# Green Bond
# Allocation and Impact Report

2025

ELECTRON HOLDING

05. 08. 2025.

**Table of Contents**

# Management statement

Sustainability is more than just a business interest for us; it is a fundamental mission. We are convinced that economic growth and long-term corporate success can only be accomplished by respecting both environmental and societal principles, as well as actively contributing to the creation of a more sustainable future.

In keeping with this conviction, our core business is focused on the generation and distribution of green energy, with the goal of playing an increasingly important role in supplying the region with renewable energy sources. We are constantly working to increase the use of clean energy while reducing environmental effect to the maximum extent possible.

Our dedication to sustainability is evident in the fact that, in 2024, we issued our first green bond, which exclusively funds projects that meet the high professional and environmental requirements outlined in our Green Bond Framework.

We are delighted that all of our investments benefit environmental causes. Green projects are vital to our firm strategy since our long-term goal is to be a leader in the Central-Eastern Europe region's overall adoption of sustainable energy consumption through integrated solutions that reduce climate change.

Our green bond issuance was a natural extension of this strategy, reinforcing our company's commitment to long-term economic success and a more environmentally responsible future.

# Electron Holding at a glance

Electron Holding Plc. is an integrated energy corporation that operates across the whole green energy value chain. Our mission is to use nature's energy wisely, preserving its worth and developing sustainable energy solutions. Electron Holding provides full, integrated services, ranging from planning and construction to power plant operation. In each project, we work together with our clients to shape the future of sustainable energy management.

## Milestones

**2017**
Electron Holding was established. After the compulsory purchase-aid (CPA) system ended, we began development by acquiring existing CPA licenses. The first two years were dedicated to project planning and site exploration.

**2019**
We built our first solar power plant in Tarnaszentmiklós and formed a partnership with the Széchenyi Capital Fund, which accelerated our growth. We completed our CPA projects and generated 5 billion HUF in revenue. At the same time, we launched our first regulator center-based projects. During the COVID time, we began diversifying our portfolio both technologically and geographically, first in Greece and then expanding to Romania and Serbia.

**2022**
We started selling CPA power plants and traded electricity. Our international project portfolio has extended to encompass Montenegro and Bosnia-Herzegovina, and the total capacity of our power plants under development surpassed 1 000 MW.

**2024**
The company's workforce has increased to 150 people, and our own solar power capacity has topped 100 MWs. We completed our first green bond issuance and began building a new 100 MW solar power plant and a 120 MVA / 240 MWh battery energy storage system. As the initial step in our domestic wind power development, we obtained grid connection rights for a 200 MW project in Western Hungary.

## Facts & figures

- Number of employees: 150
- Completed projects: 26
- Ongoing international developments: 650 MW
- Ongoing Hungarian developments: 675 MVA

Our projects have an extensive geographical presence, primarily across the Central European region, with active developments also underway in Southern and Eastern Europe.

*Figure 1: Locations*

## Core Activities

Our activities include project development and design, building, operation, energy generation, and trading. In addition, we provide our partners with on-site and off-site Power Purchase Agreement (PPA) solutions, as well as system-level electricity balancing services.
We approach every project from a single, holistic perspective, handling each process from planning to operation in order to provide our partners with efficient, reliable, and sustainable energy solutions.

1. **Project Development:** Comprehensive planning for the successful implementation of solar plants, wind farms, and energy storage systems, taking into account the increasingly stringent rules and environmental standards.
2. **General Construction:** Implementation of renewable energy systems, ranging from solar power plants to battery storage solutions.
3. **Operation & Maintenance:** Long-term, cost-effective O&M services ensure the reliable operation of solar power plants.

4. **On-site versus off-site PPA:** Tailored green energy procurement solutions that allow for the purchase of renewable electricity without requiring an upfront investment.
5. **Power Plant Services:** Innovative battery storage systems and integrated power plant services to improve output and ensure grid stability.
6. **Energy Trading:** End-users can get reliable, cost-effective, and sustainable energy supply solutions.
7. **EV Charger Development:** Creation and deployment of Voltie electric car chargers to promote the growth of e-mobility.

Since our foundation, a significant number of solar power plants have been built as own investments via completely owned subsidiaries (project companies). This structure allows for distinct management of each power plant's operations as well as the flexibility of future divestitures.

# Sustainability at Electron Holding

Electron Holding Plc. is deeply committed to sustainability. Our mission is to harness the power of nature, protect its resources, and deliver innovative, environmentally responsible energy solutions. Through our investments, we actively shape the domestic green energy market and contribute to a cleaner, more sustainable future. We believe renewable energy isn't just the future – it's the present, and we're building it together with our partners.

When selecting sites for new solar power projects, we carefully consider both technical and environmental factors. In areas where developments impact the natural environment, we minimize our footprint through thoughtful landscaping and tree planting – not only around our plants, like in Medgyesegyháza, but in partnership with local communities as well.

Sustainability is embedded in every aspect of our operation, from responsible product design and lifecycle management to the safe handling of waste and hazardous materials. Our ESG strategy focuses on climate action and environmental stewardship. We help our partners reduce their carbon footprint with renewable energy solutions while continuously improving our own sustainability practices through cutting office and fleet emissions, and championing clean energy.

We also believe in giving back. Through volunteer programs, support for disadvantaged children, and a focus on employee wellbeing, we're building a value-driven community, united by the shared goal of creating a greener future.

# Green bond in a nutshell

In 2024, Electron Holding Plc. successfully issued a EUR 16 million green bond in a private offering to help Hungary convert to renewable energy. To secure the bond's legitimacy and designation as a true green finance instrument, Electron Holding created its own Green Bond Framework, which is consistent with the ICMA Green Bond Principles 2021 (GBP)[1] and the

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[1] *Green Bond Principles, Voluntary Process Guidelines for Issuing Green Bonds pubished in June 2021, (with June 2022 Appendix 1)*
*https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond_Principles_June-2022-280622.pdf*

United Nations Sustainable Development Goals (SDGs). Scope ESG Analysis GmbH offered a Second Party Opinion (SPO) that confirmed the framework's alignment with accepted green financing criteria.

## Properties

| | |
|---|---|
| **Issuer name** | Electron Holding Plc. |
| **Bond name** | Electron Holding 2034 EUR Kötvény |
| **Issue date** | 28. 06. 2024. |
| **Issued amount** | EUR 16 million |
| **ISIN** | HU0000364054 |
| **Tenor in years** | 10 years |
| **Maturity date** | 28. 06. 2034. |

According to the strategy outlined in last year's Green Bond Framework, the bond will primarily fund the construction of a new photovoltaic solar power plant, while also assisting in the development of additional solar projects and taking into account renewable energy principles, energy efficiency, and greenhouse gas emission reductions.

The following criteria guide our selection of green bond-financed projects:

| | |
|---|---|
| **Purpose** | Financing new solar park projects |
| **Eligible green project category** | Renewable energy |
| **Eligible green project** | Implementation of new solar projects |
| **Eligibility criteria** | Increase the share of renewable energy, particularly in solar photovoltaic energy |
| **SDGs** |   |

## Green Committee

The management has formed a Green Committee, which is chaired by the owner and CEO of the Board. The Committee's functions are consistent with other applicable company regulations. Its principal responsibility is to monitor the budgeting for the issued green bond and produce frequent reports on the usage of funds, which are handled in a separate account, the Green Register. This account is linked to the company's ERP[2] system to ensure that all bond-related assets are only utilized for green reasons.

# Allocation of green proceeds[3]

In the Green Bond Framework, we set the information that must be included in the annual Allocation Report:

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[2] *Enterprise Resource Planning*

[3] *From the date of issuance of the Green Bond (28.06.2024.) to 30.06.2025*

- the use of proceeds,
- a detailed breakdown of money granted to qualified projects,
- the amount of unallocated proceeds,
- and a more detailed description of the sponsored activities.

The final indicators for tracking progress are:

- the utilization rate of green bond proceeds (green bond proceeds used versus total proceeds),
- the allocation of green proceeds by environmental purpose (as defined in the Green Bond Framework),
- and other relevant metrics.

| New solar project name | Total investment amount (th EUR) | Allocated green bond amount (th EUR) | Planned date of completion (year) | Completion status (%) |
|---|---|---|---|---|
| **Környe** | 1 307 | 457 | 2025 | 35% |
| **Cegléd** | 10 293 | 7 205 | 2025 | 70% |
| **Oroszlány** | 16 125 | 3 000 | 2025 | 100% |
| **Nyírbátor II.** | 1 975 | 300 | 2025 | 100% |
| **Martfű** | 924 | 450 | 2025 | 100% |

**To date, a total of EUR 11 412 000 in green bond proceeds has been allocated, representing 71,33% of the total available proceeds. EUR 4 588 000 remains unallocated yet. 100% of the proceeds supported both SDG 7 (Affordable and clean energy) and SDG 13 (Climate action).**

The use of green funds is subject to approval by the Green Committee, which has already authorized the projects financed so far. Although the entire amount of funds has not yet been fully spent, a significant number of green projects have already received investor support. The remaining planned investments are expected to be completed between 2025 and 2026.

We declare that the allocation of the Green Bond is consistent with Electron Holding's Green Bond Framework.

# Overview of the green projects

As previously outlined, the projects aim to develop photovoltaic solar power plants, supporting Hungary's transition to renewable energy. To date, our largest project – financed partly through the bond – was completed in Oroszlány, with an installed capacity of 19 MW AC.

# Impact report[4]

In this report, we are glad to present the positive environmental impact indicators obtained so far, through our completed projects. We decided to track two main environmental impact indicators:

- renewable energy generation measured in MWh per year,

[4] *From the date of issuance of the Green Bond (28.06.2024.) to 30.06.2025*

- and reduced or avoided $CO_2$ equivalent measured in tonnes per year.

At the time of the Green Bond Framework's release, Hungary's primary energy mix was predicted to result in 365 grams of $CO_2$ per kWh. As a result, we anticipated that using a 1 MW solar power plant with a 1,4 MWp DC-side capacity, depending on its final energy production (fixed or tilting panels), and assuming a specific performance of 1 250 kWh/kW, generates:

| Estimation |
| --- |
| **~ 1 750 000 kWh of renewable energy generation/ year.** |
| **~ 638 780 000 grams (638,75 tons) of $CO_2$ saving/ year.** |

This estimate aligns with our results to date, considering that the solar power plants listed below have been in operation for an average of 3,5 months during this reporting year.

## Oroszlány

Project name: Euronergy Rho Oroszlány

Implementation date: 2025.03.13

Capacity of renewable energy plant(s) installed in MW: 19

GHG emissions avoided in tonnes of CO2 equivalent: 1 752

Project share financed through the green bond in tonnes of CO2 equivalent: 325,95

Renewable energy generation in MWh: 7 972

Project share financed through the green bond in MWh: 1 483,16

*Figure 2: Project Oroszlány*

## Nyírbátor

Project name: Euronergy Hati Nyírbátor II.

Implementation date: 2025.03.24

Capacity of renewable energy plant(s) installed in MW: 2

GHG emissions avoided in tonnes of CO2 equivalent: 257

Project share financed through the green bond in tonnes of CO2 equivalent: 39,04

Renewable energy generation in MWh: 1 170

Project share financed through the green bond in MWh: 177,72

*Figure 3: Project Nyírbátor*

## Martfű

Project name: Euronergy Oberon Martfű

Implementation date: 2025.03.12

Capacity of renewable energy plant(s) installed in MW: 1

GHG emissions avoided in tonnes of CO2 equivalent: 138

Project share financed through the green bond: 67,21

Renewable energy generation in MWh: 629

Project share financed through the green bond: 306,33

*Figure 4: Project Martfű*

The solar power plants completed to date have generated a total of 9 771 MWh of electricity, **equivalent to the monthly consumption of approximately 50 000 average households**[5]. With a projected operational lifespan of 25-30 years, these plants make a long-term contribution to sustainable energy generation.

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*[5] According to the Hungarian Central Statistical Office (KSH), an avarege household consumes 197,6 kWh of energy per year: 15.1.2.25. Gas and electricity consumption, by county and region*

Once all projects have been completed, we will provide detailed environmental benefit data for the eligible projects using these important parameters. A comprehensive impact report covering the entire bond period and project portfolio is planned to be produced next year.

Electron Holding Plc.
https://www.electronholding.com/
1027 Budapest, Henger u. 2/C, 4th Floor
Phone: +36 20 416 2469
For more information: info@electronholding.com

ESG consulting:
RSM ESG Solution Ltd.