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OTE, a.s.

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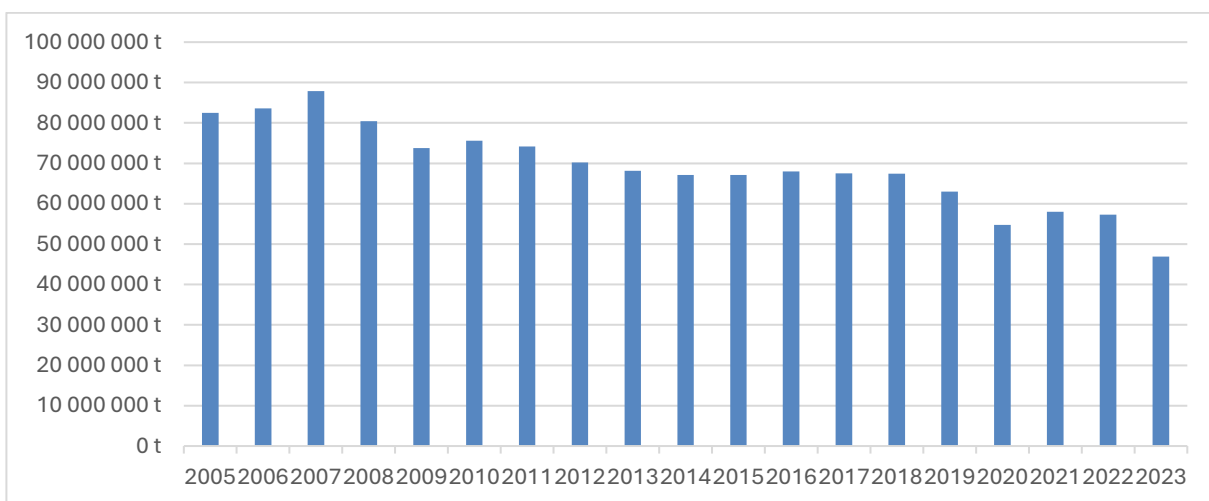
CO₂ emitters in the Czech Republic have surrendered allowances

Most companies in the Czech Republic that are part of the European system emissions trading system (EU ETS) have fulfilled their legal obligation and surrendered allowances in the amount corresponding to their greenhouse gas emissions by 30th September. For the record of emissions and allowances, the single Union registry is used. In the Czech Republic, the registry is administered by the joint-stock company OTE. The EU ETS is a cornerstone of the EU's climate policy and its key tool to reduce greenhouse gas emissions. It is the world's first carbon market and remains among the largest ones globally.

Obligation to surrender allowances by 30th September of the calendar year in a quantity corresponding to their greenhouse gas emissions emitted into the atmosphere in the previous year calendar year specifically applies to the operators of the installations for each installation, which has been issued a permit by the Ministry of the Environment to emit greenhouse gases into the atmosphere, and aircraft operators for each aircraft that has an operating licence issued in the Czech Republic or falls under the administration of the Czech Republic according to the list of aircraft operators issued by the European Commission. This year, the obligation to surrender allowances has become mandatory for 6 aircraft operators and 221 stationary installations that are operated by 153 companies. Emissions for 2023 amounted to 46 934 736t CO_{2e}, which is 18% less than in the previous year 2022.

155 companies surrendered allowances by the legal deadline, which is 97.5% of the total number. The companies that did not comply will be fined of approximately €100 for each allowance not surrendered.

Details on individual operators will be published in the coming days by the European Commission and on www.povolenky.cz.



EU ETS emissions of CO₂, N₂O and PFCs in the Czech Republic (total, in tonnes of CO₂ equivalent)

About OTE, a.s.

Joint-stock company OTE, a. s. (OTE, market operator) was founded in 2001. It has been operating on the electricity market in the Czech Republic since 2002 and on the gas market since 2010. OTE is a provider of comprehensive services to individual participants in the electricity and gas market.

Pursuant to §20a of Act No. 458/2000 Coll., on the conditions of business and on the performance of state administration in the energy sector and on the amendment of certain laws (Energy Act) as amended, OTE is the holder of a market operator's license, which includes the electricity and gas market in the Czech Republic. A Nominated Electricity Market Organizer (NEMO) is established by the Energy Regulatory Office, which ensures a uniform connection of the day and intraday markets. Pursuant to Act No. 383/2012 Coll., on the conditions of trading with allowances for greenhouse gas emissions, OTE also acts as the National administrator of the register of allowances trading.

As a market operator and nominated organizer of the electricity market, OTE ensures, among other things, the organization of trading on the daily, intraday electricity market and the intraday gas market in the Czech Republic, and in this activity participates in the organization of a unified EU electricity market. OTE also carries out accounting and financial settlement of deviations between the contractual and actual values of deliveries and electricity and gas consumption and ensures an administrative change of the supplier of both commodities.

It also provides the participants of the electricity and gas market in the Czech Republic with continuous processing and exchange of data and documents for their activities on the electricity market and the gas market, and reports business data from short-term OTE markets to the database of the Agency for the Cooperation of Energy Authorities (ACER).

On behalf of the Czech Republic and on its account, OTE supplies settlement entities or takes gas from them for payment when receiving or providing international aid in the gas industry, administers and pays compensation payments in accordance with the Act on Measures for the Transition of the Czech Republic to Low-Carbon Energy. It is responsible for the administration of the system for the payment of support for supported energy sources, issues and registers guarantees of energy origin and keeps records of the implementation of the use of renewable sources in transport and ensures many other activities contributing to the development of the energy sector in the Czech Republic and Europe.

More information can be found at www.ote-cr.cz.