

ANNUAL REPORT

for the period

1.8.2022 – 31.7.2023



Distribúcia **SPP**

H2
PILOT
Bezpečne. Ekologickejšie.

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STATEMENT BY THE COMPANY MANAGEMENT

Dear Shareholders,

Let us present to you our company's annual report for the financial year 1 August 2022 - 31 July 2023, which was characterised by challenges in securing reliable energy supplies and associated with high volatility in energy commodity prices. The fading pandemic crisis was replaced by an energy crisis, later escalated by the conflict in Ukraine. The environment in the EU and in Slovakia, and thus the conditions for carrying out our activities, have become much more difficult. Therefore, we are extremely pleased that even in such a particularly unfavourable situation we have managed to jointly maintain the position of our company SPP - distribúcia as a reliable distributor, a guarantor of the security of natural gas supply, a responsible employer and a financially stable company.

The most difficult test for our company was undoubtedly the coping with the situation on the gas market after the Russian invasion of Ukraine. The restriction of natural gas supplies from the Russian Federation to Europe has led to the need to look for

alternative sources of natural gas supplies. This was achieved thanks to access to LNG and the contracting of diversifying supplies by the largest gas suppliers on the market. It was thus possible to fill the storage facilities satisfactorily for the needs of Slovak customers. We are very pleased that we were also able to purchase gas for our reserves under optimal conditions and to procure gas supplies in such a way that we will be able to ensure compliance with the standard of security of supply of natural gas to households. Together with the implementation of our asset maintenance plan, we were well prepared to ensure reliable gas distribution during the winter heating season. An important contribution to the assessment of the gas supply situation in Slovakia in this challenging period was also the regularly prepared so-called stress tests as well as suggestions for changes in the secondary legislation in the field of crisis management by our dispatchers.

We have not slowed down in our environmental activities. Thanks to the adoption of process and organisational measures

in maintenance, we were able to increase the rate of leak clean-up and thus reduce the duration of leaks, with a positive impact on the reduction of methane emissions. Good news in this area is also the connection of the first biomethane station to our network and the launch of the Renewable Gas Registry. We thus launched the distribution of renewable gases and created the preconditions for their trading, thus taking an important step towards a "green future" of the gas industry in Slovakia.

We are also looking to the next period through the lens of tackling climate change and our commitment to environmental protection, with an emphasis on air quality. The practical phase of our project to mix hydrogen into natural gas at the local network level in the municipality of Blatná na Ostrove, called H2PILOT, was successful and the results confirm that we are able to transport a mixture of natural gas and hydrogen in the medium-pressure pipelines of our network, which is another important milestone in the gradual decarbonisation of the economy.

„Thanks to the adoption of process and organisational measures in maintenance, we were able to increase the rate of leak clean-up and thus reduce the duration of leaks, with a positive impact on the reduction of methane emissions“

Thanks to efficient procurement, including the purchase of gas, continuous productivity improvements in maintenance and improvements in the leakage elimination process, we were able to achieve good financial results on a par with previous years, even in this difficult period. The fact that thanks to the preparation of investment actions in advance we were able to procure the reconstruction of local networks alternatively on a turnkey basis by external contractors and also through in-house construction and assembly activities contributed to the optimal implementation of investments. This gave us the opportunity to choose a more economically viable alternative. In this regard, it is appropriate to express our sincere gratitude to our staff for the way in which we have handled all the planned and unplanned tasks of this period.

This year is also a jubilee year for SPP - distribúcia. The year 2023 marks the 10th anniversary of the entry of Energetický a průmyslový holding, a. s. into our company in the form of a 49% shareholding. EPH built on the strengths of our company and

brought new development impulses in the form of a greater focus on cost management, more assertive dealings with suppliers and stronger management control. It has also brought a more balanced perception of risk. The safety, reliability and economic aspects of our operations have thus been brought more into balance, which is a key factor in coping with the current difficult position of natural gas in Slovakia's energy mix.

The past financial year confirmed our indispensable position in the Slovak energy sector, which we will continue to strengthen in the future in order to continue to be a reliable energy distributor, a stable investor, an attractive employer and to create value for our customers, employees and shareholders.



Ing. František Čupr, MBA
Chairman of the Board of Directors



Ing. Martin Hollý
General Director



Ing. Pavol Mertus
Member of the Board of Directors

The company SPP - distribúcia, a. s., as the owner and operator of a gas distribution network of more than 33 400 km, provides natural gas distribution in the territory of the Slovak Republic to more than 1.5 million points of delivery. The volume of such distributed gas accounts for about 98% of the total natural gas volume distributed in the Slovak Republic for more than 94 % of the Slovak population with access to natural gas.



33 400

km of a gas distribution network



94 %

of the Slovak population with access to natural gas

COMPANY

COMPANY PROFILE

The reliability of operation of such an extensive gas distribution network requires a high level of professionalism, continuous development and consistent monitoring of the condition of pipelines and gas facilities in order to ensure the technically safe, user reliable and economically efficient distribution of natural gas.

SPP – distribúcia considers a continuous natural gas supply as one of the strategic pillars for maintaining the energy security of the Slovak Republic; therefore, increased attention is paid to it by the company. Furthermore, the company concentrates on the consistent implementation of quality standards and a number of other legislative requirements. SPP – distribúcia is a responsible guarantor of a strategic gas supply for household customers. The company also performs dispatching control and monitoring of the gas distribution system, including its physical balancing.

SPP – distribúcia actively supports the development of an open gas environment through its activities. The company aspires to be a stable and efficient provider of professional services for 25 distribution network users as well as natural gas customers of all categories. It places emphasis on transparent and non-discriminatory business activities. It strives to continuously improve the provided services, which is reflected in the growing options for electronic access to key services.

Priority business areas for SPP – distribúcia include the sale of distribution capacity, connections

to the gas distribution network, active promotion of the use of natural gas as a comfortable, economical and environmentally friendly fuel, development activities, and the operation and maintenance of gas facilities.

The provision of safety for the extensive gas distribution network and its operation is preceded by safety of people in their own workplaces, which remains the company's priority. SPP – distribúcia strives to set up its processes optimally and to increase the efficiency of the operating activities resulting from its position as an independent operator on the Slovak gas market.

SPP – distribúcia perceives the environmental dimension of its activities in relation to climate change and the resulting global efforts to reduce greenhouse gas emissions. The long-term goal of the company is to create the most favourable regulatory, legislative, technical environment supporting the largest possible implementation of emission-free or low-emission gases (biomethane, hydrogen) into the gas infrastructure of the Slovak Republic, including setting up adequate support from public funds. The biomethane station in Jelšava was the first in Slovakia to start the production of biomethane and its injection into the distribution network. In the last period, we have registered an increased interest of applicants for connection of future biomethane stations to the distribution network. On 1 June 2023, SPP – distribúcia launched the operation of the Renewable Gas Registry, whose task is to issue, transfer and apply guarantees

of origin for renewable and low-carbon gases. It is a key instrument to enable trade flows of renewable gases through Europe's gas infrastructure. The launch of the registry will contribute to the decarbonisation of the gas sector and guarantees of origin will find application in a variety of industries.

In an effort to contribute to tackling climate change, the company,

following the example of developed countries, plans to use the pipeline network in the near future to distribute mixtures of emission-free gases together with natural gas. The experience in practical mixing of hydrogen into distributed natural gas abroad and successful laboratory tests at home have created the preconditions for the launch of hydrogen mixing into the distribution network in Slovakia as well. As part

of the H2PILOT pilot project, SPP – distribúcia has started a practical test of natural gas distribution with 10% of hydrogen in the municipality of Blatná na Ostrove. SPP – distribúcia plans to adapt its network to distribute gas with 5% of hydrogen throughout Slovakia by 2025 and double the ratio of hydrogen in the mix by 2030.

BOARD OF DIRECTORS

AS AT 31 JULY 2023



Ing. František Čupr, MBA
Chairman
of the Board of Directors

František Čupr graduated from the Faculty of Business and Economy of Mendel Agricultural and Forestry University Brno with a Master of Business Administration (MBA) in 2006. After graduating, he worked for seven years with Jihomoravská energetika, a. s., in Brno, in various managerial positions, including Deputy Director of the Sales Division and Strategy Director. In 2005, he started to work for the J&T Investment Group, dealing with energy projects. In the same year, he founded a company trading in electricity and natural gas, EP Energy Trading, a. s. (former

United Energy Trading, a. s.), where he executed the function of Chairman of the Board of Directors and CEO until 2012. In the period of 2006 - 2010, he was a member of the Supervisory Board of Pražská energetika, a. s. From 2009 - 2013, he operated as a member of the Supervisory Board of Pražská teplárenská, a. s. In 2013, he became Chairman of the Board of Directors of Stredoslovenská energetika - distribúcia, a. s. Since 24 January 2013, he has held the position of Chairman of the Board of Directors of SPP - distribúcia, a. s.



JUDr. Ľubomír Schweighofer
Vice-Chairman
of the Board of Directors

In 1981 he graduated from the Faculty of Law of the Comenius University in Bratislava. After his studies, he joined the State Arbitration in Bratislava and later worked as an investigator with the Police Force of the Ministry of Interior of the Slovak Republic. In 1999 he founded the law firm Schweighofer & Partners, where he has worked to this day as a lawyer and founding partner. In the same year

he became a member of the Czech Bar Association and the Slovak Bar Association. Since 2017, he has presided over the Disciplinary Board of the Slovak Bar Association. From 2000 to 2009 he was vice-consul of the Honorary Consulate of the Republic of Guinea in Slovakia. Since 23 September 2020, he has been Vice-Chairman of the Board of Directors of SPP - distribúcia, a. s.

František Urbaník graduated from the Faculty of Electrical Engineering of the Brno University of Technology. He obtained his PhD at the VŠB - Technical University of Ostrava, Faculty of Mining and Geology. He started his professional career Vlárske strojírný, s. p. in 1991 as Chief Power-Supply Director. In the period from 1993 to 1995, he was employed with IMC, s. r. o. as system engineer. In 1995 he co-founded AISE, s. r. o., where he worked as a system engineer and marketer. He executed projects of measurement and control implementation, reduction in energy intensity of industrial enterprises and applied development of data collection and distribution methods.

Marek Štrpka graduated from the Faculty of Commerce of the University of Economics in Bratislava and the Faculty of Law of Comenius University in Bratislava. He started his professional career in 1996 in the St. Nicolaus Group, holding various managerial positions for eight years. In 2003 he started to work for the AGROFERT Group, first holding the position of financial director and member of the Board of Directors of Duslo, a. s., and from 2008 as the CEO and Vice-Chairman of the Board

In 1987, Pavol Mertus graduated from the Faculty of Mining of the Technical University in Košice and subsequently, he completed his postgraduate studies in economics and management of mining industry. Until 1991, he worked as mine inspector at the Mining Office in Bratislava. In the period from 1992 to 1994, he acted as an adviser to the Prime Minister of the Slovak Republic. From 1994 to 1999 he held the position of General Director of the State Environmental Fund of the Slovak Republic and was a member of the Supervisory Board of Všeobecná úverová banka. In the period of 1999 - 2003 he held the position of Business and Economic Director of Pozagas, a. s., where he was responsible for economic management and business matters of the company.

In 1997, he became the Executive Officer and Director of this company, where he still works. In the period from 1997 to 2008 he was also a manager of ENBI, s. r. o., where, in addition to energy studies and audits, he participated in the projects of EPC, M&C of Johnson Controls, AISYS, ERIS, and SIEMENS systems, and in the application of TEDOM and Caterpillar cogeneration units; till 1999, he also held the position of Executive Officer of the company. In January 2017, he became a member of the Board of Directors of SES BOHEMIA ENGINEERING, a. s. Since 26 May 2017, he has been a member of the Board of Directors of SPP - distribúcia, a. s.

of Directors of this company. At the same time, he operated as Chairman of the Supervisory Board of the Association of Chemical and Pharmaceutical Industry SR, Member of the Board of Directors of the Slovak Agriculture and Food Chamber, member of Klub 500. Since 2013, he has been the CEO of Stredoslovenská energetika - distribúcia, a. s. Since 11 November 2015, he has been a member of the Board of Directors of Stredoslovenská energetika - distribúcia, a. s.

From 2003 to 2005, he acted as an adviser to the Board of Directors and a member of the Supervisory Board of FIN-energy, a. s., Bratislava, where he was in charge of energy and gas projects. In the period of 2008 - 2016, he acted as General Director and Executive Officer of ČKD - Slovensko, a member of the ČKD Group Praha, in charge of the complete operation of the company acting in the energy and gas industries, in the area of technology. Since 2007, he has been member of statutory and supervisory bodies of companies within the SSE Holding, a.s., Žilina. He currently holds the position of Chairman of the Supervisory Board of SSE Holding, a.s. Since 2 January 2017, he has been a member of the Board of Directors of SPP - distribúcia, a. s.



Ing. František Urbaník
Member of the Board of Directors



Mgr. Ing. Marek Štrpka
Member of the Board of Directors



Ing. Pavol Mertus
Member of the Board of Directors

TOP MANAGEMENT

AS AT 31 JULY 2023



Ing. Martin Hollý
General Director

Martin Hollý graduated from the Faculty of Commerce at the University of Economics in Bratislava with a specialization in foreign trade, and from the Universidad de Grenada in Spain. After graduating, he first worked for several years as Senior Auditor and Consultant at Arthur Andersen. In 2003 he took up the position of Director of the Economic Department in NAFTA a.s., where

he significantly contributed to the restructuring of the company. From July 2008 to September 2012, he was General Director of NAFTA, a. s., as well as a Member of statutory bodies in POZAGAS a. s. In October 2012 he moved to SPP – distribúcia, a. s., within the SPP Group, where he has held the position of General Director since 1 December 2012.



Ing. Roman Filipoiu, MBA
Head of the Economics and Regulatory Division

Roman Filipoiu completed his Financial Management studies at the Faculty of Business Management at the University of Economics in Bratislava. Later on, he obtained his MBA at Oxford University in Great Britain. After graduating, he started working as an Auditor and Consultant in Deloitte, where he participated in audits of several major banks, financial institutions, and media companies in Slovakia. He started working in the energy sector after joining NAFTA a. s. in 2007. He was responsible for

controlling, price regulation, and later also for accounting, procurement, and finance. In the same period he also worked as Chairman of the Supervisory Board in Karotáž a cementace s. r. o. and Naftárska leasingová spoločnosť a. s. Since April 2009, he has been Head of the Economics and Regulatory Division for SPP – distribúcia, a. s. At the same time, he operates as Chairman of the Supervisory Board in SPP – distribúcia Servis, s. r. o., and member of the Supervisory Board in Plynárenská metrológia, s. r. o.

Rastislav Prelec graduated from the Faculty of Electrical Engineering at the Slovak University of Technology in Bratislava in 1985 and completed his Masters in Industrial Engineering at Fachhochschule Ulm (Germany) in 2005. After completing his studies, he worked in the Chemical Technology Research Institute as Head of the Automation Department until 1991. In the period of 1991 – 1995 he was self-employed in the field of industrial automation. In 1995 he joined Slovenský plynárenský priemysel, a. s. as a Telemetric Equipment Technician. He later worked as Head of the Control Systems Department. Since 1997

he has worked as a Project Manager and Co-Manager on the following projects: Reconstruction and Remote Control of Transfer Stations (SCADA SPD), Remote Monitoring of Regulation Stations (SCADA OZ), Dispatching Control Systems (SCADA), Remote Monitoring of Large Customers, Mobile Workplaces, and the Distribution Information System. In 2009 he was appointed Director of the Maintenance and Metering Division in SPP – distribúcia, a. s., where he served until 1 July 2013, when he became Head of the Network Operation and Asset Management Division in SPP – distribúcia, a. s.



Ing. Rastislav Prelec
Head of the Network Operation and Asset Management Division

Miroslav Horváth completed his studies at the Faculty of Mechanical Engineering of the University of Žilina, specializing in the gas industry. After graduating, he started working for Slovenský plynárenský priemysel, š.p., as a Technician of Gasification in 1999. Subsequently he worked in several positions, among others also as Head of the Centre District Gasworks in Považská Bystrica. In July 2004 he became Head of the Local

Unit in Prievidza. After the legal unbundling in 2007, he joined SPP – distribúcia, a. s., in the post of Head of the Regional Centre East in Košice. Since 2009, he has worked as Head of the maintenance department in the Maintenance and Metering Division and subsequently as Deputy to the Section Head. On 1 July 2013 he was appointed Head of the Maintenance and Metering Division for SPP – distribúcia, a. s.



Ing. Miroslav Horváth
Head of the Maintenance and Metering Division

Marek Paál, specialising in the gas industry, completed his studies at the Faculty of Mechanical Engineering of the University of Žilina in 2003. However, he started working in this field in 1996, when he joined the Slovak Gas Dispatching at Slovenský plynárenský priemysel, a. s. (SPP), holding various posts. Since 2004 he worked at SPP as Director of the Distribution Capacities Sales Division. In 2006, he participated in the legal unbundling process of SPP

into three separate companies and led the project for the implementation of a distribution information system for liberalised gas trading. After the legal unbundling, he continued to work as Director of the Distribution Capacities Sales Division in the now separated company SPP – distribúcia, a. s. Since the restructuring of the company in 2009, he has held the position of Head of the Distribution Services Division.



Ing. Marek Paál
Head of the Distribution Services Division



Ing. Irenej Denkocy
Head of the Investment
Division

Irenej Denkocy graduated from the Faculty of Business Management of the University of Economics in Bratislava with a specialization in financial management. He continued his studies by qualifying for and gaining ACCA membership. After graduating, he first worked as an assistant auditor at Ernst & Young, where he participated in the audits of several significant businesses

in Slovakia. In 2009 he joined SPP – distribúcia, a.s., in the position of Senior Controller. Starting from 2011, he worked in the position of Head of Investments Controlling and Asset Registry. From July 2014 to January 2015 he was nominee Head of the Investments Division of SPP – distribúcia a. s. Since 1 February 2015, he has been Head of the Investments Division.



Mgr. Ing. František Kajánek
Head of the Human
Resources and QHSE
Division

František Kajánek graduated from the Mining-Geology Faculty at the Mining College in Ostrava with a specialization in economics and the management of mines, and later studied law at the Comenius University. He has been actively engaged in the area of human resources since 1995, working at NCHZ a. s., Nováky, for the Office for State Services, and for the Ministry of Labour, Social Affairs and Family

of the Slovak Republic. Starting from 2007, he worked for NAFTA, a.s., where he held the position of Director of Human Resources from 1 January 2008. In addition to human resources, he was also responsible for corporate culture and internal communication development. Since 1 December 2013, he has been a team-member of SPP – distribúcia, a.s. as Head of the Human Resources and QHSE Division.

SUPERVISORY BOARD

AS AT 31 JULY 2023

He graduated from the Faculty of Chemical Technology of the Slovak University of Technology in Bratislava. Since 1995 he has been active in the financial sector. He first worked as a macroeconomic analyst at ING Bank and from 1999 to 2004 he was a member of senior management of Slovenská sporiteľňa, where he actively participated in the processes of its privatization and transformation. From 2005 to 2010, he held the position of Deputy Governor of the National Bank of Slovakia, directly responsible for the area of financial market supervision. At the same time, he also took part in Slovakia's changeover to the euro currency. From 2010 to 2012 he was a member of the Board of Directors of the Všeobecná Health Insurance Company, where he was responsible for its financial

management. From 2012 to 2015 he was an adviser to the Board of Directors of Sberbank Slovensko, a.s. and a member of the Supervisory Board of that company. After Sberbank left Slovakia, he became a consultant. Since February 2021, he has been acting as an adviser to the CEO of Tauris, a.s. Since 2011, he has been chairman of the Review Committee of ÚZ ŽNO. From 2001 to 2010 he served as a member of the Board of Directors of the Open Society Foundation. He is currently a member of the Board of Trustees of the Foundation of the Centre for Contemporary Art. He is a founding member of the Club of Economic Analysts. Since 23 September 2020, he has been chairman of the Supervisory Board of SPP – distribúcia, a.s.

Gary Mazzotti B.A.(Hons) A.C.A.,
Vice-Chairman of the Supervisory Board

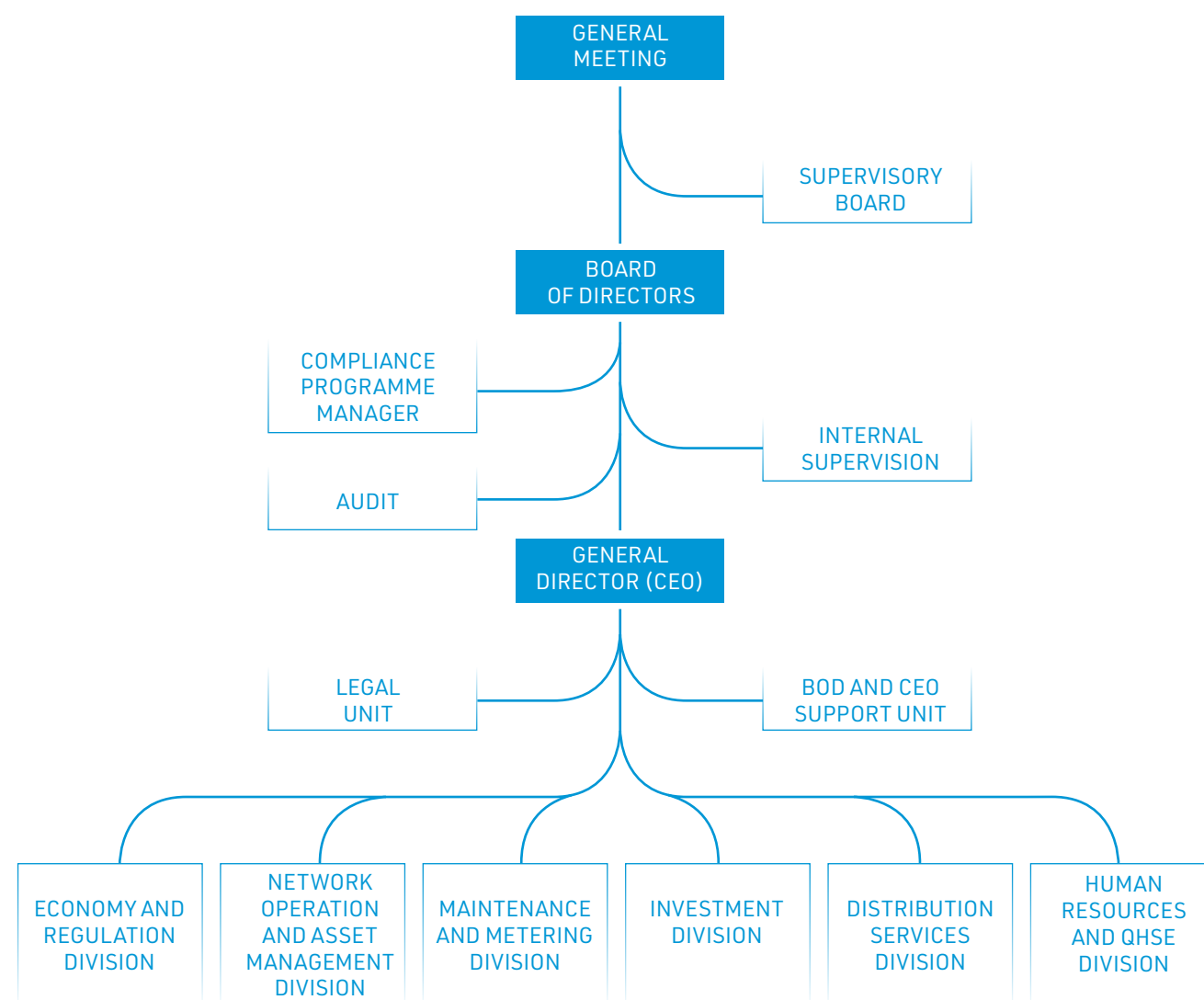
Members:

Pavol Korienek
Ing. Branislav Bosák
Milan Boris
Ing. Juraj Blusk



Ing. Martin Barto, CSc.
Chairman
of the Supervisory Board

ORGANIZATIONAL STRUCTURE



SAFE AND RELIABLE DISTRIBUTION

Safety of the network and reduction of methane emissions

We are improving the overall safety of distribution by stepping up leak checks on steel pipelines and scaling up the oldest network in the Recovery Plan, thus making a significant contribution to reducing methane emissions. We manage to continuously reduce these also by tightly controlling the time it takes to fix the faults and leaks that are found.

Integration of renewable gases into the distribution network

The long-term vision of the Slovak gas sector is to gradually replace fossil natural gas by emission-free or low-emission gases (biomethane, hydrogen). The newly adopted European taxonomy - the provisional classification of natural gas as a sustainable investment - makes the environmental sustainability of gas conditional on a transition to renewable and low-carbon gases by 2035. Today, it is clear in professional circles that the gas infrastructure has a future with hydrogen. Naturally, this will first involve mixing hydrogen into the natural gas to create a mixture of these gases with a predetermined hydrogen volume ratio. The company can make a significant contribution to reducing the ecological footprint of gas consumption by combining natural gas with hydrogen, biomethane or synthetic gas. Based on our own tests and a number of international studies, we believe that the gas distributed can contain up to 20% of hydrogen without major modifications to the existing gas network. Mixing 20% of hydrogen into the natural

gas stream will eventually reduce the carbon footprint of consumption by 7%, due to the lower calorific value of hydrogen.

Smart metering roll-out

As part of the pilot project, the company began installing G6-sized smart membrane home meters in the network in 2019. The meters, outside of the basic function of measuring the volume of gas flowing through have the possibility of transmitting daily measurement data and selected alarm states of the meter, such as exceeding the maximum hourly flow rate or unauthorized interference with the meter. An important function of these meters from the point of view of effective provision of the service to gas suppliers is the possibility of remote interruption of the supply of natural gas. These types of meters are so far installed at selected delivery points, where we register multiple requests for interruption of natural gas supply from suppliers, delivery points in the event of suspected unauthorized consumption, or with difficult access to the meter. As of 31 July 2023, 4,000 smart meters have been installed in the network.

From 2022 onwards, membrane industrial gas meters in sizes G10 - G40 were also installed for end customers, mainly in the category of small consumption, but for medium consumption customers. The purpose of their use is identical to that of home smart gas meters, whereby in many cases, especially in the category of medium consumption, they replace electronic quantity calculators and additional transmission devices, which streamlines the maintenance activities of metering, as well

as reduces the actual costs of maintenance and renewal of these devices. Currently, there are 62 such smart gas meters installed in the network, and their number will increase in the coming period.

Third-party damage to gas facilities

The company recorded a decrease in cases of damage to gas facilities by third parties in the evaluated period, from 1.8.2022 - 31.7.2023. Damages were recorded mainly in the performance of earthworks in the protection zones of gas facilities, where in half of the cases the gas installation had not been staked out. In order to eliminate damage to gas facilities, steps were taken to improve existing and implement new procedures in the areas of control of work in the protection zone of gas facilities, web forms and external communication. The company continues in 2023 with free staking up to 100 m. In examining cases of damage to gas facilities, we continue to cooperate with the Slovak Trade Inspectorate.

Ensuring a standard for security of supply

In the winter season 2022/2023 (November 2022 - March 2023), the company as the distribution network operator ensured the standard of security of gas supply for household customers in accordance with the applicable legislation in order to deal with and prevent possible emergencies. In particular, the tool was to use natural gas reserves in an underground storage facility also intended for balancing the network, while security of supply was also

ensured through contractually agreed gas supplies to cover the full needs for meeting security standards in line with economic and efficiency criteria. The fulfilment of the above measures, also during the period 11/2022 – 03/2023, shows that the company was and is able to ensure continuous and reliable distribution of gas for all households in the Slovak Republic even in the event of an exceptional situation. At the same time, in 2022 we intensively prepared for the supply of gas to Slovakia during the 2022/2023 winter season due to the uncertain gas supply situation caused by the geopolitical events of February 2022, which may threaten the transport of gas from the Russian Federation to Europe.

Detection of unauthorized consumption of natural gas

We also continued during this period successfully to detect unauthorized consumption in order to achieve a reduction in losses

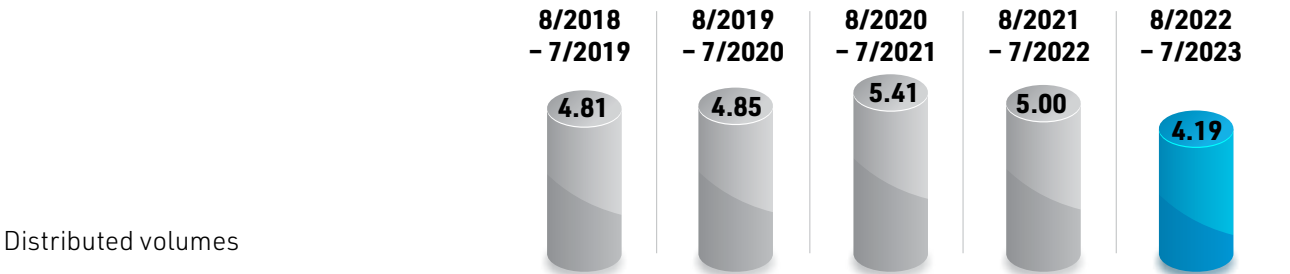
from the distribution of natural gas. Company employees identified and documented almost 1,000 cases of unauthorized consumption amounting to more than 2.5 million m³ of gas. In order to improve the safety of the facilities operated, we carried out dozens of blanket checks aimed at detecting and documenting unauthorized consumption. To this end, more than 50,000 delivery points were inspected in the past period, with hundreds of cases of demonstrable interference with metering instruments or even directly into the pipe. Based on facts suggesting the crime of gas theft, we brought dozens of charges.

Gas access coverage rate

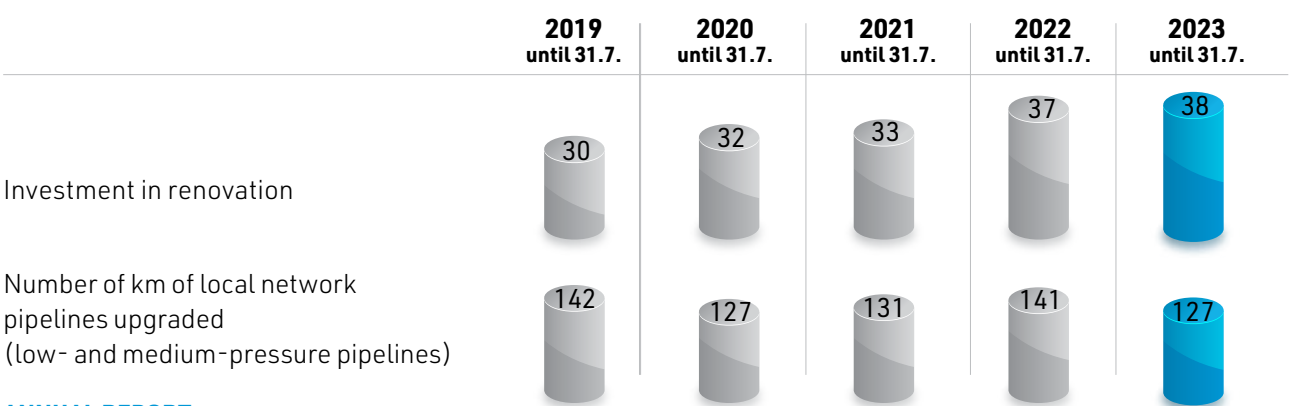
In Slovakia, gas is delivered to 77% of municipalities, where currently 94% of the population live. In view of the level of coverage achieved in municipalities, further development of the distribution network is no longer required, but due to the significant development

of the construction of residential sites, the continuous connection of these sites to the distribution network has been carried out for several years. As a rule, the residential sites in question are situated in already covered municipalities, so the distribution network is becoming denser. In the period 08/2022 – 07/2023, the volume of gas distributed through the SPP-D distribution network was lower compared to the period 08/2021 – 07/2022, with the largest decrease in gas distribution recorded in the period August 2022 to April 2023, caused by a decrease in gas consumption (customers' gas consumption savings) due to an extraordinary increase in energy market prices, as well as a higher average air temperature compared to the previous period. The decrease in gas consumption in the Slovak Republic was also required at the EU level under Council Regulation (EU) 2022/1369 on coordinated demand-reduction measures for gas, requiring a reduction in Member States' gas consumption in the period from 1 August 2022 to 31 March 2023.

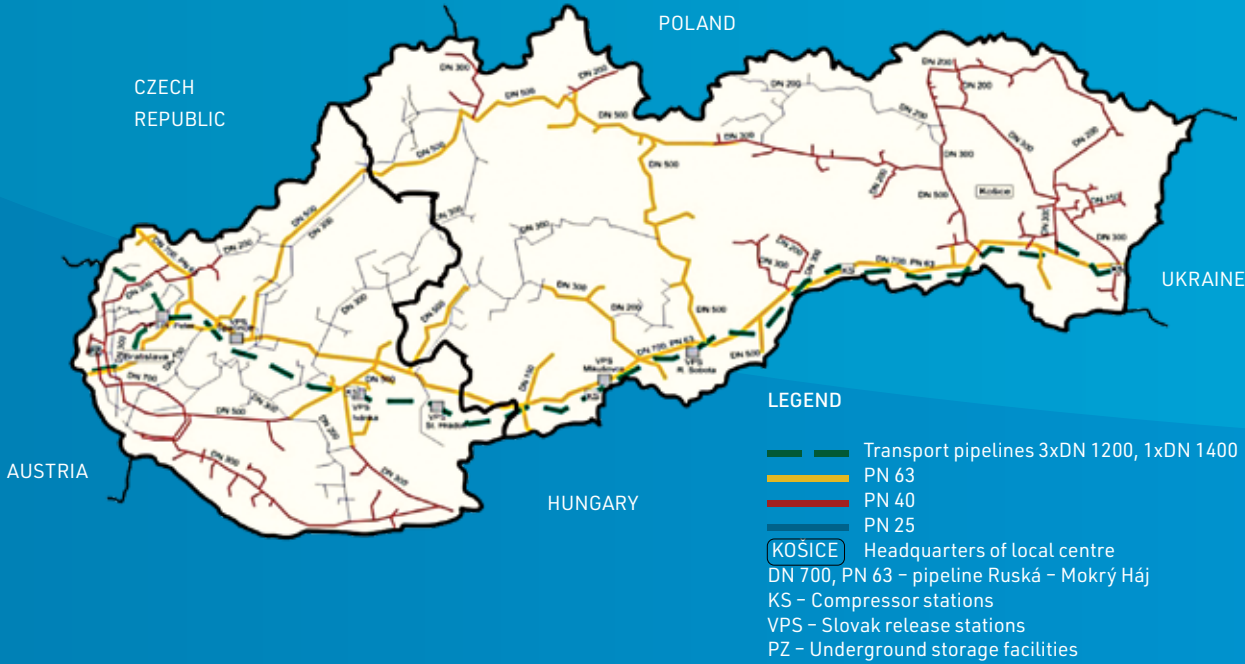
Distribution of natural gas via the SPP-D distribution network in the period from 1.8.2018 to 31.7.2023 (billion . m³/15 °C)



Investment in the renovation / reconstruction of the network in 2019 – 31.07.2022 (v mil. EUR)



MAP OF THE SPP – DISTRIBÚCIA DISTRIBUTION NETWORK



Length of distribution network in 2018 – 31.7.2022 (in km)

	2018 until 31.7.	2019 until 31.7.	2020 until 31.7.	2021 until 31.7.	2022 until 31.7.	2023 until 31.7.
High - pressure gas pipelines	6 280	6 281	6 285	6 274	6 273	6 273
Medium-pressure and low-pressure gas pipelines	27 020	27 077	27 069	27 062	27 077	27 080
Total	33 300	33 358	33 354	33 336	33 350	33 353

Classification of local gas network in 2018 – 31.7.2022 (in km)

	2018 until 31.7.	2019 until 31.7.	2020 until 31.7.	2021 until 31.7.	2022 until 31.7.	2023 until 31.7.
Steel	12 298	12 289	12 091	11 907	11 713	11 564
Polyethylene	14 722	14 788	14 978	15 155	15 363	15 516



BIOGAS

FIRST STATION ALREADY SUPPLIES BIOMETHANE TO THE GAS NETWORK

There are currently several dozens of biogas plants in operation in Slovakia. The first one already has a plant to purify biogas and obtain pure biomethane. It is situated in Jelšava and after production expansion from May 2023, it can produce 180 MWh of biomethane per day, which it injects into the gas distribution network.

Current biogas plants produce electricity from biogas, which is fed into the electricity grid, while the heat is mostly used for their own consumption. In the Recovery Plan, the government is counting on financial support for the conversion of biogas plants to biomethane plants; given their capacity, it will be possible to connect up to a third of them to our high-pressure gas network.

Biomethane is carbon neutral (it has up to a negative carbon footprint in the case of waste treatment), so in the form of bioCNG and bioLNG it is a particularly suitable choice

for decarbonizing transport. Its combustion produces no particulate matter, making a significant contribution to cleaner and healthier air. The basic raw material for the most advanced biomethane production is chicken and cow manure and various biodegradable wastes. The composition of biomethane is almost identical to natural gas, but unlike this fossil fuel, it is produced from local renewable raw materials or directly from waste, making its production sustainable.

In the short term, SPP – distribúcia will be able to connect

approximately 34 biogas stations to its high-pressure network after their conversion to biomethane production. However, the total potential for biomethane production from biodegradable municipal waste, kitchen and restaurant waste and livestock excreta, according to the latest Integrated National Energy and Climate Plan of the Slovak Republic, can reach up to almost 400 million m³ of biomethane. More than 33 thousand kilometres of Slovak gas pipelines will thus contribute to the improvement of the environment and can therefore undoubtedly be called the network of the green future.



180 MWh
biomethane per day



H2PILOT

HYDROGEN-NATURAL GAS MIXTURE DISTRIBUTION TEST

Between June and September 2022, the company successfully implemented the final phase of the H2Pilot project, focusing on a practical demonstration of the addition of 10% hydrogen to distributed natural gas in the municipality of Blatná na Ostrov. It thus demonstrated the safety and continuity of the distribution of the natural gas-hydrogen mixture, without any constraints and complications towards the gas consumers. The success of the H2Pilot project will serve as a best practice example to accelerate the hydrogen transformation within the Slovak distribution network.

SPP - distribúcia, a. s., as a distribution network operator, has already adopted its own hydrogen strategy in 2020, the first stage of which is the **H2Pilot** project. It involved a series of laboratory tests to investigate the basic chemical and physical properties of a mixture of natural gas and hydrogen under different operating conditions. This year we have reached what can be described as a breakthrough phase. In the course of the summer, we launched the distribution of a mixture of natural gas and hydrogen in a volume of 10% to end customers in the municipality of Blatná na Ostrove.

At the end of the project it can be stated that:

- the admixing plant was technically reliable, dosing continuously and in the required volumes,
- chromatographic measurements carried out on a weekly basis demonstrated the homogeneity

of the distributed mixture (about 10% in all parts of the municipal network) and confirmed that H2 does not separate from the mixture and behaves homogeneously in the network after proper mixing at the point of dosing, and if there are leaks of the distributed gas, it is only leaks of all components of the mixture (both methane and odorant, not only hydrogen),

- olfactory tests and measurements carried out showed a good and sufficient level of odorization of the network and proved that H2 does not adversely affect the odour of the distributed gas in any way,
- inspection of the riskiest end devices (32 oldest and/or atmospheric boilers and 25 stoves) during three months of use with 10 % hydrogen mixture showed positive results in all cases - ignition, flame stability, functionality,

- the network leakage check carried out demonstrated the leak tightness of the pipelines,
- from the start of the project on 15 June 2022 to its completion on 30 September 2022, there have been no relevant reports or complaints from customers in the municipality.

Experience to date confirms that **the addition of 10% by volume of hydrogen to the distributed gas does not adversely affect the safety, reliability and standard operation of gas installations and common gas-consuming equipment and appliances** - stoves, boilers and water heaters.

By carrying out the pilot project, we have moved significantly further in our efforts to gradually prepare the entire distribution network for a mix of hydrogen-containing gases, or the future distribution of pure hydrogen in selected parts of the network.

**H2
PILOT**
Bezpečne. Ekologickejšie.



CUSTOMER ORIENTATION

RELATIONS WITH GAS SUPPLIERS, LIBERALIZED GAS MARKET

SPP – distribúcia provided access to the distribution network and gas distribution for 25 users of the distribution network (gas suppliers and large gas customers with a separate contract on access to the distribution network and gas distribution) as of 31 July 2023. Two new suppliers are expected to enter the gas market in the near future.

the user interface of the key IT system used by natural gas suppliers, increasing transparency and simplify access to information for users of our distribution network. Our company also provides on a monthly basis the Ministry of Economy of the Slovak Republic with information on gas consumption at points of delivery for the purpose of providing subsidies. On 1 July 2023, the Renewable Gas Registry was launched, enabling the maintenance and transfer of guarantees of origin for renewable gases across Europe.

Legislation and regulation

In the period under review, there were numerous amendments to both the Energy Act and

the Utility Regulation Act. Among the amendments, the introduction of crisis regulation in connection with increased energy prices resonated the most. The crisis regulation reflects the extraordinary situation on the gas and electricity markets and provides a legal framework for the provision of compensation to suppliers and subsidies to end customers, respectively. Another aspect of the crisis regulation was the extension of the group of gas customers who are now also entitled to a regulated gas supply price. The concept of "obligation in the general economic interest" was introduced into the Energy Act, whereby this obligation may be imposed by the Government of the Slovak Republic on the proposal of the Ministry of Economy of the Slovak Republic, which

strengthened the intervention possibilities of the State. New gas market rules have been adopted with effect from 1 July 2023. In the course of April 2023, a new version of the Operating Rules was approved by the Regulatory Office for Network Industries, which in many areas strengthens in particular the credit position of our company, as well as the text of the Operating Rules of the Renewable Gas Registry operator. In December 2022, the Regulatory Office for Network Industries issued a new price decision No. 0011/2023/P dated 23.12.2012 with effect from 1 January 2023, whereby both variable and fixed tariff rates for individual delivery points of the distribution network were changed, and a new variable tariff for covering losses in the distribution network was also added.



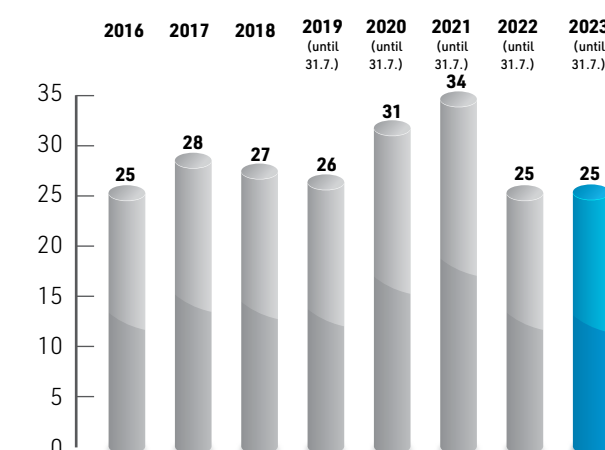
5 184
new delivery points



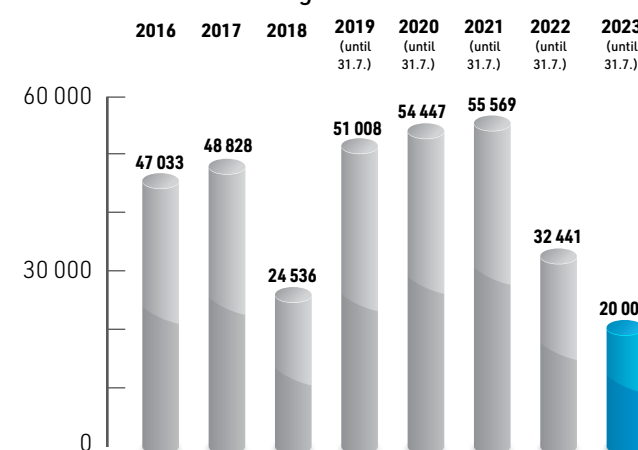
84,7 %
applications submitted online

In contrast to the previous reporting period (1.8.2021 - 31.7.2022), when a total of six suppliers were subject to the supplier of last resort regime due to loss of competence to supply gas by failing to ensure distribution to customers in their portfolio, we did not observe similar problems in the reporting period. There was not a single application of this regime by our company in relation to gas suppliers, and we therefore conclude that the situation on the gas market has stabilised. We are constantly making efforts to develop the gas market in Slovakia. We're improving and streamlining

Number of users of the distribution network



Number of vendor changes



Shortening the process of connecting customers to the distribution network

Households and small customers

Between 1.8.2022 and 31.7.2023, our company provided applicants for connection to the distribution network with the possibility of personal contact in two Customer Offices in Žilina, and in Košice with the possibility of making an appointment for a specific selected date via the reservation system on our website. In September 2021, our company opened a new Customer Centre in Bratislava on Plátennícka Street. We were available every

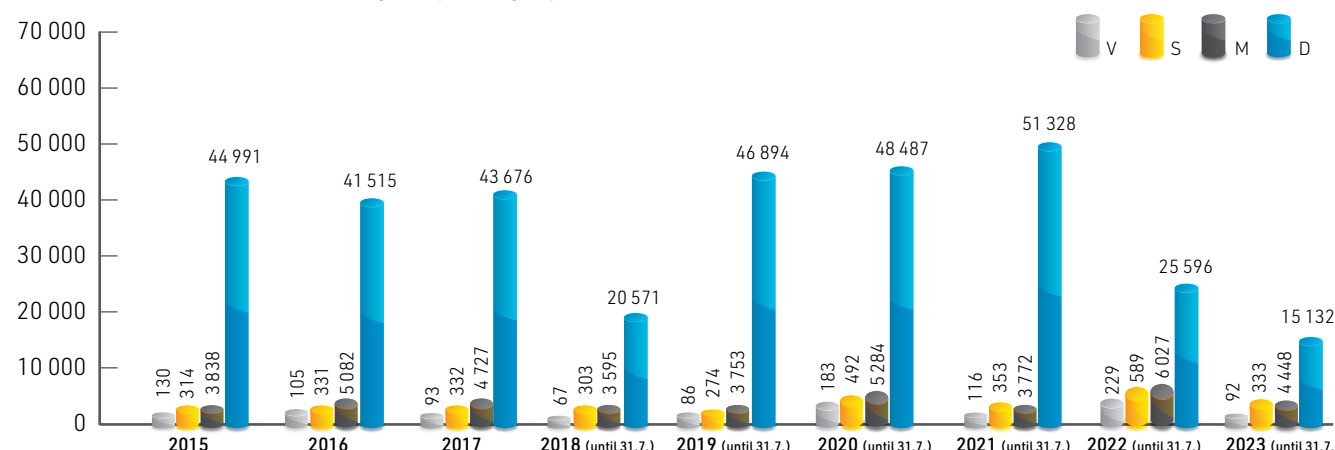
day for our customers booked through the Reservation System, and we also added customer hours for unbooked customers two days a week. Applicants for connection, or for technical changes to an existing point of delivery, are processed without long waiting times with the possibility of convenient free parking. Besides personal contact, applicants for connection could also use contact by mail and an on-line form on our website.

SPP – distribúcia complied with quality standards for (i) setting business and technical conditions for connection at 100% and (ii) setting business and technical conditions for changing the delivery parameters

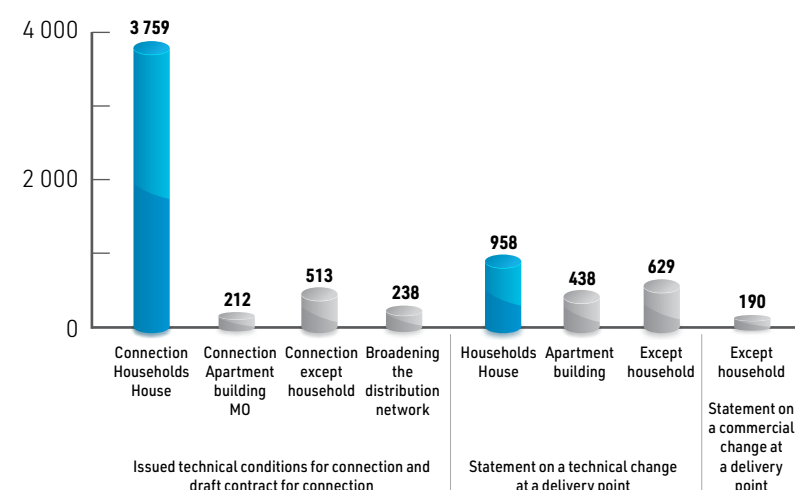
at the delivery point (comments on technical changes at the delivery point) also at 100% (in accordance with Decree of the Regulatory Office for Network Industries No. 278/2012).

During the period 08/2022 – 07/2023, our company connected **5,184** new delivery points to the distribution network in the categories of household, small use, medium use and large-scale use. We have successfully continued to improve the connection process and have taken care to shorten the connection process overall.

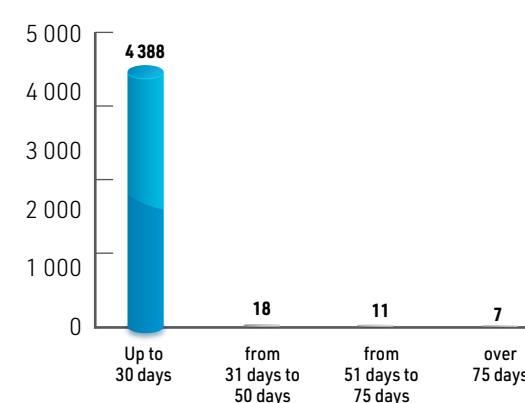
Number of vendor changes by category



Number of statements issued on contracts for connection to the distribution network and on technical and commercial change at the delivery point from 1.8.2022 – 31.7.2023



Fast conclusion of the connection process – contracts for connection to the distribution network in the HOUSEHOLD category – houses and apartment buildings Meter installation from 1.8.2022 – 31.7.2023



Connection process – main steps of the process on the SPP – distribúcia side:

- issuing technical conditions of connection and draft contract of connection to the distribution network,
- statement on the project documentation,
- administration of the application for meter installation and the installation of the meter at the delivery point.

Medium and large customers

SPP – distribúcia, through key customer managers constantly strives to improve its personal approach to customers with annual natural gas demand exceeding 60,000 m³. Managers provide customers with expert advice and propose suitable technical and business solutions before implementing a new connection to the distribution network or before implementing a technical change at an existing delivery point, in order to provide customers with the greatest possible comfort and an individual approach to the gasification of their project. The same individual approach of the managers also applies in the case of development projects in the preparation stage or the actual implementation in the whole of Slovakia.

Digitalization of services – web applications for customers

Customer account / registration on the website

Registration simplifies the submission of applications and enables the progress monitoring of the application preparation process and possible complaints for the following types of applications: Request for comment on the existence and route of gas facilities and Request for comment on the implementation of activities in the protection and safety zone. This service has been running since February 2021.

Our customers currently have the opportunity to submit a connection request, a request for comment on a technical change at an existing delivery point, a request for the installation of a meter or a request for an addendum to a concluded contract fully electronically. Between 1.8.2022 and 31.7.2023, 8,071 requests were submitted online for connection and technical change at the existing point of delivery, which amounts to 84.7 % of the total number of applications submitted.

Our standard is already to send invoices for connection fees from connection contracts electronically to the applicant's email address.

We sent e-mail notifications to customers, drawing attention to the approaching expiry of the most important deadlines in the process of connection, which include:

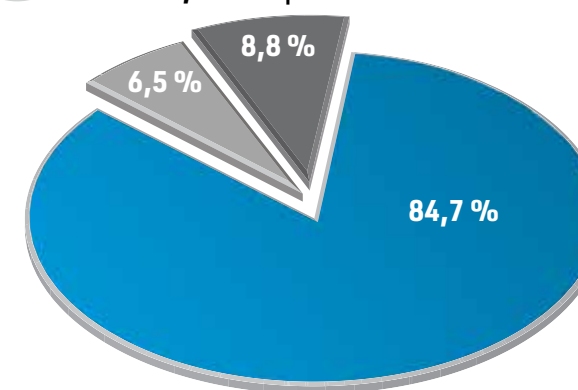
- the time limit for payment of the connection fee invoice,
- the time limit for them to send the signed connection contract,
- the expiry date of the connection contract.

We contacted customers by phone if they had not specified an e-mail address in their request. These notifications also save significant time and resources based on customer feedback, while also contributing to their comfort in the connection process.

We are pleased to continue to report increased interest in our online services. From 1 August 2022 to 31 July 2023, the possibility to file an application for connection and for a technical change through an on-line app was utilised by as many as 85 % applicants and an application for the installation of meter (all types) by as many as 84 % applicants.

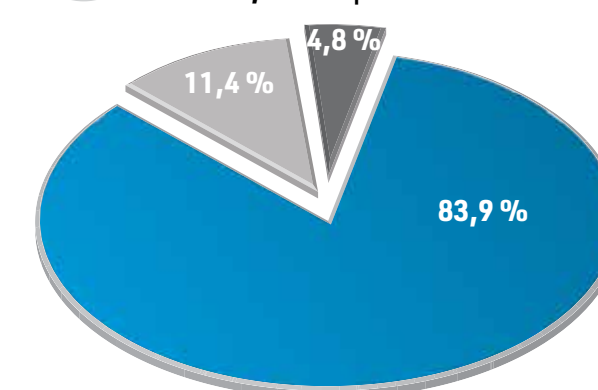
Requests for connection to the distribution network and for comments on technical change during 1.8.2022 – 31.7.2023

- 8 071 **84,7 %** Online
- 837 **8,8 %** By post
- 623 **6,5 %** In person



Applications for installation of meters for 1.8.2022 – 31.7.2023

- 8 514 **83,9 %** Online
- 483 **4,8 %** By post
- 1 153 **11,4 %** In person





EMPLOYEES AND THE DEVELOPMENT OF CORPORATE CULTURE

SUPPORT OF INDIVIDUAL PERFORMANCE AND INITIATIVE

At SPP - distribúcia, we are aware that supporting our employees in the field of education, whether in improving their qualifications or acquiring new skills, is of increasing value both for the employees themselves and for the company.

We understand that quality training and providing employees with sufficient space in this regard, significantly contributes to reducing employee turnover, increases employee satisfaction and at the same time helps the company to continue to grow. For this reason, training with a focus on fostering a performance-oriented corporate culture and encouraging employees to take a proactive approach to the company's development are among the top priorities of human resources.

As in previous years, compulsory and periodical trainings resulting from legislation are the most represented in SPP - distribúcia. In addition to the above training, employees had the opportunity to participate in a wide range of training activities aimed at developing specific skills in professional areas, managerial competencies, IT skills as well as interpersonal skills. Employees also regularly participated in conferences and seminars on a variety of topical issues, many of which were published in the employee magazine DISTR0 to raise awareness of the issues.

In addition to the above-mentioned training concept, there are currently four specific training programmes within our company, aimed at different target groups: "Full Gas" career programme, "Gas Academy", "Graduate" and "Young Gasworker". The aim of the "Full Gas" career programme is to develop key employees in both managerial and expert positions and to maintain valuable specific know-how within the company. The programme was re-launched after the pandemic in March 2022. From September 2022 to April 2023, participants attended six different training sessions, each group over seven training days. The programme is expected to end by the end of 2023. The Gas Academy development programme is primarily designed for employees in fitter's positions who have the ambition and potential to move to positions as technicians or foremen. The programme was re-launched after the pandemic in March 2022, with participants receiving training on topics such as Working with a Team, Working with Individuals, Motivation and Delegation. The programme was officially terminated in June 2023. The other two programmes

are aimed at young people. The "Young Gasworker" programme is designed for high school students and offers the opportunity to complete an apprenticeship in our company during their final year and subsequently become part of it. The "Graduate" programme is designed for university graduates with the aim of producing professionals for various sections of the company. We have earmarked eight posts for this purpose and a further 10 posts for the purpose of the Gas Academy.

In the coming period, we plan to expand English language training opportunities and set up in-house English groups for employees with a tutor. We are also planning educational activities aimed at promoting mental health, which was also a central theme of the 2023 Corporate Games. Our priority remains the need to ensure a smooth renewal of human resources without loss of know-how due to retirement of employees, which is why we are preparing a programme to train the successors of foremen.



1 323

Number of employees

Safety is our priority

We see taking care of health and creating a safe working environment as a prerequisite for the responsible operation of our company and is one of our most important core values and priorities. The health and safety management system is based on the approved Policy of Integrated Quality, Safety and Environment Management System, which focuses in particular on the prevention and identification of risks and factors in the working environment, on the quality and safety of technical equipment, as well as on occupational hygiene and a safe working environment. At the same time, it fully respects the protection of individual components of the environment. The implementation of the Policy of Integrated Management System in accordance with ISO 9001, ISO 14001 and ISO 45001, certified by an independent auditor in 2021, is one of the priority objectives of SPP - distribúcia. We achieve this goal by introducing safe working procedures, new technologies, appropriate work organisation, improving working conditions with regard to health and environmental aspects of the working environment, as well as by involving employees in the process of selecting personal protective equipment, controlling the working environment and resolving occupational health and safety issues. SPP - distribúcia systematically manages and controls its risks and places emphasis on preventive measures. We also require our business partners to use safe and environmentally sound work practices. We inform the public about our OHS and environmental objectives on our company's website. We regularly monitor the working and

natural environment and carry out an assessment of the state of occupational health and safety and the environment. We correct any deficiencies identified without undue delay. We raise employee awareness of occupational health and safety through training and education, thereby contributing to the prevention of undesired events. We continuously improve our risk management system by complying with legislative requirements. The positive trend in OHS is also reflected in the favourable development of the occupational accident rate and in the fact that we have not recorded any serious, fatal or mass accidents at work. As a holder of a certificate in accordance with ISO 9001, ISO 14001 and ISO 45001, SPP - distribúcia is subject to an annual surveillance audit by an independent auditor, who confirmed the compliance of the integrated management system with the established standards. Safety is and will continue to be our priority.

Corporate social responsibility

We, the employees of SPP - distribúcia, have a common idea of how to work well and properly together. We share with the world the values that guide our daily lives: honouring people, valuing resources, taking initiative, being professional, protecting the environment and helping those in need.

We view our position in the energy market through the prism of responsibility and support for people. We realise that what we do has a profound impact on people across the country. Bringing heat

into their homes is closely related to corporate responsibility and sustainability, which we associate above all with the protection and promotion of health, the environment and the workplace, as well as work ethics. Our commitment is to adhere to the fundamental rules, particularly in the areas of creating value for local development and improving quality of life, adherence to the UN Global Compact's Ten Principles in the areas of human rights, labour, environment and anti-corruption. At the same time, we encourage our business partners to adopt the same obligation, partner dialogue in business decisions, taking into account the needs of our employees, customers, government and regulator, investors and lenders, suppliers, labour and professional unions, non-governmental organizations and local communities, in order to know and meet their expectations, the application of equal opportunities, non-discrimination, in the promotion of work-life balance and in the provision of education leading to professional and personal growth, the provision of transparent, truthful and accurate information to stakeholders, the protection of health, safety at work and the environment.

It is appropriate to highlight our employees who have participated in several charity collections during this period and are an example of the value of helping others. Within the framework of the Gas Treasury EUR 6,447 was collected, within the framework of the online collection for the children's hospice Plamienok EUR 2,510, this amount was increased by 100 % by SPP - distribúcia, thus finally EUR 5,020 went to Plamienok.

Our employees also supported the League Against Cancer on the occasion of Daffodil Day. In the area of the environment, our clever employees managed to save 3,264.97 kg of CO₂ and travel an incredible 13,240.17 km as part of the Bike to Work Campaign. We plan to continue and expand our activities related to health and environmental protection and community support.

Unfortunately, our planned activities in 2022 were affected by the COVID-19 pandemic and the gravity of the situation and the scale of the humanitarian crisis related to the war in Ukraine. The gala evening on the occasion of the 15th anniversary of the establishment of SPP - distribúcia, a. s. was cancelled and the funds allocated for this event

(together with the funds originally intended for the implementation of the 2022 Corporate Games) in the amount of EUR 174,534.52 were redirected to help people affected by the conflict through organisations that voluntarily began to provide assistance to refugees - individuals, especially mothers with children, who had to leave their homes because of the war.



Deň
arcisov

NATURAL GAS – AN EFFICIENT AND GREEN SOLUTION

Up to 94% of households and companies in Slovakia have access to natural gas. The reach, affordability, reliability of use, easy operations and automated operations of gas appliances and environmental friendliness are the main prerequisites for long-term use of natural gas in Slovakia.

particulate matter, the combustion of natural gas produces negligible amounts of sulphur oxides, minimum amounts of carbon monoxide and the level of nitrogen oxides is low. When using natural gas for making heat, up to 50% of CO₂ emissions can be saved compared to coal. The European Union authorities have approved the inclusion of gas and nuclear in the taxonomy as transitional fuels, which means that investments in the use of natural gas and nuclear can be considered sustainable if specific conditions are met. The relevant delegated act entered into force in January 2023.

More than 12% of the Slovak population is exposed to increased concentrations of PM2.5 particles in the air, which is significantly higher than the average in the OECD countries. Slovakia has the 3rd worst air quality in the whole EU in this regard. The adverse indicator values for PM2.5 particles are confirmed by several sources – EEA, EPI, Eurostat or OECD. In its latest report on air quality in Europe, the European Environment Agency states that Slovakia accounts for up to 4,900 preventable deaths per year due to poor air quality caused by fine PM2.5 particles. Even in gas-using regions where air temperatures are low in winter, customers are inclined to burn wood or prohibited items, including waste, for economic reasons. Addressing the adverse

smog situation by reducing the volume of dust particles in the air is possible by responsibly selecting the source of heating energy and a rational approach by the state to promote environmentally friendly heating sources and human health. Last but not least, it will be necessary to set up support programmes tailored to households suffering from energy poverty. According to a study by the Slovak Academy of Sciences published in July 2023, the share of Slovak households that can be classified as energy poor is 8.8% - 10%.

As part of the greening of the Slovak gas industry, a significant milestone was the connection of the first biomethane station to the distribution network in November 2021. Since then, the biomethane station in Jelšava has been reliably supplying our network with around 240,000 m³ of biomethane per month, and this amount is currently being increased up to twice as much. Biomethane production is becoming a strategic activity within the energy security of the European Union and we therefore expect significant public support for it and an increase in production in the coming period. Last but not least, the production of biomethane from biodegradable waste can significantly reduce methane emissions in the waste sector, which represent the largest

share in the composition of methane emissions on the territory of Slovakia.

Renewable gas registry

The Renewable Gas Registry is an electronic system tasked with issuing, transferring and applying guarantees of origin for renewable gases representing one megawatt-hour of renewable gas, predominantly injected into the distribution network (biomethane). Guarantees of origin are established on the basis of metering data at the entrance to the distribution network. Biomethane plant operators, renewable gas producers, gas suppliers and customers and other account holders have their accounts in the registry.

The launch of the registry on 1 June 2023 was preceded by the implementation of some changes in the attributes of guarantees of origin in connection with the specific requirements of the Slovak Renewable Energy Sources Promotion Act and the obligation to issue certificates on the amount of biomethane for the possibility of supporting the production of electricity in the framework of High Efficiency Combined Heat and Power (HE CHP) from biomethane.

Natural gas and the environment

Although natural gas is a fossil fuel, it has extremely positive ecological characteristics compared to other fuels. Compared to solid fuels, the combustion of natural gas produces significantly less pollutants, in particular producing only a negligible amount of particulate matter, dust particles (PM10 and PM2.5), which at higher concentrations seriously endanger the health of the population. In addition to the low level of



50 %

CO₂ emissions of solid fuels such as coal or wood

The Renewable Gas Registry will also allow the cross-border transfer of guarantees of origin for biomethane, whether for sale or purchase. The transfer can be carried out manually after recognition of the guarantee of origin by the registry operator or automated with the help of the ERGaR Hub (European Renewable Gas Registry) clearing centre. When using the ERGaR Hub, transfers are greatly accelerated. Currently, the registries of Germany, Austria, the Netherlands and Denmark are connected to the centre. At the end of March 2023, the Slovak registry applied for connection to the ERGaR Hub. It will be available for full use after the completion of the test transfers, which the platform is finalizing.

The obligation to establish and operate the register resulted for our company from the amendment to Act No. 309/2009 Coll. on the promotion of renewable energy sources and high-efficiency combined production and on the amendment to certain acts, which entered into effect on 1 December 2022.

Energy performance of buildings

Since 1.1.2021, there has been a requirement in the Slovak Republic for the construction of new buildings to the “nearly zero energy buildings” standard (energy class A0), which represents a completely new phenomenon in terms of design, the actual implementation of the building and finally in the operation of the building. It is not only about the nearly zero-energy buildings themselves, but above all a philosophy of sustainability in architecture and construction with the overall intention of designing, implementing and operating buildings that are energy-efficient, environmentally safe and economic in the future. Natural gas appears to be a suitable fuel for heating and preparing hot water in buildings meeting the A1 and A0 energy performance class for buildings, especially in combination with a solar system. This is mainly due to the advantageous price ratio of a condensing boiler (including installation), its high efficiency, low operating costs, simplicity, comfort and availability, not to mention the beneficial impact on ecology (where replacing solid fuel), with a plan for the gradual decarbonization of the gas itself (biomethane, hydrogen).

Natural gas and efficiency

The heating system, which includes the preparation of hot water, is an integral part of a house that must be considered before it is built. The choice of the system affects the thermal comfort in the house, convenience, and also the total financial costs that the user of the house must incur for the installation and operation of the heating system over a long period.

Nowadays only ultra-low energy single-family houses (building energy performance class A1) are being built, which obtained a valid building permit before 1 January 2021, and since 1 January 2021, nearly-zero energy buildings have been designed and built (passive houses, building energy performance class A0). The fact that the preparation of heat from natural gas is objectively advantageous in economic terms can be seen in the following example:

- new house in energy class A0,
- with an area of 120 m²,
- with low-temperature underfloor heating system (hot water),
- heat consumption (heating and hot water) of about 4 600 kWh is considered.

Production of electricity and heat in a cogeneration unit

A cogeneration unit is able to produce heat, electricity or even cooling in one installation, which leads to significant savings, up to 40 %, of primary energy compared to separate heat and power generation. The direct consequence of saving primary fuel is the decrease in emissions from burning. A cogeneration unit is able to cover multiple energy needs of the customer with one device. Due to the availability of cogeneration in many performance classes, there are wide possibilities for use in industry, in the municipal sphere, in health or social facilities. For those interested in cogeneration, we offer free analysis of the use of cogeneration in the installation of a new heat source or modernization of their existing one. Cogeneration units can seamlessly burn biomethane, which can easily reduce CO₂ emissions. Modern cogeneration units also allow the combustion of a mixture of natural gas and hydrogen up to 20% hydrogen by volume, thus also contributing to decarbonising the air.

Condensing boilers for houses

Thermal comfort, safety, user convenience and efficient use of energy contained in natural gas – all this is provided by the progressive technology of condensing boilers. Compared to previous technologies, whether conventional or low-temperature boilers, the condensing boiler can use a larger amount of the energy contained in the gas, which leads to a reduction in the cost of energy consumption. Just by replacing an old, non-condensing gas boiler, it is possible to reduce natural gas consumption by 15-23%. The new condensing boilers are now ready to burn a mixture of natural gas and hydrogen, and by replacing the boiler module also pure hydrogen.

Compressed natural gas (CNG) and its application in transport

The operation of CNG vehicles benefits users in the form of lower fuel costs and also a 50% lower

motor vehicle tax compared to vehicles running on conventional fuels. Moreover, the use of CNG significantly reduces emissions of harmful substances and reduces noise, which ultimately benefits society as a whole in the form of a better environment.

The use of CNG produces almost no particulates released into the air. Therefore, no filters or additives are needed. The use of CNG brings economically advantageous, environmentally friendly and safe transport. CNG can be gradually replaced by renewable biomethane in the future.

SPP – distribúcia is supporting CNG with beneficial tariffs for CNG filling stations and through spp-distribucia.sk and oplyne.info where, in addition to general information on the benefits of natural gas, we also present CNG to the general public as an environmentally friendly fuel with the potential for greater application in transport. We also provide free business and technical advice to those interested in building CNG stations.

Fuel type	Natural gas	Heat pump - air/water	Wood pellets
Thermal equipment	Condensing boiler	Heat pump - air/water	Conventional boiler
Efficiency	97 %	300 %	90 %
Amount of fuel	440 m³	1 519 kWh	1 013 kg

OPEX	Natural gas	Heat pump - air/water	Wood pellets
Total operating costs	376 €/year	438 €/year	663 €/year

CAPEX	Natural gas	Heat pump - air/water	Wood pellets
Total investment costs	4 070 €	7 254 €	6 120 €

TCO IN 15 YEARS	9 703 €	13 818 €	16 068 €
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Two basic parameters enter the economic evaluation of any heating systems: investment costs (CAPEX) and operating costs over the lifetime of installation or for the evaluation period (OPEX). Natural gas heating is equally advantageous in the case of renovating an older house.

CNG FILLING STATIONS IN SLOVAKIA



ONLINE/OFFLINE MARKETING COMMUNICATION

Most of marketing activities (about 70%) took place online through social networks and platforms, Facebook, Instagram, YouTube and the company's websites (www.oplyne.info and www.spp-distribucia.sk), or on partner websites in the form of articles or podcasts. The online marketing tools included ads on social networks, Google and partner websites.

The remaining 30 % of marketing communication in offline form was performed through the active participation of SPP – distribúcia employees in professional conferences and forums through lectures, advertising stands or direct communication with customers. As part of offline communication, leaflets, information brochures and advertising pages in print media and journals were redesigned and regularly updated. Offline marketing was also actively implemented through direct communication with customers and the public in Customer Centres, exhibition stands at conferences and trade fairs, as well as at universities.

Renewable Gas Registry

The establishment of the Renewable Gas Registry was accompanied by active marketing participation, which ensured the so-called branding of the registry, from the creation of the logo and design manual, to the dissemination of awareness of the established platform and its promotion in the media and social networks. The official presentation of the RGR was noticed by the media: TV JOJ, TREND, Teraz.sk, Energo klub, Energie portal, Slovgas, SPNZ, Energia.sk, SBA.sk and others.



CNG vehicle wraps

Because we care about the environment and the local air, we decided to make our fleet of ten compressed natural gas-powered Fiat Doblo vehicles more visible with visually appealing wraps. Their aim is not only to promote CNG fuel and the SPP – distribúcia brand, but also to spread awareness of our educational website www.oplyne.info, where the public has been finding for over 10 years up-to-date information about natural gas and heating sources, economic comparison thanks to calculators that can compare, for example, the cost of using a car with CNG fuel with a car using standard fuels such as diesel and gasoline.



70 %

communication takes place online



GREEN FUTURE NETWORK CAMPAIGN

Natural gas heating seems to be the most effective and accessible tool to solve the problem of our polluted air. Our continuous media campaign, entitled "Natural gas is 3E", is aimed at explaining the benefits of natural gas with an emphasis on its ecological friendliness, economic advantages and energy performance.

The 3E logo, as well as the Green Future Network claim, appears in all external and internal communication activities and also in marketing. Currently, most campaigns are carried out on social networks and in the internet environment in general. With consideration of this fact, we have also adjusted the format of our advertising and started to become much more active on social networks. Our goal is to attract visitors to pages and profiles on social networks through interesting (often new) information, videos, photos, graphics and text. Each target group is approached with something different, so we adapt the content and form to the age, education and focus of each group. Since we focus mainly on the heating segment, the promotion of natural gas as a commodity is closely linked to the construction of houses.

We are implementing the campaign in the form of specialist and general

articles in the media, videos on social networks, and advertising in relevant print and electronic media in order to spread awareness to the general public. In the past period, we placed emphasis on the presentation of natural gas as an efficient alternative to renewable energy sources. The information tool was articles with the titles: How to get a subsidy for a condensing gas boiler from the House Renovation Programme, We are harming our own health - by improper heating, Solid fuels are harmful in the long term, most recently also expensive, Households are the biggest air polluters, How to choose economically advantageous heating? Calculate all the costs, The value-for-money principle must be applied when adopting decarbonisation measures, Hydrogen as an alternative fuel for heating buildings, Hydrogen has the highest added value in industry, Decarbonisation yes, but

according to the value-for-money principle, SPP - distribúcia launches the Renewable Gas Register. In 2022, we continued to promote integration of renewable gases into our distribution network by presenting the operation of the first biomethane station connected to our network in Jelšava and through media coverage of a practical test of mixing hydrogen into natural gas in the distribution network of the municipality of Blatná na Ostrove. We traditionally publish a regularly updated analysis Comparison of basic heating types.

A significant campaign is important precisely when changing the mindset of the public, not only in terms of the economic advantage of choosing a heating source, but also in the area of responsibility for the environment in which we live and responsibility for the air we breathe.



PREPARATION OF HEAT IN A HOUSE WITH HYDROGEN OR A MIXTURE OF GASES

The calorific value of H_2 is three times lower than the calorific value of natural gas, so a comparatively larger amount of H_2 than natural gas will need to be distributed to deliver the required amount of energy to the customer. From a “capacity” point of view, the current gas distribution network is suitable for the distribution of a mixture of gas and hydrogen. On the basis of Simone modelling (European software system for simulation and optimisation of gas transport and distribution), it was determined that it is necessary to increase the diameter of the pipeline by 15%, while maintaining the capacity of the pipeline (dimension, pressure). We consider that in the case of an overall reduction in energy consumption, the capacity of the distribution network is sufficient to distribute clean H_2 .

boilers capable of burning pure hydrogen are under preparation.

Modern gas boilers will be able to produce heat and hot water as before.

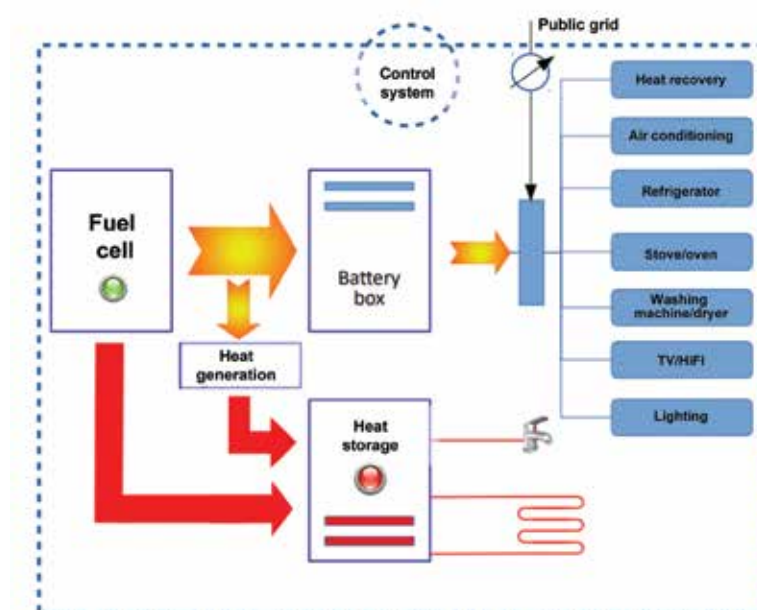
Fuel cell - “semi-island” operation

There are already fuel cells available today that decompose natural gas into H_2 and CO_2 in a reformer. If pure H_2 or a mixture rich in pure H_2 is supplied to the fuel cell, the efficiency of power generation will be higher, at approximately 60 % and 30% of heat.

A modern fuel cell system is capable of routing energy as required based on the control system, which will route heat, hot water and electricity to domestic appliances as required. The heat produced in the fuel cell will be used for hot water preparation and heating. If more heat output is needed, part of the generated electricity will be used to produce heat. The remaining

electrical energy will be stored in the **battery box** and ready for immediate use. Control systems of this kind “learn” (machine learning) to predict the electricity demand of individual appliances, **controlling preferably controllable** domestic electricity appliances (air conditioning, heat recovery, water heating (pulse width modulation control), charging of e-bikes, etc.). In the event of a power or energy shortage, the system “buys” electricity from the public grid.

The performance of the fuel cells, the size of the battery box and the heat storage (hot water + heating) need to be balanced, modelled and optimised. The summer mode of operation is limited by the preparation of hot water and thus the amount of electricity produced is also determined. Winter mode, as mentioned above, allows the “overproduction” of electricity to be used for heat preparation.



10 %

H_2 addition to heating and hot water production also appear to be unrestricted

Gas condensing boiler

For a mixture of gases, such as a mixture of natural gas and biomethane, nothing changes. The gas condensing boiler as we know it can burn this mixture without any restrictions. In the case of gas mixtures with H_2 addition up to 10 %, **heating and hot water production also appear to be unrestricted**. Gas boiler manufacturers declare that new boilers constructed after 2020 are H_2 Ready up to 20% of hydrogen content and from 2024 onwards

REPORT ON THE COMPANY'S BUSINESS ACTIVITIES

Economic and financial performance

Development of the business environment

The winter (2022/2023) ended up being the 4th warmest and 89th coldest, in temperature terms, since at least 1931. Statistically significant (seasonal) variations occurred over most of the territory and so we characterize it as an above-normally warm to severely above-normally warm winter). Deviations from the 1991-2020 long-term average ranged from +1.2 °C to +3.0 °C. Compared to the 30-year averages, the winter of 2022/2023 was +2.3 °C warmer than the 1991-2020 value, +2.9 °C warmer than the 1981-2010 value, and +3.4 °C warmer than the 1961-1990 value. (Source: SHMI)

In 2023, SPP - distribúcia, a. s. continued to streamline its internal processes. Although the level of operating costs is stable, the company continues to analyse and evaluate operating activities in an effort to optimize them.

Between 1.8.2022 and 31.7.2023, the company had to pay close attention and respond to regularly changing regulatory legislation.

On 1.10.2022 a substantial part of the extensive amendment to Act No. 251/2012 Coll. on energy (hereinafter referred to as the **"Energy Act"**) as well as Act No. 250/2012 Coll. on regulation in network industries (hereinafter referred to as the **"Utility Regulation Act"**) entered into force, which transposes the European Winter

Package. The amendment will significantly affect, inter alia, participants in the gas market. The amendment to the Utility Regulation Act, which introduced a special state of emergency in the gas industry with effect from 7 October 2022, during which the Ministry of Economy may adopt selected crisis measures, was also crucial. This amendment also made it possible to transfer the obligation to ensure the standard of security of supply for households from SPP-D to the supplier of last resort. With effect from 1.12.2022, legislation introducing a renewable gas registry operated by SPP-D is in force. As of 8.12.2022, crisis regulation has become an important tool to combat the energy crisis, allowing the Government of the Slovak Republic to set the regulated price and the conditions for its application through its regulations.

Within the framework of sub-legislative regulations, the company's activities are directly affected by the new Decree of the Regulatory Office for Network Industries (hereinafter referred to as the **"RONI"**) No. 451/2022 Coll., which establishes price regulation of selected regulated activities in the gas industry and certain conditions for the performance of selected regulated activities in the gas industry. This decree was extensively commented on by the company. With effect from 1 July 2023, the new Decree No. 208/2023 Coll. of the RONI, which lays down the rules for the functioning of the internal gas market, the content of the operating rules of the network operator and the storage facility operator,

and the scope of the business terms and conditions that are part of the operating rules of the network operator, is also in force.

With effect from 1 April 2024, new building regulations will be in force in the form of Act No. 201/2022 Coll. on construction and Act No. 200/2022 Coll. on spatial planning. These will replace Act No. 50/1976 Coll. on spatial planning and building regulations.

At European level, discussions on the shape of the Gas Package took place in 2022 and 2023. This consists, inter alia, of a draft Directive of the European Parliament and of the Council on common rules for the internal market in renewable gases and natural gas and hydrogen and a draft Regulation of the European Parliament and of the Council on the internal market in renewable gases and natural gas and hydrogen. These are intended to create the conditions for the decarbonization of the gas industry, inter alia through greater use of hydrogen in the gas industry.

In the wake of the conflict in Ukraine, steps were taken at both national and European level to ensure energy security. At European level, Council Regulation (EU) 2022/1369 was adopted, among others, which introduced voluntary gas saving for EU Member States, with the possibility of introducing mandatory saving in the event of a declared Union emergency. At national level, Decree No. 416/2012 Coll. was amended, which establishes, inter alia, details on the procedure for declaring a crisis situation and its level, on declaring

restrictive measures in the gas industry for individual categories of gas customers, on measures aimed at eliminating the crisis situation and on the method of determining restrictive measures in the gas industry and measures aimed at eliminating the crisis situation. At the same time, Regulations of the Government of the Slovak Republic were adopted, which established regulated prices and conditions for their application in the framework of crisis regulation.

Among non-legislative acts, a new Regulatory Policy for the 6th regulatory period came into force on 1.1.2023, in the drafting of which the company was actively involved.

Last but not least, SPP - distribúcia, a.s. is closely monitoring the presented intentions of the government and actively participates in various initiatives of the Ministry of Economy of the Slovak Republic or the Regulatory Office for Network

Industries in order to defend the important and strategic position of natural gas in the energy mix of the Slovak Republic.

Information relating to the EU Taxonomy Regulation for all EP Infrastructure Group companies is disclosed in the Group's Consolidated Annual Report for 2022 in note 5 and in the EPIF Sustainability Report for 2022. Both documents are available on the website of EP Infrastructure, a.s.

Economic results of SPP– distribúcia, a.s.

SPP – distribúcia a.s. achieved revenues from natural gas distribution in the financial year 2023 of 397.10 million euros.

The operating costs incurred by the company to secure the revenues from the sale of the services reached the amount of 296.98 million euros. Operating costs included mainly depreciation and amortization, natural gas storage costs and personnel costs.

During the financial year 2023, the company achieved a profit before tax of 173.96 million euros and a profit after tax of 133.44 million euros.

Comparison of profit-after-tax structure (in mil. EUR):

	2023	2022
Distribution of natural gas	397.10	398.01
Other income	72.01	71.02
Operating costs	-296.98	-281.17
Profit/loss on financial activity	1.83	-5.61
Profit before tax	173.96	182.25
Income tax	-40.52	-46.94
Profit after tax	133.44	135.31

Asset and capital structure

ASSETS

On the balance sheet date of the financial statements, the company's total assets were 4,897.77 million euros, representing an increase of 377.28 million euros compared to the previous year, 2022. Long-term assets with a value of 4,310.55 million euros accounted for 88.01% of the total assets. The most significant long-term asset item is the gas pipelines, which the company recognizes at fair value as of July 31, 2023. As at 31 July 2023, the company applied

the revaluation model under IAS 16 "Property, Plant and Equipment" for gas pipelines. This asset category includes pipelines and gas connections owned by the company that are used to transport natural gas. The revaluation of the company's assets was carried out by an independent expert who used the cost method. Physical wear and tear, technological obsolescence and economic obsolescence of the assets were taken into account in determining the fair value of the individual components of the assets using the cost method.

In the financial year 2023, 38.27 million euros was spent on

the acquisition of long-term assets, which was mainly directed towards the renewal of the distribution network. This year, 0.96 million euros was spent on research and development.

Current assets increased by 47.72 million euros compared to 2022 and amounted to 587.21 million euros at the balance sheet date. The growth in the value of current assets is driven by growth in the value of the two most significant items, namely cash and cash equivalents and stock. Within receivables and advances granted, a dividend with cash pooling in the amount of 135.93 million euros was offset against the dividend.

Comparison of the structure of assets (in mil. EUR):

	2023	2022	2023	2022
Long-term assets	4,310.55	3,981.00	88.01%	88.07%
Current assets	587.21	539.49	11.99%	11.93%

Equity and liabilities

In the capital structure of SPP – distribúcia, a.s. there was no significant change in the share between own and outside sources of financing. Own funds continued to outweigh outside sources of financing, representing 67.95% of the total sources of asset coverage.

Equity increased by EUR 291.18 million compared to the 2022 financial year and amounted to 3,328.08 million euros at the balance sheet date. Equity consisted primarily of fixed capital, the legal reserve fund, the asset revaluation fund, retained earnings and profits from the current accounting period. The registered

capital of the company was one share with a nominal value of 1 200 million euros. As of the balance sheet date, the legal reserve fund and other funds consisting of capital contributions and the asset revaluation fund amounted to 1,945.75 million euros. The most significant movement was within the revaluation fund as a result of the revaluation of the pipelines to their fair value at 31 July 2023.

The profit for 2022 was a profit of 135.31 million euros, which was paid to the company's only shareholder in the form of dividends by offsetting the dividend with cash pooling in the full amount of EUR 135.31 million. The general meeting

will decide on the distribution of profit or loss for the financial year 2023.

The company's liabilities accounted for 32.05 % of the company's assets and amounted to 1,569.68 million euros as of the balance sheet date in the financial statements. The bulk of the total liabilities consisted of long-term liabilities totalling 1,515.73 million euros which increased by 132.78 million euros year-on-year. The most essential items are a deferred tax liability and loans and bonds. Short-term liabilities decreased by 46.68 million euros mainly due to a decrease in short-term contractual liabilities. At the balance sheet date they amounted to 53.95 million euros.

Comparison of the structure of liabilities (in mil. EUR)

	2023	2022	2023	2022
Equity	3,328.08	3,036.91	67.95%	67.18%
Accounts payable	1,569.68	1,483.58	32.05%	32.82%

The shareholder structure as of 31.07.2023 was as follows:

SPP Infrastructure, a.s.	1 share	100 %
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Summary results

Development of the state of assets, capital structure and profit/loss for

SPP – distribúcia, a.s., for the years ending 31 July 2023 and 31 July 2022 according to individual financial statements prepared in accordance

with international financial reporting standards as approved by the EU.

Balance sheet (selected data in thous. EUR)

ASSETS	Year ended 31 July 2023	Year ended 31 July 2022
LONG-TERM ASSETS		
Buildings, structures, machinery and equipment	4,143,881	3,671,440
Intangible long-term assets and other assets	10,387	10,413
Rights of use	27,847	27,998
Investments in subsidiaries	1,000	1,000
Loans granted	127,437	270,147
Total long-term assets	4,310,552	3,980,998
CURRENT ASSETS		
Stock	205,631	129,996
Cash and cash equivalents	336,912	247,724
Receivables and advances granted	11,191	145,821
Contractual assets	32,920	15,847
Tax receivables and income taxes	490	0
Loans granted	70	69
Other current assets	0	29
Total current assets	587,214	539,486
TOTAL ASSETS	4,897,766	4,520,484
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	1,200,000	1,200,000
Legal reserve fund and other funds	1,945,752	1,553,324
Retained earnings	48,894	148,276
Profit or loss for the current period	133,438	135,309
Total equity	3,328,084	3,036,909
LONG-TERM LIABILITIES	1,515,732	1,382,948
SHORT-TERM LIABILITIES	53,950	100,627
Total liabilities	1,569,682	1,483,575
TOTAL EQUITY AND LIABILITIES	4,897,766	4,520,484

Profit and loss account (selected data in thous. EUR)

	Year ended 31 July 2023	Year ended 31 July 2022
Distribution of natural gas	397,097	398,005
Other revenues	72,008	71,016
Operating costs	-296,977	-281,166
Operating profit	172,128	187,855
Financial revenues	10,146	2,299
Financing costs	-8,312	-7,908
PROFIT BEFORE TAX	173,962	182,246
Income tax	-40,524	-46,937
PROFIT FOR THE PERIOD	133,438	135,309

Cash flow statement (selected data in thous. EUR)

OPERATING ACTIVITIES	Year ended 31 July 2023	Year ended 31 July 2022
Cash flows from operating activities	197,737	323,992
Interest paid	-6,774	-5,224
Interest received	3,472	242
Income tax paid	-74,935	-64,882
CASH FLOW FROM OPERATING ACTIVITIES	119,500	254,128
CASH FLOW FROM INVESTMENT ACTIVITIES	-25,436	-161,673
CASH FLOW FROM FINANCIAL ACTIVITIES	-4,876	-56,653
NET INCREASE IN CASH	89,188	35,802
CASH POSITION AT THE BEGINNING OF THE PERIOD	247,724	211,922
CASH POSITION AT THE END OF THE PERIOD	336,912	247,724

EVENTS OF PARTICULAR IMPORTANCE WHICH OCCURRED AFTER THE END OF THE ACCOUNTING YEAR FOR WHICH THE ANNUAL REPORT IS DRAWN UP

After 31 July 2023, there were no significant events requiring alterations to or disclosures in the annual report.

STATEMENT ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE IN SLOVAKIA

In administration and management, SPP – distribúcia, a.s. complies with the Code of Corporate Governance in Slovakia issued by the Central European Corporate Governance Association. The Code is publicly available at the Association's

website www.cecga.org. Our aim is the implementation of and compliance with the various principles of the Code, demonstration of the process of their implementation, while issuing a statement on corporate

governance. In the financial year 2022, the company applied the Code of Corporate Governance without deviations. Pursuant to Article 20 (6) of Act No. 431/2002 Coll. on accounting as amended, the company presents the following Statement:

General meeting

The General Meeting is the supreme body of the company through which the shareholders participate in the management of the company. Each shareholder has rights through which they exert their influence in the company:

- a. The right to participate in the management of the company, to a share in the profit and liquidation balance of the company in case of its winding up with liquidation. The shareholder exercises the right to participate in the management of the company by voting at General Meeting; the shareholder must respect the organizational measures valid for the course of the General Meeting. At the General Meeting the shareholder has the right to request information, explanations relating to matters of the company or issues concerning the controlled persons, to submit proposals to the agenda of the General Meeting and to be elected to bodies of the company;
- b. A shareholder is entitled to a share in the profit of the company (a dividend) that the General Meeting has designated for distribution. A shareholder is not obliged to return a dividend received in good faith to the company;
- c. To the extent permitted by applicable legislation (including Energy Act No. 251/2012 Coll.), a shareholder is entitled to inspect the minutes of meetings of the Supervisory Board, while being obliged to maintain confidentiality

- d. The right to vote at General Meeting - the shareholder's number of votes is determined by the ratio of the nominal value of their shares to the share capital;
- e. Any transfer of shares shall be subject to the approval of the General Meeting. The General Meeting may refuse a transfer of shares if it is in conflict with the company's Articles of Association or the shareholders agreement.

The General Meeting performs the following functions:

- a. Election and dismissal of members of the Supervisory Board;
- b. Election and dismissal of members of the Board of Directors;
- c. Changes in the Articles of Association, the statute of the Supervisory Board or the statute of the Board of Directors;
- d. Change in the share capital;
- e. Merger, fusion, split-up, change of legal form, winding up with liquidation or other significant changes in the corporate structure of the company;
- f. Decision on the appointment of a liquidator of the company and determination of remuneration of the liquidator;
- g. Decision on the distribution of any dividends by the company or distribution of other payments arising from shares;
- h. Decisions on the increase or decrease in the share capital of the company;

- i. Approval of ordinary individual, extraordinary individual, ordinary consolidated or extraordinary consolidated financial statements of the company;
- j. Decisions on the allocation of profit of the company, including the determination of the amount of dividends and any royalties, and on the method of settlement of any company's losses;
- k. Decisions on changes in the rights linked to any type of the company's shares;
- l. Decisions on the conversion of registered shares to bearer shares and vice versa;
- m. Decisions on the limitation or exclusion of the preferential right of a shareholder to subscribe newly issued shares of the company in accordance with and subject to conditions laid down by law;
- n. Approval of a contract on the transfer of the company's business and contract on the transfer of a part of the company's business;
- o. Any substantial change in the nature of the core business of the company or in the manner in which the company conducts its core business;
- p. Approval of the commencement of any legal or arbitration proceedings against persons who were direct or indirect shareholders of SPP before 23 January 2013 and ceased to be shareholders of SPP no later than on 23 January 2013;
- q. Appointment of an auditor.

Board of directors

The Board of Directors is a statutory body of the company acting on behalf of the company. The Board of Directors makes decisions on all matters related to the company. The Board of Directors has five members. Members of the Board of Directors are appointed and dismissed by the General Meeting for the period of four years. When electing or dismissing a member of the Board of Directors, the General

Meeting may determine that their election to or dismissal from the office is effective at a later date than on the date when the decision of the General Meeting was taken. The Board of Directors:

- a. Manages the business of the company and ensures all of its operational and organizational matters;
- b. Convenes the General Meeting;
- c. Exercises employer rights;
- d. Implements resolutions of the General Meeting, or written

- e. Ensures prescribed book-keeping and keeping of other records, books and other documents of the company;
- f. Submits reports to the General Meeting;
- g. Submits materials to the Supervisory Board for consideration;
- h. Prepares an annual budget and business plan of the company.

Supervisory board

The Supervisory Board is the supreme control body of the company. It supervises the activities of the Board of Directors and the performance of business activities of the company. The Supervisory Board of the company has six members. Two-thirds (2/3) of the members of the Supervisory Board are elected and dismissed by the General Meeting. One-third (1/3) of the members of the Supervisory Board are elected by employees of the company for a period of five years, if so required within that scope by the mandatory provisions of Slovak law at the time of election of the members of the Supervisory Board. Meetings of the Supervisory Board are convened by its chairman

at least every three months. The Supervisory Board reviews procedures in the matters of the company and is entitled at any time to inspect accounting documents, files, and records related to the activities of the company and to establish the standing of the company. The Supervisory Board also checks and - to the extent permitted by law (in particular by the Energy Act) - submits to the General Meeting the conclusions and recommendations resulting from its monitoring activities related to:

- a. Fulfilment of tasks assigned by the General Meeting to the Board of Directors;
- b. Compliance with the Articles of Association of the company and relevant legislation with regard to the company's activities;

- c. Economic and financial activities of the company, accounting, records, accounts, the state of the company's assets, its liabilities and receivables.

The Supervisory Board reviews and - to the extent permitted by law (in particular by the Energy Act) - may submit to the General Meeting reports related to:

- a. Proposals by the Board of Directors for the dissolution of the company;
- b. Proposals by the Board of Directors for the appointment of a liquidator of the company;
- c. Proposals by the Board of Directors regarding an individual annual budget and business plan of the company;
- d. Reports of the Board of Directors.

Committees

SPP - distribúcia, a. s. has used a legal exemption from the obligation to establish an audit committee directly at the level of SPP - distribúcia, a. s., and ensured that activities of the audit committee would be performed by a committee established at the level of the parent company SPP Infrastructure, a. s., because the parent company SPP Infrastructure, a. s. also fulfils conditions of the Act on Statutory Audit for establishment of an audit committee and therefore they have established such a committee.

The Audit Committee established at the level of the parent company

SPP Infrastructure, a. s. performs its activities for SPP - distribúcia, a. s. on the basis of a business and legal contract on the provision of services.

The Audit Committee must have at least 3 members. The committee members are appointed by the General Meeting. At least one Committee member must have professional experience in the area of accounting or statutory audit and all members as a whole must have qualifications suitable for the sector in which the accounting entity operates. An absolute majority of members as well as the chairman of the Committee (elected by members of the Committee or by the Supervisory Board) must

be independent. An independent member is an individual who is not connected by property

or personally with the accounting entity or its subsidiary, its partners, members of statutory bodies and statutory auditor of the accounting entity, and who is not their close person and does not receive from the accounting entity or its

subsidiary any other income than the remuneration for the work in the Supervisory Board or Audit Committee.

Management methods

For its management, the company mainly uses methods of direct management, methods combining direct and professional (indirect) management, and project management methods.

Direct management is generally based on setting goals, tasks and directions, and on

the operational guidance of activities of the managed organizational unit or employee.

Professional (indirect) management is based on the use of internal control mechanisms, determination of the scope for self-management and organization of own work of the managed organizational unit or employee, as well as on the application of advanced

economic incentives that are consistent with effective risk management.

Project management assumes temporary allocation of specific organizational units or employees and their temporary subordination to the project leader within the specified scope in order to achieve objectives of the project.

Internal control system and risk management

Internal control at all levels of the organizational structure serves to reveal preventively any potential risk occurrence in the company. The internal control system includes all the forms of continuous control measures, procedures and mechanisms in individual departments.

The internal control system of SPP - distribúcia, a.s. was implemented through the adoption

of internal management acts which regulate the performance of internal controls and internal audits by internal employees. The controls are performed by employees directly participating in individual processes, managers of individual units or employees authorised by them, who are responsible for controlled processes and control results, or by internal auditors.

Control results are submitted to relevant bodies of the company on a regular basis. Timely adoption of preventive measures ensures

the effective adjustment of key processes.

Within risk management, SPP - distribúcia, a.s. monitors, evaluates and manages in particular the regulatory, market, financial, operating, environmental, personnel, media risks, as well as their influence on the financial statements. Thanks to the action plans adopted by the company management, the influence of risks on company operation is continuously decreased.

Share capital of the company

The share capital of the company amounts to EUR 1,200,000,000 and is structured as follows:
Issue No. (CEM): LP0001508566
Nominal value: EUR 1,200,000,000
Type: ordinary share
Form: certificated
Class: registered share
Percentage share in share capital: 100%
Admitted to trading: 0 pc

The share capital structure does not include shares whose owners would have special rights of inspection. The company has no knowledge of any agreements between holders of securities which may result in restrictions as to the transferability of securities and the limitation of voting rights.

The company has not entered into any agreements which take effect, alter, or terminate as a consequence of a change in the control conditions related to the takeover bid.

The company has not entered into any agreements with the members of its bodies or employees on the basis of which they shall be granted compensation, if their position or employment is terminated by resignation, notice by the employee, their dismissal, notice of dismissal by the employer without indication of the cause, or if employment is terminated as a result of the takeover bid.

REPORT ON THE IMPLEMENTATION OF THE MEASURES TAKEN IN THE DISTRIBUTION SYSTEM OPERATOR'S COMPLIANCE PROGRAMME FOR THE PERIOD 1.8.2022 – 31.7.2023

1. The compliance programme is an internal regulation of SPP – distribúcia, a.s., which lays down measures to ensure non-discriminatory behaviour on the part of the distribution system operator. Under Act no 251/2012 on energy and on the amendment of certain laws, a compliance programme must be adopted by those network operators that are part of a vertically integrated undertaking. The last update of the compliance programme entered into force on 1.12.2015 and has the regulatory designation: D.RM.04.07.06.
 - (d) conditions applicable to the compliance programme manager, including his/her appointment and dismissal, activities of the vertically integrated enterprise unrelated to gas distribution is ensured,
 - (e) requirements for the operation of the compliance programme manager and for checking compliance with the compliance programme, including training of the employees of the distribution system operator on the compliance programme,
 - (b) compliance with a non-discriminatory approach to the provision of information intended for gas market participants and in the provision of services of the distribution system operator,
 - (c) measures to ensure non-discriminatory behaviour in accordance with the compliance programme are implemented in the internal procedures of the distribution system operator,
2. SPP – distribúcia, a.s. employees under the compliance programme have:
 - (a) obligations ensuring the independence of the distribution system operator from other activities not related to gas distribution,
 - (b) obligations ensuring non-discriminatory behaviour on the part of the distribution system operator in the provision of information,
 - (c) obligations ensuring non-discriminatory conditions for the provision of distribution system operator services to gas market participants,
 - (f) obligations ensuring the publication of the compliance programme, checking and drawing up an annual report on the implementation of the compliance programme.
3. The fulfilment of the measures listed in the compliance programme between 1.8.2022 and 31.7.2023 was ensured mainly as follows:
 - (a) SPP – distribúcia, a.s. as the distribution system operator is established as a separate company and its organizational structure is arranged in such a way that the independence of all activities of the distribution system operator related to gas distribution from other
 - (d) publication of the compliance programme to the employees of the distribution system operator in the electronic database of regulations and to the public on the website of the distribution system operator,
 - (e) compliance with the compliance programme. For example, between 1.8.2022 and 31.7.2023, the compliance programme manager verified compliance with the non-discriminatory approach of the distribution system operator in

providing information, when performing services for users of the distribution network, in examining requests, complaints and customer complaints. Furthermore, compliance with the prohibition on the misuse of confidential information on their own behalf was checked for those employees who had access to such confidential information.

4. On 14.5.2014 SPP Infrastructure, a.s. became the sole shareholder of SPP – distribúcia, a.s. and the gas supplier, Slovenský plynárenský priemysel, a.s. is no longer part of the vertically integrated company of which SPP – distribúcia, a.s. is a part. This has ensured the full independence of the distribution system operator from gas supply activities. In the period from 1.8.2022 to 31.7.2023, on

the basis of contracts SPP – distribúcia, a.s. received from Slovenský plynárenský priemysel, a.s. services only in the form of rental of real estate.

5. Between 1.8.2022 and 31.7.2023, the compliance programme manager of the distribution system operator found no breach of the obligations set out in the compliance programme.

In Bratislava on 8 August 2023



Ing. Milan Kachút
Compliance Programme Manager
of the distribution network operator SPP – distribúcia, a. s.

SPP - distribúcia, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholder, Supervisory Board and Board of Directors SPP – distribúcia, a.s. and the Audit Committee:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SPP – distribúcia, a.s. (the "Company"), which comprise the statement of financial position as at 31 July 2023, the income statement and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 July 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud	Summary of the auditor's response to the risks
Estimated Revenues from Gas Distribution <p>The Company recognises revenues from natural gas distribution based on regulated prices and the quantity of distributed gas to end customers. A portion of revenues from natural gas distribution to retail customers and households is recognised based on estimates, as the volume of natural gas distributed to such customers is determined by a meter reading of the consumed gas after the end of the reporting period.</p> <p>Revenue estimates are software-based using input data from management and an external data provider. Revenue estimate calculations require Company management to apply a significant degree of judgment, especially as regards the following assumptions:</p> <ol style="list-style-type: none"> Estimated quantity of distributed natural gas depending on measured temperatures in individual off-take categories; Own consumption estimate; Changes in natural gas accumulation in the distribution network. 	<p>Our audit procedures included, inter alia:</p> <ul style="list-style-type: none"> An assessment of the appropriateness and reliability of the procedure and method used by management to determine the estimates; Testing the accuracy of a sample of data based on which the estimate is made, including the reconciliation of input parameters to internal and external underlying documentation; Testing whether the assumptions used are appropriate given the measurement objective in compliance with accounting standards; An assessment of the effectiveness of the design and operation of the controls over the estimate determination by management and controls over implementation of changes to the relevant information system; An assessment of IFRS requirements to recognise the accounting estimate in the financial statements.

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Assessment of impairment

See Notes 3d, 4 and 7 to the financial statements

The Company owns property, plant and equipment, which comprises the natural gas distribution network in Slovakia in the amount of EUR 3.9 billion (after the fair value remeasurement of gas pipelines). As at each reporting date, the Company makes an assessment as to whether the distribution network is impaired, or whether there was a significant change in its fair value, by calculating the present value of future cash flows arising from the Company's operations and by estimating the effect of key fair value indicators. An impairment test or an analysis of key indicators require an estimate of the following key inputs for the calculation:

- Future fees the Company is entitled to charge for its distribution services under the price regulation regime;
- The potential impact of the military conflict in Ukraine and changes, if any, to potential demand for gas in the energy mix of the Slovak Republic;
- Natural gas volumes that will be distributed in the future;
- The discount rate specific to the assets owned by the Company;
- Associated capital and operating expenditures.

The above assumptions require management to make highly-subjective judgments regarding long-term periods.

Our audit procedures included, inter alia:

- A discussion with senior management of the assessment of the existence of impairment indicators or significant changes in fair value, management conclusion that there were no such indicators or inputs as at 31 July 2023;
- An assessment of the assumptions and methods used by the Company when calculating the distribution network's value, mainly those relating to the discount rate and future revenue development forecast;
- An examination of the model's mathematical basis;
- A retrospective review of the assumptions used in the model in the previous year;
- An assessment as to whether available information regarding the outlook of the regulation regime to be applied in the future is adequately reflected in the model;
- An assessment of the adequacy and appropriateness of disclosures in the Company's financial statements of assumptions used as a basis for the calculation of the present value of future cash flows arising from the Company's operations;
- An assessment of the appropriateness of estimates used in the analysis of changes to key fair value indicators.

Remeasurement of Gas Pipelines to Fair Value

See Notes 3d, 4 and 7 to the financial statement.

In the financial year ended 31 July 2023, the gas pipelines of the Company are recognised at a remeasured value representing their fair value as at the remeasurement date, less potential subsequent accumulated depreciation and subsequent accumulated losses from permanent impairment. The initial remeasurement was performed on 1 August 2018. The remeasurement of assets was performed by an independent expert.

The subsequent remeasurement surplus in the amount of EUR 587 million was credited to the revaluation reserve.

When determining the fair value of gas pipelines and their potential impairment, cooperation with an independent expert was necessary to assess relevant market prices of individual items, inflation, interest rates and other factors having an impact on the fair value or potential impairment.

Our audit procedures included, inter alia:

- Review of the independence of the expert who prepared the expert opinion;
- Evaluation of methods and assumptions used by the expert when determining the fair value of the assets and a review of the average prices used for the calculation of the fair value;
- Examination of the procedure used by the expert to determine the residual useful life of the assets;
- Review of the mathematical accuracy of the calculation of the fair value of the assets;
- Reconciliation of the completeness and accuracy of data on non-current assets provided to the expert for remeasurement;
- Reconciliation of the accuracy of the calculation and recognition of the revaluation reserve as at 31 July 2023;
- Assessment of the correctness of the assessment of tax implications of the remeasurement;
- Assessment of the presentation of the remeasurement in the notes and its compliance with IFRS requirements;
- Evaluation of the analysis of potential impairment of the Company's assets.

For the above procedures, we engaged our internal experts for the measurement of assets.

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

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management of the Company 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We assessed whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for the year ended 31 July 2023 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public interest entities

Appointment of the Auditor

We were appointed as the statutory auditor by the Company's General Meeting on 30 September 2021. The length of our total uninterrupted engagement including previous renewals of the engagement (extensions of the period for which we were appointed) and our reappointments as the statutory auditors is 12 years.

Consistency with the Additional Report to the Audit Committee

Our audit opinion expressed herein is consistent with the additional report prepared for the Company's Audit Committee, which we issued on the same date as the date of this audit report.

Non-Audit Services

We did not provide the Company with any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities and remained independent of the Company when conducting the audit.

Other than statutory audit services and services disclosed in the annual report or financial statements, we provided no other services to the Company and its controlled undertakings.

Bratislava, 7 September 2023


Ing. Wolda K. Grant, FCCA
Responsible Auditor
Licence SKAu No. 921

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

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COMPANY PROSPECT

At the European level, SPP-Distribution is already one of the strong operators of the distribution network, as we operate a network of high-pressure pipelines, a national dispatching centre, in addition to local networks, and we also have a significant position in ensuring the standard of security of natural gas supply.

However, such an important position and competences of a natural monopoly also represent a huge commitment to the entire Slovak society. On our own initiative, we are therefore constantly looking for development impulses, working to improve our customer service and enhance our performance as well as our environmental credibility. Quite simply, a culture of continuous improvement is part of our DNA in all areas to ensure the safe, reliable and cost-effective distribution of natural gas today and in the future.

At the same time, we are aware of the urgency of tackling climate change, a process in which we can play a significant role. However, a real solution to climate change will not be achieved if the EU and its Member States forcefully push through the ideology of environmental activists, as this does not comprehensively address all the related impacts, especially the social ones. Zero-emission solutions are still more expensive than gas solutions, have many technical limitations and require huge investments that cannot be implemented in the short and medium term. For example, a heat pump has an overall lifetime cost almost 50% higher than a modern gas condensing boiler in an existing property. At the same time, for its optimal use, it is necessary to insulate the heated household and, in the case of their mass deployment, to build new flexible power plants, as well as to massively strengthen the distribution network, which

will make the price difference even deeper. Not to mention the temporal aspects of such a change.

At the same time, we still have a relatively significant number of older traditional gas boilers in Slovak households, which can be very easily replaced with modern gas condensing boilers capable of burning a mixture of natural gas and renewable gases with high efficiency. That's why we can achieve almost immediate savings in natural gas consumption and reduce energy bills as well as greenhouse gas emissions by up to 23%. The advantage of this measure is also that due to the large range of efficiency of gas condensing boilers, it is possible for most Slovak households to postpone the unaffordable and time-consuming insulation of the heated property, or the connection of a solar collector or other supplementary renewable energy source to a later period, without the need to revise the parameters of the purchased condensing boiler. The possibility of further emission reductions in the future will thus be retained.

We plan to support the implementation of such efficient solutions in the future, e.g. by offering a discount on the purchase of a condensing boiler in the form of a voucher, which we have secured for our customers from the suppliers of these modern gas technologies. At the same time, we plan to offer our customers a mobile app that

will allow them to easily and regularly monitor their natural gas consumption at the delivery point and thus have better control over their energy bills.

We see our future in greening our activities, whether in minimising methane emissions through earlier identification and faster removal of leaks, or in supporting biomethane projects and further exploring the various aspects of hydrogen/natural gas mixture distribution. Our vision is to have a network ready for natural gas distribution with a 5% share of hydrogen in 2025, a 10% share in 2030 and after 2035, depending on customer interest and in line with the EC's intentions, a share of 20% or more.

Natural gas also has an indispensable place in specific areas of industry where it is, and will continue to be in the future, an essential part of chemical-technological production processes. We are convinced that gas infrastructure will continue to be an essential part of the Slovak energy sector in the coming decades. This is confirmed not only by the results of the survey of the popularity of gas heating systems in Slovakia, but especially by the price and environmental competitiveness of natural gas as a heating medium, which is one of the most optimal solutions to energy and environmental issues in accordance with the principle of Value for Money today.

CONTACTS

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825 11 Bratislava 26
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www.spp-distribucia.sk

Emergency line - gas:
Tel.: 0850 111 727 (charged
at the price of local call)

**Contract relations between
SPP - distribúcia, a. s. and gas
suppliers:**
Tel.: +421 2 2040 2011 Secretariat
of the Distribution Services
E-mail: distribucia@spp-distribucia.sk

**Customer line for connection
to the distribution network:**
Tel.: 0850 269 269 (charged
at the price of local call)

Customer line is in operation on
working days from 7:00 a.m. to 8:00 p.m.
E-mail: pripajanie@distribuciaplynu.sk
On-line forms:
[www.spp-distribucia.sk/sk_online-
aplikacie](http://www.spp-distribucia.sk/sk_online-aplikacie)

Microsite on natural gas:
www.oplyne.info

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