Sustainable Fitch
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Corporates
Utilities – Non US
Luxembourg

Encevo S.A.

Post-Issuance Review — Green Finance Program Report

Summary Components

Allocations		Disclosure and Assessment	Aligned	Use of proceeds (UoP) allocated in line with the issuance framework
Impact		Disclosure and Assessment	Aligned	Impact reporting in line with the ICMA Harmonised Framework for Impact Reporting
UN SDGs		Contribution	Direct contribution	Assessment of contribution to UN Sustainable Development Goals (SDGs)

Bond/Loan Information
Framework(s)
Green Finance Program Framework 2025
Instrument(s)
EUR200m Green Private Placement, signed 5 May 2025, pay-out 7 May 2025 (tenor: 10 years)

Scope of Work

In May 2025, Encevo S.A. issued a green private placement under its green finance program framework (issuance framework) published in 2025.

In May 2026, the entity engaged Sustainable Fitch to provide a Post-Issuance Review focusing on:

- disclosure of the allocations for the green, social and sustainability (GSS) instrument(s);
- alignment of allocations with the issuance framework for the GSS instrument(s);
- disclosure of impact reporting metrics for the GSS instrument(s);
- alignment of impact reporting metrics with the ICMA Harmonised Framework for Impact Reporting for the GSS instrument(s); and
- UN SDG contributions.

The current Post-Issuance Review is not a limited (or reasonable) assurance.

This review provides our assessment of the UoP allocation and impact reporting performed against the criteria outlined in the Issuance Framework and the ICMA Harmonised Framework for Impact Reporting.

Our assessment is based on the information provided by the entity and presented in its allocation and impact report. The entity is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the information is free from material misstatement. We rely on, and have not verified independently, any information included in the entity's report.

Our assessment does not include an estimation of environmental benefits using third-party avoided emissions platforms. Instead, we assess the impact metrics disclosed by the entity in its allocation and impact report, including the methodology and assumptions used to calculate avoided emissions for renewable energy projects.

Our assessment does not consider any information other than the information disclosed in the entity's report and supporting allocation and impact materials provided by the entity. We do not opine on the potential impact that any other information may have on the conformance of the allocations with the standards established by the relevant framework.

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Allocations - Disclosure and Assessment Versus the Issuance Framework

UoP – Disclosure

The following table shows the allocation of the net proceeds, equal to EUR200 million, allocated across the eligible UoP categories as of December 2025, following the issuance of the green private placement on 7 May 2025. As of December 2025, the proceeds were fully allocated.

The allocation period covers investments from January 2023 to December 2025. For 2025, Encevo included only investments in smart grid technologies and smart meters (Category B).

Category	CCY	Amount allocated (million)	Share of total	Comments
A. Renewable energy projects	EUR	21	10.5%	Onshore wind and solar PV installations
B. Energy transmission, distribution and smart grid projects	EUR	179	89.5%	Grid infrastructure, smart metering and digitalisation
C. Sustainable real estate	EUR	0	0%	No proceeds allocated
D. Clean transportation solutions	EUR	0	0%	No proceeds allocated
Unallocated	EUR	0	0%	Fully allocated as of December 2025
	EUR	**200**	100%	

Source: Sustainable Fitch, Encevo green finance program report 2025

Breakdown by Year

Year	Renewable energy projects (EUR million)	Energy transmission, distribution and smart grid projects (EUR million)	Total (EUR million)
2023	14	88	103
2024	7	85	91
2025[a]	0	6	6
Total	**21**	**179**	**200**

[a] For 2025, only actual capex spent on certain Category B projects was considered.

Note: The rounded figures may not sum exactly due to the rounding in the supporting Excel sheet.

Source: Sustainable Fitch, Encevo supporting Excel sheet

Breakdown of Category B Allocation by Sub-Category

	Amount (EUR million)			
Sub-category	**2023**	**2024**	**2025**	**Total**
Development, construction and reconstruction of electricity networks enhancing transmission capacity for renewable energy	52	45	0	97
Investments in existing infrastructure to increase energy efficiency and decrease network losses	30	33	0	63
Smart grid technologies and smart meters	6	7	6	19

Source: Sustainable Fitch, Encevo green finance program report 2025, supporting Excel sheet

UoP – Assessment Versus Issuance Framework

We have assessed the allocation of proceeds against the eligibility criteria defined in Encevo's green finance program framework 2025. Our assessment is as follows.

UoP	Type	ICMA Category	Eligibility criteria from issuance framework	Aligned with IF	Comments
Renewable energy	E	Renewable energy	Development, construction, installation and maintenance of renewable energy production units, including onshore wind power installations and solar PV installations, and green hydrogen production (electrolysis) units powered exclusively by renewable energy.	✓	Encevo allocated EUR21 million to onshore wind and solar PV installations across Luxembourg, Germany and Belgium. These investments are fully aligned with the framework's eligibility criteria, which cover the development, construction and operation of renewable energy generation assets (including solar and wind). No proceeds were allocated to hydrogen production, as these projects remain at an early stage. The financed renewable energy projects contribute to climate change mitigation by generating electricity from low-carbon sources. The report discloses corresponding environmental impacts, including annual GHG emissions avoided and installed renewable capacity, calculated based on actual electricity generation and country-specific emission factors.
Energy transmission, distribution and smart grid	E	Renewable energy Energy efficiency	Development, construction and reconstruction of electricity networks that enhance the security of supply and the transmission and distribution grids' capacity for renewable energy. Development, construction, planning, management and operation of hydrogen grids and/or pipelines. Investments in existing power grid infrastructure to increase energy efficiency and decrease network losses. Investments in new power grid infrastructure that improve reliability of energy supply and energy efficiency through the use of smart grid technologies.	✓	Encevo allocated EUR179 million to energy transmission and distribution, and smart grid projects, including electricity network upgrades, medium-voltage improvements, smart meter deployment and digitalisation initiatives such as the Leneda platform. These investments are aligned with the framework's eligibility criteria, which include development and reinforcement of electricity networks to enhance integration of renewable energy, improve efficiency and reduce network losses. The application of a pro-rata eligibility methodology, based on the share of renewable electricity transmitted through the grid, is clearly disclosed and consistent with the framework. These investments support the energy transition by enabling higher penetration of renewable electricity and improving grid efficiency and reliability. The report provides relevant operational indicators, such as smart meter deployment and network performance metrics; however, quantified environmental impacts (eg avoided emissions) are not disclosed at the instrument level for these projects. Encevo explained that calculating avoided emissions for grid investments

	based on enabled renewable generation could overlap with renewable energy impacts already reported for financed production assets, and therefore risk partial double counting. The company's activities encompass both electricity generation and grid infrastructure, so some overlap in the attribution of environmental impacts may be inherent.

Source: Sustainable Fitch, Encevo green finance program report 2025, Encevo green finance program framework 2025

Exclusionary criteria: The issuance framework excludes allocation to fossil energy generation, nuclear energy generation, weapons R&D, environmentally negative resource extraction, hydroelectric power above 25MW, gambling and tobacco. Based on the disclosed projects, all allocations comply with these exclusions.

Project Evaluation and Selection – Assessment Versus Issuance Framework

Company-specific information provided to us confirmed that all projects financed with the green private placement proceeds were subject to the project evaluation and selection process described in the framework, including review and approval by Encevo's executive committee (ComEx), and that the governance structure and composition have remained unchanged since the framework's publication.

The issuer also confirmed that the exclusionary criteria set out in the framework – fossil energy generation, nuclear energy generation, weapons R&D, environmentally negative resource extraction, hydroelectric power above 25MW, gambling and tobacco – were respected throughout the allocation period, with no projects removed from or replaced in the eligible portfolio.

For grid-related investments, the issuer further clarified that the ComEx approves investment envelopes rather than each individual project; subsequent approvals depend on delegated authority levels and applicable unbundling rules, and may involve the grid company executive committee, regulatory authorities or the board, depending on the project.

Regulatory authorities approve the tariff framework in which planned grid investments are reflected, and individually approve projects above EUR5 million. The board then approves the budget based on information provided at the same level of detail as that submitted to the ComEx for the relevant investment envelope, supplemented by additional information for projects above, or close to, EUR25 million. Based on these confirmations, we consider the project evaluation and selection process to be in line with the framework's commitments.

Management of Proceeds – Assessment Versus Issuance Framework

Company-specific information provided to us confirmed that, between the pay-out date on 7 May 2025 and full allocation by end-2025, temporarily unallocated proceeds were held in Encevo's internal cash pooling system, in line with the framework's commitment. Of the EUR200 million green private placement, EUR194.2 million was used for refinancing investments undertaken in 2023 and 2024, while EUR5.8 million was used for refinancing during 2025.

The issuer also confirmed that it maintained an internal tracking and monitoring system to ensure proceeds were allocated exclusively to eligible green projects; the allocation file provided for this review is an excerpt of that system, filtered by financing source and year. In addition, the issuer confirmed that all projects included in this monitoring system are eligible by nature and that no projects were removed from the eligible portfolio during the allocation period. Based on these confirmations, we consider the management of proceeds to be aligned with the framework. Full allocation was achieved by end-2025, so no unallocated proceeds remain.

Reporting – Assessment Versus Issuance Framework

The framework commits to annual allocation and impact reporting until full allocation, with reports to be made publicly available on Encevo's website.

Encevo has committed to publish its first allocation and impact report in July 2026, covering the period from January 2023 to December 2025, about one year after issuance and in line with the stated reporting frequency.

The report provides the key elements outlined in the framework's allocation reporting commitments, including a breakdown of invested amounts by eligible category and year, a qualitative description of financed projects, and confirmation that proceeds were fully allocated by end-2025.

In line with the framework's impact reporting commitments, the issuer discloses environmental impact metrics for renewable energy investments (eg annual avoided GHG emissions and installed capacity), as well as relevant operational indicators for grid-related investments. The framework indicates that impact should be reported "where feasible", so the absence of quantified environmental impact metrics, such as avoided emissions for grid investments, is consistent with the flexibility embedded in the issuer's framework.

ICMA's Harmonised Framework for Impact Reporting suggests indicative metrics for transmission and distribution. In practice, impact reporting approaches among grid operators vary, and the relevance of metrics such as avoided emissions appears to depend on the nature of the UoP, given the methodological difficulty of attributing system-level emissions to specific assets. Encevo's explanation that a generation-enabled avoided-emissions calculation could overlap with renewable energy assets financed under Category A provides additional context for why it uses operational KPIs for grid investments in the current report.

As full allocation was achieved within the expected timeframe, we do not anticipate further allocation reporting unless material developments occur. Overall, we consider Encevo's reporting to be aligned with the framework's commitments.

Source: Sustainable Fitch, Encevo green finance program report 2025, Encevo green finance program framework 2025

Impact – Disclosure and Assessment Versus Harmonised Framework for Impact Reporting

Impact Metrics – Disclosure

The following table shows the impact achieved from the investments of the net proceeds, equal to EUR200 million, allocated across the eligible uses of proceeds as of December 2025, following the issuance of the green private placement on 7 May 2025. As of December 2025, the proceeds were fully allocated.

Summary

Category	Category	Metric	Value	Period
	Renewable energy projects	Annual CO_2 emissions avoided	14,176tCO_2/year	2023
	Renewable energy projects	Annual CO_2 emissions avoided	77,377tCO_2/year	2024
	Energy transmission, distribution and smart grid	Smart meter deployment	318,750 meters (99% coverage)	End-2025

Source: Encevo green finance program report 2025

Detailed

The report provides detailed impact information for renewable energy projects and selected grid-related operational KPIs. Category B impact is not separately quantified in terms of CO_2 avoided at the instrument level. Encevo notes that, as the group invests in both renewable energy production and electricity transmission, a calculation based on enabled renewable generation could overlap with renewable energy impacts already reflected under Category A and therefore risk partial double counting.

UoP	Amount allocated		Avoided emissions	Avoided emissions per EUR million	Emission factors
	CCY	Amount			
Renewable energy projects (2023)	EUR	14.2	14,176tCO_2/year	999tCO_2	Country-specific 2023 factors
Renewable energy projects (2024)	EUR	6.8	77,377tCO_2/year	11,461tCO_2	Country-specific 2024 factors
Energy transmission, distribution and smart grid	EUR	179.1	Not separately quantified	Not applicable	Operational KPIs disclosed instead

Source: Sustainable Fitch, Encevo green finance program report 2025, supporting Excel sheet

The following table summarises the key renewable energy impact metrics reported by Encevo for the financed projects and the broader installed capacity context disclosed in the report.

Renewable energy metric	Unit	2023	2024	2025	Comments
Annual CO_2 emissions avoided	tCO_2/year	14,176	77,377	Not in scope	Only renewable projects financed in 2023 and 2024 are included for the private placement impact calculation.

Installed PV capacity (pro rata)	MW	160.9	275.1	308.5	Figures exclude Italy.
Installed wind capacity (pro rata)	MW	98.5	104.9	111.9	Includes Luxembourg, Germany and Belgium on a pro-rata basis.

Source: Sustainable Fitch, Encevo green finance program report 2025, supporting Excel sheet

The following table summarises the key grid-related operational metrics disclosed for Category B. These indicators demonstrate progress in grid modernisation and smart grid rollout, but are not instrument-specific avoided emissions metrics.

Category B – Energy Transmission, Distribution and Smart Grid Projects

The following table summarises selected operational indicators disclosed by Encevo for Category B-financed activities.

Metric	Unit	2023	2024	2025
High-voltage lines (total)	km	944.9	982.5	993.8
System average interruption duration index (SAIDI; average duration of interruptions)	minutes/customer/year	13.8	13.4	12.6
Smart meters installed per year	number	10,414	10,615	4,639
Smart meters installed cumulative	number	303,496	314,111	318,750
Total installed capacity of connected installations	MW	835	965	1,133

Source: Sustainable Fitch, Encevo green finance program report 2025, supporting Excel sheet

Impact Metrics – Assessment Versus Commitment in Issuance Framework

The report provides impact metrics for renewable energy projects financed under Category A, including annual avoided GHG emissions and installed renewable capacity. For Category B, the report discloses operational KPIs such as smart meter deployment and qualitative information on grid upgrades, but does not quantify CO_2 avoided at the instrument level. This means the report does not cover the full range of potential indicators referenced in the issuance framework, though this approach is broadly consistent with market practice for grid operators and with the framework's flexibility to report impact where feasible.

Encevo has also explained that a generation-enabled avoided-emissions approach for grid investments could overlap with renewable generation impacts already reported for financed production assets, creating a risk of partial double counting.

Disclosure across grid operators remains varied. The reporting of avoided emissions tends to depend on the nature of the underlying investments and whether a clear linkage to renewable energy integration can be established. Where this linkage is less direct, issuers may instead focus on operational indicators.

Against this backdrop, the issuer's current approach remains broadly aligned with observed market practice and consistent with the flexibility embedded in the framework, particularly given the absence of an explicit commitment to disclose avoided emissions for grid-related investments and the methodological caution around attribution and potential double counting. At the same time, evolving practices suggest there may be scope to consider additional quantified metrics over time where relevant and feasible, including alternative methodologies that avoid overlap with impacts already reported for renewable generation assets.

Impact Metrics – Assessment Versus ICMA's Harmonised Framework for Impact Reporting

As shown in the following table, Encevo is following the majority of the recommendations included in the Harmonised Framework for Impact Reporting.

Recommendations		Comment(s)
Reporting at least on annual basis	✓	Encevo has committed to publishing annual allocation and impact reports until full allocation. This covers the first report, published in July 2026 (about one year after issuance in May 2025), covering the period from January 2023 to December 2025. Full allocation has been achieved, so we anticipate no further allocation reporting will be produced unless material developments occur.
Process and timeframe defined and disclosed	✓	The entity has defined the process and timeframe for selection and inclusion of eligible projects. This process is overseen by the ComEx, with support from group finance as well as group strategy/corporate social responsibility. Projects are reviewed on a weekly basis during ComEx meetings.
Signed versus eligible amount	✓	Encevo discloses the total amount of the private placement (EUR200 million) and confirms full allocation, with a breakdown by category and year. During our interaction, the issuer also provided project-level data, which supported our assessment; however, transparency in the published report could be enhanced for readers by Encevo showing, at category or portfolio level, the total eligible amount against the share financed by this specific instrument. The ICMA's signed-versus-eligible-amount guidance indicates it is sufficient to disclose, for each category, the total eligible portfolio cost or pro-rata eligible amount alongside the amount allocated from this instrument, which would help readers assess the instrument's contribution and available headroom without requiring project-level cost disclosure.
Formal internal process for allocation and reporting	✓	Encevo has a clear process for identifying and selecting eligible projects through the ComEx process. The entity maintains a list of all eligible projects and assets meeting the green eligibility criteria. For grid-related investments, regulatory approval is obtained before board approval. Encevo confirmed that projects ceasing to be eligible will be removed and replaced on a best-effort basis.
Reporting at portfolio or bond level	✓	Encevo provides reporting at the category level for the individual green private placement, including the amount allocated by category and by year. Impact reporting is disclosed for renewable energy investments, while grid-related investments include relevant operational indicators rather than quantified environmental impact metrics.
Identify approach to impact reporting	✓	The issuer has disclosed the total impact for Category A (renewable energy) projects, including annual GHG emissions avoided and installed capacity, as well as the methodology used and country-specific avoidance factors. Impacts are pro-rated to Encevo's ownership share of financed projects. For Category B (energy transmission and distribution, and smart grid projects), the issuer discloses relevant operational indicators at portfolio level, including metrics such as grid expansion, smart meter deployment and network reliability (eg SAIDI). Encevo notes that avoided-emissions calculations for grid investments could overlap with the impact under Category A if based on enabled generation, and therefore uses operational KPIs in the current report.
Environmental and/or social impacts	✓	Encevo has calculated and disclosed the impact achieved by investments in renewable energy projects on an annual basis, based on actual production data and country-specific emission factors. Nominated projects are evaluated in conjunction with potential environmental and social risks during the selection process. Health, safety, environmental and social risks form part of project oversight for developments involving construction or refurbishment.
Timeframe for impact reporting	✓	Encevo has committed to report on an annual basis until full allocation and has reported in line with this commitment. It has estimated pro-rated annualised impact metrics at the category level for the relevant years. The ICMA

		Harmonised Framework suggests using impact metrics over the project lifetime where feasible, though Encevo's framework did not commit to this. In market practice, such lifetime metrics are more commonly disclosed for renewable generation assets and are less common for grid assets, given their long and uncertain asset lives. More broadly, differences in the UoP also influence the type of impact indicators reported: grid-related uses of proceeds are often associated with operational or system-level indicators, whereas quantitative metrics such as avoided emissions are more commonly disclosed where the UoP is directly linked to renewable capacity expansion.
Ex-post assessments	✓	The impact information for renewable energy projects is based on calculated ex-post results, using actual measured electricity generation data (electrical output) multiplied by country-specific avoidance factors. The issuer explicitly waited for full-year operational data (eg 2025 production) before computing avoided emissions, indicating that the disclosure reflects realised performance rather than ex-ante estimates.
Referring to core indicators	✓	Encevo reports impact from the investment of proceeds referring to identified core indicators of annual avoided GHG emissions (tCO_2/year) and installed renewable capacity (MW) by technology (PV and wind). These are standard core indicators recommended by the ICMA for renewable energy projects.
Transparency on calculation methodology and assumptions	✓	Encevo has disclosed its calculation methodology: electrical output of financed renewable projects (adjusted for ownership share) multiplied by CO_2 avoidance factors. The methodology assumes renewable generation substitutes conventional generation. It discloses country-specific avoidance factors annually, with sources identified (as its own calculation based on official publications; and Germany's Federal Environmental Agency). The pro-rata approach for grid eligibility is also transparently disclosed.
Transparency on projects (ie description)	✓	The report provides transparent descriptions of the financed projects across the eligible UoP categories. For Category A, it includes examples of projects across Luxembourg, Germany and Belgium. For Category B, it explains the main types of grid-related investments financed, including network upgrades, capacity expansion and smart meter deployment.
Conversion to core units reported	✓	Encevo discloses core units for the principal renewable energy metrics, including annual avoided GHG emissions (tCO_2/year) and installed capacity (MW). For Category B, it reports relevant operational indicators using appropriate units, such as number of smart meters installed and network-related metrics, providing visibility on the scale and performance of the underlying investments.
Disclosure on partial eligibility	✓	The report clearly discloses the partial eligibility approach applied to Category B through a pro-rata methodology based on the share of renewable electricity transmitted through the grid in each year. This approach is explained alongside detailed allocation reporting for both UoP categories.
Importance of qualitative and quantitative reporting	✓	The report combines quantitative impact indicators for renewable energy investments with both quantitative and qualitative disclosures for grid-related investments. Category A includes quantified environmental impacts (eg avoided emissions), though Category B reporting focuses on operational and infrastructure indicators.
Disclose apportionment of different components (when in different categories)	✓	The report distinguishes between instrument-specific metrics and cumulative portfolio-wide metrics. To make this even clearer for readers, Encevo could consider adding a simple scope label or sub-heading in the impact tables (eg, "financed by the EUR200

		million green private placement" versus "company-wide context") so that figures attributable to the placement can be distinguished more immediately from broader operational context indicators.
Transparency on currency used for cash flows	✓	The report consistently presents the allocation in euros and the impact metrics in relevant technical units, with country-specific avoidance factors disclosed for the renewable energy calculations.
Reference to reporting templates	–	Encevo follows most of the ICMA Harmonised Framework's reporting template components. However, it does not provide project-level lifetime impact metrics. Such metrics are suggested by the ICMA Harmonised Framework where feasible, but are not a commitment in Encevo's framework and are potentially challenging for grid assets, where long and uncertain asset lives make lifetime estimates less common. The impact of Category B is also not quantified at the instrument level, which limits full alignment with the more comprehensive reporting template expectations; however, the issuer's explanation highlights methodological caution around attribution and the risk of partial double counting where grid-related avoided emissions could overlap with renewable generation impacts already reported under Category A.

Source: Sustainable Fitch, Encevo green finance program report 2025

Overall, Encevo's impact disclosure is strong for renewable energy projects, where the report provides transparent methodology, annual avoided emissions and installed capacity metrics. For grid-related projects, the disclosure of operational indicators is useful and relevant. In line with its framework commitment to report impact "where feasible", Encevo discloses operational indicators for grid investments.

Contribution to UN SDGs – Assessment

In the following table Sustainable Fitch shows the UN SDGs each UoP/project is directly contributing towards.

UoP	Type	UN SDG contribution
Renewable energy projects	E	SDG 7 (affordable and clean energy) SDG 13 (climate action)
Energy transmission, distribution and smart grid	E	SDG 9 (industry, innovation and infrastructure)

Note: E – Environmental.
Source: Sustainable Fitch, Encevo green finance program report 2025

SOLICITATION STATUS

The Post-Issuance Review was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.