



ENERGO-PRO Green Finance s.r.o.

Supplement to the prospectus of 6.50 per cent. p.a. fixed rate bonds in the total nominal amount of CZK 530,000,000 with the possibility of increase of up to CZK 1,060,000,000 due 2023 issued by ENERGO-PRO Green Finance s.r.o. and guaranteed by DK Holding Investments, s.r.o.

This document constitutes a supplement (the "**Prospectus Supplement**") that supplements, forms part of and must be read and construed in conjunction with, the prospectus dated 28 September 2020 (the "**Prospectus**") produced in respect of 6.50 per cent. p.a. fixed rate bonds in the total nominal amount of CZK 530,000,000 (in words: five hundred thirty million Czech Koruna) with the possibility of increase of up to CZK 1,060,000,000 (in words: one billion sixty million Czech Koruna) due in 2023 (the "**Bonds**" or the "**Issue**"), The Bonds are issued by ENERGO-PRO Green Finance s.r.o., with its registered office at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, identification number: 09385801, LEI: 315700V95FJQL6ANM434, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. C 335515 (the "**Issuer**") and guaranteed by DK Holding Investments, s.r.o., with its registered office at Na poříčí 1079/3a, Nové Město, 110 00 Prague 1, identification number: 04645740, LEI: 3157000SLFS3ZOO7HV02, incorporated in the Commercial Register maintained by the Municipal Court in Prague, file no. C 251383 (the "**Guarantor**"). The ISIN of the Bonds, allocated by Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 682/14, Old Town, 110 00 Prague 1, identification number: 250 81 489, is CZ0003527749. The Bonds were admitted to trading on the Regulated Market of Burza cenných papírů Praha, a.s., with its registered office at Rybná 14/682, 110 05 Prague 1, identification number: 471 15 629, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. B 1773 (the "**PSE**").

This Prospectus Supplement is a supplement within the meaning of Article 23 paragraph 2 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation").

The Prospectus Supplement was produced on 19 April 2020 and was approved by the Czech National Bank (the "**CNB**") in its decision ref. no. 2021/041869/CNB/570, file no. S-Sp-2021/00027/CNB/572, dated 21 April 2021, which became final and effective on 22 April 2021. The CNB has approved the Prospectus Supplement in its capacity as the competent authority under the Prospectus Regulation and only to the extent that the Prospectus Supplement meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, Guarantor nor the quality of the Bonds. The CNB assesses neither the financial results nor the financial situation of the Issuer or the Guarantor and by approving the Prospectus Supplement it does not guarantee the quality of the Bonds or the Issuer's or the Guarantor's future profitability or its ability to pay the interest on, and the principal of, the Bonds. Potential investors should make their own assessment as to the suitability of investing in the Bonds.

The Prospectus, the Prospectus Supplement, other published documents, historic financial information and audit reports are available electronically on the website of the Issuer <http://www.energo-pro.com/pro-dkhi-investory> and also for inspection during regular business hours from 9 a.m. to 4 p.m. CET at the registered office of the Issuer at Na poříčí 1079/3a, Nové Město, 110 00 Prague.

Terms given a defined meaning in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Prospectus Supplement.

Right of Withdrawal

In accordance with Article 23(2) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for the Bonds before this Prospectus Supplement is published and where the Bonds have not yet been delivered to them at the time when the significant new factor, material mistake or material inaccuracy to which this Prospectus Supplement relates, arose or was noted have the right, exercisable until 26 April 2021,

which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances. Investors may contact J&T BANKA at the Specified Office should they wish to exercise such right of withdrawal.

Responsible persons

The Prospectus Supplement was produced by the Issuer and the Issuer is responsible for the accuracy and completeness of the information contained in this Prospectus Supplement. The Issuer hereby represents that the information contained in the Prospectus Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

In Prague on 19 April 2021

ENERGO-PRO Green Finance s.r.o.



Name: Pavel Váňa

Position: Executive

Amendments to the Prospectus

The purpose of the Supplement is to incorporate by reference consolidated financial statements of EPAS according to IFRS for the year 2020 including independent auditor's report relating to the consolidated financial statements for the year 2020. The purpose of the Supplement is further to make certain changes to the Prospectus in connection with (a) HPP Alpaslan 2 and HPPP Karakurt becoming operational and eligible for YEKDEM, (b) changes to the rating of EPAS, (c) HPPs of the Resadiye leaving the FiT regime at the end of 2020, (d) changes to the regulatory framework for electricity distribution activities in Georgia, (e) the impact of EBITDA of EPAS for 2020 on EBITDA of DKHI, and (f) new litigations relating to Bilsev and Litostroj Power.

The Prospectus is amended and supplemented as follows:

1. Amendments to Chapter I. SHRnutí

- a) The information in the table no. 3.3 entitled "*Je za Dluhopisy poskytnuta záruka?*", row 4 entitled "*Rizikové faktory specifické pro Ručitele a DKHI Group*", point 2 entitled "*Včasně uvedení nových tureckých vodních elektráren do provozu*" on page 13 is amended and supplemented as:

"2. [odstraněno]"

- b) The information in the table no. 4.3 entitled "*Proč je tento Prospekt sestavován?*" row entitled "*Využití a odhad čisté částky výnosů*" on page 16 is amended and supplemented as:

"Z čistého výtěžku již vydaných Dluhopisů použil Emitent 34 450 000 Kč na financování Vázaného účtu, 260 000 000 Kč použila skupina DKHI na investice do HPP Alpaslan 2, 217 000 000 Kč použila Skupina DKHI na investice do HPP Karakurt a zbývající částka byla použita pro obecné korporátní účely Skupiny DKHI. Čistý výtěžek z Dluhopisů, které mají být vydány, do maximální celkové nominální hodnoty Dluhopisů, včetně navýšení, bude Emitentem použit na financování Vázaného účtu do výše 17 225 000 Kč a distribuován Skupině DKHI ve formě úvěru, zápůjčky nebo jiného financování. Emitent očekává, že výtěžek bude následně použit pro účely investic do obnovitelných zdrojů a pro obecné korporátní účely společností Skupiny DKHI, přičemž konkrétní rozdělení výtěžku dosud nebylo stanoveno.

Čistý výtěžek z Dluhopisů bude odpovídat celkové upsané jmenovité hodnotě snížené přibližně o částku 11.660.000 CZK. V případě navýšení objemu Emise na 1.060.000.000 CZK bude čistý výtěžek z Dluhopisů odpovídat celkové upsané jmenovité hodnotě snížené přibližně o částku 22.260.000 CZK."

2. Amendments to Chapter II. SUMMARY

- a) The information in the table no. 3.3 entitled "*Is there a guarantee attached to the Bonds?*", row 4 entitled "*Risk factors related to the Guarantor and DKHI Group*", point 2 entitled "*Timely commissioning of new Turkish hydro power plants ("HPPs")*" on page 21 is amended and supplemented as:

"2. [deleted]"

- b) The information in the table no. 4.3 entitled "*Why is this Prospectus being produced?*", row entitled "*Use and estimated net amount of the proceeds*" on page 24 is amended and supplemented as:

"Out of the net proceeds of the Bonds already issued, CZK 34.450.000 was used by the Issuer to fund the Interest Escrow Account, CZK 260.000.000 was used by DKHI Group for investment into HPP Alpaslan 2, CZK 217.000.000 was used by DKHI Group for investment into HPP Karakurt and the remaining amount was used for general corporate purpose of DKHI Group. The net proceeds of the Bonds to be issued up to the maximum total nominal value of the Bonds, including an increase, will be used by the Issuer for funding the Interest Escrow Amount up to the amount of CZK 17.225.000 and distribution to the DKHI Group in the form of loans, borrowings and other forms of financing. The Issuer expects that the proceeds will be subsequently used for the purposes of investments into renewables resources and for general corporate purposes of the DKHI Group companies, whereas specific allocation of the proceeds has not yet been determined.

The net proceeds from the Bonds amount to total subscribed nominal value decreased by approximately CZK 11,660,000. In case of an increase of the Issue to CZK 1,060,000,000, the net proceeds from the Bonds will amount to total subscribed nominal value decreased by approximately CZK 22,260,000."

3. Amendments to Chapter III. RISK FACTORS

- a) The information in the Section 2.2 entitled "*Operational risks*", section entitled "*Timely commissioning of new Turkish HPPs*" on page 30 is amended and supplemented as:

"[deleted]"

- b) The information in the second paragraph of section entitled "*Indebtedness*" in Section 2.3 entitled "*Financial risks*", on page 33 is amended and supplemented as:

"In addition, DKHI Group's ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend in part on the credit rating of the DKHI Group or EPAS, as the most important part of the DKHI Group. As at the date of this Prospectus, DKHI Group has been assigned a group credit profile of 'b+' and EPAS has been assigned a long-term corporate credit rating of B+ (outlook stable) by S&P and EPAS has been assigned an issuer default rating of BB- (outlook negative) by Fitch. The ability of DKHI Group and EPAS to maintain their current rating is dependent on a number of factors, some of which may be beyond their control. These factors are more fully described in the various press releases and rating reports published by S&P and Fitch from time to time (latest reports dated 17 December 2020 and 21 December 2020, respectively) and available on the website of EPAS. In the event that the credit rating of DKHI Group or EPAS is lowered, the DKHI Group's ability to access credit and bond markets and other forms of financing (or refinancing) could be limited. This could have an adverse effect on its business, results of operations and financial condition of DKHI Group."

- c) The information in the third paragraph in section entitled "*Foreign currency risks*" in the Section 2.3 entitled "*Financial risks*", on page 34 is amended and supplemented as:

"In Turkey, all five HPPs operated by RH Turkey sell the electricity in the merchant market for prices denominated in TRY. HPP Alpaslan 2 operated by Murat and HPP Karakurt operated by Bilsev sell their electricity under FiT, which is denominated in USD but paid in TRY. Between the time amounts under the FiT are converted from USD into TRY and the time that they are paid to Murat and Bilsev, which is approximately 20 days, the DKHI Group is exposed to TRY currency risk. Furthermore, when HPP Alpaslan 2 and HPP Karakurt leave the FiT regime after 2030 they expect to sell their electricity in the merchant market for prices denominated in TRY. Prices in the merchant market are currently materially lower than the FiT and there is a risk that it may remain so in the future. On 15 April 2021, the TRY closed at TRY 8,02 to USD 1."

4. Amendments to Chapter IV. INFORMATION INCORPORATED BY REFERENCE

The information in the third table entitled "*Information about EPAS*" on page 41 is amended and supplemented by:

"

Information about EPAS	Pages	Hyperlink
Consolidated financial statements of EPAS according to IFRS for the year 2020 including independent auditor's report relating to the consolidated financial statements for the year 2020	5-7, 60-136	http://www.energo-pro.com/files/2021-04-15_10-29-27_epas_ar_2020_final.pdf

Consolidated financial statements of EPAS according to IFRS for the year 2019 including independent auditor's report relating to the consolidated financial statements for the year 2019	6-8, 63-133	http://www.energo-pro.com/files/2020-09-14_15-32-47_epas_ar_2019_final.pdf
Consolidated financial statements of EPAS according to IFRS for the year 2018 including independent auditor's report relating to the consolidated financial statements for the year 2018	7-10, 74-141	http://www.energo-pro.com/files/2020-09-14_15-32-50_epas_ar_2018_final.pdf

5. Amendments to Chapter IX. REASONS FOR THE OFFER AND USE OF PROCEEDS

The information in second paragraph of the chapter on page 85 is amended and supplemented as follows:

"The Bonds have been offered, and the net proceeds from the Bonds have been be used for, deposit into the Interest Escrow Account, for financing of investments into renewables resources and for general corporate purposes. Out of the net proceeds of the Bonds already issued, CZK 34.450.000 were used by the Issuer to fund the Interest Escrow Account, CZK 260.000.000 was used by DKHI Group for investment into HPP Alpaslan 2, CZK 217.000.000 was used by DKHI Group for investment into HPP Karakurt and the remaining amount was used for general corporate purpose of DKHI Group. The net proceeds of the Bonds to be issued up to the maximum total nominal value of the Bonds, including an increase, will be used by the Issuer for funding the Interest Escrow Amount up to the amount of CZK 17.225.000 and distribution to the DKHI Group in the form of loans, borrowings and other forms of financing. The Issuer expects that the proceeds will be subsequently used for the purposes of investments into renewables resources and for general corporate purposes of the DKHI Group companies, whereas the exact allocation of the proceeds has not yet been determined."

6. Amendments to Chapter XI. INFORMATION ABOUT THE GUARANTOR AND DKHI GROUP

- a) The information in Section 3.2 entitled "*History and Development of the Guarantor and the DKHI Group*", is amended and supplemented by adding two following additional lines at the end of the last line of the Section on page 93:

"- 2020 – HPP Alpaslan 2 and HPP Karakurt become eligible for YEKDEM feed in tariff starting from January 2021.
- 2021 - full operation of all four units of HPP Alpaslan 2 starts."

- b) The information in Section 4.2 entitled as "*Activities Pursued by the DKHI Group*", section entitled "*Historical Financial Information*" on page 98 is amended and supplemented as follows:

"Historical Financial Information

EPAS prepared consolidated financial statements for the accounting periods ending on 31 December 2020, 31 December 2019 and 31 December 2018. These financial statements have been audited.

The consolidated financial statements of EPAS as at 31 December 2020 and for the year then ended have been audited by independent auditor Ernst & Young Audit, s.r.o. as stated in their audit report incorporated by reference herein.

The consolidated financial statements of EPAS as at 31 December 2019 and for the year then ended have been audited by independent auditor Ernst & Young Audit, s.r.o. as stated in their audit report incorporated by reference herein. The restated comparative amounts for 2018 appearing in the consolidated financial statements of EPAS as at and for the year ended 31 December 2019 as a comparative period have not been audited. For explanation of restatements and reclassifications see Section 11.1 (*Historical Financial Information*) of Chapter XI (*Information about the Guarantor and DKHI Group*).

The consolidated financial statements of EPAS as at 31 December 2018 and for the year then ended have been audited by independent auditor Deloitte Audit s.r.o. The restated comparative amounts for 2017 appearing in the consolidated financial statements of EPAS as at and for the year ended 31 December 2018 as a comparative period have not been audited. For explanation of restatements and reclassifications see Section 11.1 (*Historical Financial Information*) of Chapter XI. (*Information about the Guarantor and DKHI Group*).

The consolidated financial statements of EPAS are incorporated in this document by reference (see Chapter IV - *Information Incorporated by reference*)."

- c) The information in Section 4.2 entitled as "*Activities Pursued by the DKHI Group*", section entitled "*Credit Rating of EPAS*" on page 100 is amended and supplemented as follows:

"Credit Rating of EPAS

EPAS was assigned a rating by Fitch Ratings Ireland Limited ("**Fitch**"), registered under the CRA Regulation, at the level of BB- with a negative outlook. The last rating revision occurred on 7 December 2020. EPAS was assigned a rating also by S&P Global Ratings Europe Limited ("**S&P**"), registered under the CRA Regulation, at the level B+ with a stable outlook. The last rating revision occurred on 17 December 2020. The reports of both Fitch and S&P are available on website of EPAS (<http://www.energo-pro.com/>) and are not incorporated in the Prospectus by reference.

Under the rating scale of Fitch, BB rating indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. Rating modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating category. The modifiers (+) or (-) are appended to a rating to denote relative status within major rating categories. Negative outlooks indicate the direction a rating is likely to move over a one- to two-year period.

Under the rating scale of S&P, an obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments. Rating modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating category. Stable outlooks can be raised or lowered without a prior revision to the outlook."

- d) The information in Section 4.2 entitled as "*Activities Pursued by the DKHI Group*", sub-chapter B. entitled as "*Other subsidiaries of DKHI Group*" on page 100 is amended and supplemented as follows:

"B. Other subsidiaries of DKHI Group

Activities of other subsidiaries of DKHI Group can be divided into:

- operation of two HPP Projects in Turkey: (i) HPP Karakurt owned by Bilsev and (ii) HPP Alpaslan 2 owned by Murat;
- development of Berta HPP in Turkey owned by Berta Enerji Üretim Sanayi ve Tic. A.S. ("**Berta**"); and
- additional activities performed by various entities that do not form part of EPAS Group or EPI Group."

- e) The information in Section 4.2 entitled as "*Activities Pursued by the DKHI Group*", sub-chapter entitled as "*Main categories of activities*", sub-section entitled as "*DKHI Group*" on is amended and supplemented by adding paragraph at the end of the sub-section on page 101 as follows:

"DKHI Group expects its 2020 EBITDA to be negatively affected mainly due to lower EBITDA contribution by EPAS. EBITDA of EPAS declined to EUR108m in 2020 from EUR139m in 2019, a year-on-year decline of 22%. The principal reasons for the EBITDA decline include: (i) adverse hydrological conditions in Bulgaria, Georgia and Turkey, (ii) continuing difficult operating conditions of distribution and supply business in Georgia, and (iii) adverse development in EUR/GEL exchange rate in Georgia."

- f) The information in Section 7.4 entitled as "*Description of major companies in the DKHI Group*", sub-paragraph A. entitled "*EPAS Group*", section (ii) entitled "*Georgia*", an additional paragraph is added and supplemented between third and fourth paragraph of this section on page 122 as follows:

"In 2020, EP Georgia's EBITDA decreased by 82% or EUR 11,7 million compared to 2019 which was the largest decline of EBITDA of all companies of EPAS Group in 2020. The main reasons for the decrease were (a) limited availability of cheaper electricity in the market resulting in increase of purchase power costs (b) lower volume of supplied and distributed electricity due to delayed liberalization of high voltage customers and COVID-19 health crises, and (c) adverse movement in GEL/EUR exchange rate resulting in decrease in EUR nominated revenue. In the new regulatory period, which started on 1 January 2021, distribution and supply business of EP Georgia will benefit from new tariffs which incorporate compensation for the underperformance of the business in the 2018-2020 regulatory period. See "Regulation – Regulation in Georgia"

- g) The information in Section 7.4 entitled as "*Description of major companies in the DKHI Group*", sub-paragraph A. entitled "*EPAS Group*", section (iii) entitled "*Turkey*", second paragraph on page 128 is amended and supplemented as follows:

"DKHI Group also operates the following two major HPP projects in Turkey – HPP Karakurt owned by Bilsev and HPP Alpaslan 2 owned by Murat."

- h) The information in Section 7.4 entitled as "*Description of major companies in the DKHI Group*", sub-paragraph A. entitled "*EPAS Group*", section (iii) entitled "*Turkey*", sub-section entitled "*RH Turkey (business name: Reşadiye Hamzalı Elektrik Üretim San.ve Tic. A.Ş.)*" on pages 129-131 is amended and supplemented as follows:

"RH Turkey (business name: Reşadiye Hamzalı Elektrik Üretim San.ve Tic. A.Ş.)

The main activities of RH Turkey involve operating five HPPs and selling the electricity produced by those plants on the market. RH Turkey has a total installed capacity of 95 MW, representing 0.3 per cent. of Turkey's total installed HPP generation capacity.

The table below sets forth certain information relating to the RH Turkey's generation assets as at 31 December 2017 and its generation data for the years ended 31 December 2019, 2018 and 2017:

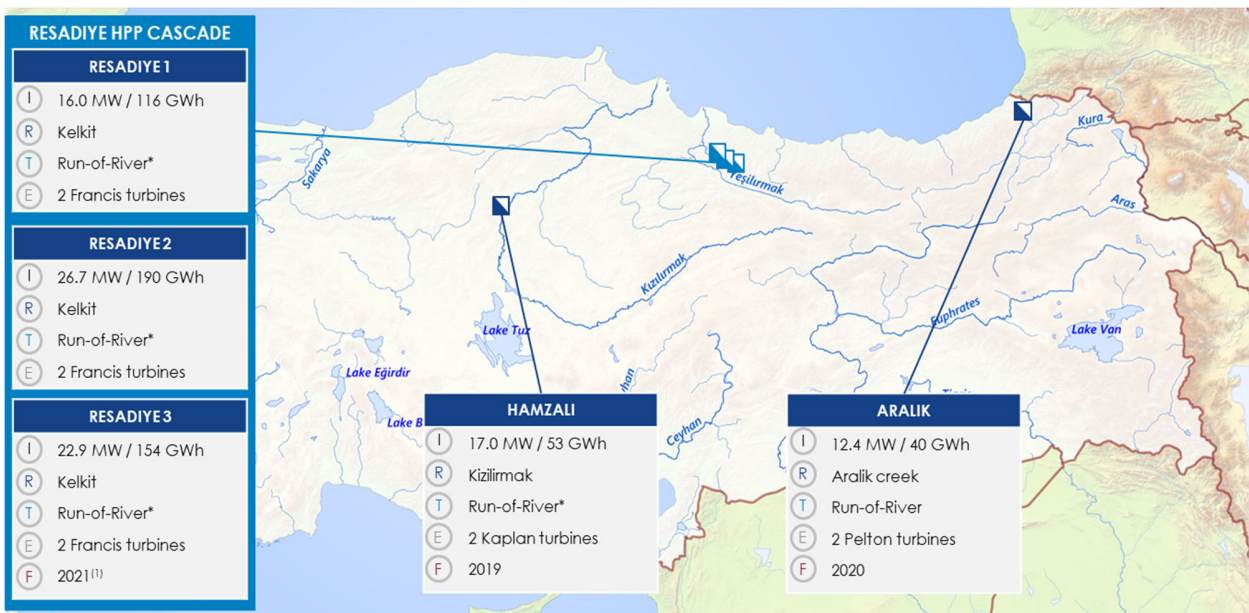
Facility name	Type	Commissioning date	Installed capacity (MW)	Tariff	FiT expiry	Electricity generated (GWh)		
						2019	2018	2017
Resadiye I	Run-of-the-river	2010	16.0	Free market	2020	116	77	75
Resadiye II	Run-of-the-river	2010	26.7	Free market	2020	190	127	121
Resadiye III	Run-of-the-river	2009	22.9	Free market	2020	154	103	99
Hamzali	Run-of-the-river	2008	17.0	Free market	2019	53	69	86
Aralik	Run-of-the river	2010	12.4	Free market	2020	40	45	53
Total	n/a	n/a	95.0	n/a	n/a	553	422	433

RH Turkey's generation assets are owned and operated by EPAS Group. As a private generation company, RH Turkey's licence is valid for 49 years. After such term, RH Turkey may apply to EMRA to renew the licence, and the decision on renewal will be made by EMRA. In practice, it is likely that RH Turkey's generation assets will be transferred to the state in 2055.

In Turkey, generation of electricity from renewable sources is supported via a FiT, which applies to newly built HPPs that are run-of-the-river and have a reservoir area below 15km². All five of RH Turkey's HPPs were eligible for the guaranteed tariff, which is applicable for the first 10 years of operation for sources commissioned prior to 30 June 2021. The FiT is fixed at USD 73 per MWh. Hamzali left the FiT regime at the end of 2019 while Aralik left the FiT regime at the end of 2020. HPPs of the Resadiye also left the FiT regime at the end of 2021. Once an HPP leaves the FiT regime the electricity it generates is sold at free market prices to eligible customers, through bilateral contracts or in the balancing market. Since January 2015, free market electricity prices in Turkey have been lower than FiT prices and as such, EPAS Group has elected for each of its eligible HPPs to be part of YEKDEM.

In addition, RH Turkey is able to participate in the balancing market in some periods, particularly during the summer and winter, when balancing activities provide a good source of incremental revenue. Through balancing activities, RH Turkey has the opportunity to sell electricity in the balancing power market, which is used to balance demand and supply at real-time. The balancing power market is operated by the system operator, EPIAŞ. Based on the merit order list, EPIAŞ issues up/down regulations to balancing group coordinators such as RH Turkey, either ordering an increase or a decrease in production. If an up regulation is issued to RH Turkey, it is able to sell the increase in production at a rate higher than the DAMP.

The following map shows the location of RH Turkey's HPPs:



Legend: I – installed capacity and 2019 annual generation; R – river; T – type of the HPP (with reservoir or run-of-the-river); E – # of turbines + type; F – end of FiT period (for Resadiye it applies to all HPPs in Resadiye cascade)

EPAS Group estimates the long-term average electricity generation of its Turkish HPPs to amount to approximately 558 GWh."

- i) The information in Section 7.4 entitled as "*Description of major companies in the DKHI Group*", sub-paragraph B. entitled "*Description of other subsidiaries of DKHI Group*", section entitled "*Murat (business name: Murat Nehri Enerji Üretim A.S.)*" on page 131 is amended and supplemented as follows:

"Murat (business name: Murat Nehri Enerji Üretim A.S.)

Murat Nehri Enerji Üretim A.S. ("**Murat**") is a project SPV wholly owned by EP Hydro Development, a 100 per cent. subsidiary of DKHI. Murat is the owner of HPP Alpaslan 2 project, a dam type HPP scheme situated on the Murat River, a main tributary of the Fırat River in Eastern Anatolia, Turkey (the "**HPP Alpaslan 2**"). HPP Alpaslan 2 project with installed capacity of 280 MW is being developed by the EPAS Group on a build, own and operate model and is located 36 km north of Mus province in the Eastern Anatolian region. The project involves construction of a 104m high asphalt core rock fill dam and two 8m diameter diversion tunnels. The powerhouse building and switchyard will consist of four units with Francis turbines. The expected mean annual generation from HPP Alpaslan 2 is 863.27 GWh (reducing to 733.8 GWh per annum in future years as a result of future demands on water resources from other projects). Body of the dam was finished in August 2020 and the commissioning of generating units took place during the period from October 2020 to March 2021 and full operation of all four units started in March 2021.

Murat holds the generation licence numbered EÜ/6841-5/03642 and dated 5 January 2017 in relation to the HPP Alpaslan 2. The generation licence is valid until 2059. Murat is eligible for YEKDEM feed in tariff starting from January 2021."

- j) The information in Section 7.4 entitled "*Description of major companies in the DKHI Group*", sub-chapter B. entitled "*Description of other subsidiaries of DKHI Group*", section entitled "*Bilsev (business name: Bilsev Enerji Üretim ve Ticaret A.Ş.)*" on pages 131-132 is amended and supplemented as follows:

"Bilsev (business name: Bilsev Enerji Üretim ve Ticaret A.Ş.)

Bilsev Enerji Üretim ve Ticaret A.Ş. ("**Bilsev**") is a project SPV wholly owned by EP Turkish Development, a 100 per cent. subsidiary of DKHI. Bilsev is the owner of HPP Karakurt Project located on Aras River, within the borders of Kars province, Sarıkamış district in Eastern Anatolian Region, Turkey (the "**HPP Karakurt**").

The project with installed capacity of 99.5 MW involves construction of a dam with a height of 137 m. There are 3 vertical axis Francis turbines units. The expected mean annual generation from HPP Karakurt is 346 GWh per annum. Body of the dam is finished and the commissioning of the generation units took place in the fourth quarter of 2020.

Bilsev holds an electricity generation license EÜ/3094- 7/1841 with the installed capacity of 99.50 MWm / 95.52 MWe. License date is 24 February 2011 and is valid up to date of 24 February 2060. Bilsev applied for YEKDEM tariff which was confirmed by EMRA and since January 2021 Bilsev generation is sold under the YEKDEM feed in tariff."

- k) The information in Section 7.5 entitled "*Legal Regulation*", section entitled "*Regulatory framework for electricity distribution activities*" on page 142 is amended and supplemented as follows:

"Regulatory framework for electricity distribution activities

According to the new legislation, electricity distribution activities shall include only the operation of the distribution system. Supply of electricity to end customers shall become an independent activity. Operation of the distribution network is subject to regulation and licensing by GNEWRC. Supply of electricity shall be carried out by independent suppliers and also within the framework of public service obligations (universal supplier and last resort suppliers). All residential customers and small enterprises shall be initially supplied by the universal supplier while large customers may participate on the wholesale market. All customers, with the exception of large customers, shall gradually become qualified customers and participate independently on the retail market.

In 2014, GNEWRC developed new tariff methodologies in line with the European practices, which are based on incentive-based and cost-plus pricing principles. The GNEWRC applies the "Revenue cap" method when determining the prices for electricity distribution companies. Under the "Revenue cap" method, the electricity

distribution companies submit tariff applications to the GNEWRC in line with the base year (i.e. the year which precedes the tariff setting year) for the regulatory period. The application contains financial and commercial data such as profit and loss statements for each activity and RAB. GNEWRC then conducts a regulatory audit and determines the tariffs to be applied to distribution companies and the annual revenues necessary for the regulatory period. The GNEWRC has a right to adjust the tariffs and necessary revenues if there is a 10 per cent. deviation from the regulated cost base ("**RCB**") at the end of each tariff year within the regulatory period. Only the limited factors cited below are taken into account for tariff adjustments, which themselves require applications from the electricity distribution companies.

Summary of the methodology used as the basis for calculating the existing distribution tariffs

The regulatory period for distribution tariffs is three years. The first regulatory period for distribution tariffs started on 1 September 2014 and ended on 31 December 2017. The DKHI Group is currently undergoing the third regulatory period for distribution tariffs that started on 1 January 2021 and will end on 31 December 2025. In August 2017, GNEWRC made amendments to the existing methodologies for calculating the electricity distribution and generation tariffs. These rules are applied by the regulator for calculating of tariffs starting from 1 January 2018.

According to the current methodology still in force, the electricity distribution tariff is calculated according to the following formula:

$$\text{Distribution Tariff} = \text{RCB} / \text{Volume of Electricity}$$

RCB is calculated as per the below formula:

$$\text{RCB} = \text{RAB} \times \text{WACC} + \text{Depreciation} + \text{cOPEX} + \text{ncOPEX} + \text{Normative losses} + \text{Corrections} + \text{WCC} + Q$$

Where:

- RAB is the sum of annual RAB for the whole regulatory period;
- WACC is fixed during the regulatory period and amounts to 15.39 per cent.;
- Depreciation is a variable figure and is the sum of annual depreciation costs for the whole regulatory period;
- cOPEX includes controllable expenses (fixed but subject to adjustment by inflation and X-factor);
- ncOPEX includes non-controllable expenses;
- Normative loss fixed by GNEWRC for the regulatory period was set at 9.8 percent;
- inputs as compared to actual results of capital expenditure, the volume of electricity, controllable and non-controllable OPEX, inflation, normative losses as well as service quality and non-operating revenue;
- WCC is the percentage of expenses of the working capital of a relevant regulatory period; and
- Q is a component of commercial quality of service.

RAB levels for the regulatory period are determined based on the approved net book value of assets, approved average investments (actual and five-year capital expenditure plan). As such, approved capex for improvement and maintenance of EP Georgia Distribution's assets increases its RAB and, thus, the necessary revenue. In the current regulatory period, RAB is GEL 2,924.4 million and to date GNEWRC has consistently approved electricity distribution companies' capex programs.

According to the new methodology tariffs are fixed during the regulatory period. However, adjustments may be claimed at any point during the regulatory period when the variance is more than 10 per cent. of the RCB. RCB for the 2018-2020 regulatory period was set at GEL 763.5 million and average distribution tariff was GEL 45.31/MWh. RCB for the 2021-2025 regulatory period is set at GEL 1,846.1 million and the average distribution tariff is GEL 78.70/MWh.

GNEWRC sets three electricity consumption tariff steps, which are applicable to household customers. The lowest price is reserved for customers who consume 101 kWh or less within a 30-day period. The second and the third blocks set increasingly higher tariffs and apply to household customers with a monthly consumption in the range of 101-301 kWh and over 301 kWh, respectively.

Due to the current transition period between the old and new legislation, EPG had to present tariff application according to the old secondary legislation in force. It is expected that GNEWRC will set the prices and tariffs according to the new methodologies, which are yet to be adopted."

- l) The information in Section 7.5 entitled as "*Regulation*", sub-section entitled "*The Feed-in Tariff (YEKDEM)*", third and fourth paragraph on page 147 are amended and supplemented as follows:

"All five of the RH Turkey HPPs were eligible for the FiT, which is applicable for the first 10 years of operation for plants commissioned after 18 May 2005 and prior to 30 June 2021. RH Turkey's HPPs FITs expired during 2019-2020. Following expiry of the applicable FiT periods, RH Turkey's HPPs' revenue will be determined by the prices they are able to realise through sales on the free market as outlined in Generation above.

In addition to the tariff structure described above, there is a bonus tariff for renewable power plants using domestically manufactured products including turbines and generator and power electronics of up to USD 23 per MWh for HPPs. This is limited to the first five years of operation. Only Bilsev and Murat benefit from this bonus tariff (USD 23 per MWh for Bilsev and USD 13 per MWh for Murat)."

- m) The information in Section 8.2 entitled as "*Information about Known Trends*" on page 149 are amended and supplemented as follows:

"8.2 Information about Known Trends

The Guarantor is not aware, at the time of issuing this Prospectus, of any trends, uncertainties, duties, claims and / or events which would have material impact on the business and financial conditions of the Guarantor and would occur in very high probability within foreseeable future.

Nevertheless, DKHI Group is active on the energy sector, which is being exposed to many externalities. Thus, the Guarantor and the Issuer might be indirectly affected.

Distribution

The Guarantor, through its subsidiary EPAS, has long term and stable position on both key electricity distribution markets. Given the fact that Bulgaria is member of the European Union since 2007, the Bulgarian energy market is considered transparent and very standardized, especially is being under control and guidance of the ACER. As for Georgian operations, the Guarantor is expecting stable and predictable trends to persist for upcoming regulatory periods.

DKHI Group expects continuing balanced and trusted relationship with regulatory authorities.

Impacts of COVID-19, hydrology conditions and EUR/GEL exchange rate on the DKHI Group

Due to the nature of DKHI Group's business, the impact of COVID-19 on DKHI Group's operations has been relatively limited so far. The distribution and supply segment was impacted by lower consumption, lower market prices of electricity, and decrease in demand for new connections. DKHI Group has so far experienced only limited deterioration in cash collection. Results of the generation segment in Georgia and Bulgaria were not materially affected by COVID-19 as the entire 2020 production in Georgia and the 1st half of 2020 production in Bulgaria were sold in advance. In Turkey, most of the production is sold under YEKDEM.

DKHI Group continues to monitor the situation very closely and will take any measures required in order to mitigate the impact of COVID-19 on the DKHI Group's liquidity. In light of the above, and to conserve cash, the operating subsidiaries of DKHI Group have already reviewed their capex budgets for 2020 and implemented meaningful reductions.

DKHI Group expects its 2020 financial results to be negatively affected mainly due to lower EBITDA contribution by EPAS. EBITDA of EPAS declined to EUR108m in 2020 from EUR139m in 2019, a year-on-year decline of 22%. The principal reasons for the EBITDA decline include: (i) adverse hydrological

conditions across all countries of EPAS Group operations, (ii) continuing difficult operating conditions of our distribution and supply business in Georgia, and (iii) adverse development in EUR/GEL exchange rate.

DKHI Group expects that in 2021, EBITDA will be affected by, among other things, the following developments: (a) both HPP Alpaslan 2 and HPP Karakurt will ramp up to full production and sell their electricity at favourable fixed prices of US\$86/MWh and US\$96/MWh, respectively, (b) distribution and supply business in Georgia will benefit from new tariffs which incorporate compensation for the underperformance of the business in the previous regulatory period, and (c) generation business in Georgia will benefit from Shaori HPP being allowed to sell its generated electricity in the free market, which will be only partially offset by (d) all of HPPs operated by RH Turkey no longer being able to sell their generated electricity under the YEKDEM scheme."

- n) The information in Section 12 entitled as "*Legal and Arbitration Proceedings*" on page 152 is amended and supplemented by adding two additional paragraphs as follows:

"12.5 Disputes with Local Activists

Bilsev is facing threatened and pending court claims instigated by activists from the region of HPP Karakurt as described in this section 12.5 below. The disputes relate to the Environmental Impact Assessment positive decision underpinning the development of HPP Karakurt, Bilsev's electricity generation licence and Bilsev's entitlement to YEKDEM. Bilsev considers all such claims to be tendentious or vexatious and expects to prevail in court proceedings.

The activists have threatened to file a court action against Ministry of Environment and Urbanisation challenging the validity of the Environmental Impact Assessment decision which underpins all other licenses and permissions of Bilsev (e.g. the generation license and water usage agreement). Bilsev does not expect the claim to succeed because (i) omissions in the initial Environmental Impact Assessment report from 2010 relating to cultural and heritage assets have been remedied and a new Environmental Impact Assessment positive decision granted and (ii) there is a very short claim period which is likely to expire soon. As at 16 April 2021, Bilsev has not been notified of such action having been filed with a court.

In December 2020, the activists filed a court action against EMRA challenging the entitlement of HPP Karakurt to YEKDEM; the claim is not expected to succeed because (i) the claimants likely a lack legal interest to bring it and (ii) the time period for objecting to the YEKDEM list likely expired in November 2020. In January 2021, the activists filed a court action against EMRA challenging the validity of Bilsev's generation license; the claim is not expected to succeed because the new Environmental Impact Assessment positive decision is not subject to actual (as opposed to threatened) challenge and is not considered to contain omissions.

Counsel has been instructed and work anticipating the Bilsev's defence is ongoing in each case.

12.6 Dispute relating to Refurbishment of Romanian HPP

Litostroj Power and ROMELECTRO S.A. ("**ROMELECTRO**") are members of a consortium appointed by HIDROELECTRICA S.A. ("**HIDROELECTRICA**") under a works contract dated 5 March 2015 to perform refurbishment works in respect of the Stejaru HPP located near Bicaz, Romania. A dispute has arisen under the contract pursuant to which HIDROELECTRICA is claiming from the consortium approximately EUR 3 million in delay penalties and the consortium is claiming from HIDROELECTRICA extensions of time removing the basis for such penalties. In February 2021, HIDROELECTRICA commenced commercial arbitration proceedings before the Bucharest International Court of Arbitration. While at present only ROMELECTRO is the defendant, Litostroj Power may be required to join the proceedings later. Litostroj Power expects the outcome of the arbitration to favour the consortium."