Annual Separate Management Report
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KOZLODUY NPP EAD

31 December 2025

KOZLODUY NPP EAD

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Kozloduy NPP EAD

ANNUAL SEPARATE MANAGEMENT REPORT
31 DECEMBER 2025

GENERAL

Board of Directors as at the date of the financial report

Iliya Iliev - Chair of the Board of Directors

Ivan Andreev - Member of the Board of Directors and Chief Executive Officer

Svilena Nikolova - Member of the Board of Directors

Slavyan Lachev - Member of the Board of Directors

Iva Nikolova - Member of the Board of Directors

Address

Bulgaria

Kozloduy 3321, Vratsa District

Servicing banks

DSK Bank EAD
Investbank AD
United Bulgarian Bank AD
UniCredit Bulbank AD
Eurobank Bulgaria AD
D Commerce Bank AD
Bulgarian American Credit Bank AD
Bulgarian Development Bank EAD
First Investment Bank AD
Central Cooperative Bank AD
Allianz Bank Bulgaria AD
ING Bank
International Asset Bank AD

Auditor

DZZD AUDIT BEH with participants:

Grant Thornton OOD

Zaharinova Nexia EOOD

MANAGEMENT REPORT

This management report was prepared in compliance with the provisions of Article 39 of the Accountancy Act and Article 187e, Article 247, para. 1, 2 and 3 of the Commerce Act. The management report contains the information required pursuant to Appendix No. 2 of Regulation 2 of 9 November 2021 on initial and subsequent disclosure of information in public offering of securities and admission of securities to trading on a regulated market to the Financial Supervision Commission relating to persons under para.1e of the Supplementary Provisions of the Public Offering of Securities Act, on the grounds of Article 100m, para. 7, i.2 of the Public Offering of Securities Act, and non-financial information under Article 29, para.4 of the Public Enterprises Act.

Kozloduy NPP EAD (hereinafter referred to as 'the Company') management report is an objective review, presenting truly and fairly the development and the results of the Company activities, as well as its position, together with a description of the major risks it faces.

The report presents commentary on and analysis of the financial statements and other material information on the financial position, and the operating results of Kozloduy NPP EAD. It covers the period from 1 January to 31 December 2025.

The Annual Separate Financial Report presented by Kozloduy NPP EAD have been prepared on the grounds of the International Financial Reporting Standards adopted by the EU and the Accountancy Act. They conform to the current legislative and sublegislative normative acts. The annual separate financial statements have been prepared in accordance with the accounting policy approved by the Company.

1. GENERAL

Corporate name: Kozloduy NPP EAD

UIC: 106513772

Address: Bulgaria, Vratsa District, Kozloduy 3321

Principal activities

- Using nuclear power to generate electricity and heat energy. For the execution of these activities the Company holds and maintains: valid licence for generation of electricity and heat energy by the electricity generating facility as defined therein; valid licences for the operation of nuclear facilities, as per the Safe Use of Nuclear Energy Act (SUNEA), issued by the Nuclear Regulatory Agency (valid permit for generation activity by the generating facility as defined by the licence, issued by the Inspectorate on the Safe Use of Atomic Energy for peaceful purposes);
- Import and export of fresh and spent nuclear fuel;
- Investment activities, related to the Company's activities as defined under the Company's principal business;
- Construction, installation and maintenance in the fields of electrical and heat energy generation;
- Sale of high- and medium-voltage electrical energy and sale of heat energy;
- Operation of radioactive waste management facilities, subject to a valid licence pursuant to the Safe Use of Nuclear Energy Act (SUNEA).

Governance

Kozloduy NPP EAD is a joint stock company, established by virtue of Decision No. 582/2000 of Vratsa District Court. The registered office of the Company is in the town of Kozloduy, Vratsa District, Bulgaria. The Company was set up as a joint stock company on 28 April 2000 with a sole owner - the Republic of Bulgaria through spin-off from Natsionalna Elektricheska Kompania EAD (NEK EAD). In accordance with the Separation Protocol of Kozloduy NPP branch and GUP Atomenergoinvest, Kozloduy, drawn up on the basis of the available accounting records dated 28 April 2000, the company is legal successor of the respective portion of the assets and liabilities of NEK EAD, Sofia.

Bulgarian Energy Holding EAD is the Sole Owner of the Company share capital. The Company's ultimate owner is the Republic of Bulgaria through the Ministry of Energy.
The Company has a one-tier management system and is managed by a Board of Directors consisting of five members.

As at 31 December 2025, the Board of Directors consisted of the following members with a 5-year term of office:

- Iliya Iliev - Chair of the Board of Directors;
- Ivan Andreev - Member of the Board of Directors and Chief Executive Officer;
- Svilena Nikolova - Member of the Board of Directors;
- Slavyan Lachev - Member of the Board of Directors;
- Iva Nikolova - Member of the Board of Directors.

As at 31 December 2025, the Company was represented by the Chief Executive Officer - Ivan Andreev.

Licences

- Licence for operation of a nuclear facility, Serial No. E, Registration No. 5303 of 3 November 2017, valid as of 6 November 2017 (amended with Order No. AA-04-131 of 18 July 2022 and Order No. AA-04-139 of 26 July 2024), for the operation of Kozloduy NPP EAD Unit 5, issued by the Nuclear Regulatory Agency (NRA), with unlimited validity period;

- Licence for operation of a nuclear facility, Serial No. E, Registration No. 5535 of 27 September 2019, valid as of 3 October 2019 (amended by Order No. AA-04-132 of 18 July 2022 and Order No. AA-04-140 of 26 July 2024)), for the operation of Kozloduy NPP EAD Unit 6, issued by the Nuclear Regulatory Agency, with unlimited validity period;

- Licence for operation of a nuclear facility - Serial No. E, Registration No. 6200 of 20 June 2024, valid as of 26 June 2024 for the operation of the Spent Fuel Storage Facility issued to Kozloduy NPP EAD by the NRA with unlimited validity period;

- Licence for operation of a nuclear facility, Serial No. E, Registration No. 5016 of 28 January 2016 (amended by Order No. AA-04-138 of 26 July 2024) for the operation of a Dry Spent Fuel Storage Facility for spent fuel from WWER-440 reactors, issued by the NRA, with unlimited validity period;

- Licence Serial No. O, Registration No. 6149 of 21 March 2024, valid as of 1 April 2024 for the use of sources of ionising radiation for business purposes – performing non-destructive testing using radiation methods, issued by the NRA. Licence validity - 1 April 2034;

- Licence Serial No. O, Registration No. 6147 of 20 March 2024, valid as of 8 April 2024 for the use of sources of ionising radiation for business purposes – performing radiochemical control, radiation environmental monitoring, and metrological control, issued by the NRA. Licence validity - 8 April 2034;

- Licence Serial No. T, Registration No. 6195 of 19 June 2024, valid as of 12 July 2024 for transportation of radioactive substances, issued by the NRA. Licence validity - 12 July 2034;

- Licence Serial No. CO, Registration No. 5794, valid as of 5 October 2021, for conducting specialised training for activities in nuclear facilities and activities involving sources of ionising radiation which have an impact on safety and the issue of licences to professionals working in nuclear facilities and with sources of ionising radiation, apart from the ones stipulated in Article 64, para. 1, i. 1 and 2 of the SUNEA, issued by the NRA. Licence validity - 5 October 2026;

- Licence for generation of electric and thermal power No. Л-049-03 of 11 December 2000, issued by the Energy and Water Regulatory Commission, valid for thirty years – until 11 December 2030;

- Licence for supply of heat energy No. 050-05 of 11 December 2000, issued by the Energy and Water Regulatory Commission, valid for thirty years - until 11 December 2030;

- Licence for trading in electricity No. Л-216-15 of 18 December 2006, valid until 18 December 2026, issued by the Energy and Water Regulatory Commission.

Basis for preparation of the financial statements

Kozloduy NPP EAD operates in compliance with Bulgarian and European legislation. The annual separate financial statements are prepared in conformity with the IFAS adopted by the European Union. The financial statements have been prepared on a historic cost basis. The financial statements are presented in Bulgarian Leva (BGN) and all disclosed amounts are rounded up to the nearest BGN thousand.

In compliance with the requirements of Article 31 of the Accountancy Act, the Company also prepares consolidated financial statements. The annual financial statements are published in the Commercial Register no later than 30 September of the next year pursuant to Article 38 of the Accountancy Act.

Management's responsibilities
The management confirms that adequate accounting policies have been applied in the preparation of the annual separate financial statements as at 31 December 2025, and that they have been prepared on a going concern basis.
The management is responsible for keeping proper accounting records, for the expedient asset management and for undertaking all requisite actions to avoid and detect possible abuse and other irregularities.

Information required under Article 187e and Article 247 of the Commerce Act (CA)
Share capital

As at 31 December 2025, the Company's share capital amounts to BGN 1,994,584,890 allocated in 199,458,489 ordinary, registered, voting shares with a nominal value of BGN 10 per share. All ordinary shares are fully paid.

The Company has not acquired and/or transferred any treasury shares in 2025.

The Company does not hold any treasury shares.

Information on the remuneration of the members of the Board of Directors of Kozloduy NPP EAD, as disclosed under the signed management and control agreements.

Remuneration of the members of the Board of Directors (BGN'000)	2025	2024
Short-term remuneration, including:	**683**	**592**
Salaries, including bonuses and compensations	597	525
Social security contributions	52	31
Social costs	34	36

Detailed information about the members of the Board of Directors is presented in Note 33.6 Transactions with key management personnel contained in the Company's financial statements for 2025.

Information on the Company's shares, acquired, held, and transferred by the Members of the Board of Directors throughout the year

No shares or bonds of the Company were acquired or transferred by the members of the Board of Directors. The members of the Board of Directors do not hold any shares of the Company. No privileges or exclusive rights to acquire Company shares and bonds are provided to the members of the Board of Directors. Kozloduy NPP EAD is a 100% owned subsidiary of BEH EAD. All shares of BEH EAD are owned by the state.

Information on the participation of the members of the Board of Directors as general partners in commercial entities, information on the ownership of over 25 percent of the capital of another entity, as well as information on their participation in the management of other entities or cooperative as authorised officers, managing directors or board members (in accordance with the requirements of Article 247, para. 2, i. 4 of the CA).

- Ivan Todorov Andreev, Member of the Supervisory Board of POD Allianz Bulgaria, with UIC 121050885, member of the Board of Directors of Association LRD Sokol-Oryahovo, with UIC 106528144.

- Svilena Nikolova Nikolova, partner with a share of 50% of the capital of ASM - Group EOOD with UIC 203293350 as of 29 November 2024 and member of the Board of Directors of Kozloduy HPP EAD with UIC 106588180 as of 8 May 2025.

The other members of the Board of Directors have not stated circumstances under Article 247, para. 2, i. 4 of the CA.

Information on the contracts under Article 240b of the Commerce Act

During the reporting period, the Company did not conclude any contracts under Article 240b of the CA with members of the Board of Directors, nor with entities related to them.

Legal and arbitration proceedings

As at 31 December 2025, Kozloduy NPP EAD is not a party under any legal, administrative or arbitration proceedings, associated with liabilities or receivables of the Company, with financial interest amounting to at least 10 percent of its equity.

Legal claims to the amount of BGN 933 thousand were brought against the Company (31 December 2024: BGN 3,761 thousand). None of the above claims is set out in details herewith, so as not to seriously affect the Company's position in the dispute resolution.

Research and development

During the reporting period, the Company capitalised research and development expenses in the amount of BGN 184 thousand the for updating VPU documentation related to maintenance and installation activities of the operation systems of Units 5 and 6.

Companies within the Kozloduy NPP EAD Group

Subsidiaries

Kozloduy HPP EAD is registered at the Vratsa District Court under Company file No.495 of year 2004, with the purpose of building a Hydro Power Plant, generation and distribution of electric power generated by a small Hydro Power Plant in order to utilise the residual power generating capacity of spent water from Kozloduy NPP EAD. Kozloduy NPP EAD is the sole owner (100%) of the capital of Kozloduy HPP EAD, comprised of 1,082 ordinary, registered, materialised, voting shares, with a nominal value of BGN 1,000 per share.

Kozloduy NPP - New Build EAD is a single-shareholder joint stock company, registered in the Commercial Register of the Registry Agency on 9 May 2012, with UIC 202058513. The Company has its registered office at: Kozloduy NPP site, Kozloduy, Kozloduy Municipality, Vratsa District. The company's registered capital amounts to BGN 16,800 thousand. Kozloduy NPP EAD is the sole owner (100%) of the capital of Kozloduy NPP - New Build EAD, consisting of 151,680,000 ordinary, registered shares with a nominal value of BGN 10 each. By Resolution No. 28 dated 9 June 2015 and Resolution No. 36 dated 7 July 2015, the Company's Board of Directors decided to simultaneously reduce the capital of Kozloduy NPP - New Build EAD by cancellation of 135,100 ordinary, registered, voting shares with a nominal value of BGN 10 each, and increase the capital with BGN 1,351,000 by subscribing 135,100 new, ordinary, registered, voting shares, with a total nominal value of BGN 1,351,000 by consideration in cash.

By Resolution No. 28 dated 18 November 2020, the Company's Board of Directors decided to simultaneously reduce and increase the capital of Kozloduy NPP - New Build EAD, as follows: The capital was reduced from BGN 14,000,000 to BGN 9,800,000 by cancellation of 420,000 ordinary, registered shares with a nominal value of BGN 10 each. The reduction of the capital was carried out in order to cover the accumulated loss as at 31 December 2020 in the amount of BGN 4,200,000. Increase of the capital from BGN 9,800,000 to BGN 16,800,000 by issuing 700,000 ordinary, registered, voting shares with a nominal value of BGN 10 each and taking over of these shares by Kozloduy NPP EAD.

By the resolution under item 33.1.1.1. of the Minutes 33 dated 22 December 2023 of Kozloduy NPP EAD Board of Directors, the capital of Kozloduy NPP - New Build EAD was increased by BGN 1,500,000,000 by issuing 150,000,000 ordinary registered, voting shares with a nominal value of BGN 10 each. The change was registered in the Commercial Register and Register of Non-Profit Legal Entities on 4 January 2024.

By resolution under item 51.1.1.1. of the Minutes 102-24 dated 23 October 2024 of Kozloduy NPP EAD Board of Directors, the capital of Kozloduy NPP - New Build EAD was increased by BGN 300,000,000 by issuing 30,000,000 ordinary registered, voting shares with a nominal value of BGN 10 each. The change was registered in the Commercial Register and Register of Non-Profit Legal Entities on 6 January 2025.

Pursuant to the resolution under Minutes No. 33 dated 4 September 2025, of the Board of Directors of Kozloduy NPP EAD, the capital of Kozloduy NPP - New Build EAD was increased through a non-cash (in-kind) contribution in the amount of 651,126,000 BGN. In exchange for the contributed land, Kozloduy NPP - New Build EAD issued 65,112,600 shares with a nominal value of BGN 10 each. The change was registered in the Commercial Register and Register of Non-Profit Legal Entities on 14 October 2025.

As at 31 December 2025, the subsidiary's capital - and, respectively, the investment of Kozloduy NPP EAD - amounted to BGN 2,472,126 thousand, consisting of a total of 151,680,000 ordinary registered shares, of which 1,680,000 have a nominal value of BGN 12.50 and 245,112,600 have a nominal value of BGN 10.00.

NPP Construction Supervision EOOD is a company, registered in the Commercial Register of the Registry Agency on 25 November 2021, with UIC 206736961, having its registered office and management address at: Vratsa District, Kozloduy Municipality, town of Kozloduy, Kozloduy NPP site. Its capital amounts to BGN 5 thousand. Kozloduy NPP EAD is the sole owner (100%) of the capital of NPP Construction Supervision EOOD, comprised of 50 (fifty) shares with a nominal value of BGN 100 each.
The principal activity of the Company is to assess the compliance of the investment projects and exercise construction supervision over design and construction as well as to perform any other business activity not prohibited by law.

NPP Service EOOD is a company, registered in the Commercial Register of the Registry Agency on 11 March 2022, with UIC 206858488. The Company has its registered office at: Vratsa District, Kozloduy Municipality, town of Kozloduy, Kozloduy NPP site. Its capital amounts to BGN 750 thousand. Kozloduy NPP EAD is the sole owner (100%) of the capital of NPP Service EOOD comprised of 1,000 (one thousand) shares with a nominal value of BGN 750 each.

The principal activity of this subsidiary is servicing of automation and computer systems and instrumentation for the nuclear energy and other industries which use similar equipment, supply of and trading in hardware and software products, training and retraining of nuclear energy safety-related hardware and software maintenance and operation specialists, production and domestic and foreign trade, as well as any other commercial activity not prohibited by law.

Other investments

ZAD Energia - Kozloduy NPP EAD has a share of 1.12% of the capital of ZAD Energia Insurance Company, which is reported as an investment in capital instruments measured at fair value. The value of the investment as at 31 December 2025 amounts to BGN 297 thousand.

Branches of the Company
The Company does not have any branches.

2. ACTIVITY OVERVIEW

Common factors directly affecting the Company's business activity in 2025

In 2025, prices on the major European electricity markets showed a fluctuating trend. Day-ahead and system prices in various European markets showed a stable trend in January and February, while by the end of March, April, and May, negative prices were already being observed during daylight hours on weekends.

Gas storage levels in the EU fell to 34% by the end of March, reinforcing the trend toward sustained utilisation of existing reserves. Higher demand and harsh weather conditions led to rising prices on European electricity markets, despite the activation of conventional generation and increased participation by base load power plants. Demand was relatively high during the first months of 2025, as well as during the summer months, due to high temperatures and persistent drought, despite the massive competitive supply from renewable energy sources, which pushed peak-period prices downward. Rising demand and increasing gas and CO2 prices were the driving forces behind this trend, particularly during the first three months of the year. On the other hand, rising wind and solar power generation in the second and third quarters helped prices in some market areas across the continent fall compared to the same period the previous year, and rise in the fourth quarter due to the colder winter months. According to data from ESO EAD, the share of renewable energy in the electricity mix of European energy companies in 2025 is growing, both in the transmission grid and in the distribution grid. These statistics are decisive for the competitiveness of supply and the successful performance of base load generators.

The average annual price of base load electricity for 2025 was 4.2% higher than that for 2024, despite the considerable number of hours with very low and negative prices during the day (in April, May, and June). Carbon emission allowance prices on the EEX market also saw a significant increase in the second half of the year. In 2025, the average annual price on most major European electricity markets ranged between 60 and 115 EUR/MWh.

In the first half of 2025, both a regulated and a free market continue to operate in parallel in Bulgaria. By Decision Ц-3/1 January 2025 of the Energy and Water Regulatory Commission (EWRC), the forecast monthly availability for electricity generation by the producers from which the public supplier is to purchase electricity, and the quantities of electricity that the public supplier is to provide to meet the consumption of the end suppliers' customers, as determined by Decision Ц-17/30 June 2024 for the period 1 July 2024 - 30 June 2025. As of 1 January 2025, additional quantities of electricity from Kozloduy NPP EAD have been set at 400,000 MWh, whereby the quota for the regulated market, set for the period 1 July 2024 - 30 June 2025, was adjusted from 5,431,200 MWh to 5,831,200 MWh, while maintaining the regulated price of 65.47 BGN/MWh.

By Decision No. Ц-25/1 July 2025 of the Energy and Water Regulatory Commission for the regulatory period 1 July 2025-30 June 2026, the price for access to the electricity transmission network payable by producers was set at BGN 4.22/MWh. Kozloduy NPP EAD pays a price for access to the electricity transmission network on the total amount of electricity sold.

With amendments to the Energy Act, promulgated in the State Gazette No. 44 of 2025, effective 1 July 2025, full liberalisation of the wholesale electricity market and a mechanism ensuring a smooth transition to market-based prices for residential end customers will take effect. The Public Electricity Supplier category has been abolished, as well as the determination of the estimated monthly electricity generation availability of the producers from which the Public Supplier is to purchase electricity, and the quantity of electricity according to which the Public Supplier enters into transactions with end suppliers. A new mechanism has been created, which is implemented through Natsionalna Elektricheska Kompania EAD, acting as coordinator of a balancing group comprising Kozloduy NPP EAD, TPP Maritsa East 2 EAD, and NEK EAD. NEK EAD sells the electricity from the balancing group on the organised exchange market, where long-term products are traded and only NEK and end suppliers may participate. End suppliers, in turn, sell to residential end customers, who is compensated by the Electricity System Security Fund for the difference between the actual invoiced price and the base price set by the EWRC.

In 2025, the nuclear power plant faced reduced liquidity and experienced serious difficulties in making payments, primarily for the following reasons:

- At the end of 2024, the capital of Kozloduy NPP - New Build EAD was increased by BGN 300,000 thousand from the plant's own funds, in accordance with legislative and corporate decisions to support the project for Units 7 and 8 at Site No. 2 of Kozloduy NPP EAD, which will utilise AP1000 technology.

- According to Order No. 1 of 2 May 2025 of the Council of Ministers, a dividend of 100% of the profit of Kozloduy NPP EAD for 2024 was deducted in favour of BEH EAD in the amount of BGN 199,722 thousand. In connection with the disrupted cash flows of Kozloduy NPP EAD and the difficulties in paying the full amount of the dividend within the statutory deadline, on 8 August 2025, an agreement was concluded between Kozloduy NPP EAD and BEH EAD to defer the dividend due for the period 28 August 2025 - 28 February 2026, at an annual interest rate of 3.915%.

- In 2025, BGN 597,555 thousand were paid as targeted contributions into the ESS Fund.

- Under § 2, para. 1 of the Final Provisions of the Act on Revenue Collection and Expenditure in 2025, pending the adoption of the Act on the State Budget of the Republic of Bulgaria for 2025, the Act on the Social Insurance Budget for 2025, and the Act on the National Health Insurance Fund Budget for 2025, the mechanism for collecting earmarked contributions to the Electricity System Security Fund has been extended. The earmarked contribution represents the positive difference between market revenues and the specified revenue cap for the respective type of producer. By Decision of the Council of Ministers No. 121 of 5 March 2025, a revenue cap of 150 BGN/MWh was set for nuclear power plants for the period from 1 January 2025 to 31 December 2025. By Decision of the Council of Ministers No. 340 of 28 May 2025, Decision No. 121 of 5 March 2025, was repealed as of 1 July 2025, and a revenue cap for nuclear power plants was set at 120 BGN/MWh for the period from 1 July 2025 to 31 December 2025.

- BGN 112,838 thousand have been set aside for the transport, technological storage, and reprocessing of spent nuclear fuel and are not available to the company. In accordance with the Strategy for the Management of Radioactive Waste and Spent Nuclear Fuel until 2030 and to ensure future cash outflows, the funds are set aside in special accounts under the control of the Minister of Energy. The funds collected are earmarked for use in subsequent years solely to cover spent nuclear fuel management costs, including costs for transporting spent nuclear fuel for technological storage and reprocessing, as well as for unfulfilled shipments from previous years.

- In 2025, BGN 535 mln were paid for three shipments of fresh nuclear fuel (two shipments of FNF from TVEL JSC and one shipment of FNF from Westinghouse Electric Sweden). In accordance with a 2022 resolution of the National

Assembly of the Republic of Bulgaria to secure an alternative supplier of fresh nuclear fuel, the Company implemented a Programme for Diversification of Fresh Nuclear Fuel Supply, in coordination with the Euratom Supply Agency.

To finance current payments, on 12 May 2025, a loan agreement was concluded between Kozloduy NPP - New Build EAD as the lender and Kozloduy NPP EAD as the borrower, for a loan amount of BGN 50,000 thousand, at an interest rate of 3.225% on the disbursed amount, with a term of one year. By a resolution recorded in Minutes No. 39 of 12 November 2025, the Board of Directors of Kozloduy NPP EAD decided to sign a Addendum No. 1 to the agreement, thereby increasing the loan amount to BGN 100 million.

On the basis of Resolution of the Board of Directors of Kozloduy NPP EAD under item 22.1.1 of Minutes No. 22/11 June 2025, and following a tender, on 16 July 2025, a bank overdraft contract was concluded in the amount of BGN 50 million at a fixed annual interest rate with a term of 12 months. The overdraft is intended to cover possible future deficits and provide working capital.

An agreement has been concluded between NEK EAD and Kozloduy NPP EAD to defer payment of obligations for supplied electricity, covering principal amounts on invoices totalling BGN 101,372 thousand at an annual interest rate of 3.225% and a maturity date of 15 December 2025. NEK EAD's deferred liabilities are spread over 8 months, starting in May 2025, with a monthly annuity payment of BGN 12,809 thousand. As at 31 December 2025, the liabilities have been fully repaid.

GENERATION OF ELECTRICITY

For 2025, Kozloduy NPP EAD reported the following results from its production activity:

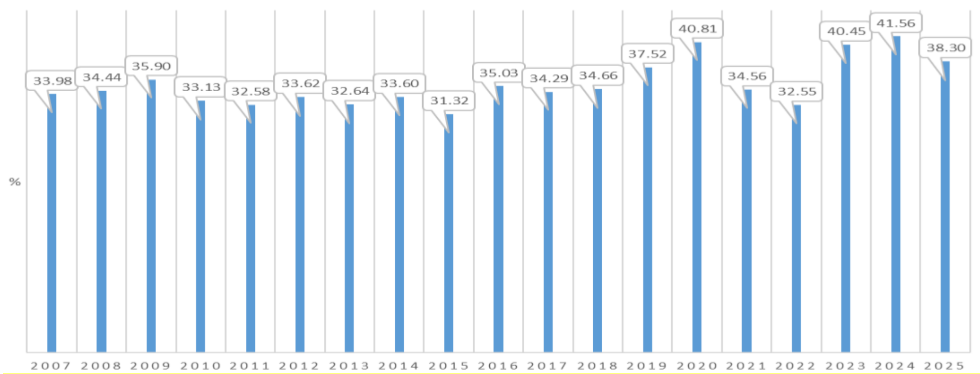
Indicator (MWh)	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Generation (gross)	**15,362,268**	**15,777,074**	**(414,806)**	**-2.6%**
Gross electricity generation Unit 5	8,184,470	8,352,942	(168,472)	-2.0%
Gross electricity generation Unit 6	7,177,798	7,424,132	(246,334)	-3.3%

In 2025, the two nuclear power units produced a gross amount of electricity of 15,362,268 MWh, 2.6% less than the production in the 2024.

The electricity generated by nuclear power unit 5 amounted to 8 184 470 MWh. The Unit 5 outage was carried out in accordance with the annual load schedule for the Kozloduy NPP, as agreed with ESO EAD. After startup, the unit's power was gradually increased to 3,000 MW, and subsequently to 3,030 MW of reactor thermal power.

The electricity generated by Unit 6 in 2025 amounted to 7,177,798 MWh, which is 3% less than in 2024. During the year, there was one unscheduled shutdown of Unit 6 to repair a leak from the primary to the secondary circuit of Steam Generator 3, lasting 18.86 days, and two brief turbine shutdowns at Unit 6 with a total duration of 4. 35 days to repair a leak in the rupture disks of the moisture separator-reheaters.

For 2025, the share of electricity generated by Kozloduy NPP EAD in the national annual electricity production within the Bulgarian Electricity System, according to data from ESO EAD, was 38.30%.



To ensure compliance with the production programme, the planned deliveries of fresh nuclear fuel were carried out.

Two deliveries of fresh nuclear fuel were made in accordance with the provisions of Annex 52 to the contract with TVEL JSC. On 25 March 2025, the first delivery of 42 TVSA-12 and 12 RCCAs was made. The second delivery of 42 TVSA-12 assemblies was made on 23 April 2025.

On 10 April 2025, 42 RWFA nuclear fuel assemblies fabricated by Westinghouse Electric Sweden AB were delivered.

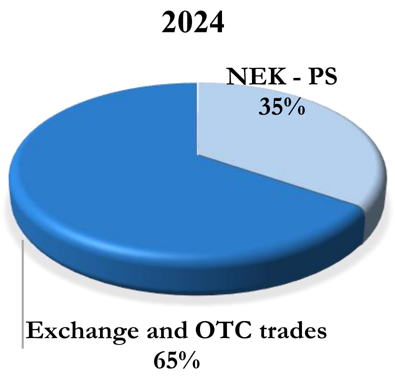
In May 2025, during the Unit 5 outage, 42 RWFA fuel assemblies were loaded in accordance with a work programme for loading the unit core for the 32nd fuel cycle. In November 2025, during the Unit 6 outage, 36 TVSA-12 fuel assemblies were loaded in accordance with a work programme for loading the unit core for the 31st fuel cycle.

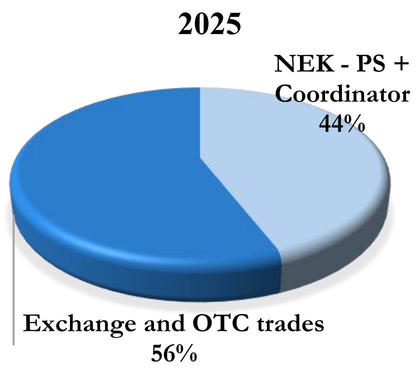
Sale of electricity

The total amount of electricity sold by Kozloduy NPP EAD during the reporting period was 14,603 368 MWh, 3% less the amounts sold in 2024 which was the result of reduced generation.

Indicator (MWh)	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Electricity sold, incl.:	**14,603,368**	**15,031,942**	**-428,574**	**-3%**
NEK, incl.:	6,439,211	5,195,990	1,243,221	24%
NEK Public Supplier	3,188,001	5,195,990	-2,007,989	-39%
NEK Coordinator	3,251,210	0	3,251,210	-
Exchange and OTC transactions	8,164,157	9,835,952	-1,671,795	-17%

In 2025, a significant change in the sales structure is reported, despite the continued dominance of exchange-traded and over-the-counter transactions.





Electricity sales on the regulated market for the period through 30 June 2025, are based on the electricity prices and monthly sales volumes approved by the Energy and Water Regulatory Commission (EWRC) for the Public Supplier Natsionalna Elektricheska Kompania EAD (NEK). Electricity supplies during the first half of the year at regulated prices were 25% higher compared to the same period in 2024, due to the increased quota effective 1 January 2025, which correspondingly resulted in a reduction in volumes for the free market.

On an annual basis, electricity sales at regulated prices were 39% lower than in 2024, due to amendments to the Energy Act, published in the State Gazette, Issue 44 of 2025, which, as of 1 July 2025, brought into effect the full liberalisation of the wholesale electricity market and eliminated the public supplier's obligation to purchase electricity from producers to meet the needs of residential consumers.

A new mechanism has been established, which is implemented through NEK EAD in its capacity as the balancing group coordinator. NEK sells the electricity from the balancing group on the organised exchange market through a newly created long-term mechanism on the organised exchange market, where long-term products are traded in accordance with the provisions of Article 100, para. 8 and 9 of the Energy Act, and in which only NEK and end suppliers may participate. Following the elimination of the quota, it has been replaced by a statutory obligation for Kozloduy NPP EAD to participate in the new mechanism and to provide quantities for NEK to offer on the new exchange segment, for the purpose of meeting residential consumption and protecting it from the projected high prices on the free market.

In total, the volumes allocated to NEK for the purpose of supporting residential customers in 2025 are 24% higher than the supplies for 2024.

Market sales structure

When prioritising the volumes to the Public Supplier for the regulated market (until 30 June 2025) and those delivered according to the mechanism under Art. 100, para. 9, item 2 in connection with Article 100, para. 8 of the Energy Act (from 1 July 2025), and in view of the mandatory nature of Article 100, para. 4 of the Energy Act, the plant's portfolio is aimed at sales on the exchange market.

Sales at unregulated prices in 2025 were 8,164,158 MWh, with the main part of them being carried out in the mandatory exchange market. The structure of sales on the organised exchange market in 2025 is balanced between long-term and short-term supplies. Each of the trading mechanisms has its own specificity and a different degree of risk.

Sales (MWh)	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Electricity sold on non-regulated market, incl.:	**8,164,158**	**9,835,952**	**-1,671,794**	**-17%**
Power exchange, incl.:	8,119,752	9,789,905	-1,670,153	-17%
Power exchange - DAM	4,435,057	3,625,653	809,404	22%
Power exchange - BC	3,498,880	6,090,456	-2,591,576	-43%
Power exchange - IDM	185,815	73,796	112,019	152%
Balancing market - surplus	16,637	14,643	1,994	14%
Sales to customers pursuant to Article 119 of the Energy Act	19,425	19,704	-279	-1%
Supply to own sites under Article 119, para. 1 of the Energy Act	8,344	11,700	-3,356	-29%

The volumes in the Bilateral Contracts (BC) segment have been reduced compared to last year, due to the increased quota on the regulated market for the 1st half of 2025 and sales to NEK for the 2nd half of the year in its capacity as a balancing group coordinator. The BC segment is used as a tool for base load producer sales, providing certainty, predictability and ensuring the operation of production facilities at optimum load.

The Day Ahead (DAM) segment sales were up 22% from the previous year. The traded volumes on the Intraday market (IDM) to manage and optimise imbalances are up 152% compared to those reported in the 2024, in view of the high volatility of the DAM segment and the large unsold volumes in the segment which are subsequently sold on the IDM segment.

The surplus volumes of electricity sold in the balancing market are significantly reduced to allow for the round-the-clock commercial dispatch in working out normal production fluctuations.

As regards the over-the-counter transactions, the volumes traded to on-site end customers, mainly SE RAW sites, were relatively flat. Consumption by own sites in the country is below the previous year's level.

GENERATION AND SALES OF HEAT ENERGY

Kozloduy NPP EAD produces, transmits, and sells heat energy with hot water as the heat carrier, in accordance with the licences issued by the EWRC.

The technological systems for heat generation are part of the technological systems in the Units 5 and 6 secondary side. The heat energy is used to ensure normal operating conditions for the equipment and personnel involved in the production of electricity. Part of the heat energy produced is supplied for heating and domestic hot water supply to consumers in Kozloduy and to business consumers on the plant site.

Heat energy generated by Kozloduy NPP EAD is sold at prices regulated by the EWRC.

The production and consumption of heat energy depend primarily on weather conditions during the autumn-winter period, energy efficiency measures, and the duration of the heating season. The winter of the past year was characterised by a colder climate compared to previous ones, with production and consumption increasing compared to the previous year.

The heat energy produced by the nuclear power unit 5 boiler facility in 2025 was 128,916 MWh, up 3.5% than in 2024. Net generation (reported consumption by end customers) increased compared to the same period last year. The total amount of heat energy consumed on-site and in the town of Kozloduy was 75,461 MWh, 8% more than in the previous year.

Domestic consumption accounts for the largest share, followed by the consumption by business facilities located on the nuclear power plant site. Both on-site and town consumption registered an increase during the reporting period compared to the same period of the previous year, due to harsher weather conditions.

PERFORMANCE INDICATORS

The World Association of Nuclear Operators (WANO) and the International Atomic Energy Agency (IAEA) have defined specific performance indicators for monitoring and analysis of the achieved level of reliability and safety of the nuclear units and also for trending nuclear power industry state globally.

Indicator	2025 Statements	2024 Statements	2025-2024 Change
LF - Load Factor	84.31%	86.35%	-2.04%
UCF - Unit Capability Factor	83.84%	85.44%	-1.60%
UCLF - Unit Capability Loss Factor	0.85%	0.01%	0.84%

All indicators are at a good level according to the WANO and IAEA criteria and standards for the degree of reliability, safety and efficiency of operation of the nuclear power units of Kozloduy NPP and testify to a high degree of optimisation of the production process and production sales.

MAINTENANCE PROGRAMME

The annual maintenance programme of Kozloduy NPP comprises a large number of preventive maintenance activities, performance tests and inspections, specialised inspections and diagnostic non-destructive testing of structures, systems, and components of the safety systems, systems important to safety, and systems important to the production process.

All the activities were carried out in compliance with the licensing obligations, technical specifications for the safe operation, and manufacturer requirements in order to ensure the long-term operability of the nuclear installations and the common plant facilities.

The main scope of the annual maintenance programme is implemented while the units are shut down for outage and refuelling. The 2025 outages for nuclear power units 5 and 6 were completed in approximately 38 days. The resources and technical preparation for the Unit 5 2025 outage were provided in the required volume. During the outage campaigns, the reactors were refuelled with fresh nuclear fuel and the planned corrective and preventive maintenance activities of the units' equipment and systems were carried out. In parallel, the measures identified in the long-term operation programmes were also carried out to enhance safety and manage the equipment lifetime.

The resource and technical preparation by the nuclear power plant and the external contractors with whom works and/or services contracts had been concluded was secured in the required volume. During the preparation, a risk assessment was also conducted regarding potential shortages of supplies and external services for activities, including documentation for planned design modifications, which are critical for the successful execution of the outage, in view of the complicated international situation.

Defects in equipment and components identified during operation, periodic checks and tests, shift walkdowns, periodic inspections, etc., registered in the OOA Information System during power operation, were resolved in a timely manner, in accordance with the process conditions and limits.

On-call duty during the period was secured without deviations, with efficiently completed tasks (no need of further intervention by other specialised teams).

Actions were implemented to prepare the plant for operation under summer weather conditions in 2025. This autumn season was also characterised by a lack of precipitation (during the months of October and November) and drought throughout Europe, causing the Danube River level to drop below critical. Consequently, at the end of October, a standard Procedure for emergency low water level of the Danube River - below 21.60 meters - was activated for a period of several days, without requiring any reduction in the electrical load of Kozloduy NPP EAD. The required preventive actions to minimise the impact of adverse weather conditions and ensure the safe operation of Units 5 and 6 under winter conditions in the period 2025/2026 were carried out in due time.

The value of the activities carried out under the maintenance program of Kozloduy NPP EAD in 2025 amounted to BGN 232,459 thousand (including BGN 50,514 thousand reported as maintenance activities of an investment nature, and BGN 31,326 thousand for supplied spare parts and consumables).

The following maintenance activities have the largest share of expenses under the maintenance programme:

- Maintenance of common plant facilities - BGN 123,732 thousand. Contracted activities were carried out for the supply of spare parts, consumables and the implementation of maintenance and electrical installation activities on major and auxiliary equipment and instrumentation and control systems of nuclear power Units 5 and 6 during or related to the outage of the two units.

- Maintenance of valves, pipelines, pressure vessels, and tanks – BGN 55,115 thousand. The implemented activities included used materials and spare parts in the amount of BGN 40,128 thousand for safety valves, stop valves, isolating valves, sealing materials, safety and main steam isolation valves related to units 5 and 6 routine maintenance. To ensure the reliable operation of the control valves and the high-quality execution of maintenance works, spare parts valued at BGN 14,987 thousand have been delivered to the warehouse to maintain a minimum emergency stock.

- Servicing of equipment – BGN 12,974 thousand. The performed activities covered preventive maintenance, corrective maintenance, and supply of spare parts and consumables of measuring equipment, automation equipment, laboratory equipment, warning systems, radiation control systems and equipment, air-conditioning and refrigeration equipment; preventive and corrective maintenance of the Engineered Safety Features Actuation System of Units 5 and 6.

SAFETY – OUR TOP PRIORITY

Nuclear Safety

The operation of Kozloduy NPP nuclear facilities is carried out in full compliance with the conditions of the licences issued by the NRA, the requirements of the technical specifications, and the operating procedures.

During the reporting period there were no violations of the limits and conditions for safe operation. There were 5 operational events registered, which were assessed at level '0' - below the IAEA INES scale (events without safety significance).

Radiation Protection

To ensure continuous enhancement of radiation protection effectiveness, Kozloduy NPP systematically applies the ALARA principle (as low as reasonably achievable). The high level of safety of the workers and public is achieved through reliable and effective radiation monitoring, training, staff motivation enhancement, accurate planning, preparation and analysis of activities, use of internal and international best practices.

The collective dose of the personnel and external organisations that worked in the controlled area of Kozloduy NPP EAD for the reporting period was 402.50 manmSv and reached 73% of the estimated annual value of the indicator. The maximum individual dose rate was 7.91 mSv and reached 99% of the estimated indicator.

Radioactive Waste Management

The underlying principle of radioactive waste (RAW) management at Kozloduy NPP is minimising the quantities of generated RAW. The generated solid (564 m^3 compactible and 22.9 t metal) and liquid (250 m^3) radioactive wastes were handed over to the RAW Specialised Division for further processing.

Spent Nuclear Fuel Management

Kozloduy NPP spent nuclear fuel (SNF) is managed according to the National Strategy for SNF and RAW Management, and is stored in compliance with all safety requirements. After being kept for a specified period of time in the spent fuel pools (SFP), the spent fuel assemblies are transferred to the wet spent fuel storage facility (wet SFSF) which is common for all power units. Spent nuclear fuel from Units 1, 2, 3, and 4 loaded in Constor 440/84 casks is stored in the Dry Spent Fuel Storage Facility (DSFSF).

As Licence holder, Kozloduy NPP EAD implements and finances radioactive waste and spent nuclear fuel management activities during and after the operation of the nuclear facilities in accordance with Bulgarian legislation and the national policy defined in the Strategy for Spent Nuclear Fuel and Radioactive Waste Management. The spent fuel management activities are related to the storage of spent fuel on the Kozloduy NPP site in the spent fuel pools and the spent fuel storage facilities - wet-type SFSF with subsequent transportation of the spent fuel for technological storage and reprocessing outside the country subject to favourable financial and technical opportunities or subsequent storage in the on-site dry spent fuel storage facility.

As a result of the complicated situation in Ukraine and the Black Sea, the Russian competent authority, the Federal Service for Technical and Export Control (FSTEC), did not issue a licence to FSUE 'Production Association Mayak' for import of spent nuclear fuel into the Russian Federation, as a result of which no SNF has been transported since the beginning of the military conflict. In order to meet the obligations under the SNF Management Strategy and to provide the necessary funding, the Company has accrued costs for provision for the obligation to transport SNF for technological storage and reprocessing in the amount of BGN 32,244 thousand in the current expenses for 2025. As at 31 December 2025, the provision for transport, reprocessing, and storage of SNF is BGN 145,082 thousand.

Emergency Planning and Preparedness

Maintaining and improving emergency preparedness of the personnel in compliance with the requirements of national legislation, European and global standards is an important aspect of ensuring safety at the nuclear power plant.

The Emergency Preparedness Department coordinates, organises, and implements activities related to planning and maintaining the permanent preparedness for response action of Kozloduy NPP EAD in the event of a nuclear, radiological, or other accident, disasters and catastrophes, and exercises control over the obligations of the personnel pursuant to the Kozloduy NPP Emergency Plan.

In the second quarter of the year, specialists from the Emergency Preparedness Department of Kozloduy NPP conducted emergency planning training and drills for the emergency response team members of the Headquarters for Implementation of Regional/Municipal Disaster Protection Plan (Kozloduy and Miziya municipalities) at the off-site Emergency Response Centre of the plant. A series of trainings were held in March and April in all the schools in Kozloduy and Miziya municipalities. The aim was to familiarise students and teachers in the region with the measures and actions to be taken by the population in the event of an accident at the nuclear facilities of the Kozloduy NPP. Additionally, on 23 April, students from 6 schools from the municipalities of Kozloduy, Miziya, Belene, and Montana participated in an emergency preparedness competition held at the House of the Power Engineers in Kozloduy under the motto 'Safety First'.

On 25 June, the first of two planned general emergency exercises on the topic 'Multi-unit accident as a result of a natural disaster - earthquake' was held at Kozloduy NPP. The aim of the exercise was to check and enhance the readiness of the plant and contractors personnel located in the Precautionary Urgent Protection Action Zone for adequate actions in the event of a hypothetical multi-unit accident with earthquake as an initiating event.

On 26 November, the second general emergency exercise of the year was held on the topic 'Partial shutdown and seizure of RL71(72,73,74)S02 up to 20%. Trip of turbine-driven feedwater pump 2 and scram failure'. The exercise tested the simultaneous operation of the two emergency response centres, the rotation of emergency teams, the use of mobile equipment, and coordination with the NRA emergency team. As part of the World Association of Nuclear Operators (WANO) Peer Review, the main part of which is planned for February 2026, experts from the organisation conducted an observation in the Emergency Preparedness area from 25 to 28 November and participated in the exercise together with representatives of the BEH management as evaluators.

In 2025, 12 emergency drills were conducted on various topics, 4 jointly with the Nuclear Regulatory Agency, 3 with the State Enterprise Radioactive Waste, and 2 with staff of the Quality Division on environmental protection from chemical substances and reagents.

Health and Safety at Work

Maintaining health and safety at work is a major responsibility of Kozloduy NPP senior management. The modern approach applied at the plant includes implementing highly effective health and safety measures, enhancing the safety culture of workers and building safety conscious behaviour. The Company strictly adheres to the requirements of the normative acts on occupational health and safety that are in force in the Republic of Bulgaria, and applies the best international practices in this field.

The long-term industrial safety enhancement and risk evaluation programmes have been harmonised with the recommendations of the International Atomic Energy Agency and relevant international practices. The programmes cover the protection and prevention of occupational risks arising from work processes, work equipment, and the working environment in all aspects of the nuclear power plant activities – operation, maintenance, repairs, etc.

Risk assessment at workplaces and laboratory measurements of working environment parameters are conducted systematically. Only individuals with the required education, qualification, and licence are admitted to work. Workers periodically undergo training on safety at work, and receive the mandatory briefings – initial, on-the-job, periodic, daily, and extraordinary.

During the reporting period, three occupational accidents and two occupational incident involving employees of Kozloduy NPP EAD were registered; they occurred under circumstances not directly related to non-compliance with the regulatory requirements for ensuring OHS. One occupational accident was also registered involving an employee of an external organisation operating on the site of Kozloduy NPP. No occupational incidents were registered involving employees of external organisations.

Radioecological Monitoring

The radiological parameters of the environment in the Kozloduy NPP area are subject to continuous monitoring with detailed and systematic investigations carried out using methods of analysis and measurements that have been validated and recognised in practice. The main components of the environment - air, water, soil, vegetation, agricultural production - are monitored. The high-tech systems for laboratory and automated monitoring allow recording even the smallest changes in the radiation situation and analysing the causes for them. Analyses are performed in an accredited plant laboratory for radioecological monitoring, which additionally guarantees the quality and accuracy of the results. The activities are in full compliance with the requirements of Article 35 of the Euratom Treaty, Recommendation 2000/473/Euratom, and IAEA documents.

In 2025, 1,290 gamma background measurements, 3,825 laboratory analyses, and 2,145 samples from various environmental media were conducted. The gamma background results are in the range 0.05÷0.18 μSv/h and do not deviate from the natural background levels typical for the area. They are fully comparable with data from previous years. No radiological impact from Kozloduy NPP on environmental components has been detected. The analysed environmental radiation parameters are within normal background limits.

Environmental Protection

The motto of Kozloduy NPP – Clean Energy, unequivocally defines the responsibility with which the country's largest electricity producer approaches environmental protection.

As a clean energy producer, Kozloduy NPP is strongly committed to protecting the environment. All environmental permits issued to the Company in accordance with the regulatory framework are kept up-to-date.

Within the framework of the in-house non-radiation monitoring, 1,465 tests of waste water, surface water, and groundwater were carried out in the nuclear power plant area. The analyses have been made by Kozloduy NPP accredited laboratories and by the Vratsa Regional laboratory at the Environment Executive Agency. The results of the measurements conducted are in full compliance with the individual emission limits specified for the Company.

The nuclear power plant uses its own landfill for non-radioactive municipal and industrial waste operated in compliance with the regulatory requirements and good practices. The segregated collection and recovery of the majority of the non-radioactive waste generated allows the filling of the landfill second stage at a slower pace than anticipated. The design service life of the landfill is 15.3 years, and 38% of its capacity has been filled within 8 years from the start of operation.

In 2025, the 'Environmental Aspects Management Programme of Kozloduy NPP EAD' was implemented, setting out goals, targets, and measures aimed at reducing, limiting, and preventing the impact of identified aspects on the environment. The measures and activities defined in the programme have an implementation period of 3 years (2025–2027).

During the year, 7 inspections by regulatory authorities and 11 internal audits were conducted to verify compliance with the conditions of the permits issued to Kozloduy NPP EAD. The inspections concluded that the company is operated in compliance with the regulatory requirements and the conditions of its environmental permits.

Greenhouse gas emissions are formed in the atmosphere as a consequence of the operation of diesel generators and diesel pumps, designed to provide emergency power supply for Kozloduy NPP safety systems. These facilities are kept in 'hot standby' and are periodically tested. Kozloduy NPP EAD holds a greenhouse gas emissions permit No. 143-H4/2023 issued for the operation of these systems. The total amount of CO2 emissions generated in 2025, is about 438 tons (pending verification of the Company's annual report).

Compared to the conventional TPPs using coal, in 2025, Kozloduy NPP prevented the adverse impact of emissions of about 17 mln tons of CO_2, about 34 thousand tons of SO_2, 11 tons of NO_x, and 500 tons of ashes containing natural radioactivity.

Ensuring Physical Protection of Nuclear Facilities, Nuclear Material, and Radioactive Substances

The physical protection system of Kozloduy NPP EAD fulfils the intended functions and provides the necessary effectiveness to counteract the design threat.

The analysis of the results of the activities carried out shows that the requirements for ensuring physical protection have been met. No violations posing a threat to the nuclear safety and the production cycle of the plant have been identified. The planned functional tests were carried out according to the approved schedules.

Fire Safety

Kozloduy NPP maintains a high level of fire safety in accordance with Bulgarian legislation and IAEA and EU standards.

In accordance with the adopted priorities and core measures based on the requirements of national and international regulatory documents, relevant standards, good national and international practices, the scheduled fire safety training for personnel and officials across nuclear power plant organisational units was conducted during the reporting period. An assessment of upcoming projects, technical solutions, and terms of reference was performed to ensure compliance with regulatory requirements. Oversight over compliance with fire safety regulatory requirements was continuously exercised. A project for construction of new seismically qualified garage bays and a building for the On-Site Fire Safety and Civil Protection Service at Kozloduy NPP is in progress. In 2025, fire incidents were successfully prevented.

INVESTMENT PROGRAMME

The total amount of the funds invested under the Company's Investment Programme in 2025 was BGN 198,243 thousand.

A significant share of the expenditures (more than 93%) were for the implementation of investment activities to maintain and enhance safety at Kozloduy NPP EAD, to improve the performance of the facilities and equipment in connection with ensuring long-term operation (LTO) of the nuclear power units and the reliable operation of the reactor installations of Units 5 and 6 while operating the units at uprated power.

The remaining part of the investment costs cover the phased implementation of measures to enhance energy efficiency in compliance with the Company's obligations under the Energy Efficiency Act (EEA) with the aim of achieving a sustainable trend of improving energy consumption indicators; measures to ensure the normal operation of the common plant facilities supporting production activities, and measures to maintain and continuously improve the level of the physical protection and access control at the Kozloduy NPP EAD site.

An optimisation of the investment process, improved organization, and acceleration of activities for the preparation and execution of the investment programme are observed in the reporting year 2025 compared to the performance in recent years.

✓ **Activities to ensure the long-term operation (LTO) of Kozloduy NPP EAD Units 5 and 6 and to ensure the safe and reliable operation of the reactor plant at uprated power.**

Kozloduy NPP Units 5 and 6 long-term operation is essential for the reliable functioning of the energy system in Bulgaria.

The following are foreseen to be implemented during the LTO period: measures resulting from the assessment of the residual lifetime of structures, systems, and components (SSCs) of Units 5 and 6; recommendations from the Kozloduy NPP EAD Units 5 and 6 Lifetime Extension Project; performed Periodic Safety Review of Units 5 and 6; proactive ageing management of structures and components; assessment of safety requirements from applicable regulations and international institutions; identified improvements to SSCs, taking into account the effects of ageing and obsolescence.

In 2025, the amounts invested in securing Units 5 and 6 long-term operation were BGN 150,776 thousand of which the largest share was reported for the following activities:

- BGN 31,501 thousand for supply of sensors, analysers, level switches, and digital instruments;
- BGN 27,091 thousand for supply of pneumatic cylinders for isolating pneumatic valves for Unit 5 and 6 to replace existing equipment with new, meeting seismic and safety class requirements;
- BGN 24,621 thousand for upgrade of the Rod Control System of Units 5 and 6;
- BGN 15,697 thousand for completed purchase deliveries of hydraulic snubbers for Units 5 and 6;

- BGN 13,330 thousand for completed purchase deliveries of dismountable iodine filters for the ventilation systems of Units 5 and 6 and the Auxiliary building-3;
- BGN 7,669 thousand for upgrade of the radiation discharge monitoring system.

✓ **Measures resulting from operating experience, inspections carried out, or requirements of regulatory documents**

Total investments in 2025 amounting to BGN 47,467 thousand for maintenance of main and auxiliary facilities, as well as for ensuring normal operation of the common plant facilities supporting the production activities - upgrading of equipment not covered by the investment measures for the LTO period; measures for maintaining and increasing the security and physical protection of the facilities at Kozloduy NPP EAD; measures related to increasing energy efficiency; phased implementation of measures to increase the efficiency and quality of heat supply for the needs of Kozloduy; technical tools and software for network management and increasing the security and capacity of the Kozloduy NPP information system, etc.

Implemented activities with large funding:

- BGN 14,732 thousand for upgrade of boron meters - completed deliveries and installation of equipment for Units 5 and 6;
- BGN 1,757 thousand for replacement of air-blast circuit breakers and pneumatic disconnectors in the switchyard;
- BGN 1,412 thousand for refurbishment and upgrade of stator windings of 6kV motors;
- BGN 1,242 thousand for performing energy efficiency measures.

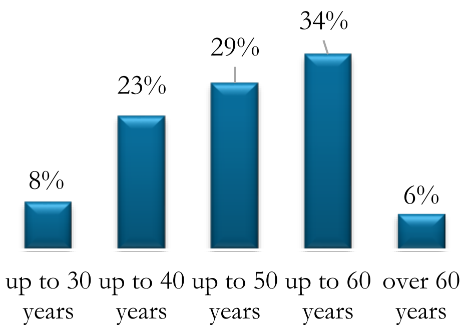
HUMAN RESOURCES

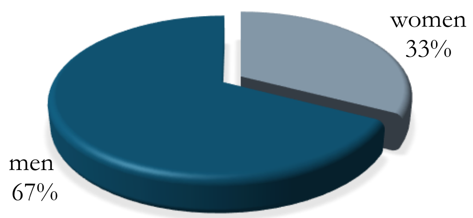
As at 31 December 2025, the Company's headcount under employment relationships stood at 3,867 employees (compared to 3,813 in 2024), including 1,260 women.

The focus in 2025 remained on maintaining a balanced and stable organisational structure, combined with targeted optimisation measures. During the reporting period, three modifications were implemented in the staff establishment plan and one change was made to the organisational and management structure. The optimisations performed were aimed at improving internal coordination, enhancing operational efficiency, and establishing a clearer distribution of functions and responsibilities across individual organisational units. Throughout the year, the approved staffing positions remained unchanged, ensuring organisational stability and predictability.

Between January and December 2025, the Company hired 301 workers and employees. Over the past year, 247 workers and employees were terminated. A significant factor influencing termination dynamics was the increased termination benefits under Article 222, para. 3 of the Labour Code agreed upon in the Collective Labour Agreement (CLA); as a result, the majority of those terminated during the year was due to retirement eligibility. These more favourable conditions provided an additional incentive for workers and employees who had qualified for a retirement-age and contributory service pension to exercise this right within the two-month period following their notification.

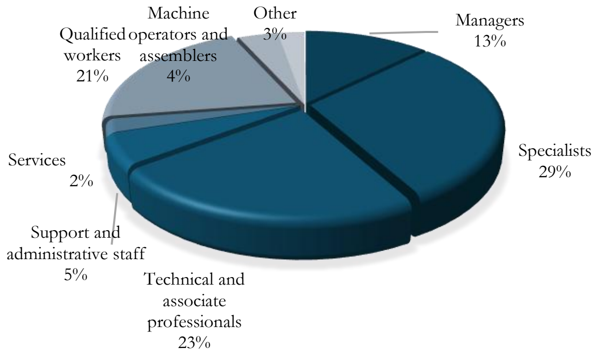
Age structure

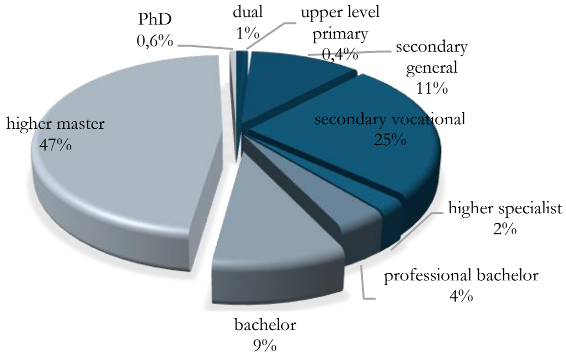




The age distribution of the staff shows that the largest number of employees is in the 50 to 60 age range - 34%, followed by those between 40 and 50 - 29%.

Educational and qualification structure





In 2025, the educational structure of the personnel remained stable and aligned with the professional requirements of the business activity - 69% of the employees hold a university degree, while 25% have secondary vocational education. This structure ensures the necessary balance between expertise and the practical orientation of the performed functions. The requirements for the positions held are aligned with the approved staff establishment plan and job descriptions, maintaining a balance between expert capacity and operational competence.

To ensure conditions for the preservation and transfer of existing knowledge and the continuous accumulation of information and data in specific areas of strategic and technological importance, the Company applies a systematic and coordinated approach to managing the risk of knowledge loss, the application of which supports continuity and helps to identify and preserve key competencies. The objective of the tacit knowledge management activities is to prevent the loss of key knowledge and skills necessary for the safe operation of Kozloduy NPP which are in the possession of the Company's employees. The process ensures that critical knowledge is systematically identified, preserved, and transferred by applying the methods and recommendations of the International Atomic Energy Agency.

In 2025, a knowledge loss risk assessment was conducted for 189 employees in key organisational units. As a result, 22 knowledge loss prevention plans were approved, containing over 140 specific measures for the transfer of knowledge and experience. Over the past year, the Company introduced a coaching process as a tool for professional employee development, aimed at assisting with integration into the work rhythm; socio-psychological adaptation within the team and organisational culture; mastering job functions, duties, and responsibilities; acquiring knowledge and practical skills; and improving job performance.

To ensure adequate staffing for the long-term operation of the Kozloduy NPP EAD units and in view of the prospects for constructing new nuclear build on the NPP site, particular attention is focused on attracting young specialists. In this regard, the Company continues to develop a number of initiatives to support young people, both in the field of higher and secondary vocational education.

In order to determine the future competence needs for a 10-year period, priority specialties in the field of secondary and higher education have been identified for Kozloduy NPP EAD.

Kozloduy NPP EAD has signed cooperation agreements in the field of higher education with the following academic organisations: Institute for Nuclear Research and Nuclear Energy, BAS; University of Mining and Geology 'St. Ivan Rilski', Sofia University 'St. Kliment Ohridski', University of Ruse 'Angel Kanchev, Technical University of Varna, South-West University 'Neofit Rilski', University of Chemical Technology and Metallurgy, Trakia University, Technical University of Sofia, Technical University of Gabrovo, and the University of National and World Economy, and the University of Food Technology in Plovdiv. A representative of Kozloduy NPP EAD participated in an expert panel for the programme accreditation procedure of the Physical Sciences professional field at Sofia University 'St. Kliment Ohridski'.

A total of 42 students took part in the Kozloduy NPP EAD paid summer internship programme - the Nuclear Horizons Internship Programme.

In 2025, 48 new civil contracts were concluded with high school scholarship holders of the Company. By the end of 2025, there were 211 active contracts with high school scholarship holders. Kozloduy NPP EAD has active cooperation agreements with the 'Vasil Levski' Vocational High School in Miziya. The cooperation agreements with the 'Igor Kurchatov' Vocational High School of Nuclear Energy in Kozloduy and the 'Maria Skłodowska-Curie' Vocational High School of Nuclear Energy in Belene were renewed. Based on these agreements, the company provides scholarships to students enrolled in fields of study that are a priority for Kozloduy NPP.

In 2025, a total of 3600 training courses were conducted for the Kozloduy NPP staff, along with 720 courses for the staff of external companies and organisations. A total of 287,310 man-hours of specialised training were provided to Company staff.

FINANCIAL PERFORMANCE IN 2025

Upholding Kozloduy NPP EAD financial stability is of key significance for ensuring safe, efficient, and clean energy generation.

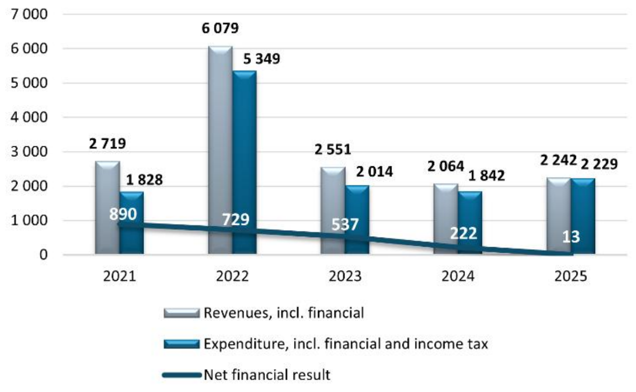
In 2025, the financial and economic indicators of 'Kozloduy NPP' EAD deteriorated, recording a decline compared to 2024

Indicator	2025	2024
Return on equity	0.002	0.042
Return on assets	0.002	0.036
Return on sales	0.006	0.108
Total liquidity ratio	2.43	3.00
Leverage ratio	0.18	0.17

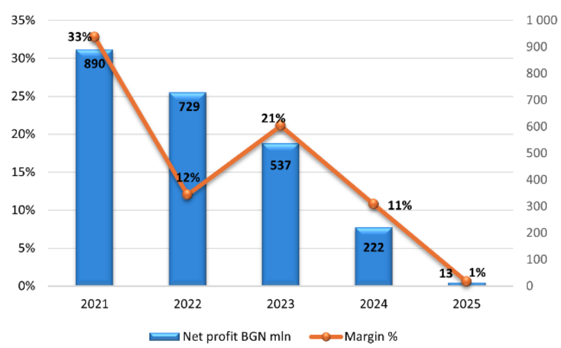
Return on equity = net profit/equity
Return on assets= net profit/assets
Return on sales = net profit/sales revenue
Total liquidity = current assets/current liabilities
Leverage ratio = liabilities/equity

The Company closed 2025 with a net profit of BGN 12,739 thousand (the reported profit for 2024 was BGN 221,913 thousand), despite revenues being 9% higher than those reported in 2024.
The reported lower financial result is mainly due to increased production costs, the cost of contributions to state funds, and the higher amount of corporate tax.

Revenues, expenses, profit (BGN mln)



Net profit (BGN mln), margin (%)



Revenue

The Company's annual revenues for 2025 amounted to BGN 2,241,851 thousand, of which operating revenues amounted to BGN 2,235,829 thousand (2024 - BGN 2,061,839 thousand). The main factor behind the 9% increase in revenues compared to last year is the growth in electricity prices of energy sold on the exchange markets.

Indicator (BGN'000)	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Annual revenue	**2,241,851**	**2,064,363**	**177,488**	**9%**
Operating income	**2,235,829**	**2,061,839**	**173,990**	**8%**
Revenues from electricity	2,219,851	2,042,629	**177,222**	**9%**
Revenues from thermal energy	5,067	4,105	**962**	**23%**
Finance income	2,446	7,277	**-4,831**	**-66%**
Other income	8,466	7,828	**638**	**8%**
Finance income	**6,021**	**2,524**	3,497	139%

Revenues from electricity

Indicator (BGN'000)	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Revenues from electricity sales, incl.:	**2,219,851**	**2,042,629**	**177,222**	**9%**
Revenues from regulated market NEK-PS	208,718	335,101	(126,383)	-38%
Revenues NEK-Coordinator	390,145	0	390,145	-
Revenues from exchange transactions, incl.:	1,616,281	1,703,089	(86,808)	-5%
Day Ahead Market	970,167	754,881	215,286	29%
Bilateral Contracts	632,501	941,449	(308,948)	-33%
Intraday Market	13,613	6,759	6,854	101%
Balancing market - surplus	2,576	2,155	421	20%
Sales under Article 119, para.2 of the Energy Act	2,131	2,284	(153)	-7%

Regulated market revenues - Reported revenues from electricity sold to the Public Supplier NEK EAD amounted to BGN 208,718 thousand and were gained only during the first half of 2025 based on the energy volumes for the regulated market (3,188 GWh) and the price of BGN 65.47/MWh approved by EWRC. The reported 38% decline compared to 2024 is due to the termination of the nuclear power plant's obligations to sell electricity at a regulated price and quota as of 1 July 2025, following the market liberalisation introduced via amendments to the Energy Act.

Revenues from NEK as Coordinator - During the second half of 2025, revenues of BGN 390,145 thousand were reported from electricity sales to NEK EAD in its capacity as a coordinator of a balancing group for electricity sales to end suppliers. These were gained from the sale of 3,251 Gwh electricity.

In 2025, revenues from supplies to NEK for supporting household consumers (BGN 598,863 thousand) were 79% higher than regulated market revenues in 2024 (BGN 335,101 thousand), as a result of the higher selling price for NEK as Coordinator during the second half of 2025, as well as due to the increased volumes for this segment.

Revenues from exchange market

Indicator	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Electricity sold on the exchange market (MWh)	**8,119,752**	**9,789,905**	(1,670,153)	**-17%**
Revenues from exchange market (BGN'000)	1,616,281	1,703,089	(86,808)	-5%
Price on exchange market - average annual (BGN/MWh)	199.06	173.96	25.09	14%

Revenues from electricity sales at freely negotiated prices amounted to BGN 1,616,281 thousand, which is 5% (BGN 86,808 thousand) below the figures reported for 2024, due to a lower volume of electricity sales by 1,670 GWh. The decrease is mainly a result of reduced volumes allocated to the free market at the expense of volumes for household consumers, despite the fact that the average annual exchange price was higher in 2025 compared to 2024.

Reported sales revenues from the Day Ahead Market segment (DAM) were BGN 970,167 thousand, up by 29% compared to 2024. This increase is driven by 22% higher electricity sales compared to 2024 and a higher recorded selling price by BGN 10.5/MWh. Revenues from this segment were generated from the sale of 4,435 GWh at an average price for 2025 of ~BGN 219/MWh.

Revenues from electricity sales in the Bilateral Contracts segment (BC) were BGN 632,501 thousand, generated from sales of 3,499 GWh of electricity at an average price for 2025 of ~BGN 181/MWh. Revenues from this segment marked a 33% decline compared to the previous year, resulting from the reallocation of electricity volumes mainly to NEK (in its capacity as a balancing group coordinator) and to the DAM segment due to more favourable price levels.

Revenues from electricity sales in the Intraday Market segment (IDM) amounted to BGN 13,613 thousand, which is BGN 6,854 thousand more than in 2024, due to a larger volume of electricity sales.

Revenues from balancing market surplus - Reported surplus revenues amounted to BGN 2,576 thousand, up 20% compared to 2024 due to a 14% growth in the volumes of electricity sold at a higher price.

Electricity sales to end consumers - Revenues from electricity sales to end consumers connected via direct power lines to the own electrical facilities of Kozloduy NPP, generated on the basis of Article 119, para. 1 and 2 of the Energy Act, amounted to BGN 2,131 thousand (2024 - BGN 2,284 thousand).

Revenues from thermal energy - reported BGN 5,067 thousand from the heat produced, with an increase of ~23% compared to the previous year (2024 - BGN 4,105 thousand), as a result of a higher sales price approved by the EWRC for the regulatory period 1 July 2025 - 30 June 2026 and increased sales of heat energy by 5.7 GWh compared to 2024.

Reported finance income in 2025 amounted to BGN 2,446 thousand (Note 17 Funding), which represent the current portion of the long-term financing of the DSFSF (31 December 2024 - BGN 7,277 thousand). Revenues from financing for non-current assets are recognised proportionally over the useful life of the assets being financed. The decrease in revenue value is due to the fair value revaluation and the review of the useful life of the Company's tangible fixed assets performed at the end of 2024.

Other revenues – BGN 8,466 thousand, include revenues from sales of services, goods, materials, rentals, contractual penalties, insurance indemnities, and others. There is no material change compared to the previous year 2024.

Expenses

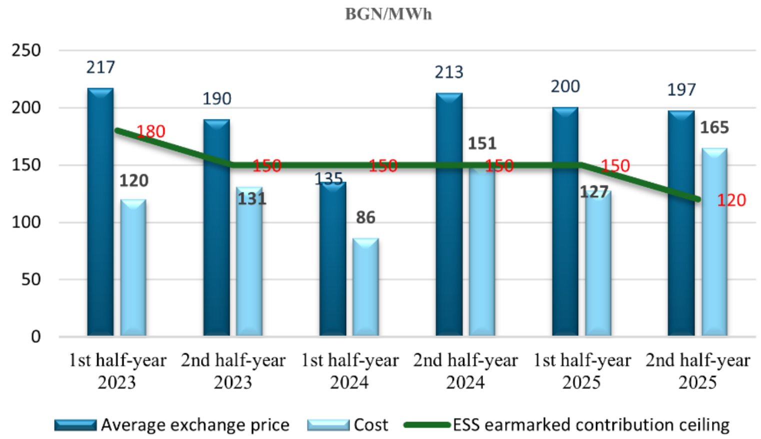
In 2025, the Company's annual expenses (including finance costs and income tax expense) amounted to BGN 2,221,621 thousand. Of these, 96% represent operating expenses for the core activities, totalling BGN 2,136,376 thousand, which is an 18% increase compared to 2024.

Types of expenses	2025 (BGN'000)	Structure %	2024 (BGN'000)	Structure %
Annual expenses	**2,229,112**	**100%**	**1,842,450**	**100%**
Operating costs, incl.:	**2,136,376**	**96%**	**1,803,416**	**98%**
Variable costs	**603,875**	**27%**	**523,209**	**28%**
Production costs	190,333	9%	154,617	8%
Costs for contributions to the RAW Fund, NFD Fund, and ESS Fund	342,349	15%	315,251	17%
Costs for access to the electricity distribution grid and fee for balancing group NEK	71,193	3%	53,341	3%
Fixed costs	**942,952**	**42%**	**891,242**	**48%**
Costs for operation, maintenance, and other costs	316,082	14%	289,881	16%
Salaries and social security contributions	423,751	19%	391,944	21%
Depreciation costs	203,119	9%	209,417	11%
Earmarked contributions to ESS Fund	**589,549**	**26%**	**388,964**	**21%**
Finance costs	**11,107**	**0.5%**	**9,298**	**0.5%**
Income tax costs	**81,629**	**3.7%**	**29,736**	**1.6%**

The main share is accounted for by fixed costs (42%), including costs for the operation and maintenance of nuclear and auxiliary facilities, personnel, and depreciation. For 2025, the fixed costs amounted to BGN 942,952 thousand, increasing by 6% compared to the previous year (BGN 891,242 thousand).

A significant share of the operating costs is accounted for by the cost of earmarked contributions to the ESS Fund and the statutory cost of contributions to the RAW, NFD and ESS Funds. An increase in expenses for fund contributions compared to the previous year is reported due to the higher revenues from electricity sales

For 2025, BGN 589,549 thousand were reported for earmarked contributions to the ESS fund .with a 26% share in the expenses, while for 2024 the amount was BGN 388,964 thousand (21% share). The costs of earmarked contributions to the ESS Fund are charged to the Company as a governmental measure to compensate non-household customers for the high price of electricity and have no direct relation to the Company's costs for the performance of its core activities. The contribution to the ESS Fund represents the positive difference between market revenue and the revenue ceiling set for the nuclear power plant.



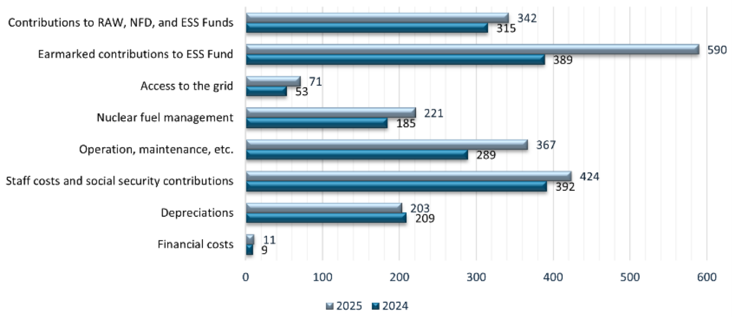
For the first six months of 2025, BGN 262,400 thousand were accrued for earmarked contributions to the ESS Fund, with the revenue ceiling of BGN 150/MWh set by the Decision of the Council Ministers No. 121/5 March 2025. By the Decision of the Council of Ministers No. 340 of 28 May 2025, the Decision of the Council of Ministers No. 121 of 5 March 2025, was repealed effective 1 July 2025, and a reduced revenue cap for the NPP was set at BGN 120/MWh for the period from 1 July 2025 to 31 December 2025. Under this framework, BGN 327,149 thousand was reported for the second half of 2025.

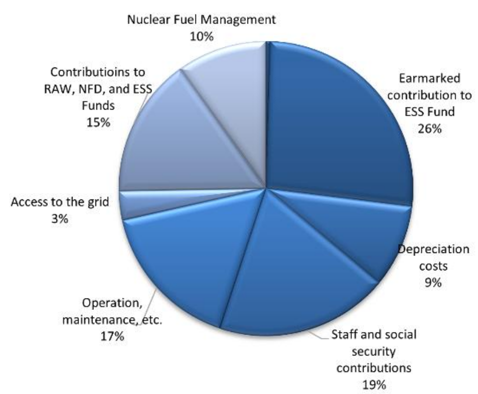
The full annual cost of production for the generated electricity in 2025, including earmarked contributions to the ESS Fund, was ~BGN 145/MWh. The revenue cap set at BGN 120/MWh is thus below the cost of electricity production for 2025. In practice, this limits the Company's ability to generate profit and to raise funds to sustain its operations.

Expenses for statutory funds – RAW, NFD, and ESS constitute a 15% share of operating expenses. In the current year, BGN 342,349 were reported (2024 - BGN 315,251 thousand).

Income tax expense recorded a growth of 174%, mainly as a result of a BGN 65 million tax paid in connection with an in-kind (non-monetary) contribution to the capital of Kozloduy NPP - New Build EAD, and BGN 7 million of national top-up tax expenses under the Corporate Income Tax Act (Note 32.2 - National Top-Up Tax Expenses under Part Five 'a' of CITA).

Structure of expenses (BGN mln)





Statement of Financial Position

The change in the main financial performance indicators of the Company as at 31 December 2025 compared to 31 December 2024, is as follows:

Indicator (BGN'000)	2025 Statements	2024 Statements	2025/2024 Change	2025/2024 % change
Total assets, incl.:	7,057,023	6,149,829	907,194	15%
Non-current assets	5,322,350	4,645,415	676,935	15%
Cash and cash equivalents	399,707	549,318	(149,611)	-27%
Equity, incl.	5,978,675	5,266,885	711,790	14%
Retained earnings	1,350,728	683,556	667,172	98%
Financial result for the current period	12,739	221,913	(209,174)	-94%
Total liabilities, incl.	1,078,323	882,944	195,379	22%
Current liabilities	713,644	501,300	212,344	42%
Working capital	1,021,029	1,003,114	17,915	2%
Return on equity	0.002	0.042		-95%
Return on assets	0.002	0.036		-95%

Compared to the previous year, the most significant changes were recorded in non-current assets (an increase of 15%), cash and cash equivalents (a decrease of 27%), equity (a growth of 14%), and current liabilities (a growth of 42%).

The increase in non-current assets is a result of an increase in the value of the investment in the subsidiary Kozloduy NPP - New Build EAD. In 2025, an in-kind (non-monetary) contribution was made to the capital of Kozloduy NPP - New Build EAD, based on a resolution under Minutes No. 33/4 September 2025, of the Board of Directors of Kozloduy NPP EAD. Approval for the same was granted by the Board of Directors of the Bulgarian Energy Holding via a resolution under Minutes No. 59-2025/12 September 2025. The in-kind contribution by Kozloduy NPP EAD consists of the transfer of 202.679 decares of land required for the construction of the new nuclear facilities and included within the site boundaries of power units 7 and 8. The approval for the in-kind land contribution was granted following a property valuation (of the non-monetary contribution) performed by three independent experts pursuant to Article 72 of the Commerce Act, following request No. 20250327141452 filed under the file of Kozloduy NPP - New Build EAD in the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency. The independent experts' conclusion was presented in a report, determining the value of the contribution at BGN 651,126 thousand. In exchange for the contributed land, Kozloduy NPP - New Build EAD issued 65,112,600 shares with a nominal value of BGN 10 each, whereby the subsidiary's share capital, and respectively the investment of Kozloduy NPP EAD, increased from BGN 1,821,000 thousand to BGN 2,472,126 thousand.

As at 31 December 2025, the cash and cash equivalents of Kozloduy NPP EAD amounted to BGN 399,707 thousand, recording a 27% decline compared to cash at the end of 2024, mainly due to higher payments to suppliers and to the RAW, NFD, and ESS funds.

The Company's equity at the end of 2025 amounted to BGN 5,978,675 thousand, which is BGN 711,790 thousand higher than the equity as at 31 December 2024. The change is observed in the following line items:

- The share capital was increased by BGN 250,000 thousand through a cash contribution by BEH, in its capacity as the sole owner of the Company, based on BEH Board of Directors Resolution No. 75-2025 dated 25 November 2025, and in compliance with Ministry of Energy Decision No. ME-E-RD-21-43 dated 26 November 2025, for funding the construction activities of Units 7 and 8 at Kozloduy NPP Site No. 2 using AP 1000 technology. The funds from the capital increase were used to expand the investment in the subsidiary Kozloduy NPP - New Build EAD, and consequently, to increase its share capital.

Retained earnings increased by BGN 667,172 thousand, representing the value of the investment in the subsidiary Kozloduy NPP - New Build EAD via an in-kind land contribution (pursuant to the BEH EAD resolution under Minutes No. 75-2025/25 November 2025). Management's assessment is that the transaction lacks commercial substance within the meaning of IAS 16, and the valuation outcome has been recognised in retained earnings.

Current liabilities grew by 42% (BGN 212,344 thousand) compared to the end of the previous year. In 2025, in order to secure current payments and prevent potential liquidity issues, loan agreements were concluded, and liabilities related to outstanding contributions to the RAW, ESS, and NFD funds, as well as the dividend payable to the SOC (Sole Owner of the Capital), were increased.

Cash flows

As at 31 December 2025, the cash and cash equivalents of Kozloduy NPP EAD amounted to BGN 399,707 thousand (compared to BGN 549,318 thousand in 2024), incl.:

- BGN 250,000 thousand from a cash contribution by BEH EAD, which increased the share capital of Kozloduy NPP EAD pursuant to Resolution No. 1 from Minutes No. E-RD-21-43 dated 26 November 2025, issued by the Minister of Energy. These funds are designated for financing the construction activities of Units 7 and 8 at Kozloduy NPP Site No. 2. The funds were transferred to the subsidiary on 30 January 2026.

- BGN 112,838 thousand in restricted cash held in the Company's special accounts to cover expenses for spent nuclear fuel (SNF) management, in accordance with the requirements of the 'Strategy for Spent Nuclear Fuel and Radioactive Waste Management until 2030', for the annual transport of 50 tons of heavy metal (tHM) SNF for technological storage and reprocessing abroad.

During the reporting year, the Company faced limited capacity to finance its operations entirely through its own funds. To ensure the timely fulfilment of short-term and long-term obligations without delays - including fresh nuclear fuel deliveries, management of spent nuclear fuel and radioactive waste, mandatory insurance pursuant to the SUNEA, and the Vienna Convention, as well as other licensing requirements - two short-term loan agreements were concluded. These loans were granted to Kozloduy NPP EAD by Kozloduy NPP - New Build EAD with a maximum limit of BGN 100,000 thousand, and by International Asset Bank AD with a limit of BGN 50,000 thousand, both of which were fully drawn as at 31 December 2025.

In 2025, the Company's total cash receipts amounted to BGN 2,505,000 thousand. Out of this total, BGN 2,492,387 thousand represented annual cash receipts from the core activity - electricity sales, marking a 7% growth compared to the reported value in 2024.

Cash receipts received from NEK EAD in 2025 totalled BGN 683,966 thousand. Due to a shortage of liquid funds during the first half of the year, NEK EAD initiated the signing of a Rescheduling Agreement for outstanding monetary liabilities in the amount of BGN 101,372 thousand. The final instalment was paid within the maturity period – on 15 December 2025, thereby concluding the settlement of deliveries at regulated prices following the termination of NEK EAD's obligation to operate as a Public Supplier. On 1 July 2025, a new market model was launched for the full liberalisation of the wholesale electricity market, alongside a framework ensuring a smooth transition to market-based prices for household end consumers. NEK EAD acts in its capacity as a balancing group coordinator under the newly established electricity trading mechanism pursuant to Article 100, para. 8 and 9 of the Energy Act.

During the period from 1 January to 31 December 2025, cash receipts from sales on the power exchange market were realised in the amount of BGN 1,808,421 thousand.

The BGN 25,000 thousand cash loan granted to BEH EAD - in implementation of a resolution under Item 1 of BEH Board of Directors Minutes No. 101-2024 dated 18 October 2024, approved by Decision No. E-РД-21-34 dated 18 October 2024, of the Minister of Energy, and a resolution under Item 1 of Kozloduy NPP Board of Directors Minutes No. 50 dated 18 October 2024 - was fully repaid within its maturity.

The loan of BGN 37,865 thousand granted to BEH EAD pursuant to Ministry of Energy Decision under Minutes No. E-RD-21-22 dated 4 July 2022, is being serviced regularly in accordance with the repayment schedule. The final maturity date is 30 June 2026.

As at 31 December 2025, the Company ended the reporting year without any outstanding liabilities.

The Company's obligations arising from statutory and licensing conditions were serviced within the legally established timeframes and in the required amounts.

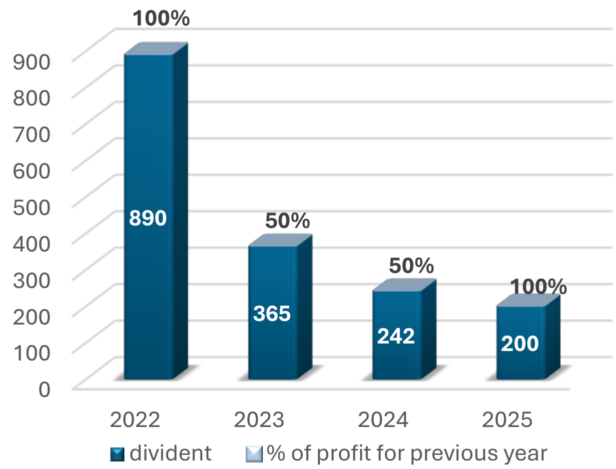
Insurance premiums were paid in connection with the mandatory insurance policies regulated under the SUNEA and the Vienna Convention. Their net amount totalled BGN 15,933 thousand.

The necessary funds for implementing the activities under the capital expenditure (CapEx) program were paid in the amount of BGN 237,576 thousand.

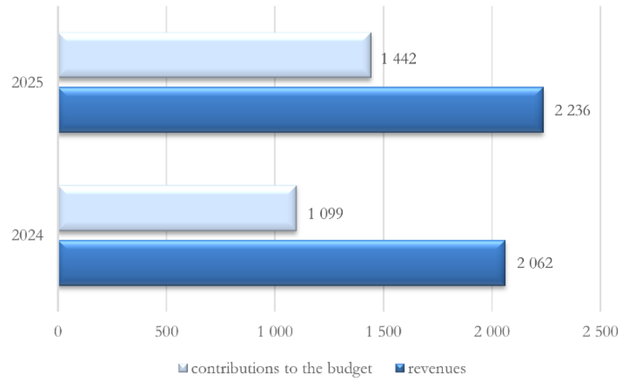
In 2025, BGN 1,442,072 thousand was transferred to the state and municipal budgets. Out of this total, BGN 344,862 thousand represent current contributions to the NFD, RAW and ESS funds, BGN 597,555 thousand are earmarked contributions to the ESS Fund for the provision of compensation for electricity, BGN 423,863 thousand - taxes paid to the state and municipal budgets, and BGN 75,792 thousand - social security and health insurance contributions.

Pursuant to Decree No. 1 dated 2 May 2025, of the Council of Ministers, and by a resolution under Item 1.4 of BEH EAD Board of Directors Minutes No. 34-2025 dated 8 May 2025, it was approved that 100% of the profit of Kozloduy NPP EAD for 2024, amounting to BGN 199,722 thousand, be distributed as a dividend to BEH EAD. On 8 August 2025, a Rescheduling Agreement for the outstanding dividend liability was concluded between Kozloduy NPP EAD and Bulgarian Energy Holding EAD for a term of 7 months. As at 31 December 2025, five instalments totalling BGN 120,000 thousand were repaid. The agreement is being serviced regularly in accordance with the financial terms and maturities.

Dividends paid (in BGN million)



Payments to the state and local budget, National Social Security Institute (NSSI) and National Health Insurance Fund (NHIF) (in BGN million)



Kozloduy NPP EAD, as a responsible employer, fulfilled its commitments to its employees in a timely manner in accordance with the Labour Code, the 2025-2026 Collective Labour Agreement in force, and internal documents.

During the past year, constant monitoring of the legal, expedient, and efficient use of the Company's financial resources continued. This was achieved by exercising ex-ante (preliminary) control upon incurring obligations and performing daily ex-post (subsequent) budget execution control to prevent any budget overruns under the approved programmes.

3. FINANCIAL INSTRUMENTS USED BY KOZLODUY NPP EAD

Financial risk management goals and policy

The financial risk management policy implemented by Kozloduy NPP EAD is focused on minimising the potential negative effects that may result in aggravated financial results, given the possible difficulties in forecasting the market environment and the unpredictability regarding the dynamics of the market prices.

The financial risk management policy is implemented with the specific purpose of providing assurance in achieving the Company's strategic goals and operating objectives and ensuring the accident-free operation of the nuclear power plant, while complying with regulatory and licensing conditions. The Company observes the basic guidelines, action framework, principles and practices set out in the Risk Management Strategy and Policy established at the companies within the BEH Group. Specific activities to identify, analyse, assess and monitor the impact of negative events on an ongoing basis are undertaken regularly, followed by timely and appropriate intervention to mitigate adverse consequences depending on the individual risk management approach used - tolerate, minimise, transfer, or terminate. The risk management procedures applied regarding the Company's budget and finances are executed in relation to material risks that pose a major threat to the Company's statement of financial position.

The primary objective of senior management is oriented towards maintaining a sound financial and economic position of the Company and effective cash management by ensuring the optimum amount of financial resources allocated in accordance with the Company's key business priorities.

Risk factors

The Company is exposed to various risks associated with its financial instruments. The most significant financial risks which the Company is exposed to are the market risk, credit risk, and liquidity risk.

- Market risk

As a result of utilising financial instruments, the Company is exposed to market risk, specifically foreign exchange risk, interest rate risk, and price risk, arising from the Company's operating and investing activities.

Significant impact on the electricity market is expected due to renewables, which are compensated by the ESS fund and have a planned growing share, as well as the uncertain future of coal plants. The market in the country is expected to follow European trends. The future medium-term outlook for the electricity market is one of volatility and price dynamics.

To mitigate the negative impact of market price trends, long-term products account for a significant share of the Company's electricity supplies. Long-term transactions provide security and predictability both in terms of quantities and price. Price risk is possible in case of a significant increase in market prices of supplies and services, including changes in prices for the supply of fresh nuclear fuel, resulting in a corresponding increase in costs and a negative effect on the financial result. To minimise the risk of insufficient liquid resources to manage unforeseen costs, and to cover inflated prices of initiated procedures and concluded contracts, the Company provides for a reserve of funds to implement production, maintenance, and investment programmes. The planning of a reserve is part of the price risk management measures applied to secure the indexation of the values of contracts concluded with contractors, in accordance with the Methodology for Modifying the Price of a Public Procurement Contract as a Result of Inflation, as well as to secure reserve supplies of specific spare parts from alternative suppliers.

- Credit risk

In 2025, the credit risk for Kozloduy NPP EAD is estimated at level '1' - very low risk.

To minimise credit risk arising from the deterioration in the collection of receivables from NEK EAD since the beginning of 2025, measures have been taken and a rescheduling agreement for the Public Supplier's liability has been concluded.

The Company regularly monitors defaults by its customers and other counterparties, identified individually or in groups, and utilises this information to control credit risk. The Company trades only with recognised and creditworthy counterparties. The Company's policy requires that all customers who wish to transact on deferred payment terms undergo procedures to verify their solvency. Furthermore, trade receivable balances are monitored on an ongoing basis, as a result of which the Company's exposure to bad and doubtful debts is not material.

As part of the preventive measures to minimise risk and limit uncollectible receivables from long-term sales, the Company currently applies an advance payment mechanism for electricity sales, which is intended to continue in the future.

- Liquidity risk

Kozloduy NPP is exposed to high liquidity risk arising from a potential inability to meet its current obligations in a timely manner with available cash and liquid assets. Insufficient liquidity may lead to difficulties in fulfilling short-term commitments and may necessitate the use of additional financing under unfavourable terms. The assessment of inherent risk is classified as 'critical' due to unpredictability in the dividend policy and/or regulatory changes relating to the imposition of new obligations on Kozloduy NPP, which deteriorate the financial position of the nuclear power plant. These include the continuation of the mechanism for paying earmarked contributions to the ESS Fund pursuant to statutory provisions until the end of 2025 at a reduced cap close to production cost, increasing the amount of dividend deducted for the sole owner of the capital up to 100% of the profit, or other new regulatory obligations.

Such decisions to seize the entire generated profit, on the one hand, exert a significant negative effect on the Company's stability and compromise the cash balance, and on the other hand, seriously limit the possibilities for investments aimed at improving the performance of facilities and equipment under the conditions of long-term operation of the nuclear units beyond their design life and their reliable operation. There is a serious risk that Kozloduy NPP EAD may be unable to set aside funds to cover future key commitments for SNF and RAW management.

The Company meets its liquidity needs by carefully monitoring payments under the repayment schedules of long-term financial liabilities, as well as the cash inflows and outflows arising in the course of operating activities. As part of liquidity risk management during the period, daily, monthly, and annual forecast estimates for cash inflows and outflows were prepared to identify the Company's financial needs.

- Foreign currency risk

The foreign currency risk for the Company is limited, given that the majority of revenues and payments are carried out in Bulgarian leva and euros. In view of the fixed exchange rate of the BGN to the EUR, exposure to these currencies does not have a significant impact on the financial results. Considering the introduction of the euro as the official currency as of 2026, the foreign currency risk will be further reduced.

With regard to US dollar payments, currency market trends are monitored due to the potential risk of possible losses arising from exchange rate fluctuations.

The Company monitors its foreign exchange exposure and, if necessary, applies appropriate measures to mitigate it.

- Interest rate risk

The Company's policy is aimed at managing and reducing the existing interest rate risk associated with long-term financing.

The Company is also exposed to interest rate risk with respect to its defined benefit plan for employee retirement. Potential changes in the calculated present value of the obligations are possible due to fluctuations in the discount rate, which is based on the market yield of government securities. A potential decrease in the market yield of government securities will result in an increase in the Company's future obligations related to defined benefit plans. (see item 19 Employee Retirement Benefit Obligations).

Kozloduy NPP EAD is not exposed to interest rate risk on short-term borrowings received or regarding the loan granted to BEH EAD, as these have been negotiated at fixed annual interest rates. The fixed nature of the interest rates guarantees stability of financing costs and predictability of cash flows, thereby eliminating the Company's sensitivity to market interest rate fluctuations.

- Cash flows risk

The Company's cash flows are dependent on changes in the amount of expected future cash flows associated with the financial instruments held. In order to mitigate the risk of unpredictability and uncertainty in the movement of incoming and outgoing financial resources, the Company regularly performs short-term and long-term cash flow planning to ensure regular, sufficient, and secure inflows that match its operational and long-term financial needs.

4. POST-REPORTING DATE EVENTS

By Resolution II.1 under Minutes No. 10-2026 dated 27 January 2026, the Board of Directors of BEH EAD approved the Resolution under Item 2.18.1 of Minutes No. 2 dated 22 January 2026 of the Board of Directors of Kozloduy NPP EAD regarding a capital increase of Kozloduy NPP - New Build EAD through a cash contribution by Kozloduy NPP EAD in the amount of EUR 127,823 thousand (BGN 250,000 thousand) against the acquisition of 25,014,300 shares with a nominal value of EUR 5.11 (BGN 10) each.

Pursuant to &2, para. 2 of the Transitional and Final Provisions of the Act on Revenue Collection and Expenditure Generation in 2026, pending the adoption of the 2026 State Budget Act of the Republic of Bulgaria, the 2026 State Social Security Budget Act, and the 2026 National Health Insurance Fund Budget Act, the mechanism for collecting earmarked contributions into the Electricity System Security Fund has been extended. The earmarked contribution represents the positive difference between market revenues and the established revenue cap for the respective type of producer. By Council of Ministers Decision No. 165 dated 12 February 2026, the revenue cap for nuclear power plant (NPP) producers was set at EUR 61.36/MWh (BGN 120/MWh) for the period from 1 January 2026 to 31 December 2026. Pursuant to Item 2 of the Decree, this cap may be amended if necessary upon proposal by the Minister of Energy.

By EWRC Decision No. И2-Л-216 dated 4 March 2026, the term of Electricity Trading Licence No. Л-216-15 dated 18 December 2006 (previously extended for a 10-year term by Decision No. И1-Л-216 dated 16 December 2016), issued to Kozloduy NPP EAD, was extended by an additional 10 years.

By resolution under Minutes No. 22-2026 dated 27 March 2026, the Board of Directors of BEH EAD granted permission to Kozloduy NPP EAD, in its capacity as borrower, to conclude Addendum No. 2 to Cash Loan Agreement No. 63-2025/854000001 dated 12 May 2025, entered into between Kozloduy NPP - New Build EAD (lender) and Kozloduy NPP EAD (borrower). This addendum extends the validity period of the agreement until 12 May 2027 and increases the loan amount to EUR 75 million, with all other clauses of the agreement remaining unchanged, under the conditions approved by resolution under Item 4.21.1 of Minutes No. 4 dated 18 March 2026 of the Board of Directors of Kozloduy NPP EAD.

By resolution under Minutes No. 20-2026 dated 19 March 2026 of the Board of Directors of BEH EAD, Iliya Todorov Iliev and Slavyan Petrov Lachev were released from their positions as members of the Board of Directors of Kozloduy NPP EAD, and Georgi Stefanov Kaschiev and Boyan Ventsev Rosmanov were elected in their stead. These new circumstances were registered in the Commercial Register and Register of Non-Profit Legal Entities on 26 March 2026.

By resolution under Minutes No. 5 dated 20 March 2026 of the Board of Directors of Kozloduy NPP EAD, Georgi Stefanov Kaschiev was elected Chairman.

By decision under Minutes No. Е-РД-21-19 dated 20 May 2026 of the Minister of Energy, Ivo Ivanov Todorov, Kalina Boyanov Filipov, Valentin Aleksiev Nikolov, Diyan Atanasov Ivanov, and Vasil Georgiev Stoynov were released from their positions as members of the Board of Directors of Bulgarian Energy Holding EAD. Ivo Ivanov Todorov, Andrey Stefanov Zhivkov, and Petar Valeriev Angelov were elected as members of the Board of Directors of BEH EAD representing the State, while Vasil Vasilev Vasilev and Ilza Mitkova Chinkova were elected as independent members.

By resolution under Minutes of meeting of the Board of Directors of BEH EAD held on 20 May 2026, Ilza Mitkova Chinkova was elected Chairperson and Vasil Vasilev Vasilev was elected Deputy Chair of the Board of Directors of BEH EAD. Andrey Stefanov Zhivkov was elected Executive Member of the Board of Directors of BEH EAD, entrusted with the management and representation of the company before third parties.

There are no adjusting or other non-adjusting post-reporting date events that require additional disclosure or corrections in the financial statements of Kozloduy NPP EAD as at 31 December 2025.

5. FUTURE DEVELOPMENT OF KOZLODUY NPP EAD

The planned business policy of the Company for 2026 is in compliance with the five-year Business Programme for the period 2026 – 2030 adopted by the Board of Directors of Kozloduy NPP EAD with the resolution under Item 1 of Minutes No. 1 dated 7 January 2026.

The strategic goals of Kozloduy NPP EAD are to ensure the highest level of safety, efficient and competitive production, to maintain licensed, competent, and motivated staff, and to sustain the financial stability of the Company.

Safety is the primary responsibility of Kozloduy NPP EAD as an organisation operating nuclear facilities. To fulfil this responsibility, the Company maintains an effective safety management system. The means by which safety objectives are implemented are defined in Kozloduy NPP EAD Safety Management Strategy and Kozloduy NPP EAD Security Management Strategy. In accordance with the licence conditions, the Integrated Programme for the Implementation of Measures to Improve Safety of Unit 5 for the Period 2017-2027 and the Integrated Programme for the Implementation of Measures to Improve Safety of Unit 6 for the Period 2019-2029 are being implemented.

In pursuance of the requirements of the EURATOM Supply Agency for diversification of fresh nuclear fuel supply, the activities under the contracts concluded with Westinghouse for the supply of fresh nuclear fuel assemblies for Unit 5 and with Framatome for the supply of fresh nuclear fuel for Unit 6 will be implemented.

The period 2026–2030 will be pivotal for the energy sector in Bulgaria, putting both local and regional energy policies to the test. Sustainable development and the diversification of the energy mix will be essential to address existing challenges and ensure stability and security in the energy sector.

Significant dynamics and unpredictability of the market environment are expected during the current year and subsequent years as a result of substantial external factors, such as ongoing conflicts, a highly price-volatile market, and the negative impact of renewable energy (RES) supply due to insufficient cross-border connectivity. Domestic factors also have an impact, such as measures to protect business from high electricity prices, the Company's participation in the mechanism for a smooth transition toward full liberalisation of the retail market for household end consumers, as well as frequent changes in the regulatory framework.

The amendments and supplements to the Energy Act (prom. in the State Gazette, issue No. 44 of 2025), future prospects are linked to the transition to the next stage of electricity market liberalisation. The liberalisation of the wholesale market commenced on 1 July 2025. Under the new market model, the status and functions of the Public Supplier were eliminated, as was the obligation of the EWRC to annually determine the forecasted monthly generation capacity availability of producers from whom the Public Supplier was required to purchase electricity. A new mechanism has been established (a mechanism for trading long-term non-standard products on the Bilateral Contracts segment), which is implemented through NEK EAD in its capacity as a balancing group coordinator. NEK EAD sells electricity from the balancing group on the organised power exchange market via a newly established long-term mechanism on the organised power exchange, where long-term products are traded pursuant to Article 100, para. 8 and 9 of the Energy Act, with NEK and the end suppliers as participants. The end suppliers, in turn, sell to final household end customers, who will be compensated by the Electricity System Security Fund (ESSF) for the difference between the actual invoiced price and the base price determined by the EWRC. Following the elimination of the quota, it was replaced by a statutory obligation to participate in the new mechanism and to provide volumes to be offered by NEK EAD on the new power exchange segment, for the purposes of meeting household consumption and protecting it from the forecasted high prices on the free market.

Kozloduy NPP EAD will conclude electricity transactions on an organised exchange market, with the exception of sales under Article 119 of the Energy Act and sales of electricity to NEK EAD in its capacity as a coordinator of a balancing group for the sale of electricity to end suppliers. The priority for a base load nuclear generator such as Kozloduy NPP, operating entirely under market conditions, is to secure the long-term operation of the units at rated power (base load), in strict compliance with the characteristic technological requirements and limits. With regard to this, the business activities of the Company over the planned period will be aimed at ensuring full sale of the generated electricity. The Company's pricing policy for the non-regulated market will be oriented towards ensuring secure and regular sales revenue, consistent with the market conditions.

The Company will ensure the implementation of all reconstructions and upgrades of the major facilities, necessitated in the course of their operation, or as a result of the operating experience analysis. Investment activities to be implemented are systematised according to their priority:

- Activities included in the integrated programmes for safety enhancement of Units 5 and 6, ensuring their long-term operation;
- Implementation of technically justified measures to ensure the reliable operation of the reactor installations of Units 5 and 6 at uprated power;
- Measures related to Kozloduy NPP safety not covered by the integrated programmes' scope - arising from operating experience, inspections, or regulatory requirements;
- Implementation of investment activities for routine maintenance of the units, auxiliary facilities, and infrastructure;
- Measures to increase the level of physical protection at Kozloduy NPP;
- Energy efficiency measures.

The management's main priorities in implementing the strategic goals of the business and finance policy are to provide the necessary financial resources for the operation, maintenance of equipment, for maintaining and enhancing the level of safety throughout the entire operational lifetime of the nuclear installation and in the management of radioactive waste and spent fuel.

The future prospects for the 2026–2030 period are related to securing the necessary funds for normal production and business activities, improving liquidity, and stabilising financial flows.

The management will continue to implement measures to ensure the Company's long-term financial stability, such as, but not limited to: measures to maintain steady revenues from electricity sales, ensure profitability, achieve efficiency and effective control, etc. Increasing cost efficiency continues to be among the priorities of the Board of Directors, in the context of Regulation No. Е-РД-04-4 of 14 July 2016 on public disclosure and optimisation of costs of commercial companies with 50 and more than 50 percent state or municipal participation in the capital, performing activities under the Energy Act, with measures being focused on the nature and direction of costs, with the aim of strengthening their contribution to increasing the profitability of the Company.

In order to achieve the objectives in the area of personnel management, a ten-year Strategy for Human Resource Management at Kozloduy NPP EAD is being implemented. Maintaining a sufficient, qualified, licensed, and motivated workforce to ensure the safe operation of the units during the respective licensing period continues to be a priority for management in its corporate governance intentions. The Company will continue to recruit the necessary staff through a professional selection system, in accordance with the educational and other requirements set out in the job descriptions. Over the next years, particular attention will be focused on activities related to maintaining the high interest and attracting the necessary candidates for work in the Company among the graduates of technical specialities both from secondary vocational and higher education. There will be paid university student group practical training, unpaid university and high school student group practical training, unpaid individual university student internships, and a paid summer internship programme. Awarding scholarships to university students studying courses directly related to nuclear energy will continue. In nuclear industry, sufficient knowledge and experience is essential for the safe, effective, and efficient operation of facilities. In order to ensure a sufficient, motivated, competent, and qualified workforce and to foster an organisational culture with an emphasis on safety, Kozloduy NPP EAD has implemented a knowledge management system. During the planning period, the Company will continue the implementation of activities to assess the risk of knowledge loss among its employees/workers and to prepare and carry out plans to prevent knowledge loss.

The main challenge outside the normal activities is the implementation of the National Assembly's decision to take concrete steps on the construction of Units 7 and 8 at Kozloduy NPP Site No. 2 with AP1000 technology. The deployment of a new nuclear facility is linked to the necessity for the Bulgarian State to take actions to secure long-term base load capacity in connection with the Green Deal and the ongoing energy transition, given the advantages and capabilities of nuclear energy as a secure, reliable, sustainable, and low-emission alternative. Currently, Kozloduy NPP - New Build EAD is conducting negotiations with international financial institutions and export credit agencies from the US and South Korea - namely US EXIM and KEXIM - for the provision of long-term financing under favourable financial terms, secured by state guarantees. In July 2025, an agreement was concluded with the American bank Citibank as the Lead Coordinating Bank and Lead Arranger to structure the debt financing for the project's execution and the commissioning of the nuclear units, as well as to assist Kozloduy NPP - New Build EAD in the application and approval processes for financing, in compliance with export credit conditions, market parameters, and the required amount of debt capital. In August 2025, Kozloduy NPP - New Build EAD entered into an agreement with Ernst & Young Bulgaria EOOD, acting as financial and economic consultant, to develop a comprehensive financial model covering the entire life cycle of the new nuclear Units 7 and 8. By resolution under Minutes No. 33 dated 4 September 2025 of the Board of Directors of Kozloduy NPP EAD, a non-cash (in-kind) contribution was made to the capital of Kozloduy NPP - New Build EAD. Permission for the transaction was granted by the Board of Directors of BEH by resolution under Minutes No. 59-2025 dated 12 September 2025. The non-cash contribution by Kozloduy NPP EAD consists of the transfer of 202.679 decares of land required for the construction of the new nuclear facilities and included within the boundaries of the site for Units 7 and 8, and was valued by three independent experts pursuant to Article 72 of the Commerce Act at EUR 333 million. By Minutes No. 75-2025 dated 25 November 2025 of the Board of Directors of Bulgarian Energy Holding EAD, a resolution was adopted to increase the capital of Kozloduy NPP through a cash contribution of EUR 127.8 million. The capital increase is targeted for financing the construction activities of Units 7 and 8 on Site No. 2 of Kozloduy NPP utilising AP1000 technology. In early December 2025, an engineering company (Owner's Engineer) was selected to support the company in the successful planning, supervision, execution, and implementation of the project until the commissioning of the nuclear units. An agreement was concluded between Kozloduy NPP - New Build EAD and a consortium with predominant Canadian participation, LEP-BWXT-CNPSA, for the provision of engineering and consultancy services.

The Company's management does not consider that there are significant risks resulting from the dynamic fiscal and regulatory environment in Bulgaria that would require adjustments to the separate financial statements for 2025.

6. ADDITIONAL INFORMATION under APPENDIX No. 2 of Regulation No. 2 of 9 November 2021 of the Financial Supervision Commission

1. Information presented in terms of value and quantity data regarding the main categories of goods, products and/or services provided, with an indication of their share of sales revenue as a whole and changes that occurred during the financial year under review

The two main activities of the Company are the generation of electricity and the generation and supply of heat energy. The main product of Kozloduy NPP EAD is the electricity generated by Units 5 and 6, and the second product is the result of the operation of the boiler plants of Units 5 and 6, which produce heat energy.

Main products	2025	% share	2024	% share
Net electricity (in-house generation), MWh	14,558,628	99.69%	14,978,518	99.64%
Purchased electricity, MWh	44,740	0.31%	53,424	0.36%
Total electricity sold, MWh	14,603,368	100%	15,031,942	100%
Heat energy sold, MWh	75,461		69,766	

In 2025, Kozloduy NPP EAD generated income in the total amount of BGN 2,241,851 thousand. Almost 100% are from electricity sales and a very small insignificant share are from heat energy sales. Revenues reported for services provided are from: hotels, recreational facilities, rental of departmental housing, transport and metrology services performed for external organisations, and other services performed by specialised units of the Company. In accordance with the Company's accounting policies, part of the funding for the construction of the Dry Spent Fuel Storage Facility is recognised annually as current revenue.

Structure of revenues from sales and share of main categories

Indicator	2025 (BGN'000)	% share of income	2024 (BGN'000)	% share of income
Total income	**2,241,851**	**100.00%**	**2,064,363**	**100.00%**
Total revenue from sales of production	**2,224,918**	**99.24%**	**2,046,734**	**99.15%**
Revenue from electricity sales	2,219,851	99.77%	2,042,629	99.80%
Revenue from sales of heat energy	5,067	0.23%	4,105	0.20%
Finance income	**2,446**	**0.11%**	**7,277**	**0.35%**
Income from services and other income	**8,466**	**0.38%**	**7,828**	**0.38%**
Income from sales of services	2,807	33.2%	2,463	31.5%
Revenue from sales of goods and assets	2,022	23.9%	2,614	33.4%
Other income	3,637	43.0%	2,751	35.1%
Finance income	**6,021**	**0.27%**	**2,524**	**0.12%**

No material changes in the structure of the main income categories occurred during the reporting financial year.

2. Information on the revenues, allocated to the different categories of activities, domestic and external markets, as well as information on the sources for the supply of materials, required in the production of goods, or in the rendering of services, reflecting the degree of dependency of the individual seller or buyer/user, and information on each person, individually, on his/her share in the sales or purchases, and his/her relation to the Company, in the cases where the relative share of any of those exceeds 10 per cent of the costs of sales or the sales revenue

The revenues from sales of production are generated entirely on the internal (domestic) market, all the Company's customers are based on the territory of the country.

After the change of the market model in 2018 and the introduction of the exchange trading as the only and mandatory market mechanism, the main customer of Kozloduy NPP EAD is the Independent Bulgarian Energy Exchange (IBEX EAD). The share of revenues generated from IBEX EAD account for 44% of the Company's total revenues, marking an increase compared to the previous year (which was 37% of the Company's revenues for 2024), due to the reduced sale of electricity under bilateral contracts.

The other major customer of the Company is NEK EAD. Electricity revenues from NEK EAD account for a 27% share of the Company's total revenues, marking an increase compared to the previous year (a 16% share in 2024), as a result of the higher selling price during the second half of 2025 for NEK Coordinator, as well as due to increased volumes for this segment.

Materials and the provision of services required for electricity generation come from domestic and foreign suppliers. AO TVEL account for a 12% share of the Company's expenses. Two fresh fuel deliveries were received during the year from AO TVEL (84 assemblies TVSA-12 and 12 RCCAs). In 2024, there were no fresh fuel deliveries from AO TVEL.

The contracts concluded within the reporting period do not go beyond the usual business activities of the Company and do not deviate from the market conditions.

3. Information on major transactions concluded

in 2025, by a resolution under Minutes No. 33/4 September 2025 of the Board of Directors of Kozloduy NPP EAD, a decision was made to make a non-monetary (in-kind) contribution to the capital of Kozloduy NPP – New Build EAD. It was authorised by the Board of Directors of BEH with resolution under Minutes No. 59-2025/12 September 2025. The in-kind contribution of Kozloduy NPP EAD constitutes the assignment of 202.679 decares of land, necessary for the construction of the new nuclear facilities within the boundaries of Units 7 and 8 site. The authorisation for the contribution of the land was granted after an appraisal of the property (non-monetary contribution) was prepared by three independent experts in accordance with Article 72 of the Commerce Act, following request No. 20250327141452, filed under the file of Kozloduy NPP - New Build EAD in the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency. The conclusion of the independent experts is set out in a report and determines the value of the contribution to be BGN 651,126 thousand. Kozloduy NPP - New Build EAD will issue 65,112,600 shares with a nominal value of BGN 10 against the contributed land, which will increase the capital of the subsidiary, respectively the investment of Kozloduy NPP EAD from BGN 1,821,000 thousand to BGN 2,472,126 thousand. The tax effect of the transaction related to the contribution is estimated at BGN 65,095 thousand, which will be reported in the parent company. The management of the Group assesses that the transaction lacks commercial substance within the meaning of IAS 16, and the revaluation surplus has been transferred to retained earnings.

Information on transactions and events over the year is disclosed in the annual separate financial statements of the Company as at 31 December 2025.

4. **Information regarding transactions entered into between the Company and related parties during the reporting period, proposals to enter into such transactions, and transactions that are outside the Company's ordinary course of business or materially deviate from market conditions to which the Company, or its subsidiary, is a party, with an indication of the value of the transactions, the nature of the relationship and any information necessary to assess the impact on the Company's financial position**

All related party sales and purchases are made under market conditions, except for transactions related to the purchase and sale of electricity at regulated prices as determined by the Decision of the Energy and Water Regulatory Commission (EWRC) and under the contract concluded with NEK EAD in its capacity as a balancing group coordinator. The transactions with related parties do not deviate from the normal market conditions.

Quantitative data regarding the transactions with related parties is disclosed in detail in the annual separate financial statements of the Company as at 31 December 2025 (Note 33 'Related Party Disclosures').

5. Information on events and indicators of an unusual nature for the Company, having a material impact on its operations and its revenues and expenses incurred; an assessment of their impact on the current year's results

The accrued expenses for earmarked contributions to the Energy System Security Fund, which amount to BGN 589,549 thousand in 2025, are classified as an event of an unusual nature for the Company, having a material impact on its operations, generated revenues, and incurred expenses. The measure was introduced in response to Council Regulation (EU) 2022/1854 of 6 October 2022 to tackle high energy prices and it remains ongoing at present. The earmarked contributions are defined as the difference between the market prices and the revenue cap set for the respective generator. For the first half of 2025, a 'cap' of 150 BGN/MWh was set for Kozloduy NPP EAD. As of 1 July 2025, with a Decision of the Council of Minsiters No. 340/28 May 2025, the 'cap' for the nuclear power plant was reduced to BGN 120/MWh.

The earmarked contributions to the ESS Fund represent 27% of total expenses and have a material impact on cash liquidity and the financial result.

6. Information regarding off-balance sheet transactions - nature and business purpose - indicating the financial impact of such transactions on the activities, if the risk and benefits of these transactions are material to the

Company and if the disclosure of such information is significant for the assessment of the Company's financial position

The Company does not have any transactions, carried off-balance sheet in 2025. The Company reports off-balance sheet foreign assets pledged as collateral. These are bank guarantees and insurance policies provided in favour of Kozloduy NPP in accordance with the contractual requirements for performance guarantees and guarantees for advance payments received, which the contractors are obliged to provide.

Other entity's assets, pledged as compensation (BGN'000)	Available as at 1 January 2025	Received in 2025	Discharged in 2025	Available as at 31 December 2025
Received guarantees, incl.:	**28,314**	**23,854**	**12,970**	**39,198**
Received guarantees under insurance contracts for maintenance activities, denominated in BGN	16,392	9,159	1,356	24,195
Received bank guarantees under maintenance contracts, denominated in BGN	3,972	3,343	1,934	5,381
Received bank guarantees, denominated in foreign currencies (BGN equivalent)	7,950	11,352	9,680	9,622

7. Information on the Company's shareholdings, its main investments in the country and abroad (in securities, financial instruments, intangible assets, and real estate), as well as investments in equity securities outside its economic group within the meaning of the Accountancy Act and the sources/means of financing;

In 2024, the capital of the subsidiary Kozloduy NPP - New Build EAD was also increased by BGN 300,000,000 through the issuance of 30,000,000 new ordinary registered voting shares with a nominal value of BGN 10 (ten) each. The new shares are fully assumed by Kozloduy NPP EAD. After the increase, the Company's capital amounts to BGN 1,816,800,000 divided into 181,680,000 ordinary registered voting shares with a nominal value of BGN 10 each. This circumstance was entered into the Commercial Register and Register of Non-Profit Legal Entities on 6 January 2025.

In 2025, by a resolution under Minutes No. 33/4 September 2025 of the Board of Directors of Kozloduy NPP EAD, a decision was made to make a non-monetary (in-kind) contribution to the capital of Kozloduy NPP – New Build EAD. In exchange for the contributed land, Kozloduy NPP - New Build EAD issued 65,112,600 shares with a nominal value of BGN 10 each, thereby increasing the subsidiary's share capital from BGN 1,816,800 thousand to BGN 2,467,926 thousand. This circumstance was entered into the Commercial Register and Register of Non-Profit Legal Entities on 14 October 2025.

Information on the assets held is presented in detail in the Company's annual separate financial statements as at 31 December 2025 (Notes 7 'Investments in Subsidiaries' and 8 'Capital Instruments at Fair Value through Other Comprehensive Income').

8. Information on the contracts concluded by the Company, its subsidiaries, or Parent Company, in their capacity of borrowers. Information on the credit agreements, disclosing the agreements' specific terms and conditions, including the maturity of each agreement, as well as information on the placed guarantees and the undertaken commitments

On 12 May 2025, a loan agreement was signed between Kozloduy NPP - New Build EAD as the lender and Kozloduy NPP EAD as the borrower, loan amount of BGN 50,000 thousand, at an interest rate of 3.225% on the drawn down amount with a term of one year. The loan is without collateral and allows for multiple repayments of the principal, either in full or in part, within the agreed term. By a resolution under Minutes No. 39 of 12 November 2025, the Board of Directors of Kozloduy NPP EAD decided to sign Addendum No. 1 to the agreement, thereby increasing the amount of the borrowed funds from BGN 50,000 thousand to BGN 100,000, with all other clauses of the agreement remaining unchanged.

On 16 July 2025, an overdraft facility agreement was concluded between International Asset Bank AD as the lender and Kozloduy NPP EAD as the borrower, for an amount up to BGN 50,000 thousand, at an interest rate of 2.95% on the drawn amount. The term of the agreement is one year, with an option for extension. The overdraft allows for multiple repayments of the principal, either in full or in part, within the agreed term. Collateral for the loan: a first-ranking pledge under the Law on Special Pledges (LSP) in favour of the bank over future receivables pursuant to a signed contract between Kozloduy NPP EAD and NEK EAD, as well as over the borrower's account into which the receivables will be deposited; a pledge under the Law on Financial Collateral Arrangements (LFCA) over all present and future receivables of the borrower held in national and foreign currency accounts with the Bank of which the borrower is the holder.

Detailed information regarding the movement and balances of the received loans is disclosed in the Company's annual separate financial statements as at 31 December 2025 (Notes 21 'Loans from Financial Institutions' and 33.3 'Loans from Related Parties').

9. Information on the contracts, concluded by the Company, its subsidiaries, or Parent Company, in their capacity of lenders; loan agreements, including the provision of guarantees of any kind, including to related parties, disclosing the specific terms and conditions under each, including the maturity and the purpose for which such were granted

Pursuant to the resolution under Minutes of Meeting No. 31-2022/11 May 2022 of the Board of Directors of Bulgarian Energy Holding EAD, approved by the Minutes No. E-РД-21-22/24 March 2022 of the Ministry of Energy, a loan agreement was concluded between Kozloduy NPP EAD as the lender and the Bulgarian Energy Holding EAD as the borrower in the amount of BGN 37,864.950 thousand. The funds were provided to BEH EAD for the purpose of financing the costs of Bulgartransgaz EAD for the purchase of natural gas. The deadline for the loan repayment is 30 June 2026. According to the repayment schedule attached to the Contract, the repayment of the principal commenced on 1 January 2023 through 42 annuity instalments. The loan is contracted at a fixed interest rate of 1.66% per annum. In 2025, the annuity instalments due under the loan were paid monthly in accordance with the repayment schedule. The outstanding repayments on the loan total BGN 32,320 thousand, the balance to be repaid on the principal is BGN 5,545 thousand.

By decision of Bulgarian Energy Holding EAD dated 7 November 2008, a Credit Line Agreement No. 880080 dated 7 October 2008 and annexes to the agreement were concluded, under which Kozloduy NPP EAD provided a loan to its subsidiary HPP Kozloduy EAD in the amount of BGN 22,000 thousand. The funds were provided for the specific purpose of construction and development of a hydroelectric power plant facility. As at 31 December 2025, the loan has been fully repaid.

In compliance with the resolution under item 1 of Minutes No. 101-2024/18 October 2024 of the meeting of the Board of Directors of Bulgarian Energy Holding EAD, approved by Minutes No. E-РД-21-34/18 October 2024 of the Minister of Energy, and the resolution under item 1 of Minutes No. 50/18 October 2024 of the meeting of the Board of Directors of Kozloduy NPP EAD, a cash loan in the amount of BGN 25,000 thousand was granted to BEH EAD. The executed Loan Agreement had a final repayment maturity date of 19 November 2024. By Addendum No. 1 dated 18 November 2024 and Addendum No. 2 dated 13 December 2024 to the agreement, the final loan repayment deadline was extended to 19 January 2025, with all other loan terms and conditions remaining unchanged. Within the maturity period, the obligations of Bulgarian Energy Holding EAD for accrued interest and principal under loan agreement 847000060/18.10.2024 were fully repaid.

Detailed information regarding the movement and balances of the provided loans is disclosed in the Company's annual separate financial statements as at 31 December 2025 in Note 33.2 'Loans Provided to Related Parties'.

As at 31 December 2025, the Company has provided the following guarantees and collaterals:

- Monetary guarantee under a contract for organised exchange market - BGN 3,200 thousand;
- Monetary guarantee on the provision of a financial limit when initiating a CMBC bid for electricity - BGN 350 thousand;
- Monetary guarantee on the provision of a financial limit for participation on IBEX CMBC segment- BGN 11,498 thousand;
- Monetary guarantee for concluding electricity trade transactions - BGN 75 thousand;
- Monetary guarantee for participation on the electricity exchange market – BGN 5,251 thousand;
- Monetary guarantee for obligations to society for trading in electricity – BGN 567 thousand;
- Monetary guarantee on balancing contract - BGN 1,104 thousand;
- Monetary guarantee under a contract for supply of reactive power to the off-site emergency response centre (ERC) - BGN 9 thousand;
- Monetary guarantee under a contract for access and transmission of electricity - BGN 153 thousand;
- Guarantee collateral on securing financial limit to cover transactions - BGN - 5,500 thousand;

- Guarantee collateral on procuring electric devices for the collection of road user charges for vehicles of over 3.5t – BGN 6 thousand;
- Guarantee collateral under a framework contract for provision of electricity – BGN 16 thousand;
- Guarantee collateral under an office rent agreement – BGN 2 thousand;
- Guarantee collateral under district heating network agreement – BGN 19 thousand.

10. Information on the use of funds from the new securities issue during the reporting period

No securities were issued during the reporting period.

11. Analysis of the relationship between the financial results achieved, as reported in the financial statements for the financial year, and the previously published estimates of those results

The Company has not published any financial results estimates.

12. Analysis and evaluation of the financial resources management policy, stating the ability to settle the obligations, any possible threats and measures which the Company has taken or is about to undertake to eliminate those

The Company's financial resources are managed jointly by the senior management and the Board of Directors. The main priority is to secure short- and medium-term cash flows for settling the Company's liabilities without obtaining funds from financial markets and in accordance with the financial and payment conditions and the requirements of the Bulgarian legislation. The Company has an effective financial management and control system in place, functioning through policies and procedures, designed to ensure confidence in achieving the Company's objectives, as set in the Business Programme. Ongoing activities include:

- ➢ Provide objective and accurate financial and economic information in order to take timely and effective preventive actions to avoid possible threats;
- ➢ Ensure control over financial resources through periodic (daily, weekly) assessment of the risks (credit risk, interest rate risk, liquidity risk, currency risk and cash flow risk).

As at 31 December 2025, the Company's net debt, calculated as the difference between the liabilities and the available cash, amounts to BGN 671,150 thousand.

Indicator (BGN'000)	2025	2024
Total liabilities	1,078,348	882,944
Cash and short-term deposits	-399,707	-549,318
Net debt	678,641	333,626
Long-term liabilities	364,704	381,644
Equity	5,978,675	5,266,885
Long-term liabilities/Equity ratio	0.06	0.07

The Company does experience any difficulties in servicing its liabilities. Detailed information on possible threats and measures taken is provided earlier in the report. The risks that Kozloduy NPP EAD faces on the electricity market are mainly related to the unpredictability in the market price dynamics as well as the ongoing military conflict between Russia and Ukraine.

13. Assessment of the possibilities for realisation of the investment intentions, indicating the amount of funds available, and specifying possible changes in the financing structure of this activity

As at 31 December 2025, Kozloduy NPP EAD has limited cash resources and diminished capabilities to finance its operations entirely through its own funds. Over the past year, the company utilised both own and borrowed funds to finance its current settlements, including its investment activities. Cash and cash equivalents of Kozloduy NPP EAD as at 31 December 2025 amounted to BGN 400 million, of which BGN 363 million are not available to the company (BGN 250 million are earmarked for the capital increase of Kozloduy NPP - New Build EAD and BGN 113 million are blocked in accounts under the control of the Ministry of Energy for spent nuclear fuel management). The available funds of the nuclear power plant at the end of 2025 amounted to BGN 37 million and originate from short-term cash loans totalling BGN 150 million.
An investment program of the Company in the amount of EUR 97 million (BGN 190 million) has been approved for 2026. The implementation of the investment intentions is planned to be secured through mixed financing (own and borrowed funds). The assessment of the feasibility of the planned investments is based on the amount of cash and cash

equivalents as at 31 December 2025 and the projected cash receipts from sales from core business in the Company's Business Programme. During the planning period, the Company is expected to generate regular proceeds from sales in the exchange market to service its commitments as they fall due. At present, under the current forecast parameters, the Company is not expected to assume long-term debt or make changes to the financing structure of this activity.

14. Information on any changes occurring in the core management principles of the Company and the companies within its group, within the meaning of the Accountancy Act, in the reporting period

No changes in the core management principles of the Company and its economic group occurred in 2025.

15. Information on the key features of the internal control and risk management systems, implemented by the Company in the process of preparing its financial statements

The Company has integrated an adequate and effective financial management and control system, through developed policies and procedures, in compliance with the requirements of the Financial Management and Control in the Public Sector Act, in order to ensure reasonable assurance that the goals set by the management will be achieved. The financial management and control system is characterised by: risk assessment; control environment; control activities, exchange of information and communication; activity monitoring.

Part of this system is the internal audit, which appears as a third line of defence. Pursuant to the Internal Auditing in the Public Sector Act, the internal auditing is one of the tools to assess the adequacy and effectiveness of the financial management and control system. Kozloduy NPP EAD has an Internal Audit Department which reports directly to the CEO; the department's main activity is to plan and perform audit engagements to provide assurance or advice. The internal audit activities at Kozloduy NPP EAD are carried out in accordance with the Internal Auditing in the Public Sector Act, the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics for Internal Auditors, the Regulations/Statutes of the Internal Audit Unit and the Methodology for Internal Audit in the Public Sector approved by the Minister of Finance. The management system established in Kozloduy NPP is process-based which guarantees good synchronisation in managing the risks assumed by the Company.

Sufficient policies, procedures, and internal rules have been developed and implemented in accordance with the legislation in force, taking into account the specificity in the implementation of the core activity of Kozloduy NPP EAD. When certain weaknesses in the system are identified, the management takes the necessary timely and adequate measures to address them. The Accounting Policies Manual comprises procedures, designed to ensure complete, true, accurate, and timely booking, which comply with the Accountancy Act and the International Financial Reporting Standards, endorsed by the European Union, applied as an accounting basis by the Company. An organisation for the flow of financial and accounting documents in the implementation of business processes has been established in the Rules for the Flow of Accounting Documents at Kozloduy NPP EAD. Permission, approval, and authorisation procedures, a dual signature system and procedures for preventive, follow-up, and current (ongoing) control of incurred costs are implemented through the developed internal documents. Separate rules describe different types of rights and obligations of the responsible persons, the scope of information, access to different types of information, and the responsibilities related to the information flows management. The established system ensures effective implementation of internal control while creating and managing all types of documents, including financial statements and other regular information that the Company is obliged to disclose in compliance with the statutory regulations.

The Company applies the Financial Policy and Risk Management Policy adopted by BEH EAD. Kozloduy NPP EAD implements risk management to ensure that all actions have been taken to identify, assess, plan, and implement measures to minimise the risk impact on achieving the Company's objectives.

16. Information on any changes made to the management and supervisory bodies during the reporting financial year

In the reporting year 2025, no changes occurred in the composition of the governing bodies.

At the beginning of the reporting period, as at 1 January 2025, and in the end of the reporting period 31 December 2025, the Board of Directors consisted of:

- Iliya Iliev - Chair of the Board of Directors;
- Ivan Andreev - Member of the Board of Directors and Chief Executive Officer;
- Svilena Nikolova - Member of the Board of Directors;

- Slavyan Lachev - Member of the Board of Directors;
- Iva Nikolova - Member of the Board of Directors.

The Company is represented by the Chief Executive Officer Ivan Andreev.

17. Information on the amount of remuneration, rewards and/or benefits paid by the Company and its subsidiaries to each member of the managing and supervisory bodies during the financial reporting year, regardless of whether such were included in the Company's expenses, or were derived from profit distributions, inclusive

Remuneration of the members of the Board of Directors (BGN'000)	2025	2024
Short-term remuneration, including:	**683**	**592**
Salaries, including bonuses and compensations	597	525
Social security contributions	52	31
Social costs	34	36

18. Information about arrangements known to the Company (including after the end of the financial year), which may result in future changes in the relative share of the stocks or bonds of the current shareholder or bondholder

At present, the Company is not aware of any arrangements that in the future would lead to changes in the relative share of stocks held by the sole owner of capital.

19. Information on pending judicial, administrative or arbitration proceedings, relating to liabilities or receivables of the Company, amounting to at least 10 per cent of its equity; information on each proceeding shall be presented separately if the total amount of the Company's liabilities or receivables under all proceedings exceeds 10 per cent of its equity

As at 31 December 2025, there are no pending proceedings, relating to liabilities or receivables of the Company, amounting to at least 10 per cent of its equity. The Company is not a party in any proceedings with an amount of the claim/receivable of at least 10 per cent of its equity.

20. Additional information about the Company

Information about the Company is published on the official website: www.kznpp.org.

21. Other information

The Company considers that there is no other information that would be important to the users.

7. NON-FINANCIAL INFORMATION

Information under Article 29, para. 4 of the Public Enterprises Act

Kozloduy NPP EAD is the only nuclear power plant in Bulgaria and the country's major electricity producer, providing for more than one third of the national annual electricity generation.

Kozloduy NPP sells the generated electricity in the following segments of the Bulgarian energy market:

- Regulated market - sales to the public supplier NEK EAD at prices regulated by EWRC until 30 June 2025. Regulated market obligations (monthly supply quotas) are determined by EWRC based on the projected consumption of end suppliers;
- Electricity sales to NEK EAD, in its capacity as a balancing group coordinator for electricity sales to end suppliers, from the second half of 2025.
- Non-regulated market - transactions with electricity at freely negotiated prices on an organised exchange market, administered by the IBEX EAD;
- Supplying Company's facilities (Article 119, para. 1 of the Energy Act) and end customers connected through their own electrical systems (Article 119, para. 2 of the Energy Act).

The heat energy generated by Kozloduy NPP EAD is sold at prices regulated by the EWRC to satisfy the needs of:
- Domestic and non-domestic consumers in the town of Kozloduy;
- Non-domestic (business) consumers on-site and in the close vicinity of the plant site.

The long-term intentions of the Kozloduy NPP EAD Management regarding the management of the Company are summarised in the Management Policy of the Kozloduy NPP EAD and the Kozloduy NPP EAD Management Policy Statement regarding the management of the Company which can be found on the website: www.kznpp.org.

The strategic goal of Kozloduy NPP EAD is safe, efficient, and environmentally friendly generation of energy, under long-term operation conditions, of guaranteed quality and security of supplies, in compliance with national and international standards.

To achieve this goal, the Management of Kozloduy NPP EAD implements an integrated Management System that brings together all the requirements for the activities, in compliance with the following priorities:
- The highest level of safety;
- Effective and competitive electricity generation;
- Licensed, competent, and motivated personnel;
- Financial stability.

The priorities in the different management areas as stated by the management are developed and substantiated in policies of the Management System, which set out the principles, specify the objectives, and the way to achieve them:
- Kozloduy NPP EAD Safety Management Policy;
- Kozloduy NPP EAD Security Management Policy;
- Kozloduy NPP EAD Quality Management Policy;
- Kozloduy NPP EAD Environmental Management Policy;
- Kozloduy NPP EAD Health and Safety Management Policy;
- Kozloduy NPP EAD Financial and Business Management Policy;
- Kozloduy NPP EAD Fire Safety Management Policy;
- Kozloduy NPP EAD Human Resource Management Policy.

The policies reflect the senior management commitment to achieve the goals and the specific objectives, principles and tools to measure the achievement of continuous improvement.

RISK ASSESSMENT REPORT

Risk management is applied to ensure that all actions have been taken to identify, assess, plan, and implement measures to minimise the risks' impact on achieving the Company's goals.

The Company's strategic goals are defined in the Business plan approved by the Board of Directors. The management goals regarding the management policy and specific areas of activity are defined in the Company's policies summarised in the document Kozloduy NPP EAD Policies, ID No. 10.СОПЛ.00.ПЛТ.1067.

The plant risk management policy is to integrate risk management in the Company's management system processes, implementing the concept of 'risk-based thinking'.

The risk management strategy at Kozloduy NPP EAD is based on a conservative approach where safety is a priority in all activities and measures are taken to minimise the consequences for each identified considerable risk.

The general procedure, responsibilities, and requirements for risk management are presented in the process model and documented in the 'Quality Rules. Risk Management at Kozloduy NPP EAD',

Current perspective for 2025

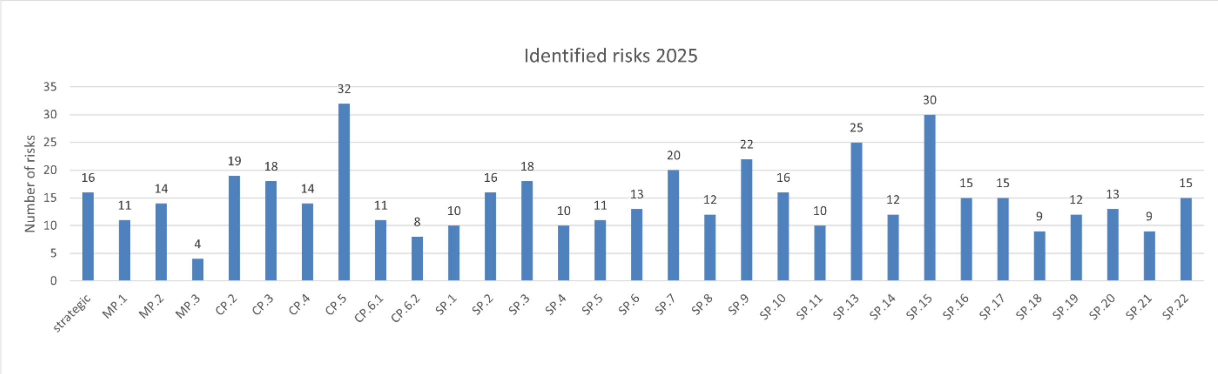
Kozloduy NPP EAD maintains an up-to-date Business Risk Register. Business risks include strategic and process risks. The Safety and Quality Committee performs periodic review of the risk profile and control over the measures to minimise risk.

The assessment of the identified risks is carried out using the Business Risk Assessment Methodology by the relevant risk officer. As a result of the score, the risk category is determined in accordance with the scale: 'Very Low', 'Low', 'Medium', 'High', and 'Very High'.

Regarding the inherent risks, after analysis and assessment, measures to minimise them have been identified and integrated into the processes. Regarding the residual risks in the 'Medium', 'High', and 'Very High' categories, additional risk impact measures have been identified to control and minimise them to an acceptable level.

A review of the Company's risk profile was carried out in 2025.

A total of 460 risks have been identified. The distribution of strategic and process risks is presented in Figure 1.

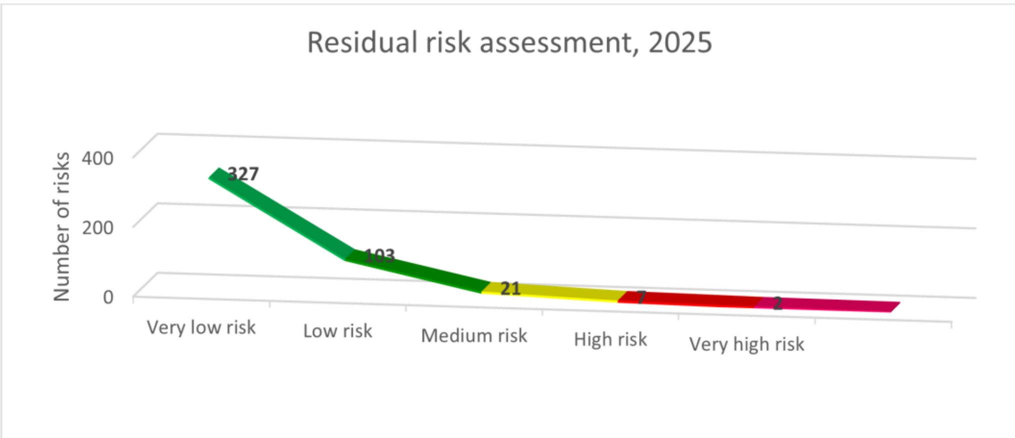


The number of strategic and process risks is preserved. Strategic risks are 16 in number and process risks are 344. Residual risk impact measures have been formulated for 12 strategic risks and 35 risks for the following 13 processes:

MP.2 Strategical and Operational Planning;
MP.3 Organisational Change Management;
CP.3 Design Support;
CP.4 Maintenance;
CP.5 Nuclear Fuel Cycle Management;
CP.6.1 Electricity Sale;
SP.1 Emergency Planning and Preparedness;
SP.5 Licensing and Assessment of Investment Intentions;
SP.7 Structures, Systems, and Components Surveillance;
SP.9 Environmental Management;
SP.20 Human Resource Management;
SP.21 Nuclear Security;
SP.22 Finance management.

Risk profile determination is based on identifying residual risks.

As a result of the risk register review, it has been established that the risk profile remains within the zone of the 'Very Low' and 'Low' categories (Figure 2).



Two risks have been identified in the 'Very High' category for process CP.6.1 'Electricity sale':

Risk CP.6.1-4 'Changes in the market environment (drop in demand and/or oversupply of energy leading to a drastic drop in price levels and/or energy not fully sold)';

Risk CP.6.1-6 'Lack of conditions for effective management of imbalances in case of significant production deviations (insufficient demand/supply, available input/output capacities)', which is formed at the level of the EU internal electricity market and is not under the control of the Company.

REPORT ON HUMAN RESOURCES AND EMPLOYMENT RELATIONS

Social issues and personnel related issues

Issues related to the number of employees of different genders, whereby information may be provided by area of employment and by occupation (gender pay equity for jobs of equal value, etc.):

Human resource management in the Company is carried out in strict accordance with the objectives set out in the Human Resource Management Policy of Kozloduy NPP EAD. The main priority is ensuring the operational safety of Units 5 and 6 by maintaining the necessary headcount of highly qualified and licensed personnel. Selection and recruitment processes are conducted with full transparency, in compliance with licensing conditions, the professional selection system, approved educational and qualification requirements, and job descriptions.

As at 31 December 2025, the total headcount is 3,867. The Company applies the principle of equal opportunity – 33% of the total headcount are women.

Allocation of staff according to the national classification of occupations and positions:

		No.
Managers		473
	incl. women	122
Specialists		1,187
	incl. women	550
Technicians and associate professionals		877
	incl. women	217
Administrative assistance personnel		194
	incl. women	172
Personnel, engaged in providing services to the population, trade, and security		80
	incl. women	35
Skilled workers in agriculture, forestry, hunting, and fishing		0
	incl. women	0
Skilled workers and the professionals associated with them		793
	incl. women	65
Machine operators and assembly installers		153
	incl. women	20
Professions, which do not require special qualifications		110
	incl. women	79

Allocation of staff according to educational degree:

		No.
Higher education		2,496
	incl. women	963
Secondary education		1,360
	incl. women	293
Upper level primary education		11
	incl. women	4

Allocation of staff according to age:

		No.
Age 18 – 30 years		319
	incl. women	94
Age 31 – 40 years		893
	incl. women	275
Age 41 – 50 years		1,113
	incl. women	387
Age 51 – 60 years		1,304
	incl. women	408
Age above 60 years		238
	incl. women	96

Employment-related issues, including consultation and employee participation in decision-making on terms and conditions of employment (need for and frequency of employee consultation, number of new jobs created, proportion of employees on fixed-term contracts, etc.):

Kozloduy NPP EAD implements a management policy based on integrity, mutual respect, and the protection of employee rights. The Company guarantees the strict application of current labour and social security legislation, ensuring sustainable employment. Staff engagement is carried out through:

- Permanent labour contracts – the primary form of permanent employment;
- Fixed-term labour contracts – applied for activities of a seasonal nature (winter snow removal, summer maintenance of recreation facilities, as well as for outsourced building cleaning services outside the industrial site);
- Fixed-term labour contracts with students, aimed at integrating theoretical knowledge into a real work environment.

Through the effective Collective Labour Agreement, the Employer undertakes and fulfils commitments to provide the necessary technical equipment, raw materials, and energy for the production process, workwear, personal protective equipment, and other conditions sufficient to ensure the normal performance of work duties.
In compliance with regulatory requirements, all newly hired employees in the Company undergo a mandatory induction course 'Introduction to the NPP' before being admitted to their workplace. This course is aimed at a detailed familiarisation with the aspects of the work environment – access control, occupational health and safety, fire safety, first aid, general emergency response rules, and safety culture.
Upon entry into employment or upon reassignment to a new position, the Employer acquaints the employee with his/her rights and obligations arising from the job description for the position held, as well as with the internal documents required by the Labour Code.
For the purposes of the transparent policy pursued regarding staff recruitment, hiring, and reassignment, the Employer posts vacant positions and their requirements on notice boards, within the internal information system, and on the Company's website.

Enterprise's relationship with trade unions, including respect for trade union rights (employee social benefits):
Kozloduy NPP EAD consolidates its status as a socially responsible company, integrating the principles of equality and respect for trade union rights into its operations. In the Plant Work Regulations, the Employer undertakes to create appropriate conditions for trade unions to carry out their activities. The right of personnel to engage in trade union activities is guaranteed without this impacting their work duties. Within this process, there is a guaranteed responsibility of the Employer for the effective application of the agreed social benefits and compliance with trade union law.
A Collective Labour Agreement has been concluded between the trade unions in the Company and the Employer, which regulates labour, social security, and welfare relations that are not settled by the mandatory provisions of the law. As at the end of 2025, nearly 57% of the workers and employees in the Company are members of trade unions.
According to the Collective Labour Agreement, the Employer has undertaken a commitment not to obstruct workers and employees in exercising their rights, using social benefits, and not to impose disciplinary sanctions due to their membership in trade unions. To guarantee these rights, trade unions participate directly in the drafting of the Internal Remuneration Rules and the Plant Work Regulations.
A 'Medicines and Treatment Aid Committee' has been established as an advisory body to assist the Employer, with the participation of representatives from the trade unions. It supports decision-making on the targeted spending of a portion of the Cultural and Amenity Service Fund for workers and employees with health problems.
For those working in an environment with ionising radiation, free food and/or food supplements are provided in accordance with Regulation No. 11 of 21 December 2005 determining the conditions and procedures for providing free food and/or food supplements. In addition, the Employer secures means for cheaper food for the off-site staff.
The Company provides the employees with an increased paid annual leave, free company transport, and additional voluntary pension insurance at the Employer's expense.
With a focus on preventative healthcare, quality recreation, and the cultural life of the Company's employees and their families, social facilities are maintained - including recreational facilities, a sports and wellness complex, the Power Engineers Cultural Centre, etc. - offering a wide range of sports and cultural activities.
The plant provides its employees and their families with the opportunity to stay in housing and dormitories owned by the Company and use the social facilities at preferential rates.
The Company also provides care for its retired employees who can benefit from the social facilities. Financial resources are allocated to support the activity of the Pensioners' Club, thus encouraging the social life of retired people.

Human capital management, including management of restructuring, management of professional development, labour payment and training system (time-based and work-based labour payment system; average number of training hours per year per employee, employee requalification programmes):

The Company's management pursues a policy based on the importance of highly qualified staff to ensure the safe operation of the plant. This is stipulated in the Kozloduy NPP EAD Human Resource Management Policy.

The NPP operation is carried out by a sufficient number of qualified staff who know and understand the design basis, safety analyses, design and operational documents of the nuclear power unit for all its operational states and accident conditions.

The activities in nuclear facilities related to ensuring and control of nuclear safety and radiation protection are carried out by qualified people, who are licensed under the procedure of the Regulation on the Terms and Procedure for Obtaining Vocational Qualification and on the Procedure for Issuing Licences for Specialised Training and Individual Licences for Use of Nuclear Power.

In accordance with international standards and national requirements, a training process is conducted, which is an integral part of the management system of Kozloduy NPP EAD. The training process at Kozloduy NPP EAD aims to provide training for developing and maintaining a high level of safety culture and expert knowledge for understanding the technical, human, and organisational aspects related to the facilities or the activity, in view of ensuring safety. The plant has its own training centre (TC), licensed by the Nuclear Regulatory Agency which provides conditions for specialised training and features a full-scope simulator for units with WWER-1000 reactors.

The training of the staff at Kozloduy NPP EAD starts from the appointment of the individual and continues until the end of the employment. The specialised training is conducted in various forms: theoretical (lecture training, self-study, and interactive-computer training), practical (hands-on training in workshops and laboratories, on-the-job training, and drills), and simulator training, as well as briefings (initial, periodic, extraordinary, and on-the-job). The scope, topics, forms, and sequence of the training are defined in training programmes, training schedules, initial and continuing training plans for the full-scope simulator, and upon training requests, depending on the position and functions determined in the job descriptions.

In 2025, a total of 3,600 training courses were conducted for the Kozloduy NPP staff, along with 720 courses for the staff of external companies and organisations. A total of 287,310 man-hours of specialised training were provided to Company staff.

The Employer encourages the educational advancement of personnel by providing additional paid leave to workers and employees who pursue studies in fields that enable professional growth within the Company. Workers and employees are provided with opportunities to participate in various professional meetings, forums, and seminars, in order to share experience and enhance their qualification.
The system for the evaluation of the individual work performance and development of the Company's staff that is in place regulates the main objectives for identifying the specific needs of each employee to improve his/her professional and personal competence, for improving working relationships, and for creating conditions for the implementation of fair and transparent procedures for professional and career development.
The Internal Remuneration Rules and the Collective Labour Agreement establish an organisation for effective management of the salaries at Kozloduy NPP EAD and guarantee prevention of discrimination or unequal treatment of workers and employees in determining their individual remuneration.

The labour payment system at Kozloduy NPP EAD is based on the time worked and the quality of the performance, i.e. the amount of the base pay is dependent on the duration of the work, and a premium, in the form of additional remuneration (monthly bonus) for results achieved.

The amount of the basic monthly salary of employees is agreed in an individual employment contract between the parties to the employment relationship.

Health and Safety at Work
Ensuring occupational health and safety (OHS) at the Company is carried out in accordance with the regulatory requirements for health and safety at work, international legal norms, criteria, standards, recommendations, and good practices that have proven their effectiveness.
The objectives, principles, and priorities of the management with regard to occupational health and safety are defined in the plant Health and Safety Management Policy. In order to implement the objectives set out in the policy, authority has been delegated to officers, organisational units have been established, and a Working Conditions Committee has been set up. A leadership approach is applied through the personal example of supervisors in the performance of work activities in order to nurture safety culture among workers and to build safety-conscious behaviour regarding the adherence to safety requirements.

The workers are continuously informed, through procedures for safe operation, good practice examples, continuing trainings, and opportunities to enhance their qualification. A set of organisational and technical measures is in place to ensure a safe working environment and the actual state of working conditions at workplaces is continuously monitored.
The risks to the safety and health of workers have been assessed and the necessary measures have been taken to prevent and reduce their impact. Depending on the specifics of the workplaces, possible hazards, and risks at work, personal protective equipment is provided.
In 2025, the industrial accident rate at Kozloduy NPP EAD was still much lower than the average values for the industry, and the country in general.

Human rights issues

The Company's commitment to respect human rights (rights of children, women, indigenous people, people with disabilities, local communities, workers, etc.):
As of 2013, the Company has introduced a Code of Ethics which defines the expected behaviour of Kozloduy NPP EAD employees on the basis of the Company's common values when applying the UN Global Compact universal principles.
The Code of Ethics is aimed at developing organisational culture which contributes to strengthening the Company's good reputation as a leader among the business organisations, as well as at increasing public trust in the professionalism and ethics of the Kozloduy NPP EAD staff.
The Code of Ethics is based on the following core values:

- Safety first;
- Commitment, mutual respect, and recognition;
- Personal accountability and integrity at work;
- Striving for excellence;
- Continuous learning.

The Code of Ethics is published in the internal information system and on the Company internet site, and is expected to be respected also by the contractors' personnel, working at the Kozloduy NPP EAD site. A paper copy of the Code of Conduct is given to every new employee of the Company.
The Company uses neutral language in terms of gender, race, nationality, ethnicity, etc. on job advertisements and hiring criteria when conducting recruitment campaigns. The selection criteria applied are also neutral in terms of gender, race, nationality, ethnicity, etc. Selection notices are drawn up without restriction in accordance with the provisions of the Protection against Discrimination Act and on grounds of health condition, except where, by reason of the nature of the work, sex, age, or health constitute an essential element thereof.
Kozloduy NPP EAD bases its employment decisions on educational and qualification requirements, psychological characteristics, medical indications for work in ionising radiation environment, regardless of race, nationality, ethnicity, age, gender, belief, origin, sexual and political orientation, marital status, and physical disabilities.
Kozloduy NPP EAD maintains an open, fair, impartial and accessible recruitment policy which is subordinated to the main priority to ensure the safe operation of the nuclear facilities.
Women at Kozloduy NPP EAD occupy both senior operational and senior management positions. Over the years, the proportion of female employees has remained steady at 33%, and 26% of all senior management positions are held by women.
Equal rights and opportunities for work, development, and career advancement are provided, depending solely on the initiative, professional qualifications, experience, and personal qualities of employees, as well as the results achieved in their work.

Ensuring adequate remedies for human rights (the process of receiving and addressing complaints and providing remedies for human rights violations):
Pursuant to the Plant Work Regulations, the Employer shall respond in writing within 14 days to requests and complaints made by employees of the Company.

Anti-corruption and anti-bribery issues

As part of the Bulgarian Energy Holding EAD, the Company applies the Sectoral Anti-Corruption Plan in Energy. This plan further develops and specifies the priority areas for preventing and combating corruption in the energy sector, ensuring transparent governance and accountability in the activities of the Ministry of Energy and commercial companies with more than 50% state ownership.
The Corruption Prevention Departments is involved in implementing the measures contained in the plan; the main activity of the department is the application of anti-corruption procedures and mechanisms for checking, monitoring, and reporting, with the purpose of ensuring transparent management and accountability, preventing corruptive practices, and increasing public trust in the Company's professionalism and ethics.
The mechanisms used by the Company for whistle-blowing on breaches, corruption and/or conflict of interests, are:

- Via mailboxes placed at key locations on the Kozloduy NPP EAD premises;

- Via e-mail: signal@npp.bg;
- Hotline: +359 973 7-62-62.

The alerts received are examined based on the principles of information confidentiality and protection of the anonymity of the origin of the alert. An administrative procedure has also been introduced for the registration and handling of reports of corruption and/or conflict of interest and for the protection of whistle-blowers. Designated individuals from the Corruption Prevention Department have been appointed to handle reports received under the Whistleblower Protection Act (Act on the Protection of Persons Who Report or Publicly Disclose Information on Violations).
In 2025, no reports of corruption were received.

In case of suspicion of a crime, the inspection reports have to be forwarded to the competent authorities on behalf of Kozloduy NPP EAD CEO. The Corruption Prevention Department does not have information on the number of pending or completed cases related to anti-competitive behaviour.
The employees who are directly involved in the fight against corruption in the Company have been adequately trained on the topic of Prevention of Corruption. Continuous professional training in this area is foreseen in order to ensure the required expertise to counteract corruption.

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) AND OF THE COUNCIL OF 18 JUNE 2020 ON THE ESTABLISHMENT OF A FRAMEWORK TO FACILITATE SUSTAINABLE INVESTMENT, AND AMENDING REGULATION (EU) 2019/2088

DISCLOSURE PERIOD 1 JANUARY 2025 - 31 DECEMBER 2025

I. General information

This report is a separate report published together with the Non-financial information under the Public Enterprises Act, which is part of the Annual Separate Management Report of Kozloduy NPP EAD as at 31 December 2025. The obligations to disclose this information in the Report arise from the requirements of Article 8 of the Taxonomy Regulation2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and the relevant delegated regulations:

- Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation;
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives;
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors – natural gas and nuclear energy, and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities;
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the six environmental objectives.

The established common regulatory framework of the European Union in the field of taxonomy defines environmentally sustainable economic activities on the basis of uniform technical criteria contributing to one of the six environmental objectives in accordance with Article 9 of Regulation 2020/852:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

The Taxonomy Regulation is a key element of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with the EU climate objectives.

Taxonomy is a classification system for environmentally sustainable economic activities and in the following section; we, as a non-financial undertaking, present the proportion of the Company's turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the 2025 reporting period which are associated with taxonomy-aligned economic activities associated with the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Annexes 1 and 2 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.

Defining certain activities as 'sustainable investments' aims at enhancing transparency and providing an objective point of comparison to end investors on the proportion of investments which fund environmentally sustainable economic activities.

2025	Total BGN'000	Environmentally sustainable taxonomy-aligned activities	Taxonomy-eligible but taxonomy-non-aligned activities	Taxonomy-non-eligible activities
Turnover	2,235,830	99.5%	0.0%	0.5%
Capital expenditure	241,141	98.0%	1.6%	0.4%
Operating expenditure	167,705	92.9%	5.8%	1.3%

II. Environmentally sustainable economic activities of the Company in accordance with Taxonomy Regulation 2020/852 of the European Parliament and of the Council and degree of compliance with the environmental sustainability requirements.

As per the stipulations of Delegated Regulation (EU) 2021/2178, Kozloduy NPP EAD, as a non-financial enterprise, is obliged to disclose information in its Non-financial Statement for 2025 which includes information on Company's activities associated with the economic activities classified as ecologically sustainable activities in accordance with Article 3 and Article 9 of the Taxonomy Regulation, taxonomy-non-eligible activities, key performance indicators in compliance with Annex I and Annex II of Regulation 2021/2178.
The information disclosed pursuant to this Regulation covers the 2025 annual reporting period.

Kozloduy NPP EAD operates as a nuclear installation within the meaning of the Vienna Convention on Civil Liability for Nuclear Damage. It is the holder of the licences and permits and bears the primary responsibility for the safety of the nuclear installations within the meaning of this Convention, the Convention on Nuclear Safety, the Safe Use of Nuclear Energy Act, and the sub-legislative regulations. The Company conducts its activities in compliance with the requirements of the national regulations in the field of nuclear energy, the recommendations of the International Atomic Energy Agency, and the European Union, as well as good international practices.
Kozloduy NPP EAD is a zero-emission producer of electricity and heat energy. It contributes substantially to achieving the European Union climate change mitigation and climate change adaptation objectives. The company plays a key role in reducing overall greenhouse gas emissions and has proven potential for avoiding the production of greenhouse gas emissions.

III. Classification of the economic activities of the Company in accordance with the Taxonomy Regulation and delegated regulations

In accordance with the subject of its activity and in compliance with the requirements of the Energy Act (EA) and Regulation No. 3 of 21 March 2013 on the licensing of activities in the energy sector, the Company holds licences for the generation of electricity, production and supply of heat energy. According to the statistical classification of economic activities established by Regulation (EC) 1893/2006, the two licensed activities are the main economic activities of Kozloduy NPP EAD with codes 35.11 and 35.30, respectively.
In view of the defined environmentally sustainable activities associated with generation from nuclear and gas power plants under Delegated Regulation (EU) 2022/1214, the licensing activities carried out fall within the scope of Item ***4.28 'generation of electricity or heat from nuclear energy in existing installations'*** and are classified as taxonomy-eligible. This type of activity is included in Annex I and Annex II of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosure of information on these economic activities.
The degree of environmental sustainability of the activities performed by the Company and their compliance with the taxonomy has been determined based on an analysis of the contribution of the respective activity to the achievement of the two environmental objectives:

1) climate change mitigation, and
2) climate change adaptation, and an assessment of the degree of doing no significant harm to either of the environmental objectives.
The table below presents the activities classified as environmentally sustainable and taxonomy-eligible (Group A1), taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities (Group A2), and taxonomy-non-eligible activities (Group B). Information on the extent to which economic activities have an impact on achieving environmental objectives is aligned with the European regulations' requirements and is provided in the Key Performance Indicators (KPIs) templates Appendices 1, 2 and 3. The templates provide a clear indication of which environmental objective is being pursued by the activity concerned. Our activities contribute to both climate change mitigation and climate change adaptation.
The amount and proportion of the environmentally sustainable activities, taxonomy-eligible but taxonomy-non-aligned activities, and taxonomy-non-eligible activities under this classification have been disclosed. The reasoned conclusion on defining the activities in the respective groups A1, A2 and B is based on an assessment of the fulfilment of the technical screening criteria in accordance with Delegated Regulation (EU) 2022/1214.

A. Taxonomy-eligible activities
A.1. Environmentally sustainable activities (taxonomy-aligned)
4.28. Electricity generation from nuclear energy in existing installations (Generation of electricity or heat in an existing nuclear power plant)
(Generation of heat in an existing nuclear power plant)
5.3. Construction, extension and operation of waste water collection and treatment Description of the activity: The activity includes collection of domestic waste water from the Company's activity through own sewer network, its treatment at a domestic waste water treatment station and discharge to receiving waters. The activity could be associated with economic activity E37.00. The activity makes a significant contribution to pollution prevention and control. For the discharge of treated waste water, the Company has been issued a permit under the Water Act, with individual emission limits for pollutants set in the national legislation. The activity contributes to Do no significant harm ('DNSH'). The activities are carried out in accordance with the waste water discharge permit issued.
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) Description of the activity: The activity includes installation and maintenance of charging stations and parking and charging spots which are property of the Company. The activity could be associated with economic activity F42.99. The activity makes a substantial contribution to climate change mitigation because it is an enabling activity pursuant to Article 10(1)(i) of Regulation (EU) 2020/852.
A.2. Taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities
3.10. Manufacture of hydrogen The activity could be associated with NACE code C20.11. Description of the activity: The manufacture of hydrogen at the Company is intended to cool down the turbine generator and is therefore considered to be taxonomy-non-aligned. The activity is included in the taxonomy when hydrogen is used as a fuel or is involved in mixtures with other gases that are used as fuels.
4.12. Storage of hydrogen The activity could be associated with: N/A Description of the activity: The storage of hydrogen at the Company is intended to cool down the turbine generator. The stored hydrogen does not meet the technical screening criteria under item 3.10, therefore it is considered as not meeting the taxonomy technical criteria.
5.1. Construction, extension and operation of water collection, treatment and supply systems Description of the activity:

The activity could be associated with NACE code E37.00. The activity is related to the production of demineralised water for technical needs. The Danube water is purified of chemical and mechanical impurities through appropriate installations. The activity does not meet the criteria under Article 3 of Regulation (EU) 2020/852 and is considered to be taxonomy-non-aligned.
5.5. Collection and transport of non-hazardous waste in source segregated fractions Description of the activity: Waste generated at the facility is collected separately in accordance with written internal rules. The waste is stored in warehouses in separate cells and then handed over to companies holding the required permits for subsequent safe treatment or recycling. The economic activity in this category could be associated with NACE code E38.11. The activity makes a significant contribution to climate change mitigation as all separately collected and transported non-hazardous waste that is segregated at source is passed on for preparation for reuse or recycling. The activity contributes to climate change mitigation, under the additional 'do-no-significant-harm' criterion, Item 4) 'Transition to a circular economy', as the separately collected waste fractions are not mixed with other waste or materials with different properties in the waste storage and transfer facilities.
6.5. Transport by motorbikes, passenger cars and light commercial vehicles Description of the activity: Mobility between the different facilities of the Company is provided by electric cars and electric scooters. The economic activity in this category could be associated with NACE code H49.41. The all-electric mopeds, cars and trucks have zero CO2 emissions and make a substantial contribution to climate change mitigation, however, they are a small part of the Company's fleet. That is why the activity is considered to be taxonomy-non-aligned.
7.2. Renovation of existing buildings Description of the activity: Renovation of existing buildings according to an investment plan developed in advance. The economic activities in this category could be associated with NACE codes F41 and F43. The activities in this category partially meet the technical criteria under Annex I and Annex II and therefore the activity is considered to be taxonomy-non-aligned.
7.3. Installation, maintenance and repair of energy efficiency equipment Description of the activity: Renovation of existing buildings according to a preliminary developed energy efficiency activities plan. The economic activities in this category could be associated with NACE codes F41 and F43. The activity is an enabling activity pursuant to Article 10(1)(i) of Regulation (EU) 2020/852. The activities in this category partially meet the technical criteria under Annex I and Annex II and therefore the activity is considered to be taxonomy-non-aligned.

The activities which, within the meaning of the European taxonomy regulatory framework, cannot be classified as contributing to the EU's objectives for decarbonisation of the economy have been disclosed.

B. Taxonomy-non-eligible activities
Other education activities, not classified elsewhere
Technical testing and analysis
Hotels and similar accommodation
Restaurants and mobile food service activities

IV. Technical screening criteria pertaining to substantial contribution of activity 4.28 (Regulation (EU) 2022/1214) to climate change mitigation and Do no significant harm (Annex I)

1. General criteria

Regarding item 1.a) The requirements of Council Directive 2009/71/Euratom establishing a Community framework for the nuclear safety of nuclear installations have been transposed to the Safe Use of Nuclear Energy Act and the regulations resulting thereby.

The Regulation on Ensuring the Safety of Nuclear Power Plants sets national requirements for nuclear safety and regulates the licensing system for activities in nuclear installations.
The requirements of Council Directive 2011/70/Euratom establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste have been transposed to the Safe Use of Nuclear Energy Act and the Regulation on the Safety of Spent Fuel Management and the Regulation on the Safety of Radioactive Waste Management.
The two regulations introduce requirements for licence holders for activities with SNF and RAW, such as those introduced by the Regulation on Ensuring the Safety of Nuclear Power Plants regarding the nuclear power plants: responsibility for nuclear safety of the facilities, safety assessment, implementation of an integrated management system, provision of sufficient financial and human resources.
The national policy on spent nuclear fuel and radioactive waste management is reflected in the Strategy for SNF and RAW Management, which is adopted by the Council of Ministers. The Strategy is based on the principles set out in Article 4 of Directive 2011/70/Euratom. The Strategy fulfils the functions of a national policy implementation programme for the management of SNF and RAW through its Action Plan. It is foreseen that the Strategy together with its Action Plan will be reviewed every 5 years, or in the event of changes in international or national legislation. The content of the Strategy, as a national programme, complies with the requirements of Article 12 of Directive 2011/70/Euratom As required by Article 14 of the Directive, periodic reports on the implementation of the national programme are submitted to the EC.
Regarding item 1.b) The activity of Kozloduy NPP complies with the Euratom Treaty and with legislation adopted on its basis, in particular, Directive 2009/71/Euratom, Directive 2011/70/Euratom and Directive 2013/59/Euratom, and with applicable Union environmental law adopted under Article 192 TFEU, in particular Directive 2011/92/EU and Directive 2000/60/EC.
The provisions of the Euratom Treaty, Directive 2009/71/Euratom, Directive 2011/70/Euratom and Directive 2013/59/Euratom have been transposed to the national legislation through the Safe Use of Nuclear Energy Act and the regulations resulting thereby.
Directive 2011/92/EU has been transposed to the Bulgarian legislation through the Environmental Protection Act, the Regulation on the Terms and Procedure for Implementing Environmental Impact Assessments and the Regulation on the Terms and Procedure for Implementing Ecological Assessments. Directive 2000/60/EC and Directive 2007/60/EU have been transposed to national legislation in the Water Act.
Regarding item 1.c) Since 1999, the established Nuclear Facilities Decommissioning (NFD) Fund and Radioactive Waste (RAW) Fund have been operating in accordance with the requirements of the SUNEA and are governed by Management Boards. The procedure for assessment, collection, spending and control of funds as well as the amount of due contributions to both funds are stipulated in the regulations adopted by the Council of Ministers. Revenues to the RAW Fund are raised from contributions of the entities which, as a result of their activities, generate radioactive waste, subject to transferring, resources from the state budget, and the accumulated funds are expended expressly on the operation and support of State Enterprise Radioactive Waste (SE RAW). Revenues to the NFD Fund are raised from contributions from entities operating nuclear facilities, money from the state budget, etc. The funds accumulated are expended solely to finance decommissioning projects and activities.
Kozloduy NPP's contributions to the two funds, as the holder of the licences for the operation of the nuclear facilities, are currently set at 10.5% of the revenues from the electricity sold.
Regarding item 1.d) According to the SUNEA and, respectively, the Regulation on the procedure for defining, collecting, spending and control of the funds and the amount of contributions due to the Nuclear Facilities Decommissioning Fund, the monthly contributions to the fund shall be determined by a methodology adopted by the Management Board of the Fund on the proposal of the Minister of Energy for determining the costs of financing decommissioning and accordingly for determining the contributions due. The methodology shall take into account the technological aspects and nuclear safety and radiation protection requirements.
The amount of the contributions under the Act shall be set so that at the end of the operational period the funds required to cover the decommissioning costs over the lifetime of the facility are raised. The financial resources of the fund shall cover all aspects of nuclear facility decommissioning activities and shall be available when needed.
Periodically, but not less frequently than every 5 years, the adequacy of the funds raised shall be assessed, respectively the contributions to the NFD and RAW Funds shall be reviewed and updated where necessary.
Where the implementation of the decommissioning project proves to be more expensive than the cost estimate approved by the Management Board of the Fund, the necessary additional costs shall be borne by the entity who last operated the nuclear installation under a licence for operation (if still generating revenue).
Regarding item 1.e) Bulgaria's strategy for the management of SNF and RAW foresees the construction of a national disposal facility for low and intermediate level radioactive waste (NDF). The construction of the disposal facility was notified in compliance with Article 41 of the Euratom Treaty. The disposal facility is under construction. It is envisaged

that the NDF will be constructed in three stages, with the first stage providing for the disposal of waste from the decommissioning of Kozloduy NPP Units 1-4.
At present, RAW from the operation and decommissioning of nuclear facilities, after processing and conditioning, is stored in reinforced concrete containers in the temporary storage facilities of SE RAW at the Kozloduy NPP site.
Regarding item 1.f) -i - -iii The Strategy for SNF and RAW management foresees the construction and commissioning, by 2050, of a deep geological repository (DGR) for the disposal of SNF and HLW resulting from its processing. The undertaking responsible for the construction of the repository is SE RAW.
In the operational period between 2051 and 2111, a closure plan will be developed in parallel, taking into account the technical design and the Safety Analysis Report. After 2111, facility closure activities, site restoration activities and implementation of post-closure active monitoring programme will be performed until 2161. Post-closure passive monitoring will be carried out between 2161 and 2461.
Regarding item 1.f) - iv In accordance with the national policy and the Strategy for management of spent nuclear fuel and radioactive waste, Kozloduy NPP expenses related to SNF management are recognised as current expenses that form the cost of electricity. In the event of an inability to transport SNF, provisions for future liabilities are accrued, and the means are deposited in a special deposit account under the control of the Ministry of Energy. For the construction of a geological repository for high level radioactive waste, it is foreseen to accumulate means in the ESS fund through earmarked contributions from the nuclear facilities operator.
Regarding item 2. The upgraded project implements every reasonably practicable safety improvement and from 2025 makes use of accident-tolerant fuel. The technology is certified and approved by the national safety regulator.
The project has been notified to the Commission in accordance with Article 41 of the Euratom Treaty or with Article 1(4) of Council Regulation 2587/1999, and where either of these provisions is applicable, the Commission has given its opinion on it in accordance with Article 43 of the Euratom Treaty, and all the issues raised in the opinion, with relevance for the application of Article 10(2) and Article 17 of Regulation (EU) 2020/852, and of the technical screening criteria laid down in this Section, have been satisfactorily addressed.
Regarding item 3. On the basis of the reports, the Commission shall review the adequacy of the accumulated resources of the radioactive waste management fund and the nuclear decommissioning fund referred to in Item 1(c) and the progress in the implementation of the documented plan referred to in Item 1(f) and it may address an opinion to the Member State concerned.
Regarding item 4.a) A demonstration of nuclear safety has been presented in the Safety Analysis Report, Kozloduy NPP Units 5 and 6. Such an assessment is also presented in the reports of the 'stress' tests conducted in 2011 at Kozloduy NPP. All these documents have been submitted to the Bulgarian Nuclear Regulatory Agency.
Regarding item 4.b) Kozloduy NPP implements technical and organisational measures ensuring the application of the defence-in-depth concept. Measures are being implemented to improve the safety of Units 5 and 6. These are improvements to the SSCs (Structures, Systems, and Components) taking into account the lifetime of the units. Emergency procedures have also been developed and implemented for personnel actions in all events.
Regarding item 4.c) 'Safety Analysis Report', Kozloduy NPP, Units 5 and 6, which contains these assessments, is a part of the licences of the power units and was submitted to the Bulgarian Nuclear Regulatory Agency when applying for the licence.
Regarding item 6. A periodic safety review is a part of the licence of the nuclear facilities at Kozloduy NPP and it includes an assessment of the compliance with current Bulgarian and international regulatory requirements (incl. the IAEA and WENRA standards). The protection of the unit against internal and external hazards is considered in details in 'Analysis of internal and external events and hazards'. In 2022, Level 1 PSA was updated; it takes into account the current status of the units and the site, and it was performed in accordance with current Bulgarian and European standards.
Regarding item 7. The policy on spent nuclear fuel and radioactive waste management, declared in the Strategy for SNF and RAW management provides for the following:
Radioactive waste generated in the Republic of Bulgaria is disposed of on Bulgarian territory, unless an agreement has become effective for using a RAW disposal facility in another country;
Reprocessing of the whole SNF quantity, interim storage in a specialised facility for all types of RAW shipped back to Bulgaria after reprocessing, and final disposal in a DGR.

2. Additional criteria

- **Additional criteria pertaining to substantial contribution to climate change mitigation**

Greenhouse gas (GHG) emissions have not been assessed for the whole life-cycle of the generation of electricity from nuclear energy.

- **Additional criteria pertaining to Do no significant harm ('DNSH')**

Environmental objective in accordance with Article 9 of Regulation 2020/852	**Climate change mitigation**
(2) Climate change adaptation	The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment. The updated Level 1 Probabilistic Safety Analysis (PSA) (2022) reports address and assess the climate hazards. The assessment has been performed on the basis of the risk of core damage, i.e., inoperability of the power units. The different climate hazards risks distribution is presented in the Summary report of the updated Level 1 PSA (2022). An assessment of the changes implemented in the systems since 2007 has been carried out together with the draft of the updated Level 1 PSA (2022). The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, so that the updated PSA report includes activities with an expected lifespan of less than 10 years. The assessment is performed at least based on climate projections at the smallest appropriate scale. In the updated Level 1 PSA (2022) reports climate hazards are also addressed and assessed based on climate projections. Prior to commencement of activities, a risk assessment of the environmental impact of the activity is carried out. The activity complies with the requirements laid down in Article 6(b), 8b(1), Item (a), and Article 8c(a) of Directive 2009/71/Euratom. The activity fulfils the requirements of Directive 2009/71/Euratom implemented in accordance with the international guidance of the IAEA and WENRA relating to natural disasters, including floods and extreme weather conditions.
(3) Sustainable use and protection of water and marine resources	The integrated management of water, in accordance with Directive 2000/60/EC and Directive 2007/60/EC, is performed by a River Basin Management Plan and a Flood Risk Management Plan. The management plans are updated every six years. All environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed therein, and their sustainable management is achieved by developing an action programme. In order to protect water against depletion, pollution, and damage, each use of water resources is subject to a permit issued by the supervisory bodies, which sets out specific conditions and requirements. Kozloduy NPP EAD has been issued the relevant permits for the abstraction of water from surface water and groundwater and the discharge of waste water. Each investment project is in compliance with the legislative requirements for sustainable water management and approved by the national competent authorities. The waste water and cooling water discharge permits issued to the Company by the Ministry of Environment and Water set specific conditions and requirements for water use, individual emission limit values by streams and discharge points, including the requirement to raise the temperature of the receiving waters (for thermal power plants) by ≤ 3°C. Kozloduy NPP EAD monitors the discharged water according to the frequency and indicators specified in the permit. The 'increase of the temperature of the receiving waters' indicator is measured at the point of practically complete mixing of the waste water and the receiving waters. No exceeding of the individual emission limit value has been identified and no increase in the temperature of the receiving water of more than 3°C has been detected at the point of complete mixing of the cooling water with the receiving waters. The requirements of Directive 2013/51/Euratom have been transposed to the Bulgarian legislation by the Regulation on the quality of water intended for drinking and

Environmental objective in accordance with Article 9 of Regulation 2020/852	**Climate change mitigation**
	household purposes, and the parametric values for radon, tritium and indicative dose of water are those specified in the Directive. Kozloduy NPP implements a programme of radioecological monitoring of environmental components, including surface water and groundwater. An annual report on the results of the radioecological monitoring is prepared and submitted to the Bulgarian Nuclear Regulatory Agency. No significant environmental impact has been identified resulting from the operation of Kozloduy NPP.
(4) Transition to a circular economy	A comprehensive programme for the management of radioactive waste has been developed at Kozloduy NPP in cooperation with SE RAW. The programme contains the policy, objectives, principles, methods, means, and organisation for the management of radioactive waste from Kozloduy NPP throughout the entire technological cycle from its generation to its transfer to SE RAW, as well as the implementation of activities for clearance from regulatory control. The approach taken is to limit the generation of radioactive waste to a practical minimum in both volume and activity through appropriate operating practices. A schedule for the transfer of RAW for processing by SE RAW is established annually. A project for the radiological characterisation of solid radioactive waste, candidates for regulatory clearance, has been implemented. A methodology for releasing RAW from regulation is to be developed. The management of non-radioactive waste is carried out in accordance with the internal 'Procedure for collection, transportation, temporary storage, and recovery of non-radioactive waste from Kozloduy NPP EAD', which ensures the separate collection and transfer for recovery/disposal of non-radioactive waste from the activity. In 2011, the requirements of Commission Recommendation 2006/851/Euratom on the management of financial resources for the decommissioning of nuclear installations, spent nuclear fuel and radioactive waste were transposed into the Bulgarian legislation. Thus, European best practices in the field of financing activities for safe management of radioactive waste, spent nuclear fuel, and decommissioning of nuclear installations are applied. The Regulation on the procedure for defining, collecting, spending and control of the funds and the amount of contributions due to the Radioactive Waste Fund establishes the conditions and procedure for financing by the Fund of spatial development projects in municipalities and residential areas where a radioactive waste management facility is operated or authorised for construction. The amount of contributions to the Nuclear Facilities Decommissioning Fund is determined on the basis of a methodology for the decommissioning financing costs. A possibility is provided for the establishment of an earmarked account with the licensee of a nuclear facility in operation to cover the costs of removing spent nuclear fuel from previous years for technological storage and processing. An environmental impact assessment (EIA) of the plant was carried out in 1999. To comply with the conditions of the EIA Decision, a programme of mitigation measures has been prepared and implemented. For each new investment intention, the notification, consideration or environmental impact assessment (EIA) procedure is observed in accordance with the Environmental Protection Act, which transposes Directive 2011/92/EU. The relevant elements in this Section are covered by Member States' reports to the Commission in accordance with Article 14(1) of Directive 2011/70/Euratom. In accordance with the requirements of Directive 2011/70/Euratom, the first report on the implementation of the national programme for SNF and RAW management was prepared and submitted in 2015. The report, in accordance with the provisions of the Directive, is prepared every 3 years after the first one.

Environmental objective in accordance with Article 9 of Regulation 2020/852	Climate change mitigation
(5) Pollution prevention and control	The activity does not lead to the production, launching in the market, or use of substances listed in the documents in Appendix C to Regulation 2022/1214 of 9 March 2022. Non-radioactive emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the best available techniques (BAT) conclusions for large combustion plants. No significant cross-media effects occur. No emissions of sulphur or nitrogen oxides are emitted during operation. Radioactive discharges to air, water bodies, and ground (soil) comply with individual licence conditions for the specific operations, where applicable, or national threshold values in line with Directive 2013/51/Euratom and Directive 2013/59/Euratom. Continuous operational and periodic monitoring of liquid and gaseous emissions to the environment is carried out, as well as radioecological monitoring of environmental components (air, water, soil, food products, fauna and flora). Radioecological monitoring of the environment is carried out according to a defined annual schedule and monitoring network. The results of the monitoring show that the values of radioactive emissions into the environment are many times lower than the established permissible values. The safe SNF and RAW management, in accordance with the requirements of the Directives, is included in the conditions of the licences for operation of Units 5 and 6 and the Spent Fuel Storage Facility. Reports on the licence conditions implementation are periodically submitted to the NRA. RAW generated during the operation of Kozloduy NPP are transferred for processing to SE RAW. The company has an adequate capacity for interim storage of reinforced concrete containers with processed RAW. A National disposal facility for low and intermediate level radioactive waste (NDF) where the reprocessed RAW will be disposed of is under construction.
(6) Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in Appendix D to this Annex. An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensation measures are implemented. An environmental impact assessment (EIA) of the plant was carried out in 1999. To comply with the conditions of the EIA Decision, a programme of mitigation measures has been prepared and implemented. For each new investment intention the competent authority is notified and, on the basis of the requirements of the national legislation transposing the respective Directives - Environmental Protection Act, Regulation on the Terms and Procedure for Conducting Environmental Impact Assessments, Biological Diversity Act, Regulation on the Terms and Procedure for Assessing the Compatibility of Plans, Programmes, Projects and Investment Proposals with the Subject and Objectives of Protected Areas Conservation, it carries out an assessment of the need to conduct an EIA, including an assessment of the compatibility of the investment proposal with the subject and objectives of protected areas conservation.

V. Technical screening criteria pertaining to substantial contribution of activity 4.28 (Regulation (EU) 2022/1214) to climate change adaptation and Do no significant harm (Annex II)

Regarding item 1. Measures are being implemented to improve the safety of Units 5 and 6. Improvement actions arising from climate risk assessments are also included in the scope of these measures.

Regarding item 2.a) The climate hazards included in the table in Section II of Appendix A are addressed and evaluated in the updated Level 1 PSA (2022) reports. The assessment was conducted based on the risk of core damage, i.e., inoperability of the power units.
Regarding item 2.b) The risks distribution of different climate hazards is presented in the Summary report of the updated Level 1 PSA (2022).
Regarding item 2.c) An assessment of the changes implemented in the systems since 2007 has been carried out together with the draft of the updated Level 1 PSA (2022).
The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:
a) Updated Level 1 PSA (2022) reports include activities with an expected lifespan of less than 10 years, the assessment is performed, at a minimum, based on climate projections at the smallest appropriate scale.
b) In the updated Level 1 PSA (2022) reports climate hazards are also addressed and assessed based on climate projections.
Regarding item 3. Climate hazards based also on climate projections are addressed and assessed in Updated Level 1 PSA (2022) reports.
Regarding items 4.a), b), e) Prior to commencement of activities, a risk assessment of the environmental impact of the activity is carried out.
Regarding item 4.c) All large-scale activities are coordinated at regional and national level.
Regarding item 4 d) Pre-defined self-assessment indicators are used and remedial action is considered where those indicators are not met.
Regarding item 5. The activity complies with the provisions laid down in the Euratom Treaty and the legislation adopted on its basis, in particular, Directive 2013/59/Euratom, Directive 2009/71/Euratom, and Directive 2011/70/Euratom as well as applicable Union environmental law adopted under Article 192 TFEU, in particular Directive 2011/92/EU, Directive 2000/60/EC and Directive 2007/60/EC.
Regarding item 6. The activity complies with national legislation that transposes Directive 2009/71/Euratom, including with regard to the assessment through stress-tests of the resilience of the Union nuclear power plants against extreme natural hazards, including earthquakes. Accordingly, the activity takes place on the territory of a Member State where the operator of a nuclear installation:
a) has submitted a demonstration of nuclear safety, whose scope and level of detail is commensurate with the potential magnitude and nature of the hazard relevant for the nuclear installation and its site (Article 6, letter
b), of Directive 2009/71/Euratom); b) has taken defence-in-depth measures to ensure, inter alia, that the impact of extreme external natural and unwanted man-made hazards is minimised (Article 8b(1), letter (a), of Directive 2009/71/Euratom); has constructed or is operating a nuclear power plant (Article 8c, letter (a) of Directive 2009/71/Euratom). The activity fulfils the requirements of Directive 2009/71/Euratom, supported by the latest international guidance through the IAEA and WENRA, contributing to increasing the resilience and the ability of new and existing nuclear power plants to cope with extreme natural hazards, including floods and extreme weather conditions.

Additional criteria pertaining to Do no significant harm ('DNSH')

Environmental objective in accordance with Article 9 of Regulation 2020/852	**Climate change adaptation**
(3) Sustainable use and protection of water and marine resources	The integrated management of water, in accordance with Directive 2000/60/EC and Directive 2007/60/EC, is performed by a River Basin Management Plan and a Flood Risk Management Plan. The management plans are updated every six years. All environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed therein, and their sustainable management is achieved by developing an action programme. In order to protect water against depletion, pollution, and damage, each use of water resources is subject to a permit issued by the supervisory bodies, which sets out specific conditions and requirements. Kozloduy NPP EAD has been issued the relevant permits for the abstraction of water from surface water and groundwater and the discharge of waste water.

Environmental objective in accordance with Article 9 of Regulation 2020/852	Climate change adaptation
	Each investment project is in compliance with the legislative requirements for sustainable water management and approved by the national competent authorities. The waste water and cooling water discharge permits issued to the Company by the Ministry of Environment and Water set specific conditions and requirements for water use, individual emission limit values by streams and discharge points, including the requirement to raise the temperature of the receiving waters (for thermal power plants) by ≤ 3°C. Kozloduy NPP EAD monitors the discharged water according to the frequency and indicators specified in the permit. The 'increase of the temperature of the receiving waters' indicator is measured at the point of practically complete mixing of the waste water and the receiving waters. No exceeding of the individual emission limit value has been identified and no increase in the temperature of the receiving water of more than 3°C has been detected at the point of complete mixing of the cooling water with the receiving waters. The requirements of Directive 2013/51/Euratom have been transposed to the Bulgarian legislation by the Regulation on the quality of water intended for drinking and household purposes, and the parametric values for radon, tritium and indicative dose of water are those specified in the Directive. Kozloduy NPP implements a programme of radioecological monitoring of environmental components, including surface water and groundwater. An annual report on the results of the radioecological monitoring is prepared and submitted to the Bulgarian Nuclear Regulatory Agency. No significant environmental impact has been identified resulting from the operation of Kozloduy NPP. The activity complies with the Water Act that transposes Directive 2000/60/EC.
(4) Transition to a circular economy	A comprehensive programme for the management of radioactive waste has been developed at Kozloduy NPP in cooperation with SE RAW. The programme contains the policy, objectives, principles, methods, means, and organisation for the management of radioactive waste from Kozloduy NPP throughout the entire technological cycle from its generation to its transfer to SE RAW, as well as the implementation of activities for clearance from regulatory control. The approach taken is to limit the generation of radioactive waste to a practical minimum in both volume and activity through appropriate operating practices. A schedule for the transfer of RAW for processing by SE RAW is established annually. A project for the radiological characterisation of solid radioactive waste, candidates for regulatory clearance, has been implemented. A methodology for releasing RAW from regulation is to be developed. In accordance with the requirements of Directive 2011/70/Euratom, the first report on the implementation of the national programme for SNF and RAW management was prepared and submitted in 2015. The report, in accordance with the provisions of the Directive, is prepared every 3 years after the first one. The management of non-radioactive waste is carried out in accordance with the internal 'Procedure for collection, transportation, temporary storage, and recovery of non-radioactive waste from Kozloduy NPP EAD', which ensures the separate collection and transfer for recovery/disposal of non-radioactive waste from the activity. For each new investment intention the competent authority shall be notified and, on the basis of the Environmental Protection Act, Regulation on the Terms and Procedure for Conducting Environmental Impact Assessments, Biological Diversity Act, Regulation on the Terms and Procedure for Assessing the Compatibility of Plans, Programmes, Projects and Investment Proposals with the Subject and Objectives of Protected Areas Conservation, it carries out an assessment of the need to conduct an

Environmental objective in accordance with Article 9 of Regulation 2020/852	Climate change adaptation
	EIA, including an assessment of the compatibility of the investment proposal with the subject and objectives of protected areas conservation.
(5) Pollution prevention and control	No emissions of sulphur or nitrogen oxides are emitted during operation. Radioactive discharges to air, water bodies, and ground (soil) comply with individual licence conditions for the specific operations, where applicable, or national threshold values in line with Directive 2013/51/Euratom and Directive 2013/59/Euratom. Continuous operational and periodic monitoring of liquid and gaseous emissions to the environment is carried out, as well as radioecological monitoring of environmental components (air, water, soil, food products, fauna, and flora). Radioecological monitoring of the environment is carried out according to a defined annual schedule and monitoring network. The results of the monitoring show that the values of radioactive emissions into the environment are many times lower than the established permissible values. Spent fuel and radioactive waste are safely and responsibly managed in accordance with Directive 2011/70/Euratom and Directive 2013/59/Euratom. The safe SNF and RAW management, in accordance with the requirements of the Directives, is included in the conditions of the licences for operation of Units 5 and 6 and the Spent Fuel Storage Facility. Reports on the licence conditions implementation are periodically submitted to the NRA. RAW generated during the operation of Kozloduy NPP are transferred for processing to SE RAW. The company has an adequate capacity for interim storage of reinforced concrete containers with processed RAW. A National disposal facility for low and intermediate level radioactive waste (NDF) where the reprocessed RAW will be disposed of is under construction.
(6) Protection and restoration of biodiversity and ecosystems	An environmental impact assessment (EIA) of the plant was carried out in 1999. To comply with the conditions of the EIA Decision, a programme of mitigation measures has been prepared and implemented. For each new investment intention, the notification, consideration or environmental impact assessment (EIA) is performed in accordance with the Environmental Protection Act, which transposes Directive 2011/92/EU. For each new investment intention the competent authority shall be notified and, on the basis of the requirements of the national legislation transposing the respective Directives - Environmental Protection Act, Regulation on the Terms and Procedure for Conducting Environmental Impact Assessments, Biological Diversity Act, Regulation on the Terms and Procedure for Assessing the Compatibility of Plans, Programmes, Projects and Investment Proposals with the Subject and Objectives of Protected Areas Conservation, it carries out an assessment of the need to conduct an EIA, including an assessment of the compatibility of the investment proposal with the subject and objectives of protected areas conservation.

VI.Key performance indicators (KPIs) and accounting policies

In accordance with the Nuclear Activities Delegated Act, as a non-financial undertaking the Company discloses the proportion of turnover, capital and operating expenditure for 2025 associated with economic activities that qualify as environmentally sustainable depending on their contribution to the first two environmental objectives. The amount and proportion of KPIs associated with taxonomy-eligible but taxonomy-non-aligned economic activities and activities non-eligible under Annexes I and II of Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2022/1214

have been disclosed. The KPI information disclosed is presented in tabular form as required by the Delegated Regulations for each applicable KPI.
For the 2025 reporting period, there are no changes to the classification of activities in groups A1, A2, and B as required by the Taxonomy Regulations compared to the disclosed activities in 2024.
This disclosure presents the KPIs covering the reporting period 01.01-31.12.2025. A comparison has been made and the changes in the key performance indicators compared to 2024 are presented in these disclosures.
The disclosures in financial terms are presented in Bulgarian Leva (BGN) and all disclosed amounts are rounded up to the nearest BGN thousand.

Data collection and validation process
To report information on taxonomy-aligned economic activities in 2025, we:
- reviewed the Company's economic activities and identified activities that could be eligible and aligned;
- performed a detailed analysis of the individual taxonomy-eligible economic activities and the applicable technical screening criteria in close collaboration with key experts;
- consulted technical experts related to the specific activities and criteria;
- summarised the results of the analyses and produced the report.

1. KPI related to turnover (Turnover KPI)

Definition

The proportion of the taxonomy-aligned economic activities (group A1) in our total turnover is calculated as the part of the net turnover derived from products or services associated with taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator), in each case for the financial year from 1 January 2025 to 31 December 2025.
The numerator of the turnover KPI is defined as the net turnover derived from products and services associated with taxonomy-aligned economic activities:
- Activity 4.28. Electricity generation from nuclear energy in existing installations (Generation of electricity or heat by existing nuclear power plant)
- Activity 5.3. Construction, extension and operation of waste water collection and treatment
- Activity 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

The realised turnover from Activity 4.28 Electricity generation from nuclear energy in existing installations (Generation of electricity or heat by an existing nuclear power plant) comprises 99.5% of the Company's total turnover for the year 2025.
In the period 01.01-31.12.2025 the Company has not generated any turnover from activity 5.3.
Activity 7.4. defined in group A1 contributes to the achievement of the two objectives of climate change mitigation and adaptation, but the revenues from electric charging stations account for a small share of total turnover of the Company.
The denominator of the turnover KPI is based on the sum of the Company's revenue as disclosed on 'Revenue' line from the statement of profit and loss and other comprehensive income(note 23 and 24) of Kozloduy NPP EAD Separate Financial Statements for 2025.
The taxonomy-eligible, but taxonomy-non-aligned activities (group A2) did not generate turnover for Kozloduy NPP EAD for 2025.
The taxonomy-non-eligible activities (Group B) account for an insignificant 0.5% of the total turnover for 2025.
Reconciliation
The net turnover presented in KPI Turnover of Kozloduy NPP EAD for 2025 template in Appendix 1 is reconciled with the total sum of the revenue presented in Statement of profit and loss and other comprehensive income (note 23 and 24) of the Kozloduy NPP EAD Separate Financial Statements for 2025.
Comparison of turnover KPI data for 2025 versus 2024
There are no significant deviations in the turnover figures for Group A taxonomy-eligible activities, including groups A1 and A2, disclosed for 2025 (99.5%) compared to the same for the 2024 reporting period (99.3%).
The turnover generated by the taxonomy-non-eligible activities (Group B) maintains a minimal share of less than 1% in the total turnover in 2025.

2. KPI related to capital expenditure (CapEx KPI)

Definition

The proportion of the taxonomy-aligned economic activities (group A1) in our total capital expenditure is calculated as the part of the capital expenditure for acquiring tangible and intangible assets associated with taxonomy-aligned economic

activities (numerator) divided by the total capital expenditure (denominator), in each case for the financial year from 1 January 2025 to 31 December 2025.
The numerator of the CapEx KPI is defined as the sum of realised investments in assets and processes, associated with the performance of taxonomy-aligned activities, i.e.
- Activity 4.28. Electricity generation from nuclear energy in existing installations (Generation of electricity or heat by existing nuclear power plant)
The investment costs incurred in 2025 for enhancing safety at Kozloduy NPP EAD, for improving the operation of major and auxiliary facilities and equipment under the long-term operation conditions of the nuclear power units 5 and 6 are included. Investments concerning the reconstruction and extension of the heat supply network are taken into account.
- Activity 5.3. Construction, extension and operation of waste water collection and treatment
- Activity 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
The realised capital expenditure from taxonomy-eligible activities account for a major 98% of the Company's total investment costs for 2025.
The denominator of the CapEx KPI is based on the sum of the company's investment costs as disclosed in Separate statement of financial position/ Note 5 Property, Plant and Equipment - Acquisition Costs to the Kozloduy NPP EAD Separate Annual Financial Statements for 2025.
Capital expenditure for taxonomy-eligible but taxonomy-non-aligned activities (Group A2) accounts for 1.6% of 2025 investment costs. In order to promote the development of a low-carbon economy and reduce greenhouse gas emissions, the Company is investing in the refurbishment and modernisation of existing systems and facilities, as well as the construction of new projects in respect of some of the disclosed Group A2 activities:
- 5.1. Construction, extension and operation of water collection, treatment and supply systems
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles. Funds invested in 2025 to purchase new electric vehicles and trucks are included.
- 7.3. Installation, maintenance and repair of energy efficiency equipment.
The capital expenditure is for the implementation of measures related to increasing energy efficiency in accordance with the Company's obligations under the Energy Efficiency Act with a view to achieving a lasting trend of improvement in energy consumption indicators, as well as the Company's investments for the implementation of energy saving activities in connection with the promotion of the green transition and the renewable energy production.
The Company discloses capital expenditure from taxonomy-non-eligible activities (Group B) with a proportion of 0.4%.

Reconciliation

The net capital expenditure presented in KPI Capital expenditure of Kozloduy NPP EAD for 2025 template in Appendix 2 is reconciled with the total sum of capital expenditure presented in the Separate statement of financial position /Note 5 Property, Plant and Equipment - Acquisition Costs to the Kozloduy NPP EAD Separate Annual Financial Statements for 2025.

Comparison of CapEx KPI data for 2025 versus 2024

The capital expenditure for Group A taxonomy-eligible activities, including groups A1 and A2, disclosed for 2025 (99.6%) are 1.5% higher compared to the same for the 2024 reporting period (98.1 %).
The investments associated with the taxonomy-non-eligible activities (Group B) retain an insignificant 0.4% share of total capital expenditure in 2025.

3. KPI related to operating expenditure (OpEx KPI)

Definition

The proportion of the taxonomy-aligned economic activities (group A1) in the total operating expenditure is calculated as the part of the realised operating expenditure for the activities associated with taxonomy-aligned economic activities (numerator), divided by the total operating expenditure (denominator), in each case for the financial year from 1 January 2025 to 31 December 2025.
The numerator is defined as the sum of the costs of performing taxonomy-eligible economic activities set by the Company.
The denominator of the OpEx KPI includes the cost of renovation and maintenance of buildings and all other direct costs associated with the day-to-day servicing of assets in the property, plant, and equipment category, or performed by a contractor who was assigned activities required for ensuring continued and efficient operation of those assets. The total amount of operating expenditure used in the denominator is disclosed in Note 25 'Cost of materials' and Note 26 'Hired services costs' and consists of expenditure incurred on repairs, including materials and repair services, BGN 167,705 thousand disclosed in the Kozloduy NPP EAD Separate Financial Statements for 2025.

The costs of performing a taxonomy-eligible activity 4.28 Electricity generation from nuclear energy in existing installations (Generation of electricity or heat by an existing nuclear power plant) account for 92.9% of total operating expenditure in 2025.
The other two activities, which are defined in group A1, contribute to the achievement of the two objectives of climate change mitigation and adaptation. In the period 01.01-31.12.2025, the Company reported insignificant current expenses related to activity 7.4. 'Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)'. Regarding Activity 5.3. 'Construction, extension and operation of waste water collection and treatment' no expenses are reported.
The current expenses for repair, maintenance and servicing of assets associated with Group A activities have a minimal proportion of 5.8%:
- 3.10 Manufacture of hydrogen
- 4.12 Storage of hydrogen
- 5.1. Construction, extension and operation of water collection, treatment and supply systems
- 5.5. Collection and transport of non-hazardous waste in source segregated fractions
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 7.2. Renovation of existing buildings
- 7.3. Installation, maintenance and repair of energy efficiency equipment

The Company discloses operating expenditure from taxonomy-non-eligible activities with a proportion of 1.3%.

Reconciliation

The net operating expenditure presented in KPI Operating expenditure of Kozloduy NPP EAD for 2025 template in Appendix 3 is reconciled with the total sum of the expenditure on spare parts and tools BGN 50,892 thousand, and repair and maintenance services BGN 116,813 thousand, respectively in Notes 25 and 26 presented in Statement of profit and loss and other comprehensive income of Kozloduy NPP EAD Separate Financial Statements for 2025.

Comparison of OpEx KPI data for 2025 versus 2024

There are no significant deviations in the operating expenditure figures for Group A taxonomy-eligible activities, including groups A1 and A2, disclosed for 2025 (98.7%) compared to the same for the 2024 reporting period (99.3%).
The operating expenditure for the implementation of Group B taxonomy-non-eligible activities maintains a minimal share from less than 1.3% in the total operating expenditure in 2025.

4. Other disclosures

The results of the verification of the criteria for significant contribution of Group A1 activities to the two European objectives 1.) climate change mitigation and 2.) climate change adaptation, are presented in Appendices 1, 2 and 3 regarding the Turnover, Capital Expenditure, and Operating Expenditure KPI of the Company for 2025.
Activity 4.28 Electricity generation from nuclear energy in existing installations (Generation of electricity or heat by an existing nuclear power plant), which includes the two licence activities carried out by the Company, is the most significant contributor to both environmental objectives.
We also disclose the results of a verification for Do no significant harm of Group A1 economic activities classified as environmentally sustainable according to additional criteria under Annexes I and II of Delegated Regulation 2022/2014:
- Activity 4.28 Electricity generation from nuclear energy in existing installations (Generation of electricity or heat in an existing nuclear power plant) meets five out of the six required criteria.
- Activity 5.3. Construction, extension and operation of waste water collection and treatment meets four out of the six required criteria.
- Activity 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) meets two of the criteria.

In the Key Performance Indicators disclosed for the 2025 financial year, all of the Company's economic activities identified as environmentally sustainable and falling within Group A1 meet the minimum safeguards requirement in accordance with the European regulatory framework.

KPI Turnover of Kozloduy NPP EAD for 2025	Year			Significant contribution criteria						DNSH (Do no significant harm) criteria						Appendix 1			
Economic activities (1)	**Code (2)**	**Absolute turnover (3)**	**Proportion of turnover 2025 (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of taxonomy-aligned turnover, 2024 (18)**	**Category 'enabling activity' (19)**	**Category 'transitional activity' (20)**
		BGN'000	%	Yes;No;Non-eligible	Yes;No; Non-eligible	Yes;No; Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
4.28. Electricity generation from nuclear energy in existing installations	D35.11	2,219,851	99.3%	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**99.1%**	E	
4.28.Generation of heat by an existing nuclear power plant	D35.30	5,067	0.2%	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**0.2%**	E	
5.3. Construction, extension and operation of waste water collection and treatment systems	E37.00			Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes	No	Yes	**0.0%**		
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42.99	4	**0.0%**	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	No	Yes	**0.0%**	E	
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1.)		**2,224,922**	**99.5%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**99.3%**		
Of which enabling		**2,224,922**	**99.5%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**99.3%**		
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities																			
				Eligible;Non-eligible	Eligible;Non-eligible	Eligible; Non-eligible	Eligible; Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible										
3.10. Manufacture of hydrogen	C20.11		%	Eligible	Eligible														
4.12. Storage of hydrogen			%	Eligible	Eligible														
5.1. Construction, extension and operation of water collection, treatment and supply systems	E36.00		%	Eligible	Eligible														
5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11		%	Eligible	Eligible														
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.41		%	Eligible	Eligible														
6.6. Freight transport services by road	H49.41		%	Eligible	Eligible														
7.2. Renovation of existing buildings	F41		%	Eligible	Eligible														
7.3. Installation, maintenance and repair of energy efficiency equipment	C33.12		%	Eligible	Eligible														
Turnover from taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities (A.2)		0	%																
Total (A.1. + A.2.)		**2,224,922**	99.5%														**99.30%**		
B. Taxonomy-non-eligible activities																			
Turnover from taxonomy-non-eligible activities (B)		**10,908**	0.5%																
Total (A + B)		**2,235,830**	100%																

KPI Capital expenditure of Kozloduy NPP EAD for 2025	Year			Significant contribution criteria						DNSH (Do no significant harm) criteria							Appendix 2		
Economic activities (1)	**Code (2)**	**CapEx (3)**	**Propor-tion of CapEx (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2024 (18)**	**Category 'enabling activity' (19)**	**Category 'transitional activity' (20)**
		BGN'000	%	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
4.28. Electricity generation from nuclear energy in existing installations	D35.11	235,875	**97.8%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**95.3%**	E	
4.28.Generation of heat by an existing nuclear power plant	D35.30	396	**0.2%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**0.6%**	E	
5.3. Construction, extension and operation of waste water collection and treatment systems	E37.00	2	**0.0%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes	No	Yes	**0.0%**		
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42.99	0	**0.0%**	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	No	Yes	**0.0%**	E	
Capital expenditure from environmentally sustainable activities (taxonomy-aligned) (A.1.)		**236,273**	**98.0%**	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	**95.9%**		
Of which enabling		**236,273**	**98.0%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**95.9%**		
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities																			
				Eligible; Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible										
3.10. Manufacture of hydrogen	C20.11	0	**0.0%**	Eligible	Eligible														
4.12. Storage of hydrogen		0	**0.0%**	Eligible	Eligible														
5.1. Construction, extension and operation of water collection, treatment and supply systems	E36.00	2,363	**1.0%**	Eligible	Eligible												**0.2%**		
5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11	0	**0.0%**	Eligible	Eligible												**0.0%**		
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.41	228	**0.1%**	Eligible	Eligible												**0.8%**		
6.6. Freight transport services by road	H49.41	0	**0.0%**	Eligible	Eligible														
7.2. Renovation of existing buildings	F41	0	**0.0%**	Eligible	Eligible												**0.0%**		
7.3. Installation, maintenance and repair of energy efficiency equipment	C33.12	1,242	**0.5%**	Eligible	Eligible												**1.2%**		
Capital expenditure from taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities (A.2)		**3,833**	**1.6%**	Eligible	Eligible												**2.2%**		
Total (A.1. + A.2.)		**240,105**	**99.6%**														**98.1%**		
B. Taxonomy-non-eligible activities																			
Capital expenditure from taxonomy-non-eligible activities (B)		**1,036**	0.4%																
Total (A + B)		**241,141**	100%																

KPI Operating expenditure of Kozloduy NPP EAD for 2025	Year			Significant contribution criteria						DNSH (Do no significant harm) criteria							Appendix 3		
Economic activities (1)	Code (2)	CapEx (3)	Propor-tion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2024 (18)	Category 'enabling activity' (19)	Category 'transitional activity' (20)
		BGN'000	%	Yes;No; Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes;No;Non-eligible	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
4.28. Electricity generation from nuclear energy in existing installations	D35.11	155,702	**92.8%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**95.1%**	E	
4.28.Generation of heat by an existing nuclear power plant	D35.30	64	**0.0%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**0.0%**	E	
5.3. Construction, extension and operation of waste water collection and treatment systems	E37.00	0	**0.0%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes	No	Yes	**0.0%**		
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42.99	8	**0.0%**	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	No	Yes	**0.0%**	E	
Operating expenditure from environmentally sustainable activities (taxonomy-aligned) (A.1.)		**155,774**	**92.9%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**95.1%**		
Of which enabling		**155,774**	**92.9%**	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	**95.1%**		
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities																			
				Eligible; Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible	Eligible;Non-eligible										
3.10. Manufacture of hydrogen	C20.11	18	**0.01%**	Eligible	Eligible												0.01%		
4.12. Storage of hydrogen		0	**0.00%**	Eligible	Eligible														
5.1. Construction, extension and operation of water collection, treatment and supply systems	E36.00	71	**0.04%**	Eligible	Eligible												0.03%		
5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11	3,316	**1.98%**	Eligible	Eligible												1.97%		
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.41	44	**0.03%**	Eligible	Eligible												0.03%		
6.6. Freight transport services by road	H49.41		**0.00%**	Eligible	Eligible												0		
7.2. Renovation of existing buildings	F41	6,278	**3.74%**	Eligible	Eligible												2.17%		
7.3. Installation, maintenance and repair of energy efficiency equipment	C33.12	0	**0.00%**	Eligible	Eligible												0		
Operating expenditure from taxonomy-eligible but not environmentally sustainable (taxonomy-non-aligned) activities (A.2)		**9,727**	**5.80%**	Eligible	Eligible												4.20%		
Total (A.1. + A.2.)		**165,500**	**98.7%**														**99.3%**		
B. Taxonomy-non-eligible activities																			
Operating expenditure from taxonomy-non-eligible activities (B)		**2,205**	1.3%																
Total (A + B)		**167,705**	100%																

ENVIRONMENTAL IMPACT

Environmental issues

The management has declared its top priority in its Safety Management Policy, namely - nuclear safety and radiation protection under long-term operation conditions in compliance with the licences issued by the NRA. The Company's Management is committed to maintain and develop the safety monitoring and assessment system with highly qualified, trained, and highly motivated personnel for the conduct and control of the nuclear facilities' operation in compliance with the safety requirements as a top priority of the integrated management system.

The operation of Kozloduy NPP nuclear power units is performed in full compliance with the conditions of the licences, requirements of the technical specifications and operating procedures. In 2025, Kozloduy NPP registered three operational events subject to notification in accordance with the Regulation on the Conditions and Procedure for Notifying the Nuclear Regulatory Authority of Events at Nuclear Installations and Facilities with Sources of Ionising Radiation. All of them were rated below INES scale/level 0 (events without safety significance). The results of the safety system monthly performance tests comply with the technical specifications requirements. The safe operation limits and conditions have not been violated during the reporting period.

The plant observes all safety standards applicable to radioactive waste (RAW) management and spent nuclear fuel (SNF) management.

The safe management of RAW at Kozloduy NPP EAD is carried out in accordance with the national policy and the Strategy for the Management of SNF and RAW until 2030 and the Integrated Programme for the Management of RAW generated by Kozloduy NPP EAD. The main purpose is to approach RAW in a way that ensures protection of human health and the environment now and in the future, without leaving a heavy burden in this area for the future generations. RAW management at each stage implemented by Kozloduy NPP EAD should allow meeting the criteria for their transfer to SE RAW, or the criteria for the end product acceptability, approved in the NRA regulations. The activities related to RAW handling are performed in accordance with approved procedures, whose underlying goal is ensuring safety in their management. The RAW management process at Kozloduy NPP is carried out by trained personnel, who maintain and enhance their qualification on an annual basis. The RAW management programmes and instructions are updated periodically, taking into account the good practices of the international experience and the recommendations of the supervisory bodies, and also in compliance with the normative requirements on radiation protection and environmental protection. The RAW management activities are reported pursuant to the licensing provisions of Units 5 and 6 and the Spent Fuel Storage Facility licences.

The SNF is stored in special by-the-reactor pools, and in the on-site Spent Fuel Storage Facility (SFSF) and the Dry Spent Fuel Storage Facility. In accordance with existing practices, in order to prevent overfilling of the SFSF storage capacity, SNF is shipped to the Russian Federation for long-term storage and reprocessing. Currently, the chosen strategy of transporting a minimum of 50t heavy metal of SNF per year from Kozloduy NPP EAD for technological storage and reprocessing continues to be implemented. The transportation of SNF from the Kozloduy NPP units for technological storage and reprocessing is carried out on the basis of long-term commercial contracts notified and approved by Euratom Supply Agency in 2007, which expire after the return of the last spent fuel assembly for reprocessing. In 2025, due to the complicated situation in Ukraine and the Black Sea, no transportation of SNF from Units 5 and 6 for technological storage and reprocessing in Russia was carried out.

In the operation of the nuclear facilities the plant management implements the principles of radiation protection, defined by the Regulation on Radiation Protection, and IAEA GSR Part 3, as well as the ALARA principle (as low as reasonably achievable). The collective dose of the personnel and the contractor's staff who worked in the controlled area of Kozloduy NPP EAD in 2025 is within the limits of the planned values.

The Company's environmental management policy is oriented towards the protection of human health and environment from adverse non-radiation impacts associated with its operations and the achievement of the following objectives: protection of the atmosphere and air purity; reduction of the impact of the Company's activities on water quality; safe management, minimisation, and recovery of non-radioactive waste; reduction of emissions to the environment; increase in energy efficiency; optimisation of the use of raw materials and supplies; minimisation of the risk of environmental damage and incidents and minimisation of the consequences of their occurrence. In this context, the main environmental components - air, water, soil, vegetation, agricultural production - are subject to continuous monitoring. Research and analysis is carried out in an ISO 17025:2018 accredited departmental radioecological monitoring laboratory. The automated radiation monitoring system continuously measures the radiation gamma background in 13 towns and villages in the region. The results achieved in 2025 show that the equivalent dose rate of gamma radiation varies within the limits of the natural background radiation (0.05 – 0.18) μSv/h.

- Environment impact of energy consumption

One of the important objectives of the management of Kozloduy NPP EAD is to pursue an active policy aimed at the rational use of energy, energy, and water resources.

Achieving a sustained trend of improvement in energy consumption indicators in the long term is an additional tool for improving the plant's financial position.

In order to achieve this objective, the management is implementing a Programme to improve energy efficiency by implementing energy efficiency measures and continuous energy consumption monitoring. These activities make it possible to reduce the houseloads of the plant and also to connect new customers with local heating installations to the district heating system.

All of the described activities lead to a direct improvement of the air quality by reducing the amount of greenhouse gases and fine dust particles released by the local heating installations and the possibility for an increasing number of citizens of the Republic of Bulgaria to use clean and cheap energy.

- Greenhouse gas emission to the atmosphere

Greenhouse gas emissions are formed in the atmosphere as a consequence of the operation of diesel generators and diesel pumps, designed to provide emergency power supply for Kozloduy NPP safety systems. These facilities are kept in 'hot standby' and are periodically tested.

Kozloduy NPP EAD holds a greenhouse gas emissions permit No. 143-H4/2023 issued for the operation of these systems. The total amount of CO_2 emissions generated in 2025, is about 439 tons (pending verification of the Company's annual report).

Compared to the conventional TPPs using coal, in the year 2025 Kozloduy NPP prevented the adverse impact of emissions of 17 mln tons of CO_2, about 34 thousand tons of SO_2, 11 tons of NOx, and 500 thousand tons of ashes containing natural radioactivity.

In response to the need to implement green alternatives to traditional activities with a significant environmental footprint, such as road transport, every year Kozloduy NPP EAD increases the number of the electric vehicles in its fleet, installs new charging stations on the site of the nuclear power plant and in the town of Kozloduy. Electric transport on site is steadily increasing, given the European Union's key priorities for the transition to a carbon-free economy.

- Water use and protection

For its operation the Company uses surface water from the Danube river and groundwater. Water is mainly used for cooling. Part of the water is used for the production of demineralised water required for the production process.

The cooling water is returned to the Danube river without any changes to its chemical content, and very often even cleaner compared to the intake from the Danube.

The waste water generated by the Company's activity is treated in treatment facilities - neutralisation pits and sludge and oil retainer. Domestic waste water is treated in a water treatment complex.

Kozloduy NPP EAD performs periodical monitoring on the quality of waste water in order to establish the degree to which it has been affected. In addition to the compulsory monitoring stipulated by the permits for use of a water body to discharge waste water, the Company performs also extended internal plant control.

The results of the mandatory in-house non-radiation monitoring of waste water from the Kozloduy NPP site in 2025 are in compliance with the individual emission limitations set in the permits.

Groundwater extraction is carried out in accordance with the requirements of the permits issued. The quantities used do not exceed the maximum permitted quantities in the relevant permit. The Company carries out compulsory and internal control of the chemical composition of the extracted groundwater.

- Waste management

Kozloduy NPP EAD has implemented a separate waste collection and management system that is used by all employees.

The waste generated by the activity is collected on sites (storage facilities), where it is segregated and prepared to be transferred for subsequent safe recovery or disposal.

Reusable domestic waste, such as paper (carton), plastic, metal, and glass packages, is also collected separately in coloured waste bins specially located in the Company buildings.

All separately collected wastes are transferred for subsequent recovery or disposal to specialised companies holding the necessary permits in compliance with the Waste Management Act.
Non-recoverable and non-hazardous domestic and industrial wastes, generated by the Company's activity, are disposed at the plant's Landfill for non-radioactive household and industrial wastes (LNRHIW). It is being filled according to the rates set by the project - in 8 years of operation, 36% of Phase II, commissioned in 2017, has been filled. The total amount of waste disposed in 2025 amounts to 317,049 tonnes. The quantities of accepted and disposed of non-radioactive waste do not exceed the annual targets for each type of waste.
Waste water and groundwater in the area of the LNRHIW are monitored annually. Testing is carried out according to strictly defined indicators set out in the permit. There are no negative trends in groundwater quality resulting from the operation of the nuclear power plant.

Outlook on environmental and social policies

Kozloduy NPP EAD will continue to work actively for the protection of the environment in all its aspects. The Company is implementing a Programme for Management of Environmental Aspects in Kozloduy NPP EAD, in accordance with BDS ISO EN 14001:2015. In 2025, a total of 95 measures from programmes and plans regarding environmental management were monitored, with 89 being implemented.

In order to ensure the safe and long-term operation of Kozloduy NPP Units 5 and 6 and of the SFSF and DSFSF, the following programmes will remain under implementation in the next licensing periods:

- Integrated Programme for the Implementation of Safety Improvement Measures for Unit 5 for the period 2017-2027 (all the measures foreseen for 2025 have been completed).
- Integrated Programme for the Implementation of Safety Improvement Measures for Unit 6 for the period 2019-2029 (all the measures foreseen for 2025 have been completed).
- Integrated Programme for the Implementation of Safety Improvement Measures for the SFSF for the period 2024-2034 (all the measures foreseen for 2025 have been completed).
- Integrated Programme. Safety Improvement Measures for the DSFSF until the next periodic safety review (all the measures foreseen for 2025 have been completed).

The integrated programmes bring together several groups of measures resulting from the implementation of periodic safety reviews and long-term operation projects.

A 10-year Staffing Needs Plan has been developed for Kozloduy NPP EAD to provide the necessary information to ensure the timely recruitment and training of personnel to fill positions in the Company to ensure the safe and long-term operation of the nuclear facilities. Key positions in the Company have been identified and replacements have been appointed for the position holders. Replacements for key positions receive training for the relevant key position in a timely manner to ensure continuity within the Company.

The Company's Management does not consider that there are significant risks regarding the environmental and social policies.

STATEMENT OF RELATED PARTY TRANSACTIONS

Transactions with the Sole Owner – BEH EAD

	2025	2024
	BGN'000	**BGN'000**
Increase of the capital	250,000	-
Purchase of services	562	562
Sale of services and assets	2	4
Granting a loan	-	25,000
Interest on loan granted	213	457
Repaid loan - BEH EAD	35,953	10,772
Dividend distributed to BEH EAD	199,722	241,673
Dividend interest accrued and paid	1,801	-
Dividend paid	120,000	241,673

Transactions with subsidiaries

	2025	2024
	BGN'000	**BGN'000**
Sales of assets and services:		
- services rendered to Kozloduy HPP EAD	13	14
- goods and services rendered to Kozloduy NPP - New Build EAD	37	35
- services rendered to NPP Service OOD	49	21
Purchase of assets and services:		
- purchase of services from NPP Construction Supervision OOD	43	27
- purchase of goods and equipment from NPP Service EOOD	1,010	913
- purchase of services from NPP Service EOOD	7,869	8,302
- purchase of services from Kozloduy NPP - New Build EAD	96	
Other:		
Late payment interest income - Kozloduy HPP EAD	13	120
Interest income under loan granted - Kozloduy HPP EAD	-	3
Interest income under loan granted - Kozloduy NPP - New Build	-	49
Penalties income from Kozloduy NPP - New Build	5	-
Repaid loan - Kozloduy HPP EAD	1,001	319
Distributed dividends from Kozloduy HPP EAD	1,067	633
Distributed dividends from NPP Service EOOD	1,840	569
Distributed dividends from NPP Kozloduy NPP - New Build	1,808	-
Increase of capital of Kozloduy NPP - New Build	-	300,000

Transactions with related parties under joint control with the company (BEH Group) and BEH Group associates

	2025	2024
	BGN'000	**BGN'000**
Sales of products, goods, and services:		
- sales of electrical energy + balancing to NEK EAD	603,781	355,284
- sales of electrical energy + balancing to ESO EAD	12,850	40,261
- sales of electricity to Mini Maritsa-Iztok EAD	30	754
- sales of assets and services to ESO EAD	3	135
- services rendered to NEK EAD	24	-
- services rendered to TPP Maritsa East	-	2
- services rendered to Bulgartransgas EAD	-	2
Purchase of goods and services:		
- purchase of goods and services from NEK EAD	9,920	371
- purchase of services and goods from ESO EAD	65,290	54,132
Other:		
- Late payment interest income - NEK EAD	1,320	333

Transactions with undertakings under joint control and BEH Group associates

	2025	2024
	BGN'000	**BGN'000**
Sales of products, goods, and services:		
- sales of electricity - IBEX AD	983,780	761,640
- sales of electricity to Contour Global Maritsa-Iztok 3 AD	8,600	5,808
- sales of electricity, heat energy and services to SE RAW	4,183	5,112
Purchase of goods and services:		
- purchase of services from IBEX AD	11,334	9,595
- purchase of services from SE RAW	700	930
Other:		
- dividend received from ZAD Energia AD	85	97

	2025	2024
	BGN'000	**BGN'000**

STATEMENT OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES, INCLUDING A REPORT OF THEIR REMUNERATION

Kozloduy NPP EAD is a company with a one-tier management system, in accordance with the Commerce Act. The management bodies are: the Sole Owner of the Capital and the Board of Directors.

The Bulgarian Energy Holding (BEH) EAD is the Sole Owner of the Capital of Kozloduy NPP EAD. The principal of the former is the Bulgarian state through the Ministry of Energy. The rights of ownership of the state are exercised by the Minister of Energy.

The Board of Directors of Kozloduy NPP EAD consists of 5 (five) members, natural persons, who are appointed and dismissed by the Sole Owner of the Capital. In accordance with the Public Enterprises Act, the members of the BoD are elected and appointed following a competition, the conditions and the procedure for which are laid down in the Implementing Rules of the Public Enterprises Act.

The functions of the Board of Directors are: to carry out the operative management of the Company and supervise the activity of the Chief Executive Officer, including with respect to compliance with the Policies. The Board of Directors performs all functions and decides on all matters that are not within the exclusive authority of the Sole Owner of the Capital, pursuant to the law or the Company's Incorporation Act.

The Board of Directors exercises all its powers in accordance with the Company's Incorporation Act.

The Board of Directors elects one or two of its members as executive members, while the remainder are non-executive members. The term of office of the Board of Directors is 3 to 5 years, effective from the date of the Board's registration in the Commercial Register and Register of Non-Profit Legal Entities.

As at 31 December 2025, the Board of Directors of Kozloduy NPP EAD consisted of the following members:

- Iva Edward Nikolova
- Iliya Todorov Iliev
- Slavyan Petrov Lachev
- Svilena Nikolova Nikolova
- Ivan Todorov Andreev.

The Board of Directors was chaired by Iliya Todorov Iliev. Ivan Todorov Andreev was the Chief Executive Officer and representative of Kozloduy NPP EAD.

Each member of the Board of Directors enters into a management and control agreement with the Sole Owner of the Capital. The contract is entered into for a term ending at the conclusion of the Board of Directors' term of office and sets forth the rights and obligations of the parties, the amount of remuneration and the method of payment, the liability of the parties in the event of breach, the grounds for termination of the contract, the amount of the cash guarantee that members provide for their management, and the amount of the penalty for early termination of the contract through no fault of the member of the Board of Directors, as well as the relations between the parties during the period from the termination of the contract until the name of the dismissed member of a management or supervisory body is removed from the Commercial Register and Register of Non-Profit Legal Entities.

Members of the Board of Directors receive remuneration, the amount and method of payment of which are determined in accordance with the Implementing Rules of the Public Enterprises Act.

Members of the Board of Directors are required to provide a guarantee for their management in an amount specified in the contract, but not less than their gross remuneration for three months. The guarantee provided shall be returned upon termination of the contract and following a decision by the Sole Owner of the Company's capital to release them from liability.

Information on the amount of remunerations of the Board of Directors of Kozloduy NPP EAD for the reporting year 2025

Remuneration of the members of the Board of Directors (BGN'000)	2025	2024
Short-term remuneration, including:	**683**	**592**
Salaries, including bonuses and compensations	597	525
Social security contributions	52	31
Social costs	34	36

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IVAN ANDREEV
CHIEF EXECUTIVE OFFICER
KOZLODUY NPP EAD

Corporate Governance Statement
31 December 2025

The Corporate Governance Statement is a separate report that is issued together with the Management Report of Kozloduy NPP EAD. It is prepared in pursuance of Article 61, para 3, item 5 of the Regulations for Implementation of the Public Enterprises Act (RIPEA), in conformity with Article 100(m), para 7, item 1, and para 8 of the Public Offering of Securities Act (POSA).

1. Information on Article 100m, para 8, item 1 of the POSA concerning compliance as appropriate with: a) The National Corporate Governance Code or b) another Corporate Governance Code, as well as information on the corporate governance practices applied by the Company in addition to the Code under (a) or (b)

Kozloduy NPP EAD complies, as appropriate, with the National Code of Corporate Governance (NCCG), established in October 2007, subsequently amended in February 2012, April 2016 and July 2021 adopted and observed by Bulgarian public companies.
The last revision of the Code is from June 2024, approved and adopted by the National Committee on Corporate Governance.
Supplements corresponding to the European Union and the Republic of Bulgaria's sustainable development policy are included in the revisions from 2021 and 2024. The goals established in the Green Deal and the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 have been taken into account. The provisions of the Code are in accordance with the 2023 G20/OECD Principles of Corporate Governance as well as with the 2015 Sustainable Development goals of the United Nations and the Guiding Principles on Business and Human Rights of the United Nations (2011).
The Code is applied based on the "comply or explain" principle. This means that the Company complies with the Code and in case of deviation the management shall clarify the reasons for that.

In addition to the National Corporate Governance Code, the Company follows the good corporate governance principles and norms established with the Commerce Act and the Public Enterprises Act. Good corporate governance means loyal and responsible corporate governance, transparency and independence, as well as the Company's responsibility to society.

The Company has adopted and follows a Code of Ethics which specifies the behaviour expected of Kozloduy NPP EAD employees by describing basic moral and ethical norms, principles and rules. The Code of Ethics aims at developing an organisational culture based on shared values that helps reinforce the Company as a socially responsible entity in the application of the universal principles of the UN Global Compact. The Code of Ethics is applied and observed by the Board of Directors, managers and all the employees of Kozloduy NPP EAD.

2. Information under Article 100m, para 8, item 2 of the POSA regarding the explanation by the Company as to which parts of the Corporate Governance Code under item 1, (a) or (b) the Company does not comply with and as to what grounds for this are, respectively, when the

Company has opted not to refer to any of the rules of the Corporate Governance Code - the grounds for that

The Company observes the basic principles of the National Corporate Governance Code with regard to all the requirements relevant to its activities, insofar as they do not contradict the legislation.

The election and dismissal of the members of the Board of Directors is within the powers of the Sole Owner of the Capital, according to the texts of the Commerce Act and the Incorporation Act of the Company. The Board of Directors' members are elected and appointed following a competition, the conditions and the order for which are laid down in the Regulations for Implementation of the Public Enterprises Act.
The selection criteria are determined by the body exercising the rights of the state, in accordance with the Public Enterprises Act and taking into account the provisions of special acts. The contracts of the Board of Directors are terminated ahead of term, as per the text of Article 24 of the Public Enterprises Act.
The members of the Board of Directors receive remuneration as determined by the terms and conditions of the Rules for Implementation of the Public Enterprises Act.

Kozloduy NPP EAD does not have an approved information disclosure policy. In connection with the requirements of the Bulgarian legislation, the Company observes the terms, comprehensiveness of the information and reporting regarding its financial statements and management reports. The annual financial statements and management reports are published in the Commercial Register in accordance with the Accountancy Act and on the Company's website. Timely disclosure of quarterly, half-yearly, nine-monthly and annual financial statements, analyses and management reports is made through the public enterprises electronic information system of the Public Enterprises and Control Agency.

Other important information regarding the Company's activity is communicated on its website www.kznpp.org.

Kozloduy NPP EAD does not have established rules for taking into account the interests of stakeholders, but complies with pertinent legal requirements and the principles of transparency, accountability and business ethics.

3. Information under Article 100m, para 8, item 3 of the POSA - description of the main characteristics of the Company's internal control system and of the risk management systems in connection with the financial reporting process

The Company has integrated an adequate and effective financial management and control system through policies and procedures developed in accordance with the provisions of the Financial Management and Control in the Public Sector Act (FMCPSA), in order to provide reasonable assurance that the objectives set by the management will be achieved. The financial management and control system follows the COSO model and features five components:

- Risk assessment
- Control environment
- Control activities
- Information and communication
- Monitoring of the operations

Kozloduy NPP EAD has in place control activities that cover the risks and help achieve the objectives. The controls that are incorporated in the work processes are tailored to the specific nature of the plant and its operations.

Kozloduy NPP EAD applies the Risk Management Policy of BEH EAD as well as the Risk Management Strategy of BEH EAD.
Kozloduy NPP EAD applies risk management to ensure that all actions have been taken to identify, assess, plan, and implement measures to minimise the risks' impact on achieving the Company's objectives. The strategic risks are specified in the Business Programme of the Company and are managed by the senior management together with the Board of Directors.
Management's strategy focuses on implementing a process to manage risks in achieving objectives at the Company, process and project level, as well as for risks arising at the operational level in the execution of specific activities. In processes where decisions are made and there are significant business risks, there are integrated risk monitoring and minimising actions and the responsibilities for performance, control and decision-making are defined, according to the activity.
"Quality Rules. Risk management at Kozloduy NPP EAD" have been developed. These Rules are periodically reviewed and are updated as necessary. A risk register of the identified risks of the Kozloduy NPP EAD Management System processes has been prepared and adopted by the Safety and Quality Committee.

The Company's Internal Audit department reports directly to the Chief Executive Officer, as required by the Public Sector Internal Audit Act. The main function of Internal Audit is to perform audit assignments for independent and objective inspections, analyses and evaluations of processes, so as to assure the management of the reliability, efficiency and effectiveness of risk management, internal control and corporate governance systems. The Internal Audit performs audit assignments for legality and appropriateness as well as to provide advice and make recommendations to improve the Company's operational performance.

4. Information under Article 10, para 1, (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids:

4.1. Article 10, para 1, (c) - significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross shareholdings) within the meaning of Article 85 of Directive 2001/34/EC

Kozloduy NPP EAD is a legal entity, a commercial company with registered capital in the amount of BGN 1,994,584,890 distributed in 199,458,489 ordinary, registered shares with a par value of BGN 10 each. The Bulgarian Energy Holding (BEH) EAD is the Sole Owner of the Capital of Kozloduy NPP EAD. The principal of the former is the Bulgarian state through the Ministry of Energy. The rights of ownership of the state are exercised by the Minister of Energy. As at 31 December 2025 Kozloduy NPP EAD is the owner of a business group comprised of the following companies with Bulgaria as the country of their incorporation:

Subsidiaries	*Share*	*Investment Value in BGN '000*
1. Kozloduy HPP EAD	100%	1,082
2. Kozloduy NPP - New Build EAD	100%	2,472,126
3. NPP Construction Supervision EOOD	100%	5
4. NPP Service EOOD	100%	750

The Company has a share of 1.12% in the capital of ZAD Energia AD. The value of the investment as at 31 December 2025 amounts to BGN 297 thousand.

4.2. Article 10, para 1, (d) - the holders of any securities with special control rights and a description of those rights

The Company has not issued any securities with special control rights.

4.3. Article 10, para 1, (f) - any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities

There are no restrictions on the voting rights of the Sole Owner of the Capital.

4.4. Article 10, para 1, (h) - the rules governing the appointment and replacement of board members and the amendment of the articles of association

The rules governing the appointment or replacement of Board of Directors' members and the amendment of the Company's Incorporation Act are regulated in the Commerce Act, the Public Enterprises Act, the Rules for Implementation of the Public Enterprises Act, and the Incorporation Act. The rules governing the appointment or replacement of the members of the Board of Directors are described in item 5.

4.5. Article 10, para 1, (i) - the powers of board members, and in particular the power to issue or buy back shares

The Board of Directors exercises its entire competence pursuant to the Company's Incorporation Act. Changes to the capital through shares issuance or buy-back takes place upon decision made by the Sole Owner of the Capital and, therefore, the members of the Board of Directors do not have such powers.

5. Information on Article 100m, para 8, item 5 of the POSA - the composition and functioning of the administrative, management and supervisory bodies and their committees

Kozloduy NPP EAD has a one-tier management system, its management bodies being: The **Sole Owner of the Capital** and the **Board of Directors**.

On the grounds of Article 107 of the Independent Financial Audit Act, the Company has established its **Audit Committee**.

1. Sole Owner of the Capital

The Bulgarian Energy Holding (BEH) EAD is the Sole Owner of the Capital of Kozloduy NPP EAD. The principal of the former is the Bulgarian state through the Ministry of Energy. The rights of ownership of the state are exercised by the Minister of Energy.

1.1. Competency
The Sole Owner of the Capital has all the rights of a shareholder of the Company, according to the law and the Incorporation Act of the Company and makes decisions on all issues within the competence of the General Meeting of the Shareholders.
The Sole Owner of the Capital may:
- Modify and amend the Incorporation Act of the Company;

- Increase or reduce the Company's capital;
- Reorganise and terminate the Company;
- Appoint and discharge the members of the Board of Directors, determine their remuneration; send the Board of Directors' members on business trips abroad;
- Approve the business programme of the Company;
- Appoint and dismiss independent registered auditor;
- Approve the annual financial statement, certified by the appointed independent registered auditor;
- Decide on the issue of bonds;
- Appoint liquidators upon termination of the Company (except in cases of insolvency), participate in the election of a special administrator if the circumstances are present for the Energy and Water Regulatory Commission to appoint a special representative under the Energy Act, and conclude contracts with these liquidators;
- Exempt the members of the Board of Directors from liability;
- Make decisions to open, transfer or close branches of the Company;
- Give permits for: disposal transactions with long-term assets and for establishment of real rights over immovable property whose value exceeds the lower value of BGN 500,000 or 5 per cent of the carrying amount of the long-term assets as at 31 December of the preceding year; contracts for the usage or rental of real estate or assets whose carrying amount exceeds 5% of the carrying amount of the long-term assets as at 31 December of the preceding year or transactions which (regardless of the assets value) require authorisation by the Energy and Water Regulatory Commission; receiving loans or credits, granting loans, providing guarantees (except for guarantees provided under the provisions of the Public Procurement Act), taking on obligations for aval and providing earmarked financing, furnishing securities to third parties in the cases when the value of each of the above stated exceeds the lower value of BGN 500,000 or 5 per cent of the total carrying amount of the long-term assets as at 31 December of the preceding year; acquisition of shares in other companies, as well as the disposal of shares owned by the Company in other companies; conclusion of contracts for joint activity (so called "joint venture"); undertaking liability under bills of exchange; securing obligations of the Company through establishing a mortgage or pledge on long-term assets of the Company; conclusion of a judicial or extra-judicial agreement which recognises obligations of the Company, or remits a debt of the Company, or remits receivables of the Company with regard to third parties; material change in the Company's activity; significant organisational changes, long-term cooperation that is essential for the Company, as well as the termination of such cooperation;
- Approve the choice of insurer when concluding contracts for mandatory insurance;
- Agree the Board of Directors' decision of initiating procurement procedures for over BGN 500,000 (five hundred thousand), VAT excluded;
- Authorise the conclusion of contracts for sale, exchange and lease of long-term assets, as well as the establishment of real rights, to be carried out through direct negotiation, with the initial price to be determined by an independent appraiser;
- Authorise the sale and exchange of homes, studios, offices and garages to workers and employees of the Company;
- Agree the acquisition of assets or the conclusion of contracts and the amendments thereto, with single or totalling value of over BGN 500,000 (five hundred thousand), VAT excluded, except for contracts for electricity sales at freely negotiated prices and contracts concluded in pursuance of any legal and/or licensing obligation at regulated prices, as well as the amendments to such contracts;
- Adopt and submit to the Board of Directors the Corporate Governance Policy, Financial and Accounting Policy, Information Technology Policy, Human Resource Management Policy, Investment and Project Management Policy, Public Procurement Policy (including Policy for conducting tenders, competitions and direct negotiating for the procurement of goods and execution of works and services), Policy for conducting tenders, competitions and direct negotiations for the

conclusion of contracts for sale, exchange or lease of long-term assets, Risk Management and Internal Audit Policy , and other policies that are mandatory for the Company (the "Policies");
- Make decisions on the distribution of the Company's profit and its payment, on replenishing of the Reserve Fund, and on payment of dividend and payment of tantièmes to the members of the Board of Directors, and determine their amount;
- Give consent for the election of a procurator of the Company and approve in advance the conditions of the procuration;
- Give consent prior to the decisions on the preceding paragraphs (except for sending on business trips) which the Company makes in respect of its subsidiaries and project companies (if any and according to the type of company) as well as on the conclusion of any contracts between the Company and its subsidiaries and project companies, if any;
- Make decisions on other issues within its purview as provided by the law and the Incorporation Act.

1.2. Decision-making
The Sole Owner of the Capital makes decisions within the competence of the regular annual general meeting held once a year and, as needed, within the competence of any extraordinary general meeting. For the exercise of the competence of a general meeting by the Sole Owner of the Capital, no invitation is published in the Commercial Register and the Register of Non-Profit Legal Entities. The Sole Owner of the Capital may at any time make decisions in writing within the competence of the general meeting.
The Board of Directors fulfils its obligations under Article 223, and Article 251 of the Commerce Act, respectively, by sending an application in writing to the Sole Owner of the Capital concerning the need, respectively the preparedness, of the Sole Owner of the Capital to make decisions. The written application contains proposals regarding the issues on which the Board of Directors suggests that the Sole Owner of the Capital make decisions. The proposals neither bind the Sole Owner of the Capital to consider and resolve the issues raised, nor limit the Sole Owner with respect to the range of issues whereof the Sole Owner can make decisions.
The Sole Owner of the Capital writes a report on the decisions which bears the signature of the principal of the Company.

If the Sole Owner of the Capital requires attendance of the decision-making meeting by the members of the Board of Directors, the latter are obliged to attend. The Sole Owner of the Capital may require that the attending members of Board of Directors or other attendees it has invited co-sign the Minutes on the decisions it made.

The application for registering of the decisions of the Sole Owner of the Capital when such decisions are subject to registration, is assigned to the Chief Executive Officer, who in such case is entitled to authorise another person to do this.

2. Board of Directors

2.1. Status and Functions
The Board of Directors is accountable to the Sole Owner of the Capital for the management of the Company including strict adherence to the Policies. It holds meetings as necessary, at least once every three months.

The Board of Directors of Kozloduy NPP EAD consists of five members - natural persons who are elected and appointed after a competition, under the terms and procedure set out in the Regulations for Implementation of the Public Enterprises Act.

The Board of Directors elects one or two of its members for executive members, while the rest function as non-executive members. The term of office of the Board of Directors is from 3 to 5 years, as of the entry of the Board of Directors in the Commercial Register and in the Register of Non-Profit Legal Entities. The Board of Directors continues to exercise its obligations even after the expiration of its term of office until the entry of a new Board of Directors.

Pursuant to the Incorporation Act, a member of the Board of Directors may be a Bulgarian citizen or a citizen of the European Union, of a state that is party to the European Economic Area Agreement, or of the Swiss Confederation, who:
- holds a higher education degree;
- has at least 5 years of professional experience;
- is not under interdiction;
- has not been convicted as for a general crime;
- is not deprived of the right to take the respective position;
- is not declared bankrupt as a sole trader or general partner in a commercial company declared bankrupt in case there were unsatisfied creditors;
- has not been a member of a managing or controlling body of a company, cooperative society, respectively, terminated due to bankruptcy over the past two years prior to the appointment, in case there were unsatisfied creditors;
- is not a spouse or a person in a de facto cohabitation, a relative by direct line, by collateral line - up to the fourth degree inclusive, and connected by marriage - up to the second degree inclusive, of a manager or a member of a collective management and control body of the same public enterprise;
- does not take a senior public office under Article 6, para. 1, item 1-38 and 41-45 of the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act, is not a member of a political cabinet, nor secretary of a municipality;
- does not perform commercial transactions on his/her own behalf or on behalf of any third party, similar to the Company’s activity;
- is not a partner in a general partnership, limited partnership, and limited liability companies running a business similar to the Company’s business activity;
- is not a manager or member of an executive or controlling body of another public enterprise;
- complies with other requirements provided by law.

Persons working under employment contract or employment relationship may not be executive members of the Boards of Directors.
The Company may have procurators, and the persons eligible for this position shall meet the requirements stated above.

The functions of the Board of Directors are: to carry out the operative management of the Company and supervise the activity of the Chief Executive Officer, including with respect to compliance with the Policies. The Board of Directors fulfils all the functions and addresses all the matters outside the exclusive competence of the Sole Owner of the Capital, pursuant to the law or to the Company’s Incorporation Act. The Board of Directors adopts Rules of Procedure for the implementation of its activities and these Rules are approved by the Sole Owner of the Capital.

2.2 Competence

The Board of Directors exercises all its competence of Board of Directors, as provided by law and the Incorporation Act of the Company, by:
- Organising, directing and controlling the whole activity of the Company;

- Preparing a business programme of the Company for the entire term of office and for each separate year, submitting this programme for approval by the Sole Owner of the Capital, and ensuring its implementation;
- Implementing the investment policy of the Company and making decisions on the acquisition of property and other rights on real estate which are not of the exclusive competence of the Sole Owner of the Capital;
- Bearing responsibility for: pursuit of the Policies and draft procedures for their implementation by the Company and its subsidiaries (if any); fulfilment of the licence conditions by the Company and its subsidiaries (if any) and maintaining of the licence; completion of the production and business programmes of the Company; monitoring and being in charge of the good economic condition of the Company;
- Electing one or two of its members as Chief Executive Officers and empowering them to manage and represent the Company before third parties. Should two Chief Executive Officers be elected, they represent the Company jointly;
- Taking unanimous decisions for all transactions provided for in Article 236, para 2 of the Commerce Act;
- Upon request of the principal, seeking for and obtaining from the State Energy and Water Regulatory Commission or other competent authority the required permits and agreement, making motions to the principal for solving issues which are of the competency of the Sole Owner of the Capital and resolving all other matters provided for resolution by the Board of Directors in the Incorporation Act.

After a preliminary written approval by the principal, the Board of Directors may, at any time, remove the Chief Executive Officer and replace him/her with another member of the Board of Directors.

2.3. Decisions

The Board of Directors may take valid decisions when at least half of its members are present or represented. A member of the Board of Directors can be represented at a meeting only by another member of the Board. None of the attending members can represent more than one absent member. Authorisation is submitted in writing (including sent by fax). It is granted for each separate meeting and attached to the documents resulting from the meeting. When the authorisation does not contain voting instructions, the representative casts two equal votes reflecting the manner in which he/she votes on the respective matter. The procurators, if any, attend the meetings of the Board of Directors in an advisory capacity.

The Board of Directors adopts decisions by simple majority of all members unless the law or the Incorporation Act requires a decision by qualified majority or unanimous decision.

The Board of Directors can also make decisions "in absentia" when all the members have stated in writing their approval of the decisions. The approval may also be validly given by means of identified telefax message or other electronic message, signed before sending it or in another manner as agreed among the Board members.

2.4. Status of an executive member of the Board

The Board of Directors assigns the Chief Executive Officer to manage and represent the Company. The non-executive members of the Board of Directors supervise the activity of the Chief Executive Officer.

The Chief Executive Officer represents the Company individually and is entitled to carry out all actions and transactions related to the activity of the Company, draft and sign documents on behalf of the Company as well as authorise other persons to execute separate actions and transactions. If two CEOs are elected, they represent the Company under the conditions of joint representation.

The Chief Executive Officer organises the activity of the Company in compliance with the law, the Incorporation Act, the Board's Rules of Procedure, the Policies and decisions of the Sole Owner of the Capital, and the decisions of the Board of Directors. The CEO takes over the operative management of the Company's activity, concludes and terminates employment and other types of contracts of the Company's employees and associates, and bears responsibility for the Company's accountability and archives. The CEO also resolves all other issues outside the exclusive competence of the Sole Owner of the Capital or the Board of Directors as provided by the law or the Incorporation Act, or issues that he/she has been entrusted with through a decision of the Sole Owner of the Capital.

The management and control contract of the Chief Executive Officer and the management and control contracts of the Board of Directors' members are signed by the representative of the Sole Owner of the Capital unless the Board of Directors of the Sole Owner of the Capital has authorised another Board member to this effect.

2.5. Contracts with the members of the Board of Directors, remunerations and expenses
Each member of the Board of Directors concludes a management and control contract with the Sole Owner of the Capital. The contract is valid until the end of the term of office of the Board of Directors and specifies the rights and obligations of the parties, remuneration amount and method of payment, liability of the parties in the event of non-performance, grounds for termination of the contract, type and amount of the money guarantee paid by the members for their management, and amount of penalty in the event of an early termination of the contract through no fault of the member of the Board of Directors, as well as the relationships between the parties in the period of the contract termination until the name of the dismissed member of a management and control body is deleted in the Commercial Register and the Register of the Non-Profit Legal Entities.

A management contract with a member of the Board of Directors may be terminated prior to its expiry date:
- by mutual consent between the parties;
- upon request of the person with a prior notice of at least 3 months;
- upon the request of the Company's principal with a prior notice of 1 (one) month;
- in case of transformation or termination of the Company and in case of change of the owner of the capital;
- in case of death;
- in case of interdiction of the natural person, accordingly in case of declaring the legal entity insolvent or upon its termination;
- due to factual incapacity of the person to fulfil their obligations lasting over 6 months;
- other cases provided for in the law.

The Sole Owner of the Capital may terminate the contract early and without prior notification, on account of a member of the Board of Directors' fault:
- upon the occurrence of a circumstance causing incompatibility pursuant to Article 23, para 4 and Article 26, para. 2 of the Incorporation Act;
- in case of conviction with sentence that has entered into force for perpetration of an intentional crime of general nature;
- upon entry into force of an act establishing a conflict of interest under the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act;

- in case of serious or systematic non-performance of official duties;
- in case of violation of the law, the Incorporation Act, the Board of Directors' Rules of Procedure, or Policies performed during or on the occasion of implementing a Board member's obligations;
- in case the person carries out activities resulting in deterioration of the Company's financial results or whereof damages for the Company have been inflicted;
- in case of a substantial non-fulfilment of the economic or financial indicators specified in the approved business programme;

Substantial non-fulfilment is considered to be a significant deterioration of economic indicators set in the business programme in accordance with the Company's development strategy and internal rules and non-fulfilment resulting from action or inaction of the Trustee unless the non-fulfilment is entirely due to external factors beyond the reasonable control of the Trustee.

Assessment of the accomplishment or non-accomplishment of the key indicators is made on the grounds of the Company's annual financial statement, after it has been certified by the Company's registered auditor and approved by the Sole Owner of the Capital.

The members of the Board of Directors receive remuneration in an amount and manner of payment determined by the Regulations on the Implementation of the Public Enterprises Act.

The members of the Board of Directors are obliged to provide a guarantee for their management in the amount determined in the contract, but not less than their 3-month gross remuneration. The guarantee thus provided is returned upon termination of the contract and following a decision of the Sole Owner of the Capital of the Company to relieve the member from liability.

If business trips need to be made, the members of the Board of Directors are sent on assignment by the Chief Executive Officer (including his/her own business assignments) at the expense of the Company. In case of conducting meetings of the Company's bodies, the costs for meeting arrangement and secondment of members of the Board of Directors, if the meeting venue is different from their place of residence, are borne by the Company.

2.6. Staff

As at 31 December 2025, the Board of Directors of Kozloduy NPP EAD consisted of:

- Iva Edward Nikolova
- Iliya Todorov Iliev
- Slavyan Petrov Lachev
- Svilena Nikolova Nikolova
- Ivan Todorov Andreev

The Board of Directors is chaired by Iliya Todorov Iliev. Ivan Todorov Andreev is the Chief Executive Officer and representing Kozloduy NPP EAD.

3. Audit Committee

The Audit Committee is an independent monitoring body that reports on its activity to the Board of Directors of the Bulgarian Energy Holding EAD. It consists of 3 (three) members one of them being the Chair. The Chair and the members of the committee are elected and assigned by the Sole Owner of the Capital of Kozloduy NPP EAD for a term of 3 (three) years.

As at 31 December 2025, the Audit Committee on behalf of Kozloduy NPP EAD comprises as follows:

- Magdalena Georgieva Lateva, Chair, appointed by Minutes dated 25 September 2024 of the Board of Directors of BEH EAD with a term of office of 3 (three) years
- Gergana Nikolaeva Lechova, member, appointed by Minutes dated 07 June 2024 of the Board of Directors of BEH EAD with a term of office of 3 (three) years
- Svetoslav Ivanov Spasov, member

The Committee assists the Board of Directors of Kozloduy NPP EAD regarding the internal control systems and financial reporting, internal audit and risk management in view of the principles of good corporate governance and the set strategic goals of Kozloduy NPP EAD. It verifies and monitors the independence of registered auditors in accordance with Chapters VI and VII of the Independent Financial Audit and Assurance of Sustainability Reporting Act.
The primary functions of the Audit Committee are to:
- Monitor the financial reporting process and, where applicable, the sustainability reporting process in the Company;
- Monitor the effectiveness of the internal control and the risk management systems in the Company;
- Monitor the effectiveness of the internal audit activity in the Company;
- Monitor the performance of the independent financial audit and, where applicable, the Company's commitment on the assurance of sustainability.

The Audit Committee has authorised access to information and documents as well as assistance on behalf of the Board of Directors and the employees. It has the right to require of the Board of Directors to provide sufficient resources for the effective performance of its duties.

The Audit Committee members shall comply with the requirements provided in the Independent Financial Audit and Assurance of Sustainability Reporting Act.

In the process of delivering its functions, the Audit Committee interacts with auditors (internal and external ones) as well as with the Commission for Public Oversight of Statutory Auditors (CPOSA). As provided in Article 108 of the Independent Financial Audit and Assurance of Sustainability Reporting Act, the Audit Committee shall report on its activity to the Sole Owner of the Capital.

In addition to the above governance bodies and the committee, Kozloduy NPP EAD has in place as follows:

- Business and Finance Committee;
- Safety and Quality Committee;
- Energy Efficiency Committee;
- Nuclear Safety Advisory Council.

Business and Finance Committee – functions and structure

The Business and Finance Committee (BFC) is an expert committee with the Chief Executive Officer on all issues related to the senior management policy on financial and business matters. The organisation and activity of the Committee, its objectives and tasks, as well as the rights, obligations and responsibilities of its members, are regulated in the Rules of Procedure of the Business and Finance Committee, subject to approval by the Chief Executive Officer of Kozloduy NPP EAD.

<u>Functions (tasks) of the Business and Finance Committee:</u>
1. Review, approve and propose for approval by the Board of Directors of Kozloduy NPP EAD the Draft Budget of the Company for each calendar year;

2. Consider the participation of Kozloduy NPP EAD in other companies;
3. Review, approve and propose solutions to the Chief Executive Officer regarding:
- reports from the organisational units for initiating public procurement procedures within the meaning of the Public Procurement Act;
- public procurement award without conducting a tender procedure for amounts exceeding BGN 100,000;
- commercial transactions outside the scope of the Public Procurement Act for over BGN 100,000;
4. Consider proposals for optimising the performance of the BFC;
5. Consider business and finance matters related to the preparation and implementation of projects, programmes, tasks and specific activities in view of their conformity with the Company's objectives and priorities.

The permanent composition of the BFC consists of a chair, deputy chair, secretary and members. The BFC may hold meetings in its permanent or extended composition.

The standing Committee members are regulated in the Rules of Procedure of the Business and Finance Committee as approved by the Kozloduy NPP EAD Chief Executive Officer.

The BFC extended composition includes the permanent composition that may be extended to involve specialists from Kozloduy NPP EAD and external organisations relevant to the matters included in the agenda for the respective meeting, at the discretion of the Chief Executive Officer, on the grounds of proposals made by the Chair or the permanent Committee members. During discussions on general financial matters, the BFC may use the assistance of additional specialists from the Company as well as external consultants with expertise on the matters discussed. The experts involved additionally prepare in writing and submit written statements to the BFC on the topics which they are involved for. They are entitled to an advisory vote.

Safety and Quality Committee – functions and structure

The Safety and Quality Committee (SQC) is an advisory body with the Kozloduy NPP EAD Chief Executive Officer on all safety and quality related issues during plant operation, maintenance, and reconstruction of the nuclear facilities, nuclear fuel cycle and radioactive waste management, and sustaining emergency preparedness.
The Safety and Quality Committee strictly adheres to the provisions of the Safe Use of Nuclear Energy Act (SUNEA), the regulations on its implementation as issued by the Nuclear Regulatory Agency (NRA), and other applicable laws and regulations as well as Kozloduy NPP EAD internal documents. The Committee's work organisation, structure and composition, tasks and responsibilities are regulated by the Rules of Procedure of the Safety and Quality Committee, as approved by the Chief Executive Officer of Kozloduy NPP EAD.

<u>Functions (tasks) of the Safety and Quality Committee:</u>
1. Review the Management System of Kozloduy NPP EAD.
2. Consider, evaluate, and propose a solution to issues related to the safety of the nuclear facilities, including:
- issues related to programmes and measures for safety and quality enhancement and environmental protection;
- issues related to ensure safety in connection with reconstructions and modernisations of SSC important to safety;
- terms of reference, projects, deliverables and reports of completed contracts, inspections performed, analyses and evaluations of safety, quality and the environment;

- review, evaluate and approve annual Safety report of the nuclear facilities at Kozloduy NPP EAD.
3. Consider, evaluate and propose a solution to issues related to the Management System (MS) of the Company, including:
- review, evaluate and proposes for approval by the Chief Executive Officer a set of policies for managing the Company;
- review, evaluate and approve a MS process model, including significant changes to the MS process model and/or the individual processes;
- review and analyse the Company's strategic risks and the process risks having the highest residual risk and approve actions for their minimisation;
- approves applicable normative documents of a recommendatory nature (guidelines, good practices, etc.) as mandatory for implementation in the Company;
- approves a report on the MS condition and a programme (actions) for the MS further development and improvement.
4. By order of the Chief Executive Officer of Kozloduy NPP EAD, the Safety and Quality Committee considers and suggests solutions to other issues (including issues brought up by other advisory bodies and committees) related to safety, health, security, quality, and environmental protection.

The permanent composition of the Safety and Quality Committee consists of a chair, deputy chair, secretary and members. The Safety and Quality Committee holds its meetings in its permanent or extended composition.
The standing Committee members are specified in the Rules of Procedure of the Safety and Quality Committee approved by the Kozloduy NPP EAD Chief Executive Officer.
The Committee's extended composition includes the permanent members and may be supplemented upon an order of the Kozloduy NPP EAD Chief Executive Officer with specialists from the plant or from external organisations relevant to the issues discussed as well as independent experts in the field.
Proposals to the chair of the Safety and Quality Committee for extending its composition can be made by any of its permanent members, or by the officials that have requested the holding of a specific meeting of the Committee.
Representatives of senior management bodies within the Company, as well as NRA representatives, may attend the Safety and Quality Committee meetings as observers and without any prior invitation.

Energy Efficiency Committee – functions and structure

The Energy Efficiency Committee (EEC) is an expert committee with the Chief Executive Officer of Kozloduy NPP EAD with advisory functions on all matters related to the Company's energy efficiency policy. The Energy Efficiency Committee strictly adheres to the provisions of the Energy Efficiency Act (EEA), the regulations on its implementation as issued by the Minister of Energy, and other applicable laws, regulations, and Kozloduy NPP EAD internal documents. The Rules of Procedure of the Energy Efficiency Committee, approved by the Kozloduy NPP EAD Chief Executive Officer, specify the work organisation, structure and composition, tasks and responsibilities of the Committee members.

<u>Functions of the Energy Efficiency Committee:</u>
1. Discuss and evaluate the prepared by the Company's organisational units and departments or by external organisations administrative, organisational and engineering documents related to the plant management energy efficiency policy.
2. The principal tasks of the Committee are to:

2.1. Evaluate and accept initial, interim and final results of the implementation of terms of reference, technical solutions, programmes, plans, time schedules and other documents related to the management of energy efficiency and performance of energy efficiency actions;
2.2. Approve proposals and make decisions to ensure the required preconditions and resources for the practical implementation of the approved developments;
2.3. Compare the scope and times for implementing energy efficiency actions listed in the reports with the requirements specified in the terms of reference and the work programmes pertaining to service contracts awarded to external organisations;
2.4. Evaluate and set optimal time-frames for the realisation of approved energy efficiency plans and documents developed;
2.5. Analyse the results of the energy monitoring and propose corrective measures;
2.6. Discuss and approve the annual report as required by the Energy Efficiency Act, prior to it being forwarded to the Sustainable Energy Development Agency (SEDA);
2.7. Act on other tasks as may be assigned by the Board of Directors, or via an order of the Chief Executive Officer.

The permanent composition of the Energy Efficiency Committee consists of a chair, deputy chair, secretary and members. The Committee holds meetings in its permanent or extended composition.
The standing committee members are specified in the Rules of Procedure of the Energy Efficiency Committee, approved by the Kozloduy NPP EAD Chief Executive Officer.

The EEC extended composition includes the permanent composition that may be extended to involve specialists from Kozloduy NPP EAD and external organisations relevant to the matters included in the agenda for the respective meeting, at the discretion and on the grounds of proposals made by the Chair or the permanent Committee members. Also, at the discretion of the EEC chair, the Committee meetings may be attended by managers of the organisational units whose documents will be discussed. When discussing general technical and economic matters, the Energy Efficiency Committee may invite relevant consultants and specialists to participate in the meetings.

Independent Nuclear Safety Advisory Council – functions and structure

The Independent Nuclear Safety Advisory Council is an external advisory body with the Chief Executive Officer of Kozloduy NPP EAD. This independent Council was established to provide external expert assessments and recommendations for the safe operation of Kozloduy NPP EAD in the field of nuclear safety and radiation protection, safe management of nuclear fuel and safe management of radioactive waste. The activity of the Council, namely work organisation, tasks, structure, composition, and responsibilities are regulated in the Rules of Procedure of the Independent Nuclear Safety Advisory Council, approved by the Kozloduy NPP EAD Chief Executive Officer.

Functions (tasks) of the Independent Nuclear Safety Advisory Council:
1. The primary task of the Independent Nuclear Safety Advisory Council is to support the work of the Kozloduy NPP EAD management team through provision of external expert assessments and recommendations on the safe performance of the nuclear power plant. The advisory Council carries out this task by means of:

- proposals for identifying the priorities regarding nuclear safety and radiation protection, safe management of nuclear fuel and safe management of radioactive waste;
- opinions on draft regulations and on the implementation of the current regulations;
- opinions on programmes and projects for enhancing the safety of the nuclear facilities;

- proposals for studies, research and other activities in the respective field;
- dissemination and exchange of information and expertise, including international exchange, among the specialists in the area concerned;
- document analyses assigned by the Chief Executive Officer of Kozloduy NPP EAD;
- study and analysis of specific issues upon decisions made by the Advisory Council;
- other activities as proposed by the Chief Executive Officer of Kozloduy NPP EAD.

The Independent Nuclear Safety Advisory Council consists of no fewer than three members who elect a Chair among themselves. The Advisory Council staffing by name is determined with a decision of the Board of Directors of Kozloduy NPP EAD upon a proposal made by the Chief Executive Officer for a term not longer than two years. The Council comprises experts with recognised professional qualities and long experience in nuclear power plants operation, in the field of nuclear and radiation safety, safe nuclear fuel and radioactive waste management. The members of the Advisory Council cannot be employed under a labour contract or a management contract in any of the companies within the Bulgarian Energy Holding EAD, the Ministry of Energy or the Nuclear Regulatory Agency.

6. Information under Article 100m, para 8, item 6 of the POSA - description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender, disabilities or education and professional experience, the objectives of such diversity policy, its method of application and the results therefrom during the reporting period; when no such policy is applied, the declaration shall contain an explanation regarding the reasons for that.

The diversity policy is applied in terms of the management bodies. Members of the Board of Directors of Kozloduy NPP EAD satisfy certain criteria for taking this position as stipulated in the Public Enterprises Act and the Incorporation Act of the Company. The posts are filled following a competition, the terms and conditions of which are laid down in the Rules for Implementation of the Public Enterprises Act. The natural persons that are members of the Board of Directors have the required educational and professional background, good reputation, and managerial qualities.
The members of the Audit Committee meet the requirements provided in the Independent Financial Audit Act as regards their education and qualification level and professional length of service.
The gender equality principle is respected. In the Company, there are women members of the Board of Directors, the Audit Committee; women are also included in the composition of the Business and Finance Committee and the Safety and Quality Committee.
The diversity policy as regards the management bodies prevents restrictions in terms of gender or age. Implementing a diversity policy is crucial for the successful management of the Company. The variety of capabilities, skills, experience and qualities of each member of the above-mentioned management bodies, committees, and councils contribute to making the right economically advantageous and strategically useful decisions for the Company. The results of implementing a diversity policy are: good corporate governance, good business reputation, recruitment of highly qualified staff.

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IVAN ANDREEV

CHIEF EXECUTIVE OFFICER

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INDEPENDENT AUDITORS' REPORT

To the sole shareholder of
Kozloduy NPP EAD
Kozloduy, NPP site

Report on the Audit of the Annual Separate Financial Statements

Qualified opinion

We have audited the separate financial statements of **Kozloduy NPP EAD** (the "Company"), which comprise the separate statement of financial position as at 31 December 2025 and the separate statement of profit or loss and other comprehensive income, annual separate statement of changes in equity and annual separate statement of cash flows for the year then ended, as well as selected explanatory notes to the annual separate financial statements containing significant accounting policy and other explanatory information.

In our opinion, except for the possible effects of the matters described in the section of our report entitled "Basis for Qualified Opinion," the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, its financial performance and cash flows for the year then ended in accordance with IFRS accounting standards as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

1. As disclosed in Note 4.20.9 "Provisions, commitments and contingent liabilities" to the annual separate financial statements as of 31 December 2025, the specifics of the Company's operations as well as the requirements of the applicable regulatory framework require the Company to prepare an estimate of expected future costs for decommissioning of nuclear facilities. The Company's management is unable to reliably estimate the liability and, therefore, a provision for decommissioning nuclear facilities has not been recognized. Accordingly, we have not been able to determine whether and to what extent any additional adjustments would have been required to the Company's provisions in case an assessment has been made in accordance with applicable legislation and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the attached annual separate financial statements of the Company have been prepared as of 31 December 2025.

2. As disclosed in Note 11 "Inventories" to the annual separate financial statements as at 31 December 2025 the Company's inventories with a carrying amount of BGN 179 335 thousandas at that date mainly include spare parts and specific spare equipment amounting to BGN 161 889 thousand. At the end of the reporting period, the Company assessed the net realizable value of a portion of its inventory amounting to BGN 97 846 thousand with the work of an independent external expert and recognized a net impairment loss on inventory in the amount of BGN 1,635 thousand. With regard to the inventories in the amount of BGN 81 489 thousand, which were not subject to an assessment by the independent expert, we were not provided with the results of a test of its net realizable value as of the end of the reporting period, nor with an analysis of its obsolescence. Based on the audit procedures we performed, we were unable to obtain sufficient and appropriate audit evidence that the assumptions and estimates on which the determination of the net realizable value of the Company's inventory as of the end of the reporting period—including specific reserve equipment—is based are reasonable, and adequately reflect their specific nature and purpose of ensuring the continuous operation of the power units. Accordingly, we were unable to determine whether, and to what extent, adjustments would be necessary with respect to the carrying value of spare parts and specific reserve equipment as of December 31, 2025.

3. As disclosed in Note 7, "Investments in Subsidiaries," to the individual financial statements, as of December 31, 2025, The Company reports an investment in its subsidiary Kozloduy NPP New Build EAD in the amount of BGN 2 472 146 thousand (2024: BGN 1 821 000 thousand). The significant increase in the investment during the period is due to a capital increase in the subsidiary through a non-cash contribution of 202 679 square meters of land, necessary for the construction of the new nuclear power units and located within the boundaries of the approved Site 2, which was appraised by experts at the Registry Agency at a value of BGN 651 126 thousand. As of December 31, 2025, the Company had not performed an impairment test on its investment in Kozloduy NPP New Build EAD. Due to the absence of a valuation prepared by the Company and the necessary specific assumptions related to the subsidiary's business development, future cash flows, discount rates, and the economic environment, we were unable to obtain sufficient and appropriate audit evidence to assess the recoverable amount of this investment in accordance with IAS 36 Impairment of Assets. Consequently, we were unable to determine whether and to what extent adjustments to the carrying amount of investments in subsidiaries as of December 31, 2025, would be necessary.
By Protocol No. 33 of September 4, 2025, of the Board of Directors of Kozloduy NPP EAD, the experts' appraisal was accepted as the fair value of the land in accordance with IFRS accounting standards, adopted by the EU and applying the revaluation model, contrary to its accounting policy, which provides for revaluations once every three years or upon a significant change in market values, The Company revalued the contributed asset during the current reporting period and recognized retained earnings from this transaction in the amount of BGN 650,711 thousand. We were unable to obtain sufficient and appropriate audit evidence that the valuation of this land performed by the appraisers corresponds to its fair value in accordance with the requirements of IFRS 13 Fair Value Measurement, and whether and to what extent adjustments to retained earnings as of December 31, 2025, would be necessary.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the section of our report titled "The Auditor's Responsibilities for the Audit of the Annual Standalone Financial Statements." We are independent of the Company in accordance with the "International Code of Ethics for Professional Accountants (including International Standards on Independence) of the International Ethics Standards Board for Accountants (IESBA Code)," as applicable to audits of the financial statements of public-interest entities, together with the ethical requirements applicable to audits of the financial statements of public-interest entities in Bulgaria. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESB Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to Note 2.2, "Application of the Going Concern Principle," which discloses information regarding a significant decrease in the Company's profit for 2025 compared to the comparable period, the reasons that led to a deterioration in liquidity in 2025, as well as the measures management has taken to address the liquidity shortfall. Management has identified the continued application of the mechanism for compensating non-residential customers for high electricity prices as the main factor contributing to these circumstances. For the first six months of 2025, the revenue cap set for the NPP by Council of Ministers Decision No. 121 of March 5, 2025, is 150 BGN/MWh. By Council of Ministers Decision No. 340 of May 28, 2025, for the period from July 1, 2025, to December 31, 2025, the cap was reduced to 120 BGN/MWh, as a result of which, during the reporting period, the nuclear power plant was forced to cover only the costs of electricity generation, with no opportunity to generate a profit or free cash flow. The compensation mechanism continues in 2026; by Decision of the Council of Ministers No. 165 of February 12, 2026, a revenue cap of 61.36 euros/MWh was set for the NPP as a producer type. for the period from January 1, 2026, to December 31, 2026.

This note to the financial statements also provides information on the effects of the ongoing military conflict between Russia and Ukraine on the Company's operations, as well as its inability to ship spent nuclear fuel in accordance with its spent nuclear fuel management strategy. Due to the complex geopolitical situation, Kozloduy NPP EAD is unable to take effective action to implement the procedures related to the return of vitrified high-level waste to the country and faces restrictions on the purchase of spare parts from Russia due to the imposed sanctions.

Our opinion remains unchanged on this matter.

Key Audit Matters

With the exception of the matters described in the section titled “Basis for Qualified Opinion,” we determined that there were no other key matters to be disclosed in our report.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the annual management report, including the corporate governance statement, prepared in accordance with Bulgarian Accountancy Act and other applicable legislation requirements, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information 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.

As described in section “Basis for Qualified Opinion” above, we were unable to obtain sufficient appropriate audit evidence about the matter described in this section. Consequently, we were unable to determine whether the other information is materially misstated with regard to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We are jointly liable for the performance of our audit and for the audit opinion expressed by us, in accordance with the requirements of the Independent Financial Audit Act applicable in Bulgaria. In undertaking and fulfilling the commitment for joint audit, in connection with which we report, we have been guided by the Guidelines for implementation of joint audit, issued on 13.06.2017 by the Institute of Certified Public Accountants in Bulgaria and the Commission for Public supervision of registered auditors in Bulgaria.

Report on Other Legal and Regulatory Requirements

In addition to our responsibilities and reporting in accordance with ISAs, described above in the "Information Other than the Annual Separate Financial Statements and Auditor's Report Thereon" section, in relation to the annual management report, we have also performed the procedures added to those required under ISAs in accordance with Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming opinions about whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act and in the Public Offering of Securities Act, applicable in Bulgaria.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, our opinion is that:
(a) the information included in the separate management report referring to the period for which the annual separate financial statements have been prepared is consistent with those annual

separate financial statements on which we have issued a qualified opinion in the "Report on the Audit of the Separate Financial Statements" above;
(b) the separate management report has been prepared in accordance with the applicable legal requirements;
(c) as a result of the acquired knowledge and understanding of the Company's activities and the environment in which it operates, we have not identified any cases of material misstatement in the annual separate management report, except for the possible effect described in the section "Information Other than the Annual Separate Financial Statements and Auditor's Report Thereon" in "Report on the Audit of the Annual Separate Financial Statements";
(d) the corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100m, paragraph (8) of Bulgarian Public Offering of Securities Act;

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EU) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act and in relation with Article 10 of Regulation (EU) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD and Zaharinova Nexia EOOD, as participants in the association DZZD AUDIT BEH have been appointed statutory auditors of the separate financial statements of Kozloduy NPP EAD by Protocol 22-2025 of 29 February 2024 by the sole shareholder, for a period of three years (2024 – 2026).
- The audit of the separate financial statements for the year ended 31 December 2025 of the Company is the fourth consecutive year of continuous commitment for mandatory audit of this company, performed by each of the joint auditors Grant Thornton Ltd. and Zaharinova Nexia Ltd.
- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor's response and where relevant, key observations arising with respect to those risks in the section „Key audit matters" of this report.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Company.

Grant Thornton OOD
Audit firm №032

[Signature illegible]
Mariy Apostolov
Managing Partner

[Signature illegible]
Veska Nikolova
Grant Thornton OOD

Zaharinova Nexia EOOD
Audit firm №138

[Signature illegible]
Dimitrina Zaharinova
Managing Partner

[Signature illegible]
Grigor Petrov
Zaharinova Nexia EOOD

19 June 2026
Sofia, Bulgaria

Separate Statement of Financial Position

	Note	31 December 2025	31 December 2024
Assets		**BGN'000**	**BGN'000**
Non-current assets			
Property, plant, and equipment	5	2,787,419	2,754,455
Intangible assets	6	18,575	21,444
Investment property		1,189	-
Investments in subsidiaries	7	2,473,963	1,822,837
Loans granted to related parties	33.2	-	5,488
Advance payments	13	40,907	40,907
Financial instruments at fair value through other comprehensive income (OCI)	8	297	284
Non-current assets		**5,322,350**	**4,645,415**
Current assets			
Nuclear fuel	10	692,652	432,376
Inventory	11	179,335	170,855
Trade and other receivables	12	25,627	12,151
Advance payments	13	241,084	145,813
Loans granted to related parties	33.2	5,545	37,040
Receivables from related parties	33.4	190,723	156,566
Income tax receivables		-	295
Cash and cash equivalents	14	399,707	549,318
Current assets		**1,734,673**	**1,504,414**
Total assets		**7,057,023**	**6,149,829**

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Prepared by: ____________________
/Volodya Bonovski/

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CEO: ________________
/Ivan Andreev/

Date: 20 May 2026

The Annual Separate Financial Statements were approved for issue by decision of the Board of Directors on 27 May 2026 and signed on 19 June 2026.

Auditors' report issued by the joint auditors:

Grant Thornton OOD
Audit firm No.032
Mariy Apostolov [Signature illegible]
Managing partner

Veska Nikolova [Signature illegible]
Registered auditor responsible for the audit

Zaharinova Nexia EOOD
Audit firm No.138
Dimitrina Zaharinova [Signature illegible]
Managing partner

Grigor Petrov [Signature illegible]
Registered auditor responsible for the audit

The accompanying notes, pages 8 to 78, form an integral part of these Annual Separate Financial Statements.

This version of annual separate financial statements as at 31 December 2025 of Kozloduy NPP EAD is free translation from Bulgarian to English language. These financial statements have been prepared and audited as at 19 June 2025.

Separate Statement of Financial Position (continued)

	Note	31 December 2025	31 December 2024 recalculated*
Equity and liabilities		**BGN'000**	**BGN'000**
Equity			
Share capital	15.1	1,994,585	1,744,585
Legal reserves	15.2	100,355	78,164
Revaluation reserve of non-financial assets	15.3	2,580,182	2,596,643
Remeasurement of defined benefit liabilities		(71,378)	(69,428)
Revaluation reserve of financial assets at fair value		59	47
Other reserves	15.4	11,405	11,405
Retained earnings		1,363,467	905,469
Total equity		**5,978,675**	**5,266,885**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	9	164,356	180,103
Pension and other employee obligations	18	119,839	117,848
Retentions on contracts	16	1,848	2,233
Financing	17	78,229	80,669
Non-current trade and other payables	19	432	791
Non-current liabilities		**364,704**	**381,644**
Current liabilities			
Trade and other payables	19	257,664	273,570
Provision for spent nuclear fuel and others	22	145,082	112,838
Borrowings from related parties	33.3	100,000	-
Payables to related parties	33.4	90,770	13,865
Bank loans	21	50,127	-
Financing	17	2,784	2,789
Retentions on contracts	16	13,226	8,182
Pension and other employee obligations	18	36,944	24,499
Liabilities under contracts with customers	20	36	60,923
Income tax liabilities	32	17,011	4,634
Current liabilities		**713,644**	**501,300**
Total liabilities		**1,078,348**	**882,944**
Total equity and liabilities		**7,057,023**	**6,149,829**

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Prepared by: ____________________
/Volodya Bonovski/

[Signature illegible]
CEO: ________________
/Ivan Andreev/

Date: 20 May 2026

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Separate Statement of Profit or Loss and Other Comprehensive Income

	Note	2025	2024
		BGN'000	BGN'000
Revenue from sale of electricity		2,219,851	2,042,629
Revenue from sales of heat energy		5,067	4,105
Revenue from sale of production	23	**2,224,918**	**2,046,734**
Revenue from sale of services, goods and other sales	23	4,829	5,077
Other income	24	6,083	10,028
Cost of materials	25	(273,604)	(209,505)
Hired services expenses	26	(288,963)	(252,161)
Employee benefits expenses	27	(390,501)	(363,083)
Provisions for defined benefit plans of personnel	27	(33,250)	(28,861)
Depreciation and amortization of non-financial assets	5.6	(203,119)	(209,417)
Expenditure on earmarked contributions to the ESS Fund	30	(589,549)	(388,964)
Other expenses	29	(357,797)	(335,976)
Costs for provision for spent nuclear fuel	22	(32,244)	(31,738)
Recovered impairment of financial assets, net	28	309	1,450
Changes in work in progress and long-term assets acquisition costs, self-constructed		32,342	14,839
Operating profit		**99,454**	**258,423**
Finance costs	31	(11,107)	(9,298)
Finance income	31	6,021	2,524
Profit before tax		**94,368**	**251,649**
Income tax expenses	32	(81,629)	(29,736)
Profit for the year		**12,739**	**221,913**

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Prepared by: ____________________
/Volodya Bonovski/

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CEO: ________________
/Ivan Andreev/

Date: 20 May 2026

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Registered auditor responsible for the audit

Separate Statement of Profit or Loss and Other Comprehensive Income (continued)

	Note	2025	2024
		BGN'000	BGN'000
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit liabilities	18	(1,950)	2,453
Revaluation of non-financial assets	5	650,711	504,037
Profit/(Loss) from change in the fair value of financial instruments at fair value through other comprehensive income		13	(221)
Income tax relating to items that will not be reclassified into profit or loss	9	(1)	(50,382)
Other comprehensive income for the year, net of tax		**648,773**	**455,887**
Total comprehensive income for the year		**661,512**	**677,800**

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Prepared by: ____________________
/Volodya Bonovski/

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CEO: ________________
/Ivan Andreev/

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Separate Statement of Changes in Equity

All amounts are presented in BGN'000	**Share capital**	**Legal reserves**	**Revaluation reserve of non-financial assets**	**Revaluation reserve of defined benefit plans**	**Revaluation reserve of financial assets at fair value**	**Other reserves**	**Retained earnings**	**Total equity**
Balance at 01 January 2025	**1,744,585**	**78,164**	**2,596,643**	**(69,428)**	**47**	**11,405**	**905,469**	**5,266,885**
Distributed dividends	-	-	-	-	-	-	(199,722)	(199,722)
Reserves set aside	-	22,191	-	-	-	-	(22,191)	-
Increase of capital	250,000	-	-	-	-	-	-	250,000
Transactions with the sole owner	**250,000**	**22,191**	**-**	**-**	**-**	**-**	**(221,913)**	**50,278**
Profit for the year	-	-	-	-	-	-	12,739	12,739
Other comprehensive income, net of tax	-	-	650,711	(1,950)	12	-	-	648,773
Total comprehensive income for the year	**-**	**-**	**650,711**	**(1,950)**	**12**	**-**	**12,739**	**661,512**
Transfer of revaluation surplus to retained earnings	-	-	(667,172)	-	-	-	667,172	-
Balance at 31 December 2025	**1,994,585**	**100,355**	**2,580,182**	**(71,378)**	**59**	**11,405**	**1,363,467**	**5,978,675**

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Prepared by: ____________________
/Volodya Bonovski/

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CEO: _________________
/Ivan Andreev/

Date: 20 May 2026
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This version of annual separate financial statements as at 31 December 2025 of Kozloduy NPP EAD is free translation from Bulgarian to English language. These financial statements have been prepared and audited as at 19 June 2025.

Separate Statement of Changes in Equity (continued)

All amounts are presented in BGN'000	Share capital	Legal reserves	Revaluation reserve of non-financial assets	Revaluation reserve of defined benefit plans	Revaluation reserve of financial assets at fair value	Other reserves	Retained earnings	Total equity
Balance at 01 January 2024	**1,744,585**	**24,458**	**2,148,678**	**(71,881)**	**246**	**11,405**	**973,267**	**4,830,758**
Distributed dividends	-	-	-	-	-	-	(241,673)	(241,673)
Reserves set aside	-	53,705	-	-	-	-	(53,705)	-
Transactions with the sole owner	**-**	**53,705**	**-**	**-**	**-**	**-**	**(295,378)**	**(241,673)**
Profit for the year	-	-	-	-	-	-	221,913	221,913
Other comprehensive income, net of tax	-	-	453,633	2,453	(199)	-	-	455,887
Total comprehensive income for the year	**-**	**-**	**453,633**	**2,453**	**(199)**	**-**	**221,913**	**677,800**
Transfer of revaluation surplus to retained earnings	-	-	(5,667)	-	-	-	5,667	-
Other changes in equity	-	1	(1)	-	-	-	-	-
Balance at 31 December 2024	**1,744,585**	**78,164**	**2,596,643**	**(69,428)**	**47**	**11,405**	**905,469**	**5,266,885**

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Prepared by: ____________________
/Volodya Bonovski/

[Signature illegible]
CEO: ________________
/Ivan Andreev/

Date: 20 May 2026
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Registered auditor responsible for the audit

Separate Statement of Cash Flows

	Note	2025 BGN'000	2024 BGN'000
Operating activities			
Cash receipts from customers		2,505,000	2,343,743
Cash paid to suppliers		(455,929)	(349,735)
Advance payments for supply of fresh nuclear fuel (FNF)		(515,252)	(189,872)
Payments of earmarked contributions to the ESS Fund	30	(597,555)	(382,327)
Cash paid to employees and social security institutions		(407,475)	(384,293)
Payments to the RAW Fund, NFD Fund, and ESS Fund in accordance with the legally defined obligations of Kozloduy NPP		(344,862)	(318,801)
Cash flows related to other taxes and payments to the governmental budget and local budgets		(299,600)	(251,351)
Cash flows related to insurance		(15,933)	(15,012)
Income tax payments, net		(84,706)	(35,337)
Paid licences, taxes and other payments to the Nuclear Regulatory Agency (NRA)		(8,220)	(6,960)
Other payments for operating activity, net		(7,622)	(14,713)
Net cash flows from operating activity		**(232,154)**	**395,342**
Investing activity			
Increase of capital of subsidiaries	7	-	(300,000)
Purchase of property, plant and equipment		(237,576)	(216,915)
Loan repayments received		36,953	21,092
Dividends received	7,9	4,800	2,125
Interest received		1,556	651
Loans granted		-	(25,000)
Proceeds from disposals of property, plant and equipment		74	6
Net cash flows from investing activity		**(194,193)**	**(518,041)**
Financing activity			
Proceeds related to capital increase	15.1	250,000	-
Borrowings	21, 33.3	200,000	-
Dividends paid	15.5	(120,000)	(241,673)
Repayments of borrowings	33.3	(50,000)	-
Interests paid		(3,081)	
Lease payments	34	(360)	(232)
Net cash flows from financing activity		**276,559**	**(241,905)**
Net change in cash and cash equivalents		**(149,788)**	**(364,604)**
Cash and cash equivalents at the beginning of the year after impairment		549,318	912,588
Recovered expected credit losses of cash and cash equivalents	14	177	1,334
Cash and cash equivalents at the end of the year	14	**399,707**	**549,318**

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Prepared by: _______________
/Volodya Bonovski/

[Signature illegible]
CEO: _______________
/Ivan Andreev/

Date: 20 May 2026

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Auditors' report issued by the joint auditors:

Grant Thornton OOD
Audit firm No.032
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Notes to the Annual Separate Financial Statements

1. Principal activities

Kozloduy NPP EAD ("the Company") is a single-owner shareholding company, established by virtue of Decision No. 582 of 2000 of Vratsa District Court. The Company has its registered office in the town of Kozloduy 3321, Vratsa District, Bulgaria. 3321. The Company was established as a shareholding company on 28 April 2000 with a sole owner - the Republic of Bulgaria through spin-off from Natsionalna Elektricheska Kompania EAD (NEK EAD). The Company is a legal successor of the respective portion of assets and liabilities of NEK EAD, Sofia, in accordance with the Separation Protocol for the Kozloduy NPP branch and GUP Atomenergoinvest, Kozloduy, compiled and based on the available accounting records dated 28 April 2000. As at 18 September 2008, the rights of sole shareholder of the Company are exercised by the Ministry of Economy and Energy through the incorporated Bulgarian Energy Holding EAD.

The Company's financial year ends on 31 December.

The principal activity of the Company includes use of nuclear energy to generate electrical and thermal power.

As at 31 December 2025, Bulgarian Energy Holding EAD is the sole owner of the Company's share capital. The Company's ultimate owner is the Republic of Bulgaria through the Ministry of Energy.

The Company has a one-tier management system and is managed by a Board of Directors. At the beginning of the reporting period as at 01 January 2025, the Board of Directors consisted of:

- Iliya Todorov Iliev, Chair;
- Ivan Todorov Andreev, Member and Chief Executive Officer;
- Svilena Nikolova Nikolova, Member;
- Slavyan Petrov Lachev, Member;
- Iva Edward Nikolova, Member.

As at 31 December 2025, the Board of Directors has the same composition and the Company is represented by Ivan Andreev, the CEO.

As at 31 December 2025, the number of the staff employed by the Company under employment contracts is 3,867 (31 December 2024: 3,813).

2. Statement of compliance with the International Financial Reporting Standards (IFRS) and application of the going concern basis

2.1. Statement of compliance with IFRS Accounting Standards adopted by the European Union (EU)

The separate financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards adopted by the EU. Within the meaning of para 1, item 8 of the Additional Provisions of the Accountancy Act, applicable in Bulgaria, these include International Accounting Standards (IAS) adopted in compliance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council.

The separate financial statements are presented in Bulgarian leva (BGN) which is the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN'000) (including comparative information) unless otherwise specified.

These financial statements are separate for the Company. The Company also prepares consolidated financial statements in accordance with the IFRS Accounting Standards adopted by the EU, where investments in subsidiaries are reported and stated in accordance with IFRS 10 "Consolidated Financial Statements."

2.2. Application of the going concern basis

The separate financial statements have been prepared under the going concern principle.

As at the date of preparation of these separate financial statements, the management has analysed the Company's ability to continue to operate as a going concern, taking into account the available information about the foreseeable future. Based on the analyses conducted, the management has reasonable expectations that the Company has sufficient resources to continue as a going concern for the foreseeable future. Accordingly, it continues to apply the going concern principle in preparing the annual separate financial statements.

Effect of the implementation of the state measure to compensate non-household customers for the high electricity price

The main reason for the Company's lower financial results for 2025 compared to the previous reporting period is the increase in the Company's regulatory expenses, which are outside the scope of its usual business activity and are not directly related to the expenses incurred in carrying out its principal activities. As a result of the restrictive government policy in place, including with respect to Kozloduy NPP as an electricity producer, the Company's revenues are limited to the prime cost of electricity.

Kozloduy NPP EAD finances its activity through its own resources, primarily from revenue generated by the electricity sales. The revenue limits imposed on electricity producers due to maintaining the state measure to compensate non-household customers for the high electricity price have had a negative impact on the financial position of the nuclear power plant. The cost of earmarked contributions to the ESS Fund has been charged to the Company as a temporary measure of the State since 2022, the effects of which continue to this day despite the normalisation of electricity market prices.

The revenue cap for the NPP set by Decision of the Council of Ministers No. 121/05 March 2025 is BGN 150 per MWh for the first six months of 2025. By Decision of the Councils of Ministers No 340/28 May 2025, the revenue cap was decreased to BGN 120 per MWh for the period from 1 July 2025 to 31 December 2025. As a result, during the reporting period, the nuclear power plant was forced to cover only the costs of electricity generation, with no opportunity to generate a profit or free cash flow.

Revenue increased by 8% compared to last year's figures (2024 - BGN 2,061,839 thousand) which demonstrates the nuclear power plant ability to generate revenue and improve the financial indicators if the limiting regulatory tools had not been imposed by the state as a short-term fiscal instrument.

Operating expenses amounted to BGN 2,136,376 thousand, an 18% increase compared to 2024.

The most significant increase, at 52%, is in the costs of earmarked contributions to the ESS Fund – BGN 589,549 thousand for 2025 compared to the BGN 388,964 thousand reported for 2024.

Given the temporary nature of the measure imposing a cap on electricity producers' revenues and the elimination of the reasons for which it was introduced, the Company's financial position is expected to improve once the measure is discontinued.

During the reporting period, the Company's cash flows were further deteriorated as a result of a 100% dividend from the net profit for 2024, which was allocated and paid to the Principal pursuant to a Decree of the Council of Ministers and a Decision of BEH EAD in the amount of BGN 199,722 thousand.

The result of the regulatory and corporate decisions accompanying the business activity of the nuclear power plant is a permanent shortage of free cash flow, regardless of the Company's high efficiency and market competitiveness.

Liquidity problems resulting from the systematic withdrawal of realised profits and the restriction of internal resources for financing operations in recent years have necessitated measures to secure borrowed funds to cover obligations as they fall due and to prevent additional financial burdens from penalties and late payment interest. Short-term loan agreements have been concluded with Kozloduy NPP - New Build EAD and International Asset Bank AD to provide working capital as needed, using funds from the credit lines granted.

An agreement was concluded between Kozloduy NPP EAD and BEH EAD to defer the dividend due in order to ensure predictability of cash flows and avoid further cash shortfalls. As at the date of preparation of these separate financial statements, the management has analysed the Company's ability to continue to operate as a going concern, taking into account the available information about the foreseeable future. As a result of the review carried out of the Company's activities, the management anticipates that the Company will have sufficient resources to continue its operating activities in the foreseeable future and believes that the going concern principle is appropriate for the preparation of the separate financial statements.

Effects of the ongoing military conflict between Russia and Ukraine

The military conflict between Russia and Ukraine still has an economic fallout on all sectors of the global economy. Multiple countries impose additional sanctions on assets and operations owned by the Russian state and certain individuals.

In connection with avoiding the uncertainties regarding the effect of the sanctions and restrictions imposed, the Company management reviewed the activities, contractors and economic relations that could expose the Company to a significant risk. As at the date of approval of the Separate Financial Statements, the risks can be summarised as follows:

A serious risk for Kozloduy NPP EAD resulting from the conflict between Ukraine and Russia may arise in the relations with some contractors. Despite the temporary suspension of fresh nuclear fuel supplies from the Russian company TVEL JSC in 2024, the Company took the necessary steps, and as of 31 December 2025, all contracted quantities of fresh nuclear fuel (FNF) for Unit 6 had been delivered. At the same time, as part of the measures taken to diversify fresh nuclear fuel supplies starting in 2024, RWFA-type nuclear fuel manufactured by Westinghouse Electric Sweden AB has been delivered, ensuring the operation of Unit 5. Thus, the Company will ensure FNF inventory for a continuous mode of operation.

Another negative effect is the inability to transport spent nuclear fuel (SNF) to Russia for technological storage and reprocessing under a contract with FSUE "PA "Mayak". The transport of SNF complies with the Safe Use of Nuclear Energy Act, its implementing sub-legislative regulations, and the national policy defined in the Strategy for Spent Nuclear Fuel and Radioactive Waste Management until 2030. As at the time of preparation of these statements, Kozloduy NPP EAD is behind schedule with the plans for the transport of SNF for the period 2021 - 2025. Annually, the Company creates provisions necessary for financing the unfulfilled shipments of SNF and is prepared, upon resolution of the military conflict, to start shipment as per the preliminary plans. The Kozloduy NPP site has a wet spent fuel storage facility. After being kept for a specified period of time in the spent fuel pools (SFP), the spent fuel assemblies are transferred to the wet spent fuel storage facility (Wet SFSF) which is common for all power units. Spent nuclear fuel from Units 1, 2, 3, and 4 loaded in Constor 440/84 casks is stored in the Dry Spent Fuel Storage Facility (DSFSF).

The Company has contractual relationships with other Russian and Ukrainian contractors for the supply of specific spare parts and long lead-time equipment and specific services for the plant as well. If no other alternatives are found, there is a significant risk of a delay and/or non-performance of key supplies and services.

Based on Council of Ministers' Decisions No. 695 of 23 September 2022, No. 200 of 22 March 2023, and No. 242 of 25 March 2026, the Council of Ministers approved a derogation from the sanctions of the European Union prohibiting the import of certain parts, materials and services in connection with the war in Ukraine. The government granted a derogation so that Kozloduy NPP could purchase the necessary materials and spare parts in order to secure the planned annual outages and operation of the nuclear power plant. Furthermore, the Company's management, supported by the Ministry of Energy, continued with the process of selecting new contractors.

The management of the Company hopes that in the near future the military conflict will be resolved and the normal mode of operation will be restored.

3. Accounting policies and changes during the period

3.1. New standards which came into effect as at 01 January 2025

The Company has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board and endorsed by the EU, which are relevant to and effective for the Company's financial statements for the annual period beginning 01 January 2025, but do not have a significant impact on the Company's financial results or position:

Amendments to IAS 21 "The effects of changes in foreign exchange rates: Lack of exchangeability", effective from 01 January 2025, adopted by the EU

Lack of Exchangeability amends IAS 21 to:

- specify when a currency is exchangeable into another currency and when it is not – a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- specify how an entity determines the exchange rate to apply when a currency is not exchangeable – when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- require the disclosure of additional information when a currency is not exchangeable – when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

3.2. Standards, amendments, and interpretations that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 01 January 2025 and have not been adopted earlier the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. A list of the changes in the standards is provided below:

"Annual Improvements" effective from 01 January 2026 adopted by the EU

"Annual Improvements" cover a broad range of topics in the following standards:

- ***IFRS 1 "First-time Adoption of International Financial Reporting Standards"***

Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.

- ***IFRS 7 "Financial Instruments: Disclosures"***

- *Gain or loss on derecognition.* The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.
- *Disclosure of deferred difference between fair value and transaction price.* The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- *Introduction and credit risk disclosures.* The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.

- ***IFRS 9 "Financial Instruments"***

- *Lessee derecognition of lease liabilities.* The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.
- *Transaction price.* The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of "transaction price" in IFRS 15 Revenue from Contracts with Customers while term "transaction price" is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.

- ***IFRS 10 "Consolidated Financial Statements"***

- *Determination of a "de facto agent".* The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

- ***IAS 7 "Statement of Cash Flows"***

- *Cost method.* The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term "cost method" that is no longer defined in IFRS Accounting Standards.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective from 01 January 2026, adopted by the EU

The amendments are:

- ***Derecognition of a financial liability settled through electronic transfer.*** The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

- ***Classification of financial assets***

- *Contractual terms that are consistent with a basic lending arrangement.* The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

- *Assets with non-recourse features.* The amendments enhance the description of the term "non-recourse". Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- *Contractually linked instruments.* The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

- ***Disclosures***

- *Investments in equity instruments designated at fair value through other comprehensive income.* The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

- *Contractual terms that could change the timing or amount of contractual cash flows.* The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

IFRS 18 "Presentation and Disclosure in Financial Statements", effective from 01 January 2027, not yet adopted by the EU

IFRS 18 aims to improve the way entities disclose their financial statements, with an emphasis on financial performance information in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 "Statement of Cash Flows". IFRS 18 is effective from 01 January 2027, with earlier application permitted. IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The requirements in IAS 1 that have not been changed are transferred to IFRS 18 and other standards. IFRS 18 will affect all entities in all industries. Although IFRS 18 will not affect the way companies measure financial performance, it will affect the way companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

- requiring additional defined subtotals in the statement of profit or loss. The addition of defined subtotals to the statement of profit or loss facilitates comparison of the financial performance of entities and provides a consistent starting point for investor analysis.
- requiring a disclosure of management-defined performance measures. Requiring companies to disclose information on the Management-defined Performance Measures (MPMs) enhances discipline in the use of such measures and transparency in calculation.
- adding new principles for grouping (aggregation and disaggregation) of items. Specifying requirements for whether information should be provided in the primary financial statements or in the notes and providing principles for the level of detail required improves the effective communication of information.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures", effective from 01 January 2027, not yet adopted by the EU

The objective of IFRS 19 is to specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity may elect to apply this Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period it is a subsidiary; it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 sets out the detailed disclosures that an entity applying IFRS 19 is required to make. These disclosure requirements are a reduced version of those set out in other IFRS Accounting Standards. Of the 34 IFRS Accounting Standards that include disclosure requirements, IFRS 19 provides reduced disclosure requirements for 30 of them. The disclosure requirements for 3 standards have to be applied in full (IFRS 8, IFRS 17 and IAS 33). Entities applying IAS 26 "Accounting and Reporting by Retirement Benefit Plans" do not meet the "not have public accountability" criterion and are therefore not eligible to apply IFRS 19.

Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures", effective from 01 January 2027, not yet adopted by the EU;

The amendments include reduced disclosures, removal of objectives and guidance in areas such as supplier finance arrangements, Pillar Two model rules and financial instruments as well as replacement of management-defined performance measures with a cross-reference to IFRS 18.

Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency", effective from 01 January 2027, not yet adopted by the EU;

The amendments relate to a specific situation in which a parent company (whose presentation currency is the currency of a hyperinflationary economy) consolidates a foreign entity (whose functional currency is that of a non-hyperinflationary economy). Comparative amounts for foreign entities whose functional currency is that of a non-hyperinflationary economy shall be restated by applying the general price index (in accordance with IAS 29) when presented in the presentation currency of a hyperinflationary economy.

4. Material information relevant to the accounting policies used in the Company

4.1. Overview

The most significant accounting policies that have been used in the preparation of these Separate Financial Statements are presented below.

The Separate Financial Statements have been prepared in accordance with the principles for the measurement of all types of assets, liabilities, income, and expenses, in accordance with IFRS. The valuation bases are disclosed in detail further down in the accounting policy to the separate financial statements.

It should be noted that accounting estimates and assumptions were used to prepare the presented financial statements. Although they are based on information provided to the management as at the date of preparation of the financial statements, the actual results may differ from the estimates and assumptions made.

4.2. Presentation of the Separate Financial Statements

The Separate Financial Statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has elected to present the statement of profit or loss and other comprehensive income as a single statement.

Two comparative periods are presented in the separate financial statements, when the Company:

(a) applies an accounting policy retrospectively;
(b) makes a retrospective restatement of items in its financial statements; or
(c) reclassifies items in the financial statements.

and this has a material impact on the information in the separate statement of financial position at the beginning of the preceding period.

In order to achieve comparability of the information presented in the financial statements some of the elements are presented in a different way compared to the separate financial statements for preceding period. The change relates to the allocation of the total financing amount between short-term and long-term components and results in an increase in non-current liabilities of BGN 4,825 thousand offset by a decrease in current liabilities. The change relates to the correction of a technical inaccuracy in the presentation and has no impact on the amounts of total liabilities and equity as at 31 December 2024, nor on the financial results for the period. Transactions in foreign currency

Transactions in foreign currencies are reported in the functional currency of the Company at the official exchange rate at the date of the transaction (according to the official exchange rate of the Bulgarian National Bank). Gains and losses from exchange rate differences, arising in the process of settlement of those transactions and revaluation of foreign currency monetary items at the end of the reporting period, are recognised in the profit or loss.

Non-monetary items measured at historical cost in foreign currency are reported at the exchange rate at the date of the transaction. Non-monetary items measured at fair value in foreign currency are reported using the exchange rates at the date when fair value was determined.

4.3. Investments in subsidiaries

Subsidiaries are all entities controlled by the Company. The Company's control over subsidiaries is expressed as its ability to manage and determine the financial and operating policy of the subsidiaries, so that benefits can be obtained from the activities of these subsidiaries. Investments in subsidiaries are carried at cost (acquisition cost) in the separate financial statements of the Company.

The Company recognises dividends from subsidiaries in profit or loss, in its separate financial statements, when the Company's right to obtain those dividends is established.

4.4. Revenues

A. Revenue from contracts with customers

Recognising and measuring revenue from contracts with customers

The main revenues generated by the Company are related to the sale of electricity and heat energy.

In order to determine whether and how to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with the customer
2. Identifying the performance obligations
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognising revenues when performance obligations are satisfied.

Revenues are recognised either at a point in time or over time, when or as the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises as liabilities under contract payment received in relation to unsatisfied performance obligations and presents them as other liabilities in the statement of the financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, it recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenues from contracts with customers are recognised when the control of the goods and/or services promised in the contract is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The control is transferred to the customer when (or as) the customer meets the performance obligation, under the terms of the contract, by transferring the promised product or service to the customer. An asset (product or service) is transferred when (or as) the customer gains control over that asset.

In the initial assessment of its contracts with customers, the Company assesses whether two or more contracts are to be treated in combination and accounted for as one, and whether the promised goods and/or services in each separate and/or combined contract are to be accounted for as one and/or more performance obligations.

Any promise to transfer goods and/or services that are identifiable (on their own and in the context of the contract) is reported as one performance obligation.

The Company recognises revenue for each separate performance obligation at the individual contract with a customer by analysing the type, timing and terms of each particular contract. For contracts with similar characteristics, revenues are recognised on a portfolio basis only if their grouping in a portfolio would not have a materially different effect on the financial statements.

Customers' contracts typically include a single performance obligation.

Measurement

Revenues are measured on the basis of the transaction price specified for each contract.

In determining the transaction price, the Company takes into account the terms of the contract and its usual business practices.

The transaction price is the amount of consideration the Company expects to be entitled to in exchange for the transfer of the promised goods or services to the customer, except for amounts collected on behalf of third parties (e.g., value added tax). The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both.

When (or as) a performance obligation is satisfied, the Company recognises as revenue the value of the transaction (which excludes estimates of variable remuneration including restrictions) that is attributed to this performance obligation.

The Company considers whether there are other promises in the contract that are separate performance obligations for which part of the transaction price should be allocated.

When determining the transaction price, account is taken of the impact of variable consideration, the existence of significant components of funding, non-monetary consideration and consideration due to the customer (if any).

Performance obligations and recognition approach to main types of revenue under contracts with customers

Sale of electricity

Electricity supplies are carried out all year-round in a continuous mode of operation. Since the customer simultaneously receives and consumes the benefits, the Company transfers the control over electricity over time and, therefore, meets the performance obligation and recognises revenues over time.

The sales revenues shall be recognised at every transfer of control over electricity when it is supplied to the customer and there are no unmet obligations which could affect the acceptance of electricity on behalf of the customer. The electricity is deemed to be delivered to the customer as soon as the schedules of the Seller and the Buyer are recorded in the Schedule Notification System administered by the Electricity System Operator EAD after the parties have an agreement on the schedules. The schedules are uploaded every day until 15:30 for the next day, both for liberalized and for regulated market, and for exchange. The so-called net monthly trade measurement of the quantities at the Switchyard outlets is carried out, which should correspond to the quantities quoted in the schedules.

Electricity sales do not have a financing component, as sales are paid for up to 1 year of deferred payment.

A receivable is recognised with the delivery of electricity as this is the moment when the right to consideration becomes unconditional and it only requires the expiry of the time before the payment becomes due.

Revenue is invoiced according to the terms of the contract. For electricity sold to IBEX EAD for the "Day ahead" and "Intraday" segments invoicing is done on a daily basis with terms of payment within 2 days from the receipt of the invoice. For electricity sold through IBEX EAD for the "Bilateral contracts" segment, an advance payment is made, against the issue of an advance invoice and a subsequent final invoice. For all other sales, invoicing is done at the end of the month and the payment deadline is within 30 days.

Sale of heat energy

Heat energy supplies are carried out during the heating season in a continuous mode of operation. Since the customer simultaneously receives and consumes the benefits, the Company transfers the control over the heat energy over time and, therefore, meets the performance obligation and recognises revenues over time.

Sales revenue is recognised on each transfer of control over the heat energy when it is delivered to the buyer and there are no outstanding obligations that could affect the buyer's heat energy acceptance. The heat energy is considered delivered to the customer at the time of consumption. The delivered quantities are reported by means of a heat meter in the substation where the commercial metering takes place once a month.

Heat energy sales do not have a financing component, as sales are paid for up to 1 year of deferred payment.

A receivable is recognised with the delivery of heat energy as this is the moment when the right to consideration becomes unconditional and it only requires the expiry of the time before the payment becomes due.

Revenue is invoiced monthly according to the terms of the contract concluded. The heat energy sold is invoiced in the end of the current month subject to payment within 30 days.

Revenue from services

Lease payments under operating leases are recognised as income on the straight-line basis over the lease contract validity, except for the cases when the Company's management decides that another systematic basis is more representative of the time pattern the use of which has reduced the benefit from the leased asset.

Revenue from sales of current assets

Revenue from sales of current assets is recognised when the control over the assets sold is transferred. The delivery is effected when the assets have been sent to the customer, the risks of potential losses have been transferred to the customer and/or the customer has accepted the assets in accordance with the sale contract.

Principal or agent

When a third party is involved in providing goods or services to a customer, the Company shall determine whether the nature of its promise is a performance obligation to provide the particular goods or services (a principal) or to arrange for the third party to provide those goods or services (an agent).

The Company is the principal when it controls the promised goods or service before transferring it to the customer. However, the Company does not necessarily act as the principal if it receives the ownership of an asset only temporarily before the ownership right is transferred to the customer.

The Company is an agent if the Company's performance obligation is to arrange for the provision of the goods or services by a third party. When an agent Company satisfies a performance obligation, it recognises revenue in the amount of the fee or commission to which it expects to be entitled in exchange for arranging for the goods and services to be provided by another party. The fee or commission of the Company may be the net amount of the consideration the Company retains after paying to the other party the consideration received in exchange for the goods or services to be provided by that party.

The signs that the Company is an agent include the following elements:

• a third party bears the primary responsibility for the performance of the contract;
• before or after the goods have been ordered by the customer, upon dispatch or upon return of the goods there is no risk for the Company's inventories;
• the Company does not have the power to determine the prices of the other party's goods or services and therefore the benefit the Company can obtain from these goods and services is limited;
• the consideration to the Company is in the form of a commission;
• the Company is not exposed to a credit risk for the receivable from the customer in exchange for the other party's goods or services.

The Company is an agent in the following transactions:
• fee/obligation to society component;
• consumables under rental contracts.

Contractual balances

Trade receivables and assets under contracts

Receivable is the right of the Company to receive consideration at a certain amount, which is unconditional (i.e., before the payment of the consideration becomes due, it is only necessary for a certain period of time to expire).

The asset under a contract is the right of the Company to receive consideration in exchange for the goods or services it has transferred to the customer but which is not unconditional (charging a receivable). If, through the transfer of the goods and/or the provision of services, the Company fulfils its obligation before the customer has paid the respective consideration and/or before the payment becomes due, an asset under a contract is recognised for the earned consideration (which is conditional). Recognised assets under contract are reclassified as a trade receivable when the right to consideration becomes unconditional.

Liabilities under contracts

As a contractual liability, the Company presents the payments received from the customer and/or an unconditional right to receive a payment before fulfilling its contractual performance obligations. Liabilities under contract are recognised as revenue when (or as) it meets the performance obligations.

Assets and liabilities arising from one contract are presented net in the separate statement of financial position even if they are the result of different contractual obligations for performance of the contract.

After the initial recognition, trade receivables and contract assets are subject to an impairment review in accordance with the IFRS 9 "Financial Instruments".

B. Other revenues and incomes

Other revenues include operations that are unusual to the Company's principal activity and are revenues or incomes that are recognised under other standards and are outside the scope of IFRS 15.

Revenue	**Recognition approach**
Net profit from sales of property, plant and equipment and intangible assets	Gains or losses arising from derecognition of assets from property, plant and equipment or an intangible asset as a result of a sale shall be included in profit or loss when the asset is derecognised. The asset is derecognised at the time the control over the sold asset is transferred.
Revenues from revaluation of property, plant and equipment	Revenue from revaluations is reported as revenue to the amount of previously charged expenses.

Revenue	Recognition approach
Rental income	Lease payments under operating leases are recognised as income on the straight-line basis over the lease contract validity period, except for the cases when the Company's management decides that another systematic basis is more representative of the time pattern the use of which has reduced the benefit from the leased asset.
Surplus assets and asset liquidation	Revenues from surplus assets are recognised when surpluses are established.
Revenue from financing	Where the grant (financing) is related to an item of expenditure, it is recognised as revenue for the periods necessary to compare it on a systematic basis with the expenditures it is intended to compensate. When the grant (financing) relates to an asset, it is presented as a liability and is included in the income over the useful life of the related asset.
Income from insurance events	Revenue is recognised when the Company's right to receive payment is established.
Income from penalties	Revenue is recognised when the Company' right to receive payment is established.
Revenues from derecognition of liabilities	The revenue from derecognition is recognised when the liability expires or the creditor waives its rights.

B. Financial revenues

Financial revenues are included in the separate statement of profit and loss and other comprehensive income when incurred, and include interest income on loans granted and term deposits, income from dividends from other entities.

Financial revenues are presented separately from the financial expenses on the face of the separate statement of profit or loss and other comprehensive income.

Recognition of interest income

Interest income is calculated by applying the effective interest rate on the gross carrying amount of financial assets, as per the requirements of IFRS 9 "Financial Instruments" except for financial assets impaired by credit (Phase 3) for which interest income is calculated by applying the effective interest rate on their amortised cost (gross carrying amount adjusted with the provision for expected credit losses).

The income from dividends is recognised at the time when the right to receive the payment arises.

D. Income from financing

Financing represents grants provided by the Government (the Government, government agencies and others governmental bodies, either local, national, or international) that meet the definition of Government grants under IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

Government grants are recognised in the separate statement of financial position of the Company when there is reasonable assurance that the Company comply with any conditions attached to the grant and the grant will be received. Grants that relate to current activities are recognised on a systematic base, over the periods in which the expenses, which the grants shall compensate, are recognised. Grants related to the acquisition of non-current assets are presented as deferred income and are recognised in the profit or loss, on a systematic base, over the useful life of the respective asset.

Non-monetary government grants are recognised at the fair value of the non-monetary asset, as evaluated by a certified appraiser at the transfer date.

4.5. Assets and liabilities under contracts with customers

The Company recognises assets and/or liabilities under a contract when one of the contractual parties has performed its obligations depending on the relation between the activity of the enterprise and the payment by the customer. The Company presents separately any unconditional right to consideration as a receivable. The receivable is the unconditional right of the company to receive consideration.

Liabilities under a contract are recognised in the statement of financial position, if a customer pays a consideration or the Company is entitled to consideration which is unconditional before the control over the goods or service has been transferred.

The Company recognises assets under a contract when the performance obligations are met and the payment is not due on behalf of the customer. An asset under a contract is the right of the Company to receive consideration in exchange for the goods or services it has transferred to the customer.

Subsequently, the Company evaluates an asset under a contract in accordance with IFRS 9 "Financial Instruments".

4.6. Operating costs

Operating costs are recognised in profit or loss when the services are consumed or at the date of their occurrence.

Electricity costs

In accordance with the "Ordinance on regulating the prices of electric power" issued by the Energy and Water Regulatory Commission (EWRC), production costs directly attributable to the generated product are included in the prime cost of electricity.

Costs, incurred for nuclear fuel, are carried in accordance with the methodology established by the Company. Electricity costs attributable to nuclear fuel are derived by multiplying the fuel component, calculated as per the relevant methodology, by the estimated gross amount of electricity generated by the relevant unit.

Costs for the Nuclear Facilities Decommissioning (NFD) Fund and Radioactive Waste (RAW) Fund are calculated in accordance with the relevant decrees and regulations of the Council of Ministers and are recognised as other costs for the period.

The costs for the Electricity System Security (ESS) Fund, including earmarked contributions to compensate end users are accounted for as "Cost of sales" with the addition that earmarked contributions to the ESS Fund are allocated directly to exchange market sales.

Reporting electricity purchased for sale - This element presents the portion of electricity purchased to balance commitments to sell certain quantities of electricity exceeding the quantities generated. The costs for the electricity purchased for sale are presented on a separate line in the expense part of the report.

Cost of generation and distribution of heat energy

The heat energy direct prime cost is derived from generation and distribution costs. The heat energy generation costs include the conditionally fixed and variable (nuclear fuel) costs incurred at Units 5 and 6 multiplied by a reduction factor. The reduction factor refers to the relative share of electricity underproduction against the gross electrical energy, generated by Units 5 and 6. Underproduction is calculated on a monthly basis by the Engineering Support Division. The reduced expenses decrease the electricity generation costs. These costs are included into the prime cost of generated heat and the cost derived from the generation of heat intended for the various administrative units on-site.

Referring to the activity "Generation and distribution of heat energy":

- The prime cost of the heat energy comprises the conditionally fixed and variable expenses of Units 5 and 6;
- All variable and conditionally fixed costs of the District Heating Department are included in the heat distribution prime cost.

The heat energy for the Kozloduy NPP's own facilities is recognised on an ongoing basis over the year as cost at the selling price of heat energy to consumers, and it is balanced with the actual cost as at year-end.

Costs of auxiliary and additional operations

The costs of auxiliary and additional operations are accounted for in separate accounting record groups, including direct and indirect costs. The allocation basis of the indirect technological costs is as follows:

- For maintenance:
  - For off-site facilities – labour hour inputs per facilities and orders;
  - For NPP on-site facilities – material inputs per facilities and orders;
- For road transport – fuel consumption;
- For the principal activity – electricity generation, as follows:

The social expenses are allocated under the coefficient method, based on the number of personnel engaged in the activities "Electricity Generation" and "Heat Distribution".

Cost of sales is attributed directly to the revenue accounts for the relevant market, allocated on the basis of the relative share of quantities sold when common. The exceptions are cost of sales related solely to sales on the exchange market and earmarked contributions to the ESS Fund, which are allocated directly to the performance accounts of this market.

Administrative costs are accounted for as current costs. The accrued "taxes on expenses", within the meaning of the Corporate Income Tax Act, are also accounted for here.

The local taxes and fees, as per the meaning of the Local Taxes and Fees Act, are included in the separate statement of profit or loss and other comprehensive income under "Hired services costs".

4.7. Intangible assets

Separately acquired intangible assets are measured initially at acquisition cost, including all paid custom duties, non-refundable taxes and any directly incurred costs related to the preparation of the asset for its intended use, where the capitalised costs are then amortised based on the straight-line method over the defined period of the assets' useful life, as the latter is considered limited.

Intangible assets are subsequently measured at their purchase price less all accumulated amortisations and impairment losses. The impairments conducted are reported as expenses and are recognised in the separate statement of profit or loss and other comprehensive income for the respective period.

Intangible assets with finite useful life are amortised over their useful life and reviewed for impairment when there are indications that their value has been impaired. The amortisation period and method for amortisation of intangible assets with limited useful life are reviewed at least at each financial reporting year-end. Changes in the expected useful life or in the pattern of consumption of the future economic benefits embodied in the intangible asset are accounted for by changing the amortisation period or method, and are treated as changes in the accounting estimates.

Subsequent expenses, incurred in respect of intangible assets after their initial recognition, are recognised in the separate statement of profit or loss and other comprehensive income for the period, when such are incurred, except of the cases where, because of these subsequently incurred expenses, the intangible asset can generate more than the initially estimated future economic benefits, and where such expenses can be reliably measured, and attributed to the asset. If these requirements are met, the incurred expenses are added to the cost of the asset.

The Management estimates the residual value and useful life of intangible assets as at each reporting date.

Intangible assets are amortized on the straight-line method, over the assets' useful life. The useful life of intangible assets is defined as limited:

Software products	2-10 years
Licences	the validity period of the licence
Other	3-10 years
Development products	5-20 years

Amortisation costs are included in the separate statement of profit or loss and other comprehensive income under "Depreciation costs".

Gains or losses arising from the derecognition of intangible assets, representing the difference between the net disposal proceeds and the carrying amount of the asset, are included in the separate statement of profit or loss and other comprehensive income when the asset is disposed.

The intangible assets, created under the Company's development activities to serve the purpose of intra-company users, are recognised by the expertise committee that is appointed by the Company's Management, depending on the intangible asset's completion stage, if the below conditions are met:

- Technical ability to complete the asset;
- Intention to complete the asset;
- The asset can be used or sold, and there is a market for the asset, or the asset is useful for intra-company use;
- Capacity to measure the costs incurred in the development of the asset.

Research activity

Research costs incurred to acquire new scientific or technical knowledge are recognised in the profit or loss when incurred.

Research and development costs incurred in relation to external orders under signed contracts with customers are recognised as asset subject to sale.

Indirect technological production costs are allocated based on labour; together with the direct costs they make the prime cost of a created asset.

Development activity

Development activity includes a production plan, or project, for the creation of new, or significantly improved, products and processes. Development costs are capitalised only if these expenses can be measured reliably, the product or the process is technically and commercially possible, future economic benefits are probable and the Company intends and has sufficient resources to complete the development, and to use or sell the asset. The capitalised costs include materials, labour, production overheads, directly attributable to the asset's preparation for its intended future use, and capitalised interest expenses. Other development costs are recognised in the profit or loss, when incurred. The capitalised development costs are measured at purchase price, less the accumulated amortisation and impairment losses.

Costs incurred in the development of intangible assets, that do not meet capitalisation criteria, are recognised when incurred.

The approved materiality threshold in respect of the intangible assets of the Company amounts to BGN 700.00.

4.8. Property, plant, and equipment

Property, plant, and equipment (PPE) are initially measured at prime cost, comprised of the purchase price and all directly attributable costs of bringing the asset to a working condition for its intended use.

After initial recognition, revaluation of PPE applies to entire classes of similar assets as follows:

No.	PPE Class	Subsequent revaluation model
1	Land	Revaluation model
2	Improvements on lands and terrains	Revaluation model
3	Buildings and structures	
	Solid	Revaluation model
	Hollow	Acquisition cost
4	Machines, plant, and equipment	Revaluation model
5	Computer systems	Acquisition cost
6	Transport vehicles	
	Cargo vehicles	Revaluation model
	Cars	Acquisition cost
	Special vehicles	Revaluation model
7	Furniture, fixtures, and fittings	Acquisition cost

No.	PPE Class	Subsequent revaluation model
8	Spare parts carried as PPE	Revaluation model
9	Other PPE	Acquisition cost

Property, plant and equipment, subsequently measured under the revaluation model, are carried at evaluated amount - that being their fair value at date of revaluation less any subsequently accumulated depreciation and impairment losses. The conducted revaluations are recognised in the separate statement of profit or loss and other comprehensive income, and are accumulated in equity (revaluation reserve), if there are no already accrued expenses, associated with such. If a revalued asset is sold or disposed, the remaining revaluation reserve is transferred to retained earnings.

Revaluations are carried at the following intervals:

- When the fair value of the assets changes insignificantly, the assets are revalued once every three years;
- When the fair value of PPE frequently changes significantly, property, plant and equipment are revalued in shorter intervals, so that the carrying amount of the respective asset does not differ materially from its fair value.

When applying the revaluation model, the frequency of subsequent revaluation of PPE depends on whether the carrying amount of a revalued asset differs materially from its fair value at the end of the reporting period.

In this regard, during the annual stock-taking in the end of the reporting period (financial year-end), the Company reviews PPE to check for any indications that their carrying amount differs materially from their fair value.

Any differences, of more than 5%, in the carrying amounts of property, plant and equipment from their fair value as at the date of preparation of the separate financial statements are regarded as material. Deviations of less than 5% are regarded as material too, when the difference between the carrying value of assets and their fair value as cumulative value of the PPE is essential for the preparation of the separate financial statements.

Property, plant and equipment which are not subsequently measured by applying the revaluation model, are evaluated at acquisition cost less the accumulated depreciation and any accumulated impairment losses. The impairments conducted are reported as expenses and are recognised in the separate statement of profit or loss and other comprehensive income for the respective period.

Subsequent costs related to an item of property, plant and equipment are added to the carrying amount of the asset when it is probable that the Company may have economic benefits, exceeding the originally assessed performance efficiency of the existing asset. All other subsequent costs are recognised as an expense in the period in which they are incurred.

The residual value and useful life of property, plant and equipment are estimated by the management as at each reporting date.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the separate groups of assets, as follows:

Buildings	25-70 years
Machines, plant, and equipment	5-55 years
Mobile phones	3-5 years
Lifting equipment	22-55 years
Portable tools	5-19 years
I&C systems	5-40 years
Cars	9-42 years
Transport vehicles	5-40 years
Computer equipment	2-28 years
Furniture	3-35 years

Profit or losses arising from sale of property, plant and equipment are defined as the difference between the sale proceeds and carrying amount of the asset.

The approved materiality threshold in respect of property, plant and equipment of the Company amounts to BGN 700.00.

4.9. Lease (Leased assets)

The Company as a lessee

For each new contract, the Company considers whether the contract is or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition, the Company makes an assessment whether the contract complies with three key assessments they have given:

- the contract contains an asset which is either explicitly identified in the contract, or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

On the start date of the lease the Company recognises an asset for the right to use or lease obligation in the balance. The asset with a right to use is evaluated at prime cost which comprises of the original cost of the liability under the lease, all original direct costs incurred by the Company, an evaluation of all expenses for dismantling and disposal of the asset in the end of the lease, and all ease payments, incurred before the start date of the lease (excluding any received incentives).

The Company depreciates the right-or-use assets on the straight-line base as of the start date of the lease to the end of the useful life of the right-of-use asset, or the end of the lease term, whichever comes earlier. The Company also performs a review for impairment of the right-of-use asset, when there are such indicators.

As at the start date the Company evaluates the lease obligation on the current value of the lease payments that were not paid as at that date, discounted, using the interest rate included in the lease contract. If this rate cannot be immediately determined the Company uses the interest rate that it should pay in order to borrow for a similar period of time, under similar collateral, the means required to obtain an asset of similar value in a similar economic environment.

Lease payments included in the measurement of the lease obligation comprise fixed payments, variable payments based on an index or a rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After the commencement date the Company measures the lease liability increasing the carrying amount to reflect the lease liability interest, and decreasing the carrying amount to reflect the executed lease payments, and revalues the carrying amount of the liability to reflect revaluations or modifications to the lease contract, or to reflect the adjusted lease payments fixed in essence.

The Company is exposed to potential future increases in the variable lease payments based on an index or an interest rate that are not comprised in the lease liability until they are effected. When the adjustments in the lease payments come into effect, based on an index or interest, the lease obligation is revalued and adjusted against the right-of-use asset.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company chose to report the short-term leases and leases for which the underlying asset is of low value, using exemptions from the recognition requirements. Instead of recognising a right-of-use asset and a lease obligation, the payments related to them are recognised as an expense in the profit or loss on a straight line over the term of the lease.

The right-of-use assets are included under the property, plant and equipment in the statement of financial position, whereas the lease obligations are included under the trade and other payables.

The Company as a lessor

The accounting policy of the Group as regards IFRS 16 has not changed since the comparative period.

As a lessor the Company classifies its lease contracts as operating or financial lease.

A lease is classified as a financial lease if it transfers in essence all risks and benefits related to the ownership of the main asset, otherwise it is classified as an operating lease.

4.10. Impairment testing of investments in subsidiaries, intangible assets, investment properties, and property, plant and equipment

When estimating the amount of impairment, the Company defines the smallest identifiable group of assets, for which individual cash flows can be determined (cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All assets and cash-generating units are tested for impairment at least ones per year. All other separate assets, or cash-generating units, are tested for impairment when events or changes in the circumstances indicate that their carrying amount cannot be recovered.

The amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is higher than the respective fair value net of all costs of disposal of the asset and its value in use, is recognised as impairment loss. When determining the value in use, the Company's Management calculates the expected future cash flows for each cash-generating unit and determines appropriate discounting factor in order to calculate the present value of these cash flows. The data, used in the impairment testing, are based on the Company's latest approved budget, adjusted, as necessary, to exclude the effect of future reorganisations and significant improvements in the assets. The discounting factors are determined for each cash-generating unit, reflecting their risk profile as assessed by the Company's management.

Impairment losses from a cash-generating unit are recognised as a decrease of the carrying amount of the assets from that unit. The Company's Management subsequently assesses whether there are indications that the impairment loss of all assets, recognised in previous period, may no longer exist or may have decreased. Impairment recognised in a previous period is recovered if the recoverable amount of a cash-generating unit exceeds its carrying amount.

4.11. Investment property

Investment properties are assessed initially at cost which comprises the purchase price and any expenses that are directly related to the investment property, e.g., fees for legal services, taxes related to the transfer of the property, and other expenses related to the transaction.

An investment property is recognised as such, if it satisfies the following conditions:

- It complies with the definition of an investment property;
- It is probable that the Company will obtain economic benefits associated with the assets' lease/rental; and
- Its value can be measured reliably.

The Company applies the fair value model for subsequent measurement of the investment property.

Fair value is the price at which the property may be exchanged between informed and willing parties, in a fair transaction between them. The fair value reflects the market conditions as at the date of preparation of the financial statements. Investment properties are revalued on a yearly basis and are included in the statement of financial position at their market values.

Gains/losses arising from changes in the fair value of an investment property are included in the net profit or loss for the period in which the gains/losses are incurred.

Transfers of assets to, or from, the investment properties group are only made when there is a change in their use, evidenced by:

- Commencement of use by the Company - transfers from investment property to property used by the owner;
- Commencement of development with the purpose of selling – transfer from an investment property to inventories;
- End of use by the Company and leasing to third parties - transfer from property used by owner to investment property;
- Commencement of an operating lease, of an asset presented as inventory, to another party – transfer from inventories to investment property.

When the use of an investment property changes so that it is reclassified in PPE, its fair value at the reclassification date becomes its acquisition cost to be used in subsequent measurement.

When property used by the Company becomes an investment property carried at fair value, all differences between the carrying amount of the property, in accordance with IAS 16, and its fair value at the date of the change in its use, are carried as revaluation, in accordance with IAS 16.

The carrying value of an investment property is derecognised on sale, when entering in a financial lease, or when no future economic benefits are expected from the property's use.

The Company derecognises its investment properties when selling them or upon their permanent disposal, in the event that no economic benefits are expected from their disposal. Profit or losses arising from their disposal or their sale are recognised in the statement of profit or loss and other comprehensive income, and are defined as the difference between the net proceeds from the asset disposal and its carrying value.

4.12. Financial instruments

A financial instrument is any contract that generates a financial asset of an entity and a financial liability or an equity instrument of another entity.

A financial asset is any asset that represents: cash, an equity instrument of another entity, a contractual right to acquire or exchange under potentially favourable terms cash or financial instruments with another entity, and a contract to be settled with equity instruments of the Company and is a non-derivative, it may or will obtain a variable number of its equity instruments or a derivative that can or will be settled by exchanging a fixed amount of cash or other financial assets against a fixed number of own equity instruments.

A financial liability is any liability that represents: a contractual right to provide or exchange under potentially unfavourable terms cash or financial instruments with another entity, and a contract to be settled with equity instruments of the issuer and is a non-derivative, with which the Company may or will obtain a variable number of its equity instruments or a derivative that can or will be settled in a way different from exchanging a fixed amount of cash or other financial assets against a fixed number of equity instruments of the Company.

4.12.1. Financial assets

Initial recognition and classification

The Company initially recognises a financial asset at the time it becomes a party to a contractual arrangement and classifies it according to the business model for managing financial assets and the characteristics of the contracted cash flows.

The Company classifies its financial assets according to their subsequent valuation in three categories: "financial assets measured at amortised cost", "financial assets measured at fair value through other comprehensive income", or "financial assets at fair value through profit or loss", as appropriate, under the contractual terms of the instruments and the established business models in the Company in accordance with IFRS 9.

The Company's business model of the financial assets management refers to the way in which it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The management of the Company has determined that the financial assets representing cash in banks, trade receivables, other receivables, litigations and writs receivables and receivables from related parties are held by the Company in order to obtain the agreed cash flows and are expected to generate cash flows, representing only payments of principal and interest (business model applied). Those financial assets have been classified and will be subsequently measured at amortised cost.

Initial measurement

Initially, all financial assets, excluding trade receivables, are measured at their fair value plus direct transaction costs if they are not carried at fair value through profit or loss when initially recognised as net of transaction costs. Trade receivables that do not have a significant component of financing and for which the Company applies the practically feasible measure under IFRS 15 in this respect are initially measured at the transaction price in accordance with IFRS 15.

Subsequent measurement and presentation

For the purposes of subsequent measurement and presentation, financial assets are classified into one of the following categories: "financial assets measured at amortised cost" (debt instruments), "financial assets measured at fair value through other comprehensive income with reclassification of accumulated profit or loss (debt instruments)", "financial assets measured at fair value through other comprehensive income, without reclassification of accrued gains or losses at derecognition" (equity instruments), or "financial assets measured at fair value through profit or loss" (debt and equity instruments).

Financial assets at amortised cost (debt instruments)

This category includes cash in banks, trade receivables, other receivables, litigations and writs receivables and receivables from related parties and loans granted. This category of financial assets is the most significant for the Company.

The Company measures and evaluates financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- The agreed terms of the financial asset result in certain dates of cash flows, which are only payments of principal and interest on the outstanding principal.

Subsequent measurement is carried out using the "effective interest" method through which interest income is calculated using the effective interest rate applied to the gross carrying amount of the instruments. For assets purchased or created with initial credit impairment and those with a recognised credit impairment, the effective interest rate corrected for credit losses, respectively, and the effective interest rate, respectively, apply to the amortised cost of the asset.

Financial assets in this category are subject to impairment testing as at the date of each financial statement of the Company, the changes being reflected in the profit or loss.

Profits or losses are recognised in profit or loss when the asset is derecognised, changed, or impaired.

Financial assets measured at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Company classifies the investments in equity instruments in this category when they meet the definition of equity in accordance with IAS 32 "Financial Instruments: Presentation" and are not held for trading.

Subsequent measurement of this instrument category is carried at fair value and changes are recognised in other comprehensive income. Fair values are determined on the basis of prices quoted on an active market, and when there is no such - on the basis of measurement techniques, usually an analysis of the discounted cash flows.

Profits or losses from these financial assets are never reclassified in the profit or loss. The dividends are recognised in the "Income from financing" item in the separate statement of profit or loss and other comprehensive income when the payment right is established. Equity instruments designated at fair value in other comprehensive income are not subject to impairment.

Financial assets at fair value through profit or loss

The Company estimates all other financial assets other than those that are measured at amortised cost or at fair value through other comprehensive income at fair value through profit or loss.

In case that this eliminates or significantly reduces the discrepancy in the measurement or recognition of a financial asset that would result from recognition of results and changes based on different bases, the Company may apply the exemptions in accordance with IFRS 9 and upon initial recognition to irrevocably designate a financial asset as measured at fair value through profit or loss, including contracts for delivery of a non-financial item. Such financial assets are presented in the notes to the separate financial statements separately from the other instruments for which this measurement approach is mandatory.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or it took the obligation to fully pay up all the cash flows received without significant delay to a third party under a "transfer" agreement.

When a financial asset is derecognised in its entirety, the difference between (1) the carrying amount (measured at the date of derecognition) and (2) the consideration received (including any new asset received without the new assumption of a new liability) shall be recognised in the profit or loss.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it assesses whether and to what extent the risks and benefits of ownership are preserved. When it neither transfers nor substantially retains all the risks and benefits from the asset, nor transfers control over the asset, the Company continues to recognise the transferred asset to the extent of its continuing participation. In this case, the Company recognises a related liability. The transferred asset and the related liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises provisions for expected credit losses for all debt instruments that are not carried at fair value through profit or loss using the approach presented in the table below:

	Type of financial asset	IFRS 9 category	Impairment approach
1	Short-term trade receivables	Debt instruments measured at amortised cost	Simplified approach
2	Trade receivables containing financing component	Debt instruments measured at amortised cost	Standardised approach
3	Short-term receivables from related parties	Debt instruments measured at amortised cost	Simplified approach
4	Receivables from related parties with a financing component	Debt instruments measured at amortised cost	Standardised approach
5	Proceeds from loans	Debt instruments measured at amortised cost	Standardised approach
6	Cash and cash equivalents	Debt instruments measured at amortised cost	Standardised approach
7	Impairment of receivables from litigations and writs	Debt instruments measured at amortised cost	Simplified approach

Expected credit losses are a probability-weighted assessment of credit losses (i.e., the present value of each shortage of money) over the expected term of the financial instrument. Cash deficit is the difference between the cash flows payable to the Company in accordance with the contract and the cash flows that the Company expects to receive. As the expected credit losses account for the amount and timing of payments, an expected credit loss is recognised even if the Company expects the asset to be fully paid but later than the due date.

Impairment and losses on financial instruments are dealt with in three stages, the first two being the expected credit losses for losses that may arise as a result of a non-performance, and the third as credit impairment (loss), based on evidence of potential or actual non-performance under the instruments.

Estimated credit losses for expositions for which there is no significant increase in the credit risk relative to the initial recognition are recognised for credit losses that may arise as a result of non-performance events over the next 12 months. For credit expositions for which there is a significant increase in the credit risk after the initial recognition, a loss adjustment for the expected credit losses over the remaining life of the exposition is required, regardless of the time of non-performance (ECL over the whole life of the instrument).

For trade receivables and contract assets arising from transactions in the scope of IFRS 15 that do not contain a significant component of financing, the Company applies a simplified approach in accordance with IFRS 9 by recognising an allowance for impairment loss for expected credit losses based on the expected credit loss for the full term of the receivables at each reporting date. The Company applies a matrix that calculates the expected credit losses on trade receivables. Receivables are classified in arrears and are grouped by type and client segments with different credit loss models.

For baseline data on trade receivables, the Company uses its accumulated experience of credit losses on such instruments to measure expected credit losses. The historical data used is for periods of 3 to 5 years back, grouped by type and relevant customer segment models, and adjusted with debtor- and industry-specific predictive factors.

For cash in banks, the Company recognises impairment for expected credit losses by applying the Standardized Approach and the credit rating of the financial institutions in which the Company has deposited its cash is used to determine the loss from non-performance in the model parameters.

At each reporting date, the Company sets the depreciation value for each instrument to the amount equal to the expected lifetime losses, if the credit risk for that instrument has increased significantly since the initial recognition.

In the event that the credit risk for a financial instrument has not increased significantly since the initial recognition at the reporting date, the impairment for that financial instrument is equal to the expected 12-month credit losses.

4.12.2. Financial liabilities

Initial recognition, classification and measurement

The Company recognises a financial liability in the separate statement of financial position only when it becomes a party to contractual terms of the financial instrument.

Upon initial recognition, financial liabilities are classified as: “Financial liabilities subsequently measured at amortised cost” (loans and borrowings, trade and other payables), or “financial liabilities at fair value through profit or loss”.

Initial recognition occurs at the settlement date and is carried at fair value plus, in the case of financial liabilities that are not carried at fair value through the profit or loss, directly attributable to the acquisition or issue of the financial liability. Loan management fees are deferred over the borrowing period using the effective interest method and are included in the amortised cost of the loans.

The financial liabilities of the Company include loans, trade and other payables, and payables to related parties.

According to their repayment term, financial liabilities are classified as long-term and short-term.

Subsequent measurement

The subsequent measurement of the financial liabilities depends on their classification as disclosed hereafter:

Financial liabilities carried at fair value in profit or loss

Financial liabilities carried at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon their initial recognition at fair value through the profit or loss.

Financial liabilities are classified as held for trading if they have been made with the purpose of re-purchasing in the foreseeable future.

Profits or losses from liabilities held for trading are recognised in the separate statement of profit or loss and other comprehensive income.

Financial liabilities designated at their initial recognition at fair value through profit or loss are determined at the initial recognition date, only if the criteria in IFRS 9 are met.

The Company has not designated financial liabilities as reported at fair value in the profit or loss.

Financial liabilities measured at amortised cost

The category 'financial liabilities at amortised cost' includes borrowings, trade payables and other payables where the Company has become a party to a contract or an agreement and shall be settled in net cash. This category has the most significant share for the Company's financial instruments and for the Company itself as a whole.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is calculated, taking into account any discount or premium upon acquisition, also fees or expenses that are an integral part to the effective interest rate. Expenses (calculated using the effective interest method) is included as financial expense in the separate statement of profit or loss and other comprehensive income in line "Financial expenses".

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

On initial recognition, trade payables are recognised at nominal value and subsequently measured at amortised cost, net of all payments for debt settlement.

Dividends payable to the sole shareholder are recognised when the dividends are approved by the General Assembly.

Derecognition

The Company derecognises a financial liability only when it settles (fulfils) the obligation, the liability expires or the creditor waives its rights.

When an existing financial liability is replaced by another from the same lender under completely different conditions, or the conditions of the existing obligation are significantly changed, such a replacement or a change shall be treated as disposal of the initial obligation and recognition of a new liability. The difference in the respective carrying amounts is recognised in the separate statement of profit or loss.

The difference between the financial liability carrying amount, either settled or transferred to another party, and what was paid for the settlement, including money and transfer of non-monetary assets, is recognised in the profit or losses for the period.

Compensation of financial instruments

Financial assets and financial liabilities are compensated and the net amount is accounted in the separate statement of financial position in case there is an acting legal right to compensate recognised amounts and the Company intends to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.13. Inventories

Inventories include materials, work-in-progress, and goods. Cost of inventories includes all expenses directly attributable to the purchase or manufacturing process, recycling and other direct expenses connected to their delivery as well as suitable portions of related production overheads, based on normal operating capacity. Financial costs are not included in the cost of inventories. At the end of each reporting period, inventories are carried at the lower of cost and net realisable value. The amount of any impairment of inventories to their net realisable value is recognised as an expense in the period of impairment.

The net realisable value is the estimated selling price of inventory less the estimated cost of completion of the production cycle and the estimated cost of sales. If the inventories have already been impaired to their net realisable value and in a subsequent reporting period the impairment conditions are no longer present, the new net realisable value of the inventory is adopted. The amount of the reversal is limited to the carrying amount of inventory, prior to the impairment. The amount of reversal of inventory is treated as a decrease in the cost of inventory for the period in which the reversal occurs.

The Company estimates the cost of inventories by using the weighted average method.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the respective earning is recognised.

Nuclear fuel

The fuel loaded into the reactors as at the reporting period represents the remaining value (residual life) of nuclear fuel loaded during the current fuel campaign and is presented in the report as works-in-progress, part of the "Inventories" section.

Calculations for determining the cost of nuclear fuel are based on the well-established Methodology for Reporting Supplies, Stock and Cost of Fresh Nuclear Fuel, in Kozloduy NPP EAD, taking into account the value of fresh nuclear fuel, loaded in the respective fuel campaign, and the estimated fuel component, which is determined by dividing the value of the nuclear fuel loaded in the reactor by the estimated electric power, generated in the period, in kWh. The product of the gross energy, generated by the respective unit for the fuel campaign, and the fuel component represents the costs of nuclear fuel for the respective period.

4.14. Income tax

The tax expenses, recognised in profit or loss, comprise the amount of deferred tax and the amount of current tax that were not recognised in other comprehensive income or directly in equity.

Current tax assets and/or liabilities are those liabilities to, or receivables from, the tax authorities for the current or prior reporting periods, which have not been paid as at the date of the separate financial statements. Current tax is payable on taxable profit, which differs from profit or loss disclosed in the financial statements. Current tax calculations are based on the tax rates and the tax legislation in force as of the reporting date.

In connection with the adopted amendments to the Corporate Income Tax Act, published in State Gazette No. 106 of 22 December 2023 pursuant to the new Part Five "a" Articles 260a to 260aa effective from 01 January 2024, the Company, as part of a large national group of companies with an annual revenue exceeding EUR 750,000 thousand, is obliged to report an additional tax. At the end of 2023, amendments to the Corporate Income Tax Act were adopted, effectively introducing a global minimum corporate income tax of 15% on multinational and large national groups of companies as of 01 January 2024, in accordance with the conditions set out in the Corporate Income Tax Act. Due to the size of the business of the Bulgarian Energy Holding EAD (BEH) Group, to which the Company belongs, it is expected to be subject to additional corporate income tax under the changes to the Corporate Income Tax Act effective as of 01 January 2024. The new rules in the Corporate Income Tax Act introduce the following types of taxation:

- ✓ Surtaxation, which is primary taxation of parent companies and secondary taxation;
- ✓ National surtax.

The surtaxation (primary and secondary taxation) is the main mechanism of the OECD Directive and Rules through which the minimum global corporate tax is introduced. National surtaxation is an option that Bulgaria has availed itself of in order to preserve its fiscal interest and to practically receive the new surtax from the constituent entities that are taxable entities under the Corporate Income Tax Act. The amendments adopted increased income tax costs effectively by BGN 7,491 thousand in the financial 2025 (BGN 4,634 thousand in 2024).

Deferred tax is calculated using the liability method on temporary differences between the carrying amount of the assets and of the liabilities, and their tax bases. Deferred tax is not provided on the initial recognition of an asset or liability, unless the respective transaction affects the taxable profit or the accounting profit.

Deferred tax assets and deferred tax liabilities are not discounted. They are measured at the tax rates that are expected to apply in the reporting period when the deferred tax asset and deferred tax liabilities are realised, provided that they are in force, or it is certain that they will come into effect in the end of the reporting period.

Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised only when it is probable that they will be able to be utilised against future taxable income. For management's assessment of the probability of future taxable income to utilize against deferred tax assets, see note 4.20.8.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or in deferred tax liabilities are recognised as a component of the tax income or expense in profit or loss, except where they relate to items recognised in other comprehensive income or directly in equity, in such case, the related deferred tax is also recognised in other comprehensive income or in equity, respectively.

4.15. Cash and cash equivalents

Cash and cash equivalents are comprised of the available cash in hand, cash at banks, current deposits, and short-term (up to 12 months) deposits.

4.16. Equity, reserves, and dividend payment

The share capital of the Company reflects the nominal value of the issued shares.

In accordance with the Commercial Act, statutory reserves are formed from profit distributions.

Revaluation surplus of non-financial assets is formed based on the difference between the carrying amount of assets arising from property, plant and equipment, and their fair value at the revaluation date, less the respective deferred tax liability.

The defined benefit plans revaluation surplus includes actuarial gains or losses occurring when determining the amount of liabilities related to old age and contributory service retirement benefits.

The other reserves are formed from profit distributions in accordance with the decisions of the sole owner.

Retained earnings include the current financial result and accumulated profit as well as uncovered losses from previous years.

Liabilities to pay dividends to the sole shareholder are included under “Related parties’ payables” in the separate statement of financial position when dividends are approved for distribution by the sole shareholder before the end of the reporting period.

All transactions with the Company’s owner are presented separately, in the separate statement of changes in equity.

4.17. Retirement and short-term employee benefits

The Company reports current liabilities under compensated absences, arising from unused annual paid leaves, in cases when these leaves are expected to be used within 12 months after the end of the reporting period during which the employees have provided labour, related to those leaves. Short-term obligations to employees include wages, salaries, and social security contributions.

The Company must provide its personnel with retirement benefits calculated in accordance with the defined benefit plans and defined contribution plans.

Defined contribution plans are retirement plans, under which the Company pays fixed contributions to independent entities. The Company has no other legal or contractual obligations after the payment of fixed contributions. The Company pays fixed contributions under government (state) programmes and retirement contributions for its employees in respect of the defined benefit plans. The Government of the Republic of Bulgaria is responsible for the provision of pensions under defined contribution plans. The expenses relating to the Company’s obligation to pay contributions under defined benefit plans are recognised currently, in profit or loss, in the period in which the respective services are received by the employee.

Plans that do not meet the definition of defined contribution plans are identified as defined benefit plans. Defined benefit plans are retirement plans used to determine the amount of money an employee will receive upon retirement taking into consideration the employee’s years of service and based on the last remuneration received. The legal liabilities for defined benefit payments remain liabilities of the Company.

In accordance with Art. 222, para. 3 of the Labour Code (LC) in Bulgaria and the Collective Labour Agreement (CLA), the Company, as an employer, is obliged to pay its employees a certain number of gross monthly salaries upon retirement. The number of these gross monthly salaries depends of the years of service and the labour category as follows:

In accordance with Art. 222, para. 3 of the Labour Code, after an employee has obtained the right to retirement, based on his/her years of contributory services and age, the Company is obliged to pay him/her one-off compensation in the amount of two gross salaries. In the event that the employee has worked for the Company for at least 10 (ten) years and has received a notification of the CLA that he/she has obtained the right to retirement based on his/her years of contributory service and age under Art. 68 or Art. 69 (b) of the Code of Social Insurance, and terminated his/her employment contract within two months from the date of the notification of the right to retirement for contributory service and age, this employee acquires on a one-off basis the right to increased amount of the compensation under Art. 222, para. 3 of the LC.

In accordance with Art. 50 of the Collective Labour Agreement, effective after 01 January 2025, when employment relations are terminated (on the grounds of Art. 325, para. 1, item 9 and Art. 327, para. 1, item 1 of the Labour Code), the employee or worker who is a party to the CLA is entitled to compensation as per Art. 222, para. 2 of the Labour Code, amounting to his/her gross labour remuneration, provided that he/she has at least 5 (five) years length of service and over the last 5 (five) years the employee, or the worker has not received any compensation on such grounds, and if he/she has not acquired the right to pension for contributory service and age under Art. 68 of the Code of Social Insurance, as follows:

- Between 5 and 10 years of service at Kozloduy NPP EAD – for 10 months;
- Between 10 and 15 years of service at Kozloduy NPP EAD – for 12 months;
- Between 15 and 20 years of service at Kozloduy NPP EAD – for 14 months;
- Between 20 and 25 years of service at Kozloduy NPP EAD – for 16 months;
- Between 25 and 30 years of service at Kozloduy NPP EAD – for 18 months;
- Over 30 years of service at Kozloduy NPP EAD – for 20 months.

In accordance with Art. 52, para. 1of the Collective Labour Agreement, an employee or worker who has worked for at least 10 years at Kozloduy NPP, who terminated his/her employment contract within two months from the date of notification of the acquired right to retirement for contributory service and age, acquires on a one-off basis the right to increased amount of the compensation under Art. 222, para. 3 of the LC. This compensation is determined by multiplying the number of years and full months of service at Kozloduy NPP EAD under Labour Category 1 by 1.66, plus the number of years and full months of service at Kozloduy NPP EAD under Labour Category 2 multiplied by 1.25, plus the number of years and full months of service at Kozloduy NPP EAD under Labour Category 3. The result is then multiplied by a coefficient of 1.0.

The retirement-defined employee benefit plan is not funded.

The liabilities, recognised in the separate statement of financial position, relating to defined benefit plans, represent the present value of the liabilities to pay defined benefits as at year-end.

The Company's Management estimates the liability under defined benefits, on an annual basis, with the help of an independent actuary, using the estimated credit units method. The estimates of such liabilities are based on standard inflation rates, estimated personnel turnover, and mortality. Future salary increases are also taken into account. Discounting factors are determined at each year-end with consideration made of the yield of government securities that are denominated in the currency in which the benefits will be paid and have maturity approximating the maturity of the related pension obligations.

Actuarial gains and losses under defined benefits are recognised in other comprehensive income in the period of their occurrence.

When employment relations are terminated due to illness, the retiring worker or employee is entitled to compensation, payable by the Company in accordance with Art. 222, para. 2 of the LC and the CLA, to the amount of his/her employment remuneration, given that he/she has at least 5 (five) years of service at Kozloduy NPP EAD and over the last 5 (five) years prior to retirement he/she has not received any compensation on these grounds.

Actuarial gains or losses associated with estimating the obligations under long-term retirement employee benefits due to illness are recognised in profit or loss for the period.

Interest expenses, relating to retirement (pension) liabilities are included in the separate statement of profit or loss and other comprehensive income, under "Finance costs". All other expenses incurred in respect to retirement remunerations are included under "Employee benefit expenses".

The current employee benefits, also including the entitled leaves, are included in current liabilities, under "Trade and other payables", at the non-discounting amount that the Company expects to pay.

4.18. Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. The maturity or the amount of the cash outflows may be uncertain. Present obligations arise from legal or constructive obligations as a result of past events, for instance – decommissioning of nuclear facilities, legal disputes, or onerous contracts. Restructuring provisions are recognised only if a detailed formal restructuring plan has been developed and implemented, or the management has at least announced the plan's main features to those affected by it. Provisions for future operating losses are not recognised.

The amount recognised as provision is calculated based on the most reliable estimate of the expenses required to settle a present obligation at the end of the reporting period, taking into account the risks and uncertainties, associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted when the effect of the temporary differences in the value of money is significant.

Any reimbursement that the Company can be certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at the end of each reporting period and their amounts are adjusted to reflect the best estimates.

Liabilities are not recognised when an outflow of resources embodying economic benefits are regarded as highly unlikely to arise as a result of a current liability. Contingent liabilities should be subsequently measured at the higher value between the comparable provision described above and the initially recognised amount, less the accumulated amortisation.

Probable inflows of economic benefits which do not currently meet the criteria to recognise assets, are regarded as contingent assets.

4.19. Estimates, which are of significant importance in applying the Company's accounting policy. Key best estimates and assumptions with high level of uncertainty

4.19.1. Useful life of depreciable assets

The financial reporting of property, plant and equipment and of intangible assets includes the use of estimates of their expected useful life and residual values, based on the best estimates of the Company's Management. As at 31 December 2025, the Management determined the useful life of assets - that being the expected period of the assets' use by the Company. The carrying amount of property, plant and equipment is analysed in Note 5, and the carrying amount of intangible assets is analysed in Note 6.

4.19.2. Revenue from contracts with customers

When recognising revenues under contracts with customers, the Management makes various estimates, best estimates, and assumptions which influence the reported revenues, costs, and contractual assets and liabilities. The key estimates and assumptions having substantial effect on the amount and term for recognition of revenues from contracts with customers are disclosed in Note 23.

4.19.3. Fair value measurement of financial instruments and non-financial assets

The Company determines the fair value of financial instruments and of non-financial assets, based on the available market information, or if such is not available - by appropriate valuation models. The fair value of financial instruments that are actively traded on organised financial markets is determined based on the quoted, as at the end of the reporting period's last working day, "buying" prices. In the absence of an active market, the management uses reports of independent certified appraisers and employs various techniques to measure the fair value of financial instruments and non-financial assets. When applying these measurement techniques, the management uses at maximum the market data and assumptions which the participants would consider in measuring a financial instrument or non-financial asset. In the absence of applicable market data, the management uses its best estimate of the assumptions which the market participants would employ. These valuations may differ from the actual prices which would be determined at a fair market transaction between well-informed and willing parties at the end of the reporting period.

The Company subsequently accounts for major groups of property, plant and equipment, investment properties at revalued amounts, and financial instruments at fair value through other comprehensive income using reports of independent external appraisers in determining their fair value. In connection with a decision by the Board of Directors of Kozloduy NPP EAD regarding a non-cash contribution (contribution of land) to the capital of Kozloduy NPP - New Build EAD, an appraisal of the land has been conducted by three independent appraisers appointed by the Registry Agency, pursuant to Art. 72, para 2 of the Commercial Act. Detailed information about the revaluation, employed valuation methods, basic assumptions and estimates used in determining the fair value is disclosed in Note 5 and Note 6.

The Management believes that the fair values of property, plant and equipment, and investment property, as well as of financial instruments, including cash and cash equivalents, trade and other receivables, granted and obtained loans, trade and other payables, and other financial assets, do not differ from their carrying amounts, especially if they are of current nature, or if the applicable interest rates fluctuate according to the market conditions.

4.19.4. Inventories

Nuclear fuel

Calculations of the inventories' value are based on the approved Methodology for Reporting Supplies, Reloads, and Cost of Fresh Nuclear Fuel at Kozloduy NPP EAD, taking into account the cost of loaded fresh nuclear fuel during the respective fuel cycle and estimated fuel component determined by dividing the cost of the nuclear fuel loaded into the reactor by the estimated electric power generated throughout the period, in kWh. The product of the gross energy, generated by the respective unit for the fuel campaign, and the fuel component represents the costs of nuclear fuel for the respective period.

Measurement

According to the Company's accounting policy inventories are subsequently measured at the lower of cost and net realisable value. Regardless of the fact that the accounting policy allows for the use of different methods for subsequent measurements, the Company assigns those measurements to a professional independent appraiser.

Inventories held with a view to being used in production are not impaired below their cost if the finished products into which they are used are expected to be sold at or above their cost.

Inventories, of carrying amount as at 31 December 2025 of BGN 179,335 thousand (31 December 2024: BGN 170,855 thousand), are measured at the lower of the original cost and its net realisable value. To measure the net realisable value, the management considers the most reliable information at hand as at the estimation date and uses the reports of independent certified appraisers for the slow moving or idle inventories. When determining the net realisable value and, accordingly, the need for impairment, the Company's management, assisted by its experts, reviews the physical condition of the inventories, in particular the specific spare parts, the period of their turnover, their purpose, circumstances regarding change or impossibility of putting them into service or using them as intended. In addition to the internal analysis, the Company's management also relies on results obtained by independent experts. For the measurement as at 31 December 2025, a replacement cost method was applied based on determining all direct and indirect costs for replacement of an identical object or asset, taking into account the various types of obsolescence (physical deterioration, functional obsolescence, economic obsolescence). Replacement cost reflects all the accompanying direct and indirect costs of acquiring assets (specific spare parts) that would be incurred by a market participant designing an equivalent modern asset. The measured cost of the equivalent is subject to adjustment for ageing and degradation to reflect the decreased amount in terms of its physical condition, functionality and economic benefit. The calculations are based on the assumption that the spare parts cost no more than replacing them with new ones with identical or as close as possible functions, technical and economic parameters to those of the measured asset. Upon analyses and assessments and comparison between the net realisable value and their carrying amount at the end of the reporting period, the Company's management has recognised impairment loss in the amount of BGN 3,421 thousand and repaired impairment from previous reporting periods in the amount of BGN 1,786 thousand.

4.19.5. Pension and other employee obligations

Defined benefit plans obligations are determined based on actuarial valuations. Those valuations require certain assumptions to be made regarding the discounting rate, future increase in salaries, personnel's turnover, and mortality rates. Due to the long-term nature of the liabilities for retirement benefits, these assumptions are subject to substantial uncertainty. As at 31 December 2025, the Company's liabilities for retirement benefits recognised in the separate statement of financial position amounted to BGN 156,783 thousand (31 December 2024: BGN 142,347 thousand). Additional information on the liabilities for retirement benefits is disclosed in Note 18.

4.19.6. Impairment of investments in subsidiaries, intangible assets, investment properties, and property, plant and equipment

The amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is higher than the respective fair value net of all costs of disposal of the asset and its value in use, is recognised as impairment loss. When determining the value in use, the Company's Management calculates the expected future cash flows for each cash-generating unit and determines appropriate discounting factor in order to calculate the present value of these cash flows. In calculating the estimated future cash flows, the Management employs certain assumptions regarding the future gross profits. These assumptions are related to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets within the next reporting period. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

As at 31 December 2025, the Company did not report impairment losses for investments in subsidiaries (the reported impairment in 2024 is BGN 79 thousand.) Information is presented in Note 7.

4.19.7. Impairment of loans and receivables

Recognition and measurement of expected credit losses from debt instruments measured at amortised cost

Approach to impairment of cash at banks

Cash and cash equivalents are the most liquid financial instruments. They are not carriers of settlement risk, and the liquid risk they carry is limited to the technical capability for a specific disposition of the latter not to be settled. Cash deposits at banks are, however, carriers of credit risk from contractors (settlement risk). The risk from contractors represents the probability for the failure of the other party to a financial transaction to fulfil its contractual obligations. The Company applies the standardised approach to the calculation of expected credit losses of cash at banks using, as a model parameter, the credit rating of the financial institutions where the Company has deposited its cash to measure the settlement loss. As at 31 December 2025, the Management's best estimate on the expected credit losses of cash at banks amounted to BGN 1,034 thousand (31 December 2024: BGN 1,211 thousand) (Note 14).

Approach to impairment of short-term trade and other receivables and receivables from related parties

The Company applies a simplified approach to the calculation of expected credit losses for trade receivables which do not contain a financing component.

For the purpose of determining the expected credit losses, customer modelling is performed at the industry level. Modelling is the intrinsic representation of the financial risk the customers carry to the Company.

The expected credit losses are calculated for every single receivable (invoice, interest list, etc.) binding a contractor, adjusted on the basis of delinquent days and standard payment cycle on behalf of the contractor. The average number of delinquent days per customer is determined based on historical data for the period of repayment of receivables from customers. The retrospective review covers a period of 3 to 5 years.

For the purpose of calculating the expected credit losses, for financial assets resulting from contracts with energy sector contractors, the Company has identified additional risk. Thus, trade receivables resulting from the above contractors are considered receivables of higher risk.

Additional risk is identified based on historical data on the collectability of the Company's receivables from contractors of the above industry, including poor financial position, liquidity problems, and other challenges concerning mostly electricity traders.

The risk factors identified in this manner are considered indications of a possible increase of the credit risk. The quantitative effect of increase in credit risk for energy sector contractors is determined based on the establishment of an additional sector, "High Risk Energy", where the "specific risk" component has been added to be used for determination of the discounting rate which is used to measure impairment. The assessment of the ratio between the historical data on default, estimated economic conditions, industrial sector risk assessment and the amount of expected credit losses represents a substantial estimate. Information about the impairments of the Company's expected credit losses is presented in Note 12. As at 31 December 2025, the management's best estimate of expected credit losses from receivables from related parties is presented in Note 33.

Approach to impairment of granted loans, trade receivables, and receivables from related parties containing a financing component

The Company applies an separate approach to impairment of receivables containing a financing component and granted loans. The impairment model is based on the cash flows negotiated in the conditions of the relevant financial instrument as well as the assumptions and estimates concerning expected cash flows and realisability of the financial asset which has been adopted by the management for the preparation of the financial statements.

Expected credit losses are a probability-weighted assessment of credit losses (i.e., the present value of each shortage of money) over the expected term of the financial instrument. Cash deficit is the difference between the cash flows payable to the Company in accordance with the contract and the cash flows that the Company expects to receive. As the expected credit losses account for the amount and timing of payments, an expected credit loss is recognised even if the Company expects the asset to be fully paid but later than the due date.

Based on the characteristics of the asset and contractor, it is possible for the expected future cash flows from the asset to differ significantly from the contractual ones. This would result in significant levels of the expected credit losses from the asset.

As at each year-end, a review of the expected future cash flows from each specific asset is performed.

Approach to impairment of receivables from litigations

In case the Company takes legal actions to collect its receivables, the latter are to be classified as litigation receivables. This type of receivables is characterised by total delinquency, i.e., refusal or incapacity of the Customer to settle its obligation. Thus, regardless of any court decisions and initiated executive procedures, collectability of those receivables and expected future incoming cash flows, respectively, are low, while the probability of delinquency has already occurred in respect of the original asset, i.e., equals 100%.

The expected credit losses represent the sum of the expected credit losses for each litigation receivable, based on the historical collectability of this asset class. Further information is disclosed in Note 12.

4.19.8. Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the transfer of any unused taxable losses and credits. The tax rules in the different jurisdictions in which the Company operates are also taken into account. If the reliable estimate of taxable income implies the probable use of a deferred tax asset, especially in cases when the asset can be used without any time restrictions, the deferred tax asset is recognised in full. Recognition of deferred tax assets that are subject to certain legal or economic limits, or uncertainty, is assessed by the management on a case-by-case basis, taking into consideration the specific facts and circumstances.

4.19.9. Provisions

Provision for transport, processing and storage of spent nuclear fuel

In accordance with the effective "Strategy for Management of the Spent Nuclear Fuel and Radioactive Waste until 2030", adopted by a decision of the Council of Ministers on 02 September 2015, the Company is obliged to transport at least 50 tons of heavy metal annually spent nuclear fuel (SNF) for reprocessing and storage in Russia, in the presence of favourable financial and economic conditions.

In 2018, Framework Annex to the Contract for the transportation, temporary technological storage and reprocessing in Russia was signed between Kozloduy NPP EAD and FSUE "Production Association Mayak", Russia, in agreement with Euratom Supply Agency, Luxembourg. Taking into account the lengthy nature of the preparatory activities for SNF transportation, including organisational and technical measures, preparation of the required documentation, obtaining of certificates and permits, a new scheme was established for the transport of WWER-1000 SNF. The first shipment using the above-mentioned scheme took place in December 2020, and the earmarked funds provisioned in 2018 for SNF management were used for its funding. Two more shipments funded by provisions set aside for 2019 and 2020 were executed prior the outbreak of the military conflict between Russia and Ukraine in 2022; since then, the shipment of spent nuclear fuel has been suspended.

In view of the transportation that did not take place during the year and the obligations arising from the Strategy for SNF and RAW Management, in order to provide the necessary funding to fulfil future commitments, in the current expenses for 2025 the Company has recognised costs for provision of BGN 32,244 thousand for the transportation of spent nuclear fuel for technological storage and reprocessing. As at 31 December 2025, the provision for transport, reprocessing and storage of SNF is BGN 145,082 thousand. The amount of the provision represents the best estimate of the costs of transporting spent nuclear fuel; it has been calculated in accordance with the rules set forth in the current Accounting Policies of Kozloduy NPP EAD, as well as the requirements and criteria of International Accounting Standard 37 “Provisions, Contingent Liabilities, and Contingent Assets.” Funds for spent nuclear fuel management are set aside in special accounts of the Company, opened under terms approved by the Minister of Energy, who also exercises control over their expenditure. The funds that are set aside from the available cash resources of Kozloduy NPP EAD are blocked and not available to affect any other payments beyond their purpose. They can be are spent purposefully only to cover spent nuclear fuel management costs, including activities related to transportation, technological storage and reprocessing of SNF that were not carried out in previous years.

The draft of Updated Strategy (National Programme) for the Management of Spent Nuclear Fuel and Radioactive Waste in conformity with Directive 2011/70/Euratom (https://www.me.government.bg/uploads/manager/source/VOP/strategii_politiki/otraboteno_q_gorivo/Draft_Strategy.pdf) states that according to the contract for technological storage and reprocessing of SNF from WWER-440 at FSUE “Production Association Mayak”, the return of vitrified high level waste (HLW) will be carried out under a separate contract. The same approach will be used for the radioactive waste generated from the reprocessing of WWER-1000 SNF in the same plant. The return of the vitrified HLW is planned to take place at least 10 years after reaching an agreement on the Methodology for determining the quality and characteristics of the returned HLW generated from WWER-440 and WWER-1000 SNF.

The return of the vitrified HLW from the reprocessing of WWER-1000 SNF in FSUE MCC (Mining & Chemical Combine) shall be performed under a separate contract that has to be signed after 25 years of storage of SNF at the reprocessing plant. The HLW specific volume and characteristics will be determined according to a coordinated between the two parties Methodology for determining the quality and the characteristics of the returned HLW that conforms to the international practice. The methodology is expected to be agreed no later than 2030.

Provision for decommissioning of nuclear facilities

In compliance with the requirements of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, provisions must be recognised in respect of future amounts with uncertain timing and amount. Provisions are recognised only if the following conditions are met:

- The entity has a present liability, arising from a past event;
- It might be possible that an outflow of economic resources of the Company is required to settle the liability; and
- The liability can be reliably estimated.

Based on the requirement of the standard for the “reliable estimates” concept, the Company did not accrue expenses for provisions for “decommissioning of nuclear facilities” and for “safe storage of the spent nuclear fuel’, for the following reasons:

- The Company is subject to specific regulations - the Safe Use of Nuclear Energy Act, Regulations on Pricing and Decrees for Funds Raising for the Radioactive Waste Fund (RAWF) and the of Nuclear Facilities Decommissioning Fund (NFDF) issued by the Council of Ministers. In accordance with the requirements of these statutory acts, current expenses for contributions due to those funds, which are transferred to budget accounts, are accrued in the separate statement of profit or loss and other comprehensive income. In compliance with the matching principle of revenues and expenses, an expense up to the amount of the due contributions to the NFD Fund and RAW Fund is recognised in the price of electricity on the regulated market, as defined by the EWRC;

- In connection with the agreements with the European Commission for early closure of Units 1 to 4, the State has agreed funding from external sources for the construction of dry spent fuel storage facility (DSFSF), and to cover the expenses, incurred for salaries and social security contributions of the personnel, employed on Unit 3 and Unit 4, as well as other financing;
- Pursuant to Decision No. 839 of the Council of Ministers, in December 2008 the assets in Unit 1 and Unit 2 were transferred for free from Kozloduy NPP EAD to SE RAW, Sofia, whose principal activity is "decommissioning". By Decision No. 1038 of the Council of Ministers dated 19 December 2012, the Kozloduy NPP EAD Units 3 and 4 were declared radioactive waste management facilities and their management was transferred to SE RAW. On 01 March 2013 the assets belonging to Units 3 and 4 together with the respective personnel were transferred to SE RAW.

According to the regulatory requirements, when the implementation of the decommissioning project proves to be more expensive than the estimates of the expenditures approved by the Management Board of the Nuclear Facilities Decommissioning Fund, the required additional costs shall be covered by the entity which last operated the nuclear facility (in this case, Kozloduy NPP). Since as at the date of approval of the separate financial statements no estimate of the forecast costs of the project has been made by the Nuclear Facilities Decommissioning Fund, the Company is unable to estimate reliably the obligation and has not recognised a provision for decommissioning of nuclear facilities as at 31 December 2025 and 31 December 2024.

4.20. Climate-related matters

Kozloduy NPP whose motto is "Clean energy" play a significant role in combating climate change and making a real contribution to achieving environmental decarbonisation goals. The NPP electricity generation generates practically no greenhouse gases and makes a significant ecological contribution to environmental protection. Since the commissioning of Kozloduy NPP Unit 1 until the end of 2025, the nuclear power plant has generated 730,941,705 MWh of electricity. This has prevented the release of thousands of tons of CO2 emissions into the environment. Greenhouse gas emissions are formed in the atmosphere as a consequence of the operation of diesel generators and diesel pumps, designed to provide emergency power supply for Kozloduy NPP safety systems. Their total amount in 2025 amounted to around 439 tons. Compared to the conventional TPPs using coal, in 2025, Kozloduy NPP prevented the adverse impact of emissions of about 17 mln tons of CO2, about 34 thousand tons of SO2, 11 tons of NOx, and 500 tons of ashes containing natural radioactivity.

Kozloduy NPP's responsibility encompasses all initiatives with a positive impact on communities and the environment that create value for the territory the Company operates in. The cooperation with local institutions and economic enterprises is at the core of the process of optimising sustainable development, and through reports, studies and projects, the Company actively participates in and strengthens its support for a greener society.

Risks caused by climate change may have future adverse effects on the Company's activity. These include risks associated with the transition and the Company's ability to implement new regulatory requirements, risks associated with reputation and physical risks (even if the risk of physical damage is low due to the Company's activity and geographic location).

A detailed disclosure of the Company's climate change objectives, responsibilities and commitments is provided in the Non-financial Information of the Company, which forms part of the annual management report. In addition, the Company is required to report and disclose information pursuant to Article 8 of the Taxonomy Regulation 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and the relevant delegated regulations, which disclosure is annexed to the Annual Management Report for the reporting period.

5. Property, plant and equipment

The carrying amounts of the property, plant and equipment for the reporting period can be analysed as follows:

	Lands and buildings	Machines, plant, and equipment	Transport vehicles	Fixtures and other assets	Acquisition costs	Right-of-use assets	Total
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Balance at 01 January 2025	**633,682**	**1,882,667**	**13,669**	**73,106**	**288,890**	**1,281**	**2,893,295**
Additions	-	-	-	-	241,141	-	241,141
Transfers	1,211	137,474	831	401	(139,917)	-	-
Revaluation recognised in equity	650,711	-	-	-	-	-	650,711
Disposals	(651,126)	(38,150)	(25)	(212)	(5,487)	-	(695,000)
Reclassification to intangible assets and investment properties	(1,189)	-	-	-	(2,029)	-	(3,218)
Balance at 31 December 2025	**633,289**	**1,981,991**	**14,475**	**73,295**	**382,598**	**1,281**	**3,086,929**
Depreciation							
Balance at 01 January 2025	**-**	**(71,330)**	**-**	**(67,390)**	**-**	**(120)**	**(138,840)**
Depreciation	(13,619)	(181,281)	(1,914)	(1,084)	-	(323)	(198,221)
Disposals	-	37,333	7	211	-	-	37,551
Balance at 31 December 2025	**(13,619)**	**(215,278)**	**(1,907)**	**(68,263)**	**-**	**(443)**	**(299,510)**
Carrying amount at 31 December 2025	**619,670**	**1,766,713**	**12,568**	**5,032**	**382,598**	**838**	**2,787,419**
Carrying amount							
Balance at 01 January 2024	**467,635**	**1,979,887**	**11,619**	**70,264**	**238,172**	**910**	**2,768,487**
Additions	-	-	-	21	188,476	1,077	189,574
Transfers	2,171	118,671	4,494	3,212	(128,548)	-	-
Disposals	-	(14,811)	(34)	(391)	(6,530)	(706)	(22,472)
Reclassification to intangible assets	-	-	-	-	(2,680)	-	(2,680)
Revaluation recognised in equity	198,594	312,603	1,974	-	-	-	513,171
Impairment recognised in equity	(15)	(9,119)	-	-	-	-	(9,134)
Impairment recovered in profit or loss	893	376	119	-	-	-	1,388
Write-off of depreciation on revaluation	(35,596)	(504,940)	(4,503)	-	-	-	(545,039)
Balance at 31 December 2024	**633,682**	**1,882,667**	**13,669**	**73,106**	**288,890**	**1,281**	**2,893,295**
Amortisation							
Balance at 01 January 2024	**(23,625)**	**(403,149)**	**(2,835)**	**(65,421)**	**-**	**(629)**	**(495,659)**
Depreciation	(11,971)	(187,625)	(1,702)	(2,359)	-	(197)	(203,854)
Disposals	-	14,504	34	390	-	706	15,634
Write-off of depreciation on revaluation	35,596	504,940	4,503	-	-	-	545,039
Balance at 31 December 2024	**-**	**(71,330)**	**-**	**(67,390)**	**-**	**(120)**	**(138,840)**
Carrying amount at 31 December 2024	**633,682**	**1,811,337**	**13,669**	**5,716**	**288,890**	**1,161**	**2,754,455**

The Company has contractual obligations to acquire assets to the amount of BGN 194,847 thousand until the end of 2030, and the 2026 alone these amount to BGN 114,650 thousand. Additional information on the Company's capital commitments is disclosed in Note 36, Commitments and Contingent Liabilities.

Acquisition costs of long-term tangible assets

As at 31 December 2025, the acquisition costs of long-term tangible assets amounted to BGN 382,598 thousand and were mainly related to:

- Activities to upgrade systems related to Units 5 and 6 life extension. In compliance with the Company's Investment Programme the accumulated costs in 2025 related to these activities amount to BGN 51,959 thousand;
- Supply of pneumatic cylinders and isolating pneumatic valves for Unit 5 and 6 to the amount of BGN 35,639 thousand;
- Activities related to the upgrade of the Reactor Control, Surveillance, and Limitation System, Automatic Rod Control System, and Reactor Power Cutback System of Units 5 and 6 to the amount of BGN 25,582 thousand;
- Activities related to the Units 5 and 6 I&C Systems Modernisation have incurred cumulative expenses amounting to BGN 38,906 thousand;
- Activities related to the Rod Control System Modernisation amounting to BGN 16,043 thousand;
- Safety justification and modifications to structures, systems and components during the transition to a new type of nuclear fuel, incl. bringing the Updated Safety Analysis Report in compliance for the transition to a new type of nuclear fuel to the amount to BGN 12,984 thousand;
- Supply and installation of safety and check valves at Units 5 and 6 to the amount of BGN 7,543 thousand;
- Activities related to improvement of the infrastructure and buildings have incurred cumulative expenses amounting to BGN 7,486 thousand;
- Activities related by the protection against airborne threat and the notification systems have incurred cumulative expenses amounting to BGN 7,544 thousand;
- Measures to enhance nuclear safety and security for which expenditure amounting to BGN 6,701 thousand was incurred in 2025;
- Other projects to improve the power generation efficiency in the Company for which expenditure in 2025 amounted to BGN 4,332 thousand.

As at 31 December 2025, the advance payments for acquisitions of long-term assets amounted to BGN 24,300 thousand (31 December 2024: BGN 36,142 thousand) which are included in the acquisition costs of long-term tangible assets to the amount of BGN 382,598 thousand.

Review for revaluation

In accordance with the Company's accounting policies, property, plant and equipment are revalued once every three years, or at shorter intervals, if there are data indicative of significant changes in market values. Fair value measurement was carried out as at 31 December 2024 pursuant to the requirements of IAS 16 and IFRS 13 by the independent certified appraiser Engineeringservice Sofia OOD. The date of the appraisal report is 31 March 2025.

In accordance with IFRS 13 "Fair Value Measurement", when measuring the fair value of non-financial assets, the ability of a certain market participant to generate economic benefits through using the asset with the purpose of maximising its value or through selling the asset to another market participant who will use it that way is considered. The assets of Kozloduy NPP EAD that were covered by the review for revaluation are strongly specific, specifically identified and related to the activity of generating electricity from nuclear fuel. These circumstances severely limit or prevent the alternative use of a considerable portion of the assets. I.e., other use by market participants is rather unlikely and, therefore, it is not practically possible to determine an alternative maximised value. On account of this, it has been accepted that their current use in the activity results in maximising their value.

There are three generally accepted approaches to valuation, namely, cost, market and income approach. The cost approach usually provides the most reliable indication of the value of improvements on land, special purpose buildings, special structures, infrastructure and special machinery and equipment.

The cost approach evaluates the value on the basis of the cost of reproduction or replacement of property, less the impairment caused by physical deterioration, functional obsolescence and economic obsolescence, if any, and it can be measured.

Physical impairment is a form of impairment and represents a loss of value as a result of normal use of facilities and their exposure to the environment. Functional (technical) obsolescence is the loss of value caused by factors inherent to the asset, such as changes in materials and technologies that lead to unnecessary capital costs in the existing facilities, lack of full use and inability to expand or update the property.

The cost of reproducing or replacing an asset with a new one includes both the value of the asset and the costs of transport, insurance, loading and unloading, works and commissioning tests.

The cost of new reproduction of equipment with special design and production will be based on current market prices for labour, materials and production components, plus designers' fees, engineering fees and overheads and profits.

The market approach establishes value by analysing recent sales of comparable property.

The market approach compares the assessed asset with other assets for which a property transaction has already taken place. The value of the analogue is reduced by deductions for size, location, infrastructure in the area and other factors in order to achieve comparability of the assets.

In view of applying the method, data have been obtained based on information from public auctions, catalogues of similar assets offered for sale, confidential information related to the sale of similar assets. Following the collection of market data, the property subject to assessment is examined to determine its condition, how it has been maintained, reconditioned and restructured in the past and other factors of use that would affect their comparability with the positions exchanged at market. The positive and negative attributes were assessed and measured against the characteristics of the comparable ones.

The income approach determines the value of the property based on the capitalisation of the net income that would be generated if the property were rented out or, in the case of an enterprise, the net income generated by the business activity. With this method, the asset is evaluated by determining the capitalisation factor and discounting future income.

In any valuation examination, all three approaches are considered, as one or more may be applicable to the property. As the assets subject to valuation are mainly specialised, i.e., there is no developed active market for them in fact, the main approach that is implemented is the cost approach through the Depreciated replacement cost method. Other approaches and valuation methods have been used depending on their applicability to the specific asset.

In order to reach a conclusion on the fair value of the assessed assets of Kozloduy NPP, the cost-based approach and the market comparison approach have been assessed as eligible and potentially applicable. The input data used in the asset valuation approaches can be categorised as predominantly level 3 hypotheses based on observable market data with significant adjustments or unobservable data.

In connection with a decision by the Board of Directors of Kozloduy NPP EAD regarding a non-cash contribution (contribution of land) to the capital of Kozloduy NPP - New Build EAD, a valuation of the land has been conducted by three experts appointed by the Registry Agency, pursuant to Art. 72, para 2 of the Commercial Act. When preparing the valuation of the non-cash contribution to the capital, the experts used three approaches with varying weightings in determining the final valuation:

- Naegeli Method (for Regulated Land Property), with weight of 20% – the market value of the property – land is determined according to its location taking into consideration its functional purpose, zoning, transport accessibility, infrastructure, etc. Under this method, the value of the land is calculated based on the assumption that the market value of the land is directly proportional to the total market value of the entire property. According to the Naegeli method the minimum value of the land is 5% of the construction investment on it. The total market value of the entire property depends on the maximum allowable building development as specified in the town planning scheme, in this case an investment in a new nuclear unit.
- Residual Value Method with a weight of 60%. This method is used when a property has approved zoning for development, as well as when there is an element of unrealised value that may become apparent

following certain capital investments in the property's development. The residual value of the property represents the difference between its value after development and the total costs of that development. Expert estimates are used to forecast the amount of investment required to develop the real estate. After calculating the potential total built-up area based on aggregated indicators, the gross value of the property's development (its investment value) is determined, including pre-design, design, construction, and additional costs, as well as the market value of the hypothetical or planned (based on an approved detailed design) development of the land property.

- Market Comparisons Method with a weight of 20%. This method is based on price information provided by reliable sources. When applying the method, the valuator performs a comparative analysis of the qualitative and quantitative similarities and differences between comparative items/assets and the item/asset being valued. The value of the property is determined by directly comparing the valued item with other similar properties having similar qualities and parameters, realised on the real estate market in a period close to the valuation date.

As a result of the valuation performed, the Company has recognised in equity a revaluation of land subject of a non-cash contribution to the capital of Kozloduy NPP - New Build EAD in the amount of BGN 650,711 thousand.

Review for impairment

As at 31 December 2025, impairment tests were also prepared that showed no indications of the need to perform such impairment. No indications that the carrying amount of property, plant and equipment exceeded their recoverable value were found as a result of the conducted review.

Collaterals on loans

The Company has not pledged any property, plant and equipment as collaterals of its liabilities.

Other disclosures

For property, plant and equipment at revalued amount, the disclosure of the carrying amount that would have been recognised if the assets were accounted for using the cost model is impracticable because of the complexity of the assets held and the long periods of time these assets have been revalued and considered property of the Company.

6. Intangible assets

The carrying amounts of the intangible assets for the reporting period can be analysed as follows:

	Development products	Patents and licences	Software	Other	Total
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Carrying amount					
Balance at 01 January 2025	**77,639**	**9,931**	**17,507**	**67,045**	**172,122**
Reclassified from property, plant, and equipment	184	436	627	782	2,029
Disposals	(2,315)	(8)	(579)	(27)	(2,929)
Balance at 31 December 2025	**75,508**	**10,359**	**17,555**	**67,800**	**171,222**
Depreciation					
Balance at 01 January 2025	**(61,014)**	**(7,503)**	**(15,116)**	**(67,045)**	**(150,678)**
Depreciation	(3,011)	(977)	(853)	(57)	(4,898)
Disposals	2,315	8	579	27	2,929
Balance at 31 December 2025	**(61,710)**	**(8,472)**	**(15,390)**	**(67,075)**	**(152,647)**
Carrying amount as at 31 December 2025	**13,798**	**1,887**	**2,165**	**725**	**18,575**
Carrying amount					
Balance at 01 January 2024	**77,576**	**7,883**	**17,323**	**67,045**	**169,827**
Reclassified from property, plant, and equipment	63	2,048	569	-	2,680
Disposals	-	-	(385)	-	(385)
Balance at 31 December 2024	**77,639**	**9,931**	**17,507**	**67,045**	**172,122**
Depreciation					
Balance at 01 January 2024	**(57,180)**	**(6,641)**	**(14,634)**	**(67,045)**	**(145,500)**
Depreciation	(3,834)	(862)	(867)	-	(5,563)
Disposals	-	-	385	-	385
Balance at 31 December 2024	**(61,014)**	**(7,503)**	**(15,116)**	**(67,045)**	**(150,678)**
Carrying amount as at 31 December 2024	**16,625**	**2,428**	**2,391**	**-**	**21,444**

During the reporting period, the Company acquired 23 intangible assets, including 7 licences, 4 development product, and 11 software products connected with Units 5 and 6 safety enhancement.

The Company has no contractual commitments for acquisition of intangible assets. The products of research and development activity are the result of scientific research on programmes and methodologies, models derived from hired services or author teams at Kozloduy NPP EAD.

The Company has conducted an impairment test for the intangible assets as at 31 December 2025. No indicators that the carrying amount of the assets exceeds their recoverable amount were identified.

The Company has not pledged any intangible assets as collaterals of its liabilities.

7. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Subsidiary name	Country of incorporation	Principal activity	31 December 2025		31 December 2024	
			BGN'000	%	BGN'000	%
Kozloduy NPP - New Build EAD	Bulgaria	Construction of power units	2,472,126	100	1,821,000	100
Kozloduy HPP EAD	Bulgaria	Generation and sale of electricity	1,082	100	1,082	100
NPP Construction Supervision EOOD	Bulgaria	Construction supervision	5	100	5	100
NPP Service EOOD	Bulgaria	Maintenance services	750	100	750	100
			2,473,963		**1,822,837**	

Investments in subsidiaries are accounted for in the separate financial statements of the Company at cost.

The Company owns 100% of the capital of Kozloduy NPP – New Build EAD, Kozloduy, comprised of 151,680,000 ordinary registered shares (1,680,000 at par value of BGN 12.50 and 245,112,600 at par value of BGN 10.00).

In 2025, pursuant to the Decision No. 33/04 September 2025 of the Board of Directors of Kozloduy NPP EAD, the Company increased its investment in Kozloduy NPP - New Build by making a non-cash (in-kind) contribution in the amount of BGN 651,126 thousand. It was authorised by the Board of Directors of BEH with decision of Minutes No. 59-2025/12 September 2025. The in-kind contribution of Kozloduy NPP EAD constitutes the assignment of 202,679 decares of land, necessary for the construction of the new nuclear facilities within the boundaries of Units 7 and 8 site. The authorisation for the contribution of the land was granted after a valuation of the property (non-monetary contribution) was prepared by three experts in accordance with Art. 72 of the Commerce Act, following request No. 20250327141452, filed under the file of Kozloduy NPP - New Build EAD in the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency. The conclusion of the experts is set out in a report and determines the value of the contribution to be BGN 651,126 thousand. Kozloduy NPP - New Build EAD will issue 65,112,600 shares with a nominal value of BGN 10 against the contributed land, which will increase the capital of the subsidiary, respectively the investment of Kozloduy NPP EAD, from BGN 1,821,000 thousand to BGN 2,472,126 thousand.

The Company owns 100% of the capital of Kozloduy HPP EAD, Kozloduy, comprised of 1,082 ordinary, registered shares at par value of BGN 1 thousand each.

The Company owns 100% of the capital of NPP Construction Supervision EOOD, Kozloduy, the capital amounting to BGN 5,000. The Company's principal activity is "Conformity assessment of investment projects and exercise of construction supervision over design and construction".

The Company owns 100% of the capital of NPP Service EOOD, Kozloduy, established at the beginning of 2022, with the capital amounting to BGN 750 thousand.

In 2025, a dividend was distributed and effectively received by the Company as follows:

Subsidiary name	2025	2024
	BGN'000	BGN'000
Kozloduy NPP - New Build EAD	1,808	-
Kozloduy HPP EAD	1,067	633
NPP Service EOOD	1,840	569
	4,715	**1,202**

Dividend revenue is indicated in line "Financial revenue" in the separate statement of the profit or loss and other comprehensive income as well as in Note 33.

For the purposes of the annual impairment test, a management analysis has been prepared which shows that the carrying amount of the investments is close to their recoverable amount and there are no indications of impairment. In view of the fact that Kozloduy NPP EAD, as the majority owner, has lost control over Interpriborservice OOD, the investment in this company has been impaired 100% by the Decision No. 51 of 09 January 2025 of the Board of Directors of Kozloduy NPP EAD as at 31 December 2024. The Company does not have contingent liabilities or other undertaken commitments, related to investments in subsidiaries.

8. Financial instruments at fair value through other comprehensive income (OCI)

The Company has 1.12% (50,400 shares) participation in the capital of the Insurance Shareholding Company Energia (ZAD Energia), Sofia, incorporated in Bulgaria. Allianz Bulgaria Holding AD is the majority shareholder of ZAD Energia.

The Company accounts for the equity investment in ZAD Energia in the category Financial Instruments at Fair Value through Other Comprehensive Income (OCI) because the Company intends to keep the investment for a long time by reason of strategic goals.

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Financial instruments at fair value through other comprehensive income (OCI)	297	284
	297	**284**

In 2025, the Company received dividends of BGN 85 thousand from ZAD Energia (BGN 97 thousand in 2024).

Valuation techniques and significant unobservable input data

The table below provides a description of the valuation techniques as at 31 December used to determine the fair value at Level 3 as well as the significant unobservable input data used:

Investments in shares and stakes in the capital of other companies and enterprises (minority interest)	Valuation approaches and techniques	Significant unobservable input data
Level 3	a. Income approach	* estimated annual rate of free cash flows change
	Valuation technique:	* terminal growth
	Cash flow discount model	* discount rate

9. Deferred tax assets and liabilities

Deferred taxes arise as a result of temporary differences and can be presented as follows:

Deferred tax (assets)/liabilities	**01 January 2025**	**Recognised in other comprehensive income**	**Recognised in profit or loss**	**31 December 2025**
	BGN’000	**BGN’000**	**BGN’000**	**BGN’000**
Non-current assets				
Property, plant and equipment - revaluation	232,355	-	(1,688)	230,667
Property, plant and equipment - depreciation	(25,035)	-	(9,230)	(34,265)
Property, plant and equipment - impairment	(916)	-	1	(915)
Financial instruments at fair value	5	1	-	6
Investments - impairment	(8)	-	-	(8)
Right-of-use assets	5	-	2	7
Current assets				
Inventories - impairment	(1,637)	-	(102)	(1,739)
Trade and other receivables - impairment	(1,012)	-	14	(998)
Cash at banks - impairment	(121)	-	18	(103)
Non-current liabilities				
Liabilities for retirement employee benefits	(7,292)	-	(1,249)	(8,541)
Current liabilities				
Provisions	(11,284)	-	(3,224)	(14,508)
Unused leaves by the personnel	(3,662)	-	(427)	(4,089)
Accrued bonuses to the personnel	(1,295)	-	137	(1,158)
	180,103	**1**	**(15,748)**	**164,356**
Deferred tax assets	(52,262)			(66,324)
Deferred tax liabilities	232,365			230,680
Recognised as:				
Deferred tax liabilities, net	**180,103**			**164,356**

	01 January 2024	**Recognised in other comprehensive income**	**Recognised in profit or loss**	**31 December 2024**
	BGN’000	**BGN’000**	**BGN’000**	**BGN’000**
Non-current assets				
Property, plant and equipment - revaluation	182,580	50,404	(629)	232,355
Property, plant and equipment - depreciation	(14,486)	-	(10,549)	(25,035)
Property, plant and equipment - impairment	(1,055)	-	139	(916)
Financial instruments at fair value	27	(22)	-	5
Investments - impairment	-		(8)	(8)
Right-of-use assets	-	-	5	5
Current assets				
Inventories - impairment	(1,639)	-	2	(1,637)
Trade and other receivables - impairment	(1,023)	-	11	(1,012)
Cash at banks - impairment	(255)	-	134	(121)
Non-current liabilities				
Liabilities for retirement employee benefits	(7,296)	-	4	(7,292)
Current liabilities				
Provisions	(8,110)	-	(3,174)	(11,284)
Unused leaves by the personnel	(3,433)	-	(229)	(3,662)
Accrued bonuses to the personnel	(986)	-	(309)	(1,295)
	144,324	**50,382**	**(14,603)**	**180,103**
Deferred tax assets	(38,283)			(52,262)
Deferred tax liabilities	182,607			232,365
Recognised as:				
Deferred tax liabilities, net	**144,324**			**180,103**

All deferred tax assets are included in the statement of financial position

10. Nuclear fuel

	Fuel loaded in the reactors	Fresh Nuclear Fuel	Total
	BGN'000	**BGN'000**	**BGN'000**
As at 01 January 2024	**72,660**	**396,587**	**469,247**
Fuel purchased over the year	-	116,296	116,296
Transfers	167,591	(167,591)	-
Fuel spent over the year	(153,088)	(79)	(153,167)
As at 31 December 2024	**87,163**	**345,213**	**432,376**
Fuel purchased over the year	-	448,940	448,940
Transfers	202,258	(202,258)	-
Fuel spent over the year	(188,664)	-	(188,664)
As at 31 December 2025	**100,757**	**591,895**	**692,652**

The uninterrupted operation of Kozloduy NPP at maximum capacity is crucial for Bulgaria's energy and national security. Therefore, regular supplies of fresh nuclear fuel will ensure the smooth operation of Units 5 and 6. In view of the current military situation between the Russian Federation and Ukraine and the Company's dependence on TVEL - Russian Federation, which is the main supplier of nuclear fuel for WWER-1000 type reactors, Kozloduy NPP EAD, supported by the Bulgarian Ministry of Energy, has taken measures to diversify the supply of fresh nuclear fuel. Reducing the dependence on sole suppliers of nuclear materials and services in the nuclear fuel cycle (NFC) is in line with the EURATOM Supply Agency's policy to ensure the continuous and safe operation of nuclear facilities and the security and reliability of electricity generation for the population and industry of EU Member States. The European Energy Security Strategy, adopted on 28 May 2014, requires a comprehensive diversified portfolio of nuclear materials and services supply to all nuclear power plant operators in the European Union.

Despite the temporary suspension of fresh nuclear fuel supplies from the Russian company TVEL JSC in 2024, the Company took the necessary steps, and as of 31 December 2025, all contracted quantities of fresh nuclear fuel (FNF) for Unit 6 had been delivered.

Pursuant to the decision of the National Assembly of the Republic of Bulgaria of 09 November 2022 to accelerate the process of securing an alternative supplier, partnership agreements with Westinghouse Electric Sweden AB and Framatome were signed in December 2022.

A contract has been signed between Kozloduy NPP and Westinghouse for the supply of fresh nuclear fuel assemblies (compatible with those currently in use) for Unit 5 for a period of 10 years starting from 2024, and in 2024 and 2025, Unit 5 was refuelled with fuel supplied under this contract. A contract for the supply of nuclear fuel for Unit 6 has been concluded for a 10-year period starting from 2025 with the French company Framatome. Pursuant to the contracts concluded, Kozloduy NPP made advance payments related to the fabrication and delivery of fresh nuclear fuel in the amount of BGN 264,619 thousand (BGN 179,468 thousand as at 31 December 2024.)

11. Inventories

Inventories recognised in the separate statement of financial position can be analysed as follows:

	31 December 2025	31 December 2024
	BGN’000	BGN’000
Spare parts	161,889	152,102
Fuels	3,687	3,147
Metals	3,755	3,578
Equipment	161	-
Reagents	776	660
Other materials	8,911	11,192
Total materials	**179,179**	**170,679**
Goods	**156**	**176**
Total inventories	**179,335**	**170,855**

The spare parts of the Company represent specific spare equipment for the operation of the power units and all facilities concerned with the generation of electricity, including ensuring and guaranteeing a continuous mode of operation.

As at 31 December 2025, based on measurements performed by an independent certified appraiser, a loss from impairment of inventories amounting to BGN 3,421 thousand was recognized. /Note 29/. The value of recovered impairment from previous periods reported in 2025 is in the amount of BGN 1,786 thousand /Note 29/. The review of the net realisable value of the Company's specific spare parts requires taking into account that they are intended not for subsequent sale, but for the production activity at Kozloduy NPP EAD. The carrying amount of inventories subject to measurement by an independent certified appraiser is BGN 97,846 thousand and the method used by the appraisers is the depreciated replacement cost method.

An impairment of the idle inventory was performed as at 31 December 2024 based on the report of an independent certified appraiser amounting to BGN 54 thousand, and a recovered impairment from previous periods was not reported.
None of the inventories are pledged as securities for liabilities of the Company.

12. Trade and other receivables

	31 December 2025	31 December 2024
Receivables from the National Customs Agency	20,316	7,430
Court receivables	6,667	7,667
Impairment of court receivables	(6,541)	(6,634)
Trade receivables	767	695
Impairment of trade receivables	-	(1)
Receivables from CCB (insolvent)	3,375	3,375
Impairment of a receivable from the CCB (insolvent)	(3,375)	(3,375)
Other receivables	1,933	1,946
Impairment of other receivables	(19)	(15)
Financial assets	**23,123**	**11,088**
Prepayments	2,504	1,063
Non-financial assets	**2,504**	**1,063**
Trade and other receivables	**25,627**	**12,151**

In connection with the completed and upcoming delivery of fresh nuclear fuel, which is considered goods subject to a special customs procedure, according to the requirements of Articles 150, 155 of Regulation (EU) 2015/2447, Kozloduy NPP EAD made a deposit to the account of the Lom and Ruse Customs House to the amount of BGN 20,316 thousand. The release of the deposit shall be carried out according to Article 150 of the Regulation. Where a special procedure other than the end-use procedure has been discharged or the supervision of end-use goods or the temporary storage has ended correctly, the guarantee shall be repaid by the customs authority of the Member State where it was provided.

All trade and other financial receivables are reviewed for indications of impairment as at 31 December 2025. The change in impairment of trade and other receivables may be presented as follows:

	2025	2024
	BGN'000	**BGN'000**
Balance as at 01 January	**10,025**	**10,068**
Recovery of impairment loss	(90)	(43)
Balance as at 31 December	**9,935**	**10,025**

An analysis of the age structure of trade and other financial receivables is provided in Note 38.2.

13. Advance payments

	31 December 2025	31 December 2024
Non-current	40,907	40,907
Current	241,084	145,813
Advance payments	**281,991**	**186,720**

In these separate financial statements, amounts paid under contracts for the supply of materials and services are presented on a separate line in the statement of financial position due to their significance. As at 31 December 2025, the significant part of the advance payments amounting to BGN 264,619 thousand (BGN 179,468 thousand as at 31 December 2024) are related to the supply of fresh nuclear fuel.
The Company carried out the necessary activities and arrangements for two TVEL JSC deliveries in 2025. Two deliveries of fresh nuclear fuel were made in accordance with the provisions of Annex 52 to the contract with TVEL JSC. On 25 March 2025, the first delivery of 42 TVSA-12 and 12 RCCAs was made. The second delivery of 42 TVSA-12 assemblies was made on 23 April 2025. On 10 April 2025, 42 RWFA nuclear fuel assemblies fabricated by Westinghouse Electric Sweden AB were delivered. Thus, the Company will ensure FNF inventory for a continuous mode of operation.

The non-current advance payments in the amount of BGN 40,907 thousand are for the supply of nuclear fuel for Unit 6 and a concluded contract with the French company Framatome for a period of 10 years starting from 2025. The amount will be deducted from the last delivery of nuclear fuel in 2035.

14. Cash and cash equivalents

Cash and cash equivalents include the following items:

	31 December 2025	31 December 2024
	BGN'000	**BGN'000**
Cash at banks and cash in hand, denominated in:		
- Bulgarian Leva (BGN)	381,059	438,649
- Euro (EUR)	19,670	111,869
- US Dollars (USD)	5	3
- Other currencies	7	8
Expected credit losses	(1,034)	(1,211)
Cash and cash equivalents	**399,707**	**549,318**

The cash at banks in current accounts bear an interest with floating interest rates, based on the daily interest rates on bank deposits.

The Company has set aside the expected credit losses to the amount of BGN 1,034 thousand in total in relation to cash and cash equivalents. For 2025, a decrease in the loss in the amount of BGN 177 thousand was reported. The expected credit losses are recognised in consequence of the risk that the Company faces regarding the financial institutions.

The Company has cash resources of BGN 112,838 thousand (BGN 81,100 thousand as at 31 December 2024) in special accounts, open under terms and conditions approved by the Ministry of Energy. The funds that are set aside from the available cash resources of Kozloduy NPP EAD are blocked and not available to affect any other payments beyond their purpose. They are spent purposefully only to cover spent nuclear fuel (SNF) management costs, including activities related to transportation, technological storage and reprocessing of SNF that were not carried out in previous years.

15. Equity

15.1. Share capital

The registered capital of the Company consists of 174,458,489 fully paid, ordinary, registered shares with a nominal value of BGN 10 each. Each share gives the right to vote, the right to dividend and liquidation share in the property of the Company. During the current reporting period, there was an increase in the issued shares, as follows:

	Shares	Value
	number	BGN'000
Balance at 01 January 2024	**174,458,489**	**1,744,585**
Balance at 31 December 2024	**174,458,489**	**1,744,585**
Increase through additional owner contributions	25,000,000	250,000
Balance at 31 December 2025	**199,458,489**	**1,994,585**

The capital increase in 2025 was made by a cash contribution from BEH, as the sole owner of the Company, on the basis of Decision No. 75-2025 of 25 November 2025 of the Board of Directors of BEH, pursuant to the Ministry of Energy's Decision No. ME-E-РД-21-43/26 November 2025. This is yet another capital increase, resulting from a resolution of the National Assembly of 18 December 2023 (prom. in the SG No. 105/2023) to take action on the construction of Units 7 and 8 at Kozloduy NPP Site No. 2. The funds from the capital increase were used to increase the investment in the subsidiary Kozloduy NPP - New Build EAD. As at the date of preparation of these financial statements the increase has not yet been registered in the Commercial Register and the Register of the non-profit legal entities, and, respectively, there has not been an increase of its capital yet. Kozloduy NPP - New Build EAD is the Project Company for the construction of Units 7 and 8.

All shares give the right to vote, the right to dividend and liquidation share in the property of the Company.

15.2. Legal reserves

Legal reserves are formed by joint stock companies, such as Kozloduy NPP EAD, as a distribution of the profit according to the provisions of Art. 246 of the Commercial Act. They are set aside until their amount reaches one tenth or bigger portion of the capital. Sources for the formation of the legal reserves are at least one tenth of the net profit, share premium account, and the funds foreseen in the statute or by a decision of the sole owner. In connection with the capital increase at the end of 2023 and 2024 with the Decision No. 34-2025/08.05.2025 of the Board of Directors of BEH, the Company set aside a portion of 2024 profits as legal reserves.

	Value
	BGN'000
Balance at 01 January 2025	**78,164**
Increase of legal reserves with 1/10 of 2024 profit	22,191
Balance at 31 December 2025	**100,355**

15.3. Revaluation reserve of non-financial assets

Revaluation reserves are formed by the difference between the carrying value and the fair value of property, plant and equipment at the revaluation date, in accordance with the report, issued by the independent certified appraiser, less the respective deferred tax liabilities.

	Revaluation reserve of non-financial assets
	BGN'000
Balance at 01 January 2024	**2,148,678**
Revaluation of non-financial assets, net of tax	453,633
Transfer to retained earnings upon disposal of assets	(5,667)

Other changes	(1)
Balance at 31 December 2024	**2,596,643**
Revaluation of non-financial assets, net of tax	650,711
Transfer to retained earnings upon disposal of assets	(667,172)
Balance at 31 December 2025	**2,580,182**

The write-off of revaluation reserves and their transfer to the Company's retained earnings is in accordance with the Company's accounting policy and is performed when assets that have been revalued are written off.

15.4. Other reserves

The other reserves amounting to BGN 11,405 thousand represent distributed earnings from 2020 to reserves.

15.5. Declared and paid dividends

Based on a decision of the Board of Directors of BEH in Minutes No. 34-2025 of 8 May 2025, the dividends distributed and paid by the Company in 2025 to the sole owner amount to BGN 199,722 thousand representing 100% of the net income for 2024. The payments of the dividend due are made in accordance with the agreement No. 93-2025/08 August 2025 concluded to differ payments. As at 31 December 2025, Kozloduy NPP EAD owes a dividend to BEH EAD to the amount of BGN 79,722 thousand. As at the date of the preparation of these financial statements the obligation has been repaid.

Based on a decision of the Board of Directors of BEH in Minutes No. 57-2024 of 31 May 2024, the dividends distributed and paid by the Company in 2024 to the sole owner amount to BGN 241,673 thousand representing 50% of the net income for 2023.

16. Retentions on contracts

The amounts retained under contracts as at 31 December are as follows:

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Non-current	1,848	2,233
Current	13,226	8,182
	15,074	**10,415**

In accordance with the signed contracts for construction of property and facilities, the Company retains a part of the amount of the invoiced construction works as a performance guarantee and guarantee for the timely execution of the construction and installation works by subcontractors. The retained amounts are interest free. In compliance with the contracted conditions, part of the retained amounts in the form of performance guarantees and guarantees for the timely execution of the construction and installation works should be paid to suppliers after obtaining permits to use, while the remaining amounts should be paid in the contracted time frames.

17. Financing

	31 December 2025	31 December 2024
	BGN'000	BGN'000
As at 01 January	**83,458**	**90,734**
Recognised in profit or loss	(2,445)	(7,276)
As at 31 December	**81,013**	**83,458**
Non-current	78,229	80,669
Current	2,784	2,789

The Company's financings represent amounts approved or obtained under programmes and funds for construction of property, plant and equipment with ecological purpose. The essential part of the assets subject to financing are part of the Company's Investment Programme and as at the date of the financial statements have been put into operation. The more significant of them are as follows:

- BGN 77,583 thousand received under projects financed by the EBRD for construction and equipment of a Dry Spent Fuel Storage Facility (DSFSF) and monitoring systems. Financing income is recognised proportionately over the useful life of the non-current assets being financed.

18. Pension and other employee obligations

In accordance with the Bulgarian labour legislation and the Collective Labour Agreement, the Company is obliged to pay to the personnel a certain number of gross monthly salaries upon their retirement, depending on the employees' years of services in the Company and labour category. The retirement-defined employee benefit plan is not funded.

This plan exposes the Company to actuarial risks, such as interest risk, risk of changes in the population's life expectancy and inflation risk.

Interest rate risk

- The present value of the liabilities under defined benefit plans is calculated at a discount rate, determined on the basis of the market profitability of the government securities held. The maturity of the securities corresponds to the estimated time of the liabilities under defined benefit plans, and they are denominated in Bulgarian Leva (BGN). A decline in the market profitability of the government securities held will result in increase of the Company's liabilities under defined benefit plans.

Risk of changes in life expectancy

- Any increase in the estimated life expectancy of the personnel would result in increase of the liabilities under defined benefit plans.

Inflation risk

- Any inflation increase would result in increase of the liabilities under defined benefit plans.

The changes in the present value of the liabilities for retirement employee benefits are as follows:

	2025	2024
	BGN'000	**BGN'000**
Balance as at 01 January	**142,347**	**144,838**
Interest costs	6,474	6,991
Current service costs	33,115	28,471
Retirement employee benefits paid	(27,238)	(35,891)
Actuarial (gains)/losses, incl.:	2,085	(2,062)
Actuarial (gains)/losses from changes in the actual experience	*(910)*	*(4,784)*
Actuarial (gains)/losses from change in the financial assumptions (change in the discount rate from 4.0% to 3.5%)	*2,226*	*2,024*
Actuarial (gains) from changes in the demographic assumptions	*769*	*698*
Balance as at 31 December	**156,783**	**142,347**
Non-current	119,839	117,848
Current	36,944	24,499

In determining the liabilities for retirement employee benefits, the following actuarial assumptions are employed:

	31 December 2025	31 December 2024
Discount rate	3.5%	4.0%
Future increase in remunerations	5% for the first and every subsequent year	5% for the first and every subsequent year

The Company's management has employed these assumptions with the help of an independent certified appraiser. These assumptions are employed in determining the amount of defined benefit liabilities for the reporting periods and are considered to be the Management's best estimate.

The total amount of the Company's retirement employee benefits recognised in profit or loss can be presented as follows:

Retirement employee benefits costs

	2025 BGN'000	2024 BGN'000
Current service costs	(33,115)	(28,471)
Actuarial (gains)/losses, related to liabilities upon retirement due to illness (retirement employee benefits)	(135)	(390)
Retirement costs recognised as personnel costs	**(33,250)**	**(28,861)**
Interest costs recognised in financial costs	(6,474)	(6,991)
Total expenses recognised in profit or loss	**(39,724)**	**(35,852)**

The expenses, incurred with regards to current and past labour experience, as well as the actuarial losses related to liabilities upon retirement due to illness (retirement employee benefits), are included in "Employee benefits costs". Interest costs are included in the separate statement of profit or loss and other comprehensive income, under "Finance costs".

The total amount of the Company's expenses under defined benefits recognised in other comprehensive income can be presented as follows:

	2025 BGN'000	2024 BGN'000
Actuarial (gains)/losses from change in the actual experience assumptions	(788)	(4,951)
Actuarial (gains)/losses from change in the financial assumptions	2,005	1,833
Actuarial (gains)/losses from changes in the demographic assumptions	733	665
Total Actuarial (gains)/losses recognised in other comprehensive income	**1,950**	**(2,453)**

Based on past experience, the Company expects to pay BGN 36,944 thousand contributions under defined benefit plans in 2026.

The weighted average duration of the liability to pay defined benefits as at 31 December 2025 is 14.9 years.

The significant actuarial assumptions in determining the liabilities under defined benefit plans relate to the discounting rate, the estimated percentage of increase of salaries, the percentage of personnel's turnover, and the estimated life expectancy.

The table below presents a sensitivity analysis and summarises the effects of changes in these actuarial assumptions on the liabilities under the defined benefit plans as at 31 December 2025:

Changes in significant actuarial assumptions in BGN'000

Discount rate	**Increase by 1%**	**Decrease by 1%**
Increase/(decrease) in liabilities under defined benefit plans	(4,999)	5,397
Percentage of increase of salaries	**Increase by 1%**	**Increase by 1%**
Increase/(decrease) in liabilities under defined benefit plans	5,356	(5,054)
Estimated life expectancy	**Increase by 1 year**	**Increase by 1 year**
Increase/(decrease) in liabilities under defined benefit plans	622	(690)
Percentage of personnel's turnover	**Increase by 1%**	**Increase by 1%**
Increase/(decrease) in liabilities under defined benefit plans	(5,864)	6,267

The sensitivity analysis is based on a change in only one of the assumptions. It may differ from the actual change in liabilities under defined benefit plans, as changes in the assumptions are often interrelated.

19. Trade and other payables

Trade and other payables reflected in the separate statement of financial position include:

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Non-current		
Liabilities under lease contracts	432	791
Financial liabilities	**432**	**791**
Current		
Payables to suppliers	53,396	48,798
Liabilities under lease contracts	342	319
Other liabilities	920	1,001
Financial liabilities	**54,658**	**50,118**
Liabilities for remunerations of personnel	65,553	69,930
Liabilities for social security contributions	6,602	5,999
Tax liabilities	34,143	40,411
Liabilities under contributions to the NFD Fund, RAW Fund, and ESS Fund	96,708	107,112
Non-financial liabilities	**203,006**	**223,452**
Trade and other payables	**257,664**	**273,570**

The net carrying amount of current trade and other payables is accepted as a reasonable estimated amount of their fair value.

19.1. Lease

This note provides information on lease when the Company is a lessee.

- **Amounts recognised in the Statement of financial position**

The statement of financial position shows the following sums related to lease:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Right-of-use assets		
Transport vehicles	483	709
Buildings	355	452
	838	**1,161**
Lease liabilities		
Non-current	432	791
Current	342	319
	774	**1,110**

- **Amounts recognised in the Statement of profit or loss and other comprehensive income**

The statement of profit or loss and other comprehensive income shows the following amounts related to lease:

	2025 BGN'000	2024 BGN'000
Depreciation of right-of-use assets		
Transport vehicles	(226)	(190)
Buildings	(97)	(7)
	(323)	**(197)**
Interest costs (included in the financial costs)	(24)	(14)

The total lease cash flow in 2025 amounted to BGN 360 thousand. (2024: BGN 232 thousand).

20. Liabilities under contracts with customers

	31 December 2025 BGN'000	31 December 2024 BGN'000
Liabilities under contracts with customers	36	60,923
	36	**60,923**

As at 31 December 2025 the Company reports liabilities under contracts with customers amounting to BGN 36 thousand (as at 31 December 2024: BGN 60,923 thousand), as these are under sales contracts other than those for the sale of electricity, unlike in 2024 when the received advances were almost 100% for prepaid electricity – BGN 60,903 thousand. The change in the balance of liabilities under contracts with customers compared to the previous reporting period is related to a change in the structure of sales by market segments and the increase of share of sales to the public supplier.

21. Bank loans

At a meeting of the Board of Directors of Kozloduy NPP EAD a decision was made in accordance with item 22.1.1 of Minutes of Meeting No. 22/11 June 2025 to conclude a contract for a bank loan - overdraft with International Asset Bank AD. A permission to conclude the contract was granted by the Board of Directors of BEH as per Minutes of Meeting No. 46-2025/09 July 2025. The contract signed between International Asset Bank AD as the lender and Kozloduy NPP EAD as the borrower has the following conditions:

- loan amount - BGN 50,000 thousand;
- loan repayment period – 1 year;
- a negotiated annual interest rate – 2.95%, in the event of late payment it equals the BIR as at the date of payment of the due instalment plus 10% margin;
- The loan is secured by providing collateral pursuant to the Financial Collateral Arrangements Act.

As of 31 December, the loan has been fully disbursed in three tranches: BGN 10,000 thousand in August, another BGN 30,000 thousand in August, and BGN 10,000 thousand in November. During the reporting period, the Kozloduy NPP EAD did not make repayments of the principal, and the Company's liability as at 31 December 2025 amounted to BGN 50,000 thousand and interest due to the amount of BGN 127 thousand. The interests accrued in 2025 amounted to BGN 468 thousand

22. Provision for spent nuclear fuel

The carrying amount of the provisions can be presented, as follows:

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Provision for spent nuclear fuel	145,082	112,838
	145,082	**112,838**

The adjustment of the provisions during the year is presented below:

	Provision for spent nuclear fuel
	BGN'000
Balance at 01 January 2024	**81,100**
Accrued provision	31,738
Carrying amount at 31 December 2024	**112,838**
Accrued provision	32,244
Carrying amount at 31 December 2025	**145,082**

Provision for transport, reprocessing and storage of spent nuclear fuel

In accordance with the effective "Strategy for Management of the Spent Nuclear Fuel and Radioactive Waste until 2030", adopted by a decision of the Council of Ministers on 02 September 2015, the Company is obliged to transport at least 50 tons of heavy metal annually spent nuclear fuel (SNF) for reprocessing and storage in Russia, in the presence of favourable financial and economic conditions.

In 2018, Framework Annex to the Contract for the transportation, temporary technological storage and reprocessing in Russia was signed between Kozloduy NPP EAD and FSUE "Production Association Mayak", Russia, in agreement with Euratom Supply Agency, Luxembourg. Taking into account the lengthy nature of the preparatory activities for SNF transportation, including organisational and technical measures, preparation of the required documentation, obtaining of certificates and permits, a new scheme was established for the transport of WWER-1000 SNF. The first transport using the above scheme took place in December 2020. The costs thereof were covered by the earmarked funds provisioned in 2018 for SNF management, including the activities related to transportation, technological storage and reprocessing of SNF that had not been carried out during the previous years.

In view of performing its obligations as stated in the "Strategy for Management of Spent Nuclear Fuel and Radioactive Waste until 2030" for annual transport of a minimum of 50 t heavy metal SNF and ensuring the funding required for this, the Company has set aside an additional provision for SNF management as of 31 December 2024 in the amount of BGN 112,838 thousand. Based on calculations of the best estimate of the cost of 1 transportation of SNF from WWER-1000 (96 fuel assemblies) as of 31 December 2025, BGN 32,244 thousand required to cover the current obligation for 2025 was provided.

As at end of the reporting period, ending 31 December 2025, the amount of the recognised provision required to cover the current obligation for SNF management is BGN 145,082 thousand, including the value of the unfulfilled transportations of WWER-1000 SNF for technological storage and reprocessing for period from 2021 until the end of 2025. The storage facilities for WWER-1000 SNF, assuming long-term inability to transport SNF, are expected to be filled to capacity in 2032. Kozloduy NPP EAD undertook the necessary actions for the selection of WWER-1000 SNF dry storage casks and the licensing of the Dry Spent Fuel Storage Facility Extension with a capacity of 38 casks for the storage of 722 SNF assemblies from WWER-1000. The Dry Spent Fuel Storage Facility Extension (Stage Ia) will provide additional capacity for SNF storage till 2040.

23. Revenue from contracts with customers

23.1. The revenues from contracts with Company's customers per types are as follows:

	2025	2024
	BGN'000	**BGN'000**
Revenue from sales of electricity	2,219,851	2,042,629
Revenue from sales of heat energy	5,067	4,105
Revenue from sales of production	**2,224,918**	**2,046,734**
Income from sales of services	2,807	2,463
Revenue from sales of goods and other current assets	2,022	2,614
Revenue from contracts with customers	**2,229,747**	**2,051,811**

23.2. The point-in-time of recognising the revenue from contracts with customers is as follows:

	2025	2024
	BGN'000	**BGN'000**
Revenue recognised at a point in time	2,022	2,614
Revenue recognised over time	2,227,725	2,049,197
	2,229,747	**2,051,811**

23.3. The revenue from sales of electricity by type of markets is as follows:

	2025	2024
	BGN'000	**BGN'000**
Sales of electricity on the exchange market	1,616,280	1,703,089
Sales of electricity on the regulated market	598,864	335,101
Sales of electricity on the non-regulated market	2,131	2,284
Sales of electricity on the balancing market/surplus	2,576	2,155
Revenue from sale of electricity	**2,219,851**	**2,042,629**

Revenue from sales of electricity on the power exchange market were realised in the following power exchange segments:

	2025	2024
	BGN'000	**BGN'000**
Market segment "Day ahead"	970,167	754,881
Market segment "Bilateral contracts"	632,500	941,449
Market segment "Intraday"	13,613	6,759
Revenue from sale of electricity	**1,616,280**	**1,703,089**

In 2024 and 2025, prices in the electricity market remained stable compared to 2023, when they peaked. This also accounts for the negligible deviation in revenue in 2025 compared to the previous period. In 2025, electricity market prices are expected to rise compared to 2024, which is the reason for the increase in revenue. Realised electricity revenues in the 2025 are 8.7% higher compared to 2024 as a result of the reported growth in energy market prices. The average sales price of the electricity generated by Kozloduy NPP and realised on all markets in 2025 is BGN 152.10/MWh, marking growth of 11.8 % compared to 2024 (BGN 135.99/MWh).

In the first half of 2025, both a regulated and a free market continue to operate in parallel in Bulgaria. By Decision Ц-3/1 January 2025 of the Energy and Water Regulatory Commission (EWRC), the forecast monthly availability for electricity generation by the producers from which the public supplier is to purchase electricity, and the quantities of electricity that the public supplier is to provide to meet the consumption of the end suppliers' customers, as determined by Decision Ц-17/30 June 2024 for the period 1 July 2024 - 30 June 2025. As of 1 January 2025, additional quantities of electricity from Kozloduy NPP EAD have been set at 400,000 MWh, whereby the quota for the regulated market, set for the period 1 July 2024 - 30 June 2025, was adjusted from 5,431,200 MWh to 5,831,200 MWh, while maintaining the regulated price of BGN 65.47/MWh.

With amendments to the Energy Act, promulgated in the State Gazette No. 44 of 2025, full liberalisation of the wholesale electricity market and a mechanism ensuring a smooth transition to market-based prices for household end customers are envisaged from 01 July 2025. The Public Electricity Supplier figure, the determination of the estimated monthly electricity generation availability of the generators from which the Public Supplier is to purchase electricity, and the amount of electricity according to which the Public Supplier is to transact with end suppliers are abolished. A new mechanism has been created, which will be implemented through Natsionalna Elektricheska Kompania EAD, acting as coordinator of a balancing group comprising Kozloduy NPP EAD, TPP Maritsa East 2 EAD, and NEK EAD. NEK EAD will sell the electricity from the balancing group on the organised exchange market, where long-term products will be traded and only NEK and end suppliers will be able to participate. End suppliers, in turn, will sell to household end customers, who will be compensated by the Electricity System Security Fund for the difference between the actual invoiced price and the base price set by the EWRC.

The increased quota for the regulated market, combined with the reduced generation caused by the necessary outages of Unit 6, are the reasons for the decline in revenue from electricity sales on the exchange market, with that revenue falling by 5% during the reporting period of 2025 compared to 2024.

23.4. Revenue related to liabilities under contracts for sale of electricity

	2025	2024
	BGN'000	**BGN'000**
Liabilities under contracts for electricity as at 01 January	65,519	20,077
Advances received under contracts for electricity with customers for the period	570,320	990,505
Recognised revenues from sales of electricity included in the value of the liabilities under the contract	(635,839)	(945,063)
Liabilities under contracts for sale of electricity as at 31 December	**-**	**65,519**
including liability under contracts for electricity to related parties	-	4,616
liability under contracts for electricity to other parties	-	60,903

As of 31 December 2025, the Company reports liabilities under contracts with customers amounting to BGN 36 thousand which do not include liabilities related to sale of electricity. As at 31 December 2024 the liabilities under contracts with customers amounted to BGN 65,539 thousand, incl. BGN 65,519 thousand under contracts for sale of electricity. The change in the balance of liabilities under contracts with customers compared to the previous reporting period is related mainly to a change in the structure of sales by market segments and the lack of Bilateral Contracts segment sales in the end of the reporting period.

23.5. Revenue from sales of electricity by type of customers is as follows:

	2025	2024
	BGN'000	**BGN'000**
Related parties, incl.:	**1,611,094**	**1,165,900**
Independent Bulgarian Energy Exchange EAD	*983,780*	*761,640*
Natsionalna Elektricheska Kompania EAD + balancing electricity, surplus	*603,781*	*355,284*
ESO EAD sales of electricity + balancing electricity, surplus	*12,850*	*40,261*
Contour Global Maritsa Iztok 3 AD	*8,600*	*5,808*
SE RAW	*2,053*	*2,153*
Mini Maritsa Iztok EAD	*30*	*754*
BC segment customers without related parties	**608,679**	**876,598**
Other customers	**78**	**131**
Revenue from sale of electricity	**2,219,851**	**2,042,629**

The table below presents information about the accounting policy applied by the Company as regards revenue recognition and time for completion of contractual obligations in respect of contracts with customers under IFRS 15.

Type of product/ service	**Contractual obligations nature and completion time, including essential payment terms**	**Recognition of revenue under IFRS 15**
Contracts for sales of electricity	Electricity supplies are carried out all year-round in a continuous mode of operation. Since the customer simultaneously receives and consumes the benefits, the Company transfers the control over electricity over time and, therefore, meets the performance obligation and recognises revenues over time. Usually, invoices are payable within 30 days.	The sales revenues shall be recognised at every transfer of control over electricity when it is supplied to the customer and there are no unmet obligations which could affect the acceptance of electricity on behalf of the customer. The electricity is deemed to be delivered to the customer as soon as the schedules of the Seller and the Buyer are recorded in the Schedule Notification System administered by the Electricity System Operator EAD after the parties have an agreement on the schedule. Revenue is invoiced according to the terms of the contract.
Revenue from heat energy	Heat energy supplies are carried out during the heating season in a continuous mode of operation. Since the customer simultaneously receives and consumes the benefits, the Company transfers the control over the heat energy over time and therefore meets the performance obligation and recognises revenue over time. Usually, invoices are payable within 30 days.	Sales revenue is recognised on each transfer of control over the heat energy when it is delivered to the buyer and there are no outstanding obligations that could affect the buyer's heat energy acceptance. The heat energy is considered delivered to the customer at the time of consumption. The delivered quantities are reported by means of a heat meter in the substation where the commercial metering takes place once a month. Revenue is invoiced monthly according to the terms of the contract concluded.
Revenue from services	Control is transferred when the service is completed. The receivables are due immediately.	The Company transfers the control over the services over time and therefore meets the performance obligation and recognises revenue over time. If the service is not completed fully until the end of the reporting period, the revenue is recognised based on the actual service delivered until the end of the reporting period as a proportional part of the total services to be rendered.
Revenue from sales of current assets	The delivery is effected when the assets have been sent to the customer, the risks of potential losses have been transferred to the customer and/or the customer has accepted the assets in accordance with the sale contract. The usual payment term is up to 30 days following delivery.	Revenue from sales of current assets is recognised when the control over the assets sold is transferred.

23.6. Balances under contracts with customers

	31 December 2025	**31 December 2024**
	BGN’000	**BGN’000**
Trade receivables	767	694
Trade receivables from related parties	163,584	156,566
	164,351	**157,260**

The trade receivables are not interest-bearing and the usual credit term is up to 30 days.

24. Other income

	2025	2024
	BGN'000	BGN'000
Income from financing	2,446	7,277
Income from penalties under contracts	2,028	594
Revenue from sale of waste	665	179
Revenue from food contracts	317	-
Revenue from transport services	280	196
Income from assets' surplus	87	171
Income from recovered impairment of PPE	-	1,388
Other income	260	223
	6,083	**10,028**

25. Cost of materials

	2025	2024
	BGN'000	BGN'000
Nuclear fuel, lubricants and fuels	(203,571)	(169,186)
Spare parts and tools	(50,892)	(24,347)
Replacement energy	(11,278)	(8,805)
Materials for current maintenance	(4,046)	(3,118)
Reagents for production	(1,888)	(1,663)
Working and special clothing	(1,137)	(1,569)
Specialised literature and stationery	(312)	(284)
Construction materials and metals	(175)	(191)
Advertising materials	(118)	(116)
Purchased electricity	(187)	(226)
	(273,604)	**(209,505)**

The significant increase in costs of spare parts compared to the corresponding period is related to the planned replacement of major spare parts, which are reported in the line "Acquisition of machinery, plant, and equipment, self-constructed" in the statement of profit or loss and other comprehensive income.
In addition to the described costs of materials in 2025, in connection with balancing the electricity market and the maintenance performed on Units 5 and 6, the Company incurred costs for the purchase of balancing and replacement energy amounting to BGN 11,278 thousand (BGN 8,805 thousand for 2024).

26. Hired services expenses

	2025	2024
	BGN'000	BGN'000
Repair and maintenance services	(116,813)	(118,010)
Transmission grid access fee	(65,000)	(53,552)
Armed security and fire protection	(38,318)	(31,160)
Insurance of property and nuclear damage	(15,854)	(14,970)
Fees for permits by regulatory bodies	(9,023)	(8,528)
Exchange market and balancing group fees	(7,624)	(1,217)
Consulting services	(6,795)	(5,374)
Preparation and provision of free meals	(6,675)	-
Transport costs	(5,353)	(5,066)
Taxes and fees	(4,914)	(3,558)
Cleaning services and landscaping	(2,507)	(2,427)
Water-supply and sewerage services	(1,658)	(1,288)
Water usage fee	(1,574)	(1,506)
Training and qualification	(1,185)	(775)
Researches, measurements and control	(1,033)	(1,374)

Scientific research and documentation	(799)	(386)
Information, postal and telecommunication services	(542)	(591)
Rents	(408)	(169)
Medical services	(369)	(493)
Other	(2,519)	(1,717)
	(288,963)	**(252,161)**

Compared to the previous period, there is a significant increase in the electricity sales related expenses. The increase is connected with changes in the Energy Act as per which liberalisation of the wholesale electricity market and a mechanism ensuring a smooth transition to market-based prices for residential end customers take effect from 1 July 2025 A new mechanism has been created, which will be implemented through Natsionalna Elektricheska Kompania EAD, acting as coordinator of a balancing group which includes Kozloduy NPP EAD. As a participant in the balancing group Kozloduy NPP EAD sells electricity to the coordinator and owes monthly fees of BGN 1 thousand plus BGN 2 per each MWh sold. For the second half of the reporting period, fees amounting to BGN 6,511 thousand were charged to the coordinator under the new mechanism currently in effect.

27. Employee benefits expenses

	2025	2024
	BGN'000	**BGN'000**
Salaries and wages	(274,961)	(260,522)
Social security costs	(54,757)	(50,229)
Social expenses, in cash	(45,714)	(41,957)
Food expenses, in accordance with Regulation No. 11	(11,629)	-
Other expenses for social services	-	(6,852)
Compensations, provided in accordance with the Labour Code	(3,440)	(3,523)
	(390,501)	**(363,083)**
Retirement employee benefits	**(33,250)**	**(28,861)**
	(423,751)	**(391,944)**

28. Recovered impairment of financial assets, net

	2025	2024
	BGN'000	**BGN'000**
Recovered impairment of receivables from litigations and claims	93	13
Recovered impairment of receivables from customers	-	29
Recovered impairment of receivables from related parties	43	73
(Accrued)/ Recovered impairment of other receivables	(4)	1
Recovered impairment of cash in banks	177	1,334
	309	**1,450**

29. Other expenses

	2025	2024
	BGN'000	**BGN'000**
Annual instalment payment to the Nuclear Facilities Decommissioning Fund (NFDF)	(165,643)	(152,537)
Annual instalment payment to the Electricity System Security Fund (ESS Fund)	(110,428)	(101,692)
Annual instalment payment to the Radioactive Waste Fund (RAW Fund)	(66,278)	(61,023)
Donations and sponsorship	(5,307)	(5,584)
Impairment of inventory, net	(1,635)	(54)
Social costs	(1,381)	(1,704)
Membership fees	(1,189)	(1,122)
Business trips	(1,170)	(1,056)

Purchase value of sold goods	(1,129)	(1,360)
Costs written off, incl. paid compensations under law suits	(1,030)	(4,745)
Shrinkage and waste	(871)	(304)
Representation expenses	(621)	(955)
Penalties and charges under contracts	(435)	(3,736)
Other expenses	(680)	(104)
	(357,797)	**(335,976)**

The statutory contributions that the Company is required to make monthly to several funds amount to the total of BGN 342,349 thousand (2024: BGN 315,252 thousand) and represent approximately 96% of the Company's Other expenses. They are recognised under the following regulations:

- ✓ REGULATION on the procedure for defining, collecting, spending and control of the funds and the amount of contributions due to the Nuclear Facilities Decommissioning Fund (contributions to the NFDF);
- ✓ REGULATION on the procedure for defining, collecting, spending and control of the funds and the amount of contributions due to the Radioactive Waste Fund (contributions to the RAW Fund);
- ✓ REGULATION on the procedure for collecting, spending and control of the funds for the Electricity System Security Fund (contributions to the ESS Fund).

30. Expenditure on earmarked contributions to the ESS Fund

In 2022, the country and the European Union as a whole faced a drastic surge in electricity prices, mainly due to increased demand both in Europe and worldwide, and rising prices of energy carriers and carbon emissions and the war in Ukraine.

The drastic increase in electricity market prices has had a negative impact on end consumers, respectively the business in the country. It was impossible to avoid the adverse impact due to the short period of time, the dynamic situation, and the significant rise in electricity prices. The increased cost of electricity logically led to an immediate increase in the prices of all products offered. Therefore, all countries in Europe started looking for ways to cope with the high inflation. One of the measures taken was to compensate consumers for the expensive electricity. But although the price of electricity for household consumers in Bulgaria in that period is regulated by the Energy and Water Regulatory Commission (EWRC), the expensive electricity for businesses immediately affected the purchasing power of the country's population.

In order to mitigate the economic repercussions of the instability of energy market prices, the Council of Ministers developed and adopted a Programme for compensation of non-household end customers of electricity. The programme aims to protect and assist all non-household end users to deal with the effects of electricity prices fluctuations.
The programme provides for a mechanism to support non-household end customers through electricity traders, ultimate suppliers, electricity producers selling directly to final non-household end customers, and operators of an organised electricity exchange market (Suppliers). The adoption of the programme aims to maintain the competitiveness of the industry and overcome the additional inflationary pressure caused by high electricity prices. This was aimed at reducing the amount due from non-household end customers.

The programme adopted to compensate non-household end customers remains in effect, and each year, with the adoption of the State Budget of the Republic of Bulgaria Act, the mechanism for collecting earmrked contributions to the ESS Fund is extended. The earmarked contribution represents the positive difference between the market revenue and the defined revenue cap for the respective type of producer. Since the introduction of this measure the defined revenue cap for the NPP type of producer has changed as follows:

Period	Revenue cap	Grounds
January 2023 - June 2023	BGN 180/ MWh	Council of Ministers' Decision No. 29/12.01.2023
July 2023 - December 2023	BGN 150/ MWh	Council of Ministers' Decision No. 280/30.08.2023
January 2024 - June 2024	BGN 150/ MWh	Council of Ministers' Decision No. 167/14.03.2024
July 2024 - December 2024	BGN 150/ MWh	Council of Ministers' Decision No. 537/25.07.2024
January 2025 - June 2025	BGN 150/ MWh	Council of Ministers' Decision No. 121/05.03.2025

July 2025 - December 2025	BGN 120/ MWh	Council of Ministers' Decision No. 340/28.05.2025

As a result of the measures taken in 2025, the Company recognised additional costs for compensation of non-household end customers of electricity at the expense of Kozloduy NPP EAD in the amount of BGN 589,549 thousand in total; BGN 388,964 thousand for 2023, respectively.
Although electricity prices have stabilised and no drastic, unjustified increases have been observed over the past two years, the cap on electricity generated by the nuclear power plant is being reduced; currently, its value of BGN 120/MWh is a critical minimum that poses difficulties for the Company in servicing current payments, raising additional funds through loans, and incurring additional costs to service those loans. (Note 38)

31. Finance income and finance costs

	2025	2024
	BGN'000	**BGN'000**
Interest costs on loans and leases	(3,081)	(14)
Total interest expenses under financial instruments that are not carried at fair value in profit or loss	**(3,081)**	**(14)**
Interest expenses on liabilities for retirement employee benefits	(6,474)	(6,991)
Fees and commissions expenses	(185)	(39)
Expenses for operations with financial instruments	-	(79)
Negative exchange rate differences	(1,367)	(2,175)
Finance costs	**(11,107)**	**(9,298)**

The finance income for the presented reporting periods can be analysed as follows:

	2025	2024
	BGN'000	**BGN'000**
Interest income on loans granted	212	509
Interest income on bank accounts	970	715
Total interest income on financial assets that are not carried at fair value in profit or loss	**1,182**	**1,224**
Income from dividends	4,800	1,299
Positive exchange rate differences	39	1
Finance income	**6,021**	**2,524**

32. Income tax expenses

32.1. Income tax expenses as per Art. 20 of the Corporate Income Tax Act

The estimated income tax expenses, based on the applicable tax rate for Bulgaria amounting to 10% (2024: 10%), and the actual tax expenses recognised in profit or loss can be reconciled as follows:

	2025	2024
	BGN'000	**BGN'000**
Accounting profit before taxation	94,368	251,649
Tax rate	10%	10%
Estimated income tax expense	(9,437)	(25,165)
Tax effect of:		
Increase of the financial result for tax purposes	(32,062)	(31,515)
Financial result increase as a result of a contribution	(65,094)	-
Decrease of the financial result for tax purposes	16,707	16,975
Income tax expense due	**(89,886)**	**(39,705)**
Deferred tax income as a result of:		
Occurrence and reversal of temporary differences	15,748	14,603
Current income tax	**(74,138)**	**(25,102)**

Current tax expense related to domestic top-up tax as per Art. 260aa of the Corporate Income Tax Act	(7,491)	(4,634)
Deferred tax (expenses)/income, recognised in the other comprehensive income	(1)	(50,382)

Note 9 provides information on the deferred tax assets and deferred tax liabilities.

32.2. Expenses for domestic top-up tax as per Part Five "a" of the Corporate Income Tax Act

At the end of 2023, amendments to the Corporate Income Tax Act were adopted, effectively introducing a global minimum corporate income tax of 15% on multinational and large national groups of companies as of 01 January 2024, in accordance with the conditions set out in the Corporate Income Tax Act. Due to the size of the business of the Bulgarian Energy Holding EAD (BEH) Group, which the Company belongs to, the Company is subject to additional corporate income tax under the changes to the Corporate Income Tax Act effective as of 01 January 2024.

On the basis of the submitted data on the financial results of the companies in the BEH Group, the parent company calculated the final domestic top-up tax due for 2024 in accordance with the instructions issued by the Ministry of Finance. The tax due has been allocated proportionally among the companies in the group that reported a profit from their operations in 2024, with Kozloduy NPP EAD's share of the domestic income tax amounting to BGN 12,100 thousand, which is subject to declaration and payment by 30 June 2026. This amount was reported as an expense in the amount of BGN 4,634 thousand for 2024 and BGN 7,491 thousand for 2025.

33. Disclosures of related parties

The Company discloses the following related parties:

Sole owner of the Company, exercising control (Parent Company)
Bulgarian Energy Holding EAD (BEH)

Owner of the Parent Company's capital
The Republic of Bulgaria through the Minister of Energy

Subsidiaries of the Company
Kozloduy NPP - New Build EAD
Kozloduy HPP EAD
Interpriborservice OOD /insolvent by Decision No. 66 dated 11 September 2023 of the District Court of the town of Vratsa)
NPP Construction Supervision EOOD
NPP Service EOOD

Entities under common control with the Company (entities within the Group)
Natsionalna Elektricheska Kompania EAD, TPP Maritsa East 2 EAD, Mini Maritsa Iztok EAD, Bulgargaz EAD, Bulgartel EAD, Bulgartansgas EAD and its subsidiary, Electricity System Operator EAD and its subsidiaries, Minproekt EAD, National Energy Operator EAD, Bulgartel Skopje DOOEL, Gauging and Information Technologies Energy Operator EAD (in liquidation).

Associated companies for BEH Group
Contour Global Maritsa Iztok 3 AD, Contour Global Operations Bulgaria AD, ZAD Energia, POD Allianz Bulgaria AD, HEK Gorna Arda AD

Joint ventures for the BEH Group
ICGB AD, South Stream Bulgaria AD

Others - Independent Bulgarian Energy Exchange EAD, SE RAW, and all enterprises connected with the Republic of Bulgaria which the Company has material transactions with.

Key management personnel of the Company as at 31 December 2025:
Iliya Todorov Iliev, Chair;
Ivan Todorov Andreev, Member and Chief Executive Officer;
Svilena Nikolova Nikolova, Member;
Slavyan Petrov Lachev, Member;
Iva Edward Nikolova, Member.

Key management personnel of the Parent Company as at 31 December 2025:
Vasil Georgiev Stoynov, Chair of the Board of Directors;
Valentin Aleksiev Nikolov, Member of the Board of Directors and Chief Executive Officer;
Diyan Atanasov Ivanov, Member of the Board of Directors;
Ivo Ivanov Todorov, Member of the Board of Directors;
Kalin Boyanov Filipov, Member of the Board of Directors.
Unless otherwise stated, none of the transactions with related parties incorporate special terms and conditions and no guarantees were given or received.

33.1. Transactions with related parties and payables to related parties as at year-end

33.1.1. Transactions with the Sole Owner – BEH EAD

	2025	2024
	BGN'000	BGN'000
Increase of the capital	250,000	-
Purchase of services	562	562
Sale of services and assets	2	4
Granting a loan	-	25,000
Interest on loan granted	213	457
Repaid loan - BEH EAD	35,953	10,772
Dividend distributed to BEH EAD	199,722	241,673
Interest accrued and paid for dividends	1,801	-
Dividend paid	120,000	241,673

Information on the loans provided is included in Note 33.2. Loans granted to related parties

33.1.2. Transactions with subsidiaries

	2025	2024
	BGN'000	BGN'000
Sales of assets and services:		
- services rendered to Kozloduy HPP EAD	13	14
- goods and services rendered to Kozloduy NPP - New Build EAD	37	35
- services rendered to NPP Service OOD	49	21
Purchase of assets and services:		
- purchase of services from NPP Construction Supervision OOD	43	27
- purchase of goods and equipment from NPP Service EOOD	1,010	913
- purchase of services from NPP Service EOOD	7,869	8,302
- purchase of services from Kozloduy NPP - New Build EAD	96	
Other:		
Late payment interest income - Kozloduy HPP EAD	13	120
Interest income under loan granted - Kozloduy HPP EAD	-	3
Interest income under loan granted - Kozloduy NPP - New Build	-	49
Penalties income from Kozloduy NPP - New Build	5	-
Interest costs under loan - Kozloduy NPP– New Build	789	-
Repaid loan - Kozloduy HPP EAD	1,001	319
Distributed dividends from Kozloduy HPP EAD	1,067	633
Distributed dividends from NPP Service EOOD	1,840	569
Distributed dividends from NPP Kozloduy NPP - New Build	1,808	-
Increase of capital of Kozloduy NPP - New Build	651,126	300,000

33.1.3. Transactions with related parties under joint control with the company /BEH Group/ and BEH Group associates

	2025	2024
	BGN'000	**BGN'000**
Sales of products, goods, and services:		
- sale of electricity + balancing to NEK EAD	603,781	355,284
- sale of electricity + balancing to ESO EAD	12,850	40,261
- sale of electricity to Mini Maritsa-Iztok EAD	30	754
- sale of assets and services to ESO EAD	3	135
- sale of services to NEK EAD	24	-
- sale of services to TPP Maritsa East	-	2
- sale of services to Bulgartransgas EAD	-	2
Purchase of goods and services:		
- purchase of goods and services from NEK EAD	9,920	371
- purchase of services and goods from ESO EAD	65,290	54,132
Other:		
- Late payment interest income - NEK EAD	1,320	-

33.1.4. Transactions with undertakings under joint control and BEH Group associates

	2025	2024
	BGN'000	**BGN'000**
Sales of products, goods, and services:		
- sales of electricity to IBEX AD	983,780	761,640
- sales of electricity to Contour Global Maritsa-Iztok 3 AD	8,600	5,808
- sales of electricity, heat energy and services to SE RAW	4,183	5,112
- sale of services to POD Allianz Bulgaria AD	1	-
Purchase of goods and services:		
- purchase of services from IBEX AD	11,334	9,595
- purchase of services from SE RAW	700	930
Other:		
- dividend received from ZAD Energia AD	85	97

Sales to and purchases from related parties are performed at contracted price rates. Unless otherwise stated, none of the transactions with related parties incorporate special terms and conditions.

33.2. Loans granted to related parties

	31 December 2025	31 December 2024
	BGN'000	**BGN'000**
Non-current:		
Principal	-	5,544
Impairment	-	*(56)*
	-	**5,488**
Current:		
Principal	5,545	36,953
Interest	-	87
	5,545	**37,040**
Total loans granted	**5,545**	**42,528**

The loans granted to related parties are as follows:

Loan to the subsidiary Kozloduy HPP EAD:

- Limit of up to BGN 20,000 thousand, subsequently increased to BGN 22,000 thousand;
- Maturity date: 15 January 2024;
- Negotiated annual interest rate equalling the BIR as at the date of payment of the due instalment plus 0.30% margin or 2.5% margin;
- The loan shall be repaid in 22 instalments according to a repayment schedule;
- Secured by a promissory note.

In 2025, Kozloduy HPP EAD repaid the overdue part of the loan amounting to BGN 1,001 thousand and as at 31 December 2025 there was no credit balance repayable as overdue, subject to penalties.

The penalties accrued for overdue instalments in 2025 amounted to BGN 12 thousand (2024: BGN 89 thousand).

Loan to the sole owner BEH EAD:

By virtue of Minutes No. 31-2022/11.05.2022 of the Board of Directors of BEH EAD and Minutes No. 15/19.05.2022 of the Board of Directors of Kozloduy NPP EAD, a decision was made for signing a loan contract between Kozloduy NPP EAD as Lender and BEH EAD as Borrower;

- Loan value - BGN 37,865 thousand;
- Loan maturity date: 30 June 2026, the payment of the principal is due after 01 January 2023;
- Negotiated annual interest rate - 1.66%, in the event of late payment it equals the BIR as at the date of payment of the due instalment plus 10% margin;
- The loan is unsecured.

Payments were made in 2025 by BEH EAD to the amount of BGN 10,953 thousand (2024: BGN 10,772 thousand), the credit balance as at 31 December 2025 is BGN 5,545 thousand.

The interests accrued in 2025 amounted to BGN 191 thousand, paid in full as at 31 December 2025.

By Minutes No. 101-2024/18.10.2024 of the Board of Directors of BEH EAD it was decided to conclude a loan contract between Kozloduy NPP EAD as the Lender and BEH EAD as the Borrower in the amount of BGN 25,000 thousand, under the terms of the previous contract and a repayment period of 1 month. Two additional agreements were signed to the contract, according to which the repayment period was extended by three months (successively by one and two months), the amount becoming chargeable on 19 January 2025 and repaid in time.

The interests accrued in 2025 amounted to BGN 22 thousand, paid altogether with the principal.

Proceeds from loans granted to related parties of the Company amount to BGN 5,545 thousand, completely short-term receivable from loans granted to BEH EAD.

33.3. Borrowings from related parties

By virtue of the Decision of the Board of Directors of Kozloduy NPP EAD under item 2 of Minutes No. 18/07.05.2025 and Decision of the Board of Directors of the Bulgarian Energy Holding EAD under item II of Minutes No. 33-2025/08.05.2025, a loan agreement was signed between Kozloduy NPP - New Build EAD as the lender and Kozloduy NPP EAD as the borrower;

- Loan value – BGN 50,000 thousand, fully disbursed in May;
- Loan repayment period – 1 year;
- Negotiated annual interest rate - 3.225%, in the event of late payment it equals the BIR as at the date of payment of the due instalment plus 10% margin;
- The loan is unsecured.

By virtue of the Decision of the Board of Directors of Kozloduy NPP - New Build EAD under Minutes No. 32-2025/10.11.2025, and Decision of the Board of Directors of Kozloduy NPP EAD under Minutes No. 39/12.11.2025 and Decision of the Board of Directors of the Bulgarian Energy Holding EAD under Minutes No. 70-2025/31.10.2025, additional agreement No. 1to the loan agreement between Kozloduy NPP - New Build EAD and Kozloduy NPP EAD was signed according to which, under the same terms, the loan amount was increased to BGN 100,000 thousand which was fully disbursed in November;

During the reporting period, Kozloduy NPP EAD made a repayment of the principal to the amount of BGN 50,000 thousand, and the Company's liability as at 31 December 2025 is BGN 100,000 thousand.

The interests accrued and paid in 2025 amounted to BGN 789 thousand.

33.4. Related party balances, other than loans

	31 December 2025	31 December 2024
	BGN'000	**BGN'000**
Current receivables		
- subsidiaries		
Kozloduy HPP EAD - trade and dividend	-	10
Interpriborservice OOD - dividends	32	32
Interpriborservice OOD - trade, litigation	3	3
Interpriborservice OOD - impairment	*(35)*	*(33)*
Kozloduy NPP - New Build EAD	4	3
NPP Service EOOD - trade	4	2
- related parties under common control		
NEK EAD - trade, interest, gross	145,924	107,963
Impairment	*(12)*	-
ESO EAD - trade, guarantees	162	791
- other parties under common control		
IBEX EAD	42,789	46,429
SE RAW	1,854	1,369
Impairment	*(2)*	*(3)*
Total current receivables from related parties	**190,723**	**156,566**

The Company's receivables from related parties in their essence are:

Current receivables from trade transactions – BGN 163,584 thousand (31 December 2024: BGN 130,186 thousand)

Provided guarantees under contracts – BGN 27,139 thousand /Note 36: from IBEX EAD – BGN 25,874 thousand, from NEK – BGN 1,103 thousand, and from ESO EAD – BGN 162 thousand /. Accordingly, for 2024, the guarantees provided and non-trade receivables are BGN 26,380 thousand.

Receivables from dividends in the amount of BGN 32 thousand from Interpriborservice OOD due since 2020.

Other receivables from Interpriborservice OOD in the amount of BGN 3 thousand.

For receivables of the dividend due from Interpriborservice OOD and interests for late payments, the Company has recognised impairment loss presented in Note 33.5.

	31 December 2025	31 December 2024
	BGN'000	**BGN'000**
Current payables		
- sole owner		
BEH EAD - trade	66	27
BEH EAD - dividend	79,722	-
- subsidiaries:		
Interpriborservice OOD - trade, guarantees	65	65
Kozloduy NPP - New Build EAD - trade and guarantees	7	9
NPP Construction Supervision EOOD - trade	3	3
NPP Service EOOD - trade	2,262	716
- related parties under common control		
NEK EAD - trade	2,210	103
ESO EAD - trade	6,322	10,925
- other related parties		
Contour Global Maritsa Iztok 3	-	1,910
IBEX EAD	112	107
SE RAW	1	-
Total current payables to related parties	**90,770**	**13,865**
Total payables to related parties	**90,770**	**13,865**

Of the BGN 90,770 thousand owed by the Company, BGN 79,722 thousand represent dividends payable, BGN 10,972 thousand represent current liabilities arising from completed transactions, and BGN 76 thousand represent a retained guarantee under contracts.

The dividends distributed and paid to the sole owner have no tax effect.

The receivables from related parties have been reviewed for indications of impairment. The movement of the corrective account for impairment of trade and other receivables is as follows:

33.5. Movement of the impairment of receivables and loans granted from related parties

	2025	2024
	BGN'000	**BGN'000**
Balance as at 01 January	**92**	**165**
Recovery of impairment loss	(43)	(73)
Balance as at 31 December	**49**	**92**

33.6. Transactions with key management personnel

The key management personnel of the Company includes the members of the Board of Directors. The remuneration costs of the key management personnel include:

	2025	2024
	BGN'000	**BGN'000**
Short-term remunerations:		
Salaries and wages, including bonuses and compensations	597	525
Social security contributions	52	31
Social costs	34	36
Total remuneration costs	**683**	**592**

34. Adjustment of liabilities resulting from financing activity

The changes in the Company's liabilities resulting from financing activity can be classified as follows:

	Obligations under lease contracts BGN'000	Bank loans BGN'000	Loans from related parties BGN'000	Dividends BGN'000	Total BGN'000
01 January 2024	**285**	**-**	**-**	**-**	**285**
Cash flows:					
Payments	(266)	-	-	(241,673)	(241,939)
Non-cash changes:					
Change in contract terms	1,077	-	-	241,673	242,750
Accrued interest	14	-	-	-	14
31 December 2024	**1,110**	**-**	**-**	**-**	**1,110**
01 January 2025	**1,110**	**-**	**-**	**-**	**1,110**
Cash flows:					
Payments	(360)	(341)	(50,789)	(121,801)	(173,291)
Non-cash changes:					
Change in contract terms	-	50,000	150,000	199,722	399,722
Accrued interest	24	468	789	1,801	3,082
31 December 2025	**774**	**50,127**	**100,000**	**79,722**	**230,623**

35. Cashless transactions

In 2025 the Company made a non-cash contribution (contribution of land) to the capital of Kozloduy NPP - New Build EAD in relation to which an appraisal of this contribution was carried out. Detailed information is presented in Note 7.

36. Commitments and contingent liabilities

Capital commitments

As at 31 December 2025, the Company had capital commitments amounting to BGN 194,847 thousand till the end of 2030, including BGN 114,650 thousand for 2026 (31 December 2024: BGN 159,885 thousand) which are associated with commitments to acquire property, plant and equipment.

Pursuant to the decision of the National Assembly of the Republic of Bulgaria of 09 November 2022 to accelerate the process of securing an alternative supplier of fresh nuclear fuel and in accordance with the Kozloduy NPP programme for diversification of fresh nuclear fuel supplies agreed with the EURATOM Supply Agency (ESA), agreements for supply of fresh nuclear fuel were signed with Framatome and Westinghouse in 2023. As stipulated in the agreement, since 2024 Westinghouse have been supplying fresh nuclear fuel for Unit 5.
In respect of those agreements, as at 31 December 2025 Kozloduy NPP EAD provided advances in the amount of BGN 264,619 thousand (BGN 189,872 thousand as at 31 December 2024) to the two new suppliers, which are expected to be utilised until 2035.

Legal claims

Legal claims to the amount of BGN 933 thousand were brought against the Company (31 December 2024: BGN 3,761 thousand). None of the above claims is set out in details herewith, so as not to seriously affect the Company's position in the dispute resolution.

Guarantees, collaterals and mortgages

As at 31 December 2025, bank guarantees and cash collaterals to the amount of BGN 39,198 thousand were opened for the benefit of the Company (31 December 2024: BGN 28,314 thousand).

As at 31 December 2025, the Company has provided the following guarantees and collaterals:

- Monetary guarantee under a contract for organised exchange market – BGN 3,200 thousand;
- Monetary guarantee on the provision of a financial limit when initiating a CMBC bid for electricity - BGN 350 thousand;
- Monetary guarantee on the provision of a financial limit for participation on IBEX CMBC segment – BGN 11,498 thousand;
- Monetary guarantee for concluding electricity trade transactions – BGN 75 thousand;
- Monetary guarantee for participation on the electricity exchange market – BGN 5,251 thousand;
- Monetary guarantee for obligations to society for trading in electricity – BGN 567 thousand;
- Monetary guarantee under a balancing contract in NEK group – BGN 1,104 thousand;

- Monetary guarantee under a contract for supply of reactive power to the off-site emergency response centre (ERC) – BGN 9 thousand;
- Monetary guarantee under a contract for access and transmission of electricity – BGN 153 thousand;
- Guarantee collateral on securing a financial limit to cover transactions – BGN 5,500 thousand;
- Guarantee collateral on procuring electric devices for the collection of road user charges for vehicles of over 3.5 t – BGN 6 thousand;
- Guarantee collateral under a framework contract for provision of electricity – BGN 16 thousand;
- Guarantee collateral under an office rent agreement – BGN 2 thousand;
- Guarantee collateral under a heat distribution network agreement – BGN 19 thousand.

Insurance policies

The Safe Use of Nuclear Energy Act stipulates a limit on the liability of the operating organisation for nuclear damages. The Act limits the liability of the operator to BGN 96,000 thousand for each accident. Pursuant to the Vienna Convention on Civil Liability for Nuclear Damage, the operator is required to maintain an insurance or other financial security for nuclear damage for the period of operation of the nuclear facility. The Company has taken out an insurance policy covering the limits stipulated by the law, the insurer being the Bulgarian Nuclear Insurance Pool. The insurance has a one-year coverage from 01 August 2024 to 31 July 2025. The insurance amount is BGN 943 thousand, of which BGN 925 thousand insurance premium and BGN 18 thousand tax on premium.

On 31 July 2025, a new one-year contract was concluded with the Bulgarian Nuclear Insurance Pool for the period from 01 August 2025 to 31 July 2026. The insurance amount is BGN 972 thousand, of which BGN 953 thousand insurance premium and BGN 19 thousand tax on premium.
The Company has an "Industrial fire" property insurance policy concluded with OZK-Insurance JSC covering the period from 01 January 2025 to 31 December 2025. The insurance amounts to BGN 14,766 thousand (BGN 13,880 thousand in 2024).

Other

Tax administration bodies may audit the Company at any time within the 5-year period after the financial year-end and may impose additional tax obligations and fines.

37. Categories of financial assets and financial liabilities

The carrying amounts of the Company's financial assets and financial liabilities can be presented in the following categories:

Financial assets	**Note**	**31 December 2025**	**31 December 2024**
		BGN'000	**BGN'000**
Financial instruments at fair value through other comprehensive income (OCI)	8	297	284
Debt instruments measured at amortised cost			
Trade and other receivables	12	23,123	11,088
Loans granted to related parties	33.2	5,545	42,528
Receivables from related parties	33.4	190,723	156,566
Cash and cash equivalents	14	399,707	549,318
Total financial assets		**619,395**	**759,784**

Financial liabilities	**Note**	**31 December 2025**	**31 December 2024**
		BGN'000	**BGN'000**
Financial liabilities carried at amortised cost – current and non-current:			
Retentions on construction contracts	16	15,074	10,415
Trade and other payables	19	54,658	50,118

Payables to related parties	33.3/33.4	190,770	13,865
Liabilities to credit institutions	21	50,127	-
Total financial liabilities		**310,629**	**74,398**

Refer to Note 4. for information on the accounting policy for each category of financial instruments. The Company's policy and objectives for management of the risk associated with the financial instruments are described in Note 38.

38. Risks related to financial instruments

Management objectives and policies in respect of risk management

Risk management is a structured process within which existing risks to the achievement of the Company's objectives are identified and analysed. To counteract significant risks, strategies are defined, evaluated, selected and implemented to reduce to acceptable levels the probability of occurrence of risk events and the expected magnitude of their consequences. The risk management process includes monitoring of the changes in the parameters of reported significant risk events and control of the effectiveness of strategies implemented to counteract them. Where necessary, corrective actions are taken by modifying or updating the applied counteracting and risk reporting strategies.

Risk management is led by senior management in conjunction with the Company's Board of Directors.

The Company is exposed to various types of financial risks. The most significant ones are market risk, credit risk and liquidity risk.

38.1. Market risk analysis

As a result of utilising financial instruments, the Company is exposed to market risk, specifically foreign exchange risk, interest rate risk, and price risk, arising from the Company's operating and investing activities. Significant impact on the electricity market is expected due to renewables, which are compensated by the ESS fund and have a planned growing share, as well as the uncertain future of coal plants. The market in the country is expected to follow European trends. The future medium-term outlook for the electricity market is one of volatility and price dynamics.
To mitigate the negative impact of market price trends, long-term products account for a significant share of the Company's electricity supplies. Long-term transactions provide security and predictability both in terms of quantities and price. Price risk is possible in case of a significant increase in market prices of supplies and services, including changes in prices for the supply of fresh nuclear fuel, resulting in a corresponding increase in costs and a negative effect on the financial result. To minimise the risk of insufficient liquid resources to manage unforeseen costs, and to cover inflated prices of initiated procedures and concluded contracts, the Company provides for a reserve of funds to implement production, maintenance, and investment programmes. The planning of a reserve is part of the price risk management measures applied to secure the indexation of the values of contracts concluded with contractors, in accordance with the Methodology for Modifying the Price of a Public Procurement Contract as a Result of Inflation, as well as to secure reserve supplies of specific spare parts from alternative suppliers.

38.1.1. Foreign currency risk

The foreign currency risk for the Company is limited, given that the majority of revenues and payments are carried out in Bulgarian leva and euros. In view of the fixed exchange rate of the BGN to the EUR, exposure to these currencies does not have a significant impact on the financial results. Considering the introduction of the euro as the official currency as of 2026, the foreign currency risk will be further reduced.

With regard to US dollar payments, currency market trends are monitored due to the potential risk of possible losses arising from exchange rate fluctuations.

The Company monitors its foreign currency exposure and, if necessary, applies appropriate measures to mitigate it.

38.1.2. Interest risk

The Company's policy is focused on managing and decreasing the existing interest risk for long-term investments.

The Company is also exposed to interest rate risk with respect to its defined benefit plan for employee retirement. Potential changes in the calculated present value of the obligations are possible due to fluctuations in the discount rate, which is based on the market yield of government securities. A possible decline in the market yield of the government securities held will increase the Company's future liabilities related to defined benefit plans. (See item 19 Employee Retirement Benefit Obligations). Kozloduy NPP EAD is not exposed to interest rate risk on short-term borrowings received or regarding the loan granted to BEH EAD, as these have been negotiated at fixed annual interest rates. The fixed nature of the interest rates guarantees stability of financing costs and predictability of cash flows, thereby eliminating the Company's sensitivity to market interest rate fluctuations.

38.2. Credit risk analysis

Credit risk refers to the possibility that a particular counterparty will not make the expected payment to the Company. The Company is exposed to this risk in relation to various financial instruments, e.g., granting of loans, receivables from customers, cash deposits, investments in securities, etc.

To minimize credit risk due to the deterioration in the collectability of receivables from NEK EAD since the beginning of 2025, measures have been taken and an agreement has been concluded to defer the public supplier's obligation.

The Company's credit risk exposure is limited to the carrying amount of the financial assets recognised at the end of the reporting period as specified below:

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Groups of financial assets – carrying amounts:		
Financial instruments at fair value through other comprehensive income (OCI)	297	284
Debt instruments measured at amortised cost – current and non-current:		
Trade and other receivables	23,123	11,088
Loans granted to related parties	5,545	42,528
Receivables from related parties	190,723	156,566
Cash and cash equivalents	399,707	549,318
Carrying amount	**619,395**	**759,784**

The Company regularly monitors defaults by its customers and other counterparties, identified individually or in groups, and utilises this information to control credit risk. The Company trades only with recognised and creditworthy counterparties. The Company's policy requires that all customers who wish to transact on deferred payment terms undergo procedures to verify their solvency. Furthermore, trade receivable balances are monitored on an ongoing basis, as a result of which the Company's exposure to bad and doubtful debts is not material.

The expected credit losses are calculated on the date of each reporting period.

The table below contains information about the credit risk exposure related to financial receivables from non-related and related parties of the Company by using the expected credit loss provision matrix as at 31 January 2025 and 31 December 2024 respectively.

	Estimated credit loss percentage	Gross value of receivables from customers	Impairment for expected credit loss	Net value of receivables from customers
	%	BGN'000	BGN'000	BGN'000
31 December 2025				
Non-matured	0%	22,899	-	22,899
From 30 to 90 days	0%	40	(1)	39
From 90 to 180 days	0%	4	-	4

From 180 to 360 days	7.69%	47	(6)	41
Over 360 days	99.50%	3,401	(3,387)	14
Litigations and writs	87.06%	6,667	(6,541)	126
		33,058	**(9,935)**	**23,123**
31 December 2024				
Non-matured	0%	9,914	-	9,914
From 30 to 90 days	0%	96	(1)	95
From 90 to 180 days	0%	7	-	7
From 180 to 360 days	7.69%	33	(4)	29
Over 360 days	99.50%	3,396	(3,386)	10
Litigations and writs	87.06%	7,667	(6,634)	1,033
		21,113	**(10,025)**	**11,088**

As at the date of the separate financial statements, the age structure of financial receivables is as follows:

As at 31 December 2025

	Not overdue	**30-90 days**	**90-180 days**	**180-360 days**	**>360 days**	**Total**
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Trade and other receivables	23,025	39	4	41	14	23,123
Receivables from related parties	190,240	273	9	201	-	190,723
	213,265	**312**	**13**	**242**	**14**	**213,846**

As at 31 December 2024

	Not overdue	**30-90 days**	**90-180 days**	**180-360 days**	**>360 days**	**Total**
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Trade and other receivables	10,947	95	7	29	10	11,088
Receivables from related parties	110,533	46,028	5	-	-	156,566
	121,480	**46,123**	**12**	**29**	**10**	**167,654**

Information about the change in the impairment of the trade and other receivables from related parties is presented in Note 33.5.

The carrying amounts of the above-mentioned financial assets represent the maximum possible credit risk exposure of the Company with regards to these financial instruments.

38.3. Liquidity risk analysis

Liquidity risk refers to the risk that the Company fails to settle its obligations when they fall due.

Kozloduy NPP is exposed to high liquidity risk arising from a potential inability to meet its current obligations in a timely manner with available cash and liquid assets. Insufficient liquidity may lead to difficulties in fulfilling short-term commitments and may necessitate the use of additional financing under unfavourable terms. The assessment of inherent risk is classified as 'critical' due to unpredictability in the dividend policy and/or regulatory changes relating to the imposition of new obligations on Kozloduy NPP, which deteriorate the financial position of the nuclear power plant. These include the continuation of the mechanism for payment of earmarked contributions to the ESS Fund by producers from the BEH group pursuant to statutory provisions until the end of 2025 at a reduced cap close to production cost, increasing the amount of dividend deducted for the sole owner of the capital up to 100% of the profit, or other new regulatory obligations.

Such decisions to seize all generated profits, on the one hand, have a significant negative effect on the stability of the Company and compromise its cash balance, and, on the other hand, seriously limit the possibilities for investments aimed at improving the operation of facilities and equipment in the context of long-term operation of the nuclear units beyond their design life and reliable operation. There is a serious risk that Kozloduy NPP EAD may be unable to set aside funds to cover future key commitments for SNF and RAW management.

The Company meets its liquidity needs by carefully monitoring payments under the repayment schedules of long-term financial liabilities, as well as the cash inflows and outflows arising in the course of operating activities. As part of liquidity risk management during the period, daily, monthly, and annual forecast estimates for cash inflows and outflows were prepared to identify the Company's financial needs

As at 31 December, the maturity dates of the Company's contractual liabilities are summarised as follows:

31 December 2025	**<3 months**	**3-12 months**	**1-5 years**	**Total**
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**
Retentions on contracts	-	13,226	1,848	15,074
Trade and other payables	216,780	40,884	432	258,096
Liabilities under contracts with customers	36	-	-	36
Payables to related parties	90,705	100,065	-	190,770
Liabilities to credit institutions	127	50,000		50,127
	307,648	**204,175**	**2,280**	**514,103**

31 December 2024	**<3 months**	**3-12 months**	**1-5 years**	**Total**
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**
Retentions on contracts	-	8,182	2,233	10,415
Trade and other payables	236,945	36,625	791	274,361
Liabilities under contracts with customers	60,923	-	-	60,923
Payables to related parties	13,800	65	-	13,865
	311,668	**44,872**	**3,024**	**359,564**

The amounts, disclosed in this analysis of the liabilities' maturity, represent non-discounted cash flows under the relevant contracts that could differ from the carrying amounts of the liabilities as at the reporting date.

39. Fair value measurement of non-financial assets

The Company groups its assets and liabilities carried at fair value into three levels based on the significance of the input information used in measuring the fair value of the assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs, other than market prices, included in Level 1 that can be observed for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., based on prices); and
- Level 3: Inputs for the asset or liability that are not based on observed market data.

A financial asset or liability is categorised on the lowest level of significant input used in its fair value measurement.

The following table represents the levels of hierarchy of non-financial assets as at 31 December, periodically measured at fair value:

	31 December 2025	**31 December 2024**
	BGN'000	**BGN'000**
Property, plant, and equipment (Level 3):		
- land	15,113	15,527
- buildings	604,557	618,155
- machines, plant and equipment	1,771,745	1,817,054
- transport vehicles	12,568	13,669
Investment property (Level 2)	1,189	-
	2,405,172	**2,464,405**

The fair value of the respective groups of assets of property, plant and equipment, and investment properties is determined based on reports of independent certified appraisers as at 31 December 2024.

In 2025 the Company made a non-cash contribution (contribution of land) to the capital of Kozloduy NPP - New Build EAD in relation to which an appraisal of this contribution was carried out. Detailed information is presented in Note 5.

As at 31 December 2025 a review for impairment was conducted. According to the review, the carrying amount of the assets does not differ significantly from the fair value of the revalued assets as at the end of the reporting period.

Significant unobserved data are related to the adjustment in the Company's assets specific factors. The degree and direction of this adjustment depends on the number and characteristics of the observed market transactions with similar assets used for valuation purposes. Despite the fact that these data are subjective, the Management believes that the final valuation would not be significantly affected by other possible assumptions.

40. Capital management policies and procedures

Kozloduy NPP EAD is the only nuclear power plant in Bulgaria and the country's major electricity producer providing for more than one third of the national annual electricity generation. This, together with its high operational safety and reliable electricity supplies, determines its role as a key factor for the stability of the national electricity system and for the country's energy security.

The main objective of the Company's capital management is to maintain a stable financial position and capital ratios thus ensuring normal and continued electricity generation, which in turn will ensure the payment of dividends to the sole owner BEH and therefore to the Bulgarian state.

The Company manages its capital structure and amends it, as necessary, depending on the changing economic environment. In order to maintain or change its capital structure, the Company may adjust the payment of dividends to the sole shareholder and reduce or increase its share capital by a decision of the sole owner.

The Company monitors its capital through the realised financial result for the reporting period as follows:

	2025	2024
	BGN'000	**BGN'000**
Profit for the year, after tax	12,739	221,913

41. Post-reporting date events

By Decision II.1 under Minutes No. 10-2026 dated 27 January 2026, the Board of Directors of BEH EAD agreed the Resolution under Item 2.18.1 of Minutes No. 2 dated 22 January 2026 of the Board of Directors of Kozloduy NPP EAD regarding a capital increase of Kozloduy NPP - New Build EAD through a cash contribution by Kozloduy NPP EAD in the amount of EUR 127,823,073 against the acquisition of 25,014,300 shares with a nominal value of EUR 5.11. As at the date of approval of the financial statements the cash contribution has been made by Kozloduy NPP EAD, however the capital increase has not yet been registered in the Commercial Register.

- Pursuant to Paragraph 2, Section 2 of the Transitional and Final Provisions of the Act on Revenue Collection and Expenditure Generation in 2026, pending the adoption of the 2026 State Budget Act of the Republic of Bulgaria, the 2026 State Social Security Budget Act, and the 2026 National Health Insurance Fund Budget Act, the mechanism for collecting earmarked contributions into the Electricity System Security Fund has been extended. The earmarked contribution represents the positive difference between market revenues and the established revenue cap for the respective type of producer. By Council of Ministers Decision No. 165 dated 12 February 2026, the revenue cap for nuclear power plant (NPP) producers was set at EUR 61.36/MWh for the period from 1 January 2026 to 31 December 2026. Pursuant to Item 2 of the Decree, this cap may be amended, if necessary, upon proposal by the Minister of Energy.

- By EWRC Decision No. И2-Л-216 dated 4 March 2026, the term of Electricity Trading Licence No. Л-216-15 dated 18 December 2006 (previously extended for a 10-year term by Decision No. И1-Л-216 dated 16 December 2016), issued to Kozloduy NPP EAD, was extended by a period of additional 10 years.

- By decision under Minutes No. 22-2026 dated 27 March 2026, the Board of Directors of BEH EAD granted permission to Kozloduy NPP EAD, in its capacity as borrower, to conclude Addendum No. 2 to Cash Loan Agreement No. 63-2025/854000001 dated 12 May 2025, entered into between Kozloduy NPP - New Build EAD (lender) and Kozloduy NPP EAD (borrower). This addendum extends the validity period of the agreement until 12 May 2027 and increases the loan amount to EUR 75 million, with all other clauses of the agreement remaining unchanged, under the conditions approved by resolution under Item 4.21.1 of Minutes No. 4 dated 18 March 2026 of the Board of Directors of Kozloduy NPP EAD.

- By decision under Minutes No. 20-2026 dated 19 March 2026 of the Board of Directors of BEH EAD, Iliya Todorov Iliev and Slavyan Petrov Lachev were released from their positions as members of the Board of Directors of Kozloduy NPP EAD, and Georgi Stefanov Kaschiev and Boyan Ventsev Rosmanov were elected in their stead. The new circumstances were registered in the Commercial Register and Register of Non-Profit Legal Entities on 26 March 2026. By resolution under Minutes No. 5 dated 20 March 2026 of the Board of Directors of Kozloduy NPP EAD, Georgi Stefanov Kaschiev was elected Chair.

Pursuant to the Introduction of the Euro in the Republic of Bulgaria Act, effective 1 January 2026, the euro becomes the official currency and legal tender in Bulgaria. The official exchange rate is set at BGN 1.95583 per EUR 1. The introduction of the euro as the official currency in the Republic of Bulgaria constitutes a change in the Company's functional (reporting) currency, which will be reflected prospectively and does not constitute an event after the reporting period requiring an adjustment to the financial statements for the year ending on 31 December 2025. The Company does not expect any material effects from the restatement of opening balances as of 1 January 2026 in euros or from the process of changing the functional (reporting) currency.

Since the beginning of March 2026, tensions related to the conflict in Iran have been escalating, contributing to heightened geopolitical uncertainty in the region and globally. The potential consequences of these events include heightened volatility in energy markets, additional fluctuations in the macroeconomic environment, and increased uncertainty regarding future economic conditions. Management is monitoring the situation and has taken the available information into account in preparing its accounting estimates and assumptions; currently, no need for adjustments to the financial statements has been identified, other than those already disclosed.

- By decision under Minutes No. Е-РД-21-19 dated 20 May 2026 of the Minister of Energy, Ivo Ivanov Todorov, Kalina Boyanov Filipov, Valentin Aleksiev Nikolov, Diyan Atanasov Ivanov, and Vasil Georgiev Stoynov were released from their positions as members of the Board of Directors of Bulgarian Energy Holding EAD. Ivo Ivanov Todorov, Andrey Stefanov Zhivkov, and Petar Valeriev Angelov were elected as members of the Board of Directors of BEH EAD representing the State, while Vasil Vasilev Vasilev and Ilza Mitkova Chinkova were elected as independent members. By decision under Minutes of meeting of the Board of Directors of BEH EAD held on 20 May 2026, Ilza Mitkova Chinkova was elected Chair and Vasil Vasilev Vasilev was elected Deputy Chair of the Board of Directors of BEH EAD. Andrey Stefanov Zhivkov was elected Executive Member of the Board of Directors of BEH EAD, entrusted with the management and representation of the company before third parties.

There are no adjusting or other non-adjusting post-reporting date events that require additional disclosure or adjustment in the financial statements of Kozloduy NPP EAD as at 31 December 2025.

42. Disclosure pursuant to statutory requirements

These Separate Financial Statements were audited jointly by audit firms Grant Thornton OOD and Zaharinova Nexia OOD, based on a contract signed between the Bulgarian Energy Holding EAD and DZZD Audit BEH. The Company does not accrue amounts for independent financial audit. The Consolidated Financial Statements of the Bulgarian Energy Holding EAD disclose the accrued amounts for rendering of services by the registered auditor for independent financial audit. The auditors did not render other services during the period.

43. Approval of the separate financial statements

The Separate Financial Statements as at 31 December 2025 (including comparison data) were approved for issue by the Board of Directors on 27 May 2026.