



**INFORMATION DISCLOSURE
POLICY OF
BULGARIAN ENERGY HOLDING EAD**

October 2022

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I. GENERAL PROVISIONS

1.1. This Disclosure Policy (the Policy) has been developed based on Art. 63, para. 1 of the Regulations for the Implementation of the Law on Public Enterprises.

1.2. The Policy defines the scope of the information subject to disclosure by Bulgarian Energy Holding EAD (BEH EAD, the Company) in its capacity as a public enterprise, within the meaning of Art. 2, para. 1 of the Law on Public Enterprises.

1.3. BEH EAD discloses and provides easy access to all essential information, including the financial status of the holding and BEH Group companies, as well as its structure.

1.4. The disclosure policy complies with and is implemented in accordance with the legal requirements in force in the Republic of Bulgaria, including the Law on Public Enterprises, the Regulations for the Implementation of the Law on Public Enterprises, the Law on Public Offering of Securities, the Law on Accounting, the Law on Independent Financial Audit, the Commercial Law and the bylaws on their implementation, the National Corporate Governance Code from April 2016, as well as the Corporate Governance Principles of the Organization for Economic Co-operation and Development (OECD Principles), Corporate Governance Policy of Bulgarian Energy Holding EAD and with the relevant internal company documents, as well as other legal acts and by-laws and internationally recognized standards.

II. GOAL AND PRINCIPLES

2.1. The purpose of this Policy is to outline the framework for providing information to interested parties and investors, with a view to ensuring the possibility of making objective and informed decisions and assessments.

2.2. When disclosing information BEH EAD is led by the principles for:

2.2.1. Correctness;

2.2.2. Transparency;

2.2.3. Accessibility;

2.2.4. Equality;

2.2.5. Timeliness;

2.2.6. Integrity;

2.2.7. Regularity.

2.3. BEH EAD discloses any essential information regarding the operational activity of the company, regardless of its nature, in compliance with the principle of equal treatment of the addressees.

2.4. In certain cases, according to the current legislation or the rules of financial instrument markets, the disclosure of certain information is not allowed. Such cases are:

2.4.1. If this leads to the violation of a law or other legal act;

2.4.2. The information is confidential or concerns unfinished negotiations;

2.4.3. The information is corporate or commercial secret (confidential information).

2.5. List of information, which is not subject to disclosure, but is not limited just to the list:

2.5.1. The Company's business agenda together with the reports for the completion of its indexes;

2.5.2. Contracts for outsourcing services to contracting parties;

2.5.3. Labor and civil contracts for salaries of the staff, as well as contracts for salaries of the management and control bodies;

2.5.4. Contracts for regulatory deals with fixed assets and for the creation of a right in rem for real estate, whose balance sheet value exceeded the lower of BGN 500 000 or 5% of the total balance sheet value of the fixed assets on 31 December of the preceding year;

2.5.5. Contracts for renting or leasing real estate, whose balance sheet value exceeded 5% of the total balance sheet value of the fixed assets on 31 December of the preceding year;

2.5.6. Contracts for receiving loans or credits, providing credits, providing guarantees;

2.5.7. Contracts for liabilities for bail and provision of target financing;

2.5.8. Contracts for giving guarantees for third parties in the cases when each of the above exceeded the lower of BGN 500 000 or 5% of the total balance sheet value of the fixed assets on 31 December of the preceding year;

2.5.9. Entering into a judicial or extrajudicial agreement that acknowledges obligations or forgives a debt;

2.5.10. Contracts for setting up a mortgage or a pledge on fixed assets of the Company;

2.5.11. Any information that is classified or represents another protected secret in the cases provided for by a law;

2.5.12. Any information the access to which concerns the interests of a third party and they have specifically denied providing such information.

III. INFORMATION CHANNELS

3.1. In order to disclose information BEH EAD uses the following channels:

3.1.1. Corporate webpage (<http://www.bgenh.com>) with approved content, scope and period of the information disclosed on it;

3.1.2. Other channels including media, the webpage of the Public Enterprises and Control Agency;

3.1.3. The e-system for information disclosure X3News (www.x3news.com), which provides the effective distribution of information to the widest possible scope of persons simultaneously and in a way that is not discriminating for them.

IV. PERIODIC INFORMATION

4.1. The periodic information disclosed by BEH EAD includes, without being limited only to:

4.1.1. Individually-based three-month reports, which include disclosing interim financial reports, prepared according to the applicable accounting standards

4.1.2. Individual and consolidated six-month interim report, verified by a registered auditor(s), which includes disclosure of:

- Interim financial reports, prepared according to the applicable accounting standards;
- Interim report on the activity, which includes also an analysis of the completion of the financial goals;
- Interim report of the registered auditor;
- Interim report for payments to governments;

4.1.3. Individual and consolidated annual financial report, verified by a registered auditor(s), which includes disclosure of:

- Annual financial reports, prepared according to the applicable accounting standards;
- Annual report on the activity, prepared according to the Law on Accounting and the Commercial Law, which includes also an analysis of the reported financial and non-financial results;
- Report of the registered auditor;
- Non-financial declaration under Art. 48 of the Law on Accounting, as well as reports on risk assessment, human resources and labor relations, sustainability, environmental impact, transactions between related parties and a report on the members of the management and control bodies, including a report on their remuneration, a performance report on the assigned duties to perform public services and on the objectives of the public policy;
- Declaration on the corporate management according to Art. 100(N), para.7, pt.1 of the Law on Public Offering of Securities;
- Report for payments to governments;
- Summarized information on the state of the financial management and control systems prepared according to the Law on Financial Management and Control in the Public Sector;
- Other required information.

4.2. The financial reports of BEH EAD are prepared by applying the International Accounting Standards according to the requirements of the current legislation. The audited financial reports are published in Bulgarian and English on the Company webpage (<http://bgenh.com/>).

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V. INTERNAL INFORMATION

5.1. BEH EAD publicly discloses internal information as soon as possible, in accordance with Regulation (EU) No. 596/2014 of the European Parliament.

5.2. The internal information disclosed by BEH EAD includes, without being limited only to:

- 5.2.1 Articles of Association/Membership Agreement/Constitutional Act;
- 5.2.2 Information on the Management and Control Bodies;
- 5.2.3 financial and operational results of the Company, including, where relevant, the costs and financing arrangements related to public policy objectives;
- 5.2.4 Any financial aid, including guarantees, received by the State;
- 5.2.5 All transactions with the State and other related parties;

- 5.2.6 Qualification of the members of the Management and Control Bodies, the order of their hiring, as well as the amount of their salaries;
- 5.2.7 assigning or changing the Company's credit rating;
- 5.2.8 All circumstances of significance for the operational activity of the Company.

VI. OTHER INFORMATION

6.1. In its capacity as an issuer of financial instruments, in order to provide an opportunity for the interested parties to familiarize themselves, the Company prepares and presents information on its website at the address: www.bgenh.com.

6.2. The scope of the information disclosed by BEH EAD exceeds the requirements of the national legislation, and in addition the Company provides:

6.2.1. Information on environmental issues, such as the use of natural resources by the Company, energy consumption, the amount of emissions generated, the risk of accidents;

6.2.2. Information on social issues, such as for example participation of the Company in solving social issues, corporate social responsibility;

6.2.3. Questions raised by the Company for public consultation, such as construction projects etc.;

6.2.4. Information regarding the employees, such as number, rights, work environment, motivation system;

6.2.5. Information about respect for human rights, such as the measures taken by the Company in the field of equality and non-discrimination;

6.2.6. Information on matters related to the fight against corruption, such as the order of submitting signals at the Company and the ability of its employees to directly address audit or control authorities;

6.2.7. Contact information for the company employee responsible for publishing the information on its official webpage;

6.2.8. Other relevant information.

VII. CORPORATE WEBPAGE

7.1. As part of the information disclosure framework, BEH EAD maintains a corporate website (www.bgenh.com) with approved content, scope and frequency of the information disclosed through it in accordance with regulatory requirements and good corporate practices.

7.2. The Company also maintains an English version of the corporate website with analogical content.

7.3. The information on the corporate website is reviewed, updated and archived constantly. Historical information is maintained in order to ensure traceability and the opportunity to acquaint all interested parties and investors with the Company's financial status.

7.4. The website of BEH EAD (www.bgenh.com) maintains a specialized, easily accessible "Investors" section with detailed and up-to-date information about the Company in Bulgarian and English, including:

- 7.4.1. General Information;
- 7.4.2. Financial Strategy;
- 7.4.3. Financial Instruments;
- 7.4.4. Credit Rating;
- 7.4.5. Ecological, Social and Group Aspect Ratings (ESG Ratings);
- 7.4.6. Financial Reports;
- 7.4.7. Presentations;
- 7.4.8. Contacts for Investors.

7.5. An intuitive online form is created in order to keep constant communication with the investors. After registrations through it information can be received electronically on messages published by the Company via the information channels it uses.

7.6. The information disclosed via the corporate webpage of BEH EAD includes at least:

- 7.6.1. General corporate information;
- 7.6.2. Current information regarding the shareholder structure;
- 7.6.3. Articles of Association of the Company and documents regarding its activity and functions including this Disclosure Policy;
- 7.6.4. Information on the structure and composition of managing bodies of the Company, as well as on their members;
- 7.6.5. Annual and three-month financial reports at least for the last seven years;
- 7.6.6. Information on upcoming events;
- 7.6.7. Information on issued financial instruments;
- 7.6.8. Ecological, Social and Group Aspect Ratings (ESG Ratings);
- 7.6.9. Internal information according to Regulation (EU) No 596/2014 as well as other important information regarding the Company activity;
- 7.6.10. Contact information.

VIII. FINANCIAL CALENDAR OF BULGARIAN ENERGY HOLDING EAD

8.1. Pursuant to the Law on Accounting, the Law on Public Enterprises and the Regulations for the Implementation of the Law on Public Enterprises, BEH EAD prepares and submits to the Public Enterprises and Control Agency and to the public the following:

8.1.1. Three-month report until the 30th of the month after the said three months, which includes disclosure of:

- Interim financial reports, prepared according to the applicable accounting standards;
- Short analysis of the activity.

8.1.2. Annual report until April 25th of the following year, which includes disclosure of:

- Annual financial reports, prepared according to the applicable accounting standards;
- Annual analysis of the activity.

8.1.3. Until June 30th of the year after the reporting period the Company discloses the audited and adopted annual individual and consolidated financial reports, together with the approved business

agendas, as well as reports for the degree of completion of the indexes in said agendas. The disclosure includes:

- Annual financial reports, prepared according to the applicable accounting standards;
- annual activity report, prepared in accordance with the Law on Accounting and the Commercial Law, including an analysis of the completion of financial and non-financial goals as well as transactions between related parties and a report on the members of the management and control bodies, including a report on their remuneration;
- Report of the registered auditor;
- Non-financial declaration under Art. 48 of the Law on Accounting, as well as reports on risk assessment, human resources and labor relations, sustainability, environmental impact;
- Declaration on the corporate management according to Art. 100(N), para.7, pt.1 of the Law on Public Offering of Securities;
- Report and questionnaire for self-evaluation of the state of the financial management and control systems prepared according to the Law on Financial Management and Control in the Public Sector.

8.1.4. Other reports submitted to the Public Enterprises and Control Agency, National Statistical Institute, National Revenue Agency and other authorities.

8.2. Deadlines for publishing financial information on the BEH EAD website in Bulgarian and English, according to the requirements in the prospectuses of the bonds issued by the Company:

8.2.1 Interim financial reports for the first half of the financial year, together with all reports and supplementary information applicable thereto, certified by the appointed registered auditor - within 90 days after the end of the first half of each financial year

8.2.2 Annual financial reports, together with all reports and supplementary information applicable thereto, certified by the appointed registered auditor - within 130 days after the end of each financial year.

8.3. The dates and the information on other events and reports, which Bulgarian Energy Holding EAD is obliged to disclose publicly, will be disclosed within the deadlines required by law.

8.4. The technical completion of the obligation to disclose information falls to the Cybersecurity and Information Systems and Technologies Department, at the initiative of Finance Directorate, Projects Directorate and Procedures and Administrative Actions Directorate depending on the specifics of the disclosed information.

IX. SUPPLEMENTARY PROVISIONS

§1. In the sense of this Policy:

Internal Information

Accurate information that has not been made public, related to the conclusion of transactions for own account or for the account of a third party and which, if made public, could significantly affect the price of the transaction, according to Regulation (EU) No. 596/2014.

Essential Information

Information the omission or misrepresentation of which could alter or influence the judgment or decision of a user relying on that information to make economic decisions.

Commercial Secret

Commercial secret is information (commercial or technical) regarding the means of production or supply of goods and services. It is not of common knowledge, obvious or easily accessible and measures to keep it secret have been taken. Goods and services can be subject to commercial secret.

Confidential Information

Information where there are obligations to customers or other relationships with counter parties, according to which the Company must maintain the confidentiality of this information.

Interested Parties

Persons who are not shareholders but have an interest in the economic development of the Company such as creditors, bondholders, customers, employees, the public and others.

X. FINAL PROVISIONS

§2. The Policy is publicly accessible on the corporate webpage of the Company at: www.bgenh.com.

§3. This Policy is reviewed once a year or more often if circumstances require it.

§4. This Policy was adopted with Decision under point I.10 from Minutes No 75-2022 from October 13, 2022 of the Board of Directors of BEH EAD.