



**ANNUAL
REPORT
2025**

**PREMIER
ENERGY PLC**

2025

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PREMIER ENERGY PLC

PREMIER ENERGY GROUP 2025 HIGHLIGHTS

LETTER FROM THE CEO

Dear Shareholders,

2025 was a year of strong execution and accelerated development for the Premier Energy Group, as we continued to build momentum established following our listing on the Bucharest Stock Exchange in May 2024. Since the IPO, our focus has remained consistent, based on the principles of disciplined capital allocation, operational reliability, and the expansion of an integrated energy platform positioned to capture long-term opportunities across the region.

This progress is grounded in execution. During 2025, across our operations, we maintained high service reliability and customer satisfaction, while continuing to invest in infrastructure, systems, and capabilities. We improved network performance, reduced losses, and strengthened the operational backbone of the business. At the same time, our generation portfolio benefited from better availability and increasingly disciplined asset management, supporting a more consistent contribution to overall performance.

A defining feature of the year was the continued scaling of our renewable energy platform. We expanded both our operating footprint, with renewable electricity production from own assets increasing by 97% year-over-year, and our development pipeline, with 137 MW of solar capacity and associated battery storage nearing completion and additional large-scale storage projects entering construction. These steps are not only about growth, but also about building a system that is better adapted to the structural changes in energy markets, where volatility, intermittency, and the need for balancing solutions are becoming the norm.

We also continued to expand our geographical footprint, most notably through the acquisition of a 158 MW operational wind park portfolio in Hungary. This marks a natural extension of our regional strategy and reinforces our position in renewable generation across Central and Southeastern Europe.

Across our core activities, the Group delivered balanced performance. Supply operations continued to scale, renewable generation increased its contribution, and our regulated distribution businesses provided stability and visibility. In natural gas, we continued to develop our infrastructure and customer base, while adapting to softer market conditions. This combination of growth and stability across segments remains a defining strength of our business model.

The market environment continues to evolve rapidly, shaped by price volatility, regulatory adjustments, and structural shifts in energy demand and supply. In this context, our vertically integrated and geographically diversified model is not only a source of resilience, but also a competitive advantage. It allows us to respond dynamically to market changes while maintaining a clear long-term direction.

We are now entering the next phase of our development with a stronger platform, greater operational depth, and increased visibility on future growth. Our renewable portfolio is already approaching 500 MW of capacity under ownership and our pipeline of projects, including generation, storage, and infrastructure, provides a clear path forward.

Building on the strong operational and financial performance achieved in 2025, we entered 2026 from a position of increased scale, resilience, and strategic optionality. I would like to highlight, in this context, 2 significant transactions that were initiated in 2025 but signed in 2026. The first of these is the transaction with Alive Capital. The transaction announced in March 2026, simplifies and strengthens the Group's structure through the reaching of full ownership in several renewable production entities while divesting our 51% stake in Alive Capital allowing for improved alignment between production and supply activities, reduced structural complexity, and a sharper focus on core value drivers.

The second transaction, transformational in nature, was signed in April 2026. This was the agreement to acquire 100% of the Evryo Group, including Distribuție Energie Oltenia (DEO), which operates a regulated electricity distribution network in the southwestern region of Romania, spanning approximately 88,000 kilometres and serving approximately 1.5 million customers. This acquisition represents a decisive step in strengthening our position in Romania and further advancing our vertically integrated business model. I would like to take this opportunity to thank our employees for their continued dedication and execution, our partners for their collaboration, and our shareholders for their trust and support, all of which have contributed to the results delivered in 2025.



Jose Garza

Chairman of the Board of Directors
and Chief Executive Officer

LETTER FROM THE CFO

Dear Shareholders,

2025 marked a year of strong financial performance for the Premier Energy Group, with growth across all key metrics supported by solid operational execution, scale effects, and disciplined cost management. The Group generated consolidated revenues of EUR 1.72 billion, representing a 41% increase year-over-year, or a 33% growth on a normalized basis (EUR 1.68 billion). This performance reflects both organic expansion and the full-year contribution of acquisitions completed in 2024, as well as higher volumes in the electricity supply segment and an increased regulated asset base in the distribution segment.

Profitability increased in line with revenue growth. Normalized EBITDA reached EUR 134 million, up 33% year-over-year, driven by higher renewable production volumes, improved margins in the supply business, and continued cost discipline across the organization. On a reported basis, adjusted EBITDA amounted to approximately EUR 177 million, while net profit reached EUR 103 million. The difference between reported and normalized performance is largely explained by tariff deviation effects in the Moldovan business, which had a positive impact in 2025.

At the level of operating segments, during 2025 we enhanced the presentation of our business to reflect more clearly the underlying structure and performance drivers across electricity production, electricity and gas distribution, electricity and gas supply, and development activities. This improved segmentation provides greater transparency and allows for a more accurate assessment of how each part of the business contributes to overall performance.

Against this framework, renewable generation was the primary contributor to growth, supported by assets acquired and commissioned over the past 18 months. The supply segment delivered improved profitability, benefiting from higher electricity volumes and more effective sourcing and pricing strategies, particularly in the second half of the year. The distribution segment continued to provide stable and predictable returns, supported by a regulated asset base of approximately EUR 270 million, despite adjustments in regulatory parameters during the year.

The Group's financial position strengthened further over the course of the year. Total assets increased to EUR 1.26 billion, driven primarily by continued investments in renewable generation and network infrastructure. Equity reached EUR 591 million, supported by retained earnings and the profitability generated during the year, while maintaining a balanced capital structure.

Liquidity remained strong, with EUR 153 million in cash at year-end. The Group reported a net debt position of EUR 186 million; however, when adjusting for working capital components – primarily government receivables and natural gas in inventory – we effectively ended the year, again, with a net working capital and cash surplus. This reflects the strong cash generation throughout the year.

Capital allocation remained focused on funding growth while preserving financial flexibility. Investments during the year were directed primarily toward renewable generation, battery storage, and distribution infrastructure, with a significant portion of these assets expected to begin contributing to revenues starting in 2026. At the same time, leverage levels remained conservative, providing capacity for further development and investment.

Looking ahead, our financial priorities for 2026 remain consistent: maintaining stability across business lines, ensuring disciplined cash flow management, and allocating capital efficiently for continued value enhancing growth investments such as the completed wind park acquisition in Hungary earlier in 2026 and the recently announced DEO acquisition in Romania. These expectations are supported by a strong balance sheet and a diversified, vertically integrated asset base with visible shareholder value enhancing growth opportunities, reinforcing our position as a leading integrated energy provider in Southeastern Europe.

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



Petr Stohr

Member of the Board of Directors
and Chief Financial Officer

ABOUT PREMIER ENERGY GROUP

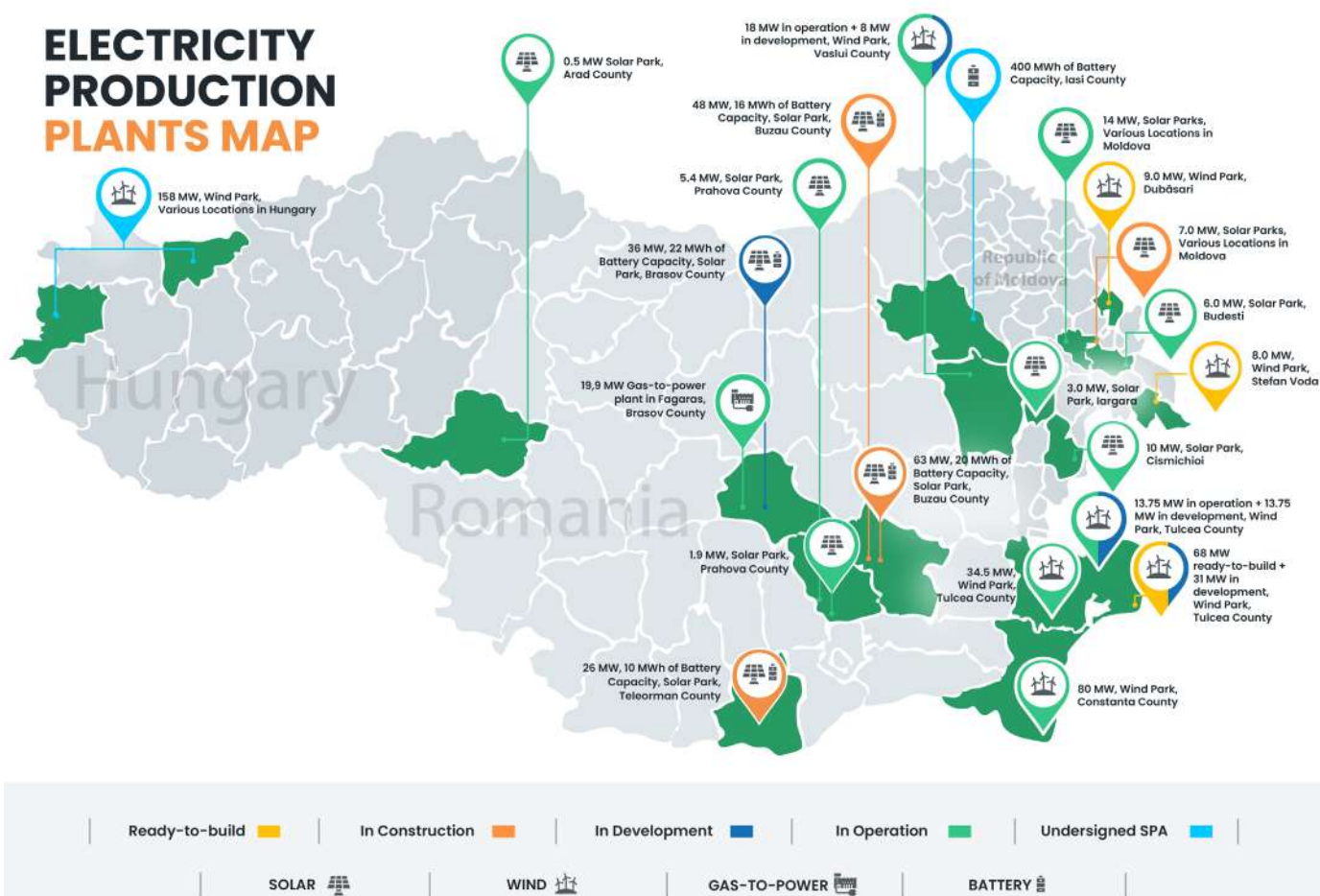
Premier Energy PLC (“Premier Energy” or “the Group”) is a vertically integrated energy and power infrastructure company in the Southeastern European (“SEE”) region. The Group’s four core business segments include:



With approximately 500 MW of renewable electricity generation and 469 MWh storage capacity under ownership, or in construction in Romania, Hungary and Moldova, Premier Energy is actively contributing to the renewable energy sector’s expansion. It owned 217 MW of generation assets as of 31 December 2025, increasing the owned capacity by 158 MW through the purchase of a wind plant in Hungary in January 2026, and currently has 137 MW DC of solar plants with 47 MWh of battery capacity in the final stages of construction and an additional 400 MWh of battery capacity in the early stages of construction. Additionally, as the third-largest natural gas infrastructure distributor and the fifth largest natural gas supplier in Romania, the fourth-largest electricity supplier in Romania, and the largest electricity infrastructure distributor and supplier in the Republic of Moldova, Premier Energy plays a pivotal role in ensuring reliable, sustainable, and cost-efficient energy production, distribution and supply across the region to millions of customers.

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

ELECTRICITY PRODUCTION PLANTS MAP



Electricity production

Premier Energy owned 217 MW of generation assets as of 31 December 2025, out of which 146 MW are wind parks. 174 MW of these assets are in Romania, with the remaining 43 MW being in Moldova and consisting of solar plants.

The group has recently expanded its geographical footprint into Hungary, completing the acquisition of a 51% operating control stake in a 158 MW wind generation portfolio in January 2026 – comprising around half of the country’s installed capacity. With this wind plant acquisition, Premier Energy currently owns 375 MW of generation capacity assets and has an additional 137 MW DC of solar plants with 47 MWh of battery capacity in the final stages of construction and an additional 400 MWh of battery capacity in the early stages of construction.

Moreover, Premier Energy is providing comprehensive asset management solutions in the area of renewable energy management in Moldova in this segment, including forecasting, balancing, maintenance and dispatching of renewable energy plants.

Electricity and Natural Gas Distribution

Premier Energy manages and operates an electricity distribution network in Moldova and a natural gas distribution network in Romania, with a total RAB of approximately EUR 270 million.

The Group is the largest electricity distributor in Moldova, serving around 70% of the population with nearly 1 million consumption points, primarily households and small businesses. It operates a network of approximately 36 thousand km, covering 16 districts and the capital city of Chisinau, as one of two electricity distributors in the country.

With 136 natural gas concession areas across Romania, and with a distribution network spanning almost 4,000 km, the majority capable of supporting green hydrogen distribution, the natural gas concessions strategically cover areas around Bucharest and the southern and western regions of Romania, including remote areas with anticipated demand growth. The recently unbundled and rebranded NeoGas Grid business distributed natural gas to over 152 thousand customers.

Electricity and Natural Gas Supply

Premier Energy is supplying over 2.2 million of customers, primarily households and small businesses, in Romania and Moldova with electricity and/or natural gas.

As of 31 December 2025, Premier Energy supplied electricity to over 1.2 million customers in Romania while supplying over 150 thousand customers in Romania with natural gas. In Moldova, the Group supplied electricity to over 850 thousand customers. Premier Energy is also active on the wholesale market throughout the SEE region in both energy commodities and provides renewable electricity procurement and sales via its Alive Capital subsidiary in primarily Romania.

Developments

Premier Energy is pursuing its strategy of increasing its renewable energy production footprint in the SEE region by developing and constructing greenfield projects.

As of 31 December 2025, the Group is developing close to 350 MW of renewable energy assets and 469 MWh of battery storage capacity. Out of this, 137 MW DC of solar plants with 47 MWh of co-located battery storage capacity were built during 2025 and are currently in the testing phases for the commencement of operations. Furthermore, the Group started construction on its 400 MWh battery storage development.

Overall, the Group invested over EUR 42 million of capital expenditures into the development and construction of these projects during 2025 and believes that they will fuel future growth.

2025 KEY PERFORMANCE INDICATORS

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

OPERATIONAL KPIs		12M 2025	12M 2024	Δ 12M (%)
Owned Renewable Energy Production	GWh	421	214	97%
Owned Renewable Energy Capacity	MW	217	200	9%
Managed Renewable Energy Capacity	MW	1,069	915	17%
Electricity Supply Quantities	TWh	7.4	6.7	10%
Electricity Distribution Customers	# ths.	964	956	1%
Natural Gas Supply Quantities	TWh	7.9	8.6	-11%
Natural Gas Distribution Customers	# ths.	153	162	-6%
Total Energy Customers	# ths.	2,214	2,328	-5%
FINANCIAL KPIs				
Revenue	€ mil.	1,715.3	1,214.1	41%
Normalized Revenue (a)	€ mil.	1,672.8	1,255.9	33%
Adjusted EBITDA	€ mil.	176.9	57.8	206%
Normalized EBITDA (a)	€ mil.	134.4	101.1	33%
Net Profit	€ mil.	103.3	24.2	327%
Illustrative Normalized Net Profit (a)	€ mil.	65.9	42.1	57%
Long-Term Debt	€ mil.	171.4	157.5	
Short-Term Debt	€ mil.	167.1	127.1	
Less: Cash	€ mil.	152.9	96.1	
Net Debt(b)	€ mil.	185.6	188.5	
Working Capital Adj. Net Debt (c)	€ mil.	(44.5)	(5.6)	

Note: Quantities of electricity and natural gas supplied in 2025 have been updated since the 2025 Preliminary Highlights report from 26 February 2026 due to updated figures from system operators and intragroup transactions.

(a) Normalized Revenues, EBITDA and Net Profit excludes the impact of energy unbilled (which was previously included in 2024 results) in order to limit the amount of adjustments to actual Revenues, EBITDA and Net Profit.

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

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

PREMIER ENERGY PLC

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2025

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Board of Directors and Other Corporate Information

Board of Directors:

Name	Date of appointment/ resignation	Title
Jose Martin Garza	Appointed on 28 May 2024	Executive Director
Petr Stohr	Appointed on 28 January 2021	Executive Director
Radka Blažková	Appointed on 15 January 2013	Non-executive Director
Dimitra Kalogerou Antoniadou	Appointed on 28 May 2024	Non-executive, Independent Director
Mirela-Florența Covașă	Appointed on 28 May 2024	Non-executive, Independent Director

Secretary	Cymanco Services Limited 5 Esperidon Street 4th floor 2001 Nicosia Cyprus
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Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 10 Esperidon Street 1087 Nicosia, Cyprus
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Bankers	Unicredit Bank SA European Bank for Reconstruction and Development (EBRD) European Investment Bank (EIB) Alpha Bank Romania SA Vista Bank (Romania) SA Vista Leasing IFN (Romania) S.A. Credit Agricole Bank Romania S.A. PPF Banka a.s. BC Eximbank SA BC Moldova Agroindbank SA J&T Banka a.s. Patria Bank S.A. B.R.D. - Groupe Societe Generale S.A. Banca Comerciala Romana S.A. Raiffeisen Bank S.A. Garanti Bank S.A. Banca Transilvania S.A. ING Bank N.V. Libra Internet Bank S.A. First Bank S.A. Optima Bank Citigroup Eximbank SA ING Bank N.V. MKB Bank Nyrt. OTP Bank Nyrt
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Registered Office	48 Themistokli Dervi Avenue Athienitis Centennial Building, 3rd floor, Office 303 1066 Nicosia, Cyprus
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Registration number	HE316455
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Declaration of the Members of the Board of Directors and the person responsible for the preparation of the Annual Financial Statements

In accordance with Section 9(3)(c) and (7) of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (the "Law", "Law no. 197(l)/2007) as amended, we, the members of the Board of Directors and the other persons responsible for the preparation of the Consolidated Financial Statements of Premier Energy PLC (the "Company") for the year ended 31 December 2025, confirm that, to the best of our knowledge:

- (a) the Annual Financial Statements presented in this Annual Report on pages 24 to 101:
 - (i) have been prepared in accordance with the applicable IFRS Accounting Standards as adopted by the European Union, and in accordance with the provisions of Section 9, sub-section (4) of the Law, and
 - (ii) give a true and fair view of the assets, liabilities, the financial position and the profit or loss of the Company and of the undertakings included in the Consolidated Financial Statements as a whole and
- (b) the Consolidated Management Report presented on pages 3 to 15 includes a fair review of the developments and the performance of the business as well as the financial position of the Company and of the undertakings included in the Consolidated Financial Statements as a whole, together with a description of the principal risks and uncertainties that they face.

Members of the Board of Directors:

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

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

Petr Stohr	Chief Financial Officer
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Consolidated Management Report

The Board of Directors of PREMIER ENERGY PLC (the “Company”) presents its Annual Report together with the audited consolidated financial statements of the Company and its subsidiary companies (together referred to as the “Group”) for the year ended 31 December 2025.

INCORPORATION

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

INITIAL PUBLIC OFFERING (“IPO”)

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

As of 30 December 2025, the last trading session of the year, the closing price was RON 29.25 per share, implying a year-end market capitalization of RON 3.66 billion.

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

PRINCIPAL ACTIVITIES

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

With approximately 1,800 MW of renewable electricity generation and 469 MWh storage capacity under ownership, management, or development in Romania, Hungary and Moldova, the Group is actively contributing to the renewable energy sector’s expansion. Additionally, as the third-largest natural gas infrastructure distributor and the fifth largest natural gas supplier in Romania, the fourth-largest electricity supplier in Romania, and the largest electricity infrastructure distributor and supplier in the Republic of Moldova, the Group plays a pivotal role in ensuring reliable, sustainable, and cost-efficient energy production, distribution and supply across the region to millions of customers.

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

Consolidated Management Report (continued)

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2025 are set out on page 26 in the consolidated financial statements. The net profit for the year 2025 amounted to MEUR 103 (2024 – MEUR 25).

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

During 2025, the Group grew its renewable generation assets, with the owned renewable electricity production and electricity supply quantities generating significant, double-digit growth (97% growth in owned renewable production and 10% growth in electricity supply). This growth was primarily achieved through acquisitions such as the Premier Energy Furnizare S.A. acquisition and the 18 MW wind plant acquisition in the second quarter of 2024 and the 80 MW wind park acquisition in the third quarter of 2024 (so 2025 benefited from a full year of ownership of these acquisitions). The Group lost a portion of its electricity customer base in Romania due to some market players aggressively acquiring customers with pricing levels below wholesale market baseload levels.

Electricity Production

The renewable production from owned plants increased by 97% in 2025, driven primarily by newly acquired and developed electricity generation assets. This growth was tempered by less favorable wind conditions in Romania in the first, third and fourth quarters of the year. The Group owned 217 MW of generation assets as of 31 December 2025, out of which 146 MW were wind parks. 174 MW of these assets were in Romania, with the remaining 43 MW being in Moldova and consisting of solar plants.

Production at the cogeneration balancing plant commenced in the third quarter of 2024 and produced 86.9 GWh of electricity during 2025 (including curtailed production based on balancing activations). Now the plant is fully operational at the newly enlarged 19.9 MW capacity.

Supply

With the acquisition of Premier Energy Furnizare S.A., the Group established itself as the fourth-largest electricity supplier in the Romanian market (including its Alive Energy subsidiary). It is already the leader in the Moldovan market. Overall, the Group's electricity supplied volumes grew by 10% during the year compared to 2024.

On the natural gas supply, the Group is steadily increasing its customer base to 151 thousand clients (1% growth from 2024) with an 11% decrease from 2024 in supplied volumes, reflecting weaker last quarter in 2025 due to lack of wholesale opportunities, lower volumes supplied to several major customers and warmer weather.

Distribution

For electricity distribution management expects the 2026 RAB value to be approximately MUS\$ 216. The return on the RAB value has been set by ANRE at a fixed 9.73% rate in US\$ for the next 5 years starting with 22 June 2025.

The Group connected approximately 6 thousand new customers to its natural gas distribution without the Otopeni and Zimnicea network in 2025, partially offsetting the loss of these last resort concessions. Management expects the 2026 RAB value to be approximately MEUR 89, with an inflation adjusted return of 6.94%.

REVENUE

The Group's revenue from core operations for the year ended 31 December 2025 amounted to MEUR 1,717 compared to MEUR 1,214 for the year ended 31 December 2024, reflecting a 41% increase. The strong top-line performance reflects the continued growth of the Group paired with the effectiveness of the Group's diversified business approach.

The revenue increase in the electricity Production segment is driven primarily by the newly acquired wind plants during 2024 and the start of operations of the cogeneration balancing plant in Romania and solar plants in Moldova, with headwinds coming from the price cap on the production which was lower after the first quarter of 2025 compared to 2024.

Consolidated Management Report (continued)

REVENUE (continued)

The electricity and gas Supply segment, which includes the supply of electricity and natural gas in both Romania and Moldova, continues to be positively impacted by the acquisition of Premier Energy Furnizare in Romania which was completed in April 2024. The improved performance is primarily attributable to lower-than-expected day-ahead market and balancing costs following the removal of capping mechanisms on the Romanian electricity market. The effects of contract repricing for procurement and supply contracts in the Alive Capital subsidiary materialized in the fourth quarter.

DIVIDENDS

During 2025, dividends in the amount of MEUR 15 were distributed to the shareholders of the Company and interim dividends in the total amount of MEUR 2 were distributed to minority shareholders of subsidiaries.

In 2024, interim dividends in the total amount of MEUR 2 were distributed to minority shareholders of subsidiaries.

MAIN RISKS AND UNCERTAINTIES

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

FUTURE DEVELOPMENTS

Premier Energy is pursuing its strategy of increasing its renewable energy production footprint in the South Eastern Europe ("SEE") region by developing and constructing greenfield projects. In terms of strategic developments in the renewable electricity generation segment, the Group has already surpassed its stated target of 1,400 – 1,600 MW of owned, in development and managed capacity by 2026, reaching an amount of close to 1,800 MW as of 31 December 2025.

As of 31 December 2025, the Group is developing close to 350 MW of renewable energy assets and 469 MWh of battery storage capacity. Out of this, 137 MW DC of solar plants with 47 MWh of co-located battery storage capacity were built during 2025 and are currently in the testing phases for the commencement of operations. The Group expects the commencement of operations on these plants later in the second quarter of 2026. Furthermore, the Group will start construction on its 400 MWh battery storage development during 2026.

Overall, the Group invested over MEUR 42 of capital expenditures into the development and construction of these projects during 2025 and believes that they will fuel future growth.

The Group is committed to aligning its operations with the Paris Agreement and achieving Net Zero GHG emissions by 2045 through its Decarbonization Plan. Its key strategies include reducing energy losses by upgrading and maintaining the grid, ensuring hydrogen readiness with the majority of its distribution network built for green hydrogen, and expanding renewable energy capacity under ownership, management, or in development from 1 GW in 2023 to the 1.8 GW current level. Sustainability is at the core of the Group's strategy, with ESG principles integrated into its business model, aligning with the UN Sustainable Development Goals and the EU Green Deal.

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

Consolidated Management Report (continued)

SHAREHOLDERS AND SHARE CAPITAL

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

Authorised capital

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

Issued capital

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

As of 31 December 2025, the share capital structure and the ownership of registered shares were as follows:

Shareholders	Number of shares	% of Ownership
EMMA ALPHA HOLDING LTD	89,063,391	71.25
NN Group NV	13,358,808	10.69
Other shareholders	22,579,051	18.06
Total	125,001,250	100.00

As at 31 December 2025, the Company's directors with any holdings in the Company's share capital were as follows:

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

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

Neither the Company, nor any of its subsidiaries held Premier Energy's shares as of 31 December 2025.

Directors' holdings of Company share capital on 31 December 2025 and six days prior to the approval of the Annual Report 2025

No changes took place in the shareholdings of directors in the Company between the end of the reporting year (31 December 2025) and 24 April 2026, which is six (6) days before the date of approval of the Annual Report 2025 by the Company's Board of Directors.

BRANCHES

During the year ended 31 December 2025, the Company did not operate any branches.

Consolidated Management Report (continued)

RESEARCH AND DEVELOPMENT ACTIVITIES

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

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

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

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2025 and at the date of this report are presented on page 3. All of them were members of the Board of Directors throughout the year ended 31 December 2025.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

The responsibilities and the remuneration of the Directors as members of the Board Committees are disclosed in the Corporate Governance Report.

CORPORATE GOVERNANCE STATEMENT

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

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

Since its listing on the BVB, the Company has adopted the BVB Corporate Governance Code with the provisions of which it fully complies except from the provisions mentioned in the Corporate Governance Code table which can be found on the Company's page on the Bucharest Stock Exchange website: www.bvb.ro along with the Company's annual report.

The Corporate Governance Report of the members of the Board of Directors for the year 2025 is presented after the present report in Annex 1.

Consolidated Management Report (continued)

RECENT VOLATILITY IN GLOBAL FINANCIAL MARKETS

Any significant events that relate to the operating environment of the Group are described in Note 1 of the consolidated financial statements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Extensive information as to the Group's environmental, social, and corporate governance (ESG) related actions is to be found in the Group's Sustainability Statement for the year 2025 on pages 105 to 226.

KEY INTANGIBLE RESOURCES

The Company's business model does not fundamentally depend on intangible resources or in a manner that these resources constitute a source of value creation for the Company.

OTHER INFORMATION ON ANNUAL REPORT

The consolidated management report is prepared in the electronic reporting format as specified in Article 3 of Commission Delegated Regulation (EU) 2019/815.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in Note 33 of the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 30 of the consolidated financial statements.

INDEPENDENT AUDITORS

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

By order of the Board of Directors,



Petr Stohr

Director

Nicosia, 30 April 2026

Consolidated Management Report (continued)

ANNEX 1 Corporate Governance Report

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

The Board

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

The Board of Directors of the Company consists of three non-executive members as well as two executive members, José Martin Garza and Petr Stohr. Two members of the Board are independent. On 28 May 2024, Demetrios Aletraris resigned as Member of the Board of Directors and on the same date Mirela-Florența Covașă, Jose Martin Garza and Dimitra Kalogerou Antoniadou were appointed as Members of the Board of Directors.

The Board of Directors is responsible for establishing and maintaining appropriate mechanisms to identify, assess, monitor and manage the significant risks to which the Group is exposed. The Board, supported by its Risk and Audit Committee, oversees the enterprise-wide risk management framework and internal control systems to ensure that risks are identified in a timely manner and managed within the Group's risk appetite. The Board reviews risk management policies, compliance procedures, and internal controls on a regular basis and receives formal reporting on risk exposures and mitigation actions.

Based on the current composition of the Board, male members constitute 40% of its total membership, thereby fully satisfying the legal requirement that at least 33% of board members belong to the underrepresented gender. Accordingly, the Company complies with the alternative objective set forth under Article 109(1)(b) of Law no. 24/2017, "Law on Issuers of Financial Instruments and Market Operations" of Romania.

Current Composition of the Board of Directors

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

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

Biographical Details of the Directors



Jose Martin Garza (Chairman - Executive Director)

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

Consolidated Management Report (continued) Corporate Governance Report (continued)

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

Biographical Details of the Directors (continued)



Petr Stohr (Executive Director)

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



Radka Blažková (Non-executive Director)

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



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

Mrs. Mirela is the former CFO and Board Member of NEPI Rockcastle with 25 years' experience. Before NEPI Rockcastle, she worked for PwC as an auditor for approximately 8 years and has been coordinating audits for companies spanning across numerous industries with a particular focus on the real estate, energy, and retail industry. Mrs. Mirela graduated from Bucharest Academy of Economic Studies and is a fellow member of ACCA (Association of Chartered Certified Accountants). She is also a Certified Financial Auditor (CAFR).



Dimitra Kalogerou Antoniadou (Non-executive, Independent Director)

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

Consolidated Management Report (continued)

Corporate Governance Report (continued)

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

Appointments and retirement of Board of Directors

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

Board meetings

The Board had scheduled nineteen meetings during the year 2025, with all directors in person. The main topics of these meetings was to set and monitor the Group's strategy, review trading performance, ensure adequate funding, examine major capital expenditure, formulate policy on key issues and reporting to shareholders where appropriate. In accordance with best practice, the Board has established the Audit and Risk Committee, the Remuneration Committee and the Nominations Committee as per the requirements of the Code. The Company Secretary is responsible to and appointed by the Board and all Directors have access to her advice and services. Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board meetings. Briefings are also provided at other times, for example, through operational visits and business presentations.

Senior Management team

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

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

Consolidated Management Report (continued) Corporate Governance Report (continued)

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

Board's committees

The audit and risk committee and the nomination and remuneration and corporate governance committee have been created in the IPO context, subsequently activated and in the financial year that ended on 31 December 2025 had the following compositions:

Audit Committee:

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

Members:

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

Audit and risk Committee: Mission and Composition

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

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

Towards the exercise of its duties and responsibilities, the Audit and Risk Committee, between others, is briefed by the external auditors of the Company in relation to the audit program, monitors the audit process, and in special meetings prior to the presentation of the annual accounts of the Group and the Company to the full Board of Directors, considers the content of the drafts, taking into account the views of the external auditors in relation to the annual audited accounts. The Audit and Risk Committee informs the Board accordingly on the results of the statutory audit. The chairman of the Audit and Risk Committee ensures that minutes of meetings are prepared.

The Audit and Risk Committee reviewed the independence and objectivity of the external auditor and received written confirmation of their independence. The Committee also monitored the provision of non-audit services to ensure that the auditor's independence was not compromised.

Consolidated Management Report (continued) Corporate Governance Report (continued)

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

Board's committees (continued)

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

In 2025, the Audit and Risk committee held 7 meetings.

Nomination and Remuneration Committee:

Chairperson: Radka Blažková (Non-executive Director)

Members:

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

Nomination and Remuneration Committee:

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

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

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

The roles of Nomination and Remuneration Committee are:

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

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

In 2025, the Nomination and Remuneration Committee held 1 meeting.

Consolidated Management Report (continued) Corporate Governance Report (continued)

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

Executive and non-executive Directors' remuneration

The remunerations of the Directors, Executives and non-Executives, under their capacity as Directors of the Company and as members of the Board of Directors' Committees are disclosed in note 30 of the consolidated financial statements. The remuneration policy of the Company is published on its website.

Loans and guarantees granted to Directors

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

Pensions

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

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

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

Audit and Risk Committee

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

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

Consolidated Management Report (continued) Corporate Governance Report (continued)

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (continued)

Risk Management

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

Compliance

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

FINANCIAL REPORTING

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

Independent Auditor's Report

To the Members of Premier Energy PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Premier Energy PLC (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

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

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



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

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition	
<p>In 2025 the Group recognized revenues of 1,715 million euro from various lines of business, mainly electricity distribution and supply, gas distribution and supply and purchase, generation and sale of electricity from renewable resources. As a result of the acquisitions during 2024 the revenues experienced significant growth in comparison to 2024, with new revenue segments added for the full year 2025.</p> <p>The recognition of revenues involves understanding of processes for each revenue stream, analysis of the contracts concluded with customers, the compliance with the requirements of IFRS 15 for the revenues recognized and the assessment of the impact of the IT environment on the revenue recognition process. For some revenue streams unbilled consumption needs to be estimated at the year end, involving management judgement.</p> <p>This area represents a key driver of the Group’s business with significant volume of transactions from different revenue streams and pervasive impact on the financial statements as a whole. As such the audit of this area requires significant audit effort compared to other areas of</p>	<p>In this area, our audit procedures included, among others:</p> <ul style="list-style-type: none"> • We considered the Group’s accounting policy in respect of revenue recognition. • We updated our understanding of the processes that the management has in place and assessed the design of the relevant internal controls implemented within the process of revenue recognition. For distribution and supply of gas and electricity we also tested their operating effectiveness. • We engaged EY IT specialists in the audit to assist with the audit procedures on the IT systems relevant for the automated portion of revenue recognized throughout the year. Where relevant, we assessed the design and tested compensating manual controls or performed additional substantive procedures over the occurrence of revenues recognized from customer contracts throughout the year.



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<p>focus. For these reasons we consider this area as a key audit matter.</p> <p>Information on the accounting policy for revenue recognition is disclosed in Note 3 of the consolidated financial statements, information on estimates and judgements made for unbilled consumption in Note 2d) and 22 and disclosures relating to revenues are presented in Note 22 of the consolidated financial statements.</p>	<ul style="list-style-type: none"> • We performed analytical procedures in respect of revenue, focusing on consistency with market observable trends and unexpected fluctuations during the year. • We tested a sample of revenue transactions recognized around the year end to ensure that appropriate cut-off was applied to revenue recognition, including appropriate recognition of imbalances • For the estimation of unbilled consumption, we assessed the methodology used for calculation, we have tested the mathematical accuracy of the estimate calculation, assessed the back-testing of results, and the key assumptions and areas of judgement applied by the management with respect to quantities delivered and tariffs applied. • We assessed adequacy and completeness of the related disclosures in respect of revenue in the notes to the consolidated financial statements.
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Reporting on Other Information

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

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



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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a



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material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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



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threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

1. Appointment of the Auditor and Period of Engagement

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

2. Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 24 April 2026 in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

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

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of Premier Energy PLC for the year ended 31 December 2025 comprising an XHTML file which includes the consolidated financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2025 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").



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The Board of Directors of Premier Energy PLC is responsible for preparing and submitting the consolidated financial statements for the year ended 31 December 2025 in accordance with the requirements set out in the ESEF Regulation.

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

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

Other Legal Requirements

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

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



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- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

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

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

Andreas Avraamides
Certified Public Accountant and Registered Auditor for and on behalf of

Ernst & Young Cyprus Ltd
Certified Public Accountants and Registered Auditors

Nicosia
30 April 2026

		2025	2024
		MEUR	MEUR
ASSETS	Note		
Non-current assets			
Intangible assets and goodwill	6	60	59
Property, plant and equipment	7	572	535
Investments in equity-accounted investees		2	2
Loans receivable	12	2	4
Trade receivables	9	--	1
Other assets	13	2	2
Green certificates	14	5	10
Financial assets	11	3	1
Deferred tax assets	19	7	8
Total non-current assets		653	622
Current assets			
Current income tax assets	29	1	1
Trade receivables	9	198	182
Inventories	10	71	21
Other assets	13	177	201
Green certificates	14	9	5
Financial assets	11	7	17
Cash and cash equivalents	8	146	84
Total current assets		609	511
Total assets		1,262	1,133

The notes on pages 31 to 101 are an integral part of these consolidated financial statements.

		2025	2024
	Note	MEUR	MEUR
EQUITY			
Share capital	20	--	--
Share premium	20	113	113
Common control transaction reserve	20	(5)	(5)
Revaluation reserves	20	46	47
Translation reserve	20	(9)	--
Legal reserve	20	4	3
Retained earnings		304	297
Profit for the year	20	98	23
Equity attributable to owners of the Company		551	478
Non-controlling interests	21	40	40
Total equity		591	518
LIABILITIES			
Non-current liabilities			
Provisions	15	8	10
Loans and borrowings	16	171	157
Contract liabilities	22	4	12
Lease liabilities	7	8	9
Other liabilities	18	51	51
Deferred tax liabilities	19	28	29
Total non-current liabilities		270	268
Current liabilities			
Bank overdrafts	8	52	71
Provisions	15	4	2
Loans and borrowings	16	115	56
Current income tax liabilities	29	3	3
Trade payables	17	80	70
Contract liabilities	22	36	37
Lease liabilities	7	1	1
Other liabilities	18	110	107
Total current liabilities		401	347
Total liabilities		671	615
Total liabilities and equity		1,262	1,133

On 30 April 2026, the Board of Directors of PREMIER ENERGY PLC authorised these consolidated financial statements for issue.



Jose Martin Garza
Director



Petr Stohr
Director

The notes on pages 31 to 101 are an integral part of these consolidated financial statements.

		2025	2024
	Note	MEUR	MEUR
Revenues	22	1,717	1,214
Other operating income	26	113	140
Gain on bargain purchase	1	--	20
Cost of electricity, gas and transportation	22	(1,530)	(1,187)
Raw materials and consumables used	10	(6)	(5)
Depreciation and amortisation	6,7	(32)	(27)
Services and material expenses	23	(67)	(62)
Personnel expenses	24	(46)	(39)
Other operating expenses	27	(6)	(4)
Expected credit losses on other non-financial assets and trade receivables	25	(4)	(3)
Finance income	28	3	3
Finance expense	28	(23)	(20)
Profit before tax		119	30
Income tax expense	29	(16)	(5)
Profit after tax		103	25
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Translation reserves changes		(10)	--
Other comprehensive income for the year		(10)	--
Total comprehensive income for the year		93	25
Total profit attributable to:			
Owners of the Company		98	23
Non-controlling interests	21	5	2
		103	25
Total comprehensive income attributable to:			
Owners of the Company		89	23
Non-controlling interests	21	4	2
		93	25
Earnings per ordinary share attributable to the owners of the Company, basic and diluted (in EUR per share)	20	0.786	0.196

The notes on pages 31 to 101 are an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Common control transaction reserve	Revaluation reserve	Translation reserve	Legal reserve	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Balance as at 1 January 2025		--	113	(5)	47	--	3	320	478	40	518
Comprehensive income											
Profit for the year		--	--	--	--	--	--	98	98	5	103
Items reclassified from OCI to profit /(loss)	20	--	--	--	(1)	--	--	1	--	--	--
Profit for the year		--	--	--	(1)	--	--	99	98	5	103
Translation reserve change		--	--	--	--	(9)	--	--	(9)	(1)	(10)
Total other comprehensive income for the year		--	--	--	--	(9)	--	--	(9)	(1)	(10)
Total comprehensive income for the year		--	--	--	(1)	(9)	--	99	89	4	93
Transactions with owners recognised directly in equity											
<i>Contributions by and distributions to owners</i>											
Dividends paid	20	--	--	--	--	--	--	(15)	(15)	(2)	(17)
Net contribution to legal reserve		--	--	--	--	--	1	(1)	--	--	--
Total contributions by and distributions to owners		--	--	--	--	--	1	(16)	(15)	(2)	(17)
Transactions NCI without change in control		--	--	--	--	--	--	(1)	(1)	(2)	(3)
Total changes in ownership interests in subsidiaries		--	--	--	--	--	--	(1)	(1)	(2)	(3)
Total transactions with owners		--	--	--	--	--	1	(17)	(16)	(4)	(20)
Balance as at 31 December 2025		--	113	(5)	46	(9)	4	402	551	40	591

The notes on 31 to 101 are an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Common control transaction reserve	Revaluation reserve	Translation reserve	Legal reserve	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Balance as at 1 January 2024		--	23	(5)	47	--	3	298	366	39	405
Comprehensive income											
Profit for the year		--	--	--	--	--	--	23	23	2	25
<i>Profit for the year</i>		--	--	--	--	--	--	23	23	2	25
Total comprehensive income for the year		--	--	--	--	--	--	23	23	2	25
Transactions with owners recognised directly in equity											
<i>Contributions by and distributions to owners</i>											
Issue of new shares (inc. share premium)	20	--	90	--	--	--	--	--	90	--	90
Capital contributions from NCI to equity of subsidiaries	1	--	--	--	--	--	--	--	--	1	1
Dividends paid	20	--	--	--	--	--	--	--	--	(2)	(2)
Total contributions by and distributions to owners		--	90	--	--	--	--	--	90	(1)	89
Transactions NCI without change in control		--	--	--	--	--	--	(1)	(1)	--	(1)
Total changes in ownership interests in subsidiaries		--	--	--	--	--	--	(1)	(1)	--	(1)
Total transactions with owners		--	90	--	--	--	--	(1)	89	(1)	88
Balance as at 31 December 2024		--	113	(5)	47	--	3	320	478	40	518

The notes on pages 31 to 101 are an integral part of these consolidated financial statements.

		2025	2024
	Note	MEUR	MEUR
Cash flows from operating activities Profit for the year before tax		119	30
Adjustment for:			
Depreciation and amortisation	6,7	32	26
Impairment on property, plant and equipment	7	1	--
Expected credit losses on trade receivables	25	4	--
Gain on bargain purchase	1	--	(20)
Net interest expense	28	16	14
Unrealised foreign exchange loss/(gain)		(4)	1
Operating profit before changes in working capital and provisions		168	51
Decrease in contract assets		--	1
(Increase)/Decrease in inventories		(49)	17
Decrease/(Increase) in trade receivables and other assets		4	(85)
Decrease/(Increase) in restricted deposits related to operating activities		3	(5)
Increase/(Decrease) in trade payables and other liabilities		14	(1)
(Decrease)/Increase in contract liabilities		(8)	32
Decrease in provisions and employee cost		(1)	(2)
Decrease in green certificates		1	3
Cash generated from operating activities		132	11
Interest paid		(15)	(16)
Income tax paid		(15)	(2)
Net cash generated/(used in) from operating activities		102	(7)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		7	5
Proceeds from other financial assets	11	5	--
Loans provided		(1)	(1)
Loans repaid		3	2
Acquisition of subsidiary, net of cash acquired	1	--	(144)
Acquisition of investments in associates		--	(2)
Acquisition of financial assets at fair value through profit or loss	11	--	(5)
Acquisitions of intangible assets	6	(7)	(2)
Acquisitions of property, plant and equipment	7	(85)	(60)
Net cash used in investing activities		(78)	(207)

The notes on pages 31 to 101 are an integral part of these consolidated financial statements.

		2025	2024
	Note	MEUR	MEUR
Cash flows from financing activities			
Issue of new shares	20	--	90
Transactions with NCI without change in control – payment for increase of shareholding interest	1	(3)	(1)
Capital contributions from NCI to equity of subsidiaries	1	--	1
Proceeds from interest-bearing loans and borrowings	16	413	196
Repayments of interest-bearing loans and borrowings	16	(334)	(137)
Payment of lease liabilities	16	(2)	(1)
Dividends paid	20	(17)	(2)
Net cash generated from financing activities		57	146
Net movement in cash and cash equivalents		81	(68)
At the beginning of the year	8	13	81
At the end of the year	8	94	13
Cash and cash equivalents in the statement of cash flows are defined by:			
Cash and cash equivalents in the statement of financial position	8	146	84
Bank overdrafts	8	(52)	(71)
At the end of the year	8	94	13

The notes on pages 31 to 101 are an integral part of these consolidated financial statements.

01 Description of the Group

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

The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates. The consolidated financial statements can be obtained from the Company’s registered office and/or its website.

Initial public offering (“IPO”)

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

Shareholders

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

The owners of the Company are as follows:

Shareholders	Country of incorporation	Type of shares	Ownership interest (%)	
			2025	2024
EMMA ALPHA HOLDING LTD	Cyprus	Ordinary shares	71.25%	71.25%
NN Group NV	Netherlands	Ordinary shares	10.69%	5.92%
Other shareholders		Ordinary shares	18.06%	22.83%

Principal activities

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

With over 1,800 MW of renewable electricity generation capacity under ownership, management, or development in Romania and Moldova, the Group is actively contributing to the renewable energy sector’s expansion. Additionally, as the third-largest natural gas infrastructure distributor and the fifth largest supplier in Romania, the fourth-largest electricity supplier in Romania, and the largest electricity infrastructure distributor and supplier in the Republic of Moldova, the Group plays a pivotal role in ensuring reliable, sustainable, and efficient energy distribution and supply across the region to millions of customers.

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

01 Description of the Group (continued)

Regulatory environment

The Group operates in Romania through 17 companies including numerous renewable electricity generation companies alongside a renewable management company and several natural gas distribution infrastructure and supply companies. In the Republic of Moldova, the Group operates through 5 companies, including an electricity distribution infrastructure company, an electricity supply company and an electricity supply and renewable energy generation and management company. The Group also has an energy supply company in Hungary and Serbia.

The Group's activities are subject to oversight by:

- The National Energy Regulatory Authority (ANRE Romania) – responsible for regulating the electricity and natural gas sectors in Romania; and
- The National Agency for Energy Regulation (ANRE Moldova) – responsible for regulating the electricity sector in the Republic of Moldova.

A. Romania

Electricity sector

The Group operates renewable electricity generation, management, and supply companies under five electricity supply licenses issued by ANRE.

Electricity market activities are regulated primarily under the Electricity and Natural Gas Law no. 123/2012 and related secondary legislation.

To mitigate the impact of volatile energy prices, the Romanian Government introduced temporary price caps for electricity and natural gas supplied to households and selected non-household consumers. Under these measures:

- The electricity price cap was effective until 30 June 2025;
- The natural gas price cap is effective until 31 March 2026.

Romanian Government decided to give a new protection to household clients who consume natural gas and to heating producers only for household thermal energy consumption and only in winter period. The new protective scheme is applicable in the period 01.04.2026 – 31.03.2027.

Suppliers are reimbursed by the state for the difference between the capped price and the market price. These reimbursements are recognized as government grants in the consolidated statement of profit or loss in the period of delivery, based on estimated data, and adjusted upon confirmation by the authorities. Adjustments are generally not material.

The Group also operates a local dispatching center for renewable generation units, licensed by CNTEE Transelectrica (National Energy Dispatcher).

Natural gas sector

The Group operates 135 gas distribution concessions with local municipalities in Romania and holds 4 natural gas supply licenses. ANRE regulates tariffs, licensing, and network connection mechanisms for gas distribution and supply.

Changes in connection regulations have affected whether connection-related assets are included in the Regulated Asset Base (RAB), which determines the base for calculating regulated returns. Assets financed by consumers are excluded from RAB, while assets financed by the operator are included and generate regulated returns.

In December 2024, ANRE issued a new methodology for natural gas distribution tariffs applicable for the 2025–2029 regulatory period, introducing:

- for investments in infrastructure projects necessary for the Energy Transition, carried out with own funds, ANRE may grant a supplement of +0.5% above the regulated rate of return (ANRE will establish what could be considered as investments in Energy Transition projects).
- the adjustment of personnel costs will be made with the estimated inflation of the year for which the Real Wage Growth Index published by the National Strategy and Forecast Commission for the respective year is also determined (the real wage rate is set for the whole period at the level of 5%).
- was introduced an adjustment coefficient of the return on invested capital ("K coefficient"), an indicator that reflects the performance of investments made by the distribution operator, considering the variation of the volumes of natural gas distributed annually.

01 Description of the Group (continued)

Regulatory environment (continued)

- regulated depreciation period was decreased to 25 years (from 30 years for steel and 40 years for polyethylene pipes), considering the Energy Transition, for investments in steel and polyethylene distribution pipes put into operation after 1 January 2025 (including connections, technological installations, endowments, and equipment).

The gas supply market for households has been fully liberalized. However, the Government has temporarily reintroduced price caps and compensation mechanisms until 31 March 2026, similar to those applicable to electricity.

B. Republic of Moldova

Electricity distribution and supply activities are regulated by ANRE Moldova.

The electricity distribution license is valid until 2050, and the supply license until 2028. The renewal of the licenses is done every 25 years for electricity distribution and every 10 years for electricity supply.

The Public Service Obligation imposed by ANRE on Premier Energy for the universal service supply as well as the supply at last resort expires on 8 July 2026.

Tariffs are determined annually to allow recovery of operating costs, depreciation of regulated assets, and a regulated rate of return on capital expenditures included in the regulated asset base (RAB).

After each financial year, ANRE performs a tariff adjustment based on actual results. Differences between actual and approved tariffs (under- or over-recoveries) are adjusted in future tariffs. In accordance with IFRS, such tariff deviations do not meet the definition of assets or liabilities and are therefore not recognized in the consolidated financial statements.

In January 2025, the electricity supply and distribution subsidiaries received the approval from ANRE to increase the regulated prices for the supply of electricity by an average of approximately 79% (depending on the voltage level) and the tariffs for the distribution of electricity by an average of approximately 19% (also depending on the voltage level). The new prices and tariffs entered into force when published in the Official Bulletin on 10 January 2025.

Tariff Methodologies are updated every five years. On 16 May 2025, ANRE approved a new methodology for the distribution activity, which is in force from 22 June 2025, and which includes setting the rate of return on the RAB at 9.7% in US\$ for the next 5 years with an increase by 2.0% for annual investment amounts exceeding 140% of the annual regulatory depreciation. In addition, there are ongoing negotiations with ANRE on the new methodology for electricity supply.

On 29 July 2025, as a result of the lower than anticipated electricity procurement prices year-to-date in 2025 (and the resulting tariff deviation), an agreement was reached with ANRE to decrease the supply tariffs by an average of 13% (with effect from 1 August 2025). The assumed average procurement cost of electricity in the new tariffs is €125 / MWh.

01 Description of the Group (continued)

Description of the Ownership Structure

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

Consolidated subsidiaries	Country of incorporation	Effective ownership interest (%)	
		2025	2024
JOSECO HOLDINGS CO. LIMITED	Cyprus	92.74	92.74
• I.C.S. "PREMIER ENERGY" S.R.L.	Moldova	92.74	92.74
• I.C.S. "PREMIER ENERGY DISTRIBUTION" S.A.	Moldova	92.74	92.74
• NAVITAS ENERGY S.R.L. 8)	Moldova	92.74	92.74
• ELECTRA LOGISTICS S.R.L.	Moldova	92.74	92.74
• ELTEPROD WIND S.R.L. 8)	Moldova	--	92.74
• ELTEPROD INVEST S.R.L. 7)	Moldova	92.74	--
LIGATNE LIMITED	Cyprus	100.00	100.00
PREMIER ENERGY SERVICII S.R.L.(FORMERLY LIGATNE GAS S.R.L.)	Romania	99.96	99.96
PREMIER ENERGY S.A. 2)	Romania	99.96	99.96
• PREMIER ENERGY TRADING S.R.L.	Romania	99.96	99.96
NEOGAS GRID S.A. (FORMERLY PREMIER ENERGY S.R.L. 2)	Romania	99.96	99.96
• B.E.R.G Instalatii Gaz S.R.L. 3)	Romania	--	99.96
• ENERGIA MILENIULUI III S.A	Romania	66.64	66.64
ALIVE CAPITAL S.A.	Romania	50.99	50.99
• ALIVE SUN POWER ONE S.R.L.	Romania	50.99	50.99
• ALIVE SUN POWER TWO S.R.L.	Romania	50.99	50.99
• DA VINCI NEW PROJECT S.R.L.	Romania	50.99	50.99
ECOENERGIA S.R.L.	Romania	80.00	80.00
TRUE ENERGY MANAGEMENT S.R.L. 4)	Romania	100.00	75.00
PREMIER ENERGY HUNGARY Kft.	Hungary	100.00	100.00
PREMIER RENEWABLE INVEST CO S.R.L. 6)	Romania	--	100.00
• PREMIER WIND 80 S.R.L.	Romania	100.00	100.00
ENEX NALBANT RENEWABLE S.R.L.	Romania	80.00	80.00
ALIVE CAPITAL D.O.O. Beograd	Serbia	50.99	50.99
PREMIER ENERGY FURNIZARE S.A. 5)	Romania	100.00	100.00
ALIVE RENEWALBE HOLDING LIMITED 1)	Cyprus	51.00	51.00
• DEVELOPMENT POWER SOLAR ENERGY S.R.L. 1)	Romania	45.90	45.90
ALIVE CAPITAL Kft.	Hungary	50.99	50.99
ALIVE WIND POWER ONE S.R.L.	Romania	65.00	65.00
PREMIER BATTERY 400 9)	Romania	100.00	--
PREMIER WIND HUNGARY Kft 10)	Hungary	51.00	--

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

2) PREMIER ENERGY S.R.L. changed its name in 2024 to NEOGAS GRID S.A. In addition, in 2024, PREMIER ENERGY S.R.L. initiated a spin off procedure which became effective on 01.01.2025. For this reason, a new entity, PREMIER ENERGY S.A. was set up.

3) B.E.R.G Instalatii Gaz S.R.L. was sold on 27 May 2025.

4) On 22 May 2025, the Group acquired the remaining 25% in the subsidiary TRUE ENERGY MANAGEMENT S.R.L. and became the sole shareholder.

5) The Company sold 10 shares in PREMIER ENERGY FURNIZARE S.A. to one of its directors. The Group's percentage is now 99.999986%.

6) On 21 May 2025, PREMIER WIND 80 S.R.L. merged with PREMIER RENEWABLE INVEST CO S.R.L. The effective date of the merger is 1 January 2025.

7) On 14 August 2025, ELTEPROD INVEST S.R.L, a Moldovan company, was acquired by NAVITAS ENERGY S.R.L. with a stake of 100%.

8) As of 1 October 2025, ELTEPROD WIND S.R.L. was merged with NAVITAS ENERGY S.R.L.

9) As of 20 November 2025, PREMIER BATTERY 400 S.R.L., a Romanian company, was acquired by PREMIER ENERGY PLC with a stake of 100%.

10) As of 29 December 2025, PREMIER WIND HUNGARY Kft., a Hungarian company, was acquired by PREMIER ENERGY PLC with a stake of 51%.

Equity-accounted investees (associates)	Country of incorporation	Effective Ownership interest (%)	
		2025	2024
BRASOV RENEWABLES S.R.L.	Romania	20.40	20.40
SOLAR ENERGY PRODUCTION S.R.L.	Romania	10.20	10.20

01 Description of the Group (continued)

Acquisitions in 2025

On 18 March 2025, the Group increased its shareholding in TRUE ENERGY MANAGEMENT S.R.L. from 75% to 100% by purchase of 25% ownership interest from non-controlling shareholder for the total purchase price of MEUR 3, as follows:

	MEUR
Non-controlling interests acquired	2
Consideration transferred	(3)
Acquisition effect recognised in equity (-)	(1)

On 14 August 2025, the Group's Navitas subsidiary acquired 100% of Elteprod Invest S.R.L., an entity holding the connection permit and 6 hectares of land for the potential development of a 40.5 MW wind park near the town of Stefan Voda in the Republic of Moldova, for TEUR 634. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised.

	MEUR
Cash effect on acquisition	
Consideration, paid in cash	(1)
Cash acquired	--
Net cash outflow	(1)

On 20 November 2025, the Group acquired 100% of Premier Battery 400 S.R.L. (formerly Derzelas Eolian S.R.L.), a ready-to-build battery energy storage system (BESS) project located near Iași, Romania. The project has a planned power input and output capacity of 200 MW and an energy storage capacity of 400 MWh. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised. The consideration amounted to MEUR 7. As at 31 December 2025, the Group paid 50% of the consideration while the remaining is still payable within Other liabilities.

	MEUR
Cash effect on acquisition	
Consideration, paid in cash	(4)
Cash acquired	--
Net cash outflow	(4)

Disposals in 2025

On 27 May 2025, NEOGAS GRID S.A. sold its entire shareholding interest in BERG INSTALATII GAZ S.R.L. (representing 100% of issued share capital), a non-core entity, for a consideration of RON 200 (TEUR 0).

01 Description of the Group (continued)

Acquisitions in 2024

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

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

For the period between the acquisition date and 31 December 2024, the entity PREMIER ENERGY FURNIZARE S.A. contributed revenue of MEUR 297 and profit before tax of MEUR 29 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been higher by MEUR 104 and consolidated profit before tax would have been higher by MEUR 1.

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

	MEUR
Trade and other receivables	140
Other assets (financial and non-financial)	2
Inventories	2
Deferred tax asset	3
Cash and cash equivalents	10
Trade and other payables	(30)
Other liabilities	(60)
Bank overdrafts	(31)
Provisions	(2)
Total identifiable net assets acquired	34
Consideration, paid in cash	(20)
Gain on bargain purchase (+)	14
Cash effect on acquisition	
Consideration, paid in cash	(20)
Cash acquired	10
Bank overdrafts	(31)
Net cash outflow	(41)

01 Description of the Group (continued)

Acquisitions in 2024 (continued)

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

The consideration for the acquisition of the company amounted to MEUR 97, including MEUR 9 as deferred consideration should the company receive any refund compensation from the Romanian state for the cancellation or suspension of the Romanian windfall tax legislation which was paid up until 31 December 2023.

Total net assets with a fair value of MEUR 103 were acquired, comprised mainly of the wind park assets, grid connection assets and related green certificates. The total net assets acquired also include the value of MEUR 9 as part of income tax receivable related to the aforementioned potential refund for windfall tax payments made up to 31 December 2023. Gain on bargain purchase in the amount of MEUR 6 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

For the period between the acquisition date and 31 December 2024, the entity PREMIER WIND 80 S.R.L. (formerly Eolica Dobrogea One S.R.L.) contributed revenue of MEUR 7 to the Group's results, of which MEUR 5 relates to intercompany sales. The profit before tax for this period was MEUR 4, which resulted from intercompany sales.

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

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

	MEUR
Intangible assets	3
Property, plant and equipment	81
Trade and other receivables	1
Income tax receivable	11
Other assets (financial and non-financial)	1
Green certificates	13
Inventories	1
Cash and cash equivalents	9
Trade and other payables	(1)
Lease liabilities	(3)
Other liabilities	(4)
Provisions	(3)
Deferred tax liabilities	(6)
Total identifiable net assets acquired	103
Consideration, paid in cash	(88)
Deferred consideration	(9)
Gain on bargain purchase (+)	6
Cash effect on acquisition	
Consideration, paid in cash	(88)
Cash acquired	9
Net cash outflow	(79)

01 Description of the Group (continued)

Acquisitions in 2024 (continued)

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

The purchase price consists of the amount of MEUR 5 plus an additional deferred consideration of MEUR 3. The fair value of the net assets acquired was MEUR 8 as at acquisition date. The acquisition was completed due to the Group's strategic growth initiative within the renewable energy generation sector. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised.

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

	MEUR
Intangible assets	9
Property, plant and equipment	2
Other assets (financial and non-financial)	10
Other liabilities	(10)
Lease liabilities	(1)
Interest-bearing loans and borrowings – non-banks	(1)
Deferred tax liabilities	(1)
Total identifiable net assets acquired	8
Consideration, paid in cash	(5)
Deferred consideration	(3)
Goodwill (-)/ Gain on bargain purchase (+)	--
Cash effect on acquisition	
Consideration, paid in cash	(5)
Net cash outflow	(5)

Other Acquisitions in 2024

On 4 January 2024, a new entity called ALIVE WIND POWER ONE S.R.L. ("AWPO") was incorporated, being 65% owned by Premier Energy PLC and 35% by OMNIA Capital BV, with the aim of acquiring an already built 18 MW wind plant with an additional 8 MW of a wind plant development. The closing of the asset deal acquisition occurred on 15th of April 2024. The fair value of the net assets in the total amount of MEUR 19 were acquired.

On 29 November 2024, the Group acquired 100% share in the entity ELTEPROD WIND S.R.L., a company owning 16,238 sq. meters of land near the town of Stefan Voda, Republic of Moldova, for a total purchase price of TEUR 227. The net assets as at acquisition date was TEUR 227.

During 2024, ALIVE CAPITAL D.O.O BEOGRAD received capital contributions from its shareholders and as a results non-controlling interest at the amount of MEUR 1 was recognised. ALIVE CAPITAL KFT and ALIVE RENEWABLE HOLDING LIMITED increased their share capitals and as a results non-controlling interest was recognised at the amounts of TEUR 188 and TEUR 417, respectively. Finally, non-controlling interest at the amount of TEUR 12 was recognised from the Moldovan subsidiary NAVITAS ENERGY S.R.L.

02 **Basis of preparation**

a) Statement of compliance

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

b) Basis of measurement

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

c) Presentation and functional currency

The consolidated financial statements are presented in Euro (EUR), which is the Company's functional currency and Group's presentation currency. The functional currency of the Romanian entities is the Romanian Leu, for the Moldovan entities is the Moldovan Leu, for the Hungarian entity is the Hungarian Forint, for the Serbian entity is the Serbian Denar and for the Cypriot entities is the Euro. The amounts presented in these financial statements were previously shown in thousands of EURO, i.e., TEUR. To improve the readability of the financial statements, the Group has elected to present all amounts in millions of EURO, e.g., MEUR, effective for the year ended 31 December 2025. Comparative information has been represented to conform to the current year presentation. Due to rounding, some totals may not add precisely to the underlying amounts, and subtotals may not sum exactly. This change affects only the presentation of amounts and has no impact on the recognition, measurement, or disclosure of the Group's financial position, performance, or cash flows. Refer to accounting policy 3(a) for further details.

The following exchange rates were used during translations:

Date	Closing exchange rate MDL/EUR	Average exchange rate MDL/EUR for the 12-month period
31 December 2025	19.7597	19.5911
31 December 2024	19.3106	19.2533

Date	Closing exchange rate RON/EUR	Average exchange rate RON/EUR for the 12-month period
31 December 2025	5.0968	5.0424
31 December 2024	4.9743	4.9746

Date	Closing exchange rate HUF/EUR	Average exchange rate HUF/EUR for the 12-month period
31 December 2025	385.15	397.77
31 December 2024	411.35	395.30

Date	Closing exchange rate RSD/EUR	Average exchange rate RSD/EUR for the 12-month period
31 December 2025	117.282	117.203
31 December 2024	117.015	117.087

d) Use of estimates and judgements

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

02 

Basis of preparation (continued)

d) Use of estimates and judgements (continued)

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

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

- Note 1: acquisition of subsidiary- FV of net assets acquired, gain on bargain;
- Note 6: impairment test of goodwill and fixed assets;
- Note 7: determining the fair value of gas distribution network on the basis of significant unobservable inputs;
- Note 22: own use exemption application for power purchase agreements;
- Note 22: unbilled electricity consumption.

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

Assumption and estimation uncertainties

- The Group concludes Purchase Power Agreements with renewable energy producers, covering all type of renewable energy from solar, wind, mycrohidro and biomass. These contracts typically cover the whole production capacity of the assets for a predetermined period (1 to 3 years), with the electricity being paid as produced, in exchange for a price either fixed, as the majority of the contracts, or pre-determined % of market price;
- The Group is facing the risk of imbalances from these contracts, resulting from the inherent nature of the green energy production, which cannot be exactly predicted due to variable weather conditions and other external factors. As a result of these imbalances the Group needs to sell the excess of energy supplied on a Day Ahead Market ("DAM") at the moment of the delivery, for the market price prevailing at the moment of the sale. As such, the timing and price of these sales is not under control of the Group and does not represent an intentional trading to benefit from short term market price fluctuations. In these situations the market price is typically lower in comparison to price obtained from end customer since also other market participants are hit by the same external factors leading to sales of excess supply. In addition, to achieve balance between portfolio of bilateral contracts, consumption forecast and availability of generation units at hourly level for the delivery day, the Group can also be in a position to buy the energy, usually, at a higher price per MWh, as these purchases occur in the moment when the market is short on energy;
- The Group constantly monitors, on monthly averages, the volume of these sales in comparison to total sales in order to reassess that these are not significant and are still consistent with the own use exemptions. In addition to this the Group monitors the impact of these sales on the profit or loss. In 2025 and 2024 both volume of sales and impact on the profit or loss were assessed as not significant and consistent with own use intention. The Group is actively managing the risk of imbalances mainly by structure of contracts concluded with renewable energy producers and continuous improvement of predictive capacity based on data collected from the suppliers;
- The Group considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9;
- The Group is facing a risk of potential future more significant sales of excess supplies due to unpredictable external factors linked mainly to weather conditions and will continuously assess the appropriate classification of these contracts to identify cases where own use intention can no longer be sustained.

02 Basis of preparation (continued)

d) Use of estimates and judgements (continued)

Fair values of financial instruments and non-financial assets

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors.

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For the information on fair value determination of gas distribution networks refer to Note 7 Property, plant and equipment and for the information on the financial assets at FVTPL refer to Note 11, Financial assets.

e) Basis of consolidation

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

02 

Basis of preparation (continued)

f) Subsidiaries

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

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

g) Interest in equity-accounted investees

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

h) Transactions eliminated on consolidation

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

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

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

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

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

02

Basis of preparation (continued)

j) Business combinations

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

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

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

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

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

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

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

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

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

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

03 Material accounting policies

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

a) Foreign currency

(i) Foreign currency transactions

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

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

Foreign currency differences arising on translation of non-monetary items measured at fair value are treated in line with the recognition of the gain or loss on the change in fair value of the item.

(ii) Financial information of foreign operations

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

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

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

b) Cash and cash equivalents

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

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

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

03

Material accounting policies (continued)

c) Financial assets and liabilities

(i) Classification

Financial assets

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

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

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

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

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designed as such on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Recognition

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

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

(iii) Measurement

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

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

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

03 

Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(iii) Measurement (continued)

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

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

(iv) Amortised cost measurement principles

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

(v) Gains and losses on subsequent measurement

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

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

03

Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(vi) Identification and measurement of expected credit losses

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

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

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

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

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

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

Applicable for trade receivables

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

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

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

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

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

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

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

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

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

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

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

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

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

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

03 

Material accounting policies (continued)

c) Financial assets and liabilities (continued)

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

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

(vii) Derecognition

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

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

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

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

(viii) Offsetting

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

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

(ix) Write-off

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

03 

Material accounting policies (continued)

d) Intangible assets

Goodwill and gain on bargain purchase

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is stated at cost less accumulated impairment losses (refer to Note 6).

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

Software and other intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, software and other intangible assets that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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

The Group derecognises an intangible asset upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

03

Material accounting policies (continued)

e) Property, plant and equipment

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

Recognition and measurement

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

The cost of a property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use.

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

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

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

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

Depreciation

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

	Years
Gas distribution network	29-49
Administrative Buildings	40-70
Wind and Solar operational parks	25-30
Operational Buildings	40-60
Electricity lines	35-45
Electro-energetic equipment	15-25
Other equipment	3-12
Meters	18
Cars	7-10
Specialized vehicles	10
Other tangible assets	7-10

Land is not depreciated.

03 Material accounting policies (continued)

e) Property, plant and equipment (continued)

Depreciation (continued)

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

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

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

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

Disposal

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

f) Leases – the entity acting as a lessee

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

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

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

Right-of-use asset

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

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

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

Lease liability

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

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

The lease liability is recognized in the statement of financial position and included in line, Lease liabilities. Interest expense on lease liability is recognized in profit or loss and included in line, Finance expense, using the effective interest rate.

03 

Material accounting policies (continued)

g) Impairment for non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash generating units). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Inventories

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

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

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

i) Green certificates

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

Producers of green energy

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

03 Material accounting policies (continued)

i) Green certificates (continued)

Suppliers of electricity

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

j) Equity

Share capital

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

Share premium

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

Dividends

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

Non-controlling interests

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

Translation reserve

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

Legal reserve

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

IPO expenses

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

k) Provisions

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

03 Material accounting policies (continued)

l) Deferred income

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

m) Related parties

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

n) Revenues

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

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

Revenues from renewable energy and green certificates

Production and sale of renewable energy in Romania and green certificates

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

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

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

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

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

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

03 

Material accounting policies (continued)

n) Revenues (continued)

Revenues from the sale and distribution of natural gas

Supply and distribution of natural gas

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

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

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

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

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

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

Construction revenue

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

03 Material accounting policies (continued)

n) Revenues (continued)

Revenues from the sale and distribution of natural gas (continued)

Supply and distribution of natural gas (continued)

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

Users may also incur part of the costs of extension of the network based on contracts signed between the users and the Group, which stipulate the value of the extension works that will be reimbursed to the operator by the user.

The contracts stipulate that the co-financing by the user of the construction works does not transfer any right to the user in relation to the grid or provide access to gas supply; however, the network extension is a pre-requisite of connection to the gas distribution network, which would otherwise not reach the customer's location.

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

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

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

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

Gas sale-purchase contracts

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

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

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

Revenues from the sale and distribution of electricity

Supply and distribution of electricity

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

03

Material accounting policies (continued)

n) Revenues (continued)

Revenues from the sale and distribution of natural gas (continued)

Supply and distribution of natural gas (continued)

Electricity delivered which is not yet billed at the reporting date is accrued on the basis of recent average consumption. Differences between estimated and actual amounts are recorded in subsequent periods.

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

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

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

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

o) Finance income and expense

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition and is not revised subsequently.

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

p) Fee and commission income and expenses

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

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

q) Taxation

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

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

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

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

The Group has determined that the Global minimum top-up tax which is required to pay under Pillar Two legislation is an income tax in the scope of IAS 12. Refer to Note 29 for further details.

03 

Material accounting policies (continued)

r) Common control transactions

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

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

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

For business combinations under common control that have substance, the Group applies the acquisition method set out in IFRS 3, while for the rest transactions with no substance applies the pooling of interests method, with restating comparatives. The chosen accounting policy should be applied consistently to all similar common control transactions.

Under the pooling of interests method, the assets and liabilities acquired are recognised at the carrying amounts of the acquiree (i.e. value at cost as at the date of acquisition less accumulated depreciation and/or potential impairment). The difference between fair value of consideration transferred in the acquisition and net assets acquired is recognised directly in equity. In the consolidated financial statements, the acquirer is permitted to re-present its comparatives and adjust its current reporting period before the date of the transaction as if the combination had occurred before the start of the earliest period presented. However, this restatement should not extend to periods during which the entities were not under common control.

Under acquisition method, the consideration transferred in a business combination is measured at fair value. Any difference between consideration transferred and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill or gain on bargain purchase in profit or loss.

s) Subsidies

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

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

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

t) Climate-related matters

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

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures. Currently, the Group concluded that the useful life of property, plant and equipment has not impacted from climate-related matters.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. The Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill, however the Group monitors and considers the future expectations in assessing value-in-use amounts.
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning.

03 

Material accounting policies (continued)

u) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

As from 1 January 2025, the Group adopted all changes to IFRSs as adopted by the EU which are relevant to its operations. This adoption did not have a material effect on the financial statements.

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods beginning on 1 January 2025. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

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

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

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

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

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

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Material accounting policies (continued)

x) New accounting pronouncements- Standards issued but not yet effective (continued)

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

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

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. Management estimates that it will not have a material effect on the financial statements.

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

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

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

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (including amendments)**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. The amendments issued in August 2025 reduce the disclosure requirements of new IFRS accounting standards, which had been included in full when IFRS 19 was first issued. IFRS 19 (including the amendments) is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard (including the amendments) has not yet been endorsed by the EU. Management estimates that it will not have a material effect on the financial statements.

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

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

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Material accounting policies (continued)

x) New accounting pronouncements- Standards issued but not yet effective (continued)

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

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements. The amendments have not yet been endorsed by the EU. Management estimates that it will not have a material effect on the financial statements.

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Financial risk management

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

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

- risks related to operational activities
- credit risk
- liquidity risk
- market risk
- legal risk

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

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

Risks related to operational activities

(a) Litigation and claims

The Group is the subject of a number of court actions resulting from the normal course of business, in which it has the position of plaintiff or defendant. The list of litigations is analysed on a timely basis and based on the results of such analysis the Group recognises provisions for potential losses from litigations and claims. The Group considers that litigation and claims will not have a significant impact on the Group's operations and financial position, except for the amounts recorded in these financial statements (refer to Note 15, Provisions).

(b) Environmental protection

The Group pays particular attention on the environmental protection and compliance with relevant environmental legislation. The purpose of the environmental legislation is to prevent pollution and deterioration of the environment, to apply the proper measures in this respect, to protect the population's health, to put to good use in a reasonable manner the renewable and non-renewable resource, and to preserve the natural ecological balance. During the 1st half of 2021, the Group implemented full scale of Environmental, Social and Governance (ESG) policies and guidelines throughout the organization. In the years 2025 and 2024, the Group was neither involved in major incidents related to environment pollution, nor sued for damages to the environment.

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Financial risk management (continued)

(c) Tax investigations

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

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

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

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

Credit risk

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

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

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

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

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

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

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

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

04 Financial risk management (continued)

Credit risk (continued)

Exposure to credit risk

Credit quality of financial assets

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

Bank balances and bank deposits are measured at 12-month ECL:

	2025	2024
	MEUR	MEUR
Cash at bank and term bank deposits		
Rating A1 to A3	4	--
Rating Baa to B	7	9
Non-rated	109	33
Gross carrying amount cash at bank	120	42
Demand deposits		
Non-rated	26	38
Subtotal	26	38
Deposits with restricted access		
Rating A1 to A3	1	--
Non-rated	9	13
Gross carrying amount deposits	10	13
Total cash at bank, demand deposits and deposits with restricted access	156	93

During the years 2025 and 2024 no impairment provision was recognised in respect to cash at bank and bank deposits.

04

Financial risk management (continued)

Classification of financial assets by credit risk – provided loans, deposits and restricted deposits

Financial assets measured at amortised cost were subject to a 12-month ECL (Stage I).

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

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

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

As at 31 December 2025, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2025	Current (not past due)	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-360 days past due	360+ past due	Total
Trade receivables	153	30	9	3	1	3	12	211
Other financial assets*	150	--	--	--	--	--	3	153
Total balance	303	30	9	3	1	3	15	364
Loss allowance	(2)	(1)	--	--	--	--	(14)	(17)
Weighted average loss rate	0.42%	0.63%	2.15%	4.87%	25.06%	39.07%	92.77%	4.79%
Credit-impaired	No	No	No	No	No	Yes	Yes	

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For the detail, refer to Note 13.

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

2024	Current (not past due)	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-360 days past due	360+ past due	Total
Trade receivables	152	26	2	--	1	2	12	195
Other financial assets*	48	24	10	11	42	31	--	166
Total balance	200	50	12	11	43	33	12	361
Loss allowance	(2)	(1)	--	--	--	(1)	(11)	(15)
Weighted average loss rate	1.17%	0.65%	0.19%	0.24%	0.31%	2.42%	90.15%	4.10%
Credit-impaired	No	No	No	No	No	Yes	Yes	

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For the detail, refer to Note 13.

04

Financial risk management (continued)

Credit risk (continued)

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

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

As at 31 December 2025, the exposure to credit risk for trade receivables, loans provided and other financial assets by geographic region was as follows:

	2025		2024	
	MEUR	%	MEUR	%
Romania	328	91.13%	333	90.17%
Other EU countries	--	0.00%	9	2.56%
Moldova	32	8.87%	25	6.77%
Other	--	0.00%	2	0.50%
Total	360	100.00%	369	100.00%

Also, as at 31 December 2025, the exposure to credit risk for trade receivables, derivatives, loans provided and other financial assets by type of counterparty was as follows:

	2025		2024	
	MEUR	%	MEUR	%
Financial services	1	0.13%	21	5.64%
Public sector	29	7.93%	23	6.23%
Commercial business customers	163	45.42%	164	44.47%
Households/Individuals	166	46.22%	160	43.38%
Other	1	0.30%	1	0.28%
Total	360	100.00%	369	100.00%

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

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

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

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

04 Financial risk management (continued)

Liquidity risk

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

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

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

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

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

The following tables show gross undiscounted cash flows including estimated interest payments and therefore may not agree with the carrying amounts in the consolidated statement of financial position.

2025						
MEUR	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Non-derivative financial liabilities						
Bank overdrafts	21	31	--	--	52	52
Loans - due to banks and other financial institutions	95	35	161	81	372	286
Lease liabilities	--	1	4	4	9	9
Trade payables	80	--	--	--	80	80
Other financial liabilities*	68	11	12	--	91	91
Total financial liabilities	264	78	177	85	604	518

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 18.

2024						
MEUR	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Non-derivative financial liabilities						
Loans - due to non-banks	15	56	--	--	71	71
Loans - due to banks and other financial institutions	10	60	162	69	301	213
Lease liabilities	1	1	3	6	11	10
Trade payables	69	1	--	--	70	70
Other financial liabilities*	77	4	2	--	83	83
Total financial liabilities	172	122	167	75	536	447

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 18.

04 

Financial risk management (continued)

Market risk

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

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

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

Interest rate risk

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

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

Foreign currency risk

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

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

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

04 Financial risk management (continued)

Market risk (continued)

Interest rate gap position based on re-pricing dates

MEUR	Effective interest rate	Floating interest rate	Fixed interest rate or Non specified	Total
2025				
Interest-bearing financial assets				
Cash and cash equivalents	0.00%	--	146	146
Restricted deposits	0.00%	--	10	10
Loans - due from non-banks	1.38%	--	2	2
Total interest-bearing financial assets		--	158	158
Interest-bearing financial liabilities				
Bank overdraft	8.16%	52	--	52
Loans - due to banks and other financial institutions	5.58%	286	--	286
Lease liabilities	0.00%	--	9	9
Total interest-bearing financial liabilities		338	9	347
Total net position		(338)	149	(189)
2024				
Interest-bearing financial assets				
Cash and cash equivalents	1.76%	81	3	84
Restricted deposits	0.00%	--	13	13
Loans - due from non-banks	3.68%	--	4	4
Total interest-bearing financial assets	--	81	20	101
Interest-bearing financial liabilities				
Bank overdraft	8.01%	71	--	71
Loans - due to banks and other financial institutions	7.06%	213	--	213
Lease liabilities	5.23%	--	10	10
Total interest-bearing financial liabilities		284	10	294
Total net position		(203)	10	(193)

04 Financial risk management (continued)

Market risk (continued)

Interest rate sensitivity analysis

An analysis of sensitivity of the Group's equity to changes in interest rates based on positions existing as at 31 December 2025 and 31 December 2024 and a simplified scenario of a 100bp change in interest rates is shown:

	Total effect on equity and profit or loss	Total effect on equity and profit or loss
	2025	2024
	MEUR	MEUR
Effect of 100bp decrease in interest rate	3	3
Effect of 100bp increase in interest rate	(3)	(3)

Foreign currency position

2025						
MEUR	EUR	USD	RON	MDL	Other	Total
Non-derivative financial assets						
Cash and cash equivalents	53	--	44	49	--	146
Restricted deposits	2	--	8	--	--	10
Loans - due from non-banks	2	--	--	--	--	2
Trade receivables	--	--	166	32	--	198
Other assets*	--	--	149	--	--	149
Total financial assets	57	--	367	81	--	505
Non-derivative financial liabilities						
Bank overdraft	--	--	52	--	--	52
Loans - due to banks and other financial institutions	245	32	--	9	--	286
Lease liabilities	4	--	5	--	--	9
Trade payables	3	--	45	32	--	80
Other liabilities**	6	--	83	2	--	91
Total financial liabilities	258	32	185	43	--	518
Net position	(201)	(32)	182	38	--	(13)

* Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 13.

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 18.

04 Financial risk management (continued)

Market risk (continued)

Foreign currency position (continued)

2024							
MEUR	EUR	USD	RON	MDL	Other	Total	
Non-derivative financial assets							
Cash and cash equivalents	12	--	71	1	--	84	
Restricted deposits	1	--	11	--	1	13	
Financial assets at fair value through profit or loss	5	--	--	--	--	5	
Loans - due from non-banks	4	--	--	--	--	4	
Trade receivables	--	--	159	23	--	182	
Other assets*	1	--	162	2	--	165	
Total financial assets	23	--	403	26	1	453	
Non-derivative financial liabilities							
Bank overdraft	--	--	71	--	--	71	
Loans - due to banks and other financial institutions	164	27	2	20	--	213	
Lease liabilities	5	--	5	--	--	10	
Trade payables	1	--	54	15	--	70	
Other liabilities**	--	--	80	2	--	82	
Total financial liabilities	170	27	212	37	--	446	
Net position	(147)	(27)	191	(11)	1	7	

* Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 13.

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 18.

Foreign currency risk sensitivity analysis

An analysis of sensitivity of the Group's equity to changes in currency exchange rates based on positions existing as at 31 December 2025 and 31 December 2024 and a simplified scenario of a 5% change in USD, RON and MDL to EUR exchange rates is shown below:

	Total effect on equity and profit or loss	
	2025 MEUR	2024 MEUR
Effect of 5% USD depreciation against EUR	2	1
Effect of 5% USD appreciation against EUR	(2)	(1)
Effect of 5% RON depreciation against EUR	(91)	(131)
Effect of 5% RON appreciation against EUR	91	131
Effect of 5% MDL depreciation against EUR	(19)	6
Effect of 5% MDL appreciation against EUR	19	(6)

04 Financial risk management (continued)

Operational risk

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

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

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

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

Legal risk

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

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern, while increasing the return to owners through strive for improving the debt-to-equity ratio. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholder.

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

The Group's net debt-to-equity ratio at 31 December was as follows:

	2025	2024
Total liabilities	671	615
Less: Cash and cash equivalents	(146)	(84)
Net debt	525	531
Total Equity	591	518
Net debt-to equity ratio	0.89	1.03

05 Operating segments

The Group has applied the criteria of IFRS 8, 'Operating Segments' to determine the number and type of operating segments. According to this standard, an operating segment is a component carrying out business operations whose operating income is evaluated regularly by the Group's highest executive decision makers, and about which separate financial information is available. The Group's Operating segments were determined in connection with the nature of the business and how the operations are managed by the Group's operating decision makers.

During the current reporting period, the Group revised its internal management and reporting structure to align segment reporting with the way management now monitors and evaluates performance. As a result, the presentation of operating segments was changed from the previous categories: Romania Renewable Energy, Natural Gas, Romania Energy Supply, Moldova Electricity and Corporate to Production of electricity, Distribution of electricity and natural gas, Supply of electricity and natural gas, Developments of production of electricity and Corporate. Previously, the Group reported five operating segments based on geographical segmentation and revenue streams: Romania Renewable Energy, Natural Gas, Romania Energy Supply, Moldova Electricity and Corporate.

Production of electricity includes revenue from the sale of generated electricity from primarily renewable sources. It also includes a renewable management business in Moldova which is part of the renewable production activity in the country. Distribution of electricity and natural gas include revenue from the distribution of electricity in Moldova and distribution of natural gas in Romania. Supply of electricity and natural gas includes revenue from the supply of electricity in Romania and Moldova and the supply of natural gas in Romania as well as the revenue from the major renewable management business in Romania which operates separately from the various production plants in Romania. Developments represent entities engaged in the development and construction of new renewable energy projects, including photovoltaic and wind parks and related infrastructure and, in the future, also balancing plants such as the 400 MWh battery project. The Corporate entities are primarily based in Cyprus and are intended for the management of the Group and for financing and investing activities. Details for revenue streams are included in Note 22. Revenues and expenses related to core operations.

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

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

05 Operating segments (continued)

The following tables provide the information about the reportable segments for the years ended 31 December 2025 and 2024, respectively:

2025							
MEUR	Production of Electricity	Distribution of Electricity and Natural gas	Supply of electricity and natural gas	Developments	Corporate	Adjustments and eliminations**	Total
Revenues	41	57	1,619	--	--	--	1,717
Intersegment Revenues	43	129	14	--	--	(186)	--
Cost of Sales	(34)	(69)	(1,427)	--	--	--	(1,530)
Intersegment Cost of Sales	(16)	(4)	(166)	--	--	186	--
Other income	10	4	99	--	--	--	113
Profit/(Loss) from operations	(6)	(83)	231	--	(4)	--	138
<i>Out of which material non-cash items:</i>							
Depreciation and amortisation	(10)	(20)	(2)	--	--	--	(32)
Expected credit losses on loans and receivables	--	--	(4)	--	--	--	(4)
Impairment losses on property, plant and equipment and intangibles	--	(1)	--	--	--	--	(1)
Profit/(Loss) before tax	(11)	(86)	223	--	(7)	--	119
<i>Out of which:</i>							
Interest income	--	--	2	--	1	--	3
Interest expense	(6)	(3)	(7)	--	(4)	--	(20)
Profit/(Loss) after tax	(13)	(92)	215	--	(7)	--	103
<i>Out of which:</i>							
Income tax	(2)	(6)	(8)	--	--	--	(16)
Assets as at 31.12.2025	228	364	543	99	28	--	1,262
Liabilities as at 31.12.2025	(128)	(118)	(315)	(50)	(60)	--	(671)
Capital expenditure*	14	34	1	32	--	--	81
Navitas Capital Expenditure adjustment***	(10)	--	--	10	--	--	--
Capital expenditure*	4	34	1	42			81

* The capital expenditure within the Production of electricity segment represents investments into primarily existing renewable energy generation sources in Romania and Moldova and into an expansion of the gas-to-power plant in Romania. The capital expenditure within the Distribution of electricity and natural gas segment represents primarily investments into the electricity and gas distribution networks in Moldova and Romania. The capital expenditure within the Development segment represents mainly investments into new renewable energy generation assets in Romania and Moldova.

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

*** The Navitas renewable entity in Moldova is part of the Production segment. However, there are various developments within that entity whose capital expenditures relate to the Development segment.

05 Operating segments (continued)

2024							
MEUR	Production of Electricity	Distribution of Electricity and Natural gas	Supply of electricity and natural gas	Developments	Corporate	Adjustments and eliminations**	Total
Revenues	24	253	937	--	--	--	1,214
Intersegment Revenues	31	114	27	--	--	(172)	--
Cost of Sales	(13)	(224)	(950)	--	--	--	(1,187)
Intersegment Cost of Sales	(21)	(23)	(128)	--	--	172	--
Other income	6	6	128	--	--	--	140
Profit/(Loss) from operations	10	(55)	96	(1)	(4)	--	46
<i>Out of which material non-cash items:</i>							
Gain on bargain purchase	6	--	14	--	--	--	20
Depreciation and amortisation	(6)	(19)	(2)	--	--	--	(27)
Impairment losses on other assets	--	(3)	--	--	--	--	(3)
Profit/(Loss) before tax	5	(59)	92	(1)	(8)	--	29
<i>Out of which:</i>							
Interest income	--	--	1	--	2	--	3
Interest expense	(5)	(4)	(3)	--	(6)	--	(18)
Profit/(Loss) after tax	4	(63)	93	(1)	(10)	--	23
<i>Out of which:</i>							
Income tax	(1)	(4)	1	--	(2)	--	(6)
Assets as at 31.12.2024	229	463	335	59	47	--	1,133
Liabilities as at 31.12.2024	(111)	(179)	(232)	(30)	(63)	--	(615)
Capital expenditure *	15	39	--	10	--	--	64
Navitas Capital Expenditure adjustment ***	(9)	--	--	9	--	--	--
Capital expenditure *	6	39	--	19	--	--	64

* The capital expenditure within the Production of electricity segment represents investments into renewable energy generation sources primarily in Moldova. The capital expenditure within the Distribution of electricity and natural gas segment represents primarily investments into the electricity and gas distribution networks in Moldova and Romania. The capital expenditure within the Development segment represents mainly investments into renewable energy generation assets in Romania.

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

***The Navitas renewable entity in Moldova is part of the Production segment. However, there are various developments within that entity whose capital expenditures relate to the Development segment.

05 Operating segments (continued)

Reconciliation of information on reportable segments to the amounts reported in the financial statements as at 31 December 2025 and 2024:

2025						
MEUR	Production of Electricity	Distribution of Electricity and Natural gas	Supply of electricity and natural gas	Developments	Corporate	Total
Profit/(loss) before tax as reported in consolidation	(11)	(86)	223	--	(7)	119
Elimination of inter-segment profit	27	124	(151)	--	--	--
Profit/(loss) before tax for reportable segments	16	38	72	--	(7)	119
MEUR	Production of Electricity	Distribution of Electricity and Natural gas	Supply of electricity and natural gas	Developments	Corporate	Total
Profit/(loss) from operations as reported in consolidation	(6)	(83)	231	--	(4)	138
Elimination of inter-segment profit	27	124	(151)	--	--	--
Profit/(loss) from operations for reportable segments	21	41	80	--	(4)	138
2024						
MEUR	Production of Electricity	Distribution of Electricity and Natural gas	Supply of electricity and natural gas	Developments	Corporate	Total
Profit/(loss) before tax as reported in consolidation	5	(59)	92	(1)	(8)	29
Elimination of inter-segment profit	11	90	(101)	--	--	--
Profit/(loss) before tax for reportable segments	16	31	(9)	(1)	(8)	29
MEUR	Production of Electricity	Distribution of Electricity and Natural gas	Supply of electricity and natural gas	Developments	Corporate	Total
Profit/(loss) from operations as reported in consolidation	10	(55)	96	(1)	(4)	46
Elimination of inter-segment profit	11	90	(101)	--	--	--
Profit/(loss) from operations for reportable segments	21	35	(5)	(1)	(4)	46

06 Intangible assets and Goodwill

	Goodwill	Software	Right-of-use asset	Other intangible assets	Total
	MEUR	MEUR	MEUR	MEUR	MEUR
Acquisition cost					
2024					
Balance as at 1 January 2024	19	7	--	26	52
Acquisitions through business combinations	--	--	3	--	3
Acquisitions through asset deal	--	--	--	9	9
Other adjustments	--	1	--	--	1
Additions	--	2	--	--	2
Balance as at 31 December 2024	19	10	3	35	67
2025					
Balance as at 1 January 2025	19	10	3	35	67
Acquisitions through asset deal	--	--	--	6	6
Additions	--	1	--	--	1
Transfers	--	--	(3)	--	(3)
Translation difference	--	--	--	(1)	(1)
Balance as at 31 December 2025	19	11	--	40	70
Accumulated amortization					
2024					
Balance as at 1 January 2024	--	(1)	--	(3)	(4)
Charge for the year	--	(1)	--	(1)	(2)
Other adjustments	--	(2)	--	--	(2)
Balance as at 31 December 2024	--	(4)	--	(4)	(8)
2025					
Balance as at 1 January 2025	--	(3)	--	(4)	(8)
Charge for the year	--	(1)	--	(1)	(2)
Balance as at 31 December 2025	--	(4)	--	(5)	(10)
Carrying amount					
As at 31 December 2024	19	6	3	31	59
As at 31 December 2025	19	6	--	35	60

06 

Intangible assets and Goodwill (continued)

In 2025, the acquisition of intangible assets through an asset deal relates to the acquisition of the project rights of the Romanian subsidiary, PREMIER BATTERY 400 S.R.L.

In 2024, acquisition of intangible assets through business combination and assets deal relates to the acquisition of the Romanian subsidiaries PREMIER ENERGY FURNIZARE S.A., PREMIER WIND 80 S.R.L. and DEVELOPMENT POWER SOLAR ENERGY S.R.L. as described in Note 1. The acquired intangible assets are comprised mainly of project rights related to DEVELOPMENT POWER SOLAR ENERGY S.R.L., the amortization of which was started on the last quarter of 2025, right-of-use assets related to PREMIER WIND 80 S.R.L. and software related to PREMIER ENERGY FURNIZARE S.A.

The Group carried out the assessment of estimated remaining useful lives and amortization rates of intangible assets with finite useful lives as at 31 December 2025 and 31 December 2024 and no adjustment is required.

Determining whether goodwill is impaired requires an estimation of its recoverable amount. While the Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount, it believes that the Group's operations are not currently significantly exposed to physical risk and no single climate-related assumption has been considered as a key assumption for the year test of goodwill. The recoverable amount is based on the value in use calculations of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group and management to estimate the post-tax future cash flows expected to arise from the cash-generating units over the remaining life of the concession, primarily over the next 29 years, including both natural gas distribution and supply revenues and operating profits based on expectations of future outcomes taking into account past experience while adjusting for anticipated inflation-related revenue and cost growth and using a suitable pre-tax discount rate of 7% for the analysis performed as of 31 December 2024 in order to calculate the present value. The average annual revenue growth rate over the 29-year period was flat. The discount rate was based on the 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specified cash generating unit of the Group. For the analysis performed as of 31 December 2025 the recoverable amount was derived from the fair value of gas distribution assets (refer to Note 7).

For the renewable energy, the assessments require the use of different estimates and assumptions such as energy prices, discount rates, renewable energy production of our own or managed assets, growth rates as well as gross margins. The key estimates and assumptions used bear the risk of change due to the inherent volatile nature of various macro-economic factors and the uncertainty in asset or CGU specific factors like volume of the electricity sold correlated with the renewable energy production profiles, which can impact the recoverable amount of assets and/or CGUs. The margin assumptions used in impairment testing are based on management's best estimate and were consistent with prior year's results as well as with the external sources. Besides discount rates, the main valuation assumptions for the calculation of the recoverable amounts are the gross margin of the sale of electricity (being the differences between the electricity prices, the cost of electricity as well as imbalances) and the renewable energy production of the assets owned or managed by the Group. The assumptions used for the electricity prices are based on long term forecasting report prepared by ALEA Soft Energy Forecasting, considering specifics of local market as well as the correlation between the local and regional markets. For the analysis performed as of 31 December 2025 the recoverable amount was assessed taking into account the proceed from disposal of the renewable energy assets (refer to Note 33).

The Group carried out the impairment analysis and concluded that there were no impairments that should be recorded as at 31 December 2025 and 31 December 2024.

07 Property, plant and equipment

	Land and buildings	Vehicles and Other tangible assets and equipment	Right-of-use asset	Tangible assets under construction	Electricity distribution network	Gas distribution networks	Advance payments	Total
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Acquisition cost or valuation								
2024								
Balance as at 1 January 2024	24	56	7	34	222	100	8	451
Acquisitions through business combinations	14	66	2	1	--	--	--	83
Acquisitions through asset deals	1	17	--	2	--	--	--	20
Other adjustments	--	1	--	--	7	--	--	8
Additions	1	3	1	58	2	--	11	76
Disposals	--	(1)	--	--	(2)	--	(18)	(21)
Transfers	(8)	34	--	(62)	12	24	--	--
Balance as at 31 December 2024	32	176	10	33	241	124	1	617
2025								
Balance as at 1 January 2025	32	176	10	33	241	124	1	617
Acquisitions through asset deals	--	--	--	1	--	--	--	1
Other adjustments	--	--	--	--	2	--	--	2
Additions	--	2	--	65	4	--	13	84
Disposals	--	--	(1)	--	(2)	(4)	(5)	(12)
Transfers	(14)	24	3	(32)	18	10	(6)	3
Translation differences	--	(4)	--	(2)	(6)	(3)	--	(15)
Balance as at 31 December 2025	18	198	12	65	257	127	3	680
Accumulated depreciation and impairment								
2024								
Balance as at 1 January 2024	(1)	(7)	(2)	(2)	(30)	(11)	--	(53)
Charge for the year	(1)	(7)	(1)	--	(10)	(5)	--	(24)
Other adjustments	--	(1)	--	--	(7)	--	--	(8)
Disposals	--	1	--	--	2	--	--	3
Balance as at 31 December 2024	(2)	(14)	(3)	(2)	(45)	(16)	--	(82)
2025								
Balance as at 1 January 2025	(2)	(14)	(3)	(2)	(45)	(16)	--	(82)
Charge for the year	(1)	(11)	(1)	--	(10)	(7)	--	(30)
Other adjustments	--	--	--	--	(1)	--	--	(1)
Impairment loss	--	--	--	(1)	--	--	--	(1)
Disposals	--	--	--	--	2	3	--	5
Translation difference	--	--	--	--	1	--	--	1
Balance as at 31 December 2025	(3)	(25)	(4)	(3)	(53)	(20)	--	(108)
Carrying amount								
As at 31 December 2024	30	162	7	31	196	108	1	535
As at 31 December 2025	15	173	8	62	204	107	3	572

07

Property, plant and equipment (continued)

In 2025, acquisition through asset deal relates to the acquisition of the Romanian subsidiary PREMIER BATTERY 400 S.R.L., involving a ready-to-build battery energy storage system project. The project has a planned power input and output capacity of 200 MW and an energy storage capacity of 400 MWh.

In 2024, acquisition through business combination relates to the acquisition of the Romanian subsidiaries PREMIER ENERGY FURNIZARE S.A., PREMIER WIND 80 S.R.L. and DEVELOPMENT POWER SOLAR ENERGY S.R.L. as described in Note 1. The assets acquired relate mainly to the entire structure of the wind turbines, infrastructure, substation, transformers, underground cables as well as the connection costs to the grid. Acquisitions through asset deals are attributable to ALIVE WIND POWER ONE S.R.L. and ELTEPROD WIND S.R.L. (Refer to Note 1).

In 2025 and 2024, additions relate to the construction of electricity networks (power stations, transformers etc.) and/or modernization of the distribution power lines along with additions to the natural gas distribution infrastructure network.

The Group carried out the assessment of estimated remaining useful lives and depreciation rates of property, plant and equipment as at 31 December 2025 and 31 December 2024 and no adjustment is required. Furthermore, the Group considers climate-related matters, including physical and transition risks in its assessment. The Group concluded that the useful lives of property, plant and equipment has not impacted from climate-related matters. For the useful life, refer to Note 3 (e).

The Group carried out the impairment indicators analysis and concluded that there were no impairment indicators as at 31 December 2025 and 31 December 2024.

For pledges on property, refer to Note 16, Loans and borrowings.

Fair value hierarchy

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

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

The fair value of the gas distribution network was determined in 2023 by external, independent property values, having appropriate recognised professional qualifications and experience in the location and category of assets being valued. It was considered that the most appropriate approach for the intended purpose is the cost approach, especially due to the fact the assets subject to valuation are assets that cannot move to other locations, represent specialised assets and a relevant trading market could not be identified. During the years 2025 and 2024, the Group did not perform an updated valuation, as the reassessment of key assumptions, inputs, and the model indicated that they remained appropriate.

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

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

07

Property, plant and equipment (continued)

Fair value hierarchy (continued)

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

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

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

Leases

The right-of-use tangible assets are recognised in accordance with IFRS 16 and are mainly represented by leased premises of Romanian offices and leased land for renewable production assets. As at 31 December 2025, the Group recorded lease liabilities related to right-of-use assets for the total amount of MEUR 9 (2024: MEUR 10). For interest on lease liabilities, refer to Note 28. For effective interest rate used and undiscounted cash flows, refer to Note 4. For reconciliation of movements of lease liabilities to cash flows arising from financing activities, refer to Note 16.

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

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

08

Cash and cash equivalents

Cash and cash equivalents

	2025	2024
	MEUR	MEUR
Current accounts	115	42
Other cash equivalents	5	4
Demand deposits	26	38
Cash and cash equivalents in the statement of financial position	146	84
Bank overdrafts	(52)	(71)
Cash and cash equivalents in the statement of cash flows	94	13

The significant increase in cash and cash equivalents is primarily attributable to the electricity and gas supply activities of the Group's subsidiaries in Moldova and Romania.

Bank overdrafts are mainly attributable to the energy supply entities and are pledged on bank current accounts.

In 2021, the Group's natural gas business, opened an escrow account at the Romanian Commodities Exchange (BRM) for settlement of gas transactions. It covers the next month's estimated gas purchases of the business via BRM. The contractual restriction relates only to the use of the funds, while the Group has access and can withdraw these funds at any time. The balance of this account amounted to MEUR 2 as at 31 December 2025 (2024: MEUR 2).

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

09 Trade receivables

Cash and cash equivalents

	2025	2024
	MEUR	MEUR
Current	198	182
Non-current	--	1
Total	198	183

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

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

As at 31 December 2025 and 31 December 2024, all trade receivables are measured at amortised cost under IFRS 9. Loss allowances were calculated based on a lifetime expected credit loss (ECL). For detailed classification of financial assets by credit risk, see Note 4.

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

10 Inventories

	2025	2024
	MEUR	MEUR
Raw materials and consumables	1	1
Gas stored held at third parties	62	17
Other	8	3
Total	71	21

During the year, the Romanian and Moldovan entities recognised raw materials and consumables used as an expense of MEUR 6 (2024: MEUR 5).

In 2025, the significant increase in the Gas stored held at third parties is mainly due to an approximate 254% increase in the quantity of natural gas held in storage at the end of the year compared to prior year.

The Romanian natural gas entities pledged gas in storage as security for liabilities in the amount MEUR 62 (2024: MEUR 17) (refer to Note 16).

In 2025 and 2024 the operating activity of the Group is performed according to licenses for the distribution of energy. The Group fulfilled all the legal obligations of gas stocked in underground storage in 2025 and 2024.

As at 31 December 2025 and 2024, the Group considered there was no indication of impairment of the gas inventory: on the regulated market, the cost of gas is recognized in the final selling price of the gas according to the ANRE regulations, while on the free market the pricing scheme fully covers these costs.

11 Financial assets

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

	2025 MEUR	2024 MEUR
At 1 st January	5	--
Additions	--	5
Disposals	(5)	--
Balance at 31st December	--	5

During 2025, the total of 6,435 units of JTSEC Financing III a.s. were fully disposed of.

Restricted deposits

	2025 MEUR	2024 MEUR
Deposits with restricted access – current	7	12
Deposits with restricted access – non-current	3	1
Total	10	13

Restricted deposits are used as cash collateral for guarantees for electricity supply contracts with customers, as collateral for letters of guarantees, or as bank loan collateral.

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

12 Loans receivable

The above loans are receivable as follows:

MEUR	Amount as at 31 December 2025	Payable in 1 year	Payable in more than 1 year
Loans to third parties	2	--	2
Total	2	--	2

MEUR	Amount as at 31 December 2025	Payable in 1 year	Payable in more than 1 year
Loans to third parties	4	--	4
Total	4	--	4

The weighted average interest rate for 2025 is 3.55% (2024: 3.68%).

During 2024, the Group provided MEUR 1 of new loans to third parties and received repayments at the total amount of MEUR 3 (including interest).

Loans receivables are measured at amortised cost under IFRS 9. Loss allowances were calculated based on a 12-month or a lifetime expected credit loss (ECL).

As at 31 December 2025 and 31 December 2024, loan receivable balances from third parties were secured over shares held by minority shareholders a Cypriot subsidiary in favour of the Company under the Deed of Pledge Agreements between the Company and the minority shareholders of the Cypriot subsidiary.

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

13 Other assets

	2025	2024
	MEUR	MEUR
Financial assets		
Other assets	149	164
Subtotal financial assets	149	164
Non-financial assets		
Other tax receivables	14	14
Deferred expenses and advances to suppliers	16	21
Other assets – non-financial	--	4
Subtotal non-financial assets	30	39
Total	179	203
Current	177	201
Non-current	2	2
Total	179	203

Non-financial assets mainly include gas delivery prepayments and guarantees for payment retained by the gas suppliers. For the years 2025 and 2024, other financial assets include also guarantees provided to the Romania Commodity Exchange market. The amounts are classified within current and non-current according to the timing of the gas deliveries.

The decrease in financial assets is mainly attributable to the acquisition of PREMIER ENERGY FURNIZARE S.A. related to government support schemes. The amount due from the government support schemes for electricity was MEUR 111 as of 31 December 2025 (2024: MEUR 130). Since the commencement of the government support scheme for electricity customers in January 2022 and until 31 December 2025, the Group has generated approximately MEUR 600 worth of dues from the government, receiving approximately MEUR 490 of these dues by 31 December 2025.

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

14 Green certificates

	2025	2024
	MEUR	MEUR
Current	9	5
Non-current	5	10
Green certificates total	14	15

15 Provisions

	2025	2024
	MEUR	MEUR
Provisions for litigations and claims	1	1
Untaken holiday	4	3
Decommissioning provision	6	5
Tax risks	--	2
Other	1	1
Provisions total	12	12
Non-current provisions	8	10
Current provisions	4	2
Provisions total	12	12

For description of contingencies and commitments, refer to Note 31 and Note 32.
The movements in provisions in 2025 and 2024 are shown in the following tables:

	Provisions for litigations and claims	Untaken holiday	Tax risks	Decommis- sioning provision	Other	Total
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Balance as at 1 January 2025	1	3	2	5	1	12
Provisions created during the year	--	4	--	--	1	5
Provisions used during the year	--	(3)	--	--	--	(3)
Provisions reversed during the year	--	--	(2)	--	--	(2)
Balance as at 31 December 2025	1	4	--	5	2	12
	Provisions for litigations and claims	Untaken holiday	Tax risks	Decommis- sioning provision	Other	Total
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Balance as at 1 January 2024	1	2	4	1	1	9
Provisions created during the year	--	5	--	--	1	6
Provisions used during the year	--	(5)	--	--	(1)	(6)
Provisions reversed during the year	--	--	(2)	--	--	(2)
Acquisitions through business combinations	--	1	--	4	--	5
Balance as at 31 December 2024	1	3	2	5	1	12

Acquisitions through business combinations are attributable to wind park in 2024 (decommissioning provision of MEUR 4) mainly due to the acquisition of PREMIER WIND 80 S.R.L. The Group recognized decommissioning of tangible assets starting with the date of the acquisition. The wind park has an obligation to bring the leased land for the construction of wind turbines to its original state. The effects of the changes in the assumptions underlying the decommissioning costs are recognized prospectively by recording an adjustment of the decommissioning provision, as well as by a corresponding adjustment of the amount of tangible assets to which the decommissioning provision refers. Annually, the provisions for the decommissioning of tangible assets are updated for any changes in the estimated decommissioning costs until the moment of making the expense, as well as from the point of view of the time value of the money. The effect of updating the decommissioning provision over time is presented in financial expenses.

In addition, the Group recognizes provision from legal claims made against the operating companies by their customers in the normal course of business. Litigation provisions are recognized when management estimates that the Group is exposed to a cash outflow as a result of an unfavourable court ruling. During 2025 and 2024, management did not recognise any provision after considering legal advice since it believes that the outcome of these legal claims will not give rise to any significant loss.

The Group recognizes provision in respect to untaken holiday from its employees. The provision is made based on the employment contracts. The Group expects to settle the majority of this liability over the next year.

16 **Loans and borrowings**

Liabilities due to banks and other financial institutions

The details of the Group's liabilities due to banks and other financial institutions are described below:

	2025	2024
	MEUR	MEUR
Non-current bank loans	171	157
Current bank loans	115	56
	286	213

			2025	2024
	Currency	Maturity	Outstanding principal and interest	Outstanding principal and interest
			MEUR	MEUR
A Secured bank loan	EUR	2024: 31.12.2025	--	34
B Secured bank loan	MDL	2024: 15.05.2026	--	2
C Secured bank loan	USD	03.03.2031	17	14
D Secured bank loan	USD	02.03.2031	15	13
E Secured bank loan	MDL	31.01.2028	--	1
F Secured bank loan	EUR	10.03.2037	16	--
G Secured bank loan	EUR	29.06.2029	56	62
H Secured bank loan	EUR	05.12.2030	1	1
I Secured bank loan	EUR	31.12.2026	85	--
J Secured bank loan	MDL	30.12.2033	9	8
K Secured bank loan	EUR	17.07.2034	14	16
L Secured bank loan	EUR	17.07.2034	31	34
M Secured bank loan	MDL	18.12.2026	--	8
N Secured bank loan	EUR	10.01.2034	2	2
O Secured bank loan	EUR	15.04.2034	11	13
P Secured bank loan	EUR	17.08.2037	7	3
Q Secured bank loan	RON	28.02.2025	--	2
R Secured bank loan	EUR	04.10.2032	12	--
S Secured bank loan	EUR	01.10.2032	10	--
	RON	28.02.2025	1,611	--
			286	213

The interest rates on the bank borrowings, including the bank overdraft facilities (Note 8) are variable and based on market conditions. Euro-denominated loans bear interest rates ranging from EURIBOR + 2.10% to EURIBOR + 3.85%. The USD - denominated loans bear interest rates of 2.80% + 6M CME TERM SOFR and 3.50% + Compounded SOFR Index Rate (starting 28 November 2025, the margin reduced to 3.5% from 5.00%.) The MDL- denominated loans bear interest rates of 4.60% based on NBM MDL reference index and the RON – denominated including bank overdrafts bear interest rate of from 1.20% + ROBOR to 2.75% + ROBOR.

The fair value of loans and borrowings approximates to their carrying amounts as presented above.

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Loans and borrowings (continued)

Liabilities due to banks and other financial institutions (continued)

There are covenants to be fulfilled related to secured bank loans. As at 31 December 2025 and 2024, there were no breaches of covenant conditions.

As at 31 December 2025, the Group's bank loans were secured as follows:

- Bank loan I is secured by pledge on receivables and bank accounts, pledge on gas in storage (refer to Note 10, Inventories), pledge on 7,268,283 shares of the Romania company, representing a share of 100% of its total share capital and pledge on 35,120 shares of the company's subsidiary, representing 100% of the subsidiary's share capital.
- Bank loan G was secured by pledge on the shares held by the Company over the Cypriot subsidiaries LIGATNE LIMITED and JOSECO HOLDINGS CO. LIMITED.
- Bank loans F, H, J, K, L, N, O, P and are secured by pledge on receivables and bank accounts, pledge on defined immovable assets, equipment and first rank movable mortgage on the shares of the respective subsidiaries.
- Bank loans C and D are secured by pledge on receivables, bank accounts and defined immovable assets and equipment.
- Bank loan R is secured by pledge on property plant and equipment, cash of EUR 616,134 and own shares.
- Bank loan S is secured by pledge on shares, bank accounts, receivables and equipment.

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

- Bank loan A is secured by pledge on receivables and bank accounts, pledge on gas in storage (refer to Note 10, Inventories) and pledge on 3,634,094 shares of Romania subsidiary, representing a share of 51.23% of the total number of shares of this subsidiary.
- Bank loan G was secured by pledge on Company's shares held by EMMA ALPHA HOLDING LTD. On 21 March 2024, the Company's shares were irrevocably and unconditionally released and discharged from the security pledge. On 11 July 2024, the loan was secured by pledge on the shares held by the Company over the Cypriot subsidiaries LIGATNE LIMITED and JOSECO HOLDINGS CO. LIMITED.
- Bank loans B, E, F, H, I, J, K, L, M, N, O, P and Q are secured by pledge on receivables and bank accounts, pledge on defined immovable assets, equipment and first rank movable mortgage on the shares of the respective subsidiaries.
- Bank loans C and D are secured by pledge on receivables, bank accounts and defined immovable assets and equipment.

Financial Covenants

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

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Loans and borrowings (continued)

Reconciliation of movements of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities in 2025 and 2024 is described below:

	Bank overdrafts	Loans and borrowings	Lease liabilities	Restricted deposits	Equity	Total
Balance at 1 January 2025	71	213	10	(13)	518	800
Changes from financing cash flows						
Transactions NCI without change in control	--	--	--	--	(3)	(3)
Dividends paid	--	--	--	--	(17)	(17)
Proceeds from interest-bearing loans and borrowings	--	413	--	--	--	413
Repayments of interest-bearing loans and borrowings	--	(334)	--	--	--	(334)
Payment of lease liabilities	--	--	(2)	--	--	(2)
Total changes from financing cash flows	--	79	(2)	--	(20)	57
The effect of changes in foreign exchange rates	--	(5)	--	--	(11)	(17)
Other changes						
Change in bank overdraft	(19)	--	--	--	--	(19)
Change in restricted deposits related to operating activities	--	--	--	3	--	3
Interest expense	--	13	1	--	--	14
Interest paid	--	(14)	--	--	--	(14)
Total liability-related other changes	(19)	(1)	1	3	--	(16)
Total equity-related other changes	--	--	--	--	104	104
Balance at 31 December 2025	52	286	9	(10)	591	928

	Bank overdrafts	Loans and borrowings	Lease liabilities	Restricted deposits	Equity	Total
Balance at 1 January 2024	--	155	5	(8)	405	557
Changes from financing cash flows						
Proceeds from issue of share capital	--	--	--	--	90	90
Transactions NCI without change in control	--	--	--	--	(1)	(1)
Capital contributions from NCI to equity of subsidiaries	--	--	--	--	1	1
Dividends paid	--	--	--	--	(2)	(2)
Proceeds from interest-bearing loans and borrowings	--	196	--	--	--	196
Repayments of interest-bearing loans and borrowings	--	(137)	--	--	--	(137)
Payment of lease liabilities	--	--	(1)	--	--	(1)
Total changes from financing cash flows	--	59	(1)	--	88	146
Changes arising from obtaining or losing control of subsidiaries or other businesses	31	--	5	--	--	36
The effect of changes in foreign exchange rates	--	1	--	--	--	1
Other changes						
Change in bank overdraft	40	--	--	--	--	40
Change in restricted deposits related to operating activities	--	--	--	(5)	--	(5)
Interest expense	--	15	--	--	--	15
Interest paid	--	(17)	--	--	--	(17)
New lease agreements	--	--	1	--	--	1
Capitalised borrowing costs	--	1	--	--	--	1
Total liability-related other changes	40	(1)	1	(5)	--	35
Total equity-related other changes	--	--	--	--	25	25
Balance at 31 December 2024	71	214	10	(13)	518	800

17 Trade payables

	2025	2024
	MEUR	MEUR
Current	80	70
Non-current	--	--
Total	80	70

The Group's trade payables as of 31 December 2025 consist mainly of payables to gas and electricity suppliers.

Trade payables are non-interest bearing and are normally settled between 30 days and 60 days.

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

18 Other liabilities

	2025	2024
	MEUR	MEUR
Financial liabilities		
Accrued expenses	63	65
Other liabilities	28	18
Subtotal financial liabilities	91	83
Non-financial liabilities		
Deferred income	48	50
Other tax payable	19	23
Wages and salaries	2	2
Social security and health insurance	1	1
Subtotal non-financial liabilities	70	75
Total	161	158
Current	110	107
Non-current	51	51
Total	161	158

Accrued expenses are represented notably by liabilities related to the electricity purchases by the Moldovan and Romanian subsidiaries and to natural gas and renewable energy purchases by the Romanian subsidiaries. It included within the accrued expenses amounts related to the provision for the obligation of purchasing green certificates. As an electricity supplier, the Group has the legal obligation to purchase a number of green certificates calculated by multiplying the mandatory annual quota established by the regulator with the quantity of energy supplied to final consumers. ANRE sets the annual level of the mandatory quota for the purchase of green certificates.

The increase in total other liabilities is mainly attributable to Premier Wind 80 S.R.L., resulting from the merger with Premier Renewable Invest Co S.R.L., and to Premier Energy PLC in connection with the acquisition of the Romanian entity Premier Battery 400 S.R.L.

As at 31 December 2025 and 2024, deferred income mainly comprises liabilities related to the distribution of gas and electricity in Moldova and Romania. It also includes amounts relating to the Romanian subsidiary DEVELOPMENT POWER SOLAR ENERGY S.R.L., which was acquired in 2024.

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

19 **Deferred tax liability and asset**

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

	2025	2024
	MEUR	MEUR
Deferred tax assets	7	8
Deferred tax liabilities	(28)	(29)
Net deferred tax liabilities	(21)	(21)

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

	2025	2024
	MEUR	MEUR
Property, plant and equipment	(19)	(21)
Intangible assets	(5)	(5)
Tax losses carried-forward	2	5
Provisions	3	3
Other items	(2)	(3)
Net deferred tax liabilities	(21)	(21)

Unrecognised deferred tax assets of MEUR 2 (2024: MEUR 2) resulting from tax losses carried-forward in total amount of MEUR 14 are attributable mainly to Cypriot entities (refer also to Note 29).

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

Movements in temporary differences during the year 2025 were as follows:

MEUR	Balance at 1 January	Recognized in profit or loss	Additions resulting from business combinations	Recognized in OCI	Recognized directly in equity	Effect of movements in foreign exchange rate	Balance at 31 December
		(Note 29)					
Property, plant and equipment	(21)	1	--	--	--	1	(19)
Intangible assets	(5)	--	--	--	--	--	(5)
Tax losses carried-forward	5	(3)	--	--	--	--	2
Provisions	3	--	--	--	--	--	3
Other items	(3)	1	--	--	--	--	(2)
Total	(21)	(1)	--	--	--	1	(21)

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

MEUR	Balance at 1 January	Recognized in profit or loss	Additions resulting from business combinations	Recognized in OCI	Recognized directly in equity	Effect of movements in foreign exchange rate	Balance at 31 December
		(Note 29)	(Note 1)				
Property, plant and equipment	(20)	3	(4)	--	--	--	(21)
Intangible assets	(3)	(2)	--	--	--	--	(5)
Tax losses carried-forward	--	5	--	--	--	--	5
Provisions	--	3	--	--	--	--	3
Other items	--	(3)	--	--	--	--	(3)
Total	(23)	6	(4)	--	--	--	(21)

20 Equity

Share capital

	2025	2024	2025	2024
	Number of shares	EUR	Number of shares	EUR
Authorised				
Balance at 1 January	140,001,000	140,001	100,001	100,001
Issue of shares (Ordinary shares of EUR 1 each)	--	--	40,000	40,000
Balance at 9 April 2024 (before share split)	--	--	140,001	140,001
Share split (Ordinary shares from EUR 1 to EUR 0.001)	--	--	140,001,000	140,001
Balance at 31 December	140,001,000	140,001	140,001,000	140,001
Issued and fully paid				
Balance at 1 January	125,001,250	125,001	100,001	100,001
Share split (Ordinary shares from EUR 1 to EUR 0.001)	--	--	100,001,000	100,001
Issue of shares (Ordinary shares of EUR 0.001 each)	--	--	25,000,250	25,000
Balance at 31 December	125,001,250	125,001	125,001,250	125,001

Authorised capital

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

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

Issued capital

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

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

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

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

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

20 Equity (continued)

Share premium

As at 31 December 2025, the Company's share premium amounted to MEUR 113 (31 December 2024: MEUR 113).

Common control transaction reserve

The common control transaction reserve balance as at 31 December 2025 and 31 December 2024 of negative MEUR (5) resulted from the 2020 transfer of shares in LIGATNE LIMITED from EMMA ALPHA HOLDING LTD to the Company under common control.

Revaluation reserve

The revaluation reserve arises from the revaluation of gas distribution networks to fair value. During the year, there was no change in the fair value of the gas distribution networks. However, the reserve decreased by MEUR 1 due to the release of the revaluation surplus relating to two concessions that were written off.

Translation reserve

The translation reserve represents notably foreign exchange differences arising from the translation of the financial statements of the subsidiaries with a functional currency other than EUR.

Legal reserve

The legal reserve balance as at 31 December 2025 of MEUR 4 (31 December 2024: MEUR 3) represents the amount required by the Romanian and Moldovan states to protect the Group against future financial losses. The Group is in compliance with the specific requirements.

IPO expenses

During the IPO process in 2024, the Company paid commission fees on the gross proceeds from the newly issued shares amounting to TEUR 3,645, which were deducted from the share premium account. In addition, an amount of TEUR 855, also related to the issuance of new shares, was deducted from the share premium. From the remaining IPO-related expenses, the Company deducted from the share premium an amount of TEUR 2,352, calculated based on the ratio of the number of new shares to the total number of shares.

Dividends paid

During 2025, the Company distributed dividends to its shareholders at the amount of MEUR 15 (2024: MEUR 0). Interim dividends in the total amount of MEUR 2 (2024: MEUR 2) were distributed to minority shareholders of subsidiaries.

Dividends per share

Dividends paid to the company's shareholders

	2025	2024
	MEUR	MEUR
Total dividends paid to the Company's shareholders	15	--
Total dividends paid to the Group's parent company	15	--
Weighted average number of ordinary shares issued (in millions)	125	115
Dividends per ordinary share attributable to the owners of the Company, basic and diluted (in EUR per share)	0.12	--

20 Equity (continued)

Earnings per share

Basic and diluted earnings per share 2025 and 2024

Profit attributable to ordinary shareholders

	2025	2024
	MEUR	MEUR
Profit for the year attributable to ordinary shareholders	98	23
Profit attributable to ordinary shareholders	98	23
Weighted average number of ordinary shares issued (in million)	125	115
Earnings per ordinary share attributable to the owners of the Company, basic and diluted (in EUR per share)	0.786	0.196

Weighted average number of ordinary shares 2025

<i>In pieces of shares</i>	Ordinary shares	Weight	Weighted average
Issued ordinary shares at 1 January 2025	125,001,250	360	125,001,250
Weighted average number of ordinary shares as at 31 December 2025			125,001,250

Weighted average number of ordinary shares 2024

<i>In pieces of shares</i>	Ordinary shares	Weight	Weighted average
Issued ordinary shares at 1 January 2024	100,001,000	360	100,001,000
Effect of ordinary shares issued on IPO	25,000,250	210	14,583,479
Weighted average number of ordinary shares as at 31 December 2024			114,584,479

21 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2025, before any intra-group eliminations.

	ALIVE CAPITAL S.A.	JOSECO HOLDINGS Group	ECOENERGIA S.R.L.	Other individually immaterial subsidiaries	TOTAL
MEUR					
NCI percentage	49%	7,26%	20%		
Non-current assets	36	252	29		
Current assets	49	86	7		
Non-current liabilities	(23)	(64)	(12)		
Current liabilities	(30)	(58)	(3)		
Net assets	32	216	21		
Net assets attributable to NCI	16	16	4	4	40
Revenue	218	736	6		
Profit / (loss)	--	65	3		
OCI	(1)	(4)	(1)		
Total comprehensive income	(1)	61	2		
Profit / (loss) allocated to NCI	--	5	--	--	5
OCI allocated to NCI	(1)	--	--	--	(1)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2024, before any intra-group eliminations.

	ALIVE CAPITAL S.A.	JOSECO HOLDINGS Group	ECOENERGIA S.R.L.	Other individually immaterial subsidiaries	TOTAL
MEUR					
NCI percentage	49%	7,26%	20%		
Non-current assets	33	239	30		
Current assets	52	30	6		
Non-current liabilities	(20)	(65)	--		
Current liabilities	(31)	(39)	(10)		
Net assets	34	165	26		
Net assets attributable to NCI	17	12	5	6	40
Revenue	221	476	15		
Profit / (loss)	6	(17)	2		
OCI	--	1	--		
Total comprehensive income	6	(16)	2		
Profit / (loss) allocated to NCI	3	(1)	--	--	2
OCI allocated to NCI	--	--	--	--	--

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Revenues and expenses related to core operations

Revenue streams and related expenses including operating derivatives

	2025	2024
	MEUR	MEUR
Revenues from renewable energy	111	192
Revenues from sale of green certificates	44	37
Revenues from gas distribution and supply	401	360
Revenues from electricity distribution and supply	1,161	625
Revenues	1,717	1,214
Cost of renewable energy sold	(107)	(165)
Green certificates sold	(42)	(36)
Cost of gas sold	(381)	(328)
Cost of electricity sold	(757)	(483)
Transportation of electricity	(243)	(175)
Costs of electricity, gas and transportation	(1,530)	(1,187)

The increase in revenues from distribution and supply of electricity is attributable to the Moldovan business primarily as a result of higher tariffs and to the electricity supply business in Romania as a result of that business being acquired by the Group in April of 2024.

As described in Note 1, at the end of each year, ANRE can recalculate the actual tariff for the distribution and supply of electricity in Moldova using the actual costs and CAPEX incurred for the respective year and the difference can be taken into account (added or deducted) in the tariffs set for the next year. These tariff deviations for a year are generated by the difference between the revenues billed from electricity distributed and supplied at the regulated tariffs approved by ANRE and the total costs and returns for the year calculated according to the methodology based on the actual costs and CAPEX incurred in that year. As a result of the lower than anticipated electricity procurement prices in 2025, an agreement was reached with ANRE to decrease the electricity supply tariffs by an average of 13% on 29 July 2025 (with effect from 1 August). The assumed average procurement cost of electricity in the new tariffs is €125 / MWh.

Revenues include other income related to core business.

The increase in revenue from gas distribution and supply is mainly attributable to higher prices of natural gas sold and distributed through the Group's natural gas distribution network.

In 2025, the quantities of gas sold were 8.1 million MWh (2024: 8.9 million MWh).

The costs of gas sold comprise the acquisition price of the gas sold, and the transportation tariffs charged by Transgaz. During the year ended 31 December 2025, the Group purchased 8.2 million MWh of gas at an average price of 44.6 EUR / MWh (2024: 8.5 million MWh of gas at an average price of 30.5 EUR / MWh), including the transportation tariffs charged by Transgaz.

For information about the reportable segments, including geographic concentration, refer to Note 5.

For information on unbilled electricity consumption, refer to Note 3n) under "Revenues from the sale and distribution of electricity".

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Revenues and expenses related to core operations (continued)

Contract balances

Contract assets relate to the Group's right to consideration from end users in relation to connection works in progress. There was no impact on contract asset as a result of an acquisition of subsidiary nor any impairment charge.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time. This will be recognized as revenue when the gas is actually delivered, in the case of gas advances, or when the works are completed, in the case of advances for network extensions/connections.

The amount of MEUR 37 included in contract liabilities as at 31 December 2024 has been recognised as revenue in 2025 (2024: MEUR 18).

23 

Services and material expenses

	2025	2024
	MEUR	MEUR
Professional services	(5)	(6)
Auditor's remuneration	(1)	(2)
Advertising and marketing	(1)	(1)
Taxes, other than income tax	(7)	(6)
Rental, maintenance and repair expenses	(14)	(12)
Telecommunication and postage	(6)	(5)
Information technologies	(5)	(4)
Distribution, transport and storage of goods	(8)	(10)
Other	(20)	(16)
Services and material expenses	(67)	(62)

Professional services expenses represent administration expense, accounting services expense and advisory expense.

The total fees charged by Ernst & Young Cyprus Limited ("EY Cyprus") for audit services provided on the annual statutory audit of the parent separate and consolidated financial statements of the Company for the year ended 31 December 2025 amounted to TEUR 286 and TEUR 41 as additional fees for audit of 2024 financial statements (2024: TEUR 219 for the audit of the 2024 and TEUR 75 as additional fees for 2023 financial statements). These are included in the Auditor's remuneration. In addition, the following fees charged by EY Cyprus for other services for the year ended 31 December 2025: TEUR 120 (2024: TEUR 0) for other assurance services, TEUR 0 (2024: TEUR 0) for tax advisory services and TEUR 0 (2024: TEUR 140) for non-assurance services.

24 

Personnel expenses

	2025	2024
	MEUR	MEUR
Employee compensation	(42)	(35)
Payroll related taxes (including social and pension contribution)	(4)	(4)
Personnel expenses	(46)	(39)

The average number of employees in the Group for the year 2025 was 1,666 employees (2024: 1,627 employees).

25 

Expected Credit Losses on loans and receivables and other assets

	2025	2024
	MEUR	MEUR
Expected credit losses on trade receivables	(4)	--
	(4)	--
	2025	2024
	MEUR	MEUR
Net expected credit losses on other non-financial assets	--	(3)
	--	(3)

For the year ended 31st December 2025 and 2024, changes in net impairment losses on loans provided to third and related parties are attributable mainly to changes in the country rates (refer also to Note 12. Loans receivable).

For the years ended 31st December 2025 and 2024, expected credit losses on trade receivables were recognized mostly in the electricity supply business in Romania.

In 2024, net expected credit losses on advances to suppliers at the amount of MEUR 3 was recognized by NEOGAS GRID S.A. (formerly Premier Energy S.R.L.) operating in the gas segment in Romania.

Based on IFRS 9 requirements, net expected credit losses on loans and receivables have been disclosed in a separate line item in profit or loss.

	2025	2024
	MEUR	MEUR
Balance 1 January	15	15
Impairment loss recognized in profit or loss	7	1
Reversal of expected credit losses recognized in profit or loss	(3)	(1)
Write-off impairment losses on sold items	(2)	--
Balance 31 December	17	15

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Other operating income

	2025	2024
	MEUR	MEUR
Rental income	1	1
Other income	112	139
	113	140

The amounts in other income are mainly attributable to the electricity supply business in Romania and represents mainly income from the Romanian State subsidy for price caps that were in place until 30 June 2025 and that are recoverable from the Ministry of Energy and Ministry of Labor.

For the years ended 31st December 2025 and 31st December 2024, the Group incurred net foreign currency losses which are disclosed under Other operating expenses.

27 Other operating expenses

Net impairment losses on property, plant and equipment recognized (Note 7)
Net foreign currency losses

	2025	2024
	MEUR	MEUR
	(1)	--
	(5)	(4)
	(6)	(4)

28 Net finance income expenses

Interest income
Total finance income

	2025	2024
	MEUR	MEUR
	3	3
	3	3

Interest expense
Fee and commission expense
Total finance expense
Net finance expenses

	(20)	(17)
	(3)	(3)
	(23)	(20)
	(20)	(17)

Interest income
Due from banks and other financial institutions
Total interest income

	2025	2024
	MEUR	MEUR
	3	3
	3	3

Interest expense
Due to banks and other financial institutions
Interest on lease liabilities
Other
Total interest expense

	2025	2024
	MEUR	MEUR
	(18)	(15)
	(1)	--
	(1)	(2)
	(20)	(17)

29 Income tax expense

	2025	2024
	MEUR	MEUR
Current tax expense		
Current year	(15)	(11)
Deferred tax expense (Note 19)		
Origination and reversal of temporary differences	(1)	8
Other items	--	(2)
	(1)	6
Total income tax expense recognised in profit or loss	(16)	(5)

Reconciliation of effective tax rate	2025	2025	2024	2024
	%	MEUR	%	MEUR
Profit before tax		119		30
Income tax using the domestic tax rate (see below)	(12.5)	(15)	(12.6)	(4)
Effect of tax rates in foreign jurisdictions	(1.1)	(1)	(4.7)	(1)
Non-deductible costs	(10.6)	(13)	(31.9)	(9)
Non-taxable income	7.7	9	34.1	10
Other	2.9	4	--	--
Total income tax expense	(13.6)	(16)	(17.5)	(5)

	2025	2024
	MEUR	MEUR
Current income tax assets	1	1
Current income tax liabilities	(3)	(3)
Net current income tax position	(2)	(2)

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Income tax expense (continued)

Corporate income tax rates for tax domiciles of entities in consolidated Group for fiscal years 2025 and 2024 can be summarized as follows:

	2025	2024
Cyprus	12.5%	12.5%
Romania	16%	16%
Moldova	12%	12%
Hungary	9%	9%
Serbia	15%	15%

In Cyprus and Moldova, tax losses may be carried forward for five years (from 1/1/2026 Cyprus: for seven years). In Romania tax losses may be carried forward for seven years. Group companies may deduct losses against profits arising during the same tax year. The balance of tax losses which is available for offset against future taxable profits amounts to MEUR 14 for which no deferred tax asset is recognized in the consolidated statement of financial position because it is not probable that future taxable profit will arise. Out of that amount, the tax losses of MEUR 14 are attributable to Cypriot entities and will be expiring in the years 2026-2029.

Under certain conditions, interest income in Cyprus may be subject to defence contribution at the rate of 17%. In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%. From 1 January 2026, interest income is only subject to corporation tax. Dividends received from abroad may be subject to defence contribution at the rate of 5% (subject to certain conditions).

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on 2025 financial information for the constituent entities in the Group. Based on the preliminary assessment, two jurisdictions (Cyprus and Moldova) have failed to pass the CbCR Safe Harbour test. In Cyprus, no top up tax is expected to arise under the Qualified Domestic Minimum Top Up Tax based on a simplified calculation performed; however top up tax in the amount of TEUR 350 is expected to arise under the Income Inclusion Rule with respect to Moldova as Moldova has not implemented Pillar II, which will be allocated to JOSECO HOLDINGS CO. LIMITED as the POPE ("Partially Owned Parent Entity"). The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

30

Related party transactions

The Group's major shareholder is EMMA ALPHA HOLDING LTD and the ultimate controlling party is Mr. Šmejč. Parent company of EMMA ALPHA HOLDING LTD is MEF HOLDINGS LIMITED.

(a) Transactions and balances with the parent company and the ultimate owner

As at 31 December 2025 and as at 31 December 2024, no loans were provided to the Group's parent company.

(b) Transactions and balances with associates and other related parties

	2025	2024
	MEUR	MEUR
Bank balances	26	38
Total balances	26	38

2029. The Group received total repayments of TEUR 215. In addition, the loan to associate entity was fully repaid during the year. No interest income was charged in respect to these loans.

As at 31 December 2024, provided loans comprise interest-free loans provided to personnel with maturity date as at 31 August 2028, 31 December 2029 and 31 October 2032 and interest-free loans provided to associate companies with maturity date on 1 February 2025. During the year ended 31 December 2024, the Group provided new loans in the total amount of TEUR 306 (TEUR 226 to employees and TEUR 80 to associate companies) and received repayments at the total amount of TEUR 219.

During the year 2024, the Group repaid the amount payable to related party of TEUR 547. No interest charged in respect to this loan. For the year 2025, no new loans from related parties were received.

30 Related party transactions (continued)

(c) Transactions and balances with key management personnel

Amounts included in profit or loss in relation to transactions with members of key management and members of Board of Directors of the Company are as follows:

	2025	2024
	MEUR	MEUR
Remuneration payable to key management personnel	1	1
Total balances	1	1
Remuneration of members of Board of Directors	--	1
Remuneration of key management personnel	7	4
Total transactions	7	5

Any outstanding remuneration balances for members of the Board of Directors and key management personnel as of 31 December 2025 will be paid during the 1st half of 2026.

The remuneration of members of Board of Directors for the year 2025 amounted to TEUR 107.

The remuneration include fees as members of the Board and its committees, salaries and bonuses. There were no other transactions or contracts between the Group and members of the Board of Directors, as well as with key management personnel or related persons, during both the current and previous year.

Loans to management

The members of the Board of Directors of the Company and key management of its subsidiaries are considered as the key management of the Group. Loans provided to management of the Moldovan subsidiaries comprise interest-free loans with maturity date as at 31 December 2026.

During the year 2025, repayment at the amount of TEUR 13 (31 December 2024: TEUR 6) was received by the Group.

31 Contingencies

Tax inspections are frequent in Romania, consisting of thorough examinations of taxpayers' accounting records. Such inspections sometimes take place months or even years after the establishment of payment obligations. In Romania, the fiscal year remains open to inspections for a period of 5 years. Consequently, companies may owe taxes and fines. Moreover, tax legislation undergoes frequent changes, and authorities often demonstrate inconsistency in interpreting the law. The Romanian subsidiaries have not undergone any tax inspection in the past 5 years. The Group believes that it has timely and fully settled all taxes, duties, penalties, and punitive interest, as applicable. Management considers that it has appropriately recorded tax obligations in the consolidated financial statements; however, there remains a risk that tax authorities may adopt different positions regarding the interpretation of these issues.

32 Commitments

b) Capital commitments

According to ANRE decision No. 64 dated 22 February 2018 regarding the approval of methodology for electricity distribution tariff calculation, the Group carries out capital investments within the energy sector in order to improve or extend the infrastructure network in Moldova.

According to certain service concession contracts, the Group has investment commitments for the gas network construction in Romania of approximately 94 km with an estimated value of MEUR 8.1 to be developed over the next few years. The Group has analysed the fulfilment of the obligations assumed by the concession contracts as at the date of these financial statements and considers that it has fulfilled its assumed obligations to date and there is no risk of penalties or termination of contracts.

c) Letters of guarantee

As at 31 December 2025, the Group has issued letters of guarantee for payment, good execution and tender participation in total amount of MEUR 11 (2024: MEUR 24).

Events after the reporting period

On 18 September 2025, the Company entered into a share purchase agreement for the acquisition of 51% of Iberdrola Renovables Magyarország Kft. (subsequently renamed Premier Energy Wind 158 Kft.), a Hungarian company, for a consideration of MEUR 65.2. The transaction was completed on 22 January 2026. On 23 January 2026, the Company and the minority shareholder entered into a share purchase agreement for the transfer of their respective ownership interests to a newly established Hungarian special purpose vehicle (SPV). The assets acquired include 158 MW of operational wind capacity operating through 79 wind turbines located at two sites in northwestern Hungary. The area is considered one of the most favourable wind locations in Central Europe due to the relatively steady wind flow from a corridor between the Alps and the Small Carpathian Mountains, generating approximately 300,000 MWh of clean electricity annually. In connection with the transaction, the Company drew on a MEUR 90 syndicated loan provided by Vista Bank (Romania) and Optima Bank (Greece), acting as Mandated Lead Arrangers and Original Lenders, to partially finance the entire acquisition. At the date of authorisation of these consolidated financial statements for issue, certain aspects of the initial accounting for the business combination remain incomplete. Consequently, some of the disclosures required by IFRS 3 Business Combinations have not yet been fully presented.

On 2 March 2026, the Company entered into a share purchase agreement for the disposal of its 51% ownership interest in the Romanian entity, Alive Capital S.A. and its 51% ownership interest in the Serbian entity, Alive Capital d.o.o. Beograd. Under the same agreement, the Company will acquire minority stakes in the following entities: 20% ownership in Ecoenergia S.R.L., 20% ownership in Enex Nalbant Renewable S.R.L., 35% ownership in Alive Wind Power One S.R.L., 49% ownership in Alive Renewable Holding Limited, 49% ownership in Alive Capital Kft., 100% ownership in Da Vinci New Project S.R.L., and 100% ownership in Alive Sun Power Two S.R.L. Upon completion of the transaction, the Company will hold full ownership of the above entities. The completion of the transaction is subject to the fulfilment of certain conditions as specified in the agreement, including customary competition clearance.

On 16 April 2026, the Group entered into a share purchase agreement for the acquisition of the entire share capital of (i) Felix Distribution Holdings S.R.L., a limited liability company incorporated and functioning under the laws of Romania, (ii) EVERYO POWER S.A., a joint stock company incorporated and functioning under the laws of Romania and (iii) the entire share capital of the subsidiary DISTRIBUTIE ENERGIE OLTENIA S.A. ("DEO"), a joint stock company incorporated and functioning under the laws of Romania, for a purchase price of approximately MEUR 700. DEO operates a regulated electricity distribution network in the southwestern region of Romania, spanning approximately 80,000 kilometres and serving approximately 1.5 million customers. The network represents a critical component of the national energy infrastructure and is the third largest electricity distribution network in Romania. Evryo Power s.a. supports the operations as a service provider, facilitating separation processes and contributing to the efficient functioning of the distribution platform. The completion of the transaction is subject to the fulfilment of certain conditions as specified in the agreement.

On 17 April 2026, the Group entered into a facility agreement of up to MEUR 100 with Československá obchodní banka a.s. to finance the development of the Group's green initiatives in Romania and Hungary, including a 400 MWh BESS development in Romania. The loan matures on 17 April 2031.

The Group is continuously monitoring the current geopolitical situation and related market volatility of the energy market prices. The Group has not identified any significant impact of this event on its financial statements.

On 30 April 2026, the Board of Directors of PREMIER ENERGY PLC authorized these consolidated financial statements for issue

Independent Practitioner's Limited Assurance Report on Premier Energy PLC's Consolidated Sustainability Statement

To the Board of Directors of Premier Energy PLC

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement (the 'Sustainability Statement') of Premier Energy PLC (the "Premier Energy" or the "Group"), included in the "Consolidated Sustainability Statement" on pages 105-226 of the Annual Report as at 31st December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of Article 151B of Cyprus Companies Law, Cap. 113 implementing Article 29(a) of Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (the "ESRS"), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in ESRS 2 IRO-1; and
- compliance of the disclosures in subsection "Disclosures pursuant to Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Our conclusion on the Sustainability Statement does not extend to any other information that accompanies or contains the Sustainability Statement and our report.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB).

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under ISAE 3000 (Revised) are further described in the "Practitioner's responsibilities" section of our report.

Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), together with the ethical requirements that are relevant to our assurance engagement on the Sustainability Statement in Cyprus.

The firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, issued by IAASB. This standard requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors for the Sustainability Statement

The Board of Directors of Premier Energy is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;



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- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors Premier Energy is further responsible for the preparation of the Sustainability Statement, in accordance with the requirements of Article 151B of Cyprus Companies Law, Cap. 113 implementing Article 29(a) of Directive 2013/34/EU, including:

- compliance of the Sustainability Statement with the ESRS;
- preparing the disclosures in subsection “Disclosures pursuant to Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)” within the environmental section of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group’s sustainability reporting process.

Inherent limitations in preparing the Sustainability Statement

The information received from sources outside the control of the company is subject to inherent limitations given the lack of availability and relative precision of information used for determining quantitative information. Our procedures did not include obtaining assurance over the information provided by sources outside the control of the company.

The entity-specific criteria as included in the Basis for Preparation, the nature of sustainability information which is entity-specific, and the absence of consistent external standards or practice allow for different but acceptable measurement methodologies to be adopted, which may result in variances between companies and over time.

In preparing forward-looking information in accordance with ESRS, the Board of Directors of Premier Energy is required prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statements, the Board of Directors of Premier Energy interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

The adopted measurement methodologies may impact the comparability of sustainability information reported by different companies and over time within a company as methodologies develop. Relevant industry benchmarks against which to assess the sustainability information may not be currently available as these emerge as the number of reporters increases and reporting practices become more established. Variances may result from the refinement of estimates in future reporting periods when more relevant information, including scientific and technological knowledge, becomes available.

In addition, certain activity data used in the preparation of the Sustainability Statement is derived from sector-specific regulatory reporting. Such data may be subject to subsequent review, validation, or amendment by the relevant regulatory authorities. As a result, the sustainability information reported for a given reporting period may be updated or revised in future periods following the finalisation of regulatory processes, which may further affect comparability across reporting periods.

Practitioner’s responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information disclosed for a material sustainability matter addresses the applicable disclosure requirements of the ESRS; and



Shape the future with confidence

- designing and performing procedures to evaluate whether the Process is consistent with Premier Energy's description of its Process set out in ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by Board of Directors (e.g., stakeholder engagement, business plans and strategy documents; and
 - reviewing the Group and its subsidiaries internal documentation of its Process(es).
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of Premier Energy's internal control.
- Evaluated whether, in accordance with ESRS, material information identified by the Process is included in the Sustainability Statement.
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS.
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement.
- Performed substantive assurance procedures on selected information in the Sustainability Statement.
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the Consolidated Financial Statements and Consolidated Management Report.
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information.
- We evaluated whether, in accordance with ESRS 1 paragraph 30(b) and ESRS AR 1–AR 5, the Group's compliance with cybersecurity, as an entity-specific disclosure for 2025, has been appropriately identified through the Group's processes, performed inquiries of relevant personnel and analytical procedures on the related information (meeting requirements of the Directive (EU) 2022/2555 (NIS2) as set by the national legislation in Moldova and Romania transposing the Directive), and assessed whether such information has been included in the Sustainability Statement.
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Andreas Avraamides
Member of the Board

for and on behalf of
Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

30 April 2026
Nicosia

PREMIER ENERGY PLC

PREMIER ENERGY PLC 2025 CONSOLIDATED SUSTAINABILITY STATEMENT



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ESRS 2

General disclosures

ESRS 2, BP-1 – General basis for preparation of the sustainability statement

General Basis for Preparation of Sustainability Statements

Framework and Data Selection

Our Consolidated Sustainability Statement (“Sustainability Statement”) is prepared in accordance with the European Sustainability Reporting Standards (ESRS) adopted by the EU Commission. All disclosures within the Environmental, Social, and Governance (ESG) sections are determined to be material based on our double materiality assessment (DMA) or are mandatory under ESRS requirements. This Sustainability Statement has been prepared in accordance with the requirements of Commission Delegated Regulation (EU) 2023/2772 on European Sustainability Reporting Standards (“ESRS” or “Standards”) and in accordance with the Article 151B of Cyprus Companies Law, Cap. 113 implementing Article 29(a) of Directive 2013/34/EU, which transposes Directive (EU) 2022/2464 of the European Parliament and of the Council on Corporate Sustainability reporting.

The 2025 Consolidated Sustainability Statement covers the Group’s own operations in full, and includes upstream and downstream value chain activities, where material impacts, risks, and opportunities have been identified.

- Upstream: Data from suppliers and procurement is included primarily for Scope 3 Green House Gass (GHG) emissions and material inputs. Estimations are based on supplier invoices, activity data, and standardized emission factors.
- Downstream: Scope 3 GHG emissions also incorporate downstream elements, such as energy sold and customer use-phase emissions, using estimated activity data and emission factors.

Consolidation

These statements are prepared on a consolidated basis, in line with the principles applied in our consolidated financial statements. Thus, the data covers, on consolidated basis, Premier Energy PLC (the “Company” or “Premier Energy”) and the subsidiaries it controls (together referred to as the “Group”). For clarity, the policies and procedures disclosed in each of the sections (E1, S1 and G1), detail which Group segments and which specific entities they cover (the Group segments in the Sustainability Statement for 2025 are defined on sectorial principle adhering to NACE codes, thus differing from the five operating segments in the Consolidated Management Report and Consolidated Financial Statements).

Segment	Entity	Country	
Premier Energy Romania	PREMIER ENERGY S.A.	Romania	
	PREMIER ENERGY TRADING S.R.L.	Romania	
	PREMIER ENERGY SERVICII S.R.L.	Romania	
	NEOGAS GRID S.A.	Romania	
	TRUE ENERGY MANAGEMENT S.R.L.	Romania	
Premier Energy Hungary	PREMIER ENERGY HUNGARY Kft.	Hungary	
	Premier Energy Moldova	PREMIER ENERGY S.R.L.	Moldova
	PREMIER ENERGY DISTRIBUTION S.A.	Moldova	
	NAVITAS ENERGY S.R.L.	Moldova	

Segment	Entity	Country
	ELECTRA LOGISTICS S.R.L.	Moldova
	ELTEPROD INVEST S.R.L.	Moldova
Premier Energy Renewables	ALIVE CAPITAL S.A.	Romania
	ALIVE SUN POWER ONE S.R.L.	Romania
	ALIVE SUN POWER TWO S.R.L.	Romania
	ALIVE WIND POWER ONE S.R.L.	Romania
	DA VINCI NEW PROJECT S.R.L.	Romania
	DEVELOPMENT POWER SOLAR ENERGY S.R.L.	Romania
	ECOENERGIA S.R.L.	Romania
	ENERGIA MILENIULUI III S.A.	Romania
	ENEX NALBANT RENEWABLE S.R.L.	Romania
	PREMIER WIND 80 S.R.L.	Romania
	ALIVE CAPITAL D.O.O. Beograd	Serbia
	ALIVE CAPITAL Kft.	Hungary
Premier Energy Furnizare	PREMIER ENERGY FURNIZARE S.A.	Romania
HQ	PREMIER ENERGY PLC	Cyprus

In the context of sustainability disclosures related to S1 – Own Workforce and G1 – Business Conduct, the analysis of policies was conducted at the level of controlling entities representing their respective segments, where procedures and policies of principal companies are reflected in the policies of controlled subsidiaries.

All subsidiaries included in the consolidation are covered by the consolidated sustainability reporting of the Group, and therefore are exempted from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. The Group applies a centralized approach to sustainability reporting, ensuring group-level coverage in line with applicable ESRS requirements.

ESRS 2, BP-2 – Disclosures in relation to specific circumstances

Time Horizons

Our short-, medium-, and long-term time horizons are in line with the ones set in ESRS 1, with the short-term definition aligning with our financial reporting period, the medium-term extending up to five years, and the long-term covering any period beyond five years. If we ever depart from these definitions, we will clearly state our alternative horizons and explain the reasons for doing so.

Greenhouse Gas Emissions (Scopes 1–3)

We quantify and report our direct (scope 1), indirect (scope 2), and value chain (scope 3) greenhouse gas emissions using the Greenhouse Gas Protocol. Detailed methodologies, including emission factors and activity data sources, will be provided in the respective section of this report.

In 2025, the Group updated its greenhouse gas methodology and recalculated the 2022 Scope 1 and Scope 2 baseline to reflect changes in organizational boundary and a methodological review, including the reclassification of electricity distribution network losses into Scope 2 on consolidation level. As a result, reported emissions and year-on-year comparability should be interpreted considering these changes.

Measurement Basis

The sustainability-related data accounting policies have been applied consistently in the financial year 2025.

Calculation factors used are listed on the pages with the relevant metrics, together with references. Where actual data is not available, estimates are used based on standardized methodologies and conservative assumptions, in line with the GHG Protocol and ESRS requirements.

External Review

The Consolidated Sustainability Statement was subject to limited assurance procedure in compliance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. The assurance engagement was not performed against ISO/IEC or CEN/CENELEC standards.

Overview of adopted policies by segment mentioned throughout the Consolidated Sustainability Statement

Segment	Environmental Policy	Social Policy	Governance Policy
Premier Energy Romania	Group ESG Policy	Group ESG Policy Workplace Safety and Environmental	Group ESG Policy Group Whistleblowing Policy
Premier Energy Moldova	Group ESG Policy	Group ESG Policy SMI Manual	Group ESG Policy Whistleblowing Policy
Premier Energy Renewables	Group ESG Policy	Internal Regulation	Group ESG Policy Whistleblowing Policy
Premier Energy Furnizare	Group ESG Policy	Group ESG Policy	Group ESG Policy Whistleblowing Policy

The Group implemented an updated ESG Policy and the Whistleblowing Policy in 2025, establishing a unified Group-wide framework for environmental, social, and governance matters and systematizing the majority of existing policies and procedures across subsidiaries.

The implementation of the ESG Policy began in September 2025 and was completed in December 2025 for Premier Energy Romania and Premier Energy Moldova, while for Premier Energy Furnizare and Premier Energy Renewables, implementation was finalized in early 2026. Accordingly, during most of the 2025 reporting period, previously existing ESG Policy (implemented in 2021) remained applicable at subsidiary level.

While the ESG Policy now serves as the primary framework for social matters, certain additional subsidiary-level documents (such as internal regulations and health and safety procedures) continue to apply where required by local regulatory or operational considerations. The Group intends to assess, in the coming period, whether the introduction of a Group-level workplace safety regulation with a set of core principles would be appropriate, while maintaining implementation at the level of individual segments, reflecting their different operational profiles and jurisdictions.

Sources of Estimation and Outcome Uncertainty

All datapoints disclosed in the 2025 Sustainability Statement are based on primary or secondary data, rather than estimations.

Premier Energy utilizes indirect sources, such as industry averages and proxies, to measure certain data points – most notably, resource inflow metrics and EU Taxonomy KPIs. For our Scope 3 GHG emissions reporting, we routinely combine available activity data with standardized emissions factors. Because it is not always feasible to obtain supplier-specific data for all 3 most material categories of Scope 3, generic factors and extrapolation methods may be applied to bridge information gaps. These inputs represent secondary data sources, not estimates as defined under ESRS

Scale of accuracy	
Extremely high accuracy (≥ 90%)	The data is verified, dependable and accurate with a minimum degree of uncertainty.
High accuracy (≥ 75% and <90%)	The data is well substantiated, yet there are small deviations or uncertainties.
Medium accuracy (≥ 50% and <75%)	The data is based on partially validated assumptions or estimates that involve more significant uncertainties.
Low accuracy (≥ 25% and <50%)	The data is approximate, derived from indirect or historical data.
Extremely low accuracy (<25%)	The data is estimated without direct evidence, highly uncertain.

Changes in Preparation or Presentation of Sustainability Information

At Premier Energy, any adjustments to financial figures in our Consolidated Sustainability Statement follow the same principles used in our Consolidated Financial Statements. We also carefully evaluate whether previously reported ESG metrics require restatement due to errors or changes in our accounting methodologies. Where a restatement is deemed necessary based on materiality, we clearly disclose the nature of the revision and the reason behind it in the relevant metric table.

In 2025, the Group refined its greenhouse gas calculation methodology, including updates to emission factors and scope classification, which resulted in the restatement of the 2022 emissions baseline. These changes improve the accuracy and consistency of reported emissions data over time.

The revisions of comparative information result from methodological updates and changes in organizational boundaries; no prior-period material errors were identified. No corrections of prior-period information were required, and revisions of comparative figures reflect methodological updates rather than the correction of errors.

Sustainability reporting standards and reference frameworks applied

In addition to meeting ESRS requirements, Premier Energy's report also aligns with United Nations Sustainable Development Goals (SDGs). This framework ensures broader contextual alignment and strengthens comparability of Premier Energy's sustainability performance against industry benchmarks.

Use of Phase-In Provisions

In adopting specific ESRS requirements, Premier Energy has exercised certain phase-in provisions as permitted under Appendix C of ESRS 1. This phased approach provides additional time to refine our data collection processes, enhance internal controls, and ensure the reliability and consistency of our ESG disclosures. The phase-in we opted for were the following: ESRS E1 – E1-9.

We will continue to monitor the development of ESRS standards and update our reporting practices accordingly.

References to other legislation documents

No other legislative documents beyond the CSRD and ESRS framework are currently applicable to the Group's sustainability reporting.

References to relevant international standards and frameworks, including the GHG Protocol, NIS2 Directive, and applicable ISO standards, are described in the respective sections of this Sustainability Statement.

ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies

In line with the ESG Policy adopted in 2025, Premier Energy has established a structured ESG governance framework with clearly defined roles and responsibilities across the organization.

The Board of Directors holds ultimate responsibility for ESG governance across the Group. It approves the ESG Policy, oversees its implementation, and reviews and approves the Consolidated Sustainability Statement prepared in accordance with ESRS requirements. The Board ensures that ESG considerations are integrated into the Group's strategy, risk management, and operations. None of the Board of Directors' members is considered a representative of employees as defined by respective legislation in the countries of operation.

At executive level, ESG oversight is delegated to a designated Board member (Director), who is responsible for setting the Group's ESG direction and ensuring alignment between sustainability objectives and business strategy.

The Chief External Affairs Officer is responsible for coordinating ESG implementation at Group level, including ensuring consistent application of the ESG Policy across subsidiaries, overseeing ESG-related methodologies, and leading the preparation of sustainability disclosures.

The ESG Working Group acts as the operational body supporting ESG implementation and reporting. It is responsible for conducting and maintaining the Group's double materiality assessment, supporting the development of ESG methodologies and guidelines, monitoring ESG performance, and contributing to the preparation of the Consolidated Sustainability Statement. The ESG Working Group operates under the leadership of the Chief External Affairs Officer and reports to executive management and, where relevant, to the Board.

Board of Directors

The Board of Directors of Premier Energy Group PLC is responsible for setting the overall corporate governance framework, ensuring ethical business conduct, transparency, and accountability across the Group. Its governance responsibilities are aligned with the Bucharest Stock Exchange Code of Corporate Governance and international best practices.

As of 31 December 2025, the Board of Directors comprised five members, including two executive members and three non-executive members, of whom two are independent, ensuring an appropriate balance between executive oversight and independent judgment.

The Board plays a key role in defining the Group's strategic direction and supervising the implementation of internal policies related to risk management, financial integrity, and regulatory compliance. It appoints and oversees Executive Management, defines high-level remuneration principles, and ensures clear delegation of responsibilities. The Board monitors business conduct risks, including those related to anti-bribery, conflict of interest, insider transactions, and non-compliance.

Cybersecurity risks are addressed through regular oversight of digital risk management systems, as increased digitalization poses a potential threat to operations and stakeholder data.

Diversity and inclusion are embedded in the Group's governance framework through the Nomination Policy, which ensures that the Board of Directors and executive management comprise a balanced mix of gender, age, experience, and skills. The nomination and selection process is merit-based and conducted using objective and structured criteria, while also taking into account diversity considerations in line with the Bucharest Stock Exchange Corporate Governance Code and applicable legislation. The composition of the Board in 2025 ensured compliance with applicable gender balance requirements, with 60% female and 40% male representation exceeding the minimum threshold for the underrepresented gender. Additionally, 40% of the board members are independent, ensuring balanced oversight and strategic guidance. While diversity is actively promoted, appointments continue to be based on competence, experience, and integrity, ensuring both effective governance and alignment with the Group's strategic objectives.

Executive Management's Role in Business Conduct

Led by the General Manager (CEO), the Executive Management team implements business conduct policies across all subsidiaries. It defines the Group's strategy and governance framework, ensures ethical conduct, and oversees compliance programs. The team represents the Group in third-party agreements, manages personnel matters, and enforces ethical workplace standards. It oversees daily operations, ensuring adherence to internal controls and policies on anti-corruption and whistleblowing. Executive Management also makes recommendations on profit distribution in line with corporate governance and financial integrity.

Premier Energy's key governance mechanisms include:

- Management's role in sustainability governance: The executive management team is responsible for implementing sustainability strategies, while the Board provides strategic guidance and ensures accountability.
- Oversight of sustainability risks and controls: Monitor regulatory compliance, guide key sustainability initiatives, and oversee risk mitigation efforts.
- Monitoring of sustainability targets: The Board tracks progress toward Premier Energy's sustainability objectives, defining relevant KPIs into corporate performance assessments.

Sustainability, Business and Financial Expertise

Premier Energy's leadership includes Board members with internationally recognized financial qualifications, Radka Blažková (ACCA), Mirela-Florența Covașă (ACCA/CAFR), Jose Martin Garza, and Petr Stöhr (non-practicing CPA), ensuring strong oversight of financial and non-financial reporting. Radka Blažková and Petr Stöhr have also completed ESG-focused training in areas such as DMA, CSRD, and EU Taxonomy, strengthening the Board's capacity to guide the Company's sustainability strategy, regulatory alignment, and ESG risk management.

The composition of the Board and executive management reflects experience relevant to the Group's core activities in electricity and gas distribution, renewable energy development and energy supply, as well as familiarity with the regulatory and operational environments of the countries in which the Group operates.

Audit Committee: Oversees internal audit independence and effectiveness, financial reporting accuracy, risk management, conflicts of interest, and compliance. As of 31.12.2025, the Audit Committee comprised of the following members:

- Mirela-Florența Covașă – Chairwoman
- Dimitra Kalogerou Antoniadou – Member
- Radka Blažková – Member

Nomination and Remuneration Committee: Defines selection criteria and recommends appointments for the Board and executive management. Reviews the remuneration policy and monitors Board member independence.



ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

ESG information flows and reporting

The ESG Working Group plays a central role in consolidating ESG-related information across the Group. It collects and analyses data from subsidiaries, covering environmental, social, and governance topics, including climate performance, workforce matters, compliance, and business conduct.

Based on this process, the ESG Working Group prepares updates, analyses, and recommendations that are communicated to executive management on regular basis. Where relevant, key ESG matters are escalated within 72 hours to the Board of Directors to support strategic decision-making and oversight .

Sustainability matters addressed

The administrative, management, and supervisory bodies are informed on a range of ESG-related topics, including:

- progress on the Group’s decarbonization and renewables initiatives;
- key environmental indicators, including greenhouse gas emissions, energy use, and network losses;
- social matters, including workforce-related developments, health and safety, and employee engagement;
- governance topics, including compliance, business conduct, and whistleblowing-related matters;
- regulatory developments, including CSRD, EU Taxonomy, and other ESG-related requirements;
- material ESG risks and opportunities identified through the double materiality assessment;
- significant ESG-related investments, projects, or incidents requiring management or Board attention.

The administrative, management, and supervisory bodies are the ultimate approver of the IROs which for 2025 are:

- Structural Reliance on Fossil-Based Energy
- Climate-Related Energy Reliability
- Investments in distribution networks
- Large-Scale Renewable Expansion
- Geopolitical risk of imported gas
- Emissions Impacts
- Work Safety Regulations



- Whistleblowing mechanism
- Cybersecurity

These are transposed into the material topics as described in the chapter ESRS 2 IRO-2 – Disclosure requirements in ESRS, and each respective E1, S1 and G1 chapters of this statement further below.

Role of governance bodies

Executive management is responsible for integrating ESG considerations into day-to-day operations and implementing actions based on the information provided. The Board of Directors reviews ESG-related matters as part of its oversight responsibilities and provides strategic guidance on sustainability-related topics.

This structured approach ensures that ESG considerations are regularly addressed at the appropriate governance levels and are integrated into the Group's strategic and operational decision-making processes.

ESRS 2, GOV-3 – Integration of sustainability-related performance in incentive schemes

Incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies are not in place at Premier Energy Group.

ESRS 2, GOV-4 – Statement on due diligence

Premier Energy due diligence approach

Premier Energy has established a structured due diligence framework embedded within its ESG Policy, adopted in 2025. This framework is aligned with internationally recognized standards, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and is designed to identify, assess, prevent, mitigate, and remediate potential adverse impacts related to environmental, social, and governance matters across the Group's operations and value chain.

The Group's due diligence approach is integrated into its governance, risk management, and operational processes and applies across all subsidiaries.

Due diligence system and processes

The due diligence system is implemented through a combination of governance structures, internal policies, and operational processes:

- **Identification and assessment:** The Group identifies material impacts, risks, and opportunities through its DMA, which is conducted and regularly updated by the ESG Working Group in line with ESRS requirements.
- **Integration into decision-making:** ESG considerations are integrated into strategic planning, risk management, and operational processes, under the oversight of the Board of Directors and executive management.
- **Prevention and mitigation:** The ESG Policy establishes Group-wide principles covering environmental protection, human rights, labor practices, and business conduct. These principles are implemented through internal procedures, subsidiary-level practices, and ongoing monitoring of ESG performance indicators.
- **Monitoring and controls:** The Group maintains internal control systems and a structured sustainability data governance framework, ensuring the reliability, completeness, and traceability of ESG-related data and enabling continuous monitoring of performance and compliance.
- **Remediation and grievance mechanisms:** The Group has established whistleblowing and grievance mechanisms that allow employees, contractors, and external stakeholders to report concerns related to environmental, social, or governance matters. Reports are investigated and addressed in accordance with internal procedures, and whistleblowers are protected against retaliation.
- **Enforcement and accountability:** Compliance with the ESG Policy is mandatory across the Group. Violations may result in disciplinary actions, and significant issues are escalated to executive management and, where appropriate, to the Board of Directors.

Implementation across the Group

While the ESG Policy establishes minimum Group-wide requirements, each subsidiary is responsible for implementing these principles in line with its specific operational and regulatory context. Local procedures and controls are aligned with the Group framework and may be further adapted to reflect local requirements, provided they meet or exceed Group standards.

ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting

Risk Management

Premier Energy has established an integrated governance, risk management, and internal control framework for sustainability reporting, as defined in the ESG Policy adopted in 2025. This framework ensures that sustainability-related risks and reporting processes are managed in a structured, consistent, and auditable manner across the Group.

The Board of Directors holds ultimate oversight over sustainability-related risks and reporting integrity, ensuring that ESG considerations are integrated into the Group's strategy, risk management, and operational processes. Executive Management is responsible for the implementation of this framework across all subsidiaries, supported by the ESG governance structure.

Sustainability-related risks are identified and assessed through the Group's DMA, which is regularly maintained and updated. These risks, including those related to climate change, workforce, and governance, are monitored and progressively integrated into the Group's broader enterprise risk management framework.

Decision-Making Process and Internal Control Procedures

Sustainability reporting is supported by a structured internal control system and a formal Sustainability Data Governance Framework, ensuring the accuracy, completeness, consistency, and auditability of all ESG-related disclosures.

The ESG Working Group, under the leadership of the Chief External Affairs Officer, coordinates the collection, consolidation, and validation of ESG data across the Group, working in collaboration with designated responsible persons at subsidiary level.

The internal control framework for sustainability reporting includes:

- **Defined governance and accountability structure:** Clear roles and responsibilities are assigned across the Group, including Data Owners, Data Preparers, Data Consolidators, and Assurance Preparation Leads for each ESRS metric. This ensures accountability for data quality at each stage of the reporting process.



- **Standardized data collection and validation processes:** ESG data is collected through structured processes and subject to validation checks, ensuring alignment with defined methodologies and consistency across reporting entities.
- **Preventive and detective controls:** The Group applies preventive controls (such as data validation rules, segregation of duties, and authorization procedures) and detective controls (including internal reviews, reconciliations, and variance analysis) to ensure data reliability.
- **Management review and sign-off:** Sustainability data is subject to management-level review and formal sign-off prior to consolidation and external disclosure, ensuring accountability and oversight.
- **Audit trail and documentation:** All reported ESG data is supported by underlying documentation and maintained in a manner that ensures full traceability and audit readiness.
- **External assurance preparedness:** Sustainability disclosures are prepared in line with limited assurance requirements under CSRD, with internal processes designed to support independent verification of ESG information.
- **Escalation and oversight:** Material issues, inconsistencies, or incidents identified through the reporting process are escalated to executive management and, where relevant, to the Board of Directors.

Corporate Culture and Stakeholder Engagement

Premier Energy promotes a culture of integrity, transparency, and accountability, supported by its ESG Policy and whistleblowing mechanisms. These elements contribute to the effectiveness of internal controls and support the identification and management of sustainability-related risks.

The Group maintains active engagement with stakeholders, including investors, employees, and regulators, ensuring that sustainability-related expectations are reflected in its governance and reporting practices.



ESRS 2 SBM-1 – Strategy, business model and value chain

Business model

With one of the fastest growth rates in the Southeastern European region, the Premier Energy Group operates through its key business verticals – electricity production, management, distribution and supply, and natural gas distribution and supply.

The Group owns or has under construction a total of over 500 MW of renewable capacity, with an additional 200 MW currently under development. It supplies electricity to more than 2.2 million customers in Romania and the Republic of Moldova, the vast majority being households and small businesses. The Group also owns a vast electricity distribution network in the Republic of Moldova which covers approximately 75% of the country’s population.

Premier Energy is also a supplier of natural gas for domestic and non-domestic consumers (in retail, industry, trade), and owns and operates a gas distribution network of almost 4,000 km in areas surrounding the capital, the southern and western parts of the country, as well as in smaller localities in the northern part of Romania.

The Group is the third-largest distributor and the fifth-largest supplier of natural gas in Romania, the fourth-largest supplier of electric energy in Romania, and the largest distributor and supplier of electric energy in the Republic of Moldova.

Key Inputs and How We Secure them

Premier Energy Group relies on a combination of natural, human, financial, and infrastructural capital to operate effectively across Romania and Moldova.

Key Input	How It Is Secured
Natural Resources	We operate a diversified energy mix, including renewable sources (wind and solar via Premier Energy Renewables) and electricity procured from the market. Materials such as copper, steel, and other critical raw materials are sourced through vetted long-term suppliers to ensure resilience and transparency.
Human Capital	With 1,666 employees as of 31.12.2025, we invest in training, safety, and engagement to ensure a skilled and agile workforce. Recruitment focuses on local labor markets. Our human resources are split across two core markets – Romania (883 employees) and the Republic of Moldova (772 employees), with an operational team in Cyprus (10 employees) and 1 employee in Serbia.
Financial Capital	In 2024, Premier Energy Group successfully raised EUR 97 million through an IPO, supporting business expansion. Backed by EUR 1,717 million in revenue in 2025, the Group finances infrastructure development, renewable capacity expansion, and modernization through operating cash flows and strategic financing.
Infrastructure & Technology	We manage and operate over 500 MW of renewable capacity (with an additional 200 MW under development), nearly 4,000 km of gas distribution networks, and over 35,000 km of electricity distribution networks.
Stakeholder Relationships	We engage regularly with public authorities, investors, suppliers, and communities to ensure licensing, social acceptance, financing, and long-term alignment with sustainability goals.

The Group does not have activities in fossil fuel extraction, controversial weapons, or tobacco production. However, the Group is indirectly linked to fossil fuel value chains through gas distribution activities.

The Group's exposure to fossil fuel activities is primarily related to the distribution and supply of natural gas. In 2025, revenue attributable to gas-related activities amounted to approximately EUR 400.3 million, representing approximately 23% of total consolidated revenue.

Key Outputs and Expected Outcomes

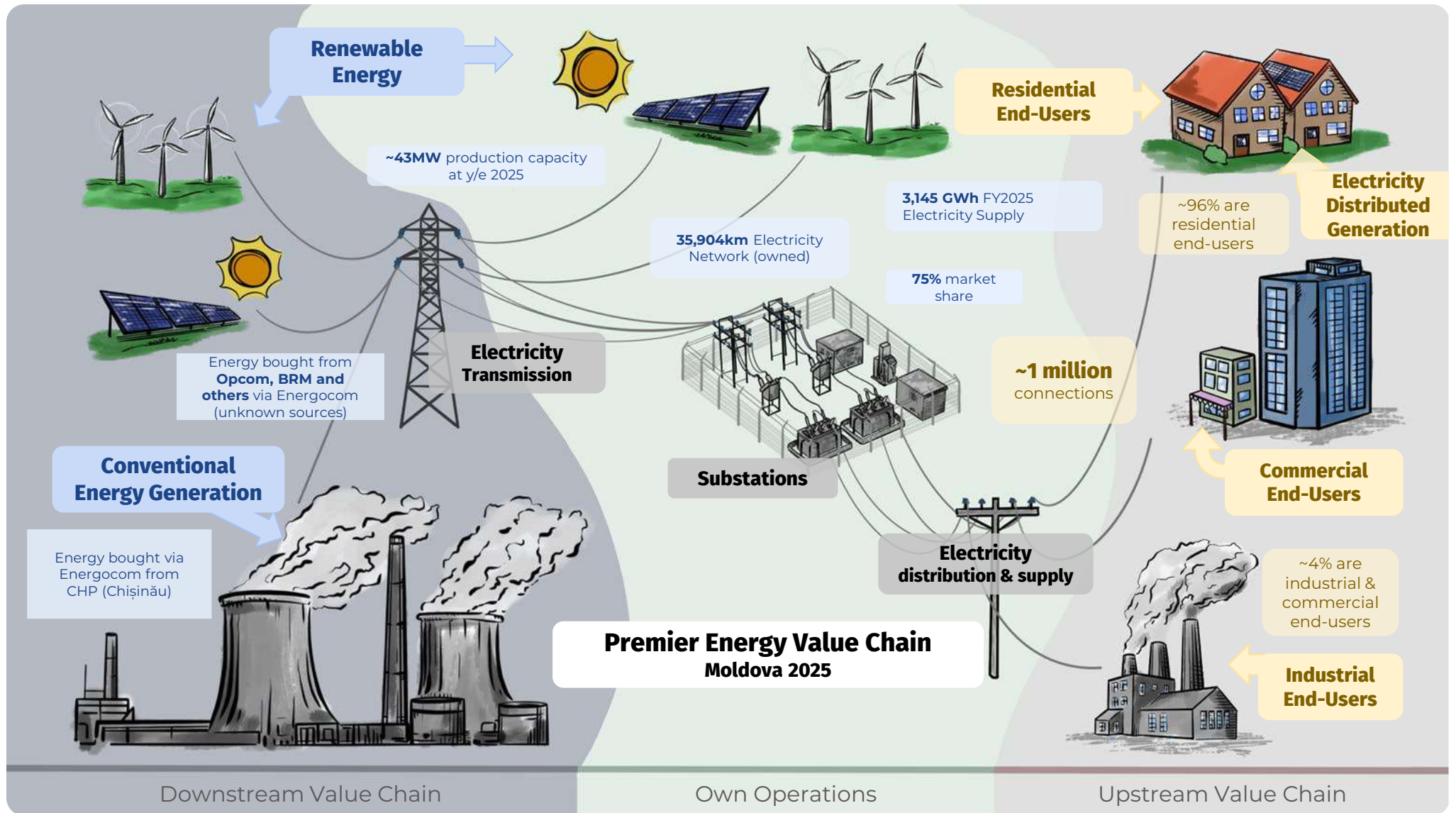
Our business activities generate key outputs for customers, shareholders, employees, and the communities in which we operate.

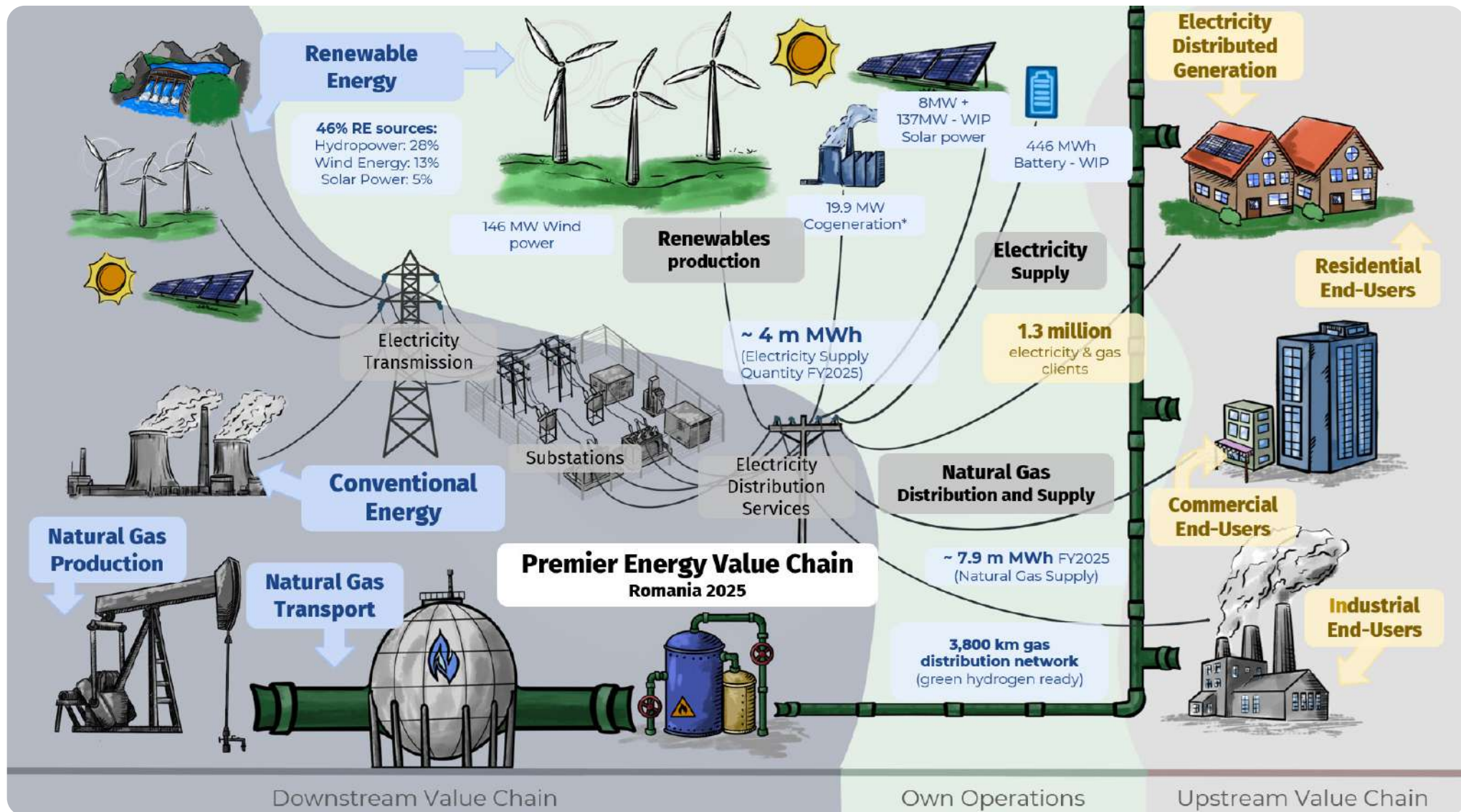
Stakeholder	Current Outputs / Benefits	Expected Future Outcomes
Customers	Reliable, flexible energy solutions tailored for residential, commercial, and industrial users across 2.2 million connections.	Greener electricity supply, increased flexibility in contracting, and expanded access to clean energy.
Communities	Infrastructure investments, development programs, and access to cleaner energy.	Improved air quality, socio-economic development, and more resilient local energy ecosystems.
Shareholders	Strategic growth, cost discipline, and focus on renewable expansion to support value creation.	Long-term returns aligned with energy transition and de-risked portfolios.
Employees	Safe, inclusive workplace with strong professional development programs.	Higher retention, skills development for the green transition, and leadership in a competitive talent landscape.

Value chain

Premier Energy Group operates across the full energy value chain in both Romania and the Republic of Moldova, with distinct value chains tailored to the energy infrastructure, regulatory context, and market dynamics of each country. Each value chain encompasses upstream sourcing, core operational infrastructure, and downstream distribution to end-users.

Value Chain Stage	Romania	Moldova
Upstream	Renewable generation (wind, solar, CHP), energy purchased via Opcom, and natural gas sourced via upstream suppliers.	Energy purchased from Energocom via CHP (Chişinău), CERS (Transnistria), and Opcom (unknown sources); as well as growing contribution from renewable sources.
Own Operations	Operates approximately 4,000 km of gas distribution network. Manages and develops renewable assets through PE Renewables. Supplies electricity and gas to end customers.	Owns and operates ~35,780 km of electricity distribution, with 75% market share. Supplies 3,145 GWh of electricity to 855k end-users, with distribution clients amounting to 964K customers.
Downstream	Serves residential, commercial, and industrial customers across gas and electricity segments. Distribution channels include direct supply and regulatory frameworks.	Supplies electricity primarily to residential users (~95%) and commercial/industrial (~5%). Enables distributed generation and energy access across most of the country.





Strategy

Overview of Our Strategic Approach

Our Group's growth strategy is centered on creating long-term value through accretive acquisitions, sustainable operations, and a strong commitment to ESG principles. As a critical energy infrastructure player in Romania and Moldova, we recognize our responsibility to preserve and enhance the environment in which we operate while supplying safe, affordable, and, where possible, cleaner energy to our communities. This dual focus on value creation and sustainability underpins our overall strategy and business model.

Track Record of Accretive Acquisitions with Strong Management Expertise

The Group benefits from the substantial M&A experience and capabilities of its senior executives. Its established presence in the market provides strong visibility over potential acquisition opportunities and supports continued growth through strategic transactions.

As a publicly listed company following the IPO in 2024, the Group combines transparency with the ability to execute flexible, tailored transaction structures. The Group has in-house M&A capabilities, access to capital, and a lean management structure that enables timely and efficient decision-making.

Value-Enhancing Add-On Acquisitions

The Group's growth has been supported by numerous strategic, value-enhancing add-on acquisitions. The Group's acquisition approach typically involves:

- Identifying a strategic, or underperforming, or distressed asset,
- Acquiring each of them on attractive financial terms,
- Investing in a rapid restructuring or reforming of operations to achieve operational excellence and monetize synergies,
- Exploring organic growth opportunities within targets, and
- Always focusing on creating shareholder value, no matter the size of the asset or investment.

A large part of the success of these acquisitions has been the strong integration of bolt-on acquisitions into the Group, which resulted in synergies and increased value for the Group. The Group has successfully realized over 25 acquisitions since 2013.

Strong Environmental and Sustainability Profile

Foundation in the European Green Deal and UN SDGs

As an energy infrastructure group operating in Romania and Moldova, our strategy is guided by the European Green Deal, the UN Sustainable Development Goals, and the Group ESG Policy adopted in 2025.

The ESG Policy establishes a unified framework for managing environmental, social, and governance matters across the Group and supports the integration of sustainability considerations into strategic planning, operations, and decision-making processes.

Green Hydrogen-Ready Infrastructure

For example, most of the Group's capital expenditure since 2013 was used for pipelines that include Polyethylene 100 material. This choice of material positions the Group to support potential future green hydrogen distribution. As a result, the Group is green hydrogen-ready and it believes this technology will be an important environmentally friendly energy source going forward.

Smart Grid Networks and CO2 Emissions Reduction

Additionally, the implementation of smart grid networks and the elimination of energy losses by using various measurements - including the utilization of new software and improved access to leakage identification - has improved (and is expected to continue to improve) the Group's energy efficiency and the reduction in CO2 emissions in both Romania and Moldova. In Romania, the pipeline developments and the resulting use by households of natural gas - as opposed to wood and coal burning - also lead to less CO2 emissions.

Proven Track Record in Energy Loss Reduction

Electricity losses and technological consumption in Moldova have decreased from 32.3% in 2000 to just 6.95% in 2025, which is in line with the Group's European peers that had a 2022 SEE median of approximately 7.3% (covering Bulgaria, Croatia, Greece, and Romania). This decrease in energy losses represents a significant track record of sustainable energy development and reduction of the Group's carbon footprint, in line with Europe's "net zero by 2050" plan.

Breakdown of Revenue by ESRS Sectors and Fossil Fuel Activity Disclosure

For the financial year ended December 31, 2025, Premier Energy Group generated total consolidated revenue of EUR 1,717 million. The breakdown of revenue by significant ESRS sectors (based on NACE codes) is as follows:

ESRS / Sector Activity	NACE Code	2025 Revenue (EUR m)	% of Total Revenue
Electricity generation from wind power	D35.11	21.621	1%
Electricity generation from solar PV	D35.11	0.558	<1%
Electricity transmission and distribution	D35.13	104.700	6%
Electricity and gas (distribution and sales (non-Taxonomy eligible))	D35.14 / D35.23	1,590.131	93%
Total		1,717.010	100%

Premier Energy Group is active in the fossil fuel sector as defined under Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and the Council. This relates specifically to its activity in the distribution and supply of fossil gas, which is included in its consolidated turnover. In addition, the Group has limited exposure to gas-fired electricity generation through True Energy Management S.R.L. (TEM), which operates the gas-to-power balancing plant in Fagaras, Romania. However, the Group does not engage in coal or oil-related activities, nor in fossil fuel exploration, mining, refining, or processing.

The Group's 2025 revenue from fossil gas distribution and supply and electricity sale is embedded within the non-Taxonomy-eligible portion of revenue (approx. EUR 1,589 million, or 93% of total turnover). A detailed disaggregation between gas and electricity sales is available in the internal segment analysis.

Premier Energy has not recorded Taxonomy-aligned revenue from fossil gas under the criteria of Article 8(7)(a) of Commission Delegated Regulation 2021/2178. The Group acknowledges its involvement in fossil gas distribution and is actively working toward the decarbonization of its portfolio, including through continued investment in renewable energy capacity and grid modernization.

ESRS 2 SBM-2 – Interests and views of stakeholders

Stakeholder engagement

At Premier Energy, our stakeholder engagement methodology reflects a firm commitment to actively listening and collaborating with all relevant stakeholder groups. By maintaining continual dialogue, we gain valuable insights into their perspectives, concerns, and expectations, which in turn shape our decision-making and strategic direction.

These interactions provide critical input for our due diligence activities and DMA, helping us align our sustainability priorities, initiatives, and processes with the issues that matter most to stakeholders. Our approach is guided by openness, transparency, and integrity, in line with internationally recognized standards, such as the UN Guiding Principles on Business & Human Rights.

We ensure that the views and interests of affected stakeholders concerning our sustainability-related IROs are regularly communicated to the responsible members of the Group Executive Team via periodic reviews and discussions.

The Group's strategy and business model have evolved, and are expected to further evolve, in response to stakeholder interests identified through ongoing engagement and the DMA, particularly in areas such as energy transition, infrastructure reliability, workforce safety and long-term sustainability.

The table below outlines some of the principal ways we engage with our stakeholders.

Stakeholder Group	Engagement Method	Purpose
Own Workforce	Internal communication, training sessions, annual performance appraisal, surveys	Foster engagement, identify risks and opportunities, track internal progress
Management Team, Department Heads	Strategy sessions, performance reviews	Identify ESG risks and track internal progress
Customers	Feedback channels, satisfaction surveys, marketing reviews	Understand expectations and improve ESG-related offerings
Suppliers	Audits, sustainability workshops	Strengthen ESG compliance and supply chain responsibility
Local Communities	Consultations, project updates, grievance channels	Address environmental and social concerns
Board of Directors	Oversight meetings, policy reviews	Align ESG with business strategy

Stakeholder Group	Engagement Method	Purpose
Shareholders, Investors, Analysts	Quarterly financial results calls, bilateral meetings, ESG disclosures	Communicate performance, manage expectations
Regulators & Policymakers	Consultations, compliance reporting	Ensure regulatory alignment and adapt to policy shifts
Industry Associations	Working groups, joint initiatives	Contribute to sector-wide ESG best practices
Financial Institutions	ESG dialogues, green finance engagements	Secure funding and support sustainable growth
NGOs / Experts	Scenario analysis, biodiversity consultations	Integrate external views and strengthen ESG strategy
Media	Press releases, interviews, media monitoring	Shape public perception and ensure transparency
Nature (silent stakeholder)	Impact assessments, nature-related risk analysis	Acknowledge dependencies and impacts, guide environmental stewardship

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Premier Energy Group has identified and assessed material impacts, risks, and opportunities (IROs) in accordance with the double materiality concept, considering both the actual and potential impacts of its activities on people and the environment, as well as the implications for its financial performance and long-term resilience.

Following the initial identification of material IROs in 2024, the Group refined and streamlined its double materiality assessment in 2025 to ensure a more focused and robust prioritization of key ESG topics across environmental, social, and governance dimensions. The identified IROs form the basis for integrating sustainability considerations into the Group’s strategy, risk management, and operational decision-making.

In accordance with ESRS 2 SBM-3 AR18, the Group presents its material impacts, risks and opportunities (IROs) using a structured aggregation approach, as described in the chapter ESRS 2 IRO-2 – Disclosure requirements in ESRS, and each respective E1, S1 and G1 chapters of this statement further below.

Individual IROs identified through the Double Materiality Assessment are grouped into broader thematic IRO categories, which reflect the nature of the Group’s activities and key sustainability challenges.

Within each aggregated IRO, more granular impacts, risks and opportunities are further specified at the level of relevant ESRS topics, sub-topics and sub-sub-topics (e.g. E1 climate change mitigation and adaptation). This approach allows the Group to capture the complexity and interdependencies of sustainability matters, while ensuring a clear and concise presentation aligned with ESRS disclosure requirements.

¹ Double materiality is a concept which provides criteria for determination of whether a sustainability topic or information has to be included in the undertaking’s sustainability report. Double materiality is the union (in mathematical terms, i.e. union of two sets, not intersection) of impact materiality and financial materiality. A sustainability topic or information meets therefore the criteria of double materiality if it is material from the impact perspective or from the financial perspective or from both perspectives.

The aggregation reflects the fact that multiple underlying drivers, such as emissions, infrastructure dependencies and operational practices, are closely interconnected and are managed through common policies, actions and targets. This structure supports clarity, avoids duplication, and ensures consistency between the Double Materiality Assessment outcomes and the detailed topical disclosures.

To ensure transparency and alignment with ESRS requirements, high-level material IROs are outlined in this section, while more detailed topic-specific IROs are disclosed under the relevant environmental (E1), social (S1), and governance (G1) standards sections.

Environmental and social IROs, such as climate-related impacts (E1) and workforce-related matters (S1), are fully covered by ESRS Disclosure Requirements. Governance-related IROs are primarily addressed under G1, including topics such as business conduct and whistleblowing. Cybersecurity-related risks, while relevant to the Group's operations and risk management framework, are not explicitly covered by a dedicated ESRS standard and are therefore disclosed as part of the Group's governance-related and entity-specific disclosures.

These sections provide further insight into how each issue interacts with the Group's business model, value chain, and forward-looking plans.

Physical climate risks assessment

Scope of the physical climate risk assessment

Premier Energy applies a structured approach to assessing physical climate risks to understand whether climate-related hazards could materially affect the asset base and the long-term value of its operations. This section addresses physical climate risks only; transition risks are not within the scope of this assessment, as Premier Energy has opted-out transition risks assessment for the current reporting period as a phase-in omission. The assessment covers both chronic climate shifts and acute weather events across the Group's assessed operating geographies and relevant asset locations.

The analysis covers the Group's electricity generation assets, gas infrastructure, electricity grid infrastructure, and supporting operational facilities for all the above. It is intended to support climate-related (adaptation and mitigation) disclosures and internal risk management by identifying where climate hazards may affect technical performance, operating continuity, and asset value over the short to medium (2030) and long term (2050).

Methodology of the physical climate risk assessment

Premier Energy assessed physical climate risks from two perspectives: (i) the exposure and sensitivity of assets to climate hazards and (ii) the vulnerability of the assets to climate hazards, i.e. the degree to which assets are susceptible to, and unable to cope with, adverse effects of climate-related hazards. The methodology combines external climate data, location-based screening, and internal asset-specific and financial impact judgement. Materiality in the context of this assessment refers to the financial impact of climate hazards on Premier Energy's asset base value (vulnerability) and is distinct from impact materiality as assessed in the Group's DMA.

The Group's DMA identified climate change adaptation as a material matter from the perspective of (i) potential negative impacts on operational reliability of renewable generation, (ii) financial risks related to drought-driven reductions in hydropower availability, and (iii) opportunities to strengthen resilience through targeted investments in infrastructure and flexibility solutions. The physical climate risk assessment described below is designed to provide an evidence base for these DMA outcomes by screening relevant climate hazards across key asset classes and geographies under multiple scenarios and time horizons.

Climate data inputs were sourced from Climate Impact Explorer, Aqueduct, Copernicus satellite data, and multiple scientific studies. These sources were used to assess hazard direction, severity, and relevance by locality and by asset type. Where feasible, the assessment was conducted at NUTS 3 level to reflect regional variation in hazard exposure. The assessment was mainly performed under three scenarios RCP 2.6, RCP 4.5, and RCP 8.5. In some cases, the risks were assessed using the newer SSP scenarios. In terms of time horizons, 3 levels were considered: short-term (current state), medium-term (2030) and long-term (2050).

Hazard severity was determined through a threshold-based qualitative assessment. For each hazard and asset locality, the underlying data were translated into a 5-level severity scale: (1) very low, (2) low, (3) moderate, (4) high, and (5) very high. This severity assessment was then linked to indicative value sensitivity assumptions to estimate the possible direction and relative magnitude of Premier Energy assets' vulnerability. A hazard was considered material where the estimated resulting vulnerability (estimated market value) under a given scenario reached or exceeded 3% of the total base value of the assets.

Data sources and hazard coverage

- **Climate Impact Explorer:** changing temperature (air, freshwater, marine water); heat stress; temperature variability; changing wind patterns; changing precipitation patterns and types; solifluction; heat wave; wildfire; flood.
- **Aqueduct:** precipitation or hydrological variability; water stress.
- **Copernicus satellite data:** heavy precipitation; cold wave/frost; drought.
- **Scientific studies:** windstorms; tornadoes; thunderstorms; landslides.

Classification of climate-related hazards assessed

The hazards were based on their nature split between temperature-, wind-, water-, and solid-mass-related hazards and between chronic and acute.



Classification of climate-related hazards				
Type of hazard	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	✓ Changing temperature	✓ Changing wind patterns	✓ Changing precipitation patterns and types	✗ Soil degradation
	✓ Heat stress		✓ Precipitation or hydrological variability	✗ Soil erosion
	✓ Temperature variability		✗ Ocean acidification	✓ Solifluction
	✗ Permafrost thawing		✗ Saline intrusion	
			✗ Sea level rise	
		✓ Water stress		
Acute	✓ Heat wave	✗ Cyclones, hurricanes, typhoons	✓ Drought	✗ Avalanche
	✓ Cold wave/frost	✓ Storms	✓ Heavy precipitation	✓ Landslide
	✓ Wildfire	✓ Tornadoes	✓ Flood	✗ Subsidence
			✗ Glacial Lake outburst	

✓ Hazard included in assessment

✗ Hazard is not relevant due to geographical location of assets, or insufficient data to credibly assess the resulting hazard severity.

For the physical climate risk assessment results, please refer to the chapter ESRS E1 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

Sustainable Future

Commitment to the Paris Agreement and Operational Net Zero by 2045

The Group is committing to align all its operations with the goals of the Paris Agreement and has developed a Decarbonization Plan with the goal to reach Operational Net Zero GHG emissions by 2045, in line with Business Ambition for 1.5°C initiative. The Group’s main levers for decarbonization are:

- **Losses reduction:** the Group is working on improving grid maintenance to extend the lifetime of components and identifying cost-effective options to upgrade the grid and implement smart grid technologies;
- **Hydrogen readiness:** 80% of the distribution network was built using Polyethylene 100 material, allowing for green hydrogen distribution; and
- **Renewable energy expansion:** continued investments in renewable energy through both development and acquisitions, supporting the gradual increase of low-carbon generation capacity.

Providing Safe, Affordable, and Clean Energy

One of the Group’s core goals is to provide safe, affordable, and the maximum amount of clean energy to communities across Romania and Moldova. In achieving this purpose, the Group is committed to grow its business with investments into green energy assets by acquisition and/or development of green projects. The Group is continuously focused on improving the energy efficiency of the Group’s facilities and offering its client services and products that support efficiency and sustainability. For example, most of the Group’s capital expenditure since 2013 was used for pipelines that include Polyethylene 100 material which makes the Group well positioned to support potential future green hydrogen distribution. As a result, the Group is well positioned to support the potential future integration of green hydrogen in Romania.



ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

In 2025, Premier Energy Group has conducted and refined its DMA in accordance with ESRS 1 and EFRAG implementation guidance. This process evaluates both the actual and potential impacts of the Group’s activities on the environment and society (impact materiality), as well as the sustainability-related financial risks and opportunities affecting its performance and resilience (financial materiality). As part of the DMA, the Group’s process places particular focus on activities and business relationships that are more likely to give rise to adverse impacts. This includes distribution and operational activities in Romania and Moldova, as well as relationships with contractors and key suppliers across the value chain, due to their relevance for occupational health and safety, continuity of critical energy infrastructure, and regulatory compliance. These factors were therefore subject to enhanced analysis when identifying and assessing material impacts, risks and opportunities.

In 2025, the DMA was streamlined and updated to ensure a more focused prioritization of key sustainability topics, reflecting the evolution of the Group’s operations and ESG governance framework.

For reporting purposes, identified IROs are grouped into broader thematic categories, reflecting interdependencies between impacts, risks and opportunities and ensuring consistency with their presentation in the Sustainability Statement. In total, we identified 9 impacts, risks, and opportunities (IROs) as material:

ESRS	Total
E1 – Climate change	6
S1 – Own workforce	1
G1 – Business Conduct	1
Entity specific (G1) – Cybersecurity	1

We compiled the results into a materiality matrix, aggregating the highest-scoring IROs by ESRS topic. Our analysis showed that seven ESRS topics are material, and one of these exhibits “double materiality,” meaning it has both significant impact and financial risk or opportunity. Notably, Climate Change (E1) emerged as our most material sustainability matter, with IROs in this area directly linked to our strategic sustainability targets.

These findings guide us in prioritizing and managing our environmental, social, and financial responsibilities, ensuring that we remain compliant with ESRS requirements while strategically positioning Premier Energy for sustainable growth.

The materiality matrix aggregates the highest-scoring impacts, risks, and opportunities (IROs) according to ESRS topics. In practice, we used a two-dimensional plot that reflects:

- Material Impact from both an environmental and social perspective
- Financial Impact for Premier Energy.

By mapping our IROs against these dimensions, we gained a clearer understanding of which issues require the most urgent attention. This approach helps us:

- **Prioritize effectively:** We can quickly see which topics have the greatest effect on stakeholders and our overall business resilience.
- **Allocate resources:** The matrix guides our investment of time, effort, and funds into areas with the highest potential for impact or financial risk and opportunity.
- **Maintain transparency:** Sharing the matrix with stakeholders gives them insight into our decision-making process and the evidence behind it.

Double Materiality methodology and processes

Our DMA is developed in alignment with the CSRD and the ESRS, following the guidance issued by EFRAG in this sense, as well as being fully compliant with the requirements imposed by the local Romanian legislation applicable, namely the Ordinance of the Ministry of Public Finances no. 85/2024.

A core concept of the CSRD and that of ESRS is the DMA, which is built upon two perspectives. The first perspective, impact materiality, considers how Premier Energy's operations affect people, communities, and the environment (inside-out), including both direct and indirect impacts across the Group's value chain. The second, financial materiality, examines how sustainability risks and opportunities influence the Group's financial performance, investment decisions, and long-term resilience (outside-in).

Scope of the Analysis and Assumptions

As part of DMA, we conducted a comprehensive evaluation of IROs across our entire value chain, in alignment with ESRS 1 requirements. Our assessment encompassed both our own operations and business relationships, with a particular focus on identifying IROs across all the stages of our value chain.

To evaluate inside-out impacts we considered both actual and potential effects, including both positive and negative sustainability outcomes. In our financial materiality analysis, we assessed how sustainability-related factors, such as regulatory shifts, climate risks, and supply chain dependencies, could pose financial risks or unlock new opportunities for the Group.

Our value chain analysis was primarily concentrated on first-tier suppliers, where we had direct visibility and engagement. Beyond this, we leveraged industry-wide assessments, sector-specific insights, and internal expertise to evaluate broader value chain risks.

Stakeholder Engagement

Our stakeholder engagement strategy is designed to ensure continuous dialogue and alignment with the expectations of those affected by or influencing the Group's activities. The Group engages with a wide range of internal and external stakeholders.

Among its internal stakeholders, we engage with both management teams as well as operational staff, as these represent relevant focal points in our business strategy that oversee the financial and non-financial performance of our Group.

Beyond its internal teams, external stakeholders play a crucial role in shaping our sustainability initiatives as well as our broader strategy. These include customers, regulatory authorities, industry associations, investors, NGOs, suppliers and local communities. In terms of financial materiality, investors and financial institutions are particularly important stakeholders, influencing strategic decisions around sustainability investments.

Engagement is facilitated through workshops, public consultations, surveys, and direct discussions, allowing stakeholders to provide input and feedback regarding their concerns or ideas on sustainability-related priorities. Common themes that have emerged from these engagements include concerns about the energy transition, affordability, infrastructure reliability, and community development. To ensure ongoing transparency, we maintain regular communication with stakeholders through newsletters, digital platforms, and direct consultations, in a bid to maintain a high degree of transparency and accountability.

Impacts, Risks, and Opportunities

Identification and Scoping

The identification of impacts, risks, and opportunities forms the foundation of our DMA. This process involves a structured evaluation of environmental, social, and governance (ESG) factors across the entire value chain.

To ensure a comprehensive approach, we undertook a process of value chain mapping, industry benchmarking, and stakeholder consultations, while also leveraging international frameworks such as GRI, SASB, TCFD, and TNFD. These combined efforts allowed us to build a detailed long list of sustainability risks and opportunities, which was then mapped according to the sustainability matters provided by ESRS 1 AR 16.

Assessment and Scoring

Impact materiality was assessed using scientific research, industry benchmarks, and in-house expertise. Each identified impact was then mapped based on its effects throughout the value chain, i.e. Own Operations, Upstream, and Downstream.

Premier Energy identifies risks and opportunities based on both direct sustainability impacts and business dependencies. Sustainability risks are assessed in relation to:

- Operational exposure to climate risks and regulatory changes
- Market risks associated with shifting sustainability preferences
- Reputational risks and evolving consumer expectations
- Supply chain vulnerabilities due to resource dependencies

Each identified impact was assessed along key dimensions: severity (comprised of scale, scope, irremediability -for negative impacts), and likelihood. Risks and opportunities were scored on their potential magnitude, as well as their likelihood of occurrence.

Scope referred to how widespread the impact was, based on predefined parameters (e.g.: geographical boundaries or number of people potentially affected).

Scale assessed how grave or beneficial the impact's effect could be (e.g.: species loss, improved livelihood for millions of people). Scale was assessed as "gross", not considering any mitigating actions or effects.

When we assessed irremediability, we considered the difficulty of repairing the damage done by the impact, having in mind the afferent time horizon and the cost of doing so (e.g.: disrupting local ecosystems).

By assigning quantitative scores based on predefined scales, we prioritized the most significant IROs ensuring that sustainability initiatives focus on areas where they can deliver the greatest impact. A scoring tool was used to calculate the score of each of the identified IROs.

Connections between Impacts, Dependencies, Risks and Opportunities

In line with ESRS 2 IRO-1, Premier Energy considered the interconnections between its actual and potential impacts, its dependencies on environmental and social systems, and the resulting risks and opportunities.

We evaluated how certain environmental or social impacts and dependencies, whether upstream, downstream, or within our operations, can trigger financial implications, both in terms of risks and opportunities.

For example:

- Dependency on stable weather conditions and natural resources, exposes the business to physical climate risks. These dependencies, when disrupted by climate change, directly translate into operational risks, such as reduced energy generation efficiency or supply chain interruptions.
- Negative impacts on local communities may lead to reputational damage, regulatory scrutiny, and increased compliance costs, constituting financial and operational risks.

- Conversely, positive environmental impacts, such as investment in renewable energy infrastructure, create opportunities for access to green finance, enhanced brand positioning, and alignment with regulatory incentives.
- Dependencies on a skilled and motivated own workforce directly influence business continuity and quality of service. Gaps in employee engagement or well-being could pose social risks, while strong internal ESG culture creates opportunities for performance improvement and talent retention.

Each impact and each dependency was analyzed in terms of its potential to generate or amplify risks (e.g., through regulation, market shifts, or physical disruption) or to create new opportunities (e.g., access to new markets, funding, or innovation). These interrelations were embedded in our scoring methodology and visualized in the materiality matrix by mapping both impact and financial significance.

Time Horizons

The assessment process incorporates multiple time horizons, categorizing impacts as short-term (within one year), medium-term (one to five years), or long-term (beyond five years), sticking to the time horizons specified within the ESRS.

Thresholds of Materiality

To assess the significance of each impact, risk, and opportunity (IRO), the Group applied a 0–5 scoring scale. The materiality threshold was set at 3.5, in alignment with the Group’s overall risk appetite and approach to sustainability prioritization. Setting the threshold above the midpoint ensures that disclosures, actions, and targets are focused only on the most relevant sustainability matters.

Score Range	Interpretation	Disclosure Action
0 – 2.9	Low to moderate significance	Not considered material; no detailed disclosure required
3.0 – 3.4	Borderline significance	Reviewed for potential future relevance; monitored internally
≥ 3.5	Material impact, risk, or opportunity	Included in reporting scope; subject to policy, target-setting, and action planning

Validation of the Results

To ensure accuracy and regulatory compliance, we validated our DMA through internal workshops, where the sustainability reporting project team presented the results of the DMA to the Board of Directors. During the validation phase, materiality scores are reviewed and refined, ensuring that they accurately reflect both sustainability risks and business priorities. Adjustments are made where necessary.



The process also includes different stakeholders challenging initial assumptions and ensuring that justifications for materiality scores are well-documented. This rigorous validation process enhances the role of the assessment in shaping our sustainability strategy.

Approval

The final DMA results undergo a structured approval process at the Board of Directors level. The Group's internal project team presents the findings in a dedicated workshop, where Board members review and discuss the materiality of each identified sustainability issue.

Once approved, these results are integrated into Premier Energy's Consolidated Sustainability Statement, forming the basis for strategic actions and regulatory disclosures. The Group also commits to reviewing the DMA regularly to ensure that it remains aligned with evolving regulatory requirements, and business priorities.

Financially material sustainability risks and opportunities identified through the Double Materiality Assessment are subject to ongoing oversight and monitoring through the Group's governance, risk management and internal control frameworks. The assessment is reviewed periodically to reflect changes in the Group's operating context, regulatory environment and financial exposure, ensuring its continued relevance for both strategic decision-making and sustainability reporting purposes.

Minimum Disclosure Requirement on Policies and Actions

Policies

We are managing material sustainability topics by implementing policies that guide decision-making. For most material matters, we disclose these policies, including objectives, coverage, oversight responsibilities, and alignment with relevant standards. Where a policy does not yet exist, we clearly state this and outline our plans and timelines to develop one.

Actions

Premier Energy actively addresses sustainability IROs by outlining concrete actions for each material topic. These actions specify which parts of the value chain are affected, identify key stakeholders, and detail expected outcomes or remediation steps. Where needed, we also disclose the financial resources invested (CapEx and OpEx). Information on resource allocation is currently presented for the reporting period, while the allocation of future financial resources is described on a qualitative basis. If no current action exists for a particular topic, we specify so.

Metrics and Targets

Progress is measured using industry-aligned indicators and set clear targets for material sustainability topics. These targets link to our business objectives and are presented alongside their corresponding metrics. We explain any gaps, such as topics without current targets, and clarify if and when we plan to establish them.

The targets disclosed in the relevant topical sections, including climate-related targets under E1 and workforce-related targets under S1, constitute the Group's sustainability targets for the purposes of ESRS 2 MDR-T. These targets are derived from formally approved internal documents, including the Decarbonization Plan, ESG Policy, and other relevant governance frameworks.

Prioritization of Sustainability-Related Risks

At this stage, Premier Energy does not maintain a separate prioritization framework that ranks sustainability-related risks in relation to other types of enterprise risks (e.g., operational, financial, or compliance risks). Likewise, we currently do not apply a dedicated risk-assessment tool specifically for sustainability risks that is integrated with our broader risk management system.

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

The following table provides a summary of the identified significant topics and disclosure requirements that are part of this Sustainability Statement.

ESRS Standard	Disclosure Requirement	Title	Location in the Sustainability Statement’s text
ESRS 2	BP-1	Basis for preparation	Basis for Preparation of Sustainability Statement
	BP-2	Specific circumstances, phase-in use	Basis for Preparation of Sustainability Statement
	GOV-1	Governance structure and responsibilities	Business Conduct
	GOV-2	Information to and oversight by governance bodies	ESRS G1 – Business Conduct
	GOV-4	Sustainability due diligence	Sustainability Due Diligence
	GOV-5	Risk management and internal controls	Business Conduct
	SBM-1	Business model and strategic context	Strategy and Business Model
	SBM-2	Stakeholder interests and engagement	Stakeholder Engagement
	SBM-3	Material IROs and interaction with strategy	Strategy and Business Model
	IRO-1	Double materiality methodology	Double Materiality Assessment
	IRO-2	ESRS topical coverage in disclosures	Throughout topical chapters
	General	Policies, actions, metrics and targets	Policies, Actions, Metrics and Targets
ESRS E1	E1-1	Transition plan for climate change mitigation	Climate Change chapter
	E1-2	Policies for climate change mitigation and adaptation	Climate Change chapter
	E1-3	Actions and resources	Climate Change chapter
	E1-4	Targets for climate issues	Climate Change chapter
	E1-5	Energy consumption and energy mix	Climate Change chapter
	E1-6	Scope 1, 2, 3 and total GHG emissions	Climate Change chapter
	E1-9	Financial effects of climate risks	Phase-in applied – not reported in 2025

EU Taxonomy	Art. 8 Taxonomy Regulation	Alignment with EU environmental objectives	EU Taxonomy for Sustainable Activities chapter
ESRS S1	S1-1 to S1-6, S1-14, S-17	Workforce policies, engagement, targets, characteristics, health and safety metrics	Own Workforce chapter
ESRS G1	G1-1	Business conduct	Business Conduct chapter
Entity specific disclosure	ESRS 1 30 (b) and ESRS AR1-AR5	Cybersecurity governance compliance with the Directive (EU) 2022/2555 (NIS2) by Premier Energy	Entity Specific Disclosure chapter
ESRS E2–E5, S2–S4	N/A	Pollution, water, circularity, affected communities, etc.	Summary of Non-Material ESRS Standards

The table below lists the data points in the cross-cutting and thematic standards required by EU legislation. For each data point, if it is part of a significant topic or a mandatory reporting topic, a reference is provided indicating its location within the covered topics and the disclosure requirements in this report, along with the page number where it can be found.

ESRS data points from other EU legislation

Disclosure Requirement	Data Point	Legislation	Location in Report	Status
ESRS 2, GOV-4	Statement on due diligence	SFDR	Sustainability Due Diligence chapter	Reported (page 116)
ESRS 2, SBM-1 (40d.i)	Involvement in activities related to fossil fuel activities	SFDR / P3 / BRR	Basis of Preparation	Reported (page 124)
ESRS 2, GOV-1 (21d)	Board's gender diversity	BRR	Business Conduct	Reported (page 113)
ESRS 2, GOV-1 (21e)	Percentage of board members who are independent	BRR	Business Conduct	Reported (page 113)
E1-1.16a	Transition plan to reach climate neutrality by 2050	EUCL	E1-1	Reported (page 140)
E1-4.34	GHG emission reduction targets	SFDR / P3 / BRR	E1-4	Reported (page 164)
E1-5.38	Energy consumption from fossil sources (disaggregated)	SFDR	E1-5	Reported (page 165)
E1-5.37	Energy consumption and mix	SFDR	E1-5	Reported (page 165)
E1-5 Energy intensity	Energy intensity associated with high impact sectors	SFDR	E1-5	Reported (page 167)
E1-6.44	Gross scope 1, 2, 3, and total GHG emissions	SFDR / P3 / BRR	E1-6	Reported (page 170)
E1-6.53	Gross GHG emissions intensity	SFDR / P3 / BRR	E1-6	Reported (page 175)

Disclosure Requirement	Data Point	Legislation	Location in Report	Status
E1-7.56	GHG removals and carbon credits	EUCL	E1-7	Not applicable – No removals/credits used (page 175)
E1-9	Financial effects of climate risks	BRR	E1-9	Phase-in – Not reported in 2025 (page 176)
EU Taxonomy – Art. 8	Taxonomy-eligible and aligned revenue, CapEx, OpEx	Taxonomy Regulation	EU Taxonomy chapter	Reported (page 177)
SFRD Art. 4	Principal adverse sustainability impacts	SFDR	Climate Change & Workforce chapters	Reported (page 147)
SFRD Art. 6	Integration of sustainability risks in investment decisions	SFDR	Not applicable – not a financial institution	Not relevant
Pillar 3 EBA	Exposure to fossil fuel activities	EBA	Not applicable – not a financial institution	Not relevant
S1-1	Human rights policy commitments	SFDR	S1-1.20	Reported (page 200)
S1-3	Grievance and complaint-handling mechanisms	SFDR	S1-3	Reported (page 207)
S1-14	Workplace accidents – number and rate	SFDR	S1-14	Reported (page 212)
S1-16	Unadjusted gender pay gap	SFDR / BRR	Not material	Not material
S1-16	Excessive CEO pay ratio	SFDR	Not material	Not material
S1-17	Incidents of discrimination and harassment	SFDR / BRR	S1-17	Reported (page 213)
SRS2, SBM 3 – S2	Risk of child labor or forced labor in value chain	SFDR	Not material	Not material
G1-1.10b	UN Convention against Corruption	SFDR	G1-1	Not reported
G1-1.10c	Whistleblower protection	SFDR	G1-1	Reported (page 220)
G1-4.24a	Fines for anti-corruption violations	SFDR / BRR	G1-4	Not material – no fines reported
G1-4.24b	Anti-corruption and bribery standards	SFDR	G1-4	Not material

Legend for the referenced EU legislation:

- SFDR - Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088)
- P3 - Pillar 3 Disclosure Requirements under the Capital Requirements Regulation (CRR)
- BRR - Benchmark Regulation – Climate Benchmarks and ESG Disclosures (Regulation (EU) 2016/1011)
- EUCL - European Climate Law (Regulation (EU) 2021/1119)
- EU Taxonomy - EU Taxonomy Regulation (Regulation (EU) 2020/852)

ESRS E1

Climate change

E1-1 – Transition plan for climate change mitigation

Premier Energy Group has approved a Decarbonization Plan in 2024, which sets the foundation for aligning its business model and operations with the objective of limiting global warming to 1.5°C, in line with the Paris Agreement and the European Climate Law. The plan defines a pathway towards the Group's operational net-zero GHG emissions by 2045 and includes interim targets, key decarbonization levers, investment priorities, and progress monitoring mechanisms.

However, the decarbonization plan does not yet fully meet all the requirements of an ESRS-compliant transition plan. Further work is required to integrate recent developments, including the recalculation of the 2022 emissions baseline in 2025, changes in organizational boundaries following acquisitions, and the results of the recently completed physical climate risk assessment. In addition, the assessment of transition climate risks is still in progress and has not yet been fully incorporated into the Group's strategic planning framework.

As a result, the Group does not yet have a fully developed transition plan in line with ESRS E1-1 requirements and has therefore applied the relevant phase-in provisions for this disclosure for the 2025 reporting period.

Nevertheless, the Group considers its existing decarbonization plan and climate-related commitments as a strong foundation for the future development of a comprehensive transition plan. These elements, some of which have already been publicly communicated, demonstrate the Group's commitment to progressively strengthening its strategy to mitigate and adapt to climate-related risks and to align with evolving regulatory and market expectations.

E1-1.16a - Explaining 1.5°C Compatibility

Premier Energy's 2024 decarbonization plan as reflected in 2025 Impacts, Risks and Opportunities assessment is designed to broadly align with the 1.5°C climate target as set out in the Paris Agreement and reflected in the European Climate Law. It supports this alignment through:

- A long-term target of operational net-zero (Scopes 1 and 2) by 2045, i.e. 90% reduction relative to rebased 2022 emissions, which equals 18,552.94 tCO₂e;
- A mid-term target of reducing Scope 1 and 2 emissions by 50% by 2035, relative to the rebased 2022 emissions, which equals 92,764.70 tCO₂e.

This pathway broadly aligns with a 1.5°C emissions reduction trajectory for Scope 1 and Scope 2 emissions, consistent with the Science-Based Targets initiative (SBTi) guidance requiring significant reductions in absolute emissions over time.

At this stage, the Group has not established a quantitative target for Scope 3 emissions, which represent a significant portion of total emissions due to the nature of its business model. In particular, Premier Energy has limited ability to directly influence emissions from electricity consumption and natural gas use by end customers, as well as upstream and downstream value chain activities. The Group is continuing to assess appropriate approaches to Scope 3 target-setting as part of the ongoing development of its transition planning framework.

Premier Energy’s pathway aligns with the EIB’s Paris Alignment of Counterparties (PATH) framework, except for minor deviations in 2043–2044, which are subject to mitigation through planned interventions, and reflects an annual emissions reduction trend consistent with the IPCC-recommended 4.2% linear decline.

E1-1.16b - Identifying Decarbonization Levers & Key Actions

Premier Energy’s decarbonization levers and actions are based on a structured scenario analysis in its Decarbonization Plan and remain the core operational measures underpinning the Group’s future transition plan. The key levers identified are:

Lever 1 - Reducing emissions associated with electricity distribution operations in Moldova:

- Upgrading low-voltage networks (0.4kV lines)
- Replacing aging transformers
- Implementing “cold” reserve systems at substations
- Optimizing 35kV network decoupling
- Covering grid losses with renewables from 10% in 2025 to 75% by 2050, forming the basis for carbon reduction potential

These actions are intended to reduce technical losses, improve network efficiency and lower the Group’s emissions from Scope 2. Under the recalculated baseline methodology, the related emissions from electricity distribution losses were corrected (based on the updated GHG Protocol Scope 2 Guidance - Accounting for Energy-Related Emissions Throughout the Value Chain) by eliminating emissions from electricity procured for the losses from electricity suppliers PEG owns as these emission are already reported in Scope 1 or are originating from solar and wind generation. Despite this methodological recalculation, the mentioned reduction of electricity distribution losses and underlying decarbonization actions remain relevant to the Group’s climate-related commitments.

Alongside its strategy of vertically integrated energy and power generation and infrastructure holding, Premier Energy also has set further actions for reducing emissions taking into consideration the specific value chain of energy infrastructure while addressing the desired growing share of renewable sources of electricity generation as well as the reliability and stability of the grid.

Lever 2 - Reducing Scope 1 emissions from gas distribution (Romania):

- Phasing out steel pipelines and replacing them with polyethylene (leakage reduction by >90%; 80% of network already hydrogen-ready)
- Enhancing pipeline leak detection
- Introducing hydrogen blending

Lever 3 – Reducing Scope 1 and 2 by improving energy efficiency in the owned buildings and fleet:

- Transitioning to hybrid and electric vehicles across Romania and Moldova
- Replacing inefficient boilers
- Installing LED lighting and heating/cooling controls
- Rolling out submetering and basic building insulation upgrades
- Installing solar panels and implementing energy controls

Level 4 – Scaling renewable generation and storage capacity resulting in reductions in Scope 1, 2 and 3:

- Owning and operating 217 MW of renewable generation assets as of 31 December 2025, increasing with additional 158 MW in January 2026 through acquisition; additional 137 MW of solar and 47 MWh of battery capacity in final stages of construction;
- Future development of Battery Energy Storage Systems (BESS).

These actions are supported by a timeline of short-, medium-, and long-term implementation milestones extending through 2050.

E1-1.16c - Investments & Funding for the Decarbonization Plan

Premier Energy is making financial commitments meeting its decarbonization and goals. These are funded from the capital raised during the 2024 IPO, as well as from cash flow generated by its operations.

Premier Energy's financial commitments are reflected in both its Decarbonization Plan and its 2025 EU Taxonomy report. While no taxonomy-aligned activities have been reported for 2025 due to DNSH-related misalignments, the share of taxonomy-eligible CapEx is high.

Table 26: CapEx Investments and funding supporting the implementation of the existing decarbonization plan

Category	Main Action Areas	Amount (EUR m)
CapEx	Wind power development	5.375
CapEx	Solar power development	28.918
CapEx	Investments related to transmission and distribution of electricity (smart metering, grid upgrades etc.)	24.352
CapEx	CapEx related to electricity using fossil fuels	1.445
OpEx	Wind power development	2.976
OpEx	Solar power development	13
OpEx	Maintenance and repairs related to flexibility and grid optimization	8.370
OpEx	Maintenance and repairs related to electricity using fossil fuels	0.002

The table above presents taxonomy-eligible but not aligned CapEx, OpEx and turnover recorded in FY2025 that are relevant to the Group's decarbonization pathway. In 2025, taxonomy-eligible but not aligned CapEx amounted to EUR 60.090 million, representing 71% of Premier Energy's total CapEx. Taxonomy-eligible but not aligned OpEx amounted to EUR 11.361 million, representing 97% of total OpEx. In addition, taxonomy-eligible but not aligned turnover amounted to EUR 126.879 million, representing 7% of total turnover.





At this stage, Premier Energy has not yet developed a comprehensive quantified estimate of the significant CapEx and OpEx required to implement the full decarbonization plan over the short, medium and long term. The Group is therefore not yet able to disclose a complete forward-looking resource requirement for each decarbonization lever. This will be further developed as part of future strategic planning, budget allocation and taxonomy alignment work.

E1-1.16d - Locked-in GHG Emissions & Decarbonization Risk

Premier Energy has identified potential locked-in emissions primarily in relation to the continued role of natural gas in its business model and the associated infrastructure used for gas distribution and gas-fired balancing generation. The most significant source of locked-in GHG emissions is the Group's continued exposure to natural gas-related activities, which remain a major contributor to Scope 1 emissions. At this stage, Premier Energy does not expect a full phase-out from natural gas in the medium to long term. Instead, the Group's decarbonization approach is based on progressively reducing the carbon intensity of these activities through infrastructure modernization, methane leak reduction, operational efficiency measures and the gradual integration of lower-carbon and renewable energy solutions.

Premier Energy has identified potential locked-in emissions primarily from two asset classes:

- **Gas Distribution Infrastructure (Romania):** Steel pipelines and legacy methane leakage may pose risks if replacement rates slow. However, with over 80% of the infrastructure already hydrogen-ready, the risk is being actively managed. The full replacement of steel pipelines with polyethylene is projected to reduce gas leakages and respective GHG-related emissions by 89%.
- **Electricity Network (Moldova):** Distribution losses represent a structural emissions challenge. While they cannot be eliminated entirely, PE is implementing loss reduction interventions in line with regulatory targets and increasing renewable coverage. Following the 2025 recalculation of the Group's 2022 GHG baseline, emissions associated with electricity distribution network losses remain highly relevant, although the GHG accounting classification has been made more precise.

Although Premier Energy's exposure to transition risks, including carbon pricing, market regulatory tightening, technology availability and other ESRS/TCFD-defined parameters is yet to be assessed, Premier Energy deems it moderate but declining, as the Group shifts its capital expenditure toward grid resilience and renewable integration, thus tackling the most amounting and imminent hurdles to its successful transition.

Projections under Premier Energy's decarbonization strategy indicate a substantial reduction in operational GHG emissions over time. According to the 2024 Decarbonization Plan, and using the rebased 2022 emissions, the estimated decline is 50% reduction by 2035, to 92,764.70 tCO₂e, and 90% reduction to 18,552.94 by 2045. This long-term trajectory should be interpreted as indicative pending formal remodeling of the pathway against the revised baseline.

The two asset classes stated above are characterized as 'locked-in' based on 2024 decarbonization plans, reflecting emissions that persist due to the operating lifespans of our infrastructure and existing technology constraints. However, we continue to explore opportunities for additional emissions reductions to mitigate the risk of stranded assets, particularly considering evolving standards and regulations that could render certain assets non-compliant.

E1-1.16e - Taxonomy-Related Objectives & Plans

Based on the EU Taxonomy Report 2025, Premier Energy identified the following taxonomy-eligible activities under the environmental objective of climate change mitigation:

- Electricity generation from wind power (NACE D35.11)
- Electricity generation from solar photovoltaic technology (NACE D35.11)
- Generation of electricity using fossil gaseous fuels (NACE D35.11)
- Transmission and distribution of electricity (NACE D35.13)

However, none of these activities are taxonomy-aligned yet, due to the absence of formalized transition climate risk assessment linked to the completed physical climate risk assessment and the need to further evidence full alignment of supporting processes and safeguards at activity level.

Premier Energy's taxonomy-eligible but not aligned CapEx accounted for 71% of total CapEx in 2025, while taxonomy alignment remained 0% at this stage. In addition, taxonomy-eligible but not aligned OpEx accounted for 97% of total OpEx and taxonomy-eligible but not aligned turnover accounted for 7% of total turnover. The Company aims to gradually progress towards taxonomy alignment.

E1-1.16f - Significant Fossil-Fuel CapEx

In 2025, Premier Energy allocated some EUR 12.95 million in capital expenditures related to fossil-gas-based activities. This included investments in the modernization and maintenance of the natural gas distribution network, gas leak detection equipment, and capital expenditures related to the Group's gas-fired balancing plant operated through True Energy Management S.R.L., including engines and associated thermo-mechanical, electrical and gas installation works. These investments were primarily aimed at maintaining operational safety, reliability and efficiency. Part of the gas-network modernization supports compatibility with lower-carbon gases, such as biomethane or hydrogen blends, in line with the Group's longer-term decarbonization objectives.

E1-1.16g - EU Paris-Aligned Benchmark Exclusion Disclosure

E1-1.AR5

The Group has assessed its activities against relevant EU climate-related frameworks, including the EU Paris-Aligned Benchmarks criteria.

E1-1.16h - Embedding the Transition Plan in Business Strategy

Premier Energy does not have a formal transition plan in line with ESRS requirements yet. Its current elements are embedded in business strategy through:

- Alignment with the EIB PATH Framework
- Use of Decarbonization Roadmap defined by the Decarbonization Plan to inform CapEx planning and operational decisions
- Integration of sustainability targets into the DMA scoring, which is reviewed at board level

As part of its future complex energy transition strategy, Premier Energy may also evaluate opportunities to enlarge its vertical integration within the natural gas business.

E1-1.16i - Approval by Governing Bodies

The Decarbonization plan was formally approved by Premier Energy's Executive Management in May 2024. The transition plan is to be prepared over the course of 2027.

E1-1.16j - Progress in Implementing the Decarbonization Plan

In 2025, Premier Energy has:

- Added 217 MW of renewable generation assets as of 31 December 2025;
- Had as of December 31st, 2025 additional 137 MW of solar electricity generation and 47 MWh of battery capacity in final stages of construction;
- Acquired 200 MW (power input/output) / 400 MWh (capacity) ready-to-build Battery Energy Storage System (BESS) development located in Romania;
- Initiated smart metering pilots and low-voltage grid upgrades in Moldova
- Replaced sections of aging steel pipeline in Romania with polyethylene
- Continued vehicle fleet electrification across both countries

ESRS 2 SBM-3 – Material Impacts, Risks & Opportunities and Strategy Interaction

Premier Energy identifies and addresses climate-related impacts, risks and opportunities through its Double Materiality Assessment, supported by its dedicated physical climate risk assessment covering its assets and operations across its electricity distribution, gas distribution, supply and renewable energy businesses.

For physical climate risks, the assessment considers the current state, as well as forward-looking horizons for 2030 and 2050. It uses climate scenarios based on RCP 2.6, RCP 4.5 and RCP 8.5 and evaluates exposure at asset-location level using regional and provincial mapping across Romania and the Republic of Moldova. The assessment distinguishes between chronic hazards and acute hazards. Chronic hazards assessed include changing temperature, heat stress, changing wind patterns, changing precipitation patterns, drought and water stress. Acute hazards assessed include flood, heavy precipitation, wildfire, storms, thunderstorms and landslides. The physical climate risk assessment indicates generally low portfolio-level exposure and immaterial financial impacts for most hazards across scenarios and time horizons. Temperature-related hazards were identified as the most severe hazard category, particularly under adverse long-term scenarios, while drought is the most relevant water-related hazard in selected geographies and scenarios. Changing wind patterns remained at the lowest risk level in the assessment.

As for transition climate risks, their formal detailed analysis is yet to be completed. At this stage, Premier Energy assessed impacts, risks and opportunities over the current state, 2030 and 2050, considering the Group’s operating context, its Decarbonization Plan, and the relevant policy and regulatory environment in its core markets. Key reference points include the Paris Agreement, the European Climate Law, the European Green Deal, and national energy and climate planning relevant to the Group’s operations.

The outputs of the climate exposure and vulnerability risks assessment and the Double Materiality Assessment are used together to determine the most material climate-related matters, assess their relevance by time horizon, and support the integration of climate-related considerations into strategy, action planning and reporting.

E1-SBM-3.18 – Material impacts, risks and opportunities related to climate change

The main material impact identified is the effect of changing weather patterns on renewable energy reliability. More frequent droughts, variable wind conditions and solar intermittency may reduce the predictability and reliability of renewable generation, increase balancing costs, create volatility in energy supply and reinforce the need for diversification and complementary technologies such as storage and grid flexibility.

The main material risk identified is drought leading to decreased hydropower availability, which may affect renewable electricity availability and wider system stability. While the physical climate risk assessment indicates that most portfolio-level financial impacts remain low, the Double Materiality Assessment confirms that climate change remains material due to its potential operational and market effects, including renewable output variability, balancing needs and purchased energy exposure.

The main material opportunity identified is the opportunity to invest in infrastructure resilience to extreme weather events, including network upgrades, resilience-oriented CAPEX, renewable integration and supporting flexibility solutions.

Additional material opportunities identified through the DMA include diversification of the production mix, development of storage capacity, reduction of technical losses and expansion of renewable generation.

E1-SBM-3.19 – Interaction of climate-related impacts, risks and opportunities with strategy and business model

The climate-related impacts, risks and opportunities identified by Premier Energy interact directly with the Group’s strategy and business model.

Premier Energy operates across natural gas distribution and supply, electricity distribution and supply, and renewable energy generation and cogeneration. As a result, climate-related matters affect the Group in two interconnected ways. First, the Group must manage the negative effects associated with fossil-based infrastructure and methane-related emissions. Second, it must strengthen the resilience of its electricity grid and renewable energy activities in the context of changing climate conditions, physical hazards and the long-term transition of the regional energy mix.



These interactions are reflected in the Group’s strategic response. Premier Energy’s Decarbonization Plan frames the core of Group’s future transition pathway, including the operational net-zero ambition by 2045 and intermediate Scope 1 and Scope 2 reduction targets, while the ESG Policy requires climate mitigation and adaptation to be integrated into planning and implementation across the Group. In practice, this is reflected in renewable energy expansion, storage development, reduction of electricity losses, network modernization, and gas infrastructure upgrades.

E1-SBM-3.19a; AR 6 – Material impacts

Premier Energy identified both actual and potential material climate-related impacts. The main actual negative impacts relate to the Group’s structural reliance on fossil-based energy and to methane leakage and related emissions from gas distribution infrastructure. Through these activities, the Group contributes to an energy system that remains partly dependent on fossil-based infrastructure, while fugitive methane emissions and associated operational emissions create a direct negative impact on climate change mitigation.

The main potential negative impact identified is the effect of changing weather patterns on renewable energy production. Based on the Double Materiality Assessment and the physical climate risk assessment, more frequent droughts, variable wind conditions and solar intermittency may reduce renewable output reliability, increase balancing pressure and reinforce the need for system flexibility. While the assessment indicates low overall portfolio-level financial exposure for most hazards, these impacts remain material from an operational and system perspective.

The Group also identified positive climate-related impacts linked to renewable expansion, storage development, local solar deployment and reduction of electricity line losses, all of which support lower emissions, reduced system inefficiencies and a more resilient energy system.

E1-SBM-3.19b – Material risks and opportunities

Premier Energy identified material climate-related risks and opportunities affecting its business model, operations and mid to long-term development.

The primary physical climate risk identified is drought leading to decreased hydropower availability. This may reduce renewable electricity availability in the broader energy system and increase supply volatility and balancing needs. The climate exposure and vulnerability assessment also confirm the relevance of other physical climate hazards for the Group’s operating context, including changing wind patterns, changing temperature, changing precipitation patterns, flood, heavy precipitation, wildfire and landslides. These risks are not uniform across the Group and vary by geography, asset type and scenario, with exposure generally becoming more pronounced over the medium and long term.

However, the assessment indicates that only temperature-related hazards exceed the Group’s portfolio-level materiality threshold, and only under the most adverse long-term scenarios.



Drought remains the most relevant water-related hazard in selected scenarios and regions, while changing wind patterns remain at the lowest risk level.

The main transition-related risks identified include structural reliance on fossil-based energy, methane leakage and operational emissions from gas infrastructure, dependency on imported gas, including geopolitical exposure, and the need to adapt the business model to a progressively lower-carbon energy system while maintaining energy security and reliability.

The primary opportunity identified is the opportunity to invest in infrastructure resilience to extreme weather events. Secondary opportunities include diversification of the production mix toward more sustainable energy sources, development of storage capacity, expansion of renewable energy generation and investments in distribution networks that support renewable integration, system resilience and long-term business growth.

E1-SBM-3.19c; AR 8 – Resilience of strategy and business model in relation to climate change

Premier Energy's strategy and business model are being progressively adapted to strengthen resilience in relation to both transition-related and physical climate-related challenges.

The Group's resilience is supported by measures already embedded in planning and strategy, including the operational net-zero ambition by 2045, the 50% reduction target for Scope 1 and Scope 2 emissions by 2035, renewable energy expansion, planned storage deployment, reduction of technical losses, continued investment in network upgrades in Moldova, and the completion of the Climate Risk Assessment by the end of 2026. The Decarbonization Plan also sets out the wider pathway toward a 90% reduction in Scope 1 and Scope 2 emissions by 2050 compared with the 2022 baseline.

Based on the Double Materiality Assessment and the physical climate risk assessment, the Group's resilience should be understood as evolving rather than static. Premier Energy has identified relevant climate hazards and transition pressures and is responding through diversification of energy sources, storage development, infrastructure modernization, renewable growth and improvement of network performance. At the same time, the current business model still includes activities linked to natural gas and remains exposed to imported gas dependency and to physical climate risks affecting renewable energy reliability. Accordingly, the Group's strategy is designed to strengthen resilience over time rather than suggesting that these exposures have already been fully eliminated. The physical climate risk assessment further indicates that overall portfolio-level financial vulnerability remains generally low across most hazards, with the main exceptions arising only under adverse long-term scenarios, particularly for temperature-related hazards.



ESRS 2 IRO-1 – Description of the processes to identify and material climate related impacts, risks, and opportunities

Premier Energy Group applies a structured process to identify, assess and prioritizes actual and potential climate-related impacts, risks and opportunities across its operations in Romania and the Republic of Moldova. The process is based on the Group’s Double Materiality Assessment (DMA) updated in 2025 and is supported by climate-related technical analysis, including greenhouse gas inventory analysis and physical climate risk assessment. It considers climate-related matters arising from the Group’s gas distribution, electricity distribution, electricity and gas supply, and renewable energy activities. The process evaluates how Premier Energy affects climate change and the energy system, and how climate-related developments may in turn affect the Group’s operations, assets, strategy and long-term resilience.

The DMA identifies material climate-related matters across the sub-topics of energy, climate change mitigation and climate change adaptation. These include actual and potential negative impacts linked to fossil-based energy dependence, methane leakage, changing weather patterns and system inefficiencies, as well as positive impacts, risks and opportunities related to renewable energy expansion, storage, network investments and infrastructure resilience.

The material climate-related impacts, risks and opportunities identified through this process are summarized below.

IRO	Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of IRO	Part of the Value Chain	Time Horizon	Attributes	Actions in 2025	Targets
Structural Reliance on Fossil-Based Energy	Climate change / Energy	Energy	Natural gas-based operations maintain structural reliance on fossil-based energy within the energy system.	Environment	Actual negative impact – continued dependence on non-renewable infrastructure slows the transition to a lower-carbon energy mix.	Own operations, downstream	Long-term	Actual, Negative	EUR 8.9 million invested in modernization and maintenance of natural gas distribution network	Operational net-zero by 2045
	Climate change	Climate change mitigation	Methane leakage from gas distribution networks and associated CO2 emissions from infrastructure operations.	Environment	Actual negative impact – fugitive methane emissions and related operational emissions contribute to greenhouse gas accumulation and climate change.	Own operations	Long-term	Actual, Negative	Idem EUR 79K invested in gas leak detection equipment	50% reduction in Scope 1 and 2 emissions by 2035

IRO	Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of IRO	Part of the Value Chain	Time Horizon	Attributes	Actions in 2025	Targets
Climate-Related Energy Reliability and Emissions Impacts	Climate change	Climate change adaptation	Changing weather patterns, including more frequent droughts, variable wind conditions and solar intermittency, affect renewable energy reliability.	People, Environment	Potential negative impact – renewable output may become less predictable, increasing balancing costs and the need for storage and grid flexibility.	Own operations, downstream	Medium-to long-term	Potential, Negative	Completed Climate Risk Assessment	Completion of Climate Risk Assessment by end-2026; 50% Scope 1 and 2 reduction by 2035; 90% reduction by 2050
	Climate change	Climate change mitigation	Local solar deployment in Moldova supports lower-emission supply and improved local system stability.	People, Environment	Potential positive impact – local solar can reduce emissions and improve supply stability.	Own operations, downstream	Medium-term	Potential, Positive	Expanded renewable generation assets to 217 MW. Have additional 137 MW solar and 47 MWh of battery capacity in final stages of construction.	500 MW owned renewables by year-end 2026
	Climate change	Climate change mitigation	Development of storage capacity to support full integration of renewable generation.	People, Environment	Actual positive impact – storage strengthens system flexibility, supports renewable integration and lowers emissions intensity.	Own operations	Medium-term	Actual, Positive	Acquired a 100% stake in a 200 MW / 400 MWh ready-to-build BESS development, commissioning expected in late 2026 / early 2027	300 MWh storage by year-end 2027
	Energy	Climate change mitigation	Reduction of electricity line losses through network modernization and efficiency measures.	Environment	Actual positive impact – lower technical losses reduce system inefficiencies and associated emissions.	Own operations, downstream	Long-term	Actual, Positive	Continued smart metering pilots and low-voltage grid upgrades in Moldova, together with network modernization measures including transformer upgrades, cold reserve systems and 35kV optimization	Electricity losses reduced from 7.2% in 2022 to 5.84% by 2050

IRO	Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of IRO	Part of the Value Chain	Time Horizon	Attributes	Actions in 2025	Targets
	Climate change	Climate change mitigation	Electrification of end uses without a sufficiently cleaner electricity mix may increase emissions and socio-environmental burdens.	People, Environment	Potential negative impact – fossil-intensive imports or power mix constraints may increase emissions despite electrification.	Downstream	Medium-term	Potential, Negative	Reached 14.4% in 2025	Coverage of electricity network losses with renewables from 10% in 2025 to 75% by 2050
Large-Scale Renewable Expansion	Energy	Energy	Expansion of renewable generation capacity across solar and wind.	People, Environment	Potential positive impact – supports a lower-carbon energy system, energy security and long-term resilience.	Own operations, downstream	Medium-term	Potential, Positive	Expanded renewable generation assets to 217 MW. Have additional 137 MW solar and 47 MWH of battery capacity in final stages of construction.	500 MW owned renewables by year-end 2026
Investments in Distribution Networks	Energy	Energy	Investments in distribution networks to support renewable integration and system resilience.	Environment, Customers	Opportunity – strengthens network efficiency, complements renewable business growth and supports infrastructure resilience.	Own operations	Short- to medium-term	Opportunity	EUR 24 million in CAPEX in distribution infrastructure modernization measures.	Minimum USD 17 million annual CAPEX in network upgrades (Moldova)
Geopolitical Risk of Imported Gas	Energy	Energy	Dependence on imported gas creates geopolitical and supply-related risks.	People, Entity	Risk – potential supply disruption and price volatility may affect reliability and operating costs.	Upstream, own operations	Medium-term	Risk	Supply diversification measures remained under review in 2025, while renewable generation and storage expansion continued to reduce dependence on fossil-based energy and improve system flexibility	Reduce reliance on any single external gas source below 50% by 2030

IRO	Topic	Sub-topic	Description of the Activity	Stakeholders Concerned	Description of IRO	Part of the Value Chain	Time Horizon	Attributes	Actions in 2025	Targets
Climate-Related Energy Reliability	Climate change	Climate change adaptation (3a)	Droughts may reduce hydropower availability in the wider energy system.	People, Environment	Risk – reduced hydropower availability may affect renewable electricity availability and broader system stability.	Downstream / market context	Medium-term	Risk	Completed Climate Risk Assessment	Completion of Climate Risk Assessment by end-2026
	Energy	Energy (3b)	Opportunity to diversify the production mix toward more sustainable energy sources.	People, Environment	Opportunity – diversification supports resilience and transition to a lower-carbon energy system.	Own operations, downstream	Medium-term	Opportunity	Expanded renewable generation assets to 217 MW. Have additional 137 MW solar and 47 MWh of battery capacity in final stages of construction. Acquired a 100% stake in a 200 MW / 400 MWh ready-to-build BESS development.	500 MW owned renewables by year-end 2026; 300 MWh storage by year-end 2027
	Climate change	Climate change adaptation (3c)	Opportunity to invest in infrastructure resilience to extreme weather events.	Environment, Customers	Opportunity – resilience investments support continuity of service and long-term infrastructure performance.	Own operations	Medium-term	Opportunity	Completed Climate Risk Assessment	Completion of Climate Risk Assessment by end-2026
	Energy	Energy (3d)	Development of storage capacity diversifies energy offerings and supports renewable integration.	People, Environment	Opportunity – storage improves flexibility, strengthens resilience and supports system decarbonization.	Own operations	Medium-term	Opportunity	Acquired a 100% stake in a 200 MW / 400 MWh ready-to-build BESS development.	300 MWh storage by year-end 2027

The Group does not maintain standalone policies for each individual climate-related impact, risk or opportunity. These matters are addressed through the ESG Policy, together with operational practices and strategic instruments, most notably the Premier Energy Group Decarbonization Plan (2024–2050). The new ESG Policy (implemented in December 2025 at the Group level) sets the Group-wide framework for climate change mitigation and adaptation, while the Decarbonization Plan provides the main features of future transition pathway, including emissions reduction targets, renewable energy development and resilience-related priorities.

Results of the physical climate risk assessment

Hazard severity

The assessment evaluated the severity of climate-related hazards across regions where Premier Energy has meaningful asset exposure/presence. Temperature-related hazards were concluded the most severe category, with several indicators reaching “very high” (5 on the severity scale), predominantly under long-term horizon scenarios. Other hazard categories generally fall within the very low to moderate range, with the large majority remaining between very low and low severity levels. Notable exception is drought, a water-related hazard, which is projected to reach high to very high severity in certain regions under the most adverse long-term scenario (SSP5-RCP 8.5, 2050 horizon). However, outside this specific scenario and time horizon, drought severity also remains at very low to low levels across the assessed geographies.

The physical climate risk screening indicates generally low exposure and immaterial portfolio-level financial impacts for most hazards across scenarios and time horizons. However, the results are interpreted alongside the Group’s DMA, which identified climate change adaptation and mitigation as material due to potential operational and market impacts, including renewable output variability and balancing needs, drought-related constraints on hydropower availability (with knock-on effects on purchased energy), and the opportunity to strengthen resilience through targeted flexibility and infrastructure measures. Drought is the most relevant water-related driver in selected scenarios/regions, including under the high-term emissions scenario, while changing wind patterns remain at the lowest risk level.

Assets’ exposure

Different asset types vary in degrees of sensitivity to different climate hazard categories. Temperature-related hazards stand out in that they affect all major asset types across the portfolio – electricity generation assets, gas-related infrastructure and grid-related infrastructure are all sensitive to extreme heat in terms of operational performance and equipment degradation. Unlike some other hazard categories, temperature-related risks do not benefit from offsetting effects within the portfolio. By contrast, wind-related hazards demonstrate a degree of natural diversification: while certain asset types may experience adverse effects, wind generation assets are less negatively affected and may in some cases (non-extreme cases) benefit from changing wind patterns. Water-related hazards similarly affect asset types unevenly, with certain infrastructure categories being largely unaffected by water-related risks. To gain confidence in our assessment of solid mass-related hazards a greater detail than currently assessed NUTS 3 may be necessary. Even though Group’s assets already meet strict construction and engineering standards, which provide a degree of built-in mitigation against these risks, gas infrastructure is particularly sensitive on severe landslides. These are problematic to be assessed on a regional level, as the landslides severity and abundance rather depend on specific local relief.

Assets' vulnerability

Vulnerability was assessed as a function of hazard severity and asset-level exposure, expressed as the estimated financial impact relative to the base value of the asset portfolio. The materiality threshold was set at 3% of the portfolio base value. On this basis, temperature-related hazards are the only hazard category that exceeded the materiality threshold, and only under the most adverse long-term scenarios, where the estimated portfolio-level impact was barely above the 3% threshold set. All other hazard categories remained below this level across all scenarios and time horizons.

The materiality assessment was performed at the level of the full portfolio. Results on an asset category-by-category basis may slightly differ, however chosen consolidated portfolio approach better reflects specific Group's portfolio vulnerability. The analysis nevertheless indicates that climate hazards remain relevant for selected asset classes and localities and should therefore continue to be monitored as part of ongoing operational and investment processes. Furthermore, some positive effects of climate-related changes may be understated in the assessment, as the methodology was primarily focused on identifying negative impacts. The results of this assessment should be interpreted in the context of the methodology used. The assessment is designed to identify relative exposure and potential business case sensitivity, rather than to produce a single deterministic exposure estimate. The primary value of the assessment lies in understanding the relative scale of different hazards and enabling comparison across hazard categories, scenarios, and time horizons.

The physical climate risk assessment results for each climate scenario and time-horizon are indicated in tables below:

- Negligible: <0.5%
- Non-negligible: >0.5%
- Material: >3%
- Significant: >5%



Results of Premier Energy climate-related hazards assessment - RCP 2.6

Type of hazard	Hazard	Short-term horizon	Mid-term horizon	Long-term horizon
Chronic	Changing temperature	●	●	●
	Heat stress	●	●	●
	Temperature variability	●	●	●
	Changing wind patterns	●	●	●
	Changing precipitation patterns and types	●	●	●
	Solifluction	●	●	●
	Precipitation or hydrological variability	●	●	●
	Water stress	●	●	●
Acute	Heat wave	●	●	●
	Wildfire	●	●	●
	Flood	●	●	●
	Storms	●	●	●
	Tornadoes	●	●	●
	Heavy precipitation	●	●	●
	Cold wave/frost	●	●	●
	Drought	●	●	●
	Landslides	●	●	●

Results of Premier Energy climate-related hazards assessment - RCP 4.5

Type of hazard	Hazard	Short-term horizon	Mid-term horizon	Long-term horizon
Chronic	Changing temperature	●	●	●
	Heat stress	●	●	●
	Temperature variability	●	●	●
	Changing wind patterns	●	●	●
	Changing precipitation patterns and types	●	●	●
	Solifluction	●	●	●
	Precipitation or hydrological variability*	●	●	●
	Water stress*	●	●	●
Acute	Heat wave	●	●	●
	Wildfire	●	●	●
	Flood	●	●	●
	Storms	●	●	●
	Tornadoes	●	●	●
	Heavy precipitation	●	●	●
	Cold wave/frost	●	●	●
	Drought	●	●	●
	Landslides	●	●	●

Results of Premier Energy climate-related hazards assessment - RCP 8.5

Type of hazard	Hazard	Short-term horizon	Mid-term horizon	Long-term horizon
Chronic	Changing temperature	●	●	●
	Heat stress	●	●	●
	Temperature variability	●	●	●
	Changing wind patterns	●	●	●
	Changing precipitation patterns and types	●	●	●
	Solifluction	●	●	●
	Precipitation or hydrological variability	●	●	●
	Water stress	●	●	●
Acute	Heat wave	●	●	●
	Wildfire	●	●	●
	Flood	●	●	●
	Storms	●	●	●
	Tornadoes	●	●	●
	Heavy precipitation	●	●	●
	Cold wave/frost	●	●	●
	Drought	●	●	●
	Landslides	●	●	●

For more information on the physical climate risk assessment methodology, please refer to chapter ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Management conclusions

Management considers the assessment to provide a useful basis for understanding and prioritizing relevant physical climate risks across the assessed asset base. The results provide basis for continued consideration of climate-related hazards in operational planning, investment decisions, and, where appropriate, adaptation measures. They also help guide the Group's ongoing efforts to actively refine the underlying evidence base through continued monitoring, additional data collection, and further analytical development as the portfolio evolves. While a significant part of the Group's business is subject to regulatory frameworks that in certain cases allow the recovery or mitigation of some adverse effects over time, management does not rely on this as a primary risk response. The Group continues to approach climate-related risks with appropriate care, including ongoing monitoring of relevant exposures and consideration of mitigation or adaptation measures where warranted.



Monitoring and next steps

Premier Energy intends to keep climate hazards under review and to update the assessment framework in case the operating evidence develops, datasets significantly improve, and in the case of portfolio evolution. This includes reassessing hazard relevance for newly developed or acquired assets and refining the analysis where site-level information or asset performance data support a more granular view.

E1-2 – Policies related to climate change mitigation and adaptation

E1-2.24

Premier Energy's current approach reflects a transition phase from principles-based guidance to structured policy adoption. The following instruments are in place:

Policy name	Key Contents	Scope	Third-Party Standards	Governance & Accountability	Stakeholder Consideration & Communication
Decarbonization Plan (2024–2050)	Defines the Group's climate change mitigation pathway, including emissions baseline, decarbonization trajectory, and targeted interventions. Establishes mid-term and long-term GHG reduction targets (50% by 2035 and ~90% by 2045) and outlines measures such as reducing distribution losses, increasing renewable energy, improving energy efficiency, and transitioning fleet and infrastructure. Covers Scope 1 and Scope 2 emissions, with limited Scope 3 inclusion.	Applies to Premier Energy Group's operations, covering electricity and gas distribution networks, buildings, and vehicle fleet.	Aligned with the Paris Agreement, PATH framework requirements, and informed by SBTi principles.	Approved by Executive Management and overseen by the Board of Directors, with implementation supported by the ESG Working Group.	Publicly available on the Group's website and supports stakeholder engagement through transparent disclosure of climate targets and progress.
ESG Policy (2025) ¹	Establishes the Group's binding principles for environmental protection, climate change mitigation and adaptation, sustainability-related risk management, and integration of climate considerations into strategy and operations. Includes commitments to reduce GHG emissions in line with the Decarbonization Plan and the Paris Agreement, improve energy efficiency, reduce distribution losses, and expand renewable energy generation.	Applies to Premier Energy PLC and all subsidiaries, covering employees engaged in operational, administrative and corporate functions. Health and safety provisions also extend to contractors and third-party personnel working on Premier Energy sites.	Aligned with CSRD / ESRS, EU Taxonomy, Paris Agreement objectives, OECD Guidelines for Multinational Enterprises, UNGPs, and ILO Core Conventions.	Oversight by the Board of Directors, with implementation coordinated by the Chief External Affairs Officer and the ESG Working Group.	Oversight by the Board of Directors, with implementation coordinated by the Chief External Affairs Officer and the ESG Working Group.

¹ The ESG Policy (2025) represents an updated framework adopted by the Group to align with CSRD / ESRS requirements and relevant international standards, including OECD Guidelines, UNGPs and ILO Conventions. The previous ESG policy did not explicitly address the management of ESG impacts, risks and opportunities, nor was it formally structured based on alignment with these frameworks.

The Decarbonization Plan (2024–2050) currently covers Scope 1 and Scope 2 emissions, while Scope 3 emissions are not yet subject to quantitative targets, reflecting the Group’s limited ability to directly influence emissions from downstream energy consumption and upstream value chain activities. The plan will be updated to reflect the recalculation of the Group’s GHG inventory performed for the purposes of the 2025 Sustainability Statement, including changes in organizational boundaries and methodology.

E1-2.25 - Policy Coverage: Mitigation, Adaptation, Energy Efficiency, Renewables

E1-2.25a - Climate Change Mitigation

E1-2.25b - Climate Change Adaptation

Premier Energy does not have dedicated climate change mitigation and/or adaptation policy however, Premier Energy’s Decarbonization Plan acts as the interim guiding document for mitigation. Premier Energy recognizes that formal climate-related policies will be increasingly required. As such, the Group plans to formalize climate mitigation and adaptation policies by 2030, linked to the existing ESG Policy and strategy.

E1-2.25c - Energy Efficiency

Premier Energy does not have Energy efficiency policy.

E1-2.25d - Renewable Energy Deployment

Premier Energy does not have Renewable energy deployment. This, however, is governed by investment strategy, by which all new investments need to be accretive.

E1-2.25e - Other Areas

No other policies exist covering other areas.

E1-3 – Actions and resources in relation to climate change policies

Premier Energy has implemented a set of climate-related actions in FY2025 and established additional short-, medium- and long-term actions within its Decarbonization Plan to support achievement of its climate targets. This section outlines the key actions by decarbonization lever, their expected and achieved GHG emission reductions, time horizons, scope, and linkage to climate objectives/targets, as well as the financial resources (CapEx and OpEx) allocated.

Progress against the 2022 baseline is monitored annually. Overall, progress should be interpreted in the context of the Group’s evolving and expanding business profile over the period.

Scope(s)	Base year – restated (tCO ₂ e)	GHG emissions reported after base year (tCO ₂ e)		% GHG emissions development
	2022	2024	2025	2025 vs 2022
Scope 1	73,435.04	75,706.75	84,810.98	+15%
Scope 2	112,094.36	120,314.77	117,422.81	+5%

E1-3 AR 29(c)(i)

Financial resources allocated to climate actions

The FY2025 amounts correspond to the climate-related investments undertaken during the year, while short-, medium-, and long-term figures reflect planned resource allocation in alignment with Premier Energy’s decarbonization strategy.

In FY2025, a significant share of the Group’s CapEx and OpEx was associated with taxonomy-eligible but not aligned climate-related activities, primarily related to renewable energy development and electricity transmission and distribution. Detailed information on the related 2025 CapEx, OpEx and turnover is presented in the EU Taxonomy section of this report.

E1-3 AR 21, MDR-A 28

Future resource plans (short-, medium-, long-term) are designed to support Premier Energy’s climate objectives (50% GHG reduction by 2035, operational net-zero by 2045) and assume continued access to capital and supportive policy frameworks.

Table 27: Financial resources for climate mitigation actions (CapEx and OpEx)

Time Horizon	Capital Expenditures (EUR)	Operating Expenditures (EUR)	Description of Resource Allocation
FY2025	EUR 60.090 million (actual)	EUR 11.361 million (actual)	Actual FY2025 taxonomy-eligible but not aligned investments in climate mitigation activities, including renewable energy development and electricity transmission and distribution. These represented 71% of total CapEx and 97% of total OpEx in 2025. No activities were taxonomy-aligned in 2025.
Short-term (FY2026–2028)	to be allocated (est. high hundreds of K EUR)	to be allocated (est. tens of K EUR)	Near-term planned investments to accelerate decarbonization. This includes major CapEx for renewable energy expansion and grid upgrades. OpEx covers program implementation costs (e.g. maintenance of new renewables, operational rollout of electric fleet). Funding: A successful IPO in 2024 raised EUR 97 million to support these initiatives, enabling rapid scale-up of renewables and network projects.

Time Horizon	Capital Expenditures (EUR)	Operating Expenditures (EUR)	Description of Resource Allocation
Medium-term (FY2028–2035)	to be allocated (est. high hundreds of K EUR)	to be allocated (est. tens of K EUR)	Mid-term investment program aimed at achieving a 50% GHG emissions reduction by 2035 (vs 2022). Significant CapEx will be deployed in continued renewable capacity growth and network modernization across Romania and Moldova. OpEx will include ongoing costs for climate initiatives (e.g. operation of expanded renewable assets, maintenance of resilient infrastructure). The value of investments will depend on resource availability (e.g. reinvesting profits, potential green financing) and evolving regulation (e.g. support for grid improvement and renewable integration).
Long-term (FY2036–2045)	to be allocated (est. very high)	to be allocated (est. moderate)	Long-term capital will be committed to emerging decarbonization solutions and completing the journey to net-zero by 2045. This may include new technologies (energy storage deployment, green hydrogen integration into gas networks) and further system resilience measures. OpEx in the long run will support sustained climate adaptation (e.g. routine climate risk management, infrastructure maintenance in a changing climate). Note: Long-term resource plans are subject to future market conditions, technological advances, and policy support (e.g. potential EU funds for innovation).

Note: All FY2025 figures are in thousands of EUR and correspond to Taxonomy-eligible climate mitigation activities (wind, solar, and electricity distribution). “Planned” amounts for future horizons are indicative; Premier Energy will refine these as part of its ongoing strategic and budget planning.

E1-3 AR 29(c) (ii), (iii) - Key climate mitigation and adaptation actions

Table 28 below presents the major climate actions undertaken in FY2025 and planned across the short, medium, and long term, organized by decarbonization lever. These actions form the core of Premier Energy’s decarbonization plan and are designed to collectively deliver the emissions reductions required by our targets (50% reduction by 2035; net-zero by 2045), in alignment with the Paris Agreement goals. The progress of each action is monitored, and the outcomes (e.g. MW of renewables added, % loss reduction, tons CO₂ abated) are tracked against the decarbonization pathway.

Table 28: Climate change mitigation and adaptation actions (FY2025 actual and future plan)

Decarbonization Lever	Key Actions	Status	Time Horizon	Expected Outcomes	Achieved Outcomes	CapEx and OpEx Required
Renewable Energy Expansion	Expand owned renewable generation capacity across solar and wind, including assets under construction and strategic acquisitions.	In progress	Short-, medium- and long-term (2025–2050)	Greater share of lower-carbon electricity in the Group's portfolio, supporting decarbonization, energy security and long-term resilience.	Expanded owned and operated renewable generation assets to 217 MW as of 31 December 2025; had an additional 137 MW of solar and 47 MWh of battery capacity in final stages of construction; signed the acquisition of a 51% stake and management control in a 158 MW operating wind park portfolio in Hungary, increasing the renewable electricity production platform across Romania, Moldova and Hungary to over 500 MW of owned capacity, including capacity under construction.	EUR 34 million in CapEx related to diversification of the production mix. Includes investments in renewable generation assets, solar and wind projects under construction, battery storage development, and associated grid connection and integration infrastructure.
Storage Development and System Flexibility	Develop battery storage capacity and flexibility solutions to support renewable integration, reduce balancing pressure and strengthen system flexibility.	In progress	Short- to medium-term (2025–2027)	Improved integration of intermittent renewable generation; stronger balancing capability; enhanced resilience of the electricity portfolio.	Acquired a 100% stake in a 200 MW / 400 MWh ready-to-build BESS development in Romania, with construction planned primarily during 2026 and commissioning expected in late 2026 / early 2027; continued development of low-load flexibility solutions supporting renewable integration and balancing.	EUR 4 million in CapEx covering the acquisition, development and future construction costs for battery energy storage systems, together with associated equipment, connection and integration infrastructure.

Decarbonization Lever	Key Actions	Status	Time Horizon	Expected Outcomes	Achieved Outcomes	CapEx and OpEx Required
Grid Loss Reduction and Balancing (Electricity Distribution – Moldova)	Modernize electricity distribution infrastructure to reduce losses and improve balancing capability, including smart metering pilots, low-voltage grid upgrades, transformer upgrades, cold reserve systems and network optimization.	In progress	Short- to long-term (2025–2050)	Lower technical losses; improved system efficiency; improved balancing capability and renewable integration in Moldova within the local regulatory and market framework.	Continued smart metering pilots and low-voltage grid upgrades in Moldova, together with transformer upgrades, cold reserve systems, grid optimization and other low-load flexibility solutions supporting balancing and renewable integration in the Moldova market.	EUR 24 million in CAPEX, including investments in smart metering, low-voltage grid upgrades, transformer replacement, cold reserve systems and other distribution infrastructure modernization measures. EUR 8 million in OpEx includes routine network operation, maintenance, balancing-support measures and implementation costs related to flexibility and grid optimization.
Gas Network Decarbonization (Leak Reduction and Network Modernization)	Modernize the gas distribution network to reduce methane leakage, including replacement of aging steel pipelines with polyethylene and targeted leak detection investments; maintain optionality for future lower-carbon gas use.	In progress	Short- to medium-term (2025–2030); long-term for further decarbonization levers	Reduced fugitive methane emissions; improved operational safety; lower carbon intensity of gas distribution infrastructure.	Invested approximately EUR 8.9 million in modernization and maintenance of the natural gas distribution network and approximately EUR 79 thousand in gas leak detection equipment; continued replacing sections of aging steel pipeline in Romania with polyethylene.	EUR 8.9 million CapEx.
Fleet Electrification	Gradually replace older internal combustion vehicles with hybrid and electric vehicles across Romania and Moldova.	In progress	Short- to long-term (2025–2045)	Lower fuel consumption and reduced Scope 1 emissions from the Group’s vehicle fleet.	Continued vehicle fleet electrification across both countries, including replacement of older vehicles with lower-emission alternatives.	Fleet electrification costs are integrated in overall CapEx.

Decarbonization Lever	Key Actions	Status	Time Horizon	Expected Outcomes	Achieved Outcomes	CapEx and OpEx Required
Building Energy Efficiency	Implement building energy efficiency measures, including lighting upgrades, controls, HVAC improvements, sub-metering and energy monitoring.	In progress	Short- to medium-term (2025–2035); long-term for additional improvements	Lower energy use in buildings; reduced Scope 1 and Scope 2 emissions from facilities; improved operational efficiency.	Continued implementation of operational energy-efficiency measures across selected facilities; small-scale office-related energy efficiency improvements were also undertaken in 2025.	CapEx: Efficiency retrofits are funded via ongoing CapEx budgets (no separate 2025 figure; investments will span several years for lighting, HVAC, and insulation upgrades). These are relatively modest investments (aggregating to a few million EUR over the plan period) with high efficiency returns. Additional operating costs are minimal.
Climate Adaptation and Infrastructure Resilience	Complement physical climate risk findings with transition climate risks assessment and integrate into resilience planning and adaptation measures across infrastructure and operations.	In progress	Short- to medium-term (2025–2030)	Better understanding of physical climate risks; stronger adaptation planning for energy infrastructure and renewable generation assets.	Completed Climate Risk Assessment in 2025, providing a stronger basis for adaptation planning and resilience-oriented decision-making.	No associated CapEx/OpEx.
Diversification of Production Mix	Expand and diversify the production mix toward more sustainable energy sources and technologies, including renewables and storage.	In progress	Medium-term (2025–2027)	Reduced reliance on fossil-based energy; stronger resilience and alignment with the Group’s transition strategy.	Advanced renewable and storage diversification through renewable asset expansion, the Hungary wind transaction and the acquisition of the 200 MW / 400 MWh BESS development.	EUR 34 million in CapEx related to diversification of the production mix.

E1-3.AR 19(d)

Following completion of the Group's physical climate risk assessment, Premier Energy can classify its climate adaptation actions by type of adaptation solution. At present, the Group's adaptation actions are focused primarily on engineering and technological solutions.

Engineering solutions include measures to strengthen the physical resilience of energy infrastructure, in particular the modernization and expansion of electricity networks using more resilient materials and updated design parameters. For the electricity distribution network in Moldova, these measures include the use of poles with higher mechanical stress resistance, reducing the distance between poles, and adjusting conductor tension to improve resilience to changing climatic conditions. These measures are linked to the Group's broader focus on grid modernization, network reinforcement, and infrastructure resilience.

Technological solutions include smart metering, grid optimization, monitoring and control improvements, and the development of energy storage solutions that support operational resilience under changing climatic conditions. The Group's ESG Policy also refers to investments in environmentally friendly technologies and innovations, including hydrogen-ready infrastructure and energy storage solutions, and requires subsidiaries to identify sustainability-related risks and implement appropriate mitigation or adaptation measures under Group-wide oversight.

At the reporting date, Premier Energy has not identified formal nature-based adaptation solutions at Group level. The current adaptation approach is therefore best described as centered on resilient infrastructure design, network modernization, operational technologies, and risk-informed planning. The completed climate exposure vulnerability risks assessment should now be used to prioritize these measures by hazard, geography, and asset type in future reporting cycles.

E1-4 – Targets related to climate change mitigation and adaptation

The climate-related targets disclosed by the Group are derived primarily from the Decarbonization Plan and the updated Double Materiality Assessment. These include the operational net-zero ambition by 2045, the 50% reduction target for Scope 1 and Scope 2 emissions by 2035, the 90% reduction pathway by 2050, renewable energy and storage expansion targets, reduction of electricity losses and network investment targets.

In 2026, the Group recalculated its 2022 Scope 1 and Scope 2 baseline from 128,962.00 tCO₂e to 185,529.4 tCO₂e to reflect organizational-boundary changes. Accordingly, future tracking of progress against climate targets will be based on the recalculated 2022 baseline.

E1-4.32 - Disclosure of GHG Reduction or Other Climate Targets

Target 1: Group-wide GHG Emissions Reduction (Scope 1 and 2)

Premier Energy reaffirms its target to reduce Scope 1 and 2 GHG emissions by 50% by 2035 and to become operational net-zero by 2045, compared to the 2022 baseline (restated), aligned with Premier Energy's strategic policy objective to reduce its contribution to climate change, as outlined in the Decarbonization Plan. The target applies to 100% of Scope 1 and Scope 2 emissions from Premier Energy's own operations across all business lines: electricity, distribution and supply, natural gas distribution and supply, and renewable energy and conventional generation, is absolute and measured in tons of CO₂ equivalent (tCO₂e).

The targets were validated internally through cross-functional input and approved by the ESG Executive Committee.

The targets detailed periods, milestones, levels and types are already described under key decarbonization actions in ESRS E1-1 and ESRS2.

Full Scope 3 was introduced for the first time in FY2024 and is currently excluded from the targets.

E1-4.33 - Targets for Managing Material Climate Impacts, Risks, Opportunities

These targets correspond to the material climate-related impacts, risks and opportunities identified under ESRS 2 IRO-1 and are detailed in E1-1 and the relevant sections of E1-4.

E1-4.34 - If GHG Reduction Targets Are Set, Additional Requirements

Premier Energy Group has formally adopted GHG emission reduction targets as part of its 2024 Decarbonization Plan, aligned with ESRS E1-4.32.

The targets apply to Scope 1 and 2 emissions, covering all fully controlled operational activities in Romania and the Republic of Moldova, under the operational control approach.

These targets are expressed in absolute terms (tCO₂e) using a 2022 base year, and include:

Target Type	Scope(s)	Base Year	Target Year	Target	Baseline Emissions (tCO ₂ e)	2025 Emissions (tCO ₂ e)	Progress vs Baseline	Metric
Mid-Term Target	Scope 1 + 2	2022	2035	-50% reduction vs. 2022 baseline (restated)	185,529.4	201,902.55	+9%	Absolute (tCO ₂ e)
Net Zero Ambition	Scope 1 + 2	2022	2045	Net-zero operational emissions	185,529.4	201,902.55	+9%	Absolute with <10% residuals vs 2022 baseline

The targets are aligned with the 1.5°C warming scenario.

E1-4.AR 25a

Premier Energy normalized its 2022 baseline, so the restated target is expressed in absolute emissions and reflecting normalization approach based on external variables or intensity drivers applied.

E1-4.AR 25b

Since the baseline year, Premier Energy has undergone material structural and methodological changes affecting the comparability of the original 2022 emissions baseline. In 2026, the Group recalculated the 2022 Scope 1 and Scope 2 baseline to reflect the inclusion of Premier Energy Furnizare S.A. and True Energy Management S.R.L. (Fagaras gas-to-power) within the reporting boundary and the reclassification of electricity distribution network losses from Scope 2 to Scope 3 Category 3. As a result, the original 2022 Scope 1 and Scope 2 baseline of 128,962.00 tCO₂e was restated to 185,529.4 tCO₂e. Future tracking of climate targets will be based on the recalculated baseline.

E1-4.34e, AR 26

Premier Energy's GHG targets are aligned with 1.5°C warming scenario, as analyzed by the Science Based Targets initiative (SBTi), not yet externally assured or SBTi-certified.

E1-5 – Energy Consumption and Mix

Table 31: Energy consumption

The 2025 Energy Consumption Mix presents as follows:

All values in MWH	PE Romania	PEF	Renewables	PE Moldova	TOTAL
Total energy consumption for own operations	199,666.78	999.11	1,802.83	247,864.85	450,333.57
Total fossil energy consumption	199,644.08	662.29	618.20	143,679.85	344,604.42
Fuel consumption from coal and coal products	0.00	0.00	0.00	0.00	0.00
Fuel consumption from crude oil and petroleum products	2,198.76	187.58	446.79	4,778	7,611.19
Fuel consumption from natural gas	197,442.37	292.62	0.00	871	198,605.99
Fuel consumption from other fossil sources	0.00	0.00	0.00	0.00	0.00
Consumption of purchased/ acquired electricity, heat, steam, and cooling from fossil sources	2.95	182.09	171.41	138,030.85	138,387.30
Share of fossil sources in total energy consumption	100.0%	66.3%	34.3%	58.0%	76.5%
Consumption from nuclear sources	4.31	124.02	236.67	33,971.32	34,336.32
Share of consumption from nuclear sources in total energy consumption	0.0%	12.4%	13.1%	13.7%	7.6%
Total renewable energy consumption	18.39	212.80	947.96	70,213.68	71,392.83
Fuel consumption from renewable sources	0.00	0.00	0.00	0.00	0.00
Consumption of purchased/ acquired electricity, heat, steam, and cooling from renewable sources	18.39	212.80	947.96	70,213.68	71,392.83
Consumption of self-generated non-fuel renewable energy	0.00	0.00	0.00	0.00	0.00

All values in MWH	PE Romania	PEF	Renewables	PE Moldova	TOTAL
Share of renewable sources in total energy consumption	0%	21%	53%	28%	16%
Non-renewable energy consumed	199,648.39	786.31	854.87	177,651.17	378,940.74
Renewable energy consumed	18.39	212.80	947.96	70,213.68	71,392.83

The 2024 Energy Consumption Mix presents as follows:

all values in MWH	PE Romania	PEF	Renewables	PE Moldova	TOTAL
Total energy consumption for own operations	71,122.9	1,403.8	1,167.7	249,159.5	322,853.8
Total fossil energy consumption	70,244.8	1,115.9	345.2	199,335.2	271,041.1
Fuel consumption from coal and coal products	0.00	0.00	0.00	0.00	0.00
Fuel consumption from crude oil and petroleum products	2,389.7	719.6	125.2	4,962.6	8,197.1
Fuel consumption from natural gas	67,718.1	219.2	83.0	865.7	68,886.0
Fuel consumption from other fossil sources	0.00	2.1	9.8	0.00	11.9
Consumption of purchased/ acquired electricity, heat, steam, and cooling from fossil sources	137.1	174.9	127.2	193,506.9	193,946.1
Share of fossil sources in total energy consumption	99%	58%	30%	80.0%	84%
Consumption from nuclear sources	51.2	79.8	64.6	4,815.3	4,959.6
Share of consumption from nuclear sources in total energy consumption	0.1%	11.7%	5.5%	1.9%	1.5%
Total renewable energy consumption	826.8	208.1	757.9	6,383.0	8,175.8
Fuel consumption from renewable sources	0.00	0.00	0.00	0.00	0.00
Consumption of purchased/ acquired electricity, heat, steam, and cooling from renewable sources	826.8	208.1	757.9	6,383.0	8,175.8
Consumption of self-generated non-fuel renewable energy	0.00	0.00	0.00	0.00	0.00
Share of renewable sources in total energy consumption	1.2%	14.8%	64.2%	2.6%	2.5%
No available data for source of energy	0.00	0.00	0.00	38,626.0	38,626.0
Percentage of energy from unknown source *	0.0%	0.0%	0.0%	15.5%*	12.0%*
Non-renewable energy consumed	70,296.0	1,195.7	409.8	242,776.5	314,626.7
Renewable energy consumed	826.8	208.1	757.9	6,383.0	8,175.8

Energy Production

E1-5.39 Non-renewable energy production & Renewable energy production

Premier Energy produced both renewable and non-renewable electricity during FY2025. Renewable electricity production arose from the Group's solar and wind generation assets in Moldova and Romania. Non-renewable electricity production arose from the gas-to-power plant operated by True Energy Management S.R.L. in Romania.

Energy production during the reporting period is presented below

Country	Renewable (MWh)		Non-renewable (MWh)		Total (MWh)
	Solar	Wind	Gas-to-Power	Total	
Moldova	54,464.41	-	-	54,464.41	
Romania	8,522.04	270,900.13	76,385.46	355,807.62	
Total	62,986.45	270,900.13	76,385.46	410,272.03	

Energy Intensity Disclosure

E1-5.40 - Disclosure of Energy Intensity for High Climate Impact Sectors

E1-5.41 - Scope & Calculation of Energy Intensity in High Climate Impact Sectors

Table 32: Energy intensity

	FY 2024	FY 2025
Total energy consumption from activities in high climate impact sectors	322,853.79	450,333.57
Total energy consumption from activities in high climate impact sectors per net revenue	265.93 MWh per million EUR revenue	262.54 MWh per million EUR revenue

E1-5.42 - Identification of High-Impact Sectors for Energy Intensity Calculation

In line with ESRS E1-5.42 and the definition of high climate impact sectors under Commission Delegated Regulation (EU) 2022/1288, Premier Energy Group identifies the following relevant NACE ('Nomenclature statistique des Activités économiques dans la Communauté Européenne') codes associated with its business activities. These are used to determine the energy intensity disclosed under E1-5.40:

- D35.11 - Electricity generation (including solar PV and wind power)
- D35.12 - Transmission of electricity
- D35.13 - Distribution of electricity
- D35.22 - Distribution of gaseous fuels through mains (natural gas)

These NACE codes fall under Section D – Electricity, Gas, Steam and Air Conditioning Supply, which is explicitly included in the list of high climate impact sectors per Annex I of Regulation 2022/1288.

Premier Energy operates entirely within these climate-intensive energy segments. Therefore, 100% of its operational net revenue is derived from high climate impact sectors.

As required under ESRS E1-5.43, Premier Energy discloses the reconciliation of net revenue from high climate impact activities to the relevant line item(s) in its Consolidated Financial Statements. Since the Group’s activities are fully concentrated in electricity and gas distribution, supply, and generation, all within high-impact sectors, the reconciliation is as follows:

Table 33: Net revenue from activities in high climate sectors

Net revenue from activities in high climate impact sectors used to calculate energy intensity	EUR 1,715.277 m
Net revenue (other)	-
Total net revenue (Consolidated Financial Statements)	EUR 1,715.277 m

E1-6 – Gross Scopes 1, 2, 3, and Total GHG Emissions

E1-6.AR 39b

Premier Energy’s GHG reporting follows the Operational Control Approach, aligned with IFRS consolidation rules. Under this approach, the Group reports 100% of emissions from fully controlled entities, excluding investments or associates without operational control.

In FY2025, the company performed the second full GHG inventory covering Scope 1, Scope 2, and material Scope 3 emissions, with emissions calculated from 1 January 2025 until 31 December 2025.

The GHG impact identification process includes:

Scope 1: Direct emissions, covering:

- Stationary combustion - the gas-to-power balancing plant and gas consumption for owned offices;
- Mobile combustion - fuel combustion from owned vehicle fleet;
- Methane emissions from pipeline leakages (metered and estimated).

Scope 2: Indirect emissions, including:

- Emissions from purchased electricity (from third parties) to cover T&D losses in the grids it operates
- Purchased electricity for owned offices and operational buildings;
- Emissions of the owned electric-car fleet.

Scope 3: Other indirect emissions, in 2025, Premier Energy carried out a targeted screening of four Scope 3 categories. Two of these categories had already been identified as material in 2024 and therefore continued to be included in the Group's Scope 3 disclosure:

- Category 3 - Fuel- and energy-related activities: particularly emissions from electricity sold to customers that was not generated by the Group, WTT emissions related to scope 1 and scope 2 emissions and the WTT emissions related to natural gas leakages and WTT emissions for natural gas purchased for sale to end-consumers;
- Category 11 - Use of sold products, including combustion of natural gas sold as well as of own-generated electricity.

In addition, the Group re-examined two categories that had previously been identified as potentially more significant and capable of approaching the materiality threshold:

- Category 2 – Capital Goods; and
- Category 9 – Downstream Transportation and Distribution.

Based on the 2025 screening, both categories remained below the Group's materiality threshold and were therefore not included in the quantified Scope 3 total. The remaining Scope 3 categories were not reassessed in the same level of detail in 2025 because they had either been determined to be not applicable, or had been well below materiality in the prior assessment, and the Group did not identify any major operational changes during the year that would be expected to materially change that conclusion and therefore, these categories were not recalculated in 2025. This approach reflects a risk-based and efficiency-oriented update of the prior Scope 3 assessment rather than a full re-performance of all 15 categories.

Data was collected from internal operational systems, facility consumption records, ANRE regulatory reports, and fuel/ electricity invoices.

Methodology

- GHG inventory is based on the GHG Protocol, using operational control boundaries.
- Emission factors are sourced from the UNFCCC Sixth Assessment Report, DEFRA and EIB carbon footprint methodologies.
- Emissions from electricity purchased in Romania and Moldova were differentiated based on country-specific average emission factors which are used as location-based
- AIB national average residual emission factor was used for calculating emissions from purchased electricity in Romania from third parties as market-based value if supplier specific emission factor wasn't available.
- Country specific residual emission factor was used for emissions from electricity procured in Moldova from third parties as market-based value if supplier specific emission factor wasn't available.
- Intercompany (ICO) transactions across Scope 1, 2 and 3 were excluded to avoid double counting across subsidiaries.

Significant Assumptions:

For methane leakages from pipelines (Scope 1), estimated leakage rates were used based on pipeline pressure and material.

E1-6.47 - Disclosure of Changes in Boundaries and Year-to-Year Comparability

Premier Energy's GHG emissions reported for 2025 are not fully comparable with prior periods due to changes in the Group's organizational perimeter, the commissioning and consolidation of new operations, and a methodological update affecting the classification of certain emissions.

The main factors affecting comparability are:

- the integration of Premier Energy Furnizare S.A. (PEF) into the Group perimeter from April 2024, which expanded the Group's downstream electricity and gas supply activities and affected the Scope 3 reporting boundary reflecting in partial inclusion of 2024 emissions; and
- the consolidation and operational ramp-up of True Energy Management S.R.L. (TEM), including the gas-to-power balancing plant in Fagaras, which materially affected the Group's Scope 1 emissions profile.

	FY2022 Base year (restated)	FY2024 (restated)	FY 2025
Scope 1 GHG emissions	73,435.04	75,706.75	84,810.98
Gross Scope 1 GHG emissions (tCO ₂ e)	73,435.04	75,706.75	84,810.98
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	n/a	n/a	n/a
Gross location-based Scope 2 GHG emissions (tCO₂eq)	112,094.36	120,314.77	117,422.81
Gross market-based Scope 2 GHG emissions (tCO₂eq)	112,094.36	120,314.77	117,091.57
Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)	n/a	5,156,306.80	5,195,027.22
Significant Scope 3 GHG emissions	n/a	5,049,145.87	5,042,180.03
3 Fuel- and Energy-Related Activities	n/a	3,248,225.04	3,556,734.75
11 Use of Sold Products	-	1,800,920.83	1,597,106.3
Total GHG emissions (location-based) (tCO₂eq)	n/a	5,352,328.32	5,397,261.01
Total GHG emissions (market-based) (tCO₂eq)	n/a	5,352,328.32	5,396,929.77

In addition, the classification of greenhouse gas emissions into Scope 1, Scope 2, and Scope 3 has been refined in line with the GHG Protocol Scope 2 Guidance, Annex B (Accounting for Energy-Related Emissions Throughout the Value Chain) as explained in ESRS E1-4. After the refinement, electricity grid losses occurring within the Group's transmission and distribution networks are reported as Scope 2 emissions, as they represent electricity consumption by entities under the Group's operational control. Emissions related to electricity generated by the Group's own power plants and injected into the grid are not reported in Scope 2, as these emissions are already accounted for as Scope 1 emissions at the generation level. Emissions associated with electricity sold to end customers that is sourced from third-party generators are reported under Scope 3, Category 11 (use of sold products). Electricity sold to end customers that originates from the Group's own generation assets is not reported under Category 11 to avoid double counting of emissions already captured in Scope 1.

With respect to natural gas distribution activities, methane emissions arising from leakages within the Group's gas distribution network are reported as Scope 1 emissions, reflecting direct operational control. Upstream emissions related to the extraction, processing and transport of all natural gas volumes distributed by the Group are reported under Scope 3, Category 3 (fuel- and energy-related activities not included in Scope 1 or Scope 2). Emissions associated with the combustion of natural gas by end customers are reported under Scope 3, Category 11 (use of sold products), but only where the natural gas is sold directly to end consumers by the Group.

This change affects the presentation of emissions by scope and should be considered when interpreting year-on-year movements, particularly in relation to Scope 2 and Scope 3.

Additionally, starting from the reporting year 2025, Scope 2 market-based emissions are calculated using residual emission factors sourced from the Association of Issuing Bodies (AIB), with the Romanian residual mix emission factor applied for Romania. For Moldova, country specific residual emission factor was used for emissions from electricity procured in Moldova from third parties as market-based value if supplier specific emission factor wasn't available.

Accordingly, year-on-year comparisons should be interpreted with caution, particularly where changes are influenced by:

- acquisitions and changes in the organizational boundary;
- the commencement or expansion of operations; and
- the revised classification of electricity distribution network losses between Scope 2 and Scope 3.

E1-6.44-52 - Disclosure of Gross Scope 1, 2, & 3 Emissions & GHG Intensity

E1-6.50 - Disaggregating Scope 1 and 2 Emissions by Consolidation and Operational Control

All Scope 1 and Scope 2 GHG emissions disclosed by Premier Energy Group are calculated based on the Operational Control approach and fully consolidated in line with the Group's financial reporting boundaries.

E1-6.AR 43c – Separate disclosure of biogenic Scope 1 emissions of CO₂ from the combustion or biodegradation of biomass

E1-6.AR 45e – Separate disclosure of biogenic Scope 2 emissions of CO₂ carbon from the combustion or biodegradation of biomass

Based on the GHG Protocol definition of biogenic emissions, the Group has identified no biogenic Scope 1, 2 or 3 CO₂ emissions, as it does not engage in biomass combustion or biodegradation; therefore, the related ESRS E1 disclosures on biogenic Scope 1, 2 or 3 CO₂ emissions are not applicable.

E1-6.AR 45d – Information about contractual instruments used for the sale and purchase of energy

Not applicable.

E1-6.AR 46g – Disclosure of the measurement of Scope 3 GHG emissions and data sources |

E1-6.AR 46h – Disclosure of boundaries, calculation methods, and tools for each Scope 3 category

For the material Scope 3 categories, emissions were primarily calculated using activity-based data collected from the Group's operational and commercial systems. Where relevant for non-material categories, the Group also used estimation approaches, including spend-based methods and proxy use of prior-year data, in cases where no material change in organizational structure, operating model or activity profile was identified. Emission factors were sourced from recognized external methodologies.

Category	Organizational Boundary	Measurement Approach	Use of Primary Data	% of Emissions Based on Primary Data	Emission Factor Sources
Category 3 – Fuel- and Energy-Related Activities	Operational Control	Emissions were calculated based on: (i) electricity sold, determined by subtracting internally generated electricity from total electricity sold. All inputs derived from Premier Energy's internal operational and commercial data; and (ii) upstream (well-to-tank) and transmission losses related to the Group's own fuel and electricity consumption (Scope 1 and 2) (iii) electricity network distribution losses based on energy balance of transport operator and information from Commercial Management System	Yes, Internal energy and sales data (Scope 1, Scope 2, electricity sold breakdown and electricity network distribution losses)	100%	DEFRA 2025 for WTT emissions EIB Project Carbon Footprint Methodologies, 2024 for electricity sold and electricity network distribution losses

Category 11 – Use of Sold Products	Operational Control	Calculated using internal generation and sales data for electricity produced by Premier Energy and sold to customers, applying standard combustion emission factors.	Yes, Internal generation and sales records	100%	DEFRA 2025 for natural gas sold
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E1-6.AR 46i - Disclosure of a list of Scope 3 categories included/excluded plus justification

Premier Energy Group initially assessed all 15 Scope 3 categories in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard in 2024. A quantitative materiality threshold of 2% of total gross GHG emissions was applied to determine which categories would be included in the quantified Scope 3 disclosure. In 2025, the Group reassessed whether any categories that had previously been below 0.5% of total emissions had become materially more significant and concluded that no major operational change had occurred that would be expected to materially alter those conclusions. As no such significant changes were identified, the 2024 emissions figures were used as proxies for 2025. In addition, two categories that had been closer to the threshold in 2024, Category 2 and Category 9, were subject to a detailed calculation. Both remained below the Group’s materiality threshold in 2025.

#	Category Name	2025 Emissions (tCO ₂ e)	% of Total Emissions	Material	Justification
1	Purchased Goods and Services	480.48	0.01%	NO	Assessed in 2024 and found to be below the Group’s materiality threshold. As no significant change in procurement profile or operating model was identified in 2025 that would be expected to materially affect emissions from this category, the 2024 emissions value was retained as a proxy for 2025.
2	Capital Goods	21,881.58	0.41%	NO	Below materiality threshold thus excluded from qualified disclosure, however, will continue to be monitored due to its sensitivity to future investment activity.
3	Fuel- and Energy-Related Activities	3,450,617.12	63.93%	YES	Material and highly relevant given the Group’s business model.
4	Upstream Transportation and Distribution	N/A	0.00%	NO	Not applicable; not a significant activity in the value chain.
5	Waste Generated in Operations	22,136.12	0.41%	NO	Quantified in 2024 and found to be below the materiality threshold. As no significant change in or operating model was identified in 2025 that would be expected to materially affect emissions from this category, the 2024 emissions value was retained as a proxy for 2025.

6	Business Travel	100.40	0.00%	NO	Quantified in 2024 and found to be immaterial. No major increase in business-travel intensity was identified in 2025 that would be expected to materially affect emissions from this category, the 2024 emissions value was retained as a proxy for 2025.
7	Employee Commuting	1,946.10	0.04%	NO	Quantified in 2024 and found to be immaterial. No significant workforce or commuting-pattern changes were identified in 2025 that would be expected to materially affect this category; therefore the 2024 emissions value was retained as a proxy for 2025.
8	Upstream Leased Assets	840.78	0.02%	NO	Quantified in 2024 and found to be immaterial. The Group did not identify any material change in leased-asset structure in 2025 that would warrant major change, therefore the 2024 emissions value was retained as a proxy for 2025.
9	Downstream Transportation and Distribution	105,424.71	1.95%	NO	Below materiality threshold thus excluded from qualified disclosure, however, will continue to be monitored due to increase in business volumes.
10	Processing of Sold Products	N/A	0.00%	NO	Not applicable; products are not further processed.
11	Use of Sold Products	1,591,562.91	29.49%	YES	Material and highly relevant given the business model.
12	End-of-Life Treatment of Sold Products	N/A	0.00%	NO	Not applicable.
13	Downstream Leased Assets	37.04	0.00%	NO	Assessed in 2024 and found to be immaterial. No significant change in downstream leasing arrangements was identified in 2025 that would materially affect this conclusion; therefore the 2024 emissions value was retained as a proxy for 2025.

14	Franchises	N/A	0.00%	NO	Not applicable; the Group does not operate through a franchise model.
15	Investments	N/A	0.00%	NO	Not applicable to the structure of Premier Energy Group.

E1-6.53-54, AR 53 – Disclosure of GHG emissions intensity (total GHG emissions per net revenue)

Metric	FY2024	FY2025
Consolidated net revenue (EUR)	1,214,055,000	1,715,277,000
Total gross GHG emissions (tCO ₂ e) location based*	4,941,738.43	5,397,261.01
GHG emissions intensity (tCO ₂ e per EUR of net revenue)	0.00407	0.003147
GHG emissions intensity (tCO ₂ e per EUR 1,000 of revenue)	4.070	3.147
Total gross GHG emissions (tCO ₂ e) market based*	4,941,738.43	5,396,929.77
GHG emissions intensity (tCO ₂ e per EUR of net revenue)	0.00407	0.003146
GHG emissions intensity (tCO ₂ e per EUR 1,000 of revenue)	4.070	3.146

* For consistency with Annual Report 2024, the GHG values used for the intensity calculation have been retained at the original levels reported in 2024 (before restatement).

E1-6.55 – Disclosure of reconciliation to the relevant line item or notes in the financial statements

Premier Energy Group cross-references the revenue figure from its Consolidated Financial Statements.

E1-7 – GHG Removals & Mitigation Projects Financed Through Carbon Credits

During the reporting period, the undertaking has not carried out any greenhouse gas (GHG) removal or storage activities within its own operations or across its upstream and downstream value chain. Additionally, the undertaking has not used or financed any GHG emission reductions or removals through external carbon credit projects outside its value chain. As a result, no GHG removals, storage, or external carbon credits are reported under this disclosure requirement.

E1-7.60 - Additional Net-Zero Target Explanations Beyond Gross GHG Reduction



Premier Energy Group has disclosed a net-zero operational emissions target to be achieved by 2045, in addition to its gross GHG emission reduction targets (50% reduction in Scope 1 and 2 by 2035, and 90% by 2050, based on a 2022 revised baseline).

This target refers to net-zero Scope 1 and Scope 2 emissions and is based on the following approach:

- The company aims to achieve at least 90% absolute reduction in gross emissions through direct abatement measures, such as:
 - Replacing methane-leaking infrastructure
 - Phasing in renewable energy sources
 - Improving grid efficiency and reducing technical losses
 - Deploying electrified fleet and building retrofits
- The remaining residual emissions ($\leq 10\%$), primarily linked to hard-to-abate operational sources, may be addressed through certified carbon removal technologies (to be defined closer to target year).

Premier Energy does not currently rely on offsetting as part of its decarbonization strategy.

The Group's net-zero target is aligned with the SBTi's definition of operational net zero but may be further refined to reflect future Scope 3 coverage, changes in regulatory standards, or best practices around neutralization and compensation.

E1-8 – Internal Carbon Pricing

Premier Energy Group does not apply an internal carbon pricing mechanism.

E1-9 – Anticipated Financial Effects from Material Physical and Transition Risks and Potential Opportunities

Premier Energy Group applies the phase-in provisions in accordance with Appendix C of ESRS 1 with respect to this disclosure requirement.

The Group does not yet disclose quantitative or detailed qualitative information on the anticipated financial effects of material physical and transition climate-related risks, or of potential climate-related opportunities.

Premier Energy is currently working on its climate scenario modelling and financial sensitivity analysis frameworks. These will be integrated into future reporting cycles, enabling the Group to provide more detailed disclosures on the expected financial implications of climate risks and opportunities in line with ESRS E1-9.

Disclosures pursuant to Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Premier Energy's EU Taxonomy report for the fiscal year 2025 demonstrates the Group's strong commitment to sustainable finance and environmental responsibility. This report is a testament to Premier Energy dedication to aligning its operations with the EU's sustainability objectives, as outlined in the EU Taxonomy Regulation (Regulation (EU) 2020/852).

By this EU Taxonomy report, Premier Energy reaffirms its dedication to transparency and long-term value creation. The report outlines the Group's ongoing efforts to ensure that its operations from year-to-year are aligned with the EU Taxonomy Regulation, showcasing Premier Energy's unwavering commitment to sustainability and environmental protection.

For 2025 Premier Energy identified the following eligible activities:

1. Electricity generation from wind power
2. Electricity generation from solar photovoltaic technology
3. Transmission and distribution of electricity
4. Generation of electricity using fossil gaseous fuels
5. Storage of electricity
6. Installation maintenance and repair of renewable energy technologies

The Group has decided to disclose only the first four significant activities, as the remaining two are currently not material from a financial perspective.

Although Premier Energy identified four significant eligible activities, full taxonomy alignment with the criteria of Appendix A (Classification of climate-related hazards) has not yet been achieved, primarily due to ongoing efforts to provide proper evidence for fully meeting all applicable requirements and calculate the respective Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx) accordingly for the alignment.

Compliance Statement

In accordance with the requirements outlined in the EU Taxonomy Regulation, Premier Energy's report discloses the proportion of its economic activities that are categorized as Environmentally Sustainable (Taxonomy-Aligned), Taxonomy-Eligible but Not-Aligned, and Taxonomy Non-Eligible. This breakdown is provided across three key financial metrics: Turnover, CapEx, OpEx.

Premier Energy has conducted a comprehensive assessment of its entire portfolio, comparing its activities against the descriptions of Taxonomy-Eligible activities provided in the EU delegated acts (Commission Delegated Regulation (EU) 2021/2139, along with its supplement, Commission Delegated Regulation (EU) 2023/2485, and the latest Commission Delegated Regulation (EU) 2023/2486) which contains the screening criteria for the four remaining environmental objectives).

Overall, Premier Energy has respected the EU Taxonomy Regulation by having implemented the following steps:

- Identification of eligible economic activities.
- Assessment of substantial contribution to at least one of the six environmental objectives (compliance with the technical screening criteria).
- Assessment of the DNSH criteria of the remaining/other environmental objectives.
- Verification of the minimum social safeguards.
- Calculation of Key Performance Indicators (KPIs).

Premier Energy's assessment of Taxonomy-eligible economic activities

Under the EU Taxonomy, an economic activity is considered eligible if it matches the description of the activity provided in the Annex I or II of the EU Taxonomy Climate Delegated Act.

To comprehensively identify Premier Energy's eligible economic activities and projects under the EU Taxonomy Regulation, the Group conducted a thorough screening of its entire portfolio. This assessment involved a detailed comparison of Premier Energy's activities against the descriptions of the Taxonomy-eligible economic activities provided in the relevant regulatory sources, namely the Climate Delegated Act.

Through this evaluation process, Premier Energy determined that its activities (with reference to NACE code) related to:

- 01 Electricity generation from wind power (NACE code D35.11)
- 02 Electricity generation from solar photovoltaic technology (NACE code D35.11)
- 03 Transmission and distribution of electricity (NACE code D35.13)
- 04 Generation of electricity using fossil gaseous fuels (NACE code D35.11)
- 05 Storage of electricity (no dedicated NACE code)
- 06 Installation maintenance and repair of renewable energy technologies (no dedicated NACE code)

are considered Taxonomy-eligible.

Premier Energy assessed that the first four activities are significant in 2025 and in line with the environmental objective of climate change mitigation.

The storage of electricity is at the early stage of development and may be included in the alignment process in the coming years.

The installation, maintenance and repair of renewable energy technologies are currently outsourced to third-party service providers and therefore are not material at Group level for 2025 reporting purposes.

Premier Energy's core activities - sales of gas or electricity to individual/wholesalers, distribution of gas – are not eligible.

Premier Energy’s assessment of Taxonomy-aligned economic activities

In its assessment of the Taxonomy-eligibility of its economic activities, Premier Energy conducted a thorough evaluation of the Technical Screening Criteria to determine the level of alignment.

The following eligible activities were analyzed:

01	Electricity generation from wind power
02	Electricity generation from solar photovoltaic technology
03	Transmission and distribution of electricity
04	Generation of electricity using fossil gaseous fuels

01 Electricity generation from wind power

Through the eligibility evaluation process, Premier Energy determined that the “**Electricity generation from wind power**” activity makes a substantial contribution to the environmental objectives of climate change mitigation (CCM) as it meets the respective criteria “construction or operation of electricity generation facilities that produce electricity from wind power”.

Premier Energy operates wind farms with a total capacity of **146 MW**, including key projects like the **80 MW wind farm in Mihai Viteazu, Romania**.

Then while contributing to **climate change mitigation** objective, Premier Energy made sure that it does not significantly harm (DNSH) the other five objectives according to the check set out in the TSC:

- CCA
- WATER
- CIRCULAR ECONOMY
- BIODIVERSITY

Pollution prevention being not applicable.

To arrive at this conclusion, Premier Energy conducted a comprehensive due diligence process, which included:

A Reviewing the completeness and outcomes of a questionnaire assessing compliance with the DNSH principle.

B Verifying on the CCA part that the activity complies with the criteria set out in the appendix A:

- the Group has performed a screening of the activity to identify physical climate risks assessment for its wind power generation assets that would affect the performance of the economic activity during its expected lifetime
- Premier Energy has also performed a screening of the activity including the following tasks: **Cross-reference** the characteristics of the activity with the listed physical climate risks/ For each identified risk / For each identified risk, **evaluate the likelihood of occurrence and the potential severity** of impacts on the activity, such as

- Existing infrastructure resilience
 - Operational flexibility
 - Supply chain dependencies
 - Regulatory and environmental compliance
 - Description of the activity
 - Identified physical climate risks
 - Assessment of impacts and vulnerabilities
 - Any existing measures to mitigate risks”
- Although the Group already conducted an exposure and vulnerability assessment to evaluate the materiality of the physical climate risks on its economic activities and assets, it hasn’t performed the climate transition risk assessment for these nor developed an adaptation or transition plan nor the resilience plan. The Group is planning to proceed with those by 2027

C Verifying on the circular economy part that the activity complies with the respective DNSH criteria (“assessment of availability of and, where feasible, use equipment and components of high durability and recyclability and that are easy to dismantle and refurbish”):

- Premier Energy’s wind assets comprise turbines sourced from leading, reputable manufacturers, including Vestas and Enercon, acquired as part of fully developed wind farms. These suppliers are actively advancing sustainability initiatives: Vestas is working actively in the development of composite recycling technologies to achieve the goal of zero-waste wind turbines by 2040, while Enercon strives to offer completely recyclable rotor blades by 2030. Therefore, the given DNSH condition is met.

D Verifying on the water part that the activity complies with the following criteria:

- Premier Energy has not developed any offshore wind projects to date; therefore, the criterion is not applicable

E Verifying on the biodiversity part that the activity complies with the criteria of completion an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334 for any of the wind power generation assets.

- Premier Energy Group has obtained all approvals, permits and certifications to ensure environmental protection, safety and regulatory requirements for all its wind power generation assets.

Because the activity “ **Electricity generation from wind power** “does harm **one of** the 5 other objectives (CCA) then the Group does not contribute to the Climate Change Mitigation objective.



Electricity generation from solar photovoltaic technology

Through this evaluation process, Premier Energy determined that the “ **Electricity generation from solar photovoltaic technology** ” activity makes a substantial contribution to the environmental objectives of climate change mitigation (CCM).

The Group operates **51 MW** of PV solar energy capacity in Romania and Moldova and is currently constructing an additional **137 MW of solar capacity**.

Then while contributing to **climate change mitigation** objective, Premier Energy made sure that it does not significantly harm (DNSH) the other five objectives according to the check set out in the TSC:

- CCA
- CIRCULAR ECONOMY
- BIODIVERSITY

Water and Pollution prevention being not applicable.

To arrive at this conclusion, Premier Energy conducted a comprehensive due diligence process, which included:

A Reviewing the completeness and outcomes of a questionnaire assessing compliance with the DNSH principle.

B Verifying on the CCA part that the activity complies with the criteria set out in the appendix A: please refer to Wind Power section as the comments are the same for this chapter

C Verifying on the circular economy part that the activity complies with the following criteria:

- Premier Energy works only with Tier 1 suppliers of Photovoltaic Modules and photovoltaic inverter. Within the process of supplier contracting, each supplier must complete and submit a No Child Labor Declaration as well as a declaration on the complying to the DNSH Principle, including the requirements concerning high durability, recyclability, dismantlability and refurbishment of their products. The respect of the DNSH Principle applies to all the suppliers of main components as well as the construction companies of the Premier Energy Group’s PV power plants.

D Verifying on the biodiversity part that the activity complies with the criteria of competition an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334 for any of the solar PV power generating assets.

- Premier Energy has obtained all approvals, permits and certifications to ensure environmental protection, safety and regulatory requirements. The evaluation of the EIA is done on each case at the beginning of the development according to the specification/requirements of the Environmental Protection Agency overseeing the location of the project development. Within this process Environmental Authorization was obtained for each of the Group’s PV power plants.project development. During the operation, an Environmental Authorization is obtained for each PV Power Plant.

Because the activity “ **Electricity generation from solar photovoltaic technology** ” does harm **one of** the 5 other objectives (CCA) then the Group does not contribute to the Climate Change Mitigation objective.

Transmission and distribution of electricity

Within the evaluation process, Premier Energy determined that the “Transmission and distribution of electricity “activity makes a substantial contribution to the environmental objectives of climate change mitigation (CCM).

In Republic Moldova Premier Energy’s electricity distribution network includes more than 35,900 km of electrical lines and cables of which 1,800 km lines are high voltage, 14,619 km lines are medium voltage, and 19.485 km lines are low voltage.

While assessing contribution to climate change mitigation objective, Premier Energy made sure that its transmission and distribution assets do not significantly harm (DNSH) the other five objectives according to the check set out in the TSC:

- CCA
- CIRCULAR ECONOMY
- POLLUTION PREVENTION
- BIODIVERSITY

Water being not applicable.

To arrive at this conclusion, Premier Energy conducted a comprehensive due diligence process, which included:

A Reviewing the completeness and outcomes of a questionnaire assessing compliance with the DNSH principle.

B Verifying on the CCA part that the activity complies with the criteria set out in the appendix A:

- The Group has performed a screening of the activity to identify which physical climate risks assessment for its electricity transmission and distribution assets that would affect the performance of the economic activity during its expected lifetime
- The analysis to identify the climate risks to which the electricity distribution activity is exposed was performed also using the report “”Support for the National Planning Process for the Adaptation of the Republic of Moldova to Climate Changes”” developed by UNDP Moldova in partnership with the Ministry of Environment and the Climate Change Office of Austria in 2017.
- In this regard, the country has taken appropriate measures, the essence of which are the Nationally Determined Contributions (NDCs) the last update being in 2020.





- In addition, the Government of the Republic of Moldova approved Government Decision No. 624 of 30.08.2023 on the National Program for Adaptation to Climate Changes until 2030, which lists the climate risks that could affect the performance of economic activity including for the electricity distribution sector. The summary of the impacts is presented in Table 5 of Government Decision No. 624/30.08.2023. The Group has already encompassed this analysis in its assessment.
- Although the Group already conducted an exposure and vulnerability assessment to evaluate the materiality of the physical climate risks on its economic activities and assets, it has not performed the climate transition risk assessment for these nor developed an adaptation or transition plan nor the resilience plan. The Group is planning to proceed with those by 2026.
- Within its effort to complement its climate risk assessment for transition risks and develop its adaptation and resilience plans, the Group is determined to consider the following:
 - In the context of climate changes, the Electrical Installations Design Rules have been updated to improve the resilience and safety of electrical infrastructure. A concrete example is the update of the Electrical Installations Design Rules, 7th edition, which modified the design values for overhead power lines to respond to the new climatic conditions. Thus, the load due to maximum wind speed for zone II was increased from 25 m/s to 29 m/s, and the thickness of the layer of frost for zones III and IV was increased from 15 mm and 20 mm to 20 mm and 25 mm, respectively.
 - To support adaptation and enhance the resilience of the distribution activity to risks arising from forecasted climate hazards, an action plan with annual monitoring has been issued by the Ministry of Energy, in accordance with Government Decision No. 624/30.08.2023.
- The progress registered by the Group in the implementation of the adaptation actions included in the National Climate Changes Adaptation Program for Moldova includes the activities of modernization and expansion of networks using modern technologies and materials with improved characteristics such as:
 - Use of poles designed with a high mechanical stress coefficient, which increases resistance to extreme weather events.
 - Reducing the distance between poles to reduce mechanical stresses on conductors;
 - Adjusting the stretch of conductors, thus contributing to improved network stability.

C Verifying on the circular economy part that the activity complies with the following criteria:

- The company has an annual waste management plan. Within the company, there is an approved procedure PS.803.DE “Waste Management,” through which the company aims to manage waste using the best available practices, giving priority—where possible—to ensuring the reuse of materials or the maximum recycling of waste at the end of its life cycle. For example, power transformers extracted from electrical installations are evaluated and managed in terms of repair/disposal, as necessary, through contracted specialized companies.

- The Group has implemented the process of regeneration of the dielectric oil extracted from High Voltage electrical installations. The regenerated dielectric oil is reused in Medium Voltage electrical installations, thus reducing the need to purchase new oil and contributing to the reduction of industrial waste. At the same time, the used oil resulting from the dielectric oil regeneration process is handed over for disposal to contracted specialized companies.

D Verifying on the pollution prevention part that the activity complies with the Group completed an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334 for its electricity transmission and distribution assets in Moldova.

- The construction / reconstruction of overhead power lines is carried out in accordance with the Regulation on Protection Zones of Power Grids recently updated by Government Decision No. HG852/2024 from 18.12.2024 which determines the admissible neighboring distance between the conductors of the overhead power lines and various types of constructions. The establishment of the mentioned distances are regulated also from the health point of view to avoid exposure to various radiation fields that could be generated by the distribution facilities depending on the voltage level, distance between conductors, electrical load, etc. For cases when establishes violations of the given rules by third parties, measures are applied to return to the normal condition.
- At present the Group does not have any installations within its electricity and transmission distribution assets in Moldova contaminated with PCBs and does not use PCBs in this activity. Historically, the Group has identified electrical installations contaminated with PCBs, those installations have been extracted from the electrical grids and have been eliminated by contracting an authorized waste management company for proper disposal. At present the Group does not own any PCB-contaminated installations and does not use PCBs in its business.

E Verifying on the biodiversity part that the activity the Group completed an Environmental Impact Assessment (EIA) or a screening in accordance with Directive 2011/92/EU334 for its electricity transmission and distribution assets in Moldova

- the Group has not recently enlarged its respective activity for any asset or project located in and/or near sensitive biodiversity areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and key biodiversity areas, and other protected areas) that would require an Environmental Impact Assessment (EIA) or screening under Directive 2011/92/EU334.
- Based on its financing contracts with the EBRD and the EIB, the Group is required to monitoring and reporting to the above-mentioned banks on environmental and social responsibility aspects, including biodiversity conservation and sustainable management of living natural resources, based on international standards as transposed in EBRD Performance Requirement 6 / EIB Standard 4.
- Based on the EIB's/EBRD's Environmental and Social Action Plan (ESAP), the Guide of good practices for environmental protection, environmental standards and procedures was published which elaborates and approves within the organization requirement to be fulfilled in contracts with contractors executing investment works. It implements the process of elaboration of the screening document and environmental and social scorecard applied preventively to the execution of the extension works, including precautionary measures for environmental protection. If, after examination, it is necessary, environmental authorities are notified and consulted. It also includes a mapping tool to determine accurately the interaction between the Group's existing and planned electricity infrastructure (including high, medium and low voltage lines) and protected natural areas. The mapping tool utilizes the Emerald mapping database.
- Accordingly, a procedure for environmental control of avifauna in electrical installations was developed specifying the need to plan activities in electrical installations by considering the requirements of this document. Procedure published on the Group website: <https://www.premierenergydistribution.md/ro/proceduri-interne>

Because the activity "Transmission and distribution of electricity" does harm one the 5 other objectives (CCA) then the Group do not contribute to the Climate Change Mitigation objective.

02

Generation of electricity using fossil gaseous fuels

Through this evaluation process, Premier Energy determined that the “ Generation of electricity using fossil gaseous fuels “activity do not make a substantial contribution to the environmental objectives of climate change mitigation (CCM).

The following criteria the life cycle GHG emissions from the generation of electricity using fossil gaseous fuels are lower than 100 g CO₂e/kWh is not met. Calculated GHG emissions for this activity by plant in Fagaras (True Energy Management S.R.L.) are over the threshold of 100g.

Minimum safeguards

Premier Energy is not complying fully with minimum safeguards yet, based on the outcome of its compliance with minimum safeguards requirements assessed through evidence evaluation for:

- Human rights, where Premier Energy did not establish an adequate human rights due diligence process as outlined in the UNGPs and OECD Guidelines for MNEs.
- Bribery and corruption
- Taxation
- Fair competition
- Verification recommended that Premier Energy checks for any breach of Human and Labor Rights via a questionnaire sent to subcontractors
- OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights should be inserted into the group policies.

Premier Energy is committed to implementing these measures by 2027.



Conclusions of the assessment

Even though Premier Energy's following eligible activities:

- Electricity generation from wind power
- Electricity generation from solar photovoltaic technology
- Transmission and distribution of electricity
- Generation of electricity using fossil gaseous fuels

assessment for its assets, the Group has not yet performed a full-scale climate risk assessment as it has yet to finalize its transition climate risk assessment and subsequently develop adaptation measures, transition and resilience plan. Because of that Premier Energy does not meet the CCA criteria. Similarly, while progress has been made in meeting the minimum safeguards, some additional process compliance is yet to be needed, namely within the Group's supply chain.

Share of Taxonomy-aligned, Taxonomy-eligible, not aligned, and Taxonomy non-eligible economic activities

Table 1: Premier Energy's Turnover, Capital Expenditure and Operating Expenditure for its Taxonomy-Aligned, Taxonomy-Eligible, not Aligned and Taxonomy non-Eligible Activities

KPI (m EUR)	Turnover 2025		CapEx 2025		OPEX 2025	
	values and %		values and %		values and %	
	EUR	% total	EUR	% total	EUR	% total
Taxonomy-aligned	-	0%	-	0%	-	0%
Taxonomy-eligible, not aligned	126.879	7%	60.090	71%	11.361	97%
Taxonomy non-eligible	1,590.131	93%	25.095	29%	406	3%
Premier Energy total	1,717.010	100%	85.185	100%	11.767	100%

All figures are derived from Premier Energy's segment analysis template and the turnover renewable template, which contain extracts of local accounting books from companies specialized in renewables.

Each entity in the Premier Energy group reports its results in the Group Reporting Packages prepared under IFRS (International Financial Reporting Standards as adopted by EU) and respective provisions set by the Cyprus Law for the purpose of preparation of the consolidated financial statements of Premier Energy Group. All the figures above were collected from the Group Reporting Packages that each company reports for consolidation purposes. The IFRS accounting policies applied are outlined in the Consolidated Management Report and Consolidated Financial Statements of Premier Energy Plc.

Turnover:

Turnover is governed by IFRS 15 – Revenue from Contracts with Customers and refers to the total sales or revenue generated by each company in the group over a given period. Revenue is recognized when control of goods or services is transferred to the customer. Accrual accounting is applied to ensure that revenue is recognized in the correct period, reflecting the performance obligations of the company.

Capital Expenditure (CapEx):

CapEx is governed by IAS 16 – Property, Plant and Equipment and refers to long-term investments made by each company in physical assets such as buildings, machinery, and equipment. These expenditures are capitalized and depreciated over their useful life. Companies report capital expenditures separately, and further analysis is conducted to ensure that these expenditures are appropriately classified as capital in nature.

Operating Expenditure (OpEx):

OpEx refers to the ongoing costs required for maintenance, repairs, and the regular operation of assets. These are expensed in the period in which they are incurred. Companies report operating expenses separately within the maintenance and repairs categories.

To prevent double counting in KPI calculations:

- 01 Revenue: Revenue is reported based on the nature of the business and the source of income it relates to. Each company's revenue streams are clearly defined, and further analysis is conducted to allocate revenue correctly where necessary.
- 02 CapEx: Capital expenditure is reported separately by each company. Detailed analysis is undertaken to verify that expenditures are classified correctly as capital in nature and not mistakenly included in operational expenses.
- 03 OpEx: Operating expenses related to maintenance and repairs are reported separately by each company. Further review is conducted to confirm that OpEx is only recognized for costs directly tied to operational activities where necessary.

Turnover KPI

In the context of EU Taxonomy reporting, the Taxonomy-aligned Turnover KPI represents the proportion of the Group's total revenues that are derived from products or services aligned with the criteria set forth in the EU Taxonomy for sustainable economic activities. This KPI indicates the degree to which the Group is engaged in environmentally sustainable business operations.

The Taxonomy-aligned Turnover KPI is calculated as the proportion of Taxonomy-aligned turnover (the numerator) over the Group's total turnover (the denominator), as defined by the EU Taxonomy Regulation.

Similarly, the Taxonomy-eligible Turnover KPI reflects the proportion of a Group's total turnover that is derived from Taxonomy-eligible economic activities, regardless of whether they meet the full alignment criteria. This KPI is calculated as the proportion of Taxonomy-eligible turnover (the numerator) over the Group's total turnover (the denominator), in accordance with the EU Taxonomy Regulation.

In the case of Premier Energy, for the financial year ended December 31, 2025, the Group's total net turnover amounted to **EUR 1,717.010 million**.

For the economic activities:

- Electricity generation from wind power
- Electricity generation from solar photovoltaic technology
- Transmission and distribution of electricity
- Generation of electricity using fossil gaseous fuels

For these eligible activities Premier Energy generates the following revenues in EUR m which are not aligned and represent **7% of the total turnover of the Group**.

KPI values and %	Turnover 2024	
	EUR m	% total
Electricity generation from wind power	21.621	17%
Electricity generation from solar photovoltaic technology	558	0%
Transmission and distribution of electricity	104.700	83%
Generation of electricity using fossil gaseous fuels	-	0%
Taxonomy-eligible, not aligned	126.879	100 %

Turnover related to green energy is including the sales of green certificates.

The transmission and distribution of electricity represents 83% of the total taxonomy eligible not aligned Turnover.

Capital Expenditure (CapEx) KPI

The EU Taxonomy Regulation defines Taxonomy-eligible CapEx as the capital expenditures incurred for the acquisition, construction, or renovation of assets that are considered eligible under the Taxonomy framework. This metric indicates the degree to which a Group is investing in activities that contribute to environmental sustainability.

The Taxonomy-aligned CapEx KPI is calculated as the proportion of CapEx associated with Taxonomy-aligned economic activities (the numerator) over the Group's total CapEx (the denominator), as specified in the EU Taxonomy Regulation.

Similarly, the Taxonomy-eligible CapEx KPI reflects the proportion of a Group's total CapEx that is related to Taxonomy-eligible economic activities, regardless of whether they meet the full Taxonomy alignment criteria. This KPI is calculated as the proportion of Taxonomy-eligible CapEx (the numerator) over the Group's total CapEx (the denominator), in accordance with the EU Taxonomy Regulation.

In the case of Premier Energy, for the financial year ended December 31, 2025, the Group's total CapEx amounted to EUR 85.185 million. Of this total, 71% were classified as Taxonomy-eligible not aligned CapEx, it corresponds to:

KPI values and %	Turnover 2024	
	EUR m	% total
Electricity generation from wind power	5.375	9%
Electricity generation from solar photovoltaic technology	28.918	48%
Transmission and distribution of electricity	24.352	41%
Generation of electricity using fossil gaseous fuels	1.445	2%
Taxonomy-eligible, not aligned	60.090	100%

The Transmission and Distribution represent 41% of the total taxonomy eligible not aligned CapEx.

Operating Expenditure (OpEx) KPI

The EU Taxonomy Regulation defines Taxonomy-eligible OpEx as the operational expenditures incurred for services or products that align with the Taxonomy criteria. This metric indicates the Group's ongoing costs to support environmentally sustainable activities.

The Taxonomy-eligible OpEx KPI is calculated as the proportion of OpEx related to Taxonomy-eligible economic activities (the numerator) over the Group's total OpEx (the denominator), as specified in the EU Taxonomy Regulation.

Correspondingly, the Taxonomy-aligned OpEx KPI reflects the proportion of OpEx associated with Taxonomy-aligned economic activities (the numerator) over the Group's total OpEx (the denominator), in accordance with the EU Taxonomy Regulation.

In the case of Premier Energy, for the financial year ended December 31, 2025, the Group's total OpEx amounted to EUR 11.767 million (maintenance and repairs).

Of this total 97% was classified as Taxonomy-Not aligned eligible OpEx, it corresponds to:

KPI	Turnover 2024	
	EUR m	% total
values and %		
Electricity generation from wind power	2.976	26%
Electricity generation from solar photovoltaic technology	13	0.1%
Transmission and distribution of electricity	8.370	74%
Generation of electricity using fossil gaseous fuels	2	0.0%
Taxonomy-eligible, not aligned	11.361	100%

The activity transmission and distribution of electricity represent 97% of the taxonomy eligible not aligned OpEx.

Reporting



Turnover

Financial year 2025

Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")					Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)		
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)					Biodiversity (16)	
Text		K EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES				7%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00														Y				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Electricity generation from fossil gaseous fuels	4.29	0.00	0%	EL	N/EL															
Electricity generation from wind power	4.1	21,621.00	1%	EL	N/EL															
Electricity generation using concentrated solar power (CSP) technol	4.3	558.00	0%	EL	N/EL															
Transmission and distribution of electricity	4.9	104,700.00	6%	EL	N/EL															
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		126,879.00	7%	100%																
Total (A.1+A.2)		126,879.00	7%	100%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		1,590,131.00	93%																	
Total (A+B)		1,717,010.00	100%																	

* For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.

** Taxonomy-aligned turnover of the activity/ Total turnover of undertaking

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CapEx

Financial year 2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)	
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
Text		KEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES				71%																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%														Y			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Electricity generation from fossil gaseous fuels (CapEx)	4.29	0.00	0%														Y			
Electricity generation from fossil gaseous fuels (CapEx)	4.29	1,445.00	2%	EL	N/EL												Y			
Electricity generation from wind power (CapEx B)	4.1	5,375.00	6%	EL	N/EL												Y			
Electricity generation using concentrated solar power (4.3	28,918.00	34%	EL	N/EL												Y			
Transmission and distribution of electricity (CapEx B)	4.9	24,352.00	29%	EL	N/EL												Y			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		60,090.00	71%	100%													Y			
Total (A.1+A.2)		60,090.00	71%	100%													Y			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of Taxonomy-non-eligible activities		25,095.00	29%																	
Total (A+B)		85,185.00	100%																	

* For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.

** Taxonomy-aligned CapEx of the activity/ Total CapEx of undertaking

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OpEx

Financial year 2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)				
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)								
TEXT		KEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T				
A. TAXONOMY-ELIGIBLE ACTIVITIES				97%																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%													Y							
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
Electricity generation from fossil gaseous fuels (OpEx)		2.00	0%	EL	N/EL													Y					
Electricity generation from wind power (OpEx B)		2,976.00	25%	EL	N/EL													Y					
Electricity generation using concentrated solar power		13.00	0%	EL	N/EL													Y					
Transmission and distribution of electricity (OpEx B)		8,370.00	71%	EL	N/EL													Y					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,361.00	97%	100%																Y			
Total (A.1+A.2)		11,361.00	97%	100%																Y			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
OpEx of Taxonomy-non-eligible activities		406.00	3%																				
Total (A+B)		11,767.00	100%																				

* For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.

** Taxonomy-aligned OpEx of the activity/ Total OpEx of undertaking

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The content of the tool does not extend or alter in any way the rights and obligations deriving from the EU legislation nor does it introduce any additional requirements on the concerned operators and competent authorities. It does not substitute the provisions under the EU Taxonomy Regulation ((EU) 2020/852) and its Delegated Acts that the undertaking should follow. The purpose of the output of the tool (Excel file) is merely to give an instructive example for some undertakings on how to implement the relevant legal provisions. It cannot be excluded that the Excel Sheet does not include all information that an undertaking may need to report under the EU Taxonomy Regulation ((EU) 2020/852). It should be noted that the current template does not yet refer to the updated reporting templates included in Annex V to Delegated Regulation (EU) 2023/2486 ('Environmental Delegated Act'), which amends Delegated Regulation (EU) 2021/2178.

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels connected to efficient district heating and cooling.	NO



Taxonomy-eligible but not taxonomy-aligned economic activities turnover

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)				
		(CCM+CCA)	Climate mitigation		Climate change adaptation	
		AmountC	Amount	%	Amount	%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0.0%		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	126.879	126.879	100%		
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	126.879	126.879	100%		

Taxonomy-eligible but not taxonomy-aligned economic activities CapEx

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)				
		(CCM+CCA)	Climate mitigation		Climate change adaptation	
		AmountC	Amount	%	Amount	%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.445	1.445	2.4%		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	58.645	58.645	97.6%		
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	60.090	60.090	100%		

Taxonomy-eligible but not taxonomy-aligned economic activities OpEx

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate mitigation		Climate change adaptation	
		Amount	%	Amount	%	% Amount	%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2		2	0.02%		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11.359		11.359	99.98%		
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	11.361		11.361	100%		



ESRS S1 Own Workforce

Premier Energy Group operates through several subsidiaries across different jurisdictions and business segments. While the Group is progressively implementing umbrella policies at Group level that establish general principles and governance standards, such as the new ESG Policy (2025) and other Group-wide frameworks, certain operational policies remain defined and implemented at the level of individual subsidiaries or business segments.

This approach reflects the different regulatory environments and operational characteristics of the Group’s activities, including electricity distribution and supply, renewable energy operations, and related services.

For clarity, the policies and procedures as well as quantitative disclosed in this section cover the following entities:

Entity	Country	Activity
Premier Energy Romania	Romania	Covering the operations of Premier Energy S.A. and NeoGas Grid S.A., Premier Energy Trading SRL, Premier Energy Servicii SRL, Premier Energy Hungary, True Energy Management SRL
Premier Energy Furnizare	Romania	Covering the operations of Premier Energy Furnizare S.A.
Premier Energy Renewables	Romania	Covering the operations of Alive Capital S.A. and individual RES production plants
Premier Energy Moldova	Moldova	Premier Energy Distribution S.A. and Premier Energy S.R.L., Navitas Energy SRL, Electra Logistics SRL, Elteprod Invest SRL
HQ	Cyprus	Premier Energy PLC

As the Group continues strengthening the integration of its governance and compliance frameworks, future reporting cycles will reflect a more standardized policy structure, with overarching policies adopted at the Premier Energy Group PLC level and complemented by operational procedures implemented at subsidiary level.

Disclosures related to own workforce in this report are limited to employees and do not cover non-employee workers.

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

Subtopic	Sub-subtopic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain / Scope	Time horizon	Attributes	Policy
Working conditions	Health and safety	Non-compliance with Safety Regulations	People	Non-compliance with safety regulations for pipelines and storage can lead to accidents, regulatory penalties, and reputational harm.	Own operations	Short-term	Actual, negative	Internal policies across the subsidiaries

The social-related impacts and opportunities outlined in this section were identified through the 2024 Double Materiality Assessment. In the course of 2025, the IROs were reassessed to reflect the evolution of the Group’s activities and governance practices. Following this review, certain IROs were reprioritized and streamlined where they were no longer considered material, resulting in a more focused set of governance-related IROs.

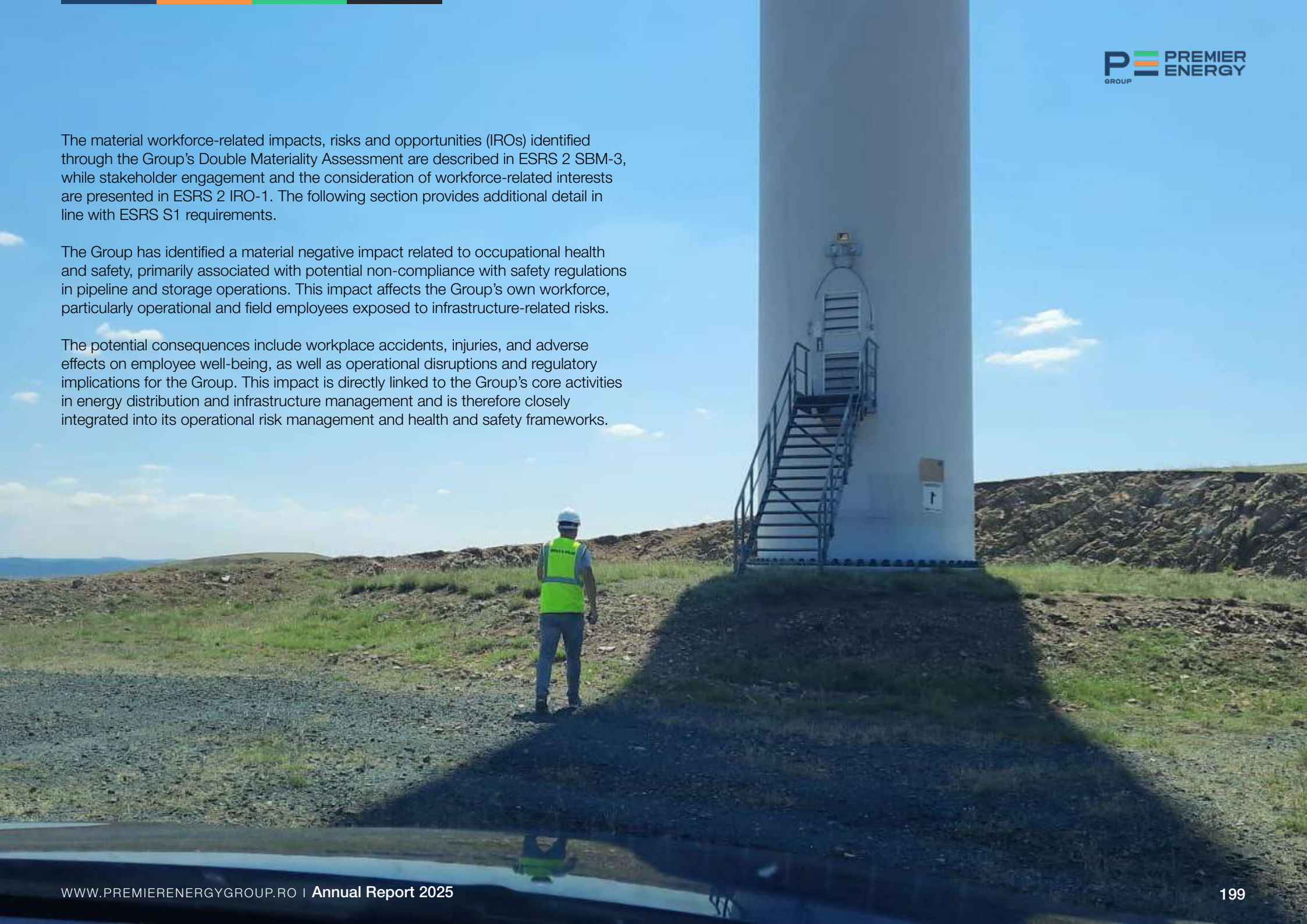
Own workforce: Actions and Targets

Sub-topic	IRO	Actions	Targets	Metrics	Expected outcome	Resources	Stakeholder involvement
Working conditions	Non-compliance with safety regulations for pipelines and storage can lead to accidents, regulatory penalties, and reputational harm	Implementation of health and safety procedures across subsidiaries, including: <ul style="list-style-type: none"> • safety protocols for pipelines and storage infrastructure, • periodic inspections and operational compliance checks, • incident monitoring and reporting systems, • employee safety training activities. These actions are ongoing and embedded in daily operations. As of 2025, all subsidiaries have implemented core safety procedures, with continuous improvements based on incident analysis and internal safety reviews.	Achieve zero work-related fatalities among employees and contractors on an annual basis. The target is monitored continuously through internal safety reporting systems and reviewed periodically at management level.	Safety performance is tracked using metrics such as the number of work-related fatalities and total number of incidents.	Ensure safe working conditions, reduce workplace incidents, and prevent injuries and fatalities across the Group’s operations.	The implementation is supported by internal operational and H&S resources, with no significant additional standalone financial investments required.	The target setting reflects regulatory requirements and internal risk assessments. No direct external stakeholder involvement was required in the target-setting process.

The material workforce-related impacts, risks and opportunities (IROs) identified through the Group's Double Materiality Assessment are described in ESRS 2 SBM-3, while stakeholder engagement and the consideration of workforce-related interests are presented in ESRS 2 IRO-1. The following section provides additional detail in line with ESRS S1 requirements.

The Group has identified a material negative impact related to occupational health and safety, primarily associated with potential non-compliance with safety regulations in pipeline and storage operations. This impact affects the Group's own workforce, particularly operational and field employees exposed to infrastructure-related risks.

The potential consequences include workplace accidents, injuries, and adverse effects on employee well-being, as well as operational disruptions and regulatory implications for the Group. This impact is directly linked to the Group's core activities in energy distribution and infrastructure management and is therefore closely integrated into its operational risk management and health and safety frameworks.



S1-1 – Policies related to own workforce

S1-1.19 - Workforce Policies

The table below summarizes the main Group-level policy addressing matters related to Premier Energy Group’s own workforce.

Policy name	Key Contents	Scope	Third-Party Standards	Governance & Accountability	Stakeholder Consideration & Communication
ESG Policy (2025) ¹	Establishes the Group’s commitments to fair labor practices, protection of human rights and labor rights, occupational health and safety, equal opportunity, employee well-being, professional development and an inclusive workplace culture.	Applies to Premier Energy PLC and all subsidiaries, covering employees engaged in operational, administrative and corporate functions. Health and safety provisions also extend to contractors and third-party personnel working on Premier Energy sites.	Aligned with internationally recognized frameworks, including the ILO Core Labor Conventions, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and relevant EU labor regulations.	Oversight by the Board of Directors, with implementation coordinated by the Chief External Affairs Officer and the ESG Working Group.	Communicated internally across the Group and available publicly on Premier Energy Group website.

¹The ESG Policy (2025) represents an updated framework adopted by the Group to align with CSRD / ESRS requirements and relevant international standards, including OECD Guidelines, UNGPs and ILO Conventions. The previous ESG policy did not explicitly address the management of ESG impacts, risks and opportunities, nor was it formally structured based on alignment with these frameworks.



S1-1.AR-10 – Explanation of Significant Changes in Workforce Policies

In 2025, Premier Energy Group adopted a new ESG Policy, establishing a consistent framework for workforce-related practices across the Group.

Prior to this, certain subsidiaries, including Premier Energy Romania and Premier Energy Moldova, had a previous ESG Policy in place (dated 2021). This earlier policy did not explicitly address the management of ESG impacts, risks and opportunities and was not formally aligned with CSRD / ESRS requirements.

The new ESG Policy (2025) was developed and was under implementation starting from September 2025. It was formally implemented in December 2025 by the Group and communicated to employees across subsidiaries between December 2025 and January 2026. Premier Energy Romania and Premier Energy Moldova implemented and communicated the policy in December 2025. For Premier Energy Furnizare and Premier Energy Renewables, the ESG Policy framework was implemented in early 2026.

Accordingly, during most of the 2025 reporting period, the previously existing ESG Policy (2021) remained applicable for Premier Energy Romania and Premier Energy Moldova, while Premier Energy Furnizare and Premier Energy Renewables did not yet operate under a formalized Group ESG Policy.

S1-1.20 & S1-1.20a - Human Rights Policy for Own Workforce

Premier Energy Group addresses human rights matters through its ESG Policy (2025), which establishes the Group’s commitments to respect human rights, fair labor practices and equal treatment across all operations.

The ESG Policy (2025) sets out key principles applicable to the Group’s all own workforce, including:

- non-discrimination and equal opportunity in employment,
- freedom of association and collective bargaining,
- prohibition of forced labor and child labor,
- fair working conditions and respect for labor rights,
- protection of employee health and safety.

These commitments apply to Premier Energy PLC and all subsidiaries, ensuring a consistent approach to human rights and labor standards across the Group’s operations.

S1-1.20b – Engagement with People in Its Own Workforce

The Premier Energy Group prioritizes employee well-being, fair treatment, and alignment with the Group’s values. While a standardized engagement framework is not in place at the moment, subsidiaries currently operate localized engagement models, incorporating direct employee feedback, worker representation, and structured discussions.

Entity	Employee Engagement Mechanisms
Premier Energy Group	No Group-level framework. Subsidiaries implement localized models.
Premier Energy Romania	Workforce meetings at operational sites Open-door HR policy for direct management access OHS Committee meetings with worker representatives

Premier Energy Furnizare	<ul style="list-style-type: none"> Collective Bargaining Agreement discussions Management-employee forums Union consultations prior to major decisions
Premier Energy Renewables	<ul style="list-style-type: none"> Informal engagement via regular all-staff meetings Performance reviews incorporating feedback on workplace conditions and development
Premier Energy Moldova	<ul style="list-style-type: none"> Social partnership agreements for ongoing dialogue Biannual OHS meeting Trade union involvement in workplace policies

S1-1.20c – Measures to Provide/Enable Remedy for Human Rights Impacts

At Group level, Premier Energy addresses human rights risks through the new ESG Policy (2025), the Group whistleblowing framework, and a broader workforce grievance and engagement mechanisms developed at each subsidiary level. While the whistleblowing framework enables anonymous reporting of concerns, of potential breaches of law, it is complemented by additional HR-led channels and management processes that allow employees to raise everyday workplace concerns. These mechanisms collectively support the identification, escalation, and remediation of potential human rights impacts affecting employees.

Entity	Additional Remedy Mechanisms for Human Rights Impacts
Premier Energy Romania	<ul style="list-style-type: none"> HR reporting channels and escalation via management Complaint-handling via Internal Regulations OHS audits and incident reviews address safety issues
Premier Energy Furnizare	<ul style="list-style-type: none"> Union-supported labor rights enforcement Quarterly grievance reviews for resolution effectiveness
Alive Capital	<ul style="list-style-type: none"> Direct grievance reporting to HR or management Transparent conflict resolution process
Premier Energy Moldova	<ul style="list-style-type: none"> Confidential reporting via Ethics Committee email Use of mediation for workplace conflict resolution Ethical labor training aligned with global standards

S1-1.21 - Alignment of Workforce Policies with International Standards

Premier Energy Group aligns its workforce-related policies with internationally recognized labor and human rights standards through its new ESG Policy (2025), which starting with its implementation, establishes commitments to fair employment practices, equal treatment, safe working conditions and respect for human rights across all operations.

The new ESG Policy (2025) is aligned with key international frameworks, including:

- Universal Declaration of Human Rights (UDHR) – supporting principles of dignity, equality and non-discrimination in employment practices.
- International Labor Organization (ILO) Core Conventions – addressing freedom of association, prohibition of forced and child labor, non-discrimination and safe working conditions.
- United Nations Guiding Principles on Business and Human Rights (UNGPs) – providing the framework for respecting human rights in the workplace.
- OECD Guidelines for Multinational Enterprises – promoting responsible business conduct and labor rights protection.

Workforce practices are implemented in compliance with applicable national labor legislation and EU labor regulations in the jurisdictions where the Group operates.

S1-1.22 - Policies Addressing Trafficking, Forced, and Child Labor

Premier Energy Group prohibits trafficking, forced labor, and child labor across all its operations. These commitments are established in the new ESG Policy (2025), which starting with its implementation, requires compliance with the ILO Core Labor Standards, including the elimination of forced labor and the effective abolition of child labor.

Employment relationships within the Group must be voluntary and based on freely agreed terms, with employees free to leave their employment in accordance with applicable labor laws. The Group ensures compliance with minimum working age requirements defined by national legislation and international labor standards.

These principles apply to Premier Energy PLC and all subsidiaries and form part of the Group's commitment to respect international human rights frameworks, including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

S1-1.23 - Workplace Accident Prevention Policy Disclosure

The Premier Energy Group does not have a unified workplace accident prevention policy at the Group level. Subsidiaries implement risk assessments, safety procedures, and employee training programs in compliance with local labor laws and industry standards.

Entity	Policy / System	Risk Assessment & Hazard Identification	Training & Education	Safety Procedures & Controls	Performance Monitoring & Review
Premier Energy Romania	Integrated QHSE System (ISO 9001, 14001, 45001:2023); Workplace Safety & Environmental Policy	Regular risk assessments, prevention & protection plans, emergency preparedness	Periodic safety training, PPE use, emergency procedures, hazard awareness	Safety protocols, equipment maintenance, inspections	Audits, incident investigations, quarterly CSSM reviews
Premier Energy Furnizare	Health & Safety System (ISO 14001:2015, ISO 9001:2015)	Risk identification and assessment; protection plan updates	Mandatory periodic (half-yearly, quarterly or ad-hoc) SSM training, emergency preparedness, legal compliance	National safety legislation, emergency protocols, PPE enforcement	Audits, inspections, SSM Committee quarterly reviews
Premier Energy Renewables	Internal Regulation (Protection, Hygiene & Security) (ISO 14001:2015, ISO 9001:2015, ISO 45001:2018)	Emergency preparedness	Mandatory half-yearly SSM training	National safety legislation, emergency protocols	Audits, inspections and weekly reviews
Premier Energy Moldova	Integrated Management System (ISO 9001:2015, 14001:2015, 45001:2023); SMI Manual	Structured risk assessment, hazard mitigation, emergency preparedness	Biannual safety meetings, SSM training, employee feedback	Preventive measures, PPE protocols, legal compliance	Internal audits, OHSC reviews, performance evaluations

S1-1.24 – Equal Opportunity and Anti-Discrimination Policies

S1-1.24a – Policies Aimed at the Elimination of Discrimination

S1-1.24b – Protected Grounds Under the Anti-Discrimination Policy

Premier Energy Group addresses equal opportunity and non-discrimination through its new ESG Policy (2025), which promotes fair treatment and equal opportunities in employment across all operations.

The policy prohibits discrimination in employment and workplace practices and supports an inclusive working environment based on respect, dignity and equal opportunity.

Protected grounds under the policy include, among others: race or ethnicity, gender, sexual orientation, gender identity, skin color, disability, age, religion, and political opinion, as well as other characteristics protected under applicable labor legislation.

These principles apply to Premier Energy PLC and all subsidiaries, covering recruitment, employment conditions, professional development and workplace interactions.

S1-1.24c – Inclusion and Positive Action Policies for Vulnerable Groups

The Premier Energy Group actively supports workforce inclusion for groups at risk of vulnerability, with key commitments including:

- **Gender Equality in the Workforce:** Promotion of equal opportunities for women in hiring, promotion and leadership roles. This principle is embedded in the ESG Policy (2025) and supported by internal HR policies and procedures at subsidiary level, including recruitment, performance evaluation and promotion processes.
- **Work-Life Balance Policies:** Supporting maternity leave, flexible work arrangements, and parental benefits.
- **Employment of Individuals with Disabilities:** Providing workplace accommodation and ensuring compliance with accessibility standards.
- **Support for Socio-Economically Disadvantaged Employees:** Offering programs to assist employees facing financial hardships, including education and career development initiatives.
- **Subsidiary-Level Initiatives include:**
 - Premier Energy Romania & Premier Energy Furnizare: Enforce non-discrimination policies and equal pay principles, offering maternity/paternity protections.
 - Premier Energy Renewables: Implements standard equal opportunity principles, ensuring fair hiring and workplace accessibility.
 - Premier Energy Moldova: Works closely with unions to ensure gender equity and provides flexible work policies.

S1-1.24d – Implementation and Enforcement of Anti-Discrimination Policies

Premier Energy Group implements its anti-discrimination and equal opportunity commitments through the principles established in the ESG Policy (2025) and the mechanisms available for reporting concerns.

Employees may raise concerns related to discrimination or unfair treatment through the Group’s whistleblowing platform, which allows confidential or anonymous reporting. Reported cases are assessed and investigated through established procedures, and corrective or disciplinary measures may be taken where violations of internal policies are confirmed.

In addition to the whistleblowing mechanism, employees may raise concerns through regular internal communication channels, including direct engagement with HR departments or direct managers.



S1-2 - Processes for engaging with own workforce and workers’ representatives about impacts

S1-2.27a – Whether the Engagement Occurs Directly with the Workforce or Workers’ Representatives

The Premier Energy Group engages with both its workforce and workers’ representatives. The Group recognizes and supports freedom of association and collective bargaining. Engagement occurs directly at subsidiary level, in line with internal subsidiary policies.

S1-2.27b – The Stage(s), Type, and Frequency of Engagement

Subsidiary-Level Engagement Approaches include:

- Premier Energy Romania: Holds quarterly safety and compliance meetings and maintains an Occupational Health & Safety Committee for feedback.
- Premier Energy Furnizare: Conducts regular consultations with employee representatives on working conditions and policies.
- Premier Energy Renewables: Uses direct management meetings and informal engagement due to its smaller workforce.
- Premier Energy Moldova: Engages through trade unions and structured biannual employee forums, fostering an open communication culture.

S1-2.27c - The Function and Most Senior Role Responsible for Workforce Engagement

The operational responsibility for workforce engagement across the subsidiaries is as follows:

	Premier Energy Romania	Premier Energy Furnizare	Premier Energy Renewables	Premier Energy Moldova	Premier Energy Group PLC
Operational responsibility for workforce engagement	HR Department	HR Department	Corporate Treasury Division & HR Department	HR Department	Group CFO

S1-2.27d - Global Framework Agreements or Similar Worker Engagement Agreements

The Premier Energy Group does not currently have a Group-wide global framework Agreement for workforce engagement.

S1-2.27e – Assessing the Effectiveness of Workforce Engagement

The Premier Energy Group monitors workforce engagement and workplace safety at the subsidiary level. Effectiveness is assessed through feedback mechanisms, employee interactions and review of workplace issues raised.

S1-2.27f – Engagement of own workforce in relation to targets (S1-5.47 a–c)

During the reporting period, own workforce and workers' representatives were not directly involved in setting, tracking, or reviewing workforce-related targets, which remained a management-led process, with indirect input provided through existing engagement and feedback mechanisms.

S1-2.28 - Engaging Vulnerable and Marginalized Workforce Groups

Premier Energy Group promotes equal opportunity, non-discrimination and fair treatment across its workforce. The Group maintains policies (ESG Policy (2025) and Whistleblowing Policy) and mechanisms that support an inclusive workplace and enable employees, including potentially vulnerable groups, to raise concerns or seek support where needed.

The ESG Policy (2025) references:

- Equal opportunity and non-discrimination principles – ensuring fair hiring practices and equal treatment in employment.
- Inclusive workplace culture – promoting respectful working conditions and equal access to employment opportunities for all employees.
- Workforce whistleblowing mechanisms – confidential channels through which employees may report discrimination, harassment, or unfair treatment.

S1-2.29 - Disclosure of Absence of Workforce Engagement Process and Future Plans

While the Premier Energy Group engages with its workforce at the subsidiary level, there is no unified Group-wide engagement framework. The Group plans to standardize workforce engagement processes across all subsidiaries to align with EU and international labor standards, by 2028.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Premier Energy Group maintains mechanisms through which employees can raise concerns related to workplace conditions, misconduct, discrimination or other employment matters and have them addressed. In 2025, the Group implemented a Group-wide whistleblowing framework, allowing confidential or anonymous reporting of concerns across all subsidiaries. The framework ensures that employees can report issues without fear of retaliation, in line with the Group's non-retaliation principles. Further information regarding the Group's whistleblowing procedures, reporting channels and investigation processes is provided in section G1-1.10a – Mechanisms for Identifying, Reporting, and Investigating Concerns.

In addition to the whistleblowing mechanism, employees may raise concerns through internal HR and management channels at subsidiary level, including direct communication with HR departments, management and, where applicable, employee representatives or trade unions.

Corrective actions may include policy updates, disciplinary actions, or procedural improvements to prevent recurrence.

The Group assesses the effectiveness of these channels by monitoring the number and nature of reports received, as well as response times and resolution outcomes. Awareness of available reporting mechanisms is supported through internal communication and policy dissemination across subsidiaries. The Group continues to enhance its approach to assessing employee trust in these mechanisms, including through feedback channels and ongoing engagement with employees.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Double Materiality Assessment identified a material negative impact related to occupational health and safety, associated with potential non-compliance with safety regulations in pipeline and storage operations, affecting Premier Energy Group’s own workforce. The target supports the Group’s objective of maintaining safe working conditions across its operational activities. The Group implements operational health and safety procedures across its subsidiaries to mitigate this risk.

ESRS requirement	Description
Material IRO identified	Occupational health and safety risks related to potential non-compliance with safety regulations in pipeline and storage operations.
Actions implemented to prevent or mitigate negative impacts (S1-4_01)	Implementation of health and safety procedures across subsidiaries, including safety protocols for pipelines and storage infrastructure, periodic inspections, incident monitoring and employee safety awareness activities.
Remedy processes where incidents occur (S1-4_02)	Where safety incidents occur, they are investigated in accordance with internal operational procedures and corrective actions are implemented to address root causes and prevent recurrence. Where applicable, the Group provides appropriate remedy to affected employees, including medical support, compensation in line with legal and internal requirements, and measures to restore safe working conditions.
Monitoring and assessment of effectiveness (S1-4_04)	Safety performance is monitored through incident reporting systems, safety inspections and operational compliance checks conducted at subsidiary level, with periodic management review.
Resources allocated (S1-4_09)	Operational budgets include investments in safety training, personal protective equipment and safety monitoring procedures.
Target (S1-5)	Zero work-related fatalities among employees and contractors annually.
Performance during reporting period	For the reporting period, the Group recorded zero work-related fatalities.

Actions are identified through operational risk assessments, incident reporting and internal safety reviews.

A comparison with the prior reporting period is not presented, as the Double Materiality Assessment was updated during 2025, with the Working conditions respectively Health and Safety being the only material social topic. As a result, the identified material impacts, as well as the related actions and targets, have been redefined and cannot be meaningfully compared with those disclosed in the previous period whereas the Group reported only on mandatory sections of S1 having no material social topic previous year.

S1-6 – Characteristics of the undertaking’s employees

S1-6.50a - Total number of employees by head count

Employee headcount (including both full-time employees and part-time employees), by country:

Country	Number of employees on 31.12.2025
Romania	883
Republic of Moldova	772
Cyprus	10
Serbia	1
Total	1,666

Please note that within certain business segments, in compliance with local labor laws, some employees hold two or more part-time contracts with different entities within the same segment. For reporting purposes, an employee holding two part-time contracts of 4 hours per day each is accounted for as a single full-time employee working 8 hours per day. To ensure data accuracy and consistency, these employees are reported only once in this section, reflecting their actual full-time equivalent (FTE) status rather than counting them multiple times under separate contracts.

Employee headcount by gender:



Data as of 31.12.20252		
FEMALE	MALE	TOTAL
Number of employees (head count)		
668	998	1,666
Number of permanent employees (FTE)		
633	972	1,605
Number of temporary employees (head count)		
35	26	61
Number of non-guaranteed hours employees (head count)		
0	0	0
Number of full-time employees (head count)		
653	976	1,629
Number of part-time employees (head count)		
15	22	37

The definition of part-time employee is the same in Romania and the Republic of Moldova and it indicates an employee who works fewer hours per day, week, or month than the standard full-time working schedule (which is 40 hours per week / 8 hours per day in both countries). In both countries, part-time employees have the same legal protections as full-time employees, but their salaries, paid leave, and social security contributions are adjusted proportionally to their actual working time.

Employee headcount broken by the region:

As of 31.12.2025				
FEMALE	Republic of Moldova	Cyprus	Serbia	TOTAL
Number of employees (head count)				
883	772	10	1	1,666
Number of permanent employees (head count)				
834	760	10	1	1,605
Number of temporary employees (head count)				
49	12	0	0	61
Number of non-guaranteed hours employees (head count)				
0	0	0	0	0
Number of full-time employees (FTE)				
852	766	10	1	1,629
Number of part-time employees (head count)				
31	6	0	0	37

S1-6.50c – Employee turnover rate

The employee turnover across Premier Energy Group in 2025 was as follows:

Country	Segment/Entity	Number of employees who left	Average number of employees	Employee turnover rate
Romania	Premier Energy Romania	51	526	9.7%
Romania	Premier Energy Furnizare	38	268	14.2%
Romania	Premier Energy Renewables	13	64.5	20.2%
Moldova	Premier Energy Moldova	40	769.5	5.2%
Cyprus	Premier Energy Group PLC	1	10	10.0%
TOTAL		143	1,638	8.7%

The employee turnover rate for Premier Energy’s own workforce was calculated by aggregating the number of employees who left the company during the reporting period due to voluntary resignation, dismissal, retirement, or death in service. This figure forms the numerator of the turnover rate. For the denominator, the company used the average headcount over the reporting period, calculated as the average of the number of employees at the beginning and end of the year.

The employee data used for this calculation is based on internal HR records and is broadly aligned with the headcount information disclosed in the consolidated financial statements, which represent the most representative figures for the Groups own workforce.



S1-14 – Health and safety metrics

In 2025, 100% of Premier Energy Group’s workforce was covered by a health and safety management system, ensuring compliance with legal requirements and recognized industry standards. The Group recorded zero fatalities due to work-related injuries or work-related ill health among its employees operating on its sites.

	2025
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities in own workforce as result of work-related ill health	0

Premier Energy Distribution (Moldova) reported one (1) recordable work-related accident, resulting in a 0.155 accident rate per 100 full-time employees and a total of 16 lost working days. None other subsidiary recorded work-related accident.

	2025
Number of recordable work-related accidents for own workforce	1
Rate of recordable work-related accidents for own workforce	0.155
Number of cases of recordable work-related ill health of employees	0
Sum of all working days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	16

The Rate of Recordable Work-Related Accidents was calculated using the following formula: $(\text{Total number of recordable work-related accidents} \div \text{Total hours worked}) \times 200,000$, where the total number of recordable accidents includes all incidents meeting recognized criteria—such as fatalities, lost time injuries, restricted work cases, and medical treatment cases. Total hours worked refers to all hours worked by Premier Energy’s own workforce (full-time, part-time, and temporary employees), excluding contractors. The multiplier of 200,000 standardizes the rate per 100 full-time employees and enables comparability across companies. Data is sourced from internal HR systems, occupational health and safety reports, and incident records maintained by the company’s HSE function.

Metrics cover own workforce only, excluding contractors.

S1-17 – Incidents, complaints and severe human rights impacts

Premier Energy Group did not record any incidents of discrimination, harassment, or severe human rights violations in the reporting period among its employees. Moreover, no complaints from employees were recorded during the reporting period.

The Group maintains strict compliance with national labor laws, EU regulations, and international human rights frameworks and has established internal mechanisms to prevent and address workplace issues.

	2025
Number of incidents of discrimination	0
Number of complaints filed through channels for own workers to raise concerns	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0
Number of severe human rights issues and incidents connected to own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0
Number of severe human rights cases where undertaking played role securing remedy for those affected	0



ESRS G1 Business Conduct

The segmentation applied in this section is consistent with that used for ESRS S1 – Own Workforce, reflecting the Group’s structure comprising Premier Energy Group PLC and its four main operational segments (Premier Energy Romania, Premier Energy Furnizare, Premier Energy Renewables and Premier Energy Moldova). As this section covers the same Group-level policies and their implementation across subsidiaries, reference is made to the detailed scope of entities presented in ESRS S1 – Own Workforce (Disclaimer section).

ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

Sub-topic	Sub-sub-pic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain / Scope	Time horizon	Attributes	Policy
Protection of whistle-blowers	N/A	Whistleblowing mechanism	Employees and other stakeholders	The availability of safe and confidential reporting channels enables employees to raise concerns about misconduct without fear of retaliation. This contributes to a workplace environment characterized by greater transparency, trust and ethical conduct, while reducing the likelihood that harmful practices remain unaddressed.	Own operations	Short-term	Positive, Actual	ESG Policy Whistleblowing Policy

The governance-related impacts and opportunities outlined in this section were identified through the 2024 Double Materiality Assessment. In the course of 2025, the IROs were reassessed to reflect the evolution of the Group’s activities and governance practices with Whistle-blowers being the only material governance topic. Following this review, certain IROs were reprioritized where they were no longer considered material, resulting in a more focused set of governance-related IROs. As a result, the identified material impacts, as well as the related actions and targets, cannot be meaningfully compared with those disclosed in the previous period whereas the Group reported only on mandatory sections of G1 having no material governance topic previous year.

Business Conduct Policies: Actions and Targets

Sub-topic	IRO	Actions	Targets	Metrics	Expected outcome	Resources	Stakeholder involvement
Protection of whistle-blowers	Establishing a confidential reporting mechanism improves stakeholder trust and encourages safe reporting of misconduct.	<p>Implementation of a Group-wide whistleblowing framework, including:</p> <ul style="list-style-type: none"> rollout of the Whistleblowing Policy and online reporting platform (completed in 2025), establishment of investigation procedures and governance structure, including designation of Whistleblowing Officers (to be completed by end of 2026), continuous monitoring of reports and follow-up actions. In the course of 2025, the reporting platform and policy have been implemented across all subsidiaries, while the governance structure is under implementation. 	<p>Achieve 100% coverage of subsidiaries under the full whistleblowing framework, including governance structure, by year-end 2026.</p> <p>Ensure that 100% of reported cases are acknowledged and assessed within 30 days.</p>	The effectiveness of the framework is tracked using metrics such as the number of reports received, investigation timelines, resolution rates, and escalation cases.	The expected outcome is to strengthen early detection of misconduct, enhance transparency and accountability, and improve stakeholder trust in reporting mechanisms.	The implementation is supported by internal resources, with no significant additional financial investments required.	The framework design reflects regulatory requirements and internal governance practices; no direct stakeholder involvement was required in target setting.

ESRS G1 

Business conduct policies and corporate culture

G1-1.7 - Business Conduct Policies

Premier Energy Group is committed to fostering a corporate culture rooted in ethical conduct, transparency, and accountability. In 2025, the Group strengthened its governance framework through the adoption of Group-level policies, including the new ESG Policy and the Whistleblowing Policy, establishing common principles and procedures applicable across the Group.

Prior to 2025, certain subsidiaries, including Premier Energy Romania and Premier Energy Moldova, had ESG-related policies in place. However, these did not explicitly address the management of ESG impacts, risks and opportunities and were not formally aligned with CSRD / ESRS requirements or relevant international standards.

The implementation of the new ESG Policy began in September 2025 at Group level. It was completed in December 2025 for Premier Energy Romania and Premier Energy Moldova. For Premier Energy Furnizare and Premier Energy Renewables, the new ESG Policy framework was implemented in early 2026; therefore, during 2025, the previously existing ESG policies remained applicable for these entities.

These policies define the Group’s approach to responsible business conduct, integrity, regulatory compliance, and transparent reporting of concerns related to potential misconduct. They complement existing policies and internal regulations implemented at subsidiary level.

At the Group level, the following policies support the implementation of business conduct principles:

Policy name	Key Contents	Scope	Third-Party Standards	Governance & Accountability	Governance & Accountability
ESG Policy (2025) ¹	Establishes the Group’s framework for responsible governance, ethical conduct, regulatory compliance, sustainability oversight, and management of ESG impacts, risks and opportunities across environmental, social and governance areas.	Applies to Premier Energy PLC and all subsidiaries across all operations, employees, officers, directors, contractors and partners acting on behalf of the Group.	Aligned with CSRD / ESRS, EU Taxonomy Minimum Social Safeguards, UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises, ILO Core Conventions and the UN Global Compact principles.	Oversight by the Board of Directors, with implementation coordinated by the Chief External Affairs Officer and the ESG Working Group.	Communicated internally across the Group and available publicly on Premier Energy Group website.

The ESG Policy (2025) represents an updated framework adopted by the Group to align with CSRD / ESRS requirements and relevant international standards, including OECD Guidelines, UNGPs and ILO Conventions. The previous ESG policy did not explicitly address the management of ESG impacts, risks and opportunities, nor was it formally structured based on alignment with these frameworks.

Whistleblowing Policy	Establishes procedures for reporting suspected misconduct, breaches of laws or internal policies, and unethical behavior. Defines reporting channels, investigation procedures, confidentiality safeguards, and protection against retaliation.	Applies to employees, management, board members, contractors, suppliers, shareholders and other stakeholders interacting with the Group.	Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.	Managed by the designated Whistleblower Officer with oversight from the Audit Committee.	Communicated internally across the Group and available publicly on Premier Energy Group website. Reporting channels are accessible through the Group's whistleblowing platform, enabling confidential and anonymous reporting.
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G1-1.9 - Corporate Culture Promotion

Business conduct policies at Premier Energy Group are implemented within the framework established by the ESG Policy. Premier Energy promotes a corporate culture that emphasizes ethical conduct, responsible decision-making and transparency in all business activities. The following principles are promoted across the Group's operations:

- Integrity – Acting honestly and ethically in all business relationships and decisions.
- Transparency – Ensuring clear and accurate disclosure of information related to operations, governance and performance.
- Respect and Non-Discrimination – Promoting an inclusive workplace that respects diversity, equal opportunity and human rights.

The development and implementation of business conduct policies are coordinated at Group level, ensuring consistency across subsidiaries while allowing for alignment with local regulatory requirements. Policies are developed through collaboration between relevant internal functions and are subject to review and approval through the Group's governance structures. Stakeholder input, including employee feedback and audit recommendations, is also considered when evaluating policies.

Corporate culture and business conduct standards are supported through the Group's governance framework:

- Board of Directors – Provides overall oversight of corporate governance and ESG-related policies.
- Chief External Affairs Officer – Coordinates implementation of the ESG Policy and integration of ESG principles across the Group.



- ESG Working Group – Supports monitoring of ESG implementation and coordination across subsidiaries.
- Internal governance and compliance functions – Support adherence to internal policies and regulatory requirements.
- Corporate culture principles and business conduct expectations are communicated to employees through internal policies, corporate communication channels and awareness initiatives, ensuring that ethical standards are understood and applied across the Group's operations.

G1-1.10 - Anticorruption and Bribery Policies

G1-1.10a – Mechanisms for Identifying, Reporting, and Investigating Concerns

Premier Energy Group maintains a formal whistleblowing framework that enables employees and external stakeholders to report concerns related to potential breaches of laws, internal policies or ethical standards. The framework supports early identification of misconduct and ensures that reported concerns are assessed and addressed in a structured and confidential manner.

Reports can be submitted through a dedicated online whistleblowing platform available at <https://premierenergy.whistlelink.com/>, which allows reporting in written form or via voice messages. Reports may also be submitted anonymously. The reporting mechanism is accessible to employees, contractors, suppliers, shareholders, job applicants and other stakeholders interacting with the Group.

All reports are received through the Group's whistleblowing platform and handled in accordance with the procedures established in the Whistleblowing Policy. During the reporting period, the role of Whistleblower Officer, as defined in the policy, had not yet been formally designated at Group level.

On an interim basis, the whistleblowing platform was monitored by the Chief Marketing Officer and the Marketing Manager, pending the formal appointment of a Whistleblower Officer. The Group is in the process of formalizing this function, with the appointment expected to be completed by the end of 2026. In the interim, the handling and assessment of reports are coordinated through existing governance and compliance functions, ensuring that all reported concerns are reviewed and addressed in a structured and confidential manner.

Under the Policy, the Whistleblower Officer or his interim, registers the report, performs a preliminary assessment and coordinates the investigation process where necessary. Investigations are conducted in a confidential and impartial manner and whistleblowers are protected against retaliation and their identity remains confidential throughout the process.

The Company aims to acknowledge receipt of reports within seven days and to provide feedback on follow-up actions within three months from the acknowledgement of receipt of the report, in accordance with Directive (EU) 2019/1937. Investigations may continue beyond this period where necessary depending on the complexity of the case.

During the 2025 reporting period, no whistleblowing reports were submitted through the Group's reporting channels. Therefore, the application of these timelines was not tested in practice. The full and consistent application of these timelines will be ensured following the formal designation of the Whistleblower Officer.

Oversight of the whistleblowing framework is ensured through the Group's governance structures, with periodic reporting provided to the Audit Committee on reports received, investigation outcomes and any systemic issues identified.

The whistleblowing platform and policy have been implemented across all subsidiaries of Premier Energy Group, enabling the reporting of concerns related to potential misconduct. However, the full whistleblowing framework, as defined under the Whistleblowing Policy, is currently under implementation. This includes the establishment of the complete governance structure, particularly the designation of a Whistleblowing Officer at relevant entities. Full implementation of the governance structure is expected to be completed by the end of 2026.

G1-1.10b – Compliance with the United Nations Convention Against Corruption

Premier Energy Group maintains a zero-tolerance approach to corruption, bribery and other forms of unethical conduct. The Group's governance framework promotes responsible business practices and integrity in all operations.

Anti-corruption principles are defined within the ESG Policy, and reflected in the Group's internal governance framework, including the Whistleblowing Policy, which provides mechanisms for reporting suspected misconduct, fraud, bribery or violations of internal policies. The Whistleblowing Policy also provides the possibility to escalate concerns to the President of the Audit Committee in specific circumstances. This escalation mechanism will be fully operationalized during 2026 through the formal communication of the relevant contact details and completion of the governance structure.

The newly implemented ESG Policy (2025) establishes the Group's standards for anti-corruption, including the development of an Anti-Bribery and Anti-Corruption (ABAC) program covering areas such as gifts and hospitality, charitable donations and sponsorships, political contributions and employee training.

The implementation of the ABAC program at subsidiary level, including related controls and training, is planned for rollout by the end of 2027.

The Group aligns its governance practices with internationally recognized standards referenced in its ESG Policy, including the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, which address ethical conduct and anti-corruption expectations.



G1-1.10c – Whistleblower Protection

G1-1.10c (i) – Information about establishment of internal whistleblower reporting channels

G1-1.10c (ii) – Information about measures to protect against retaliation

The Whistleblowing Policy establishes whistleblower reporting channels and prohibits retaliation against individuals who report concerns in good faith and ensures confidentiality of the whistleblower’s identity. These measures are aligned with applicable national legislation transposing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law. Further details on reporting channels and procedures are provided in section G1-1.10a.

G1-1.10e – Investigation of Business Conduct Incidents

No whistleblowing reports were received during 2025; therefore, no investigations were conducted. Investigation procedures will be applied in accordance with the Whistleblowing Policy once the Whistleblower Officer is formally designated.

G1-1.10g – Training on Business Conduct

In 2025, Premier Energy Group did not implement dedicated training programs specifically focused on business conduct or anti-corruption. Following the adoption of the ESG Policy and the Whistleblowing Policy, the Group conducted an internal information campaign to inform employees across the subsidiaries about the new governance framework, reporting mechanisms and expectations related to ethical conduct.

In line with the newly implemented ESG Policy (2025), awareness of responsible business conduct principles is supported through onboarding processes, internal communications and periodic information updates provided to relevant employees where appropriate.

G1-1.10h – Functions Most at Risk for Corruption and Bribery

Premier Energy Group periodically assesses areas of the organization where there may be a higher potential exposure to corruption or bribery risks, based on factors such as decision-making authority, financial transactions, procurement processes and interactions with external stakeholders.

The following functions have been identified as having relatively higher exposure due to the nature of their responsibilities.

Function	Policy-Based Risk Factors	Potential Areas of Exposure
Executive Management (Group level)	Decision-making authority over strategic transactions, asset management and partnerships.	Potential conflicts of interest or non-transparent decision-making in strategic approvals.
Subsidiary Management & Senior Leadership	Responsibility for operational and financial management of subsidiaries and oversight of key business relationships.	Exposure related to supplier selection, approval of expenditures, or management of commercial relationships.

Function	Policy-Based Risk Factors	Potential Areas of Exposure
Procurement & Supply Chain Management (Subsidiary level)	Interaction with suppliers and contractors for procurement of equipment, services and operational contracts.	Exposure related to supplier selection processes, contract negotiation, and procurement documentation.
Finance & Accounting (Subsidiary level)	Responsibility for financial reporting, payment approvals and financial record keeping.	Exposure related to financial controls, invoice processing and management of financial transactions.
Legal & Compliance (Subsidiary level)	Oversight of contracts, regulatory compliance and internal control processes.	Exposure related to contractual negotiations, regulatory interactions and management of compliance matters.
Internal Audit & Risk Management (Subsidiary level)	Monitoring of internal controls, financial integrity and risk management processes.	Exposure related to oversight of internal control processes and identification of potential irregularities.
Marketing & Sponsorships (Subsidiary level)	Management of sponsorships, donations and partnerships with external stakeholders.	Exposure related to approval and management of sponsorships, donations or partnership agreements.

The identification of functions with relatively higher exposure reflects the nature of their responsibilities and interaction with external stakeholders, rather than the existence of identified incidents.



Entity specific disclosure

ESRS 2 IRO-2 – Disclosure requirements for entity specific disclosures in ESRS covered by the undertaking's sustainability statement as set by ESRS 1 30 (b) and ESRS AR1-AR5

Entity specific disclosure - topic	Sub and Sub-subtopic	Description of the activity	Stakeholders concerned	Description of impact	Part of the value chain	Time horizon	Attributes	Actions	Targets
Cybersecurity (NIS2 Directive) compliance as entity specific disclosure	N/A	Cybersecurity risk management and protection of digital infrastructure supporting energy generation, distribution and supply	Customers, employees, public authorities, society	Cybersecurity incidents linked to the growing digitalization of energy grids may disrupt electricity supply and critical services, potentially causing large-scale outages, data breaches and impacts on public safety, essential services and trust in energy systems	Own operations	Short-term	Negative, Potential	Implementation of cybersecurity controls aligned with regulatory requirements set by NIS2 compliance, strengthening of system security, integration into internal risk management and control system, access control, network segmentation and monitoring of vulnerabilities, incident management and regulatory reporting; development of supply chain cybersecurity controls	The Group aims to achieve compliance with NIS2 requirements by 2025 across its operations, in line with the transposition of the Directive into national legislation applicable to each entity based on sector, size and establishment. In certain cases, such as Premier Energy Furnizare, specific cybersecurity processes are delivered through third-party providers due to legacy arrangements, which may limit direct operational control; however, the Group maintains oversight and continues to work towards alignment with applicable regulatory requirements.

Cybersecurity risks are addressed within the Group's risk management and internal control framework at entity level, including through periodic risk assessments and incident reporting processes. At the date of this report, cybersecurity risks are not yet fully integrated into a centralized Group-wide Enterprise Risk Management (ERM) framework nor systematically incorporated into the Group's DMA process. The Group is in the process of evaluating the harmonization of cybersecurity risk management practices, including the potential integration into a consolidated ERM framework and alignment with the DMA methodology.

The Group has implemented cybersecurity incident response processes at entity level, which include defined procedures for the identification, escalation and management of cybersecurity incidents. These processes include escalation to relevant management levels and, where required, reporting to competent authorities in line with applicable national regulations and NIS2 requirements. Incident handling procedures are subject to periodic review and are aligned with regulatory expectations.

Progress towards the target of achieving full NIS2 compliance by 2025 is monitored at entity level through periodic internal assessments, compliance reviews and reporting mechanisms aligned with applicable regulatory requirements. The status of implementation is reported to management bodies on a regular basis, ensuring oversight at Group level, including ultimate accountability at Chief Executive Officer level. Beyond 2025, cybersecurity compliance is treated as an ongoing requirement, with continuous monitoring and updates to controls in line with evolving regulatory expectations and risk landscape.

Premier Energy Group works to meet its cybersecurity targets, but Premier Energy Furnizare relies on a third-party provider for cybersecurity due to legacy systems reasons.

Cybersecurity NIS2-based policies implementation at Premier Energy Group

Premier Energy Group recognizes compliance cybersecurity in the context of increasing digitalization of energy infrastructure and operational systems as its material governance entity disclosure topic and reports on its in line with the ESRS 1 paragraph 30b and ESRS 1 AR1-AR5 as its material topic.

Cybersecurity governance compliance with the Directive (EU) 2022/2555 (NIS2) by Premier Energy started in 2024 at subsidiary level based on the directive particular national transposing legislation, given the specific scope, size and nationally defined preemptive procedures and testing requirements defined by the respective overseeing authorities in countries of operations. Based on the scoping, entities within the Group introduced respective measures and complied with requirements of the national authorities by the end of 2025, i.e. embedded cybersecurity risk management, incident reporting and supply chain security into the governance system, under active management body oversight

There is no centralized Group-level cybersecurity policy yet as the compliance is based on entity level, some of which used ISO-centric (ISO 27001 and 27002) approach for NIS2



relevant incident notification, training, management-body accountability and authority engagement processes implementation. Cybersecurity controls are implemented and monitored at entity level, including periodic risk assessments, incident reporting procedures and compliance with regulatory requirements. Risk assessments are conducted at least annually and upon major changes, based on a risk-based methodology aligned with regulatory requirements.

Via integration of cybersecurity into Premier Energy Group’s governance and risk management and internal controls procedures, ultimate accountability at the Group’s management, respectively Chief Executive Officer level is secured already. The Group continues to assess the need for further harmonization of cybersecurity governance across the group and subsidiaries.

Segment	Policy Name	Key Contents	Scope	Third-Party Standards	Governance & Accountability	Stakeholder Consideration & Communication
Premier Energy Romania	Information Security Policy and technical procedures	Information classification, risk management, incident handling, access control, system operation, backup and recovery	Applies to IT systems and business operations	ISO/IEC 27001, ISO/IEC 27002, GDPR, NIS2* and national regulatory requirements	Management Board oversight; implementation at IT and operational level	Internal policies; not publicly available
Premier Energy Moldova	Cybersecurity Policy and related procedures	Protection of information systems, ensuring confidentiality, integrity and availability of data, incident management and monitoring	Applies to employees, contractors and external collaborators	ISO/IEC 27001, ISO/IEC 27002, national cybersecurity framework, NIS2-aligned requirements	CIO and CISO; Board-level reporting	Internal policies; not publicly available
Premier Energy Furnizare	Entity-level cybersecurity measures	Risk-based controls, vulnerability assessments, incident reporting and regulatory compliance	Applies to operational and IT activities	NIS2* and national regulatory requirements	Management Board oversight; periodic cybersecurity reporting	Internal procedures; not publicly available
Premier Energy Renewables	Entity-level cybersecurity measures (partly in development)	Basic IT security controls, access management and ongoing development of cybersecurity procedures	Applies to IT systems and operational activities	NIS2* and national regulatory requirements; ISO 27001 in selected entities	Management Board oversight; implementation at entity level	Internal procedures; not publicly available

**Romanian NIS2 transposing legislation has been enacted, while certain technical security measure specifications are still in the process of finalization, currently being subject to public consultation. In-scope Group entities in Romania have completed registration requirements and are progressing with implementation in line with deadlines set by the competent authority (DNSC).*

Appendix 1

List of Abbreviations

Abbreviation	Definition
ACCA	Association of Chartered Certified Accountants
AR	Application Requirement (used in ESRS references)
BESS	Battery Energy Storage System
BP	Basis for Preparation (ESRS 2 sub-section)
BRR	Benchmark Regulation – Climate Benchmarks and ESG Disclosures (Regulation (EU) 2016/1011)
CapEx	Capital Expenditure
CCA	Climate Change Adaptation
CEO	Chief Executive Officer
CHP	Combined Heat and Power
CRR	Capital Requirements Regulation
CRVA	Climate Risk and Vulnerability Assessment
CSRD	Corporate Sustainability Reporting Directive
DNSH	Do No Significant Harm (Taxonomy principle)
DMA	Double Materiality Assessment
E&S	Environmental and Social
EFRAG	European Financial Reporting Advisory Group
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ESAP	Environmental and Social Action Plan
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EUCL	European Climate Law (Regulation (EU) 2021/1119)
EUR	Euro (currency)
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
ICO	Intercompany
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPO	Initial Public Offering
IRO	Impact, Risk, and Opportunity
ISO	International Organization for Standardization
KPI	Key Performance Indicator

LV	Low Voltage
MBA s	Master of Business Administration (degrees)
MDR	Minimum Disclosure Requirement
MSS	Minimum Social Safeguards (EU Taxonomy requirement)
MW	Megawatt
MWp	Megawatt-peak (solar energy capacity)
NACE	Nomenclature statistique des Activités économiques dans la Communauté Européenne
NECP	National Energy and Climate Plan
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
OpEx	Operating Expenditure
P3	Pillar 3 Disclosure Requirements under the Capital Requirements Regulation
PATH	Paris Alignment of Counterparties (EIB framework)
PCB	Polychlorinated Biphenyls
PPE	Personal Protective Equipment
QHSE	Quality, Health, Safety, and Environment
SASB	Sustainability Accounting Standards Board
SBM	Strategy, Business Model (ESRS 2 sub-section)
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
SFDR	Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088)
SME	Small and Medium-sized Enterprise
SSM	Occupational Safety and Health (Romanian: Securitate și Sănătate în Muncă)
tCO₂e	Tons of CO ₂ Equivalent
T&D	Transmission and Distribution
TSC	Technical Screening Criteria (Taxonomy)
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNGPs	UN Guiding Principles on Business and Human Rights
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
WTT	Well-to-Tank (emissions category in Scope 3)