finance facilities	32.3 <sup>(12)</sup>	PRIBOR <sup>(4)</sup>	March 2029
Guarantor .....	Term loan <sup>(18)</sup>	Secured by pledge over shares of ENERGO-PRO Czechia s.r.o.	15.6 <sup>(13)</sup>	PRIBOR <sup>(4)</sup>	December 2027
EPMVE.....	Term loan <sup>(19)</sup>	Full security package typical for project finance facilities	7.7 <sup>(14)</sup>	PRIBOR <sup>(4)</sup>	December 2033
EP Energy Services..	Overdraft	Secured by trade receivables and pledge over bank accounts; guaranteed by EP Varna	-	EURIBOR <sup>(2)</sup>	December 2024
EP Energy Services..	Overdraft + guarantees	Secured by trade receivables and pledge over bank accounts; co-debtor is EP Varna	-	BIR <sup>(5)</sup>	July 2025 <sup>(8)</sup>
EP Energy Services..	Overdraft + guarantees	Secured by trade receivables and pledge over bank accounts; co-debtor is EP Varna	-	STIR <sup>(6)</sup>	October 2024 <sup>(9)</sup>
EDC North.....	Overdraft	Unsecured; co-debtor is EP Varna	-	STIR <sup>(6)</sup>	October 2024
EP Sales .....	Overdraft	Secured by pledge over bank accounts; co-debtor is EP Varna	-	BIR <sup>(5)</sup>	July 2025
EP Sales .....	Overdraft + guarantees	Secured by trade receivables and pledge over bank accounts; co-debtor is EP Varna	-	PRIME Business clients <sup>(7)(4)</sup>	January 2025 <sup>(10)</sup>
Litostroj Engineering	Revolving credit	Unsecured	0.8	EURIBOR <sup>(2)</sup>	January 2025
<b>Total .....</b>			<b>250.8</b>		

Notes:

- (1) Represents outstanding principal only, excluding accrued interest and IFRS adjustments.
- (2) EURIBOR represents Euro Interbank Offered Rate, a reference interest rate under loans denominated in EUR.
- (3) SOFR represents Secured Overnight Financing Rate, a reference interest rate under loans denominated in USD.
- (4) PRIBOR represents Prague Interbank Offered Rate, a reference interest rate under loans denominated in CZK
- (5) BIR represents Basic Interest Rate as published by the Bulgarian National Bank, a reference interest rate under loans denominated in BGN.
- (6) STIR represents Short-Term Interest Rate, a reference interest rate under loans denominated in BGN.
- (7) PRIME Business clients is a reference interest rate under loans denominated in BGN.
- (8) The conditional limit for issuance of bank guarantees must be repaid by 15 July 2026.
- (9) The conditional limit for issuance of bank guarantees must be repaid by 5 October 2025.
- (10) The conditional limit for issuance of bank guarantees must be repaid by 5 December 2025.
- (11) Represents USD 84.6 million converted into EUR using the exchange rate 1.0 EUR = 1.105 USD.
- (12) Represents CZK 798.7 million converted into EUR using the exchange rate 1.0 EUR = 24.725 CZK.
- (13) Represents CZK 385.0 million converted into EUR using the exchange rate 1.0 EUR = 24.725 CZK.
- (14) Represents CZK 191.4 million converted into EUR using the exchange rate 1.0 EUR = 24.725 CZK.
- (15) This agreement is further described in section “– Material Contracts – HPP Alpaslan 2 Finance Documents”.
- (16) This agreement is further described in section “– Material Contracts – HPP Karakurt Finance Documents”.
- (17) This agreement is further described in section “– Material Contracts – Dolnolabské elektrárny Credit Line”.
- (18) This agreement is further described in section “– Material Contracts – DKHI Credit Line”.
- (19) This agreement is further described in section “– Material Contracts – EPMVE Credit Line”.
- (20) The actual interest costs of the Group may be higher than what can be inferred from the provided data, due to the

existence of margins.

## **Material Contracts**

The contracts which the Issuer considers material in the context of DKHI Group, including in particular the contracts providing for external financing of DKHI Group, are described below.

### ***HPP Alpaslan 2 Finance Documents***

Murat as company, EP Hydro Development as direct shareholder, DKHI as indirect shareholder, MITSUBISHI UFJ INVESTOR SERVICES & BANKING (LUXEMBOURG) S.A. (“**MIBL**”) as original lender, Česká exportní banka, a.s. as original lender, MUFG SECURITIES EMEA PLC (“**MUFG**”) as agent and HSBC BANK PLC as security agent entered into a Credit Agreement dated 8 November 2019, as later amended, for the provision of loan facilities in the principal amount of up to EUR 175 million, namely Facility A in the amount of EUR 125 million, Facility B in the amount of EUR 30 million and Facility C in the amount of EUR 20 million (the “**Alpaslan 2 Credit Agreement**”) to finance the construction of the HPP Alpaslan 2.

Facility A and Facility B benefit from 95% If-type (political and commercial risk) insurance coverage provided by the Czech state-owned Export Guarantee Insurance Corporation (Exportní garanční a pojišťovací společnost, a.s., “**EGAP**”). Facility A and Facility B bear a fixed rate of interest and Facility C bears a floating rate of interest (6-month EURIBOR plus a margin). Each facility is subject to semi-annual repayments in accordance with its respective repayment schedule, with the first repayment made on 30 October 2021. The final maturity date with respect to Facility A and Facility B is 30 October 2030, and with respect to Facility C 30 April 2027. The facilities may be prepaid at any time at the option of the borrower, in full but not in part. Prepayment of Facility A and Facility B is subject to a makewhole payment.

The Alpaslan 2 Credit Agreement provides, among other things, for a Debt Service Reserve Account, which is required to be funded by an amount at least equal to the sum of any payments due under the facilities on the next interest payment date, a CAPEX Reserve Account funded with EUR 10 million (already released to the current account), and a Maintenance Reserve Account funded with EUR 2 million. The obligations of Murat under the Alpaslan 2 Credit Agreement are general, senior secured obligations. The security package is comprehensive as is standard for project financings. The Alpaslan 2 Credit Agreement contains financial, general and project covenants also standard for project financings which, among other things, limit Murat’s ability to incur further financial indebtedness, sell its assets, change its business or implement a corporate reorganization without prior written consent or waiver. It also includes information covenants requiring provision, among other things, of energy production reports on a monthly basis, financial statements on a semi-annual basis, and an annual operating budget. Murat is also required to apply for YEKDEM each year and to promptly exchange payments received under YEKDEM from TRY to EUR.

In connection with the Alpaslan 2 Credit Agreement, DKHI and EP Hydro Development guaranteed the due performance by Murat of its obligations under the finance documents, including the payment of amounts due thereunder. This guarantee expires, in respect of a Facility C, upon final maturity and, in respect of the other facilities, 24 months after full project completion (unless reactivated for DKHI following the occurrence of defined trigger events).

### ***HPP Karakurt Finance Documents***

Bilsev as borrower, EP Turkish Development as shareholder, DKHI as guarantor, EPAS as guarantor and AKBANK T.A.Ş (“**Akbank**”) as arranger, original lender, account bank, agent and security agent entered into a Facility Agreement dated 29 June 2016, as later amended, for the provision of a loan facility in the principal amount of up to USD 141 million (the “**Karakurt Facility Agreement**”) to finance the construction of the HPP Karakurt.

The facility bears a floating rate of interest (6-month SOFR plus a margin, credit adjustment spread and mandatory costs). The facility is subject to semi-annual repayments in accordance with its repayment schedule, with the first repayment made on 27 December 2020 and a final maturity date of 27 December 2026. The facility may be prepaid at any time at the option of the borrower, in full or in part (subject to a minimum amount of USD 5 million), without any makewhole payment. Akbank enjoys the benefit of a right to match in the event of a prepayment funded by new bank lending.

The Karakurt Facility Agreement provides, among other things, for a Debt Service Reserve Account, which is required to be funded by an amount at least equal to the sum of any payments due under the facility on the next interest payment date and an Operation and Maintenance Expenses Reserve Account funded with EUR 1 million.

The obligations of Bilsev under the Karakurt Facility Agreement are general, senior secured obligations. The security package has a comprehensive scope typical for project financings. The Karakurt Facility Agreement contains financial, general and project undertakings also standard for project financings which, among other things, limit Bilsev's ability to incur further financial indebtedness, sell its assets, change its business or implement a corporate reorganization without prior written consent or a waiver. It also includes information covenants requiring the provision, among other things, of operational performance reports on a quarterly basis, financial statements on a semi-annual basis, and an annual operating budget. Bilsev is also required to apply for YEKDEM each year. In connection with the Karakurt Facility Agreement, DKHI, EPAS and EP Turkish Development guaranteed the due performance by Bilsev of its obligations to the finance parties, including the payment of amounts due thereunder. The maximum liability of EPAS pursuant to its guarantee and related obligations is USD 50 million.

#### ***Dolnolabské elektrárny Credit Line***

Dolnolabské Elektrárny a.s. as borrower and UniCredit Bank Czech Republic and Slovakia, a.s. as lender entered into a Facility Agreement dated 27 March 2019 for the provision of a loan facility in the principal amount of up to CZK 1,050 million (approximately EUR 39.3 million) to refinance the existing indebtedness of the borrower and to finance the borrower's general corporate needs including provision of a loan to DKHI, with the final maturity date of March 2029.

#### ***DKHI Credit Line***

The Guarantor as borrower and Banka CREDITAS a.s. as lender entered into a Facility Agreement dated 21 June 2018, as later amended, for the provision of a loan facility in the principal amount up to CZK 300 million (approximately EUR 11.2 million) to finance projects within the DKHI Group. On 27 January 2023, the principal amount increased to CZK 485 million (approximately EUR 19.2 million) with final maturity date of December 2027. The aggregate outstanding balance is as of 31 December 2023 CZK 385 million (approximately EUR 15.6 million).

In connection with the Facility Agreement, Mr. Jaromír Tesař guaranteed the due performance of DKHI of its obligations under the finance documents, including the payment of amounts due thereunder.

#### ***EPMVE Credit Line***

EPMVE as borrower and Komerční banka, a.s. as lender entered into a Facility Agreement dated 26 February 2019 for the provision of a loan facility in the principal amount of up to CZK 280 million (approximately EUR 10.5 million) to refinance capital expenditures of EPMVE, with the final maturity date of December 2033.

In connection with the Facility Agreement, DKHI entered into a Support Agreement dated 26 February 2019 pursuant to which DKHI is obliged (i) not to make or accept any financial distribution from EPMVE other than the permitted distributions under the Facility Agreement; (ii) not to transfer its shares in EPMVE without the prior written consent of the lender and (iii) to act as the sole shareholder of EPMVE in a way not jeopardizing the due performance of EPMVE's obligations under the finance documents.

#### ***Financial Liability of DKHI to Shareholder***

As of the date of this Prospectus, DKHI has no financial liabilities towards its sole direct shareholder, Mr. Jaromír Tesař.

#### ***Other guarantees provided***

The following guarantees were issued by certain members of DKHI Group or on their behalf:

- EP Varna has had Unicredit Bulbank AD issue a bank guarantee in the name of EP Varna to various entities (IBEX EAD, ESO EAD) in the amount of EUR 26.9 million as of 31 December 2023;
- RH Turkey issued guarantee letters amounting to EUR 1.4 million as of 31 December 2023 mainly for EMRA, TEİAŞ and various electricity distribution companies;
- EP Georgia Supply issued a guarantee to ESCO in amount of EUR 6.9 million and on 15 February 2024, EP Georgia Supply increased the guarantee amount to EUR 7.6million;

- guarantees given (bid bonds, advance guarantees, performance bonds, warranty guarantees, customs guarantees and guarantees for timely payments) by (i) Litostroj Power in the amount of EUR 0.7 million; and (ii) Litostroj Engineering in the amount of EUR 2.5 million;
- Litostroj Power Group recognized bills of exchange issued in the total amount of EUR 1.4 million.

## MANAGEMENT

### Administrative and Management Bodies of the Issuer

#### *Executive Directors*

The Executive Directors are the statutory body of the Issuer. The Executive Directors are responsible for the business management of the Issuer and for any other powers that are not entrusted to another body of the Issuer by the constitutional documents, the law or a decision of a competent public authority. The Executive Directors ensure proper accounting, present to the General Meeting for approval the ordinary, extraordinary, consolidated and, if any, interim financial statements and the proposal for the distribution of profits or settlement of losses in accordance with the constitutional documents. The Executive Directors are appointed and removed by the General Meeting.

Each Executive Director represents the company independently to the full extent.

As at the date of this Prospectus, the Executive Directors of the Issuer are:

Mr. Jaromír Tesař	Executive Director
Mr. Vlastimil Ouřada	Executive Director
Mr. Petr Zafirov Milev	Executive Director

#### *Term commencement date:*

Mr. Jaromír Tesař	3 August 2020
Mr. Vlastimil Ouřada	1 June 2021
Mr. Petr Zafirov Milev	1 June 2021

Business address of each Executive Director is at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic.

#### *Jaromír Tesař – Executive Director*

Jaromír Tesař has no significant principal activities outside of the Issuer which are significant with respect to the Issuer:

#### *Vlastimil Ouřada – Executive Director*

Vlastimil Ouřada has no significant principal activities outside of the Issuer which are significant with respect to the Issuer:

#### *Petr Zafirov Milev – Executive Director*

Petr Zafirov Milev has no significant principal activities outside of the Issuer which are significant with respect to the Issuer:

### **Audit Committee**

The Issuer has established an Audit Committee. The Audit Committee mainly supervises the procedure of preparing financial statements, evaluates effectiveness of internal control, internal audit and the risk management system, approves acceptance of non-audit services of the Issuer from an auditor and undertakes other activities that set out in the constitutional documents of the Issuer and in accordance with applicable law.

As at the date of this Prospectus, the Members of the Audit Committee of the Issuer are:

Mr. Josef Zeman	Chairman of the Audit Committee (independent)
Mr. Martin Rejna	Member of the Audit Committee
Ms. Olga Zborníková	Member of the Audit Committee (independent)

### **Declaration on Conflict of Interest and Compliance with the Sound Corporate Management and Governance Regime**

The Issuer is not aware of any potential conflict of interest between the Issuer-related obligations of the Issuer's Executive Directors and their private interest or other obligations, but the discharge of their office as Executive Directors or Supervisory Board members of the companies specified in Article 9.1 may involve a conflict of interest due to the fact that they are also members of the bodies of the other companies and also follow the interests of such companies or those of the persons controlled by such companies. The Issuer complies with all the sound governance and management requirements set by the applicable laws and regulations of the Czech Republic, in particular the Civil Code and the Act on Business Corporations, if applicable. In its governance and management, the Issuer does not follow any rules specified in any corporate governance and management code because it follows the corporate governance and management requirements arising from the applicable laws and regulations, which it considers sufficient.

### **Administrative, Management and Supervisory Bodies of the Guarantor**

#### ***Director***

The Director is the statutory body of the Guarantor. The Director is responsible for the business management of the Guarantor and for any other powers that are not entrusted to another body of the Guarantor by the constitutional documents, the law or a decision of a competent public authority. The Director ensures the proper accounting, presents to the General Meeting for approval the ordinary, extraordinary, consolidated and, if any, interim financial statements and the proposal for the distribution of profit or settlement of a loss in accordance with the constitutional documents. The Director is appointed and removed by the General Meeting.

The Director is authorized to act on behalf of the company independently.

As at the date of this Prospectus, the Directors of the Guarantor are:

*Jaromír Tesař – Executive Director*

#### **Term commencement date:**

16 December 2015

Business address of the Director is at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic

Jaromír Tesař has no significant principal activities outside of the DKHI Group which are significant with respect to the DKHI Group.

*Petr Tesař – Executive Director*

#### **Term commencement date:**

12 October 2023

Business address of the Director is at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, Czech Republic.

Petr Tesař has no significant principal activities outside of the DKHI Group which are significant with respect to the DKHI Group.

### ***Declaration on Conflict of Interest and Compliance with the Sound Corporate Management and Governance Regime***

The Guarantor is not aware of any potential conflict of interest between the Guarantor-related obligations of the Director and their private interest or other obligations, but the discharge of their office as Directors or members of the Supervisory Boards of the companies belonging to the DKHI Group may involve a conflict of interest due to the fact that they are also members of the bodies of the other companies and also follow the interests of such companies or those of the persons controlled by such companies. The Guarantor complies with all the sound governance and management requirements set by the applicable laws and regulations of the Czech Republic, in particular the Civil Code and the Act on Business Corporations, if applicable. In its governance and management,

the Guarantor does not follow any rules specified in any corporate governance and management code because it follows the corporate governance and management requirements arising from the applicable laws and regulations, which it considers sufficient.

## REGULATION

### Bulgaria market structure

- *Population* – as of 31 December 2023, population of Bulgaria was just under 6.5 million people. In 2023, the electricity consumption per capita in Bulgaria was 5.7 MWh<sup>14</sup>, compared to the EU average electricity consumption of 6.1 MWh per capita<sup>15</sup>.
- *Generation*<sup>16</sup> – with total installed capacity of 14.3 GW as of year-end 2023, including 5.2 GW from TPPs (coal- and gas-powered), 3.2 GW from HPPs, 2 GW from NPP, 3.1 GW from solar, 0.7 GW from wind, and 0.1 GW from biomass. In 2023, Bulgaria generated 40.2 TWh of electricity. Approximately 16.2 TWh, or 40% of total generated, were derived from nuclear power and 15.8 TWh, or 39% of the total generated, were derived from coal- and gas-fired power stations. In 2023, Bulgaria generated 8.3 TWh from renewable energy sources (“**RES**”) 21% of the total electricity production for 2023), of which 3.1 TWh was from hydropower, 3.3 GWh from solar, 1.6 TWh from wind, and remaining from biomass. Bulgaria is a net electricity exporter with a net electricity export of 3.4 TWh in 2023.
- Actors within the generation segment comprise:
  - Majority privately-owned independent power producers (“**IPPs**”), which build and operate projects; and
  - State-owned generation companies, such as Bulgarian Energy Holding;
  - *Transmission* – through the Electricity System Operator (“**ESO**”), the state-owned transmission system owned by Bulgarian Energy Holding;
  - *Electricity exchange* - through the IBEX, the nominated electricity market operator (“**NEMO**”) in Bulgaria, for the wholesale market.
- *Distribution* – consisting of three main privatised distribution companies with their respective regional monopoly: Electrodistribution Grid West in the west, Elektrorazpredelenie Yug, part of the EVN group, in the south and south-east, and Electrodistribution North, part of the DKHI Group in the north;
- *Supply*– 4 regulated retail/household suppliers and 60 free-market supply companies. As from 1 July 2024, the end supply market is open to competition and new license applicants (electricity traders) may seek access to this market segment which will become nationwide. On the other hand, residential customers (after having switched onto the free market) and non-residential customers can choose their supplier or remain supplied by one of the licensed default suppliers (suppliers of last resort), which continue to be exclusive within a designated territory. For the north and north-east region of Bulgaria the default supplier is EP Sales (as supplier of last resort);
- *Customers* – low-voltage commercial customers were required by law to migrate to the free retail market by October 2020. According to the amendments of the Bulgarian Energy Act (“**Energy Act**”), in effect from 1 July 2024, Bulgaria is committed to fully liberalizing the residential electricity market by 31 December, 2025. But before it achieves full liberalization, there will be a transitional price-protection mechanism in place, which will shield residential customers from fluctuating free market prices (until 31 December 2025). According to this mechanism, the Bulgarian Parliament or the government will set a base price per 1 MWh for residential customers, while EWRC will continue to maintain a regulated price component for end supply, and it will approve compensations for electricity delivered to residential customers on a monthly basis. The amount of compensation payable to end suppliers will equal the difference between the average day-ahead market price and the base price set for MWh. Furthermore, Bulgaria took steps to identify energy-poor consumers and develop adequate mechanisms to support them by establishing a legal definition of “energy-poor household” and by adopting an Ordinance on the criteria, conditions and procedure for determining the status of households in energy poverty and the status of vulnerable customers for the supply of electricity, which entered into force on 12 December 2023.

<sup>14</sup> Source: [ESO EAD Statistical Pocketbook 2023](#), National Statistical Institute of the Republic of Bulgaria

<sup>15</sup> Source: ATEB.

<sup>16</sup> Source: [ESO EAD Statistical Pocketbook 2023](#).



The table below sets out the free market average monthly electricity prices for base load in Bulgaria for the period between 1 January 2018 and 31 December 2023.

	January	February	March	April	May	June	July	August	September	October	November	December
	(day – ahead <sup>(1)</sup> , in EUR per MWh)											
2018	37	36	28	28	37	36	33	40	47	52	46	57
2019	67	40	35	42	42	40	55	52	55	56	41	42
2020	55	41	28	25	23	30	37	37	46	43	48	57
2021	53	47	52	62	60	77	95	112	125	188	209	220
2022	191	188	249	174	202	223	323	433	376	206	220	247
2023	136	142	109	99	87	85	97	101	102	107	103	82

Source: IBEX

Notes:

(1) Refers to the buying and selling of electricity on the day before the actual production and delivery.

## Regulation in Bulgaria

### Activities of the DKHI Group in Bulgaria

The business operations of the Guarantor's operating subsidiaries in Bulgaria are subject to supervision by a regulatory body – EWRC. All of the DKHI Group's Bulgarian activities are subject to licensing. In Bulgaria, the DKHI Group operates in both the regulated (for distribution of electricity and supply of electricity through Electrodistribution North AD and ENERGO-PRO SALES AD, respectively) and the free market (for supply of electricity through ENERGO-PRO Energy Services EAD).

### Regulatory framework for electricity distribution activities

The electricity distribution activities in Bulgaria are performed at regulated prices. The EWRC regulates:

- the prices for access to, and transmission of electricity through, the electricity distribution grid, paid to the electricity distribution companies;
- the prices, paid to the electricity distribution companies for connection to their electricity distribution grids;
- the prices or price components paid by the electricity distribution companies for compensation of irrecoverable expenses and of public service obligations (including renewable energy), – or the “obligation to society” price.

The EWRC applies the “Revenue cap” method when determining the prices for electricity distribution companies (i.e. the prices for: access to the grid; and transmission through the grid)<sup>17</sup>. This method is a type of incentive-based regulation with regulatory periods lasting between two and five years (the exact length of each period is determined by the EWRC). A regulatory period is in turn divided into price periods of one year each, commencing on 1 July and ending on 30 June of the following year.

Under the “Revenue cap” method, the electricity distribution companies submit price applications to the EWRC for the first year of the regulatory period based on a pre-determined formula. The EWRC conducts a regulatory audit and determines the prices to be applied by distribution companies and their necessary annual revenues for the first year of the regulatory period. The EWRC adjusts the prices and allowed revenues of distribution companies at the end of each price year within the regulatory period. Only limited pricing factors are considered for such adjustment, which is implemented based on applications from electricity distribution companies. The above-described regime has been in place for the past decade with certain adjustments over time.

Currently, EDC North is in the first year (1 July 2024 – 30 June 2025) of the seventh regulatory period (1 July 2024 – 30 June 2027).

The above-described regime has been in place for over a decade with certain adjustments over time. During the past six years though the regime has been relatively stable and electricity price deviations have been moderate and agreed upon with input from distribution companies.

The rate of return for the sixth regulatory period is 5.74% (before taxation) as opposed to a higher rate of 6.67% in the previous regulatory period. Approved grid losses were decreased to 8.5%, as opposed to 9.0% in the

<sup>17</sup> According to the Pricing Ordinance, the EWRC can apply the following main RAB based methods for these activities: “rate of return on capital” and “price cap/revenue cap”.

previous regulatory period. Distribution companies are required to purchase grid losses from the energy exchange (IBEX).

RAB levels for the regulatory period are determined based on the book value of assets, approved average investments and necessary working capital. As such, approved capex for improvement and maintenance of EDC North's assets increases its RAB and thus the allowed revenue.

Annual price adjustments within a regulatory period are based on:

- inflation;
- performance based indicators (electricity quality, service quality);
- implemented and reported investments;
- annual adjustments through the Z factor. The Z factor compensates distribution companies for differences between forecasted and actual distribution volumes, as well as for differences between (i) the forecasted price of grid losses determined by the EWRC and included in the allowed revenues and (ii) the actual achieved purchase price for grid losses. The Z factor, therefore, eliminates the volume risk associated with distribution activities. In addition, in case the achieved purchase price for grid losses deviates by 5% or more from the forecasted price of grid losses determined by the EWRC and included in the allowed revenues, then the Z factor compensates the company for the difference exceeding the 5%. A correction via the Z factor can be done even for the first year of a regulatory period.

### ***Regulatory framework for supply of electricity activities***

EP Sales conducts its electricity supply activities based on three different licenses, each with a different price setting methodology:

- the license for the supply of electricity as end supplier, under which EP Sales supplies low-voltage households at regulated prices. Amendments to the Energy Act, promulgated in State Gazette on 17 November 2023, introduced of a competitive market for end suppliers supplying electricity to households sourced from the free market under a price-protection mechanism from 1 July 2024. This was subsequently postponed until 1 July 2025 (see below) and households will continue to be supplied by the current end suppliers at regulated prices until then;
- the license as supplier of last resort, under which EP Sales supplies consumers who either do not have an electricity supplier or were purchasing electricity on the free market but their electricity provider subsequently left the free market. The prices of the supplier of last resort are neither regulated nor freely negotiated ones. They are determined by EP Sales based on a methodology approved by the EWRC; and
- the license to trade in electricity, under which any customers after having contracted EP Sales are supplied by EP Sales at free market prices.

From 1 July 2025, NEK EAD will no longer function as the public supplier, and it will continue operating under its licenses for electricity production and trading. End suppliers will need to source electricity from the free market (IBEX) and sell it to residential customers under a transitional price-protection mechanism (regulated price mechanism), which will shield residential customers from fluctuating free market prices until 31 December 2025. According to this mechanism, the Bulgarian Parliament or the government shall set a base price per 1 MWh for residential customers, while EWRC shall continue to maintain a regulated price component for end supply, and it shall approve compensations for electricity delivered to residential customers on a monthly basis. The amount of compensation payable to end suppliers shall equal the difference between the average day-ahead market price and the base price set for MWh.

With respect to renewable energy sources (“RES”) and highly efficient cogeneration power plants after 1 July 2025, these power plants will be able to request the end suppliers to purchase the electricity generated. The electricity procured from RES producers will not be invoiced to NEK. The end suppliers shall sell such quantities on IBEX.

According to the currently applicable Ordinance No 1, dated 14 March 2017, on the regulation of electricity prices, adopted by EWRC, published in State Gazette, issue 25, dated 24 March 2017 (“**Pricing Ordinance**”), the maximum allowed mark-up component for the activity of “supply of electricity from end suppliers” is 7% of the

approved average purchase price of electricity for the company. For the periods 1 July 2022 – 30 June 2023, 1 July 2023 – 30 June 2024 and 1 July 2024 – 30 June 2025, the EWRC approved a mark-up of 7%.

An amended version of the Pricing Ordinance is anticipated to be adopted in the course of 2025, and adjustments related to the new market structure under the amended Energy Act are expected to be implemented for the period after 1 July 2025; these will include among other things, provisions on the new price-protection mechanism for residential customers and the compensatory measures in favour of the end suppliers for the period until 31 December 2025.

As of October 2020, all non-household customers are on a liberalised market<sup>18</sup>. The new pricing methodology for suppliers of last resort, in force as of August 2021, provides further gross margin potential as over 50% of non-household customers have not selected a supplier in the free market and continue to be supplied by EP Sales after 1 July 2021 as a supplier of last resort. The methodology limits market risk, as pricing is based on – and provides a 5% mark-up on – the sum of IBEX market price (80 per cent) and TSO balancing shortage price (20 per cent).

EP Energy Services is the other DKHI Group company that supplies electricity. It operates in the free liberalised market and thus buys and sells electricity at freely negotiated prices. Nevertheless, the prices under which EP Energy Services sells electricity to its clients shall cover the ‘obligation to society’ (“OBS”) fee. The revenues from the OBS component are collected from customers by EP Energy Services and remitted to the Electricity System Security Fund (“ESSF”). The ESSF was established in 2015 according to the Energy Act in order to help manage the funding of the costs incurred by the public provider NEK EAD resulting from its obligation to purchase electricity from long-term power purchase agreements with thermal power plants, renewable energy and CHP sources and the annual quotas for production from local fuel sources from power plants interconnected to the transmission grid. To help NEK manage funding of these costs (including costs arising in previous regulatory periods), in 2015 the Energy Act established the ESSF.

The other entity within the DKHI Group, which holds license for electricity trading is EP Bulgaria.

#### ***Regulatory framework for electricity generation activities***

Prior to 2018, renewable energy plants in Bulgaria were supported through the FiT. This applied to renewable power generators that feed their electricity into the public grid. The amount of tariff was determined annually by the EWRC. With the goal to liberalise the market the statutory obligation of NEK EAD and the other off-takers to purchase renewable energy output under FiTs has been gradually reduced.

Following legislative changes, for generators with installed capacity of 500 kW or greater (as of 1 July 2021) the FiT contracts were terminated and replaced by contracts for premium for the volume of electricity they generate up to the amount of their allocated net specific generation on the basis of which their FiT was determined. Feed-in premiums (“FiP”) are only payable until the net specific generation for the relevant source, type and configuration of generator is achieved. The net specific generation is accumulated (and reset, respectively) annually each calendar year.

Producers from generators with installed capacity of 500 kW or greater are required by law to sell their electricity on the energy exchange (IBEX) at market prices. Simultaneously, each producer enters into a contract for premium with the ESSF for a term corresponding to the rest of the term of the original FiT contract. The premium is paid by the ESSF. FiPs are determined on an annual basis, by 30 June, by the EWRC as the difference between the original FiT and the forecast market price of electricity generated from renewable sources determined by the EWRC for the relevant period depending on the primary energy source and on the specific type and configuration of the installed generators, and is applicable from 1 July.

As of mid-2018, every power producer under the FiP regime is required to pay the ESSF a monthly fee of 5% of income resulting from the sale of electricity from RES. From 1 January 2021, the obligation to pay the 5% contribution was ceased for newly commissioned RES producers.

On 1 January 2022, EWRC adopted decision no. C-2/ 01.01.2022, which practically suspended with immediate effect the FiP for all renewable energy power producers with installed capacity of 500 kW or above. Generally, FiPs serve as compensation to renewable energy power producers for the difference between the former FiT and the forecast market price as determined by EWRC at which the electricity generated is to be sold on the free market under supply contracts (operating through IBEX).

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<sup>18</sup> EC Europa, Bulgarian Implementation Plan.

Due to actual electricity prices at IBEX having reached record high levels, thus exceeding most of the formerly applicable FiT (currently expressed a forecast market price plus FiP), EWRC decided to update the forecast market prices before the expiry of the then current regulatory period (1 July 2021 – 30 June 2022).

As per EWRC’s decision, most of the FiPs had negative values and therefore most renewable energy power producers, including EP Bulgaria, were not entitled to any FiPs from 1 January 2022 until the end of the regulatory period, i.e. 30 June 2022. In June 2022, EP Bulgaria terminated its agreements with ESSF and its HPPs are no longer eligible for FiP.

In addition, pursuant to Regulation (EU) 2022/1854, a cap was imposed on revenue from electricity sales, which was set at BGN 350 per MWh (EUR 179 per MWh) for the period from 1 December 2022 until 30 June 2023, and at BGN 300 per MWh (EUR 153 per MWh) for the period from 1 July 2023 until 31 December 2023, for every concluded trade, for producers from RES generators. For trades concluded at prices higher than the applicable cap, the positive difference between the actual revenue and the revenue that would have been received by the producer if the price was set at the level of the cap is paid into the ESSF. Producers make payments to the ESSF on a monthly basis, the same as the 5% fee on all income from electricity sales. Articles 4, 6, 7 and 8 of Regulation (EU) 2022/1854 were valid from 1 December 2022 until 30 June 2023. National measures were then extended until 31 December 2023. Correspondingly, the payments were to be calculated on the basis of revenues earned during this period.

In 2024, the applicable statute that governs the Bulgarian state budget until the end of 2024 has extended the cap until 31 December 2024 at BGN 300 per MWh (EUR 153 per MWh).

### Georgia market structure <sup>19</sup>

- *Population* – as of 2023, population of Georgia was 3.7 million people. In 2023, electricity consumption per capita was 3.5 MWh, compared to EU average energy consumption of 6.1 MWh per capita.
- *Generation* – with total installed capacity of 4.6 GW, including 109 HPPs (3.4GW), 5 TPPs (1.2 GW) and other, and consisting of:
  - Majority privately-owned IPPs, which build and operate projects; and
  - The state-owned Enguri and Vardnili HPPs;
- Hydro generation plants provide approximately 76% of installed capacity in the country. Due to lower domestic electricity consumption and higher generation volumes Georgia became a net exporter of electricity in 2023. In 2023, Georgia generated 14.4 TWh, 76 %of which was generated by HPPs.
- *Transmission* – through Georgian State Electrosystem (“**GSE**”), the state-owned transmission system operator;
- ESCO is the wholesale electricity market operator.
- *Distribution* – consisting of two main privatised distribution companies with their respective regional monopoly: Energo-Pro Georgia (distributing 65% of electricity) and Telasi (distributing 35% of electricity);
- *Supply* – consisting of 2 regulated retail suppliers. EP Georgia Supply and Telmico LLC supply electricity to regulated customers within the territory of EP Georgia network and Telasi respectively.
- *Customers* – liberalisation in retail is underway.

The table below sets out the free market average monthly electricity prices in Georgia for the period between 1 January 2018 and 31 December 2023.

	January	February	March	April	May	June	July	August	September	October	November	December
	<i>(in EUR per MWh)</i>											
<b>2018</b>	41	43	41	41	46	44	31	41	38	46	45	46
<b>2019</b>	44	45	44	43	24	23	42	44	45	45	47	46
<b>2020</b>	46	45	55	47	38	38	43	43	44	46	43	39
<b>2021</b>	39	39	42	41	31	36	30	44	46	48	47	48
<b>2022</b>	53	57	51	50	44	46	40	54	54	62	52	51
<b>2023</b>	50	51	50	50	31	43	47	48	51	53	51	50

<sup>19</sup> Data relating to this section were sourced from the International Energy Agency (EIA), GNERC, World Bank.

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*Source:* ESCO. ESCO's balancing electricity price translated into EUR using National Bank of Georgia average monthly FX rates.

## **Regulation in Georgia**

### ***Activities of the DKHI Group in Georgia***

The business operations of the Guarantor's operating subsidiaries in Georgia engaged in generation, distribution and supply of electricity are subject to supervision by a regulatory body – the GNERC. All activities are subject to licensing, except for electricity generation by HPPs with an installed capacity of 15 MW or less. and supply of electricity. Some of the DKHI Group's activities are subject to prices set by GNERC, while others are subject to freely negotiated prices in the free market.

### ***Regulatory framework for electricity distribution activities***

According to the new legislation, electricity distribution activities include only the operation of the distribution system. Supply of electricity to end customers became an independent activity. Operation of the distribution network is subject to regulation and licensing by GNERC. Supply of electricity to regulated end customers shall be carried out by independent suppliers and also within the framework of public service obligations. All household customers and small enterprises shall be initially supplied by the universal service supplier while large customers may participate on the wholesale market. All non-household customers (except small enterprises) shall gradually leave the regulated supplier and participate independently on the wholesale market or choose free supplier.

In 2020, GNERC developed new tariff methodologies in line with the European practices by adopting Decree No. 68 of 15 December 2020 which replaced the Decree No. 14 of 30 July 2014. The new methodology is based on incentive-based and cost-plus pricing principles. The GNERC applies the "Revenue cap" method when determining the prices for electricity distribution companies. Under the "Revenue cap" method, the electricity distribution companies submit tariff applications to the GNERC in line with the base year (i.e. the year which precedes the tariff setting year) for the regulatory period. The application contains financial and commercial data such as profit and loss statements for each activity and RAB. GNERC then conducts a regulatory audit and determines the tariffs to be applied to distribution companies and the annual revenues necessary for the regulatory period. The GNERC has an obligation to adjust the tariffs and allowed revenues at any point within the regulatory period if there is a 7% deviation of the sum of several parameters (distributed electricity volume, purchase cost of grid losses, imbalance costs, inflation factor) from that year's annual RCB. Also, the GNERC has a right to adjust the tariffs and allowed revenues from the next regulatory year if there is a 10% deviation of the sum of several parameters (change in planned purchase costs of grid losses, inflation factor, actual spOPEX and agreed investment plan) from that year's annual RCB. Only the limited factors are taken into account for tariff adjustments, which themselves require applications from the electricity distribution companies.

### ***Regulatory framework for electricity supply activities***

There is an approved methodology for the Universal Service Supplier tariff to provide regulated public supply to households and small enterprises (low-voltage commercial customers). According to the Target Model, entering into force from 1 July 2025, the Universal Service Supplier<sup>20</sup> will purchase electricity on the day-ahead market at market prices and the established wholesale public service organisation ("WPSO") will act as a guarantor, via CfP, of fixed prices for the former reimbursing the difference between the GNERC approved tariff and the market price.<sup>21</sup> The tariff period will be of one year, with all inputs subject to further correction.

EP Georgia Supply conducts its electricity supply activities based on three public service obligations, each with a different price setting methodology. Companies which are engaged in supply activities do not require a license but shall notify GNERC not later than in five days after the start of such activities. Notifications regarding supply activities shall be submitted to GNERC for information purposes only and GNERC is not entitled to prohibit any company to engage in such activities. Pursuant to the Law on Energy and Water Supply ("LEWS"), on 25 May 2021 MoEaSD designated EP Georgia Supply for the following public service obligations, for the period 1 July 2021 – 1 January 2023, later prolonged under the Decree of the Government of Georgia to 1 January 2025:

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<sup>20</sup> This relates to the supply of electricity of a specified quality within a region at reasonable, easily and clearly comparable, transparent prices. Definition per <https://www.emissions-euets.com/internal-electricity-market-glossary/1432-universal-service>  
<sup>21</sup> GNERC

- the public service obligation for the universal service supply of electricity, under which EP Georgia Supply supplies households and low-voltage small business customers that have not chosen a free market supplier, at regulated prices;
- the other public service obligation for the other kind of end users, not covered by universal service. These are non-household customers connected to EP Georgia's distribution network which do not yet comply with the liberalisation requirements set by EMMC. These customers have to choose a free market supplier by the deadlines indicated below, and until such time they will be supplied by EP Georgia Supply at regulated prices;
- the public service obligation as a supplier of last resort, under which EP Georgia Supply supplies customers who either do not have an electricity supplier or were purchasing electricity on the free market but their electricity supplier subsequently left the free market.

According to the schedule of retail market opening set out in EMMC, non-household customers should be liberalised in the following steps:

- from 1 July 2021 – high-voltage customers with monthly consumption in excess of 0.4 GWh;
- from 1 July 2025 – all high-voltage customers and middle-voltage customers with monthly consumption in excess of 1 GWh; and
- from 1 July 2026 – all other remaining customers except households and small enterprises connected to low voltage distribution network.

Starting from 1 July 2024, transitional model of GENEX was launched, according to which the universal service supplier and the last resort supplier may purchase electricity on DAM and IDM at market prices on a non-mandatory basis. From 1 July 2025, Target Model will be launched, whereby the Universal Service Supplier and the last resort supplier will be obliged to purchase electricity on DAM and IDM at market prices. In accordance with the LEWS, GNERC sets the regulated/strike price on which CfP will be signed with the WPSO. CfPs will ensure the reimbursement of the differences between regulated and market price on a daily basis. As a result, the WPSO will guarantee that universal service supplier buys electricity at the regulated price during the whole year. The other public service suppliers are not obliged to purchase electricity from GENEX. They may purchase it from electricity generators, traders, DAM and IDM for freely negotiated prices.

GNERC approves regulated prices for all three suppliers based on applications from supply companies. Within the regulatory period the WPSO, upon agreement with MoEaSD, can apply to GNERC for an increase of the regulated/strike price used in CfP with the universal service supplier.

On 15 December 2020, GNERC approved new methodologies for setting tariffs for universal service supply, public service supply and last resort supply. Regulatory period is one year. For the 2021-2024 regulatory period GNERC will adjust the prices of universal service and public service suppliers at the end of each regulatory year to reflect the differences between planned inputs and actual results. Adjustments will be implemented based on applications from electricity supply companies subject to all pricing components in the applications satisfying a reasonableness test.

Based on such formulas GNERC sets the prices at which EP Georgia Supply, in its capacity as universal and public service supplier, sells electricity to its customers (according to their type and tariff structure).

#### ***Regulatory framework for electricity generation activities***

On 7 December 2022, the GOG decided to introduce a Decree No. 556 on Support Mechanism of Generation and Consumption of Renewable Energy (“**CFD Mechanism**”), which suspended applications under the Decree No. #403 on rules for supporting generation and the utilisation of power generated from renewable energy sources adopted in 2020. According to this Decree No. 556, any renewable energy source of installed capacity of more than 0.5 MW that had not completed and submitted the full feasibility study to the Government had the right to participate in capacity auctions announced by the Government. Auctions were to be announced for total of 1,500 MW, as follows:

- Hydro power plants were to be allocated 950 MW, of which;
  - Regulated – 300 MW;

- Run-of the river – 650 MW.
- Wind power plants were to be allocated 250 MW;
- Solar power plants were to be allocated 250 MW; and
- Other power plants were to be allocated 50 MW.

CFD Mechanism means that if the tariff at the day ahead market<sup>22</sup> is higher than the allocated median tariff, the plant has to compensate the ESCO for the difference. In case the tariff at the day ahead market will be lower than the allocated median tariff, the ESCO has to compensate the plant for the difference.

Term of the CFD Mechanism will be 15 years, with possibility of repudiation in every consecutive 5 years after the commencement of operation of the power plant. CFD Mechanism will be applied to the power plants during the following months:

- Hydro power plants – eight months (January, February, March, April, September, October, November and December);
- Wind power plants – nine months (January, February, March, April, August, September, October, November and December);
- Solar and other power plants – 12 months.

The first capacity auction was held in March 2023, resulting in 27 renewable projects with a total installed capacity of 296 MW. The second capacity auction was held in December 2023, resulting in 63 renewable projects with a total installed capacity of 810 MW. No more renewable energy capacity auctions will be announced, although 3 auctions were initially planned. According to the Minister of Economy, the process of reviewing projects will be simplified, and signing of the memorandum of understanding with the government will be required to start a project with no need of auction.

Electricity generation in Georgia is partially subject to public service obligations and licensing requirements. GNERC is authorised to issue electricity generation licenses, to establish the methodology for calculating generation tariffs and to set generation tariffs for the electricity generation companies which will bear the public service obligation. The regulatory period for generation tariffs is three years.

Currently there are various tariff regimes applicable to the different market participants. GNERC is authorised to set tariffs for so-called “regulated entities” (on which public service obligation is imposed), which are HPPs commissioned before 1 August 2008 and those with an installed capacity of more than 75 MW, including a source of guaranteed capacity (prior to 1 January 2018, regulated entities were those with an installed capacity of more than 13 MW). Currently, 2 out of the 15 HPPs of the DKHI Group are regulated entities. Regulated entities operate under price caps set by GNERC, using a mix of cost-based and incentive-based methodologies. Conversely, deregulated plants are not subject to price regulation and sell electricity based on freely negotiated prices, with the exception that special conditions, which are determined by the Market Rules, apply when selling the electricity to ESCO.

According to the deregulation schedule of electricity producing companies set out above, the DKHI Group’s HPPs shall be released from the public service obligation in the following steps:

- from 1 May 2026 – Dzevrula HPP; and
- from 1 January 2027 – Lajanuri HPP.

***Summary of the methodology used as the basis for calculating the existing generation tariffs***

Generation tariffs are set individually for separate HPPs. Prior to 1 January 2018, tariffs were set on an annual basis. Starting from 1 January 2018, a three-year period applies for calculating the generation tariffs. The current regulatory period for generation tariffs started on 1 January 2024 and will end on 31 December 2026.

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<sup>22</sup> It is yet under discussion whether the CFD support mechanism will be applicable to only day ahead tariff at the spot marker or both day ahead and intraday tariffs.

According to the methodology tariffs are fixed during the regulatory period. However, adjustments may be claimed at any point during the regulatory period when the variance is more than 10% of the regulated Cost Base.

### ***Regulatory framework for the sources of guaranteed capacity***

The LEWS also regulates trade in the so-called guaranteed power. According to the statutory definition, guaranteed power is the electricity provided by those sources of guaranteed capacity that support the sustainability, security and reliability of the Georgian power system. The Georgian government determines the level of guaranteed capacity to be kept in reserve and the power sources, which are defined as guaranteed power, while the TSO regulates the level of actually existing capacity above that guaranteed level. The TSO makes independent decisions concerning the source of guaranteed capacity, the amount of generation to be guaranteed and the reasonableness of its use. Sources of guaranteed capacity are thus obliged to ensure the supply of electricity into Georgia's united power system. gPower currently provides 110 MW of capacity through one gas-fired TPP, out of which 60MW is used as a source of guaranteed capacity for grid support services.

Trading of guaranteed capacity is currently possible only through ESCO, which purchases and pays the respective purchase price only once the source of guaranteed capacity is recognised as such by the Georgian government and its readiness has been inspected and verified by the TSO.

### ***Summary of the methodology used as the basis for calculating the existing tariffs for guaranteed capacity***

Tariffs for guaranteed capacity are currently established annually. The revenues of the TPP currently operated by EPG Generation through its subsidiary – gPower are composed of two components: (a) a tariff for system reserve (daily capacity fee for guaranteed capacity) and (b) electricity generation tariff for actually generated electricity. The gPower daily capacity fee is valid for one year.<sup>23</sup>

## **Türkiye Market structure**

The Turkish Electricity Market is regulated and supervised by The Energy Market Regulatory Authority (“EMRA”), which was established in 2001. The market is divided into the following sectors:

- *Population* – as of 31 December 2023, population of Türkiye was 85.4<sup>24</sup> million people. In 2023, electricity consumption per capita was 3.87 MWh, compared to EU average electricity consumption of 6.1 MWh per capita.
- *Generation*<sup>25</sup> – the conversion of energy resources into electricity in power plants. As of the end of 2023, Türkiye had an installed capacity of 109.3 GW, of which 29.2% was hydroelectric, 23.5% natural gas, 20% coal, 10.8% wind, 12.8% solar, 1.6% geothermal and 2.1% other sources. These generation activities are exercised through:
  - The Electricity Generation Corporation (“EÜAŞ”), a state-owned generation company, and its subsidiaries;
  - Build Operate (“BO”) companies, which build and operate a project for state needs; Build Operate Transfer (“BOT”) companies, which build and operate a project for state needs (possibly in combination with a concession from the state of existing publicly-owned infrastructure) and subsequently transfer it back to the state; Transfer of Operational Rights (“TOR”) companies to which the state transfers operation of assets for a designated period (sometimes with an obligation to rehabilitate the assets), during which ownership remains with the state; and other public private partnership models; and
  - Privately owned generation companies, such as RH Turkey.
- In 2023, the country generated 324.8 TWh of electricity in total, consisting of 309.9 TWh of electricity from licensed power plants and 14.8 TWh of electricity from unlicensed power plants. With respect to the licensed electricity generation, the highest share of 74.3% pertained to independent generation companies, followed by 22.2% pertaining to EÜAŞ, 3.4% related to TOR companies, and 0.1% from BOT companies. In 2023, Türkiye generated 137.2 TWh out of renewables. 36.4% of electricity generated in 2023 was from

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<sup>23</sup> GNERC  
<sup>24</sup> TURKSTAT



coal, 21.1% from natural gas, 19.7% from hydropower, 10.5% from wind, 5.7% from solar, 3.4% from geothermal, and 3.2% from other sources.

- *Transmission* – the transmission of electricity on lines with a voltage level of over 36 kV. Transmission activities are operated through The Turkish Electricity Transmission Corporation’s electricity transmission assets, the state-owned transmission system. As of end of 2023, the length of the transmission lines was 74,442 km.<sup>26 27</sup>
- *Distribution* – the transmission of electricity over lines at a voltage level of 36 kV and less. Distribution activities in Türkiye consist of 21 privatised distribution companies<sup>28</sup>.
- *Wholesale* –the purchase of electricity for the purpose of resale. Wholesale activities in Türkiye consist of a number of private wholesale companies including EP Toptan - which sells in the wholesale market and to “eligible customers” (as defined below) - and EÜAŞ, a public wholesale company;
- *Retail supply* – the supply of electricity to end-users. Retail supply activities in Türkiye consist of 21 private retail companies authorised to supply “non-eligible customers” (as defined below) (the “**Retail Companies**”). Retail Companies can also supply eligible customers and are required to supply “customers of last resort”, which are eligible customers whose power demands cannot be met by other suppliers or who have not selected their suppliers despite being able to do so; and
- *Import / Export* – import and export of electricity. Export activities can be conducted by generation and supply licensees, while import activity can be conducted by supply licensees, in each case subject to the terms of their licenses and certain conditions. Additionally, EÜAŞ is entitled to sign import and export agreements that are within the scope of intergovernmental agreements and conduct import and export activities in accordance with such agreements. In 2023<sup>29</sup>, electricity import had decreased by 5.4% compared to the previous year and electricity export had decreased by 43.8 % In 2023, Türkiye was a net importer of electricity (4 TWh net import in 2023 compared to 2.7 TWh net import in 2022);
- *Market operation* – the activity of operating organised wholesale electricity markets and financially settling these activities, conducted by The Energy Exchange Istanbul (“**EPIAŞ**”) which was established in 2015 to operate the day-ahead and intra-day markets.
- *Licensing* – EMRA grants, in its sole discretion, electricity market licenses for a minimum period of ten years and a maximum period of 49 years.
- *Customers* – consumers (end-users) of electricity, are categorised as either “eligible customers” or “non-eligible customers”. Eligible customers are customers who consume electricity in an amount greater than a threshold set by EMRA. They are able to choose their retail electricity supply company and to pay the prices that are negotiated with their supplier. Non-eligible customers are customers who do not consume enough electricity to meet the threshold set by EMRA. They are required to buy electricity from the Retail Companies operated in their region.

From 1 April 2022 until 30 September 2023, electricity generation companies in Türkiye were required to pay to EPIAŞ the amount corresponding to the difference between the sales price of their generated electricity and a certain cap. The cap was set in TRY per MWh and indexed monthly. 60% of the index was derived from changes in the USD/TRY exchange rate, 38% from changes in the PPI in Türkiye, and 2% from changes in the price of electricity distribution and transmission.

For renewable energy generation companies, the cap was applicable only to those not participating in the YEKDEM support mechanism. Therefore, out of DKHI Group’s HPPs Alpaslan 2 HPP, Karakurt HPP and Meydancık were not subject to the price cap.

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<sup>26</sup> [EMRA, Electricity Market Annual Sector Report 2023.](#)

<sup>27</sup> [EMRA, Electricity Market Annual Sector Report 2023.](#)

<sup>28</sup> [EMRA, Electricity Market Annual Sector Report 2023.](#)

The table below sets out the free market average monthly electricity prices in Türkiye for the period between 1 January 2018 and 31 December 2023, and the price caps applicable in each month between 1 April 2022 and 30 September 2023 to renewable energy generation companies not participating in YEKDEM:

	January	February	March	April	May	June	July	August	September	October	November	December
	<i>(in EUR per MWh)</i>											
<b>Average free market price</b>												
<b>2018</b>	40	38	33	39	34	34	38	45	44	47	48	43
<b>2019</b>	36	43	42	29	29	34	48	48	47	46	47	45
<b>2020</b>	48	45	35	24	27	38	38	35	35	34	31	31
<b>2021</b>	33	34	34	32	36	39	51	56	52	63	70	66
<b>2022</b>	77	91	104	115	107	130	131	168	212	190	181	189
<b>2023</b>	170	139	105	84	89	65	68	77	70	77.	68.	65
<b>Renewable energy cap</b>												
<b>2022</b>	n/a	n/a	n/a	75	78	76	79	80	82	84	82	78
<b>2023</b>	80	81	81	80	81	77	75	78	78	n/a	n/a	n/a

Source: EPİAŞ

## Regulation in Türkiye

### *Activities of the DKHI Group in Türkiye*

The business operations of the DKHI Group’s subsidiaries in Türkiye engaged in electricity generation, trading and supply are subject to supervision by EMRA. All activities of the DKHI Group’s subsidiaries in Türkiye are subject to licensing, except for EP Insaat’s activities, which does not conduct electricity activities. In Türkiye, the DKHI Group operates in both the regulated and the free market.

### *Regulatory framework for electricity generation activities*

Under the Electricity Market Law (Law No. 6446) (the “**Electricity Market Law**”), “**generation**” is defined as the conversion of energy resources into electricity in power plants. The Turkish electricity generation segment has a fragmented structure in which several types of entities operate. The Electricity Market Law introduced a licensing process, including a preliminary licensing mechanism for the generation license.

In addition to private generation license holders, EÜAŞ, a state-owned generation license holder, together with its subsidiaries, owns and operates a generation portfolio comprising thermal and hydroelectric power plants with a total installed capacity of 21,390 MW as of December 2023.<sup>30</sup> The privatisation process for thermal and small hydroelectric assets of EÜAŞ is underway.

Subject to certain exemptions, (such as cogeneration plants and power plants with total installed capacity of less than 5 MW), electricity generation activities are limited to holders of generation licenses, which are provided for each facility. Generation licenses may be granted for a maximum period of 49 years by EMRA. Generation license holders are required to register themselves as market participants with EPİAŞ, which operates the wholesale electricity markets, including financial conciliation activities for these markets. As of 11 March 2024, there were 1,901 generation license holders in Türkiye. RH Turkey’s HPPs’ current generation licenses are in place until 16 May 2055 (Aralık HPP), 17 November 2054 (Hamzalı HPP) and 5 October 2055 (Reşadiye HPPs).

The nature of the generation company determines to whom it is able to sell its electricity. EÜAŞ can sell its generated electricity to the day-ahead and intra-day markets and privately-owned wholesale companies. BOT and BO companies sell their generated electricity to EÜAŞ under long-term power purchase agreements. Private generation companies, such as RH Turkey, sell electricity through the wholesale market, under bilateral agreements, on the organised markets (the spot market, the over the counter market, suppliers and the export/import markets (the “**Organised Markets**”)) and directly to eligible customers, see “—Retail Supply and the Wholesale Market” below. RH Turkey and EP Toptan have access to, and active contracts and operations in, each of the Organised Markets.

### *The Feed-in Tariff (YEKDEM)*

In May 2005, the renewable energy resources support mechanism was introduced by the Law on Utilisation of Renewable Energy Sources for Electricity Generation (Law No. 5346) (the “**Renewable Energy Law**”). Pursuant to article (4) of the Regulation on Documentation and Support of Electricity Generation from Renewable Energy

<sup>30</sup> EMRA, Electricity Market Monthly Sector Report, December 2023

Resources (the YEKDEM Regulation the support mechanism consists of FiTs for electricity generation license holders and unlicensed electricity generators producing electricity from renewables as well as for other opportunities in the renewable energy sphere. The FiT aims to incentivise the development and operation of power plants employing renewable energy sources, such as wind, hydroelectric, solar, bio-waste, solid waste, and geothermal energy sources. Companies eligible for FiT incentives must apply to EMRA by the date announced by EMRA if they seek to benefit from FiT incentives in the subsequent year. Renewable energy power plants with a COD before 30 June 2021 can benefit from the FiT for a term of ten years from the COD of the power plant. As of the end of 2023, 20.7% of Türkiye's total installed capacity was attributable to power plants within the scope of YEKDEM, a decrease from 30.0% as of the end of 2022. In terms of generation volume, 22.2% of total electricity generated in Türkiye in 2023 was attributable to generation sources benefiting from YEKDEM, a decrease from 25.5% in 2022.<sup>31</sup>

Power plants that benefit from the FiT may sell electricity in all markets (including the day-ahead market, intraday market, balancing power market, ancillary services market and through bilateral agreements, among others), like other market participants, without any restrictions. The difference between the price which generation companies are able to realise on the market for their electricity and the FiT price is an important factor in generation companies' decisions whether or not to participate in the support mechanism. If the sale price under these arrangements is lower than the incentive price of the FiT, then the difference between the FiT price and the day-ahead market price is calculated in dollar terms and converted to Turkish lira at the exchange rate on the relevant date and paid by EPIAŞ to the owner of the power plant on the 25th day of the following month. The average annual day-ahead market price (“**DAMP**”) in USD/MWh was 78.5 in 2013, 74.8 in 2014, 50.8 in 2015, 46.1 in 2016, 45.0 in 2017, 47.4 in 2018, 46.0 in 2019, 40.1 in 2020, 55.6 in 2021, 147.5 in 2022 and 97.97 in 2023. The FiT under YEKDEM provides different levels of incentives according to the type of renewable energy resource. For RES plants commissioned prior to 30 June 2021, the FiT price is USD 73 per MWh (no indexation), applicable for the first 10 years of operation<sup>32</sup>. Alpaslan 2 HPP and Karakurt HPP are eligible to benefit from the YEKDEM tariff, as well as to receive a domestic equipment incentive uplift. Alpaslan 2 HPP and Karakurt HPP are, therefore, able to sell their entire production for a fixed price of USD 73 per MWh from 1 January 2021 until 31 December 2030, plus an additional USD 23 per MWh and USD 13 per MWh under the domestic equipment incentive for Karakurt HPP and Alpaslan 2 HPP, respectively, from 1 January 2021 until 31 December 2025. Also, Meydancik HPP is able to sell its entire production for a fixed price of USD 73 per MWh, from 1 January 2022 until 31 December 2030.

### ***Revised YEKDEM FiT***

The revised YEKDEM FiT mechanism provides a 10-year power purchase guarantee at a fixed dollar FiT that varies between USD 49.5/MWh and USD 115.5/MWh based on the type of renewable generation. The FiT price is further increased for the first five years if the power plant uses Turkish equipment. The number of facilities enrolled under the YEKDEM FiT mechanism has increased rapidly since its inception in 2005, reaching an installed capacity of 28.87 GW as of June 2023. The tariffs under the YEKDEM FiT mechanism have remained well above market prices since 2015.

Resadiye Hamzalı generation assets benefited from YEKDEM over the recent past, but the YEKDEM eligibility expired at the end of 2020. As such, this Turkish HPP has been selling electricity on the free market since 1 January 2021.<sup>33</sup>

### ***New FiT Mechanism***

On 30 January 2021, the Government announced the terms of the New FiT, which came into effect on 30 January 2021 and was applicable for all power plants with a COD between 1 July 2021 and 31 December 2025. According to the Presidential Decree No. 3453, prices under the New FiT program were set in Turkish lira (“**TRY**”), and were updated every three months according to inflation and dollar and euro exchange rates, with a fixed cap set in dollars. The upper limit of prices under the New FiT were set in dollars, at rates of USD 64 /MWh for HPPs, USD 51 per MWh for wind, solar and landfill gas projects, USD 86 per MWh for geothermal and biomethane.

Tariffs were subject to an index-based escalation on a quarterly basis, taking into account the producer price index, the consumer price index, and the buying rates for EUR and USD – all with a fixed cap set in dollars. The first escalation was scheduled for 1 April 2021.

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<sup>31</sup> EMRA, Electricity Market Monthly Sector Report, December 2023

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<sup>33</sup> EPAS S&P April 2021 report

The duration of the new YEKDEM is unchanged at 10 years (5 years for local content bonus). The YEKDEM FiT was TRY 400/MWh and the local content bonus was TRY 80/MWh. The YEKDEM price was capped at USD 64/MWh equivalent, with no cap for the local content bonus.<sup>34</sup>

On 1 May 2023, the Presidential Decree No. 7189 (“**Presidential Decree**”) came into force and updated the YEKDEM feed-in-tariff and local content support prices, as well as introducing a new price adjustment mechanism. According to the Presidential Decree, the new YEKDEM feed-in tariffs and local content support prices will apply to the renewable energy-based power plants commissioned between 1 July 2021 and 31 December 2030. It was further announced that no retroactive payment will be made for any price differences for the renewable energy-based power plants benefitted from previous YEKDEM tariffs.

The new feed-in tariffs and local content support prices (in TRY per kWh) is subject to a basket-based adjustment on a monthly basis. The upper limit of prices under the updated FiT remained in dollars, at rates of USD 8.25 per kWh for HPPs with reservoir, USD 7.70 per kWh for run-of-the river HPPs, USD 6.05 per kWh for on-shore wind power plants, USD 8.25 per kWh for off-shore wind power plants, USD 11.55 per kWh for geothermal power plants, USD 6.05 per kWh for solar projects, USD 9.90 per kWh for biomethane, USD 7.15 per kWh for electricity storage facilities integrated with wind or solar power plants, USD 11.55 per kWh for pumped storage HPPs, and USD 7.70 per kWh for production facility based on wave or current energy.

The FiT eligibility expired on 31 December 2019 for Hamzalı HPP and on 31 December 2020 for Aralık and Resadiye HPPs. Therefore, from 1 January 2020 and 1 January 2021, respectively, they have been selling their generated electricity on the free market as outlined in Regulatory framework for electricity generation activities above.

### ***Regulatory framework for supply of electricity activities - Wholesale Market***

Under the Electricity Market Law, “wholesale” is defined as the sale of electricity for the purpose of resale. As of the date of this Prospectus, wholesale electricity market activities are conducted by EÜAŞ, a state-owned entity, and private companies. Wholesale supply activities are conducted by (i) private wholesale supply companies on the day-ahead and intraday markets (such as EP Toptan) and (ii) EÜAŞ, the state-owned wholesale company, which sells electricity to distribution and retail companies based on the EÜAŞ wholesale tariff which is regulated by the EMRA and is updated on a quarterly basis. Wholesale electricity prices are set by supply companies and are not subject to the EMRA’s approval, provided they comply with the EMRA’s rules and principles. However, in practice, due to EÜAŞ’ significant share of the wholesale market, the EÜAŞ wholesale tariff set by the EMRA affects and influences the tariffs adopted by private wholesale companies. Private wholesale companies can also buy electricity from OTC and Spot markets themselves.

Other key players in the wholesale market include EPIAŞ, private wholesalers and participants in the over-the-counter market. In 2018, licenses for wholesale and retail were converted into supply licenses, enabling all suppliers in the electricity market to operate as wholesalers.

EÜAŞ has the right to sell electricity to the distribution companies for theft and loss components and to the retail companies for national tariff users via its self-determined tariff. Since these are bilateral agreements among EÜAŞ, distribution companies and the retail companies, agreement prices have no effect on the spot market prices. The cost of the EÜAŞ tariff is reflected in the national tariff as a pass-through cost by the both distribution and retail companies.

Bilateral agreements can be signed between any market participants (except for non-eligible customers). These agreements can be negotiated privately between the parties as they are not regulated.

### **Market structure in Spain**

Some of the most relevant aspects to comment on the structure of the Spanish market are as follows:

- *Generation* – The total installed capacity in Spain at the end of 2023 was 126 GW, with renewable energy generation sources amounting to 64 % of the total.<sup>35</sup>

<sup>34</sup> PwC, Overview of the Turkish Electricity Market, October 2021.

<sup>35</sup> [Spanish Electricity System Report by Red Eléctrica Española, DKHI.](#)

- By type of technology, of the total installed capacity in Spain, approximately 25 % was wind power, 22% solar (photovoltaic and thermal), 16% hydro (including pump storage) and 36% conventional / non-renewable sources.

In terms of production, renewable sources in the Spanish electricity system in 2023 generated 140 TWh, amounting to 52% of total electricity generation, with non-renewable energy accounting for the remaining 48% (127 TWh)<sup>36</sup>.

- *Transmission and Distribution* – Red Eléctrica de España, S.A.U. (“**Red Electrica**”), a private company dedicated exclusively to the operation of the electricity system and the transmission of electricity, is in charge of transporting high-voltage electricity. To this end, it manages the electrical infrastructures that make up the transmission grid and connect the generation plants with the points of distribution to consumers.

Law 17/2007, of July 4, 2007, confirmed Red Electrica’s status as manager of the transmission grid and attributed to it the function of sole transmission agent, on an exclusive basis. As manager of the transmission grid, Red Electrica is responsible for the development and extension of the grid, its maintenance, managing the transit of electricity between external systems and the Spanish mainland and guaranteeing third party access to the transmission grid under equal conditions.

Red Electrica's transmission grid is made up of more than 44,000 kilometers of high voltage lines, more than 6,000 substation positions and more than 93,000 MVA of transformation capacity<sup>37</sup>.

At the final stage of the distribution of the electricity, the final user cannot choose the electricity distribution company, the distributors are assigned according to the geographical area where the supply point is located. There are 333 registered energy distribution companies in Spain<sup>38</sup>.

- *Wholesale* – In Spain the Wholesale energy market is managed by OMI, Polo Español S.A. (“**OMIE**”). OMIE is the nominated electricity market operator (“**NEMO**”) for managing the Iberian Peninsula’s Day-ahead and intraday electricity markets.

In accordance with the Resolution of May 6, 2021, of the National Markets and Competition Commission (the “**CNMC**”), which approves the operating rules of the daily and intraday electricity markets for their adaptation of the supply limits to the European matching limits (“**CNMC Operating Rules**”). As well as the retailers, final consumers may participate in the daily and intra-day markets, provided that they are authorized to do so.

The participation of buyers and sellers in the electricity production market requires their adherence to the aforementioned CNMC Operating Rules and compliance with the other requirements established therein as well as their application to the OMIE<sup>39</sup>.

- *Supply of electricity* – the sale of electricity to end-users. Unlike distributors, end-use energy suppliers are freely chosen by the consumer. As of 31 December 2023, the electricity market was made up of approximately 30.2 million supply points, of which 8.7 million were supplied through a Benchmark Retailer<sup>40</sup> (28.7%), while the rest, 21.5 million, were supplied through a free market retailer (71.3%). The five retailer groups with the highest share supplied 85.6% of the total supply points in the free market. By segments, these retailers supplied 86.6% of consumers in the domestic-commercial segment, 62.3% of SMEs, 63.7% of industry and 78.1% of electric vehicles. The Iberdrola Group, with approximately 10.2 million supply points, has the largest integrated market share (33.8%), followed by the Endesa Group with 9.9 million (32.7%) and the Naturgy Group with 4.4million (14.5%)<sup>41</sup>.
- *Import / Export* – In 2023, Spain's electricity exchange programs with other countries had the second highest export balance in history (with 2022 being the record high), having programmed 25.9 TWh in the exporting direction, making the net balance also an exporter with a value of 13.9 TWh<sup>42</sup>.

<sup>36</sup> [Spanish Electricity System Report by Red Eléctrica Española](#). DKHI

<sup>37</sup> [Red Electrica Website](#).

<sup>38</sup> [CNMC](#).

<sup>39</sup> [Operating Rules](#).

<sup>40</sup> A benchmark retailer is a company that sells at government-regulated tariffs to specific consumers.

<sup>41</sup> [CNMC Supervision Report Fourth Quarter 2022 and Advance on 2023](#).

<sup>42</sup> [Spanish Electricity System Report by Red Eléctrica Española](#).

- *Market operation* – For the purposes of the provisions of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, OMIE was designated as the NEMO in Spain<sup>43</sup>.
- *Customers* – Consumers in the Spanish market are differentiated between those who access the regulated market or the free market, and within the latter, between those who purchase energy from a retailer or directly from the production market, for which they must be authorized by OMIE and comply with the aforementioned requirements.
- *Price* – The Iberian Electricity Market (“**MIBEL**”) is the result of a joint initiative of the governments of Portugal and Spain. The creation of this market allows any consumer within the Iberian Peninsula to purchase electricity, in an environment of free competition, from any producer or trader operating in Portugal or Spain. This market resulted in the following average prices for the year 2023<sup>44</sup>:
  - The arithmetic average price of the daily market in the MIBEL was €87.69/MWh.
  - The average price in the intraday auction market was €87.99/MWh;
  - The weighted average price in the continuous intraday market was €89.43/MWh;
  - The average final price of the free market was 100.9 €/MWh;
  - The average price of the Reference Retailers was 101.41; and
  - The average price of the national demand of the Spanish electricity system was 100.2 €/MWh.

#### **Spanish legislative framework in relation to the energy sector**

Law 24/2013 of December 26, 2013, on the electricity sector (*Ley 24/2013, de 26 de diciembre, del Sector Eléctrico*, “**Electricity Sector Law**”), is the main piece of legislation regulating the Spanish electricity sector. It sets out the general rules applicable to the entire electricity sector in Spain based on EU legislation.

The supply of electricity, according to the Electricity Sector Law, is a general economic interest (*servicio económico de interés general*) service and, thus, under certain circumstances, public authorities are entitled to impose public service obligations (*obligaciones de servicio público*) on private entities acting in the electricity sector (based on the principles of efficiency, quality, regularity, affordability and convenience).

The Electricity Sector Law distinguishes between regulated and non-regulated activities:

- Regulated activities include electricity transmission (220kV and above), electricity distribution and the economic and technical management of the electricity system.
- Non-regulated activities include generation, load managing services and supply activities. Non-regulated activities are conducted on a free-market basis, which is open to all economic agents and prices can be set freely.

Electricity generation is a liberalised activity (meaning that is not subject to the same constraints, supervision and remuneration schemes as transmission or distribution), but the following regulatory requirements need to be taken into consideration:

- The construction and operation of generation facilities requires different authorizations, permits or licenses to be granted by different authorities (see below section on the regulatory authorities in the Spanish electricity market).
- Electricity generation (using renewable energy sources) to obtain their revenues: (i) from the sale of electricity in the Spanish production market (the “*pool*”); (ii) from bilateral agreements or PPAs; and (iii) where applicable, from regulated compensation (see below in the Regulatory framework for electricity generation activities).

The Electricity Sector Law establishes the legal and accounting separation of regulated activities (economic and technical management of the system, transmission and distribution) and liberalised activities (generation,

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<sup>43</sup> [OMIE Designation](#)

<sup>44</sup> [OMIE Annual Report 2023](#)

wholesale and retail or other activities unrelated to electricity or activities abroad). However, subject to certain requirements, a group of companies can carry out both kinds of activity provided that these are performed by different companies within it.

### **Water Law**

Particularly for the generation business, another important regulatory framework is the one under the Water Law (*Real Decreto Legislativo 1/2001, de 20 de julio, por el que se aprueba el texto refundido de la Ley de Aguas*) and secondary level regulations issued on its implementation. Those regulate the use of waters and water bodies or infrastructure for the purposes of HPPs' electricity generation, requiring the obtention of a concession for the use of the water.

The Water Law sets the priorities for water use and the Administration sets the maximum and minimum levels at which each reservoir moves. There are several additional public bodies involved in one way or another in the regulation and control of hydropower generation in Spain.

Recently, Royal Decree-Law 8/2023, of 27 December, adopting measures to deal with the economic and social consequences of the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of drought (the “**RDL 8/2023**”) amended the Water Law with the aim of promoting hydraulic storage.

Law 7/2021, of 20 May, on climate change and energy transition contemplated energy storage as one of the keys to the energy transition, which has been reaffirmed in the Energy Storage Strategy, approved by the Council of Ministers in 2021.

RDL 8/2023 considers hydraulic energy storage, based on reversible pump-and-turbine hydroelectric power plants between a lower and an upper reservoir, to be a mature and effective technology capable of providing an adequate response to match electricity supply and demand on a daily, weekly and even seasonal basis, in order to guarantee the necessary stability, efficient operation and flexibility of the electricity system.

With the aim of avoiding incompatibility with existing concessions and the need to have a longer concession period in order to amortize and make the investment profitable, a new water use has been introduced into water legislation, that of hydraulic energy storage, and this has been done in such a way as to give it the priority pursued by the law on climate change and energy transition, including in the hydrological plans already in force.

The use will have a preferential character only after the priority uses destined for population supply, irrigation and agricultural uses.

RDL 8/2023 has also modified the Water Law by providing for an adaptation of the concessions granted to existing reversible hydroelectric power plants, so that *ex lege* they are considered to be for the use of hydraulic energy storage (the entry in the Water Register will be modified *ex officio* by the River Basin Authority).

Mechanisms are also foreseen to allow, subject to certain requirements, the repowering of some of the existing reversible hydropower plants.

### **Regulatory framework for electricity generation activities**

Electricity generation is carried out in free market competition, subject to certain approvals, with its remuneration set in the market.

Energy daily hour price is established in the wholesale market by marginalist criteria; the dispatch determined by the lowest price until the demand is satisfied. Intra-day markets are also established to adjust the position with regard to the daily schedule. Conversely, certain production plants obtain additional remuneration to provide additional necessary services to guarantee supply. Please see as well “*Industry and regulation for power generation in Spain*”.

### **Renewable generation**

In Spain, prior to 2013, renewable facilities benefitted in general from a feed-in tariff support scheme. However, 2014 and 2013 saw several changes to the regulatory framework applicable to electricity production companies.

Specifically, Royal Decree 413/2014 regulating electricity generation by means of renewable energy sources, cogeneration and waste establishes the specific remuneration scheme for existing and new facilities. The remuneration will be on the basis of six-year periods and some of them may be revised every three years. For

facilities prior to July 2013, which have not yet exceeded their regulatory life, the remuneration system consists of the sum of:

- Investment remuneration (EUR/MW) to cover, where applicable, the investment costs that cannot be recovered from the sale of electricity in the market, defined on the basis of the reasonable yield on 10 year government bonds plus a spread.
- Operation remuneration (EUR/MWh) to cover, where applicable, the difference between the operating costs and income obtained in the electricity market. The return on the operation in circumstances where the operating cost of a technology is dependent on fuel prices may be changed at least once a year.

Additionally, Order IET/1045/2014 of June 2014 established a classification of standard installations in terms of the technology, installed capacity or any another characteristic already in place for the application of this remunerative scheme. These have been revised by several Ministerial Orders, the last time by Order TED/741/2023, of 30 June 2023, for the period 2023-2025.

Once the facilities exceed their regulatory life, they will cease to receive investment remuneration and operating remuneration. These facilities may remain in operation, receiving only the remuneration obtained from the sale of energy on the market. This is the case of the existing 10 HPPs owned by Xeal in the river Xallas and Grande.

The remuneration for new renewable facilities, cogeneration and waste will be set by competitive tendering processes.

### ***Remuneration for energy storage***

In April 2021, a Ministerial Order Proposal for the development of a capacity market in Spain was published. Its aim is to develop a mechanism to support the firm capacity of, primarily, the CCGT and storage systems, to avoid coverage problems. It is configured as a centralised mechanism based on “pay as bid” auctions for two types of products: (i) one-year firm capacity for existing technologies; and (ii) five-year firm capacity for new technologies. This Ministerial Order seeks to accommodate to the content laid down, on capacity mechanisms, in Regulation (EU) 2019/943 of 5 June 2019 of the European Parliament and of the Council on the internal electricity market and will require the approval of the EC.

As of the date of this Prospectus, the Ministry for Ecological Transition has taken the next necessary step in the process of creating a capacity mechanism to incentivize storage in Spain. As confirmed by MITECO sources, its Implementation Plan has been sent to Brussels, as it is one of the documents required by current European regulations - Regulation (EU) 2019/943 and the State aid framework - to develop a capacity mechanism.

If finally approved, it will have important implications for the remuneration of electricity storage, among other sectors, with an impact on pumped hydroelectric power plants.

### ***Regulatory framework for supply of electricity activities***

From 1 July 2009 all consumers may freely contract their supply of electricity with a supplier of their choice.

The government, however, maintains a Voluntary Price for the Small Consumer (VPSC), a regulated tariff for consumers that have a contracted power of less than 10 kW, and for those that do not meet the requirements to sign up for it but who temporarily do not have a valid contract with a free market operator.

The VPSC has been applied since 1 April 2014 (it was introduced by Royal Decree 216/2014, of 28 March) replacing the former TUR. It can only be applied by the so-called reference suppliers (*comercializadores de referencia*), is unique throughout the national territory and is configured as a dynamic price fully indexed to the wholesale electricity market (it varies every hour). From 1 January 2024, it partially includes long-term price signals, with the aim of reducing volatility, bringing more stability to consumers' final bills and maintaining the signals for saving and efficient consumption.

## **Regulation in Brazil**

### ***Key regulatory agencies***

- Ministry of Mines and Energy (“**MME**”): The MME is the federal government body responsible for conducting the country's energy policies. Among other duties, the MME is responsible for monitoring



security of supply and defining preventive actions to restore security of supply in an event of cyclical imbalances between energy supply and demand.

- National Energy Policy Council (“CPNE”): The CNPE is a body that advises the President of Brazil and has various duties, including formulating energy policies and guidelines aimed at promoting the rational use of the country's energy resources, and suggesting the adoption of measures necessary to ensure that the national demand for electricity is met, considering long-, medium- and short-term planning, and may indicate projects that should be given priority for bidding and implementation, in view of their strategic nature and public interest, so that such projects ensure the optimization of the binomial of affordability and reliability of the electricity system.
- National Electricity Agency (“ANEEL”): Brazil's electricity sector is regulated by ANEEL. ANEEL was established by Law No. 9,427/1996, pursuant to which ANEEL's main responsibility is to regulate and supervise the sector in line with the policy dictated by the MME.
- National Electric System Operator (“ONS”): The ONS's main role is to coordinate and control the generation and transmission operations of the National Interconnected System (*Sistema Interligado Nacional*, “SIN”), subject to regulation and supervision by ANEEL. Its institutional mission is to ensure the continuity, quality, and economical supply of electricity to SIN users. The ONS is also responsible for proposing to the Granting Authority the expansion of basic grid facilities, as well as the reinforcement of existing systems, to be considered in the planning of the expansion of transmission systems and proposing rules for the operation of the SIN's basic grid transmission facilities, to be approved by ANEEL.
- Electric Energy Trading Chamber (“CCEE”): The purpose of the CCEE is to enable the trading of electricity, register energy trading contracts in the Regulated Market Environment (“ACR”) and the Free Market Environment (“ACL”), account for and settle energy purchase and sale transactions and establish the sector's trading rules and procedures.
- Energy Sector Monitoring Committee (“CMSE”): The CMSE was created by Law No. 10.848/2004 and is responsible for monitoring the system's supply conditions and indicating the necessary measures to correct identified problems.
- Energy Research Company (“EPE”): Provides services to the MME in the area of studies and research aimed at subsidizing the planning of the energy sector, covering electricity, oil and natural gas and their derivatives and biofuels. The EPE was created by Law No. 10.847/2004 and is regulated by Decree No. 5184/2004.
- National Water Agency (“ANA”): Responsible for regulating the use of water in lakes and rivers under federal control, the ANA is linked to the Ministry of the Environment and Climate Change and its objectives include guaranteeing the quality and quantity of water to meet its multiple uses. In addition, the ANA must implement the National Water Resources Monitoring Plan, a series of mechanisms that seek the rational use of the country's water resources. Among its duties, the ANA supervises and controls compliance with federal legislation related to water resources, guaranteeing the multiple use of water by establishing rules, including for periods of scarcity, which can be declared by the agency. It is also responsible for granting authorizations for the right to use water resources in federal waters, as well as coordinating the implementation of the national hydro-meteorological network. The ANA is also responsible for defining and supervising the operating conditions of reservoirs, with a view to guaranteeing the multiple use of water resources, in conjunction with the ONS. The ANA is linked to the Ministry of the Environment and Climate Change and, as of 2020, is also responsible for establishing reference standards for the regulation of public basic sanitation services and is now called the National Water and Basic Sanitation Agency.
- Environmental agencies: All generation companies are subject to the processes of environmental agencies, which can be federal (IBAMA), when the energy generation takes place in areas under its jurisdiction, or state (SEMAD-MG, SEMAR-PI, SEMAS-PE, SEMA-RS, IMA-RS, among others). In the preliminary phase of the projects, actions may also be required from the intervening bodies (Palmareis Foundation, ICMBio, IPHAN, FUNAI, ANM, Municipal Environment Secretariats).

#### ***Most relevant laws***

According to Law No. 9,247/1996, amended by Law No. 13,360/2016, regulated by Normative Resolution No. 875/2020, SHPPs are small hydropower plants intended for independent production or self-production whose

installed capacity is greater than 5 MW and less than or equal to 30 MW, excluding the channel of the regular riverbed. Unlike traditional concessions for the use of public assets or the regime for the provision of public electricity generation services, authorizations for SHPPs are more flexible and less costly than traditional concessions, dispensing with the need for tenders to obtain the right to exploit hydroelectric potential.

The authorizations for the SHPPs are valid for 30 years, with the possibility of extension at the discretion of the Granting Authority upon compliance with certain conditions (Art. 2 of Law 12.783/2013). According to the authorizations, acts aimed at modifying and expanding the SHPPs, transferring to third parties the assets or facilities of the holders of the authorizations to operate these projects require prior approval by ANEEL. In addition, the rights arising from the authorizations, including those on the exploitation of hydraulic potential, can be transferred to another company or consortium of companies, with ANEEL's prior approval.

Authorization holders, provided they bear the cost of the corresponding compensation, have the right to carry out expropriations in their own name and create administrative easements for the construction of transmission facilities of restricted interest. In the case of the construction of SHPPs, this right also includes the areas necessary for the construction and operation of the plant.

Provided that certain technical and legal requirements are met, authorization holders also have the right to freely access the transmission and distribution systems, upon payment of the respective use and connection charges. Authorized SHPPs, EOLs (wind assets) and UFVs (solar assets) that requested authorization by 2 March 2022, as provided for in Law 14.120/2021, are entitled to a minimum 50% discount on the tariffs for use of these systems for the flow of the energy generated, as established by Law 9.427/96, regulated by Normative Resolution 77/2004, amended by Normative Resolution 745/2016. Authorizations requested from 2 March 2022 onwards will pay the full tariffs for use of the transmission and distribution systems.

#### ***MRE and hydrology risk-sharing mechanism***

The Mechanism of Energy Allocation (“**MRE**”) is used to share hydrological risks associated with hydroelectric plants connected to the SIN. Adherence to the mechanism is mandatory for hydroelectric projects with a physical guarantee of more than 50 MW or which are centrally dispatched by the ONS. For other hydroelectric projects, such as SHPPs, adherence is optional and exclusion from the mechanism only occurs in the event of loss of the grant or at the agent's request.

Each generation asset has its own physical guarantee, which is the maximum amount of energy relating to the plant that can be used to prove that it is meeting load or can be sold. In the MRE, plants that produce above their physical guarantee pass on their surplus energy to those that generate below. The aim is for the deficit production of one hydroelectric plant to be compensated in the accounts by the positive production recorded by another hydroelectric plant, which may be in another region, thus resulting in a sharing of the hydrological risk.

Generation Scaling Factor (“**GSF**”) is the factor that measures, monthly, the ratio between the energy produced by the group of generators in the MRE and the sum of their physical guarantees. When the GSF is above 1, the generators sell their surpluses on the spot market, in the form of secondary energy. In this case, each plant receives the right to sell a quota of this energy. When the GSF is less than 1, the MRE generation is less than the total physical guarantee, the plants are subject to a physical guarantee adjustment factor and, in general, purchase energy.

Since 2013, the GSF has predominantly been less than 1, which, combined with the surge in the Price of Settlement of Differences (“**PLD**”) during the worsening hydrological conditions of the period, generated a wave of judicialization in the sector from 2015 onwards, since generators understood that non-hydrological risks had been allocated to the MRE.

On 1 December 2020, ANEEL issued Normative Resolution No. 895, which regulates the provisions of Law No. 14,052/20 and deals with the calculation of compensation to holders of hydroelectric plants participating in the MRE, who sold energy on the Free Market Environment, the ACL, for the effects caused by hydroelectric projects with bidding priority (structuring), thermoelectric generation out of merit order and import of energy from other countries without physical guarantee. This compensation was made by extending the concession of the hydroelectric projects, based on a calculation carried out by the CCEE and approved by ANEEL, through the withdrawal of lawsuits whose object is the exemption or mitigation of hydrological risks related to the MRE and the waiver of any claim of right on which such lawsuits are based.

On 13 July 2021, Law No. 14,182/2021 was published, which brought new conditions for the renegotiation of hydrological risk, and, on 12 August 2021, Homologating Resolution No. 2,919/2021 was published, through which ANEEL approved the extension period of the grants of the plants not impacted by the legislative change.

Public Consultations No. 53 and 54/2021 were then opened, through which ANEEL sought to obtain subsidies to define the calculation methodology for the extension of grant periods in response to these legislative changes. Normative Resolution No. 945/2021 and the new module of the Trading Rules - Calculation of GSF Impacts - Law 14,052/2020 were published on 20 September 2021.

Finally, in compliance with these regulatory changes, ANEEL also approved - according to Homologatory Resolution No. 2,932/2021 - the calculations made by the Electric Energy Trading Chamber - CCEE with the deadlines for extending the grants of the hydroelectric plants offered in exchange for the waiver of lawsuits discussing the MRE and, consequently, the settlement of outstanding debts.

### ***Contracting environment***

In the Brazilian regulated energy market, the ACR, generators negotiate energy for distributors through regulated auctions promoted by ANEEL, based on the prices and conditions established in the auctions. Traders are authorized to participate in Existing Energy Auctions. The companies that win must sign a purchase and sale contract in the ACR with the distributors. The duration of this contract, as well as the characteristics and parameters that define it, are established based on the auction category in which the asset is participating.

EPE assists in the technical sphere, conducting the technical qualification process for the participating generation projects. The main contracting auctions are presented below, with their definitions:

- Reserve Energy Auction (“**LER**”): The contracting of reserve energy was created to increase security in the supply of electricity in the SIN, with energy coming from plants specially contracted for this purpose, whether from new generation projects or existing projects.
- New Energy Auction (“**LEN**”): The purpose of new energy auctions is to provide assistance for the expansion of the Brazilian electricity system. In this case, energy from plants that are yet to be built is negotiated in this type of auction. LENs can be of the A-3, A-4, A-5 or A-6 type, where the number associated with the type of auction indicates the number of years, after the year following that in which the auction was held, that the energy supply will begin. For example, the 2019 A-4 auction will start supplying energy from the 4th year following the year in which the auction was held, i.e. supply from January 2023. LEN auction is characterized by long contract periods, between 15 and 30 years from the start of supply.
- Alternative Sources Auction (“**LFA**”): an auction to contract new energy with the aim of increasing the participation of renewable sources, formerly known as alternative sources, in the Brazilian energy matrix.
- Existing Energy Auction (“**LEE**”): The existing energy auction was created to contract energy generated by plants that have already been built and are in operation, whose investments have already been amortized and therefore have a lower cost. They are of the A-1 or A-2 type, i.e. for the start of supply at the beginning of the year following the auction or in the following year, respectively. Unlike the LENs, they serve to adjust the distributors' portfolios and are therefore characterized by a supply period of usually 1 to 2 years.
- Structural Auction (“**LPE**”): are aimed at projects that are strategic in nature and of relevant public interest, so that specific tenders can be organized. The Structuring Projects auctions are geared towards large-scale power generation projects.
- Adjustment Auction (“**LAJ**”): its purpose is to adjust the contracting of energy by the distributors, adjusting possible differences between the forecasts made by the distributors in previous auctions and the behavior of the market.
- Isolated System Auction (“**LSI**”): aimed at contracting energy and power in the regulated market by concessionaires, permit holders and those authorized to provide electricity distribution services to regions of Brazil outside the SIN.
- Capacity Reserve Auction (“**LRC**”): aims to expand energy supply and guarantee continuity of electricity supply in the SIN.

- Program to Encourage Alternative Sources of Electricity (“**PROINFA**”): PROINFA was a program created through Law No. 10,438/2002 with the aim of increasing the participation of alternative renewable energy sources, such as SHPPs, EOLs and biomass thermoelectric plants.

In the Brazilian free market environment, the ACL, energy from generators and traders is contracted by free and special consumers. Contracts, prices and conditions are established bilaterally and freely between the parties. Free consumer is the name given to consumers who have at least 3,000 kW of contracted demand (up to 30 June 2019) and who have opted, under the terms of articles 15 and 16 of Law No. 9,074/1995, to purchase their energy within the ACL from any source. Special consumers, in turn, were those with a contracted demand greater than or equal to 500 kW up to 3,000 kW (until 30 June 2019) and who had exercised their right to acquire energy under the ACL, exclusively from the use of hydraulic potential with a power greater than 5,000 kW and less than or equal to 50,000 kW, regardless of whether they have the characteristics of SHPPs, projects with power less than or equal to 5,000 kW and those based on solar, wind and biomass sources whose power injected into the transmission or distribution systems is less than or equal to 50,000 kW, the so-called special energy sources. Consumers who purchase energy from incentivized sources are entitled to a reduction of between 50% and 100% in the tariffs for use of the distribution and transmission system (TUSD and TUST). MME Decrees 514/2018 and 465/2019 gradually reduced the cut-off threshold between free and special consumers. As of 1 January 2019, the contracted demand threshold for classification as a free consumer was raised to 2,500 kW. From 1 January 2022, the free consumer threshold was raised to 1,000 kW. From 1 January 2023, the limit was reduced to 500 kW. Although it was not an actual opening of the market, in practice, the differentiation between free and special consumers ceased to exist from 2023, being limited to the classification of special consumers only for loads in de facto or de jure communion arrangements.

#### ***Relevant sector charges***

An electricity generation company has to pay different charges for its operations. The main charges within the regulatory framework are:

- Transmission System Use Charge (“**EUST**”) and connection charges: The EUST is payable by all users of the transmission system and results from the product between the Transmission System Use Charges (“**TUST**”) and the Transmission System Use Amounts (“**MUST**”), which are determined by the greater of the contracted amount and the measured amount of electrical power demanded or supplied into the network. The contracted MUSTs must be the maximum annual amounts of electrical power to be demanded or supplied into the transmission system.
- Distribution System Use Charge (“**EUSD**”): Similar to the EUST, the EUSD corresponds to the amount owed by the user for the use of the distribution system, calculated by the product of the portions of the Distribution System Use Tariff (“**TUSD**”) by the respective contracted or verified amounts of Distribution System Use Amount (“**MUSD**”) and energy.
- Electricity Services Inspection Fee (“**TFSEE**”): The TSFEE was instituted by Law No. 9,427/1996 and regulated by Decree No. 2,410/1997. It consists of revenue to fund ANEEL's activities, and is paid by all concessionaires, permit holders and those authorized to provide electricity services. The fee corresponds to 0.4% of the economic value added by the agent.

## SECURITY

Liabilities of the Issuer arising from the Notes and liabilities of the Guarantor arising from the Financial Guarantee will be secured in accordance with the Terms and Conditions by security established in favour of Noteholders and the Security Agent (the “**Security**”), in form of the first-ranking pledge over the secured assets as described in more detail below.

### Shares in EPAS

#### *Secured Assets*

The secured assets consist of shares in EPAS (the “**EPAS Shares**”) corresponding to at least 34% of the registered capital of EPAS as at the Issue Date. If necessary and in accordance with the Terms and Conditions, the corresponding amount of the pledged share capital can subsequently increase pursuant to the rectification set out in Condition 4.2.

The EPAS Shares were not accepted for trading on a regulated market.

#### *Security Provider*

The Security Provider is the Guarantor as the sole shareholder of EPAS, as described in more detail in *Information About the Guarantor and DKHI Group*.

#### *Creation of the Security*

No later than 5 Business Days prior to the Issue Date, the EPAS Shares will be pledged under a pledge agreement entered into between DKHI as the pledgor and the Security Agent as the pledgee (the “**EPAS Shares Pledge Agreement**”).

#### *Nature and Scope of the Security*

The EPAS Shares Pledge Agreement will be entered into between the Security Agent as the pledgee and the Guarantor as the pledgor and the pledge over the EPAS Shares will be created as the first-ranking pledge no later than 5 Business Days prior to the Issue Date.

The Security will be provided to the benefit of the Noteholders and the Security Agent, but the Security Agent will exercise, in its own name, the rights of the Noteholders under the Security pursuant to the Czech Bonds Act. The pledge over the EPAS Shares will secure all of the Issuer's monetary debts owed to the Security Agent, (a) existing on the date of the EPAS Shares Pledge Agreement, and (b) up to the total amount of CZK 5,250,000,000 at any time, which will arise at any time in future until 25 October 2034, in each case arising under condition 3.4 (*Security Agent*) of the Conditions as a result of the debts arising under the Notes (for the purposes of this clause, the “**Secured Debts**”).

Under the EPAS Shares Pledge Agreement, the Guarantor will be obliged to endorse each EPAS Share in favour of the Security Agent upon the execution of the EPAS Shares Pledge Agreement and deliver the shares so endorsed to the Security Agent. The Security in the form of the pledge over the EPAS Shares will be created no later than 5 Business Days prior to the Issue Date by the handover of the EPAS Shares to the Security Agent and their endorsement. If the Security provided in the form of the pledge over the EPAS Shares becomes enforceable, the Security Agent may (after the additional conditions stipulated in the EPAS Shares Pledge Agreement have been fulfilled) have its claims satisfied from the proceeds of the realisation of the EPAS Shares in a public auction or by judicial sale or direct sale.

The Security in the form of the pledge over the EPAS Shares will cease to exist on the date on which all of the Secured Debts were unconditionally and irrevocably repaid and fully satisfied and the Issuer is under no obligation to provide any additional funds to the Security Agent or the Noteholders.

The EPAS Shares Pledge Agreement, including the pledge over the EPAS Shares, and the obligations arising from it as well as any non-contractual obligations arising in connection with the EPAS Shares Pledge Agreement will be governed by Czech law. Any dispute, contentious claim or controversy arising in connection with the EPAS Shares Pledge Agreement (including any controversies relating to its validity, effect and interpretation) or the pledge over the EPAS Shares will be referred for decision exclusively to the courts having jurisdiction for Prague 1, unless the mandatory statutory provisions stipulate otherwise.

## **Intragroup Receivables**

### ***Secured Assets***

The secured assets consist of the receivables arising under an intra-group loan agreement or agreements entered into between the Issuer as lender and the Guarantor as borrower by virtue of which the proceeds of the Issue will be made available to the Guarantor (the “**Intragroup Receivables**”).

### ***Security Provider***

The Security Provider is the Issuer.

### ***Creation of the Security***

No later than 5 Business Days prior to the Issue Date, the Intragroup Receivables will be pledged under a pledge agreement regarding intragroup receivables, which will be entered into between the Issuer as the pledgor and the Security Agent as the pledgee (the “**Intragroup Receivables Pledge Agreement**”).

The pledge over the Intragroup Receivables will be created upon the Intragroup Receivables Pledge Agreement becoming effective.

### ***Nature and Scope of the Security***

The Intragroup Receivables Pledge Agreement will be entered into between the Security Agent as the pledgee and the Issuer as the pledgor; the pledge over the Intragroup Receivables will be created as the first-ranking pledge no later than 5 Business Days prior to the Issue Date.

The Security will be provided to the benefit of the Noteholders and the Security Agent, but the Security Agent will exercise, in its own name, the rights of the Noteholders under the Security pursuant to the Czech Bonds Act. The pledge over the Intragroup Receivables will secure the Secured Debts.

If the Security provided in the form of the pledge over the Intragroup Receivables becomes enforceable, the Security Agent may have its claims satisfied by assigning any of the Intragroup Receivables to the Security Agent or in any other manner in which pledges can be enforced that is permitted by the applicable laws and regulations at the time of the enforcement of such right.

The Security in the form of the pledge over the Intragroup Receivables will cease to exist at the first moment when all of the Secured Debts were fully satisfied and the Issuer is under no further obligation to provide any payment to the Security Agent or the Noteholders.

The Intragroup Receivables Pledge Agreement, including the pledge over the Intragroup Receivables, as well as any non-contractual obligations arising from the Intragroup Receivables Pledge Agreement are governed by Czech law. Any dispute, contentious claim or controversy arising in connection with the Intragroup Receivables Pledge Agreement (including any controversies relating to its validity, effect and interpretation) or the pledge over the Intragroup Receivables will be referred for decision exclusively to the courts having jurisdiction for Prague 1, unless the mandatory statutory provisions stipulate otherwise.

### **Additional Security that may be created in the future**

If required and/or applicable, the liabilities of the Issuer arising from the Notes and liabilities of the Guarantor arising from the Financial Guarantee may be further secured in accordance with the Terms and Conditions by:

- (a) if necessary for the purpose of the Equity Cure in accordance with Condition 4.2, one or more additional agreements creating a security interest in respect of shares in EPAS;
- (b) if the Escrow Account (as defined in the Terms and Conditions) is opened with the Security Agent for the purposes of Rectification by way of transferring, or arranging for the transfer of, funds into the Escrow Account under Condition 4.2, a pledge agreement under which the receivables of the Issuer against the Security Agent under the terms of the Escrow Account agreement shall be pledged in favour of the Security Agent.

## TAXATION AND FOREIGN EXCHANGE REGULATION

*Prospective purchasers of any Notes acknowledge that the tax laws including, in particular, the tax laws of the Czech Republic as a country of tax residence of the Issuer and the tax laws of the country where the respective purchaser is tax resident, may have an impact on income from the Notes. Therefore, prospective purchasers of any Notes are advised to consult their own tax advisers as to the tax consequences of purchasing, holding and disposal of the Notes as well as receiving income from the Notes under the tax laws of any country in which income from holding and disposal of the Notes can become subject to tax including, in particular, the countries stated at the beginning of this paragraph. Only these advisors are in a position to take into account all relevant facts and circumstances and to duly consider the specific situation of the prospective purchaser. A similar approach should be taken by the prospective purchasers of any Notes in relation to the foreign-exchange-law consequences arising from the purchase, holding and disposal of the Notes.*

*The description below represents a brief summary of selected material tax aspects of the purchase, holding and disposal of the Notes, and foreign-exchange regulations in the Czech Republic. The summary is mainly based on Act No. 586/1992 Coll., on Income Taxes, as amended (“**Income Taxes Act**”), Act No. 240/2000 Coll., on Crisis Management and on Amendments to Certain Acts, as amended (“**Crisis Act**”), the Constitutional Act No. 110/1998 Coll., on the Security of the Czech Republic, as amended (“**Constitutional Act on the Security of the Czech Republic**”) and on other related laws which are effective as at the date of this Prospectus as well as on the administrative practice or the prevailing interpretations of these laws and other regulations as applied by Czech tax, administrative and other authorities and bodies and as these are known to the Issuer at the date of this Prospectus. The description below does not specifically comment on or take into account the impacts of the U.S. Foreign Account Tax Compliance Act (FATCA) or any of its aspects. The information contained herein is neither intended to be nor should be construed as legal or tax advice. The description below is solely of a general nature (i.e. it does not take into account, for example, specific tax treatment of certain taxpayers such as investment, mutual or pension funds) and may change in the future depending on changes to the relevant laws that may occur after this date, or in the interpretation of these laws which may be applied after that date. In this respect, please note that the below description of Czech tax treatment of the Notes has been significantly affected by Act No. 609/2020 Coll., which amends some acts in the field of taxes and some other acts (“**2021 ITA Amendment**”). The 2021 ITA Amendment has significantly changed the tax regime of bonds issued after 31 December 2020. Therefore, the tax regime of bonds (including the Notes) under Czech law is currently associated with potential ambiguities. In the Issuer’s opinion, the summary below represents a rational interpretation of the relevant provisions of the Income Taxes Act in relation to the Notes.*

*The following summary assumes that the person to whom any income is paid in connection with the Notes is the beneficial owner of such income (within the OECD Model Tax Convention on Income and on Capital meaning of this term), i.e. it does not act, for example, as a proxy, agent, depositary or in any other similar position in which any such payments would be received on account of another person or entity.*

For the purposes of this section, the following terms have the following meaning:

“**Coupon**” means any bond yield other than a bond yield that is determined by reference to the difference between the nominal value of a bond and its issue price (i.e. yield determined as the Discount). For the avoidance of doubt, the Coupon also includes the Early Redemption Premium.

“**Coupon Note**” means a bond whose issue price is equal to its nominal value. For the avoidance of doubt, a Coupon Note is not a bond whose yield is determined by the combination of the Discount and the Coupon.

“**Czech Permanent Establishment**” means a permanent establishment in the Czech Republic under the Income Taxes Act as well as under a relevant Tax Treaty (if any).

“**Czech Tax Non-Resident**” means a taxpayer who is not a tax resident of the Czech Republic under the Income Taxes Acts or under a relevant Tax Treaty (if any).

“**Czech Tax Resident**” means a taxpayer who is a tax resident of the Czech Republic under the Income Taxes Acts as well as under a relevant Tax Treaty (if any).

“**Discount**” means a positive difference between the nominal value of a bond and its lower issue price.

“**Discounted Note**” means a bond whose issue price is lower than its nominal value. For the avoidance of doubt, a Discounted Note is also a bond with a yield that is determined by the combination of the Discount and the Coupon.

**“Early Redemption Premium”** means any amount above principal and interest accrued that is payable by an issuer in the event of early redemption of a bond.

**“Legal Entity”** means a taxpayer other than an individual (i.e. a taxpayer that is subject to corporate income tax but that may not necessarily have a legal personality).

**“Tax Security”** means a special amount collected by means of a deduction at source made by the Withholding Agent (for example by the issuer of a bond or by the buyer of a bond) upon payment of taxable income which serves essentially as an advance with respect to tax that is to be self-assessed by the recipient of the relevant income (i.e. unlike the Withholding Tax, the amount so withheld does not generally represent a final tax liability).

**“Tax Treaty”** means a valid and effective tax treaty concluded between the Czech Republic and another country under which the Czech Tax Non-Resident is treated as a tax resident of the latter country. In the case of Taiwan, the Tax Treaty is Act No. 45/2020 Coll., on the elimination of double taxation in relation to Taiwan, as amended.

**“Withholding Agent”** means a payer of (taxable) income who is responsible for making the deduction of (i) the Withholding tax or (ii) the Tax Security, as applicable, and their remittance to the tax authorities.

**“Withholding Tax”** means a tax collected by means of a deduction at source made by the Withholding Agent (for example by the issuer of the bond) upon payment of taxable income. Save in certain limited circumstances, such tax is generally considered as final.

## **Interest Income**

### ***Czech Tax Residents***

#### *Individuals*

The yield in the form of the Coupon paid to an individual is subject to the Withholding Tax at a rate of 15%. This tax represents a final taxation of the Coupon in the Czech Republic.

The yield in the form of the Discount paid to an individual is not subject to the Withholding Tax. Instead, it is included in the general tax base, which is subject to personal income tax at a progressive rate of 15% and 23% depending on the individual’s applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Note paid by the Issuer (or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any) and the price at which the individual acquired the Note. If an individual holds the Note that is a Coupon Note until its maturity (or early redemption) and the individual acquired such Note on a secondary market at an amount below the nominal value of the Note (or below the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any), such (positive) difference is also included in the individual’s general tax base.

#### *Legal Entities*

The yield (whether in the form of a Discount or a Coupon) paid to a Legal Entity is not subject to the Withholding Tax, but it is rather included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. A Legal Entity that is an accounting unit is generally required to recognise the yield in its profit and loss statement on an accrual basis.

### ***Czech Tax Non-Residents***

#### *Individuals*

The yield in the form of a Coupon paid to an individual is subject to the Withholding Tax at a rate of 15% or 35%. The 35% rate applies to recipients who do not have a Czech Permanent Establishment to which the Notes are attributable and, at the same time, are tax residents of neither (i) an EU/EEA member state nor (ii) a country with which the Czech Republic has an effective double tax treaty or an effective double (or multilateral) treaty on the exchange of information. The 15% rate applies to all other recipients. This tax generally represents a final taxation of the Coupon in the Czech Republic. However, an individual who is a tax resident of an EU/EEA member state may decide to include the Coupon in his/her tax return filed in the Czech Republic for the relevant tax year. In such a case, the above Withholding Tax represents an advance payment which is credited against the final Czech tax liability as declared in the tax return.



The yield in the form of a Discount paid to an individual is not subject to the Withholding tax. Instead, it is included in the general tax base, which is subject to the personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Note paid by the Issuer (or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any) and the price at which the individual acquired the Note. However, if the Notes are not attributable to the individual's Czech Permanent Establishment, the taxable amount cannot exceed the Discount (i.e., if such difference is higher, the amount of the Discount will be included in the general tax base). Furthermore, if an individual is not a tax resident of an EU/EEA member state, the Issuer will withhold the Tax Security at the rate of 1% applicable to the gross amount paid (i.e. the nominal value of the Note upon the maturity or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable). If (i) an individual holds the Note that is a Coupon Note until its maturity (or its early redemption), (ii) the individual acquired such Note on a secondary market for an amount below its nominal value (or below the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any) and (iii) such Note is attributable to that individual's Czech Permanent Establishment, such (positive) difference is also included in the individual's general tax base.

### *Legal Entities*

The yield in the form of a Coupon paid to a Legal Entity where the Note is not attributable to its Czech Permanent Establishment is subject to the Withholding Tax at a rate of 15% or 35%. The 35% rate applies to recipients that are tax residents of neither (i) an EU/EEA member state nor (ii) a country with which the Czech Republic has an effective double tax treaty or an effective double (or multilateral) treaty on the exchange of information. The 15% rate applies to all other recipients. This tax generally represents a final taxation of the Coupon in the Czech Republic. However, a Legal Entity that is a tax resident of an EU/EEA member state may decide to include the Coupon in its tax return filed in the Czech Republic for the relevant tax year. In such a case, the above Withholding Tax represents an advance payment which is credited against the final self-assessed tax liability as declared in the tax return. The yield in the form of a Coupon paid to a Legal Entity where the Note is attributable to its Czech Permanent Establishment is not subject to the Withholding Tax. Instead, it is included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. Furthermore, if the Legal Entity is not a tax resident of an EU/EEA member state, the Issuer will withhold a Tax Security at the rate of 10% applicable to the amount of the Coupon (on a gross basis). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

The yield in the form of a Discount paid to a Legal Entity is not subject to the Withholding tax. Instead, it is included in the general tax base, which is subject to corporate income tax at a rate of 21%. However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Note paid by the Issuer (or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any) and the price at which the Legal Entity acquired the Note. However, if the Notes are not attributable to the Legal Entity's Permanent Establishment, the taxable amount cannot exceed the Discount (i.e. if such difference is higher, the amount of the Discount will be included in the general tax base). Furthermore, if the Legal Entity is not a tax resident of an EU/EEA member state, the Issuer will withhold the Tax Security at the rate of 1% applicable to the gross amount (i.e. the nominal value of the Note at maturity or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable). If (i) a Legal Entity holds a Note that is a Coupon Note until its maturity (or its early redemption), (ii) the Legal Entity acquired such Note on a secondary market for an amount below the nominal value of the Note (or below the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any) and (iii) such Note is attributable to that Legal Entity's Czech Permanent Establishment, such (positive) difference is also included in its general tax base.

A Legal Entity that is an accounting unit and where the Notes are attributable to its Czech Permanent Establishment is generally required to recognise the yield (whether in the form of a Discount or a Coupon) in its profit and loss statement on an accrual basis.

## **Capital gains/losses**

### ***Czech Tax Residents***

#### *Individuals*

Capital gains from the sale of the Notes that have not formed part of the business assets of an individual are generally exempt from personal income tax if:

- The total annual (worldwide) gross income (i.e. not only gains) of that individual from the sale of securities (including the Notes) does not exceed the amount of CZK 100,000, or
- such gains are derived from the sale of the Notes which the individual has held for more than three years prior to their sale (however, income from a future sale of the Notes where a purchase agreement is concluded after three years but where income arises within three years from their acquisition is not tax-exempt); as of 2025 this exemption is limited only up to total annual (worldwide) gross income (i.e. not gains) of that individual from the sale of securities (including the Notes) and shares in companies in the amount of CZK 40,000,000.

If the Notes formed part of the business assets of an individual, the exemption upon their sale may still apply but only if the Notes are sold no earlier than three years after the termination of the individual's business activities.

Taxable gains from the sale of the Notes realized by an individual are included in the general tax base, which is subject to personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). If an individual has held the Notes in connection with his/her business activities, such gains are also subject to social security and health insurance contributions. Losses from the sale of the Notes realized by an individual are generally tax non-deductible, except where such losses are compensated by taxable gains on the sale of other securities in the same year and the income from the sale of the Notes is not tax-exempt.

#### *Legal Entities*

Capital gains from the sale of the Notes are included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. Losses from the sale of the Notes realized by Legal Entities are generally tax deductible.

### ***Czech Tax Non-Residents***

Capital gains from the sale of the Notes realized by a Czech Tax Non-Resident are subject to taxation in the Czech Republic provided that:

- the Notes are attributable to a Czech Permanent Establishment of the Czech Tax Non-Resident selling these Notes, or
- the Notes are acquired by (i) a Czech Tax Resident or (ii) a Czech Tax Non-Resident acquiring the Notes through his/her/its Czech Permanent Establishment.

Therefore, capital gains realized by a Czech Tax Non-Resident where the Notes are sold to another Czech Tax Non-Resident and where such Notes are attributable to neither (i) a Czech Permanent Establishment of the seller nor (ii) a Czech Permanent Establishment of the buyer, are out of scope of Czech taxation.

#### *Individuals*

Capital gains from the sale of the Notes that have not formed part of the business assets of an individual are generally exempt from personal income tax if:

- the total annual (worldwide) gross income (i.e. not gains) of the individual from the sale of securities (including the Notes) does not exceed the amount of CZK 100,000, or
- such gains are derived from the sale of the Notes which the individual has held for more than three years prior to their sale (however, income from a future sale of the Notes where a purchase agreement is concluded after three years but where income arises within three years from their acquisition is not tax-exempt); as of 2025 this exemption is limited only up to total annual (worldwide) gross income (i.e. not gains) of that individual from the sale of securities (including the Notes) and shares in companies in the amount of CZK 40,000,000.

If the Notes formed part of the business assets of an individual, the exemption upon their sale may still apply but only if the Notes are sold no earlier than three years after the termination of the individual's business activities.

Taxable gains from the sale of the Notes realized by an individual are included in the general tax base, which is subject to personal income tax at a progressive rate of 15% and 23% depending on the individual's applicable bracket (the threshold for the higher bracket is 36 times the average wage, amounting to CZK 1,582,812 in 2024). If an individual has held the Notes in connection with his/her business activities, such gains may also be subject to social security and health insurance contributions. Losses from the sale of the Notes realized by an individual are generally tax non-deductible, except where such losses are compensated by taxable gains on the sale of other securities in the same year and the income from the sale of the Notes is not tax-exempt.

Furthermore, if the Notes are sold by an individual who is not a tax resident of an EU/EEA member state, a buyer acting as a Withholding Agent may be required to withhold a Tax Security amounting to 1% of the gross purchase price. The buyer will act as a Withholding Agent if he/she/it is:

- a Czech Tax Resident, or
- a Czech Tax Non-Resident and the acquired Notes are attributable to his/her/its Czech Permanent Establishment.

Any Tax Security withheld is creditable against the final tax liability as declared by the Czech Tax Non-Resident selling the Notes in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

#### *Legal Entities*

Capital gains from the sale of the Notes that are subject to Czech taxation are included in the general tax base, which is subject to corporate income tax at a flat rate of 21%. Losses from the sale of the Notes realized by the Legal Entities are generally tax deductible. However, according to certain interpretations, such losses are not tax deductible for a Czech Tax Non-Resident that does not keep its accounting books under the Czech accounting rules.

Furthermore, if the Notes are sold by a Legal Entity which is not a tax resident of an EU/EEA member state, a buyer acting as the Withholding Agent may be required to withhold a Tax Security amounting to 1% of the gross purchase price. The buyer will be acting as a Withholding agent if he/she/it is:

- a Czech Tax Resident, or
- a Czech Tax Non-Resident and the acquired Notes are attributable to his/her/its Czech Permanent Establishment.

Any Tax Security withheld is creditable against the final tax liability as declared by the Czech Tax Non-resident selling the Notes in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

#### **Benefits under Tax Treaties**

A Tax Treaty may reduce or even fully eliminate Czech taxation of both interest income from the Notes or capital gains from their sale (including a Tax Security withholding, if applicable). Such Tax Treaty relief is usually applicable on the condition that the income recipient that is a Czech Tax Non-Resident does not hold the Notes through his/her/its Czech Permanent Establishment. Furthermore, the entitlement to particular Tax Treaty benefits is generally conditional on presenting documents proving that the income recipient qualifies for the Tax Treaty benefits including, in particular (i) a tax residency certificate issued by the relevant tax authorities and (ii) a beneficial ownership declaration of the income recipient. Entitlement to particular Tax Treaty benefits may also be conditional on meeting further specific criteria under that Tax Treaty.

#### **Reporting Obligation**

An individual holding the Notes (whether a Czech Tax Resident or a Czech Tax Non-Resident) is obliged to report to the Czech tax authorities any income earned in connection with the Notes if such income is exempt from taxation in the Czech Republic and exceeds, in each individual case, CZK 5,000,000. The reporting must be fulfilled within the deadline for filing a personal income tax return. A non-compliance with this reporting obligation is penalized by a sanction of up to 15% of the gross amount of the unreported income.

### **Value Added Tax**

There is no Czech value added tax payable in respect of the payment of interest or principal under the Notes, or in respect of the transfer of the Notes.

### **Other taxes or duties**

No registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty is payable in the Czech Republic by either the Czech Tax Resident or the Czech Tax Non-Resident in respect of or in connection with the mere purchase, holding or disposal of the Notes.

### **Foreign exchange regulation**

Under the Constitutional Act on the Security of the Czech Republic, the Czech Government or the prime minister may declare an emergency (*nouzový stav*). If the Czech Government or the prime minister declares an emergency, payments in foreign currency or payments abroad generally, interbank transfers of monies from abroad to the Czech Republic and/or sale of securities (including the Notes) abroad may be suspended in accordance with the Crisis Act, for the duration of such an emergency. Such an emergency may be declared for a maximum period of 30 days unless prolonged by the approval of the Chambers of Deputies of the Parliament of the Czech Republic. In recent years, the Czech Government declared an emergency in connection with the COVID-19 pandemic from March to May 2020, from October 2020 to April 2021 and finally from November to December 2021. An emergency was declared also from March to June 2022 in connection with the refugee wave following the Russian invasion of Ukraine in February 2022.

## ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER AND THE GUARANTOR

*This chapter contains only general information and relies on information obtained from publicly available sources. The Issuer or its advisers make no representation as to the accuracy or completeness of the information included herein. Any prospective purchasers of the Notes should therefore not rely upon the information included herein and are recommended to contact their legal advisers for consultation about the enforcement of claims in respect of the Issuer's private law liabilities within any relevant jurisdiction.*

The Terms and Conditions provide, among other things, that the courts of the Czech Republic shall have jurisdiction to settle any disputes, which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes).

The recognition and enforcement of foreign judgments in civil and commercial matters in the Czech Republic is governed by EU law, public international treaties and Czech law. EU Regulation 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the “**Regulation 1215/2012**”) is directly applicable in the Czech Republic. Based on this regulation, court rulings issued by any court authority in the EU member states with regard to civil and commercial matters are enforceable in the Czech Republic, subject to the rules set forth in the Regulation 1215/2012 and, conversely, court rulings issued by court authorities in the Czech Republic with regard to civil and commercial matters are reciprocally enforceable in the EU member states.

As from 1 January 2021, the Regulation 1215/2012 no longer applies in the UK. As a result, persons enforcing a judgment obtained before English courts no longer benefit from the recognition of such judgment in EU courts (including the Czech Republic) under the Regulation 1215/2012. However, on 28 September 2020, the UK deposited an instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the “**Hague Convention**”). The Hague Convention is an international convention which requires contracting states to recognise and respect exclusive jurisdiction clauses in favour of other contracting states and to enforce related judgments. As the Czech Republic already is a party to the Hague Convention by virtue of being a member state of the EU, judgments handed down by a UK court should be recognised and enforced under the Hague Convention in the Czech Republic. However, the scope of the Hague Convention is limited to contracts containing exclusive jurisdiction clauses and there is no assurance that such judgments will be recognised on exactly the same terms and in the same conditions as under the Regulation 1215/2012.

According to the EC Regulation No. 593/2008 of 17 June 2008 on the law applicable to contractual obligations, parties to a contract may, subject to the terms set out therein, select the law which will govern their contractual relations in civil and commercial matters and Czech courts will give effect to such choice of law. In addition, EC Regulation No. 864/2007 on the law applicable to non-contractual obligations of 11 July 2007 allows parties to make a choice with respect to governing law of their non-contractual obligations in civil and commercial matters, subject to the terms set out therein. Unless parties to the dispute agreed otherwise, or unless courts of a different member state have an exclusive jurisdiction, foreign entities are able to bring civil proceedings before Czech courts against individuals and legal entities domiciled therein. In court proceedings, Czech courts apply their respective national procedural rules and their judgments are enforceable in their respective jurisdictions, subject to certain statutory limitations on the ability of creditors to enforce judgments against certain assets.

Any person bringing an action in the Czech Republic may be required to: (i) submit to the court a translation in the Czech language (apostilled if applicable pursuant to respective international treaties) of any relevant document prepared by a sworn translator authorised by such court; and (ii) pay a court filing fee.

In the event that court judgments against the Issuer are issued by court bodies of non-EU member states, the following rules shall apply:

- In cases where the Czech Republic concluded an international treaty with a specific country on the recognition and enforcement of court rulings, the recognition and enforcement of court rulings issued in such country is processed in accordance with the provisions of the applicable international treaty.
- If no international treaty on the recognition and enforcement of court rulings exists, then the rulings of foreign courts shall be recognised and enforced in the Czech Republic in accordance with Act No. 91/2012 Coll., on private international law, as amended (the “**Czech Private International Law Act**”) and other relevant legislation. In the event of a foreign ruling against a Czech individual or legal entity, such a foreign ruling shall be recognised and enforced if, among other things, actual reciprocity has been established regarding the recognition and enforcement of judgments rendered by Czech courts in the relevant country.

- The Czech Ministry of Justice may, upon agreement with the Czech Ministry of Foreign Affairs and other ministries, declare that reciprocity has been established with respect to a particular foreign country. Such declaration is binding on the Czech courts and other state authorities. If such declaration of reciprocity has not been issued with regard to a particular country, however, this does not automatically mean that reciprocity cannot be established in a given case. In such cases, the recognition of reciprocity would be assessed as part of the proceedings by the Czech court based on the actual situation in a given country with regard to the recognition of judgments of Czech authorities.
- On the other hand, even if reciprocity has been established and declared by the Ministry of Justice with respect to judgments issued by judicial bodies of a particular foreign country, such judgments may not be recognised and enforced under applicable provisions of Czech law if, for example: (i) the matter falls within the exclusive jurisdiction of the courts of the Czech Republic, or in the event that the proceedings could not have been conducted by any authority of a foreign state, should the provisions on the jurisdiction of Czech courts be applied for considering the jurisdiction of the foreign authority (unless the party against whom the decision was issued voluntarily submitted to the authority of the foreign body); (ii) proceedings are underway before a Czech court with regard to the same legal relations and if said proceedings commenced prior to the proceedings abroad, in which the judgement whose recognition has been proposed was issued; (iii) a Czech court has issued or recognised a final judgment in the same matter, or proceedings regarding the same matter are pending before a Czech court; (iv) the foreign authority deprived the party to the proceedings against whom the judgment was made of the opportunity to properly participate in the proceedings (i.e., in particular, if such party had not been duly served for the purposes of the initiation of the proceedings); or (v) the recognition of a foreign judgment would be contrary to the public order in the Czech Republic.

## SUBSCRIPTION AND SALE

### General Information about the Mandated Persons and the Method of Subscription

On the basis of the mandate agreement dated 18 September 2024 (the “**Mandate Agreement**”), the Issuer has mandated J&T IB and Capital Markets, with its registered office at Pobřežní 297/14, 186 00 Prague 8, registered with the Commercial Register kept by the Municipal Court in Prague, File No. B 16661, as arranger (the “**Arranger**”) with arrangement of the Issue and preparation of the documents related to the Issue. Before the Issue Date, the Issuer also aims to enter into a subscription agreement under which the Issuer aims to mandate J&T BANKA with, among other things, public offering and placing the Notes with the end investors (the “**Subscription Agreement**”). The Notes may be offered exclusively through the Managers, who will subscribe for the Notes from the Issuer and then sell them to the investors as described below. The Issuer also aims to enter into an agency agreement, under which the Issuer aims to mandate J&T BANKA with, among other things, the listing of the Notes for trading at the Regulated Market of the PSE (the “**Agency Agreement**”).

The Issuer intends to issue the Notes in the anticipated total nominal value of the Issue of CZK 2,500,000,000 (two billion five hundred million Czech Koruna) with the possibility to increase the total nominal value up to 3,500,000,000 (three billion five hundred million Czech Koruna). The Notes may be issued individually or in tranches. The Notes issued as a part of the Issue will be offered by means of a public offering.

Neither the Managers nor any other person in relation to the Issue has undertaken an obligation to subscribe for or purchase any of the Notes. The placement of the Notes will thus be made on a “best efforts” basis, meaning that the Managers will use their best efforts to search for the prospective investors in the Notes and place the Notes with and sell them to such investors.

This Prospectus has been prepared and published for the purpose of the public offering of the Notes and for the purpose of admission of the Notes for trading on the Regulated Market of the PSE.

Neither the shareholders of the Issuer nor any other person has any pre-emptive or conversion rights in relation to the Notes or any other priority subscription rights in relation to the Notes.

### Placement and Offering of the Notes

The Notes will be offered by the Issuer through the Managers under a public offering to the domestic and foreign qualified and other than qualified (in particular, retail) investors in the Czech Republic, and to selected qualified investors and other potential investors abroad, subject to the conditions which do not impose an obligation on the offeror to prepare and publish a prospectus in accordance with the laws applicable in that jurisdiction. The public offering of the Notes by the Managers may last from 23 September 2024 to 18 September 2025 (this date included).

As part of the public offering, the investors will be approached by the Managers, in particular by means of distance communication, and invited to place an order for the purchase of the Notes (the “**Order**”), provided that the investor must present a valid identity document and prove that it has sufficient funds for the purchase of the required number of Notes in order to participate in the public offering. A failure to present a valid identity document or prove of sufficient funds for the purchase of the required number of Notes will result in the Order being disregarded by the relevant Manager. Investors may be requested by the Managers to provide additional necessary documents and identification information, if applicable.

In connection with the placement of the Order, investors must conclude, or have concluded, an agreement with the relevant Manager for purposes such as opening the asset account in the investment instrument register kept by the Central Depository (if they do not already have an opened asset account with a different Central Depository participant) or detailed securities records by the relevant Manager and giving an instruction to arrange the purchase of the Notes under such an agreement, or they may be invited to present the required documents and identification details by the relevant Manager.

The purchase of the Notes from the Managers is conditional upon the conclusion of an investment service provision agreement between the investor and the relevant Manager and upon giving the instruction to arrange the purchase of the Notes under that agreement. J&T BANKA can be reached at +420 221 710 666 or via email at DealingCZ@jtbank.cz. UCB can be reached at +420 221 210 031 or via email at info@unicreditgroup.cz.

There is no minimum amount for which the investor may subscribe and purchase the Notes (other than the purchase price of each Note). The maximum amount for which an individual investor is to be entitled to subscribe for the Notes will be limited by the projected total nominal value of the Issue. If the volume of the Orders exceeds

the volume of the Issue, the Managers may reduce the investor's Orders at their discretion (provided that any surplus will be immediately returned to the investor's account). The final nominal value of the Notes assigned to the individual investor will be stated in the transaction clearing confirmation, which will be delivered to the investor by the relevant Manager without unreasonable delay after the execution of the instruction. The investor may not trade in the subscribed Notes before this confirmation is delivered.

Investors who subscribe for or purchase the Notes through J&T BANKA in the Czech Republic, pay fees associated with acquiring the Notes according to the J&T BANKA's current standard fee list as applicable on the date of the transaction and available on the website of the J&T BANKA at [www.jtbank.cz](http://www.jtbank.cz), section "*Užitečné informace*", subsection "*Sazebník poplatků*". As of the date of this Prospectus, these costs amount to 0.15% of the nominal value of the Notes being acquired under the subscription instruction, but no less than CZK 2,000. An investor may be obliged to pay additional fees charged by the intermediary for the purchase or sale of the Notes, the person keeping the records of the Notes, the person settling the trade of the Notes or another person (e.g. fees for the establishment and maintenance of an investment account, for arranging the transfer of the Notes and services connected with the safekeeping of the Notes and their records).

In connection with the acquisition of the Notes through UCB, the investor in the Notes will be charged, in accordance with the subscription instruction, an upfront fee of 0.25 % of the aggregate nominal amount of the Notes to be acquired, and in accordance with the current UCB price list available on the UCB's website [www.unicreditbank.cz](http://www.unicreditbank.cz) (in the section *Price lists, Individuals, section 10.4 Providing custody/administration services*), UCB's current fees for keeping the securities account. These fees will not exceed 0.20 % of the total nominal value of the Notes registered in such an account per annum, excluding value added tax, but will be at least CZK 300, excluding value added tax.

On the relevant settlement date in accordance with the Subscription Agreement, the Notes will be subscribed for by the Managers (or directly by the investor through the relevant Manager) against payment of the Issue Price in the manner specified in the Subscription Agreement. On the same day, the Notes, with the exception of those Notes which will continue to be held and offered by the Managers, will be sold by the Managers to investors. The total amount of the commission for the subscription and placement of the Notes will correspond to 2.00% of the total subscribed nominal amount of the Notes.

Each Manager will satisfy the Orders submitted by the end investors to such Manager and will transfer the Notes to the asset accounts of the individual investors maintained in the relevant register of investment instruments against payment of the purchase price. Trading cannot begin before the allocation amount is announced to investors. At the same time, each Manager will collect the amount corresponding to the purchase price of the Notes from the cash accounts of the end investors.

The purchase price of the Notes issued on the Issue Date will correspond to 100% of the nominal amount of the Notes.

The purchase price of any Notes issued after the Issue Date will be determined based on a joint decision of the Issuer and the Managers taking into account the current market conditions. Where relevant, a corresponding accrued interest will be added to the amount of the issue price for any Notes issued after the Issue Date. The current purchase price will be published on the website of J&T BANKA at [www.jtbank.cz](http://www.jtbank.cz) (under *Důležité informace* in section *Emise cenných papírů* under *ENERGO-PRO Green Finance s.r.o.*) and on the website of UCB at [www.unicreditbank.cz](http://www.unicreditbank.cz) (under "Information for investors, Information for investors in securities of UniCredit Bank's clients", under Information concerning the selected issues of bonds).

The Managers are entitled to stabilize the Notes and may, at their discretion, use efforts to take such steps as they deem necessary and reasonable to stabilize or maintain such market price of the Notes as may not otherwise prevail. However, stabilisation may not necessarily occur. The Managers can end this stabilization at any time. Any stabilisation action must be conducted by the Managers (or persons acting on behalf of the Managers) in accordance with all applicable laws and rules.

The final results of the public offering, containing also the total nominal amount of all the Notes that the Issue consists of, will be published on the Issuer's website <http://www.energo-pro.com/pro-dkhi-investory> and on the website of J&T BANKA [www.jtbank.cz](http://www.jtbank.cz), section *Důležité informace*, subsection *Emise cenných papírů* under *ENERGO-PRO Green Finance s.r.o.* and on the website of UCB at [www.unicreditbank.cz](http://www.unicreditbank.cz) (under "Information for investors, Information for investors in securities of UniCredit Bank's clients", under Information concerning the selected issues of bonds), in each case immediately after its closure.



The Issuer has the option to suspend or terminate the public offering based on its decision (depending on its current need for financing), in which case further orders will not be accepted at all or, in the case of suspension of the public offering, until the Issuer publishes information about the continuation of the public offering. Any such information will be published in advance on the Issuer's website <http://www.energo-pro.com/pro-dkhi-investory>.

### **Admission of the Notes to Trading & Settlement**

The Issuer will apply through J&T BANKA in its capacity as the listing agent for admission of the Notes to trading on the Regulated Market and expects the Notes to be admitted to trading on or around the Issue Date, i.e. 25 October 2024. The estimated amount of fees associated with the admission of the Notes to trading on the Regulated Market is CZK 50,000 as the listing fee and CZK 15,000 as the annual trading fee.

No person has accepted the obligation to act as a market maker. Neither the Issuer nor the Managers can rule out that the Notes may become non-tradable on any market(s) and that the Noteholders will thus be unable to sell the Notes on such a market or markets before maturity.

The settlement will be performed on a DVP (delivery versus payment) or DFP (delivery free of payment) basis through the Central Depository and Fiscal and Paying Agent, as applicable, or through persons keeping the related records following the standard practices in accordance with the rules and operating procedures of the PSE and the Central Depository and within the deadlines set by the applicable rules.

The Issuer is not aware of any regulated markets or third country markets, SME growth markets or multilateral trading facilities where securities of the same class as the Notes are to be offered to the public or admitted to trading or where such securities are already admitted to trading.

### **Provision of services and conduct of business by the Managers**

The Managers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and other members of the DKHI Group (including, in some cases, credit agreements, credit lines and other financing arrangements) in the ordinary course of their banking business. The Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

The Managers and their affiliates may provide banking services including financing, to the Issuer, and for which they may be paid fees and expenses. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor and/or their affiliates (including the Notes). The Managers may have a lending relationship with the Issuer, the Guarantor and/or their affiliates and may routinely hedge its credit exposure to the Issuer, the Guarantor and/or their affiliates consistent with their customary risk management policies. Typically, the Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, the Guarantor or the relevant affiliate, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments (including, without limitation, the Notes).

### **Restrictions on the Distribution of the Prospectus and the Sale or Purchase of the Notes**

The distribution of this Prospectus as well as any offer, sale or purchase of the Notes is restricted by law in some jurisdictions. The Issuer has not asked and will not ask for approval or recognition of this Prospectus (including its supplements, if any) in any other jurisdiction, the Notes will not be registered, permitted or approved by any administrative or other authority in any jurisdiction with the exception of the approval of this Prospectus by the CNB.

All persons in possession of this Prospectus are responsible for observing any restrictions relating to the offer, purchase and sale of the Notes and the possession and distribution of any documents relating to the Notes (including the Prospectus) in all relevant jurisdictions.

The Issuer informs the prospective Noteholders that the Notes are not and will not be registered in accordance with the Securities Act or by any securities commission or another regulatory body of any state of the U.S. and therefore cannot be offered, sold or transferred in the territory of the U.S. or to U.S. residents (as these terms are defined in Regulation S) other than on the basis of an exemption from the registration obligation according to the Securities Act or as a part of a transaction that is not subject to mandatory registration according to the Securities Act.

The Issuer also notes that the Notes may not be offered or sold in the United Kingdom of Great Britain and Northern Ireland (the “UK”) by disseminating any material or notice, except for sale to persons authorised to deal in securities in the UK on own account or on behalf of others or under circumstances which do not constitute a public offering of securities within the meaning of the Companies Act 1985, as amended. Any legal acts regarding bonds performed in, from, or otherwise in connection with the UK must also be performed in accordance with the Financial Services and Markets Act 2000 (FSMA 2000), as amended, the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and the Prospectus Regulation, as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018.

In addition to the above, the Issuer asks the subscribers of each Note and the Note acquirers to observe all relevant restrictions in each country (including the Czech Republic) where they would purchase, offer, sell or otherwise transfer the Notes or where they would distribute, make accessible or otherwise circulate this Prospectus including its supplements, if any, or any other offering or promotional material or information in connection with the Notes, in each case at their own expense and irrespective of whether this Prospectus or its supplements or any other offering or promotional material or information in connection with the Notes is recorded in the printed form or in the electronic or any other intangible form.

Any person that acquires any Notes will be deemed to have represented and agreed that (i) such person acknowledges all relevant restrictions on the offer, sale and purchase of the Notes relating to such person and the relevant method of offer, sale or purchase, (ii) such person will not further offer for sale or sell the Notes without complying with all relevant restrictions applicable to such person and to the relevant method of offer and sale and (iii) before further offering for sale or further selling the Notes, such person will inform the potential buyers that in certain jurisdictions, further offer or sale of the Notes may be subject to legal restrictions, which must be observed.

#### **Granting of Consent to the Use of the Prospectus**

The Issuer consents to the use of the Prospectus for the resale or final placement of the Notes by selected financial intermediaries exclusively in the Czech Republic for the period beginning on 23 September 2024 and ending on 18 September 2025 (this date included).

The above consent is subject to the conclusion of a written agreement between the Issuer and the relevant financial intermediary regarding the resale or placement of the Notes.

The Issuer uses and will use the Issuer’s website <http://www.energo-pro.com/pro-dkhi-investory> to publish the list and identity of all the financial intermediaries who have been granted consent to the use of the Prospectus for resale or final placement of the Notes.

Offering period: 23 September 2024 – 18 September 2025 (this date included).

The Issuer also assumes responsibility for the contents of the Prospectus with regard to the resale or final placement of the Notes by any financial intermediary who has been granted consent to the use of the Prospectus.

#### **INVESTOR NOTICE:**

**If an offer is presented by a financial intermediary, the financial intermediary will also provide the investors information about the terms of the offering of the Notes applicable at the time when the offer is presented.**

**A financial intermediary who uses the Prospectus must specify on his website that the Prospectus is being used with the Issuer’s consent.**

## GENERAL INFORMATION

### Authorisation

The creation and issue of the Notes has been authorised by the resolution of the Executive Directors of the Issuer dated 16 September 2024 and the resolution of the sole shareholder of the Issuer dated 16 September 2024.

### Legislation Under Which Notes have been Created

The Notes are to be issued in accordance with the applicable legislation, in particular the Czech Notes Act, as amended, the Czech Civil Code and the Prospectus Regulation.

### Expenses Related to Admission to Trading

Application has been made for the Notes to be admitted to trading on the Regulated Market. It is expected that the admission of the Notes to trading on the Regulated Market will be granted on or around the Issue Date. The estimated amount of fees associated with the admission of the Notes to trading on the Regulated Market is CZK 50,000 as the listing fee and CZK 15,000 as the annual trading fee.

### Recent Events Particular to the Issuer or the Guarantor

Except for the acquisition of a portfolio of HPPs in Brazil (see “*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*”), the Issuer is not aware of any recent events particular to it, the Guarantor or to the DKHI Group which are to a material extent relevant to an evaluation of the Issuer’s or the Guarantor’s solvency.

### Significant/Material Change

Since 31 December 2023, there has been no material adverse change in the prospects of the Issuer, the Guarantor or the DKHI Group.

Since 31 December 2023, there has been no significant change in the financial performance of the Issuer, the Guarantor or the DKHI Group and no significant change in the financial position of the Issuer, the Guarantor or the DKHI Group, except for the acquisition of a portfolio of HPPs in Brazil (see “*Information about the Guarantor and DKHI Group – Recent Developments – Acquisition of a Portfolio of HPPs in Brazil*”).

### Statutory Auditor

The financial statements of the Issuer for the years ended 31 December 2022 and 31 December 2023 have been prepared by the Issuer in accordance with IFRS and audited by Ernst & Young Audit, s.r.o., with its registered seat at Na Florenci 2116/15, Nové Město, 110 00 Prague 1, Czech Republic, an audit company registered with the Czech Chamber of Auditors. The Independent Auditor’s Report was for the financial statements of the Issuer for the year ended 31 December 2023 executed on behalf of Ernst & Young Audit, s.r.o., by Roman Hauptfleisch, Statutory Auditor, Licence No. 2009. The Independent Auditor’s Report was for the financial statements of the Issuer for the year ended 31 December 2022 executed on behalf of Ernst & Young Audit, s.r.o., by Jiří Křepelka, Statutory Auditor, Licence No. 2163.

The financial statements of the Guarantor for the years ended 31 December 2022 and 31 December 2023 have been prepared by the Guarantor in accordance with IFRS and audited by Ernst & Young Audit, s.r.o., with its registered seat at Na Florenci 2116/15, Nové Město, 110 00 Prague 1, Czech Republic, an audit company registered with the Czech Chamber of Auditors. The Independent Auditor’s Report for the financial statements of the Guarantor for the year ended 31 December 2023 was executed on behalf of Ernst & Young Audit, s.r.o., by Radek Pav, Statutory Auditor, Licence No. 2042. The Independent Auditor’s Report for the financial statements of the Guarantor for the year ended 31 December 2022 was executed on behalf of Ernst & Young Audit, s.r.o., by Jiří Křepelka, Statutory Auditor, Licence No. 2163.

As of the date of this Prospectus, neither the independent auditor nor any of its members have any significant interest in the Issuer or the Guarantor. In connection with this statement, the Issuer especially took into account the independent auditor’s potential ownership of securities issued by the Issuer or the Guarantor, the independent auditor’s potential prior participation in any governing bodies of the Issuer or the Guarantor, and/or the independent auditor’s potential affiliation with other entities involved in the Issue. The reports of the independent auditors are included or incorporated in this Prospectus with the consent of the independent auditors who have authorised the contents of that part of this Prospectus.

## Documents on Display

Copies of the following documents may be inspected during normal business hours at the registered address of the Issuer for 12 months from the date of this Prospectus:

- (a) the constitutional documents of the Issuer and the Guarantor;
- (b) the financial statements of the Issuer for the years ended 31 December 2023 and 2022 prepared in accordance with the IFRS as adopted by the EU;
- (c) the financial statements of the Guarantor for the years ended 31 December 2023 and 2022 prepared in accordance with the IFRS as adopted by the EU;
- (d) the Prospectus and any supplements to the Prospectus; and
- (e) the Fiscal and Paying Agency Agreement, the Security Agency Agreement, the Financial Guarantee Deed and the Security Documents.

The documents above will also be available, in electronic format, on the website of the Issuer <http://www.energo-pro.com/pro-dkhi-investory> for at least 10 years after the approval of the Prospectus by the CNB.

## Third Party Information

The Issuer confirms that if the information in this Prospectus or incorporated into this Prospectus by reference originated from a third party, the information has been accurately reproduced and, to the extent that the Issuer has been able to ascertain it from the information published by that third party, no facts that would make the reproduced information inaccurate or misleading were omitted.

The Issuer used in this Prospectus data from the Ministry of Energy Bulgaria; ATEB – Association of traders with electricity in Bulgaria, Production and consumption in 2022; ESO EAD – Statistical Pocketbook 2023; EC Europa, Bulgarian Implementation Plan; International Energy Agency (EIA); TEİAŞ (Türkiye Elektrik İletim A.Ş.); Annual Report 2023 ENG (gnerc.org) by GNERC; Statistics of the World Bank; <https://www.emissions-euets.com/internal-electricity-market-glossary/1432-universal-service>; TURKSTAT; WorldData.info ([www.worlddata.info/asia/turkey/energy-consumption.php](http://www.worlddata.info/asia/turkey/energy-consumption.php)); EMRA, Electricity Market Annual Sector Report 2023; EMRA, Electricity Market Monthly Sector Report, December 2023; EPAS S&P April 2021 report; PwC, Overview of the Turkish Electricity Market, October 2021; Red Electrica website (<https://www.sistemaelectricoree.es/en/spanish-electricity-system/generation/renewable-electricity-generation>); CNCM (<https://sede.cnmc.gob.es/listado/censo/1>); CNCM Operating Rules (<https://www.boe.es/buscar/act.php?id=BOE-A-2021-8362>); CNCM Fourth Quarter Report 2022 and Advance 2023 (<https://www.cnmc.es/sites/default/files/5047713.pdf>); CNCM Third Quarter Report 2023 (<https://www.cnmc.es/sites/default/files/5450338.pdf>); OMIE designation announcement ([https://www.omie.es/sites/default/files/publications/omie\\_designado\\_como\\_operador\\_del\\_mercado\\_electrico.pdf](https://www.omie.es/sites/default/files/publications/omie_designado_como_operador_del_mercado_electrico.pdf)); OMIE Annual Report 2023 (<https://www.omie.es/sites/default/files/2024-02/Informe%20Anual%202023%20ES.pdf>).

## Interest of Persons Involved in Issuance and Offering of Notes

As of the date of this Prospectus, the Issuer is not aware of any interest of persons involved in the issuance and offering of the Notes which would be material for the Issue, except for any fees payable to J&T BANKA, acting as manager, fiscal and paying agent, security agent and the listing agent and to UCB, acting as manager, in each case in connection with the offering and subscription and sale of the Notes.

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