



JSC “Electricity System Commercial Operator”

ACTIVITY REPORT
YEAR 2025



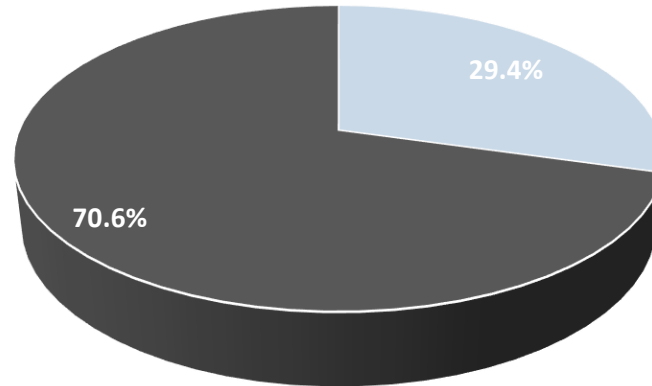
Main Fields of Operation

- **Balancing Electricity Trading;**
- **Guaranteed Capacity Trading;**
- **Electricity Import and Export;**
- **Support for the Construction of New Power Plants;**
- **Metering Control.**



Balancing Electricity Trading

- Balancing electricity trading continues to be one of ESCO's principal areas of operation.
- In 2025, the share of balancing electricity in wholesale electricity trading amounted to 29.4%.



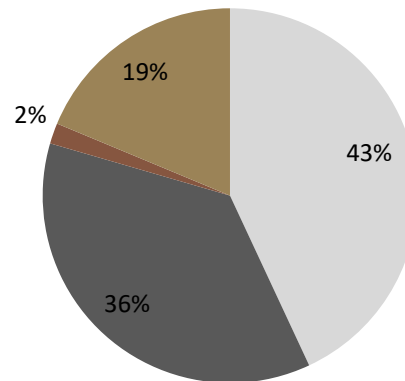
■ BALANCING ELECTRICITY ■ SOLD BY DIRECT CONTRACTS

Electricity Suppliers' Contribution to Balancing Electricity



The quantitative indicators of balancing electricity sellers and their percentage shares in 2025 are presented in the table below.

Electricity Seller	Year 2025	
	kWh	Share, %
Hydro Power Plant	1 917 306 969.7	43%
Thermal Power Plant	1 623 102 017.3	36%
Wind Power Plant	79 337 720.0	2%
Importer	833 658 898.5	19%
Total	4 453 405 605.5	100%



■ HYDRO POWER PLANT ■ THERMO POWER PLANT ■ WIND FARM ■ IMPORTER



Participation of Qualified Enterprises in the Procurement of Balancing Electricity

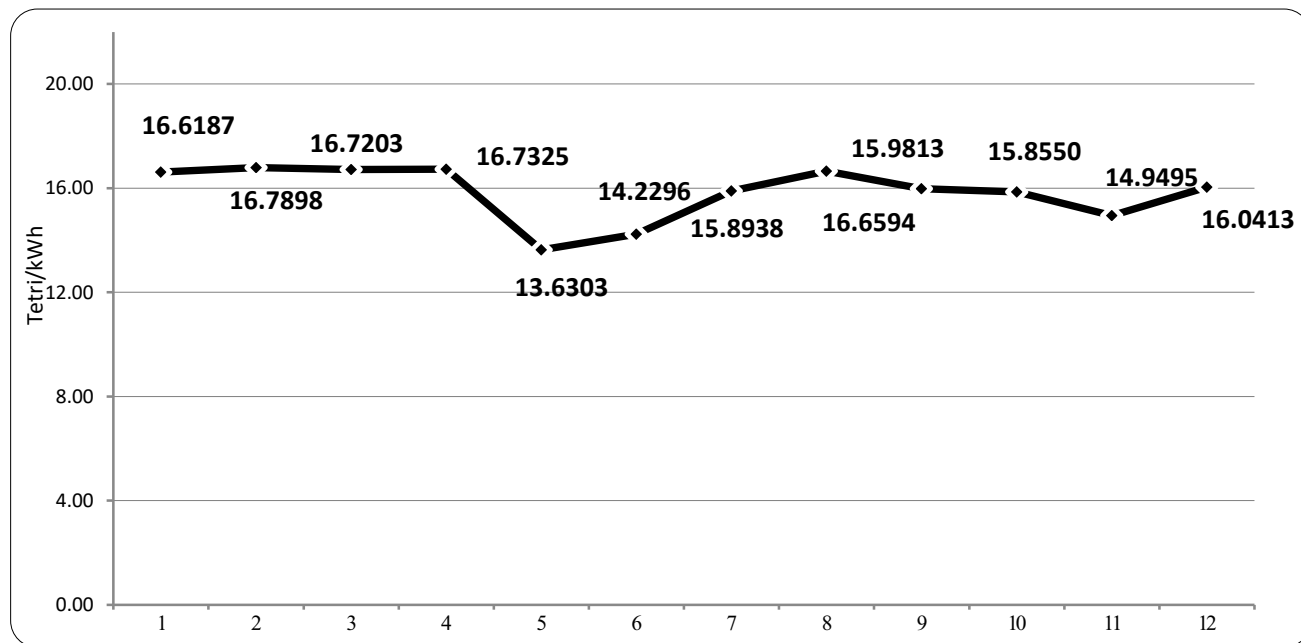
- In 2025, the main buyers of balancing electricity from ESCO were mainly public service electricity suppliers, the universal service supplier, and distribution energy companies, in relation to the procurement of losses in the distribution network. Also in 2025, electricity procurement for transmission losses was carried out by the dispatching licensee for the purpose of ensuring transit, whose share in balancing electricity purchases amounted to 0.371%.
- The proportional participation of balancing electricity buyers for this period is presented in the table.

Electricity Buyer	Year 2025	
	kWh	Share, %
Universal service provider	562 506 983.2	12.631%
Electricity supplier operating in the form of a public service Ltd Free supplier	2 044 893 086.9	45.918%
Direct consumer	3 325 981.5	0.075%
Distribution energy company	841 959 092.5	18.906%
Exporter	733 600 953.3	16.473%
GSE (Emergency withdrawal, Article 14, paragraph 2, subparagraph 10 of the Market Rules).	52 383 960.7	1.176%
GSE (Ensuring the Compensation of Losses in the Transmission Network)	186 149.8	0.004%
GSE (Ensuring the coverage of losses in the transmission network)	198 017 084.2	4.446%
	16 532 313.4	0.371%
Total	4 453 405 605.5	100%



Formation of the Price of Balancing Electricity for Sale

The price of balancing electricity for sale is determined based on the **Weighted Average Price** of balancing electricity purchased by ESCO.

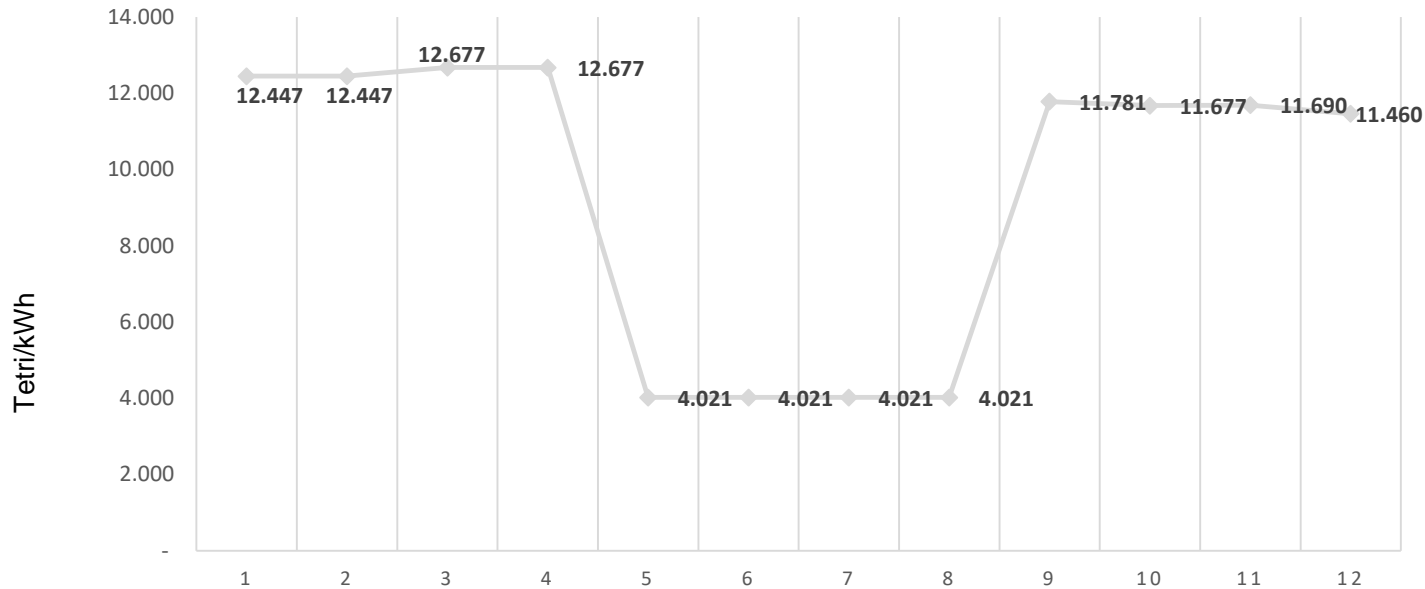


Year 2025

Balancing Electricity Price for Small Deregulated Power Plants, 2025



The price of balancing electricity purchased by ESCO from small deregulated power plants is formed in accordance with Article 36 of the Electricity (Capacity) Market Rules.



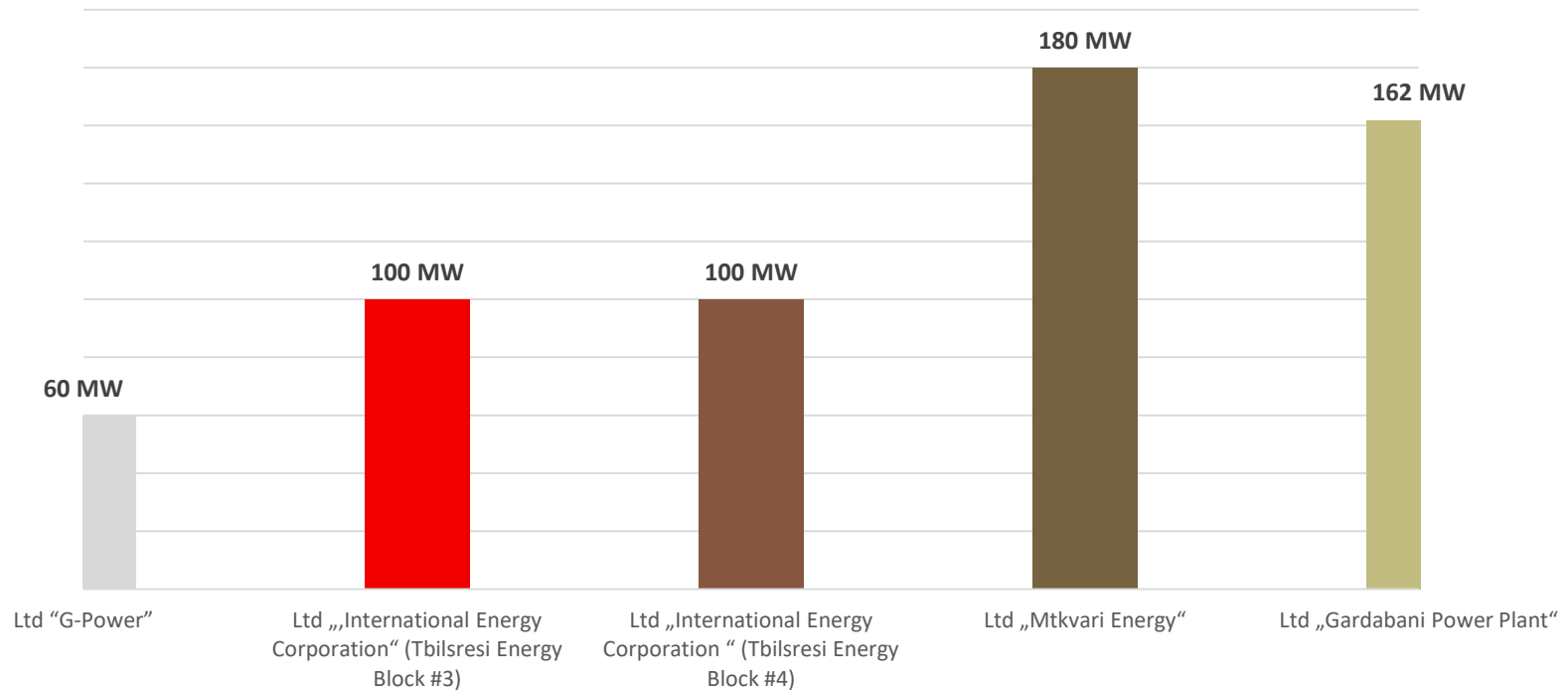
Guaranteed Capacity



- Guaranteed capacity serves the stable, secure, and reliable operation of the country's unified electric power system.
- Trading of guaranteed capacity is carried out exclusively through ESCO under the standard terms of a direct contract.
- The purchasers of guaranteed capacity are: the distribution energy company, a direct consumer, a power plant during commissioning for trial operation and/or comprehensive testing, and an exporter.
- A qualified enterprise purchasing guaranteed capacity is obliged to pay the cost of guaranteed capacity in proportion to its actual share of total consumption and exports of all qualified enterprises that are purchasers of guaranteed capacity.

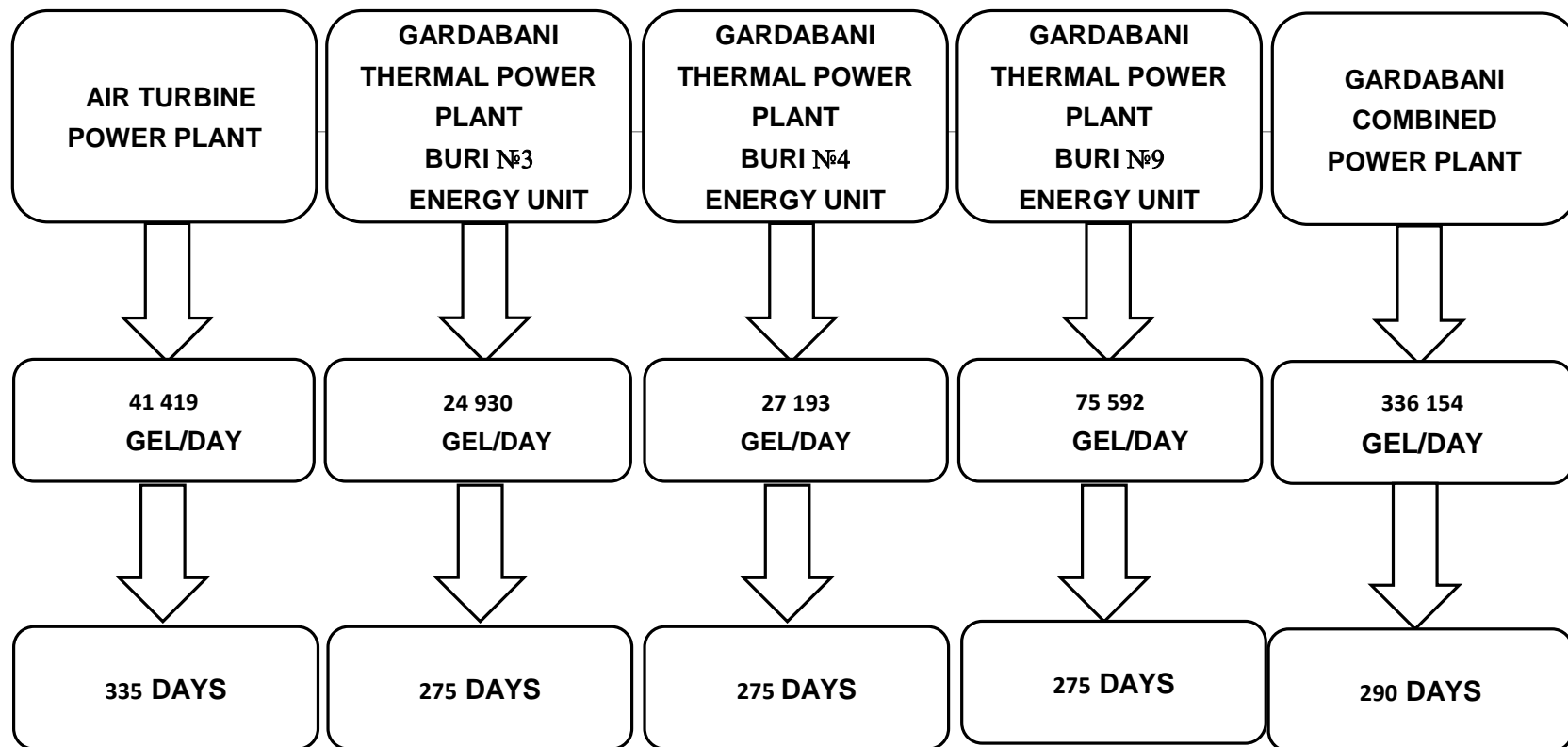


Sources of Guaranteed Capacity Defined by the Government of Georgia and the Minimum Guaranteed Capacity Volume, 2025



The sources of guaranteed capacity, as well as the minimum amount of guaranteed capacity for each guaranteed capacity source, are determined by the Government of Georgia.

Fees and Guaranteed Capacity Supply Periods Established by the National Energy and Water Supply Regulatory Commission for Guaranteed Capacity Sources



The Georgian National Energy and Water Supply Regulatory Commission determines, on a daily basis, the Guaranteed Capacity Fee and the capacity provision periods for each Guaranteed Capacity Source.

According to the resolution of the Regulatory Commission, the capacity provision periods (number of days) for Guaranteed Capacity Sources were established for the period from 1 January 2025 through 31 December 2025 (12 months), based on the calendar year.

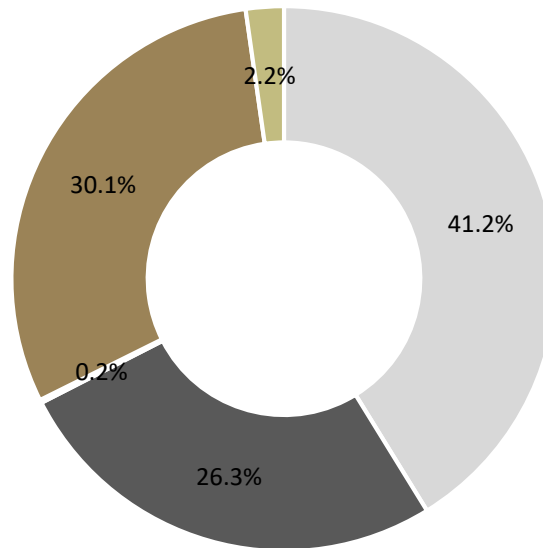


Revenue Received by Guaranteed Capacity Sources for Providing Guaranteed Capacity, 2025

#	QUALIFIED ENTREPRICE	YEAR 2025	
		Days of Availability (GEL)	Capacity Price (Mln GEL)
1	Ltd "G-Power"	334	13 833 946.00
2	Ltd „International Energy Corporation“ (Tbilsresi Energy Block #3)	275	6 855 750.00
3	Ltd „International Energy Corporation “ (Tbilsresi Energy Block #4)	275	7 478 075.00
4	Ltd „Mtkvari Energy“	273	20 636 616.00
5	Ltd „Gardabani Power Plant“	290	97 484 660.00



Percentage Share of Purchases by Qualified Enterprises Purchasing Guaranteed Capacity in Total Electricity Purchases, 2025

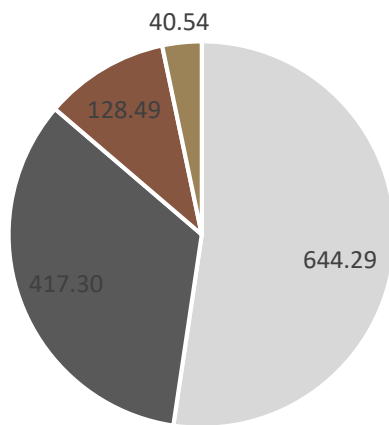


■ Universal Service Supplier ■ Public Service Electricity Supplier ■ Free Supplier ■ Direct Customer ■ Exporter



Accounted Imports and Exports, 2025

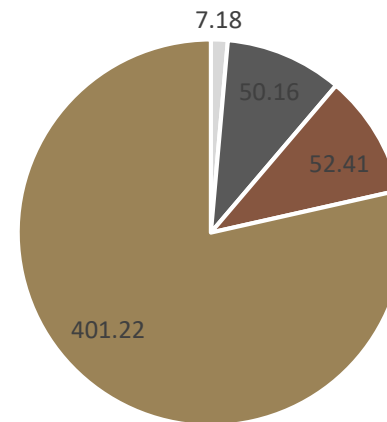
Chart №1



■ Russia ■ Azerbaijan ■ Armenia ■ Turkey

■ In 2025, out of the actual imports carried out (1,230.62 M kWh) (Chart 1), 987.048 M kWh were imported by ESCO, accounting for 80.2% of total actual imports.

Chart №2



■ Russia ■ Azerbaijan ■ Armenia ■ Turkey

■ In 2025, out of the actual exports carried out (510.97 M kWh) (Chart 2), 110.42 M kWh were exported by ESCO, accounting for 21.6% of total actual exports.



Promotion of the Construction of New Power Plants

According to the memoranda signed between the Government and investors, in 2025 a total of 15 mandatory electricity purchase agreements were concluded between the market operator and investors:

Government – ESCO – LLC “Alaznis Mze”

Government – ESCO – LLC “Hydro Invest GA”

Government – ESCO – LLC “Mtkvari HPP”

Government – ESCO – LLC “Deka 1”

Government – ESCO – LLC “Parvus Basra”

Government – ESCO – LLC “Parvus Basra”

Government – ESCO – LLC “Parvus Basra”

Government – ESCO – LLC “Parvus Basra”

Government – ESCO – LLC “Kakhetis Mze”

Government – ESCO – LLC “Kakhetis Mze”

Government – ESCO – LLC “Alaznis Mze”

Government – ESCO – LLC “Alaznis Mze”

Government – ESCO – LLC “Alaznis Mze”

Government – ESCO – LLC “Kasleti 1”

Government – ESCO – LLC “Vento Energy”



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