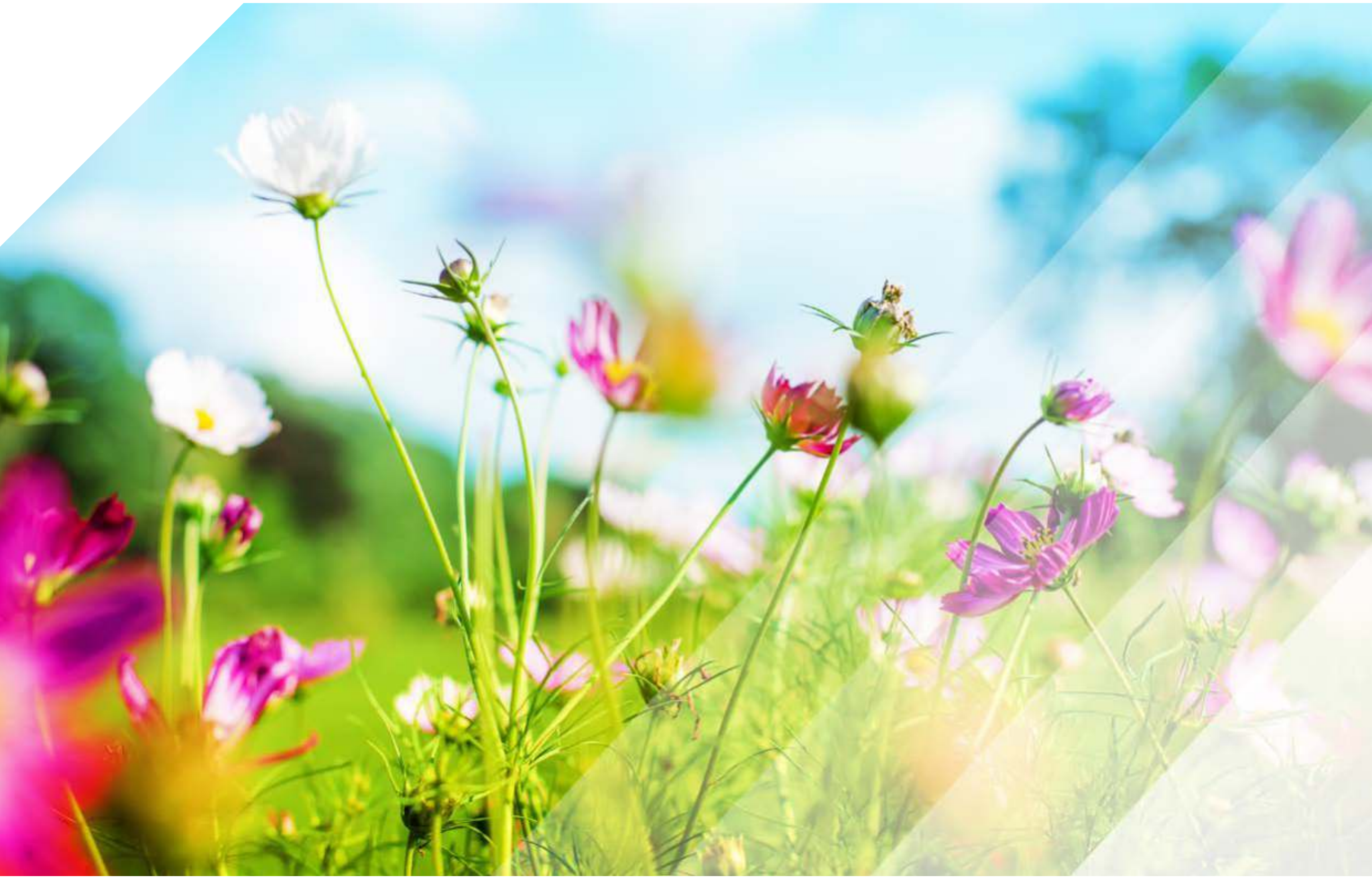
ENETIQA
Energy



ENETIQA Energy s.r.o.
Annual report 2022

Company profile

ENETIQA Energy s.r.o. was established by its Articles of Association as a limited liability company on 14 April 2022, incorporated on 15 June 2022 by the Municipal Court in Prague, Section C, insert 368824, with registered office at Kačírkova 982/4, Jinonice, 158 00 Prague 5.

The Company's primary business activities are production, trade and services not specified in annexes 1 to 3 of the Trade Licensing Act.

ENETIQA Energy s.r.o. is part of the ENETIQA concern managed by Cube III Energy S.a r.l., reg. no.: B258410, with registered office at Ave de la Liberté 41 1931, Luxembourg, Grand Duchy of Luxembourg. It covers the activity of the ENETIQA group in the Czech Republic.

Company People

The company ENETIQA Energy s.r.o. has as of the date of issue of its annual reports two executives, Jörg Lüdorf and Jan Vencour. It has no employees.

Major events

On December 9, 2022, ENETIQA Energy s.r.o. became the owner of MVV Energie CZ a.s. (now ENETIQA a.s.) and is the managing company of the ENETIQA group in the Czech Republic.

Compliance

The company sees no risks in its Compliance.

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Report of the executives

on business activities for fiscal period 2022

The company ENETIQA Energy s.r.o. operates in the field of energy, especially in the heating industry. The main object of the company is the management of equity participations in subsidiaries. The executives of the company are Jörg Lüdorf and Jan Vencour.

Activities of ENETIQA group companies

The companies associated in the ENETIQA group do business primarily in the field of heat production and distribution. The group also produces electricity in eleven cities of the Czech Republic, and some companies take care of water management or provide electronic communications services and others. Group member ENETIQA a.s.a. has the longest experience in implementing energy-saving projects in the Czech Republic. In addition to services using the EPC (Energy Performance Contracting) method, it also offers related energy services to customers throughout the country.

Energy production

For the production of heat, the ENETIQA group uses a fuel mix in which natural gas is represented to the greatest extent. All electricity is produced by the group only through cogeneration, i.e. combined production of electricity and heat. In twenty locations in eleven cities, cogeneration engines or turbines with a total output of almost 57.8 MWe are used for the joint production of electricity and heat.

The ENETIQA Group is also the only one in the Czech Republic that uses geothermal water to produce heat for thousands of households in Děčín. The geothermal source, which brought significant environmental improvement to the entire region, won the Project of the Decade competition (announced by the Heating Association of the Czech Republic) in heat and cold supply systems.

In 2011, the ENETIQA Group entered the field of energy utilization of waste. In the Liberec region, ENETIQA uses more than half of all produced waste, which would otherwise end up in landfills, to produce heat and electricity.

ENETIQA group customers

Our customers in fifteen cities of the Czech Republic are households, large and small industrial enterprises, cities and municipalities.

Environment

The ENETIQA Group pursues goals corresponding to the so-called climate commitments of individual cities and municipalities. And in many cases, he is also their initiator, as evidenced by the list of implemented or prepared projects in the monitored period. All the companies of the group try to implement their business activities with minimal impact on the environment. In the production of thermal energy, for example, it involves the use of suitable fuel (natural gas, geothermal source, biomass) and the combined production of heat and electricity (cogeneration), which ensures maximum efficiency of the fuel used. Also in the past period, the group implemented a number of measures to increase efficiency, reduce heat losses and renew resources and distribution networks. For the ENETIQA group, high-quality and safe energy supply and an active approach to customers remain a priority. The delivery always includes reliable customer service and advice, continuous emergency dispatch service and management of heat production and distribution equipment.

The group continued to develop a loyalty program with rewards for long-term contracts.

With the cities in which the ENETIQA group operates, it again collaborated on a number of social, sports and cultural projects.

The ENETIQA Group also devoted itself to services for employees, their professional development and the support of team activities. The group provided its nearly 500 employees with fulfilling and stable employment in a perspective field in the regions and at the Prague headquarters.

The group will continue to develop projects in the field of sustainable development using a number of innovations and new technologies. This is part of the strategy of further growth and expansion of the ENETIQA group on the Czech energy market.

The ENETIQA Group does not carry out any research and development activities and does not have a foreign branch. ENETIQA GmbH subsidiary only.

The company did not buy its own shares in the given period.

Significant events

The most significant event of the past financial year was the purchase of MVV Energie CZ a.s. (now ENETIQA a.s.), which took place on December 9, 2022.

Prague, 17. 5. 2024

Jörg Lüdorf
Executive

Jan Vencour
Executive

Independent Auditor's Report

To the shareholder of ENETIQA Energy s.r.o.

Our opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the consolidated financial position of ENETIQA Energy s.r.o., with its registered office at Kačírkova 982/4, Jinonice, Praha 5 (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, and of the Group's consolidated financial performance and consolidated cash flows for the period of 7 months ended 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the European Union, and
- the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of the Company's financial performance and cash flows for the period of 7 months ended 31 December 2022 in accordance with Czech accounting legislation.

What we have audited

The Group´s consolidated financial statements comprise:

- the consolidated statement of total comprehensive income for the period of 7 months ended 31 December 2022,
- the consolidated statement of financial position as at 31 December 2022,
- the consolidated statement of cash flows for the period of 7 months ended 31 December 2022,
- the consolidated statement of changes in equity for the period of 7 months ended 31 December 2022, and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

The separate financial statements of the Company comprise:

- the balance sheet as at 31 December 2022,
- the income statement for the period of 7 months ended 31 December 2022,
- the statement of changes in equity for the period of 7 months ended 31 December 2022,
- the statement of cash flows for the period of 7 months ended 31 December 2022, and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the “Audit regulations”). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Other information

The statutory body is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the consolidated and separate financial statements (together the “financial statements”) and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Group and the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has not been prepared in accordance with applicable legal requirements because the Company did not fulfill the requirement to prepare, verify and publish this annual report in the Collection of Deeds within the period of twelve months from the balance sheet date.

In addition, in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the statutory body of the Company for the financial statements

The statutory body is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the separate financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the statutory body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17 May 2024

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

Tomáš Bašta
Statutory Auditor, Licence No. 1966

Consolidated financial statements

Consolidated statement of total comprehensive income

For the period ended 31 December 2022

in ths. CZK	Note	15 Jun 2022 to 31 Dec 2022
PROFIT OR LOSS		
Revenue from contracts with customers	7	293 867
Other operating income	8	38 383
Change in inventories	21	1 077
Work performed by the entity and capitalised		411
Cost of materials and services	9	-223 680
Personnel expenses	10	-20 491
Other operating expenses	11	-57 809
Depreciation and amortization	16,19	-61 741
Impairment losses on trade receivables	22	-126
Other gains and losses	12	-97 611
Interest income	13	408
Interest expense	13	-23 646
Other financial result	14	39 576
Loss before tax		**-111 382**
Income taxes	15	20 896
Net loss for the period		**-90 486**
Attributable to:		
Equity holders of the parent		-78 236
Non-controlling interest	32	-12 250
TOTAL COMPREHENSIVE INCOME		**-90 486**
Attributable to:		
Equity holders of the parent		-78 236
Non-controlling interest	32	-12 250

Consolidated statement of financial position

As at 31 December 2022

in ths. CZK	Note	31 Dec 2022	15 Jun 2022
ASSETS			
Intangible assets	16	10 216	0
Goodwill	17	48 007	0
Emission rights	18	347 569	0
Property, plant and equipment	19	5 072 129	0
Derivatives and other financial assets	25	7 056	0
Trade and other receivables	22	24 498	0
Deferred tax assets	26	2 808	0
Total non-current assets		**5 512 283**	**0**
Inventories	21	110 392	0
Trade and other receivables	22	373 717	0
Derivatives	25	3 452	0
Other assets	23	139 229	0
Current income tax asset		20 990	0
Cash and cash equivalents	33.1	878 053	120
Total current assets		**1 525 833**	**120**
Total assets		**7 038 116**	**120**

in ths. CZK	Note	31 Dec 2022	15 Jun 2022
EQUITY			
Share capital	30	120	120
Retained earnings		-78 236	0
Other components of equity	31	230 583	0
Total Equity attributable to the owners of the parent		**152 467**	**0**
Non-controlling interests	32	297 137	0
Total equity		**449 604**	**120**
LIABILITIES			
Long-term debts	24	4 944 807	0
Provisions	29	28 684	0
Other liabilities	28	37 166	0
Deferred tax liability	26	667 598	0
Total non-current liabilities		**5 678 255**	**0**
Current portion of long-term debts	24	156 069	0
Provisions	29	91 671	0
Trade and other payables	27	333 927	0
Current income tax liability	15	36 263	0
Other liabilities	28	292 327	0
Total current liabilities		**910 257**	**0**
Total liabilities		**6 588 512**	**0**
Total equity and liabilities		**7 038 116**	**120**

Consolidated statement of cash flows

For the period ended 31 December 2022

in ths. CZK	Note	15 Jun 2022 to 31 Dec 2022
OPERATING ACTIVITIES		
Loss before tax		**-111 382**
Adjustments for:		
Non-cash income or expenses:		
Depreciation and amortization	16,19	61 741
Impairment losses on trade receivables		126
Net interest	13	23 238
Net exchange differences from loans	14	-38 895
Revaluation of derivatives		89 256
Other non-cash movements		8 816
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables and other assets		4 590
Increase/(Decrease) in trade payables and other liabilities		-7 329
(Increase)/Decrease in inventories		18 624
Cash payments of interest and income taxes:		
Interests income received		408
Income tax paid	15	-6 436
Cash flow from operating activities		**42 757**

INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	6	-4 242 664
Increase of escrow account		-96 460
Acquisition of non-current assets		-20 346
Cash flow from investing activities		**-4 359 470**

in ths. CZK	Note	15 Jun 2022 to 31 Dec 2022
FINANCING ACTIVITIES		
Proceeds from taking up of loans	24	4 977 526
Payments for redemption of loans	24	-11 583
Payments of lease liabilities	24	-982
Interest expenses paid		-898
Equity capital increase	31	230 583
Cash flow from financing activities		**5 194 646**

Net increase/(decrease) in cash and cash equivalents	877 933
Cash and cash equivalents at the beginning of the period	**120**
Cash and cash equivalents at the end of the period	**878 053**

Consolidated statement of changes in equity

For the period ended 31 December 2022

in ths. CZK	Note	Share capital	Retained earnings	Other components of equity	Total equity attributable to the owners of the parent	Non-controlling interests	Total Equity
Balance as at 15 Jun 2022		**120**	0	0	120	0	120
Net loss for the period		0	-78 236	0	-78 236	-12 250	-90 486
Business combination	6	0	0	0	0	309 387	309 387
Transaction with owners:							
Capital contribution	31	0	0	230 583	230 583	0	230 583
Balance as at 31 Dec 2022		**120**	-78 236	230 583	152 467	297 137	449 604

Notes to the consolidated financial statements

For the period ended 31 December 2022

1. General information

ENETIQA Energy s.r.o. (till 1 March 2023 Cube III Energy CZ s.r.o.) (the Company) is a company incorporated and registered in Czech Republic on the 15 June 2022. The address of the Company's legal seat is Kačírkova 982/4, Jinonice, 158 00 Praha 5, Czech Republic. The Company is registered in the Commercial Register kept by the Municipal Court in Prague under file no. C368824.

Its ultimate controlling party is Cube Infrastructure Partners S.A.

The shareholder of the Company as at 31 December 2022 is as follows:

Shareholder	Interest in share capital	Voting rights
CUBE III Energy S.à r.l.	120 ths. CZK 100%	100%

The principal activities of the Company and its subsidiaries (the Group) are production and distribution of heat in the Czech Republic. The Group is also engaged in high-efficiency electricity generation, waste to energy production, energy consulting, water management and the provision of electronic communications services.

These financial statements are presented in thousands of Czech crowns (ths. CZK). Foreign operations are included in accordance with the policies set out in note 3.7

2. Adoption of new and revised Standards

2.1. New and revised IFRS Accounting Standards that have been issued and applied by the Group before mandatory application

At the date of authorisation of these financial statements, the Group has earlier applied the following new and revised IFRS Accounting Standards that have been issued by the International Accounting Standards Board (IASB) and adopted by the EU and the Group applied them before mandatory application:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

As these financial statements are the first financial statements of the Group, the adoption of the Standards listed above did not have a material impact on the financial statements of the Group.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:
- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  – Right-of-use assets and lease liabilities
  – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules

The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. Amendments to IAS 12 issued by IASB on 23 May 2023 are effective for annual reporting periods beginning on or after 1 January 2023.

2.2. New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following revised IFRS Accounting Standards that have been issued by IASB and adopted by EU but are not yet effective:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-Current - Deferral of Effective Date
Amendments to IAS 1	Non-current Liabilities with Covenants

The Group does not expect that the adoption of the amendments to standards listed above will have a material impact on the financial statements of the Group in future periods.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 issued by IASB on 15 July 2020 defer the effective date by one year to annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

Amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Amendments to IAS 1 issued by IASB on 31 October 2022 are effective for annual reporting periods beginning on or after 1 January 2024.

2.3. New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS accounting standards as adopted by the EU do not significantly differ from IFRS accounting standards adopted by the International Accounting Standards Board (IASB) except for the following amendments to the existing standards, which were not adopted by the EU as at the date of authorisation of these financial statements:

Standard	**Title**	**EU adoption status**
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2024)	Not yet adopted by EU
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025)	Not yet adopted by EU

The Group does not expect that the adoption of the amendments to standards listed above will have a material impact on the financial statements of the Group in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39 Financial Instruments: Recognition and Measurement** would not significantly impact the financial statements, if applied as at the balance sheet date.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements issued by IASB on 25 May 2023. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

3. Material accounting policy information

3.1. Basis of preparation

These financial statements have been prepared in accordance with the accounting International Financial Reporting Standards (IFRS) as adopted by the European Union. These financial statements are the Group´s first financial statements as the Company is newly-incorporated entity.

The financial statements have been prepared on the historical cost basis, except for derivatives at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories.

The principal accounting policies adopted are set out below.

3.2. Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2022. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation is initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3.4. Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3.5. Revenue recognition
The Group recognises revenues generated mainly from sale of heat, electricity, water and waste incineration. The Group also generates significant revenues from projects of Energy performance contract (EPC).

3.5.1. Revenue recognition from utilities
Heat revenue stream
The Group supplies heat produced to the households, business sector and the public sector in the cities where it operates. The business relationship is usually set up by a contract concluded for an indefinite period with a notice period usually up to 1 year. Heat supplies take place in the territory where the Group owns its own distribution lines intended for direct supply to customers. Consequently, the possibility for the customers to connect to another supplier (distributor) is considerably limited. On the other hand, customers have the option to use another method of heating the building independent of central supply.

The Group operates in a regulated industry; therefore it is subject to the regulation of the Energy Regulatory Office, which is regularly updated and reflects the market situation. Regulation is mainly in the area of prices calculation. Preliminary prices of thermal energy are announced by heating plants before the beginning of the calendar year together with advance payments plan that is sent to customers. The advance payments are paid by customers on monthly basis. At the end of the calendar year, the final price for heat, based on actual consumption, is determined and advance payments made by customers are offset.

No fixed purchase volumes are agreed in heat supply agreements, meaning that the performance obligation involves providing and ensuring the ability to call up these products at all times. The associated sales are therefore recognised over time. The amount of sales is determined by the quantity of delivered heat.

Electricity revenue stream
The Group sells most of the produced electricity on the energy exchange. In the case of delivery to the end customer, the fixed component of the electricity price (distribution services, other regulated services and fee for supported energy sources) is determined by the Energy Regulatory Office's Price Decision and only the commodity power part is determined on the market.

The Group recognises revenue when it transfers control of a product or service to a customer. The associated sales are recognised over time. The amount of sales is determined by the quantity of delivered electricity.

The average payment term usually amounts to between 14 and 30 days for all categories.

Unbilled heat and received advanced payments for heat supply
Unbilled heat changes are assessed monthly through estimations. The estimation of changes in unbilled heat relies on deliveries over a specific period, taking into account invoiced amounts and estimated grid losses. The overall estimate for unbilled balances is validated by projecting consumption from the most recent measured period for individual locations. The offsetting of unbilled heat and received advances is performed at the level of each subsidiary individually and is executed on level netting of the single customer/contract. The closing balance assets and liabilities is presented on the balance sheet under „Other assets" or „Other liabilities."

Waste revenue stream
The Group recognises revenue from taking over waste, that the Group utilizes to generate energy, specially heat and electricity. The amount of revenue is determined by the quantity of delivered waste and its type.

The average payment term usually amounts to between 14 and 30 days.

3.5.2. Revenue recognition from EPC
Energy Performance Contracting (EPC) serves as a strategic and financial mechanism aimed at enhancing energy efficiency and minimizing energy consumption in buildings or facilities. In the framework of an EPC agreement, organizations engage the services of a group's energy service company (ESCO) to devise and implement energy-efficient upgrades and enhancements. The costs (credit) associated with these improvements are typically repaid over the contract's duration through the realized energy savings resulting from the implemented measures. This methodology empowers organizations to enact energy-related enhancements without requiring an upfront capital investment. The efficiency contract proves to be an invaluable tool for entities aspiring to boost sustainability, trim operating costs, and achieve energy efficiency objectives without imposing a strain on their immediate financial resources.

The overwhelming share of revenues from contracts with customers is performed over a period of time. The percentage of completion is generally determined using the output method.

The average credit period on sale of EPC project is 10 years. The group charges the interest on outstanding trade receivables. The Group usually sells the trade receivables to banks to reduce long-term credit risk and manage liquidity.

3.6. The Group as lessee
The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

The lease liability is presented in the consolidated statement of financial position under Debts.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in the consolidated statement of financial position under Property, plant and equipment.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other operating expenses” in profit or loss (see note 11).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.7. Foreign currencies

In preparing the financial statements of the Group entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The companies based in the Czech Republic use the Czech crown (CZK) as their functional currency. However, one subsidiary located in Germany operates with the Euro (EUR) as its functional currency. The Group decides to present the financial statements in CZK, i.e. in a functional currency of the parent.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.8. Short-term and employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.9. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice. The Czech companies calculated the provision using 19 % tax rate.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.10. Property, plant and equipment

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Useful lives in years

Buildings	15 - 50 years
Distribution system	20 – 50 years
Plant and machinery	8 - 25 years
Furniture and fittings	2 - 10 years
Motor vehicles	4 - 7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.11. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in the table below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Average useful lives in years

Software	3 - 8 years
Rights and licences	2 - 25 years
Other intangible assets	2 - 6 years

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. There are no material intangible assets with useful lives classified as indefinite.

3.12. Emission rights

Where the Group has greenhouse gas emission rights with holding periods longer than one year, these are recognised as intangible assets. The greenhouse gas emission right (hereinafter the emission right) represents the right of the operator of a facility that emits greenhouse gases in the course of its operation to release the equivalent of a ton of carbon dioxide to the air in a given calendar year. Some Group companies as operators of such facilities were allocated a certain amount of emission rights based on the National Allocation Plan. The Group is required to remit the number of emission rights corresponding to its actual amount of greenhouse gas emissions in the previous calendar year by no later than April 30 of the next calendar year. The Group based on this remit write off the number of emission rights and evaluate them by FIFO method. Emission rights allocated free of charge are recognised at zero value. Purchased emission rights are measured at cost. As the emission rights constitute non-amortisable assets, they are not written down but, pursuant to IAS 36, nevertheless reduced by any impairment losses.

In case the Emission rights are consumed, it means emissions are made, a provision to deliver Emission rights equal to emissions that have been made is recognized (see note 3.16).

3.13. Inventories

Inventories comprise mainly raw materials as coal, biomass and heating oil. Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.14. Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

3.15. Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for short-term trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Non-derivative financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Classification and measurement approach for financial assets reflects the business model on which assets are managed and their cash flow characteristic.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Group categorized all its non-derivative financial assets at amortized cost and recognised them as trade and other receivables and cash. The group does not classify any of its financial assets as measured at FVTOCI nor FVTPL.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method and is included in the line „Interest income" line item.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the 'Other financial results' line item (note 14).

Impairment of trade and other receivables
The Group recognises a loss allowance for expected credit losses (ECL) on trade and other receivables and contract assets at the level of lifetime ECL. The amount of expected credit losses is updated at each reporting date. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Changes in the carrying amount of the allowance account based on application of expected loss model are recognized in profit or loss and are presented as 'Impairment losses on trade receivables' in the statement of comprehensive income. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Non-derivative financial liabilities
All non-derivative financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other financial results' line item in profit or loss.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rates and commodity risks.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The Group does not recognize any derivatives that are designated and effective as hedging instruments.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.16. Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provision for consumption of emission rights
In case the Emission rights are consumed, it means emissions are made, a provision to deliver Emission rights equal to emissions that have been made is recognized in profit of loss in line "Cost of materials and services".

The liability to be settled using allowances on hand is measured at the carrying amount of those allowances. If at the end of the reporting period the liability to deliver the Emission rights exceeds the amount of allowances on hand, then the shortfall would be measured at the current fair (market) value of the short position.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Applying of IFRIC 12 Service Concession Arrangements or IAS 16 Property, plant and equipment to items of distribution infrastructure.
The distribution infrastructure is fully owned by the Group, where the Group controls construction or maintenance. Decisions related to these pipelines are done at the Group level. The Group is not restricted in its practical ability to sell or pledge the infrastructure. The Group is not obliged to hand over the pipeline at the end of a service performance period to any of the government institutions. It has full discretion to sell its infrastructure to a third party that would then operate it going forward. The consideration for the infrastructure would be a result of negotiations between the two parties. The Group doesn't have any restrictions regarding the operation of the infrastructure (that has to be in line with the legislative requirements, e.g. safety).

Based on the facts and circumstances, there are no predefined conditions to hand over the infrastructure to any other party at the end of the period of the arrangement for little or no incremental consideration. The potential consideration in such cases (and such cases are rare) shall represent the fair value of the losses incurred by the Group. Therefore, based on the management's judgement, the IFRIC 12, Service Concession Arrangements, is not applicable to the distribution infrastructure and the infrastructure is accounted for in accordance with IAS 16, Property, plant and equipment.

Judgements in Environmental governance of the Group.
Given the decision taken by the European Union to exit the coal till 2030, our Group has only limited planning certainty. The framework for withdrawing from our conventional generation capacities is largely determined by the coal exit legislation and, since the beginning of the war against Ukraine, by any associated potential gas shortage. This situation, and in particular the changes arising at very short notice in the legal framework, creates great uncertainties for our Group.

The group plans to phase out coal-based heat production by 2030. It has applied to join the Science Based Targets initiative, which ensures that the carbon footprint reduction goals of participating companies are scientifically backed.

In response to the risks outlined above, the Group has defined its decarbonization strategy and is accordingly evaluating the following technical options:
- We anticipate shutting down of the production of heat from a heavy heating oil consumption, which includes the physical demolition of the facility. A provision for this demolition has been recognized (see note 29);
- Technical studies are being conducted on the substitution of coal combustion in boilers with alternative fuels (e.g., biomass).

Rising temperatures and warmer winters have a negative impact on the amount of heat sold, especially to households. At the same time, the need to mitigate the effects of climate change increases the demand for services aimed at improving energy efficiency, leading to an increase in revenues for the Energy Services Division, which precisely offers these services.

4.2. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Unbilled heat and electricity

Uncertainty in the estimation of items for sales of commodities (heat, electricity, water, etc.) or purchases of commodities (gas, electricity, etc.) is determined by completeness and accuracy of the evidence based on meter regarding taken several days after the end of the month. Missing data or externalities are compensated for by using the average consumption of meter point.

The uncertainty in estimating items of heat arises from regulatory principle based on the calendar year. At the end of the calendar year, the final price of heat is determined, leading to the issuance of advance bills.

Provision for restoration of contaminated land

In estimating the liability, the directors have made assumptions regarding the following: local site volume of contamination, proximity to approved landfill sites, technology available to decontaminate and costs required to dispose of specialized raw materials.

5. Group entities

Information about the composition of the Group at the end of the reporting period is as follows:

Parent company	Country of operation	Consolidated from date	Proportion of ownership interests and voting rights held by the Group 31/12/2022
Cube III Energy CZ s.r.o. (newly ENETIQA Energy s.r.o.)	Czech Republic		
Subsidiaries			
ENETIQA a.s.	Czech Republic	09. 12. 2022	100,00%
CTZ s.r.o.	Czech Republic	09. 12. 2022	50,96%
Českolipské teplo a.s.	Czech Republic	09. 12. 2022	100,00%
ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.	Czech Republic	09. 12. 2022	75,00%
e.services s.r.o.	Czech Republic	09. 12. 2022	100,00%
ENERGIE Holding a.s.	Czech Republic	09. 12. 2022	100,00%
Teplárna Liberec, a.s.	Czech Republic	09. 12. 2022	76,04%
G-LINDE s.r.o.	Czech Republic	09. 12. 2022	100,00%
G-RONN s.r.o.	Czech Republic	09. 12. 2022	100,00%
IROMEZ s.r.o.	Czech Republic	09. 12. 2022	100,00%
OPATHERM a.s.	Czech Republic	09. 12. 2022	100,00%
POWGEN a.s.	Czech Republic	09. 12. 2022	100,00%
TERMIZO a.s.	Czech Republic	09. 12. 2022	100,00%
TERMO Děčín a.s.	Czech Republic	09. 12. 2022	96,91%
Zásobování teplem Vsetín a.s.	Czech Republic	09. 12. 2022	100,00%
Enetiqa GmbH	Germany	12. 12. 2022	100,00%

6. Acquisition of subsidiaries

On 9 December 2022, the Company acquired 100 per cent of the issued share capital of MVV Energie CZ a.s. (subsequently renamed to Enetiqa, a.s.) obtaining control over the Enetiqa group.

Enetiqa group (former MVV Energie CZ group) companies operate mainly in the field of heat generation and distribution. The Group also produces electricity in eleven cities of the Czech Republic. In addition, some of its subsidiaries provide water management or electronic communications services as well as other services.

Enetiqa group also has extensive experience with the implementation of energy-efficiency projects in the Czech Republic. In addition to projects employing EPC (Energy Performance Contracting), it also offers related energy services to customers across the country.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Recognised values on acquisition ths. CZK
ASSETS	
Intangible assets	10 485
Emission rights	347 569
Property, plant and equipment	5 100 555
Derivatives and other financial assets	288 139
Trade and other receivables	427 104
Inventories	129 016
Cash and cash equivalents	223 264
Total assets	**6 526 132**
LIABILITIES	
Debts	152 773
Provisions	111 540
Other liabilities	302 515
Deferred tax liability	707 510
Trade and other payables	260 035
Current tax liability	10 498
Derivatives	157 493
Total liabilities	**1 702 364**
Fair value of net assets acquired	**4 823 768**
Less: Non-controlling interests	309 387
Share of net assets acquired	**4 514 381**
Goodwill	48 007
Total purchase consideration	**4 562 388**
Less: Liabilities from acquisition of the subsidiary (see note 28)	96 460
Less: Cash and cash equivalents acquired	223 264
Cash outflow on acquisition	**4 242 664**

The goodwill (Note 17) of CZK 48 007 ths. arising from the acquisition is attributable to the acquired workforce's skill set and experiences, which are not separately recognized. These intangible factors contribute to the overall value of the acquired business and are recognized as goodwill on the Group's financial statements. None of the goodwill is expected to be deductible for income tax purposes.

The non-controlling interest (Note 32) recognized at the acquisition date was measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

Acquisition-related costs (included in other operating expenses, item Consulting and other) amount to CZK 37 063 ths. (Note 11)

If the acquisition of Enetiqa group had been completed on the first day of the reporting period, i.e. June 15th 2022, Group revenues for the period would have been CZK 1 627 043 ths. The information about profit that would be generated from June 15th 2022 to December 31th 2022 is not available to the Group, as the acquired companies have a fiscal accounting period starting October 1th.

The gross contractual amount for trade and other receivables at the acquisition date, is CZK 439 246 ths.

7. Revenue from contracts with customers

Sales from contracts with customers (external sales) are broken down by product and presented in the following table:

	From 15/6/2022 to 31/12/2022 ths. CZK
Revenues by product line	
Heat supply	210 634
Electricity supply	55 948
Water supply	4 844
Waste incineration	7 191
Constructing – EPC projects	15 250
Total	**293 867**

Revenues by timing of revenue recognition	
Over time	
Heat and water supply	215 478
Constructing – EPC projects	15 250
Electricity supply	55 948
At a point in time	
Waste incineration	7 191
Total	**293 867**

The transaction price allocated to unsatisfied or partially unsatisfied obligations at 31 December 2022 are as set out below.

	From 15/6/2022 to 31/12/2022 ths. CZK
Energy performance contract (EPC)	
Will be recognized as revenues during next reporting period	214 441
Will be recognised as revenues later than next reporting period	246 290
Total	**460 731**

8. Other operating income

	From 15/6/2022 to 31/12/2022 ths. CZK
Income from leasing	846
Income from selling gas	35 835
Other	1 702
Total	**38 383**

9. Cost of material and services

	From 15/6/2022 to 31/12/2022 ths. CZK
Emission rights consumption	-9 538
Gas	-122 856
Electricity	-19 141
Coal	-5 110
Heating oil	-17 828
Biomass	-4 151
Other raw materials	-5 346
Water	-2 385
Purchased heat	-7 422
EPC construction sub deliveries costs	-13 923
Other	-15 980
Total	**-223 680**

10. Personnel expenses

	From 15/6/2022 to 31/12/2022 ths. CZK
Wages and salaries	-15 246
Social security expenses	-5 143
Social expenses	-102
Total	**-20 491**

The number of employees of the Company and its subsidiaries was 471 as of December 31, 2022. More information about compensation of key management is included in the note 38.

11. Other operating expenses

	From 15/6/2022 to 31/12/2022 ths. CZK
Insurance premium	-14 249
Consulting and similar services	-29 973
Other taxes	-411
Fees for waste and wastewater disposal	-1 956
Other personnel and social welfare expenses	-1 370
Expenses related to sale of gas	-5 211
IT services	-536
Other	-4 103
Total	**-57 809**

12. Other gains and losses

	From 15/6/2022 to 31/12/2022 ths. CZK
Loss from sale of assets	-4
Net foreign exchange loss	-8 398
Loss from commodity derivatives	-89 209
Total	**-97 611**

The Group purchased commodity derivatives during the acquisition of Enetiqa group (see note 6). Before being acquired, the subsidiaries had engaged in various derivative financial instruments to manage their exposure to commodity risks. At the end of the reporting period, all commodity derivatives were settled and the Group recognized a loss of CZK -89 209 ths.

13. Interest income and expense

	From 15/6/2022 to 31/12/2022 ths. CZK
Interest expense	
Bank loan for acquisition	-7 708
Loan from shareholder	-14 404
Lease liabilities	-60
Other	-1 474
Total	**-23 646**
Interest income	
Bank deposits	408
Total	**408**

For additional information regarding loans and lease liabilities, refer to note 24 .

14. Other financial results

The other financial results include net foreign exchange gains totaling CZK 39 576 ths., resulting from debts denominated in EUR (see note 24).

15. Income Tax

	From 15/6/2022 to 31/12/2022 ths. CZK
Corporation income tax:	
Current period	-19 996
Adjustments in respect of prior period	-1 828
Total	**-21 824**
Deferred tax (see note 26)	
Origination and reversal of temporary differences	42 720
Total	**20 896**

The standard rate of corporation tax applied to reported profit is 19 %. Corporate income tax rate has not changed compared to former period.

The charge for the period can be reconciled to the profit before tax as follows:

	From 15/6/2022 to 31/12/2022 ths. CZK
Loss before tax	-111 381
Tax at the Czech corporation tax rate of 19 %	21 162
Tax effect of expenses that are not deductible in determining taxable profit	-6 616
Tax effect of income not taxable in determining taxable profit	1 687
Tax effect of utilisation of tax losses not previously recognised	-624
Change in unrecognised deferred tax assets	8 088
Adjustments in respects of prior period	-1 828
Other	-973
Tax income for the period	**20 896**

16. Intangible assets

Cost	Rights and Licenses without SW ths. CZK	Software ths. CZK	Other intangibles ths. CZK	Assets under construction ths. CZK	Total ths. CZK
At 15 June 2022	0	0	0	0	0
Additions	0	119	0	0	119
Acquisition of a subsidiary	846	8 899	662	78	10 485
At 31 December 2022	846	9 018	662	78	10 604
Amortisation					
At 15 June 2022	0	0	0	0	0
Amortization	-18	-345	-25	0	-388
At 31 December 2022	-18	-345	-25	0	-388
Carrying amount					
At 15 June 2022	**0**	**0**	**0**	**0**	**0**
At 31 December 2022	**828**	**8 673**	**637**	**78**	**10 216**

17. Goodwill

The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Cash Generating Unites are identified as individual legal entities operating in specific town or region. As an initial step, the management of the Group identified Cash Generating Units (CGUs) expected to benefit from synergies. In this phase, management pinpointed 4 CGUs. Subsequently, the goodwill was allocated among these 4 companies based on the expected benefits from the synergies arising from the business combination.

Contribution of the new owner to Cash Generation Units (CGUs) is in cross-border cooperation (fuel and technology), solution of brownfields, innovation in the ancillary services in the electricity sector, enhanced technologies for use of renewable sources (e.g. geothermal source).

At December 31, 2022, goodwill allocated to cash-generating units is as follows:

	ENERGIE Holding ths. CZK	G-RONN ths. CZK	TERMO Děčín ths. CZK	IROMEZ ths. CZK	Total ths. CZK
Carrying amount					
At 15 June 2022	0	0	0	0	0
Acquisition of a subsidiary	34 358	10 863	2 375	411	48 007
At 31 December 2022	34 358	10 863	2 375	411	48 007

For more information about goodwill arising from the acquisition of Enetiqa group see note 6.

The information on impairment testing is provided in the note 20.

18. Emission rights

The following table summarizes the movements in the quantity (in thousand tons) and carrying amount of emission rights:

	Emission rights	
	ths. CZK	ths. of tons
Carrying amount		
At 15 June 2022	0	0
Acquisition of a subsidiary	347 569	169
At 31 December 2022	**347 569**	**169**

Accounting principles for provisions and disposals of emission allowances are described in Note 3.12.and Note 3.16.

The emission rights were purchased during the acquisition of Enetiqa group (see note 6) in the current period. At December 31, 2022 the Group recognized a provision for consumption of emission rights in amount of CZK 62 414 ths (30 ths of tons), see note 29.

19. Property, plant and equipment

Cost	Land, Building ths. CZK	Technical Equipment and Machinery ths. CZK	Office and other equipment ths. CZK	Construction in progress and advance payments ths. CZK	Total ths. CZK
At 15 June 2022	0	0	0	0	0
Additions	4 802	19 724	157	8 243	32 926
Acquisition of subsidiary	2 835 625	2 054 765	23 593	186 572	5 100 555
Disposals	-13	-88	-27	0	-128
Transfers	15 496	2 300	-2 048	-15 748	0
At 31 December 2022	**2 855 910**	**2 076 701**	**21 675**	**179 067**	**5 133 353**
Accumulated depreciation and impairment					
At 15 June 2022	0	0	0	0	0
Charge for the period	-21 499	-39 156	-697	0	-61 352
Disposals	13	88	27	0	128
At 31 December 2022	**-21 486**	**-39 068**	**-670**	**0**	**-61 224**
Carrying amount					
At 15 June 2022	**0**	**0**	**0**	**0**	**0**
At 31 December 2022	**2 834 424**	**2 037 633**	**21 005**	**179 067**	**5 072 129**

Assets pledged as security
For additional details on pledged property, plant and equipment, refer to note 24.

Group as a lessee
The table below displays information regarding rights-of-use assets categorized by classes of leased assets included in the "Property, plant and equipment" line item.

Cost	Buildings ths. CZK	Vehicles ths. CZK	Total ths. CZK
At 15 June 2022	0	0	0
Acquisition of a subsidiary	15 212	52	15 264
At 31 December 2022	**15 212**	**52**	**15 264**
Accumulated depreciation			
At 15 June 2022	0	0	0
Charge for the period	-419	-18	-437
At 31 December 2022	**-419**	**-18**	**-437**
Carrying amount			
At 15 June 2022	0	0	0
At 31 December 2022	**14 793**	**34**	**14 827**

Right of use of building represents the rented office for headquarters in Prague, Kacirkova street. The Group is entitled to once extend the Term under this Lease Agreement under the same terms by upon the Group's choice another either three (3) or five (5) years. The Landlord is entitled to reject the above right of the Tenant to extend the Term only for the contractual reasons. Possible Term extension was not reflected in the right of use calculation based on management decision.

	31/12/2022 ths. CZK
Amounts recognised in profit and loss	
Depreciation expense on right-of-use assets	-438
Interest expense on lease liabilities	-60
Expense relating to short-term leases	-84
Expense relating to leases of low value assets	-90
Income from sub-leasing right-of-use assets	0
Total cash outflow for leases	**-1 216**

20. Impairment of goodwill, intangible assets and property, plant end equipment

The Group acquired the energy group on December 9, 2022 (see note 6). As of this date, all acquired assets and liabilities assumed were recognized at their fair value and goodwill arose as a result of purchase price allocation. As of December 31, 2022 the management of the Group assessed that, given these financial statements are presented only 22 days after the acquisition, the recoverable amounts of the cash-generating units are not lower than their carrying amounts.

21. Inventories

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Heating Oil	37 049	0
Coal	34 258	0
Spare parts	22 019	0
Biomass	9 019	0
Other inventories	8 047	0
Total	**110 392**	**0**

The cost of inventories recognized as an expense during the period was CZK 27 089 ths. Inventories of fuels (coal, biomass, heating oil) CZK 88 372 ths. are expected to be consumed during next 12 months.

Activation of own inventories during the period in amount of CZK 1 077 ths. is related to own production of biomass.

For additional details on pledged inventories, refer to note 24.

22. Trade and other receivables

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Trade receivables, gross	398 738	0
Loss allowance	-1 840	0
Trade receivables, net	**396 898**	**0**
Other receivables	1 317	0
Total	**398 215**	**0**
Non-current	24 498	0
Current	373 717	0
Total	**398 215**	**0**

For additional details on pledged trade and other receivables, refer to note 24.

Trade receivables
The average credit period on sales of goods (heat, electricity) is 14 - 30 days. No interest is charged on these outstanding trade receivables.

The average credit period on sale of EPC project is 10 years. The group charges the interest on outstanding trade receivables. The Group usually sells the trade receivables to reduce credit risk and manages the liquidity.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 50 per cent against all overdue receivables between 180 and 365 days and 100 per cent against all receivables over 365 days due because historical experience has indicated that these receivables are generally not recoverable.

The group has deployed an automated solution in the information system, which performs checks required by legislation (unreliable VAT payer, registered bank account). Checks are carried out in several points of the whole financial process. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings whichever occurs earlier.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different revenues streams, the provision for loss allowance based on past due status is not further distinguished between the Group's different customers.

	Trade receivables – days past due				
31/12/2022	**Not past due ths. CZK**	**< 1 year ths. CZK**	**1 – 5 years ths. CZK**	**>5 years ths. CZK**	**Total ths. CZK**
Expected credit loss rate	0,05 %	4,19 %	100 %	100 %	x
Total gross carrying amount	391 973	5 350	105	1 310	398 738
Lifetime ECL	-201	-224	-105	-1 310	-1 840
					396 898

The contractual amounts outstanding on trade receivables that were written off during the period but are still subject to enforcement activities was CZK zero ths.

23. Other assets

	31/12/2022 ths. CZK	**15/06/2022 ths. CZK**
Escrow account	96 460	0
Value added tax	32 621	0
Prepaid expenses	10 138	0
Other	10	0
Total	**139 229**	**0**

As of December 31, 2022, the Group has placed CZK 96 460 thousand into an escrow account. This fund is exclusively allocated for the settlement of an acquisition commitment equal to that amount (see note 28).

24. Debts

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Debts at amortised cost		
Loan from shareholder	3 169 764	0
Bank loans for acquisition	1 790 943	0
Lease liabilities	7 831	0
Other bank loans	132 338	0
Total borrowings	**5 100 876**	**0**
Non-current	4 944 807	0
Current	156 069	0

More information about cash flow arising from financing activities is provided in note 33.2.

The management of the Group considers the carrying amount of the debts to be a close approximation of their fair value, as all the debts resulted from an acquisition that occurred in December 2022 (see note 35).

Analysis of borrowings by currency

	Loans drawn in CZK ths. CZK	Loans drawn in EUR ths. CZK	Total ths. CZK
31 December 2022			
Loan from shareholder	0	3 169 764	3 169 764
Bank loans for acquisition	554 905	1 236 038	1 790 943
Lease liabilities	40	7 791	7 831
Other bank loans	132 338	0	132 338
Total	**687 283**	**4 413 593**	**5 100 876**

The Group has this main types of long-term debts:

(i) Loan from shareholder

On December 8, 2022, a shareholder grants two loans to the Group:
- a loan amounting to CZK 2 708 754 ths. that bears an effective interest rate of 7 % p.a. The maturity of this loan is December 8, 2032.
- an interest-free shareholder loan amounting to CZK 677 189 thousand, which is repayable on December 31, 2028. The Group anticipates that the market interest rate for this loan should be equivalent to that of the first loan, which was also provided to the Group by a shareholder. Consequently, the Group recognized a portion of the loan as a capital contribution (see note 31) and recognized the loan at an amount of CZK 461 010 ths.

(ii) Loan from bank for acquisition

The bank loan in the carrying amount of CZK 1 790 943 ths was granted on December 8, 2022. The maturity of this bank loan is in September 2028. The part of the loan that was granted in EUR has a nominal interest rate of 1M EURIBOR plus margin of 3% p.a. The effective interest rate for this bank loan is 5,39 % p.a. The part of the bank loan, which was granted in CZK, bears a nominal interest at Interpolated PRIBOR and plus margin of 2,65% p.a. The effective interest rate for this bank loan is 10,92 % p.a.

In December 2022, Enetiqa Energy, s.r.o., the parent of the Group, entered into agreement to secure obligations from the Credit Agreement with the financial institution Komerční banka, a.s., pledging all assets, including cash and its financial investment in Enetiqa, a.s., which is the parent company of the remaining subsidiaries.

The collateral effectively (through ownership interests in all consolidated entities) represents substantially all of the Group's assets presented in the consolidated statement of financial position.

Within Komerční banka, a.s. has the Group arranged four credit lines for operational and investment activities in the total volume of CZK 700 000 ths. that are not utilised as of December 31, 2022.

24.1. Covenants

The secured bank loan is subject to a financial covenant which is tested semi-annually on March 31 and September 30 each year. The covenant measures the Group's ratio as calculated in note 36.3. The Group is obliged to carry out the 1st evaluation as March 31, 2023.

The management of the group expects that the covenant as March 31,2023 and as September 30,2023 will be fulfilled.

25. Derivative financial instruments and other financial assets

	Current		Non-Current	
	31/12/2022 ths. CZK	15/06/2022 ths. CZK	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Other financial assets recognized at amortised cost				
Corporate bond	0	0	5 000	0
Derivative financial assets				
Interest rate swaps	3 452	0	2 056	0
Derivatives and other financial assets	**3 452**	**0**	**7 056**	**0**

26. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	Property, plant and equipment ths. CZK	Emission rights ths. CZK	Fair value gain/ (loss) arising on derivatives ths. CZK	Other ths. CZK	Total ths. CZK
At 15 June 2022	0	0	0	0	0
Charge to profit or loss	24 690	0	16 727	1 303	42 720
Acquisition of subsidiary	-638 044	-66 038	-17 529	14 101	-707 510
At 31 December 2022	**-613 353**	**-66 038**	**-802**	**15 404**	**-664 790**

The „Other" item primarily consists of deferred tax assets related to provisions and allowances for trade receivables.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Deferred tax liabilities	-667 598	0
Deferred tax assets	2 808	0
	-664 790	0

Unrecognised deferred tax asset as of December 31, 2022 amounted CZK 16 343 ths.

27. Trade and other payables

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Trade payables	315 121	0
Other payables	18 806	0
Total	**333 927**	**0**

Trade and other payables principally comprise amounts outstanding for trade purchases (fuels, capex) and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The management of the Group consider that the carrying amount of trade payables approximates to their fair value.

Other payables include a bank loan fee.

28. Other liabilities

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Overpayments from customers for supplies		
Unbilled heat, electricity and other supplies	-90 202	0
Received advances from the customers	196 948	0
Received advances from the customers, net	106 746	0
Value added taxes	21 530	0
Other taxation and social security	15 859	0
Liabilities to employees	47 121	0
Contract liability from projects	16 094	0
Unpaid part of the purchase price from the acquisition of subsidiary	96 460	0
Other	25 683	0
	329 493	**0**
Non-current	37 166	0
Current	292 327	0
Financial liabilities	203 206	0
Non-financial liabilities	126 287	0

The net amount of received advances from the customers increased by CZK 181 021 ths. as a result of the acquisition of Enetiqa group (see note 6). Following the acquisition, other unbilled suppliers were recognized, resulting in a decrease in the net amount of received advances from the customers by CZK 75 175 ths. The settlement period for supplies of heat, electricity and other supplies is 1 January - 31. December. Net overpayment from customers as of 31 December 2022 in amount of CZK 106 746 ths. will be paid back to customers. Therefore, the balance as of 31 December 2022 represents a financial liability.

29. Provisions

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Restoration provision	26 674	0
Litigation	10 216	0
Consumption of emission rights	62 414	0
Other provisions	21 051	0
	120 355	**0**

Current	91 671	0
Non-current	28 684	0
	120 355	**0**

	Restoration provision ths. CZK	Litigation ths. CZK	Consumption of emission rights ths. CZK	Other provisions ths. CZK	Total ths. CZK
At 15 June 2022	0	0	0	0	0
Additional provision in the year	0	0	9 538	0	9 538
Utilisation of provision	0	0	-	-723	-723
On acquisition of subsidiary	26 674	10 216	52 876	21 774	111 540
Unwinding of discount	0	0	0	0	0
At 31 December 2022	**26 674**	**10 216**	**62 414**	**21 051**	**120 355**

The restoration provision has been created based on the environmental legislation 415/2012 Sb., which requires the stricter ecological limits. Group decided to terminate production of heat from heating oil (HHO) and later on dismantle the HHO tanks and restore the land. Management is in the process of clarifying certain aspects of the legislation and therefore the final assessment of costs that the Group will need to incur may change materially based on the outcome of this process. Based on the current interpretation of the legislation, the directors have estimated a liability of CZK 26 674 ths. In estimating the liability, the directors have made assumptions regarding the following: local site volume of contamination, proximity to approved landfill sites, technology available to decontaminate and costs required to dispose of specialized raw materials.

Other provisions represent part of the resources for future realistically expected events from business contracts that will lead to an outflow of money from the Group.

30. Share capital

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Share capital of the Company (Enetiqa Energy s.r.o.), fully paid	120	120

In the period from May to December 2022, there was no change in equity.

One vote at the general meeting is given for each crown of share capital. All shares represent the same rights of the shareholders and there are no restrictions on the rights of the shareholders associated with any shares.

31. Other components of equity

In December 2022, the shareholder granted the Group an interest-free loan (see note 24). At the date of initial recognition, the Group recalculated the value of loan using the market interest rate (see note 24). The difference between the transaction price of the loan and its fair value was recognized as a capital contribution, amounting to CZK 230 583 ths.

32. Non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

Name of subsidiary	Share of non-controlling interests 31/12/2022 %	Profit (loss) allocated to non-controlling interests for the period 31/12/2022 ths. CZK	Non-controlling interests 31/12/2022 ths. CZK
CTZ s.r.o.	49,04	1 448	78 080
ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.	25,00	-281	8 882
Teplárna Liberec, a.s.	23,96	-10 964	195 051
TERMO Děčín a.s.	3,09	-2 453	15 124
Total		**-12 250**	**297 137**

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Teplárna Liberec, a.s.

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Current assets	275 829	0
Non-current assets	846 317	0
Current liabilities	158 052	0
Non-current liabilities	150 082	0
	814 012	
Equity attributable to owners of the Company	618 960	0
Non-controlling interests	195 052	0

	From 15/6/2022 to 31/12/2022 ths. CZK
Revenue	78 888
Expenses	-124 641
Profit (loss) for the period	-45 753
Profit (loss) attributable to owners of the Company	-34 790
Profit (loss) attributable to the non-controlling interests	-10 963

Net cash inflow from operating activities	21 686
Net cash outflow) from investing activities	-11 794
Net cash inflow	9 892

CTZ s.r.o.

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Current assets	42 128	0
Non-current assets	168 832	0
Current liabilities	34 671	0
Non-current liabilities	17 067	0
	159 222	

Equity attributable to owners of the Company	81 142	0
Non-controlling interests	78 080	0

	From 15/6/2022 to 31/12/2022 ths. CZK
Revenue	18 475
Expenses	-15 522
Profit (loss) for the period	2 953
Profit (loss) attributable to owners of the Company	1 505
Profit (loss) attributable to the non-controlling interests	1 448

Net cash inflow from operating activities	2 133
Net cash outflow) from investing activities	-162
Net cash inflow	1 971

33. Notes to the cash flow statement

33.1. Cash and cash equivalents

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Bank balances	877 057	120
Cash on hand	996	0
	878 053	**120**

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months.

The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

For additional details on pledged cash and cash equivalents, refer to note 24.

33.2. Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	15 June 2022 ths. CZK	Cash flow from financing activities ths. CZK	Effect of acquisition (note 6) ths. CZK	Interests accrued (note 13) ths. CZK	Exchange rate difference (note 14) ths. CZK	31 December 2022 ths. CZK
Loans from shareholder (note 24)	0	-3 184 856	0	-14 404	29 496	-3 169 764
Loans from banks (note 24)	0	-1 780 249	-143 921	-8 471	9 360	-1 923 281
Lease liabilities (note 24)	0	1 042	-8 852	-60	39	-7 831
Interest rate swap	0	0	5 508	0	0	5 508
Total liabilities from financing activities	**0**	**-4 964 063**	**-147 265**	**-22 935**	**38 895**	**-5 095 368**

34. Contingent liabilities

The Group has a commitment as of 31 December 2022 in respect of ordered gas for the production of heat and electricity, in respect of ordered coal for heat production and in respect of purchased electricity.

Item	ths CZK (without VAT)
Ordered gas for the period Jan-Dec 2023	883 780
Ordered electricity for the period Jan-Dec 2023	395 420
Ordered coal for the period Jan-Dec 2023	59 558
Other contingent liability	12 232
Total	**1 350 990**

The Group litigations:

	31/12/2022 ths. CZK	15/06/2022 ths. CZK
Contingent liabilities incurred by the Group arising ongoing court proceedings about HHO (Heavy Heating Oil) stock.	1 695	0
Group's share of contingent liabilities from litigation	**1 695**	**0**

The amount disclosed represents expected amount of contingent liabilities. Whether an outflow of resources will be required depends on the court proceedings being more or less favorable than currently anticipated.

35. Financial Instruments

Classes and categories of financial instruments and their fair values

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics
- The carrying amounts of financial instruments
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between Level 1 and 2 during the current period.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis
As of December 31, 2022, the Group recognized only an interest rate swap, the fair value of which was determined based on a discounted cash flow method. Future cash flows were estimated using forward exchange rates observable at the end of the reporting period and contract forward rates, discounted at a rate reflecting the credit risk of the various counterparties.

		Fair value			
		Level			
31 December 2022	**Carrying amount in ths. CZK**	**1 in ths. CZK**	**2 in ths. CZK**	**3 in ths. CZK**	**Total in ths. CZK**
Financial assets/liabilities recognized at amortised costs					
Trade and other receivables – non-current	24 498	0	0	24 498	24 498
Trade and other receivables – current	373 717	0	0	373 717	373 717
Other financial assets – non-current	5 000	0	0	5 000	5 000
Other assets - current	96 460	0	0	96 460	96 460
Cash and cash equivalents	878 053	0	0	878 053	878 053
Loans from shareholders	3 169 764	0	0	3 169 764	3 169 764
Loans from bank	1 923 281	0	0	1 923 281	1 923 281
Trade and other payables	333 927	0	0	333 927	333 927
Other liabilities – current	203 206	0	0	203 206	203 206
Financial assets/liabilities recognized at FVTPL					
Derivative financial assets	5 508	0	5 508	0	5 508

The management of the Group assumed that the carrying amount of assets and liabilities approximate to their fair value, as shows in the table above. This assumption is based on the fact that most of the assets and liabilities were incurred a few days before the end of the year and therefore it can be assumed that their fair value has not changed significantly.

Due to the short-term nature of Cash and cash equivalents, Other financial assets – current, Current Trade and other receivables and Trade and other payables and Other liabilities - current, their carrying amount is considered to be the same as their fair value due to their short-term nature i.e. the relatively short period of time between the origination of the instruments and their expected realisation..

36. Financial risk management

36.1. Financial risk management objectives
The Group co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group´s risk management pursues the objective of identifying developments on financial and commodity markets at an early stage and countering any resultant negative implications. The policies for managing each of these risks are described below.

The Group does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

36.2. Market risk
The Group's activities expose it primarily to the financial risks of changes in commodity price, interest rates (see below) and foreign exchange risk. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and commodity risk, including:

- interest rate swaps to mitigate the risk of rising interest rate
- commodity derivatives to mitigate the price risk of purchased commodity

Market risk exposures are measured using value-at-risk (VaR) analysis supplemented by sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Value-at-risk (VaR) analysis
The VaR measure estimates the potential loss in pre-taxation profit over a given holding period of one year for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 95 per cent VaR number used by the Group reflects the 95 per cent probability that the daily loss will not exceed the reported VaR.

VaR methodologies employed to calculate daily risk numbers include the historical and variance-covariance approaches. In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.

Potential impact of the risk factors as of 31 December 2022

Daily VaR (95%)	Impact on the pre-tax profit Ths. CZK	Impact on the post-tax profit Ths. CZK
Interest rate	2 500	2 025
Exchange rate	2 923	2 368
Commodity	63 210	51 200
Total	**68 633**	**55 593**

The impact on other components of equity should be nil.

The Group's VaR should be interpreted in light of the limitations of the methodologies used. These limitations include the following:

- Historical data may not provide the best estimate of the joint distribution of risk factor changes in the future and may fail to capture the risk of possible extreme adverse market movements which have not occurred in the historical window used in the calculations.
- VaR using a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or hedged within one day.
- VaR using a 95 per cent confidence level does not reflect the extent of potential losses beyond that percentile.

These limitations and the nature of the VaR measure mean that the Group can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently than once in 20 business days.

While VaR captures the Group's daily exposure to currency and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the Group to assess its market risk exposures.

(a) Foreign currency risk management
As the Group's entities mainly operate on the local markets, they do not face significant foreign exchange rate risks regarding their operational activities. The Group is exposed to foreign exchange rate risk especially due to bank and shareholder loan that are denominated in EUR. (liabilities below table) and cash equivalents denominated in EUR (assets in below table) The Group abstained from hedging the EUR/CZK exchange rate

for the period. The Group's management is conscious of the potential risks associated with exchange rate fluctuations and is considering adopting hedging strategies in the future.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	EUR	
	31/12/2022 ths. CZK	**15/06/2022 ths. CZK**
Debts	4 447 675	0
Cash and cash equivalents	607 451	0

	EUR	
	31/12/2022 ths. CZK	**15/06/2022 ths. CZK**
Financial assets		
Cash and cash equivalents	591 102	0
Other assets (escrow account)	96 460	0
Financial liabilities		
Debts	- 4 447 675	0
Net position	- 3 760 313	0

For foreign exchange rate CZK/EUR sensitivity analysis see the VaR analyses above.

(b) Interest rate risk management
The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by utilization group cashpooling and maintaining mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts.

At the end the reporting period the floating interest rate, that arose from the acquisition loan is not hedged. The Group's management is conscious of the potential risks associated with interest rate fluctuations and as a result the Group concluded an interest rate derivative securing the interest rate for a EUR bank loan in January 2023.The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to interest rates instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

For interest rate sensitivity analysis see the VaR analyses above.

(c) Commodity price risk
Commodity price risk in the Group primarily arises from price fluctuations and the availability of gas for electricity production and electricity revenue stream. The Group may enter into derivative transactions to limit these risks, but at the end of the reporting period all commodity derivatives has been settled. The Group's management is conscious of the potential risks associated with fluctuations of gas and electricity prices and as a result the Group concluded in following accounting period a commodity derivatives securing or contractual securing the price of gas and electricity. This securing lock the margin and is executed in several tranches.

For commodity price sensitivity analysis see the VaR analyses above.

(d) Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash

flows, and by matching the maturity profiles of financial assets and liabilities. To further reduce the liquidity risk, the group has the option of drawing credit lines (see note 24).

Liquidity and interest risk tables
The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

The contractual maturity is based on the earliest date on which the Group may be required to pay.

31 December 2022	Effective interest rate %	Less than 1 year ths. CZK	1-5 years ths. CZK	5+ years ths. CZK	Total ths. CZK	Carrying amount ths. CZK
Trade and other payables	-	333 927	0	0	333 927	333 927
Loans from shareholder	7,0 %	202 080	758 971	4 322 578	5 283 629	3 169 764
Loans from bank	7,1%	185 962	2 234 463	0	2 420 425	1 790 943
Lease liabilities	7,5 %	3 223	5 581	0	8 804	7 831
Other bank loans	3,6 %	43 883	92 337	0	136 220	132 338
Other liabilities	-	203 206	0	0	203 206	203 206
Interest rate swap						
- derivative liability	-	0	0	0	0	
- derivate assets	-	1 687	3 821	0	0	5 508

(e) Credit risk
Credit risk primarily originates from cash deposits in banks and sales to customers.

To mitigate this risk that could arise from sale of heat, electricity and water supply , the Group has implemented the principle of requiring monthly advances for utility supply from customers. Monthly advance payments from customers reduce account receivables exposure and give the group regularly indication about customer financial behaviour/healthy.

To mitigate this risk that could arise from EPC projects, the group usually sells the trade receivables to reduce credit risk and manages the liquidity.

At the end of the reporting period, the Group has a bank account with a single banking institution, which is the same entity from which the Group obtained a loan. Given that this banking institution is part of an international group, management considers the credit risk to be very low.

36.3. Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group. Management of the company oversees the debt/equity ratio to maintain optimal financial leverage and ensure sustainable growth.

Debt is defined by the Group as long- and short-term borrowings and lease liabilities (excluding derivatives) as disclosed in notes 24. Net debt is defined as debt after deducting cash and cash equivalents.

Equity includes capital, reserves, retained earnings, and non-controlling interests as disclosed in notes 30 and 32.

For more information regarding to financial covenants see note 24.1.

The gearing ratio at the year-end is as follows:

	31/12/2022 ths. CZK
Debts	5 100 876
Cash and cash equivalents	878 053
Net debt	4 222 823
Equity	**449 604**
Net debt to equity ratio	9,39

37. Events after the reporting period

On January 23, 2023, the company
- repaid the obligation from the purchase of a share in the subsidiary in full (see note 28)
- concluded an interest-rate swap to secure 75% of a EUR bank loan, which bears a floating interest rate

On March 1, 2023, the following changes were made to the commercial register:
- the name of the company „Cube III Energy CZ s.r.o." was deleted,
- the name of the company „ENETIQA Energy s.r.o." was established,
- there was an increase in the share capital in amount CZK 444 610 ths.

On April 1, 2023, the company's address changed.

On April 11, 2023, the following changes were made in the commercial register:
- Mr. SIMONE PINI was deleted as an executive (termination of office on 1 April 2023),
- Mr. Ing JAN VENCOUR was registered as an executive (start of position on 1 April 2023),
- Mr. JÖRG LÜDORF was registered as an executive (start of position on 1 April 2023).

On May 2, 2023, Enetiqa Energy s.r.o. requested to shorten the financial year to September 2023.

38. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its shareholder and other related parties are disclosed below.

38.1. Trading transactions and loans from related parties

In the current period, the Group entities had no other relationships with related parties except for the shareholder loan described in note 24 and expenses to shareholder refer to note 13.

38.2. Remuneration of key management personnel

Annual management bonuses are based on the fulfilment of criteria in finance, sales and the production-technical area in the relavant past period. Remunerations are paid only after the approval of the audited statements by the general meeting, i.e. usually in the March next year.

The remuneration of the directors, who are the key management personnel of the Group, is set out below:

	From 15/6/2022 to 31/12/2022 ths. CZK
Short-term employee benefits	-820
Post-employment benefits	-10
Other long-term benefits	-142
Termination benefits	-28
	-1 000

Financial statements

Balance sheet

Balance sheet date: 31 December 2022 (in thousand Czech crowns)
for the period from 15 june 2022 to 31 December 2022

Ref.			Assets	Row	31. 12. 2022			15. 6. 2022
					Gross	Provision	Net	Net
			TOTAL ASSETS	001	**5,372,136**	**-**	**5,372,136**	**120**
B.			**Fixed assets**	003	**4,599,451**	**-**	**4,599,451**	**-**
B.	**III.**		**Long-term investments**	027	**4,599,451**	**-**	**4,599,451**	**-**
B.	III.	1.	Investments - subsidiaries and controlling party	028	4,599,451	-	4,599,451	-
C.			**Current assets**	**037**	**732,275**	**-**	**732,275**	**120**
C.	**IV.**		**Cash**	**075**	**732,275**	**-**	**732,275**	**120**
C.	IV.	2.	Cash at bank	077	732,275	-	732,275	120
D.			Prepayments and accrued income	078	40,410	-	40,410	-
D.	3.		Accrued income	081	40,410	-	40,410	-

Balance sheet

Balance sheet date: 31 December 2022 (in thousand Czech crowns)
for the period from 15 june 2022 to 31 December 2022

Liabilities and equity	Row	31. 12. 2022	15. 6. 2022
TOTAL LIABILITIES AND EQUITY	**082**	**5,372,136**	**120**
Equity	**083**	**2,279**	**120**
Share capital	**084**	**120**	**120**
Share capital	085	120	120
Profit / (loss) for the current period	**102**	**2,159**	**-**
Liabilities	**104**	**5,369,857**	**-**
Provisions	**105**	**5,661**	**-**
Income tax provision	107	5,661	-
Payables	**110**	**5,364,196**	**-**
Long-term payables	**111**	**3,385,943**	**-**
Liabilities - subsidiaries and controlling party	119	3,385,943	-
Short-term payables	**126**	**1,978,253**	**-**
Liabilities due to financial institutions	130	1,831,688	-
Trade payables	132	12,543	-
Liabilities - subsidiaries and controlling party	134	12,468	-
Liabilities - other	136	121,554	-
Taxes and state subsidies payable	141	8	-
Estimated payables	142	6,361	-
Other liabilities	143	115,185	-

Income statement

Balance sheet date: 31 December 2022 (in thousand Czech crowns)
for the period from 15 june 2022 to 31 December 2022

				Skutečnost v účetním období	
Ref.			**Row**	**31. 12. 2022**	**15. 6. 2022**
A.		**Cost of sales**	**03**	**1,198**	**-**
A.	3.	Services	06	1,198	-
*		**Operating result**	**30**	**(1,198)**	**-**
J.		Interest and similar expenses	43	20,176	-
J.	1.	Interest and similar expenses - subsidiaries or controlling party	44	12,468	-
J.	2.	Other interest and similar expenses	45	7,708	-
VII.		Other financial income	46	39,759	-
K.		Other financial expenses	47	10,565	-
*		**Financial result**	**48**	**9,018**	**-**
**		**Net profit / (loss) before tax**	**49**	**7,820**	**-**
L.		Tax on profit or loss	50	5,661	-
L.	1.	Tax on profit or loss - current	51	5,661	-
**		**Net profit / (loss) after tax**	**53**	**2,159**	**-**
***		**Net profit / (loss) for the financial period**	**55**	**2,159**	**-**
*		**Net turnover for the financial period**	**56**	**39,759**	**-**

Notes to financial statements

for the period from 15 June 2022 to 31 December 2022

1. GENERAL INFORMATION

1.1. Establishment and introductory information about the Company

ENETIQA Energy s.r.o. ("the Company") was established by its Articles of Association as a limited liability company on 14 April 2022, incorporated on 15 June 2022 by the Municipal Court in Prague, Section C, Insert 368824 and has its registered office at Kačírkova 982/4, Jinonice, 158 00 Prague 5.

The Company's primary business activities are production, trade and services not specified in annexes 1 to 3 of the Trade Licensing Act.

Natural and legal persons holding more than 20% of the Company's share capital and the amount of their shares are listed in the table below:

Shareholder	% of capital
Cube III Energy Co-Investment CZ S.à r.l.	100%
Total	**100%**

1.2. Changes and additions to the Commercial Register in the last financial year

On 25 July 2022, the following changes were made to the Commercial Register:

- the name of the company „Balara Holding, s.r.o." has been deleted,
- the name of the company „Cube III Energy CZ s.r.o." has been registered,
- the registered office of the company at U Kamýku 284/11, Kamýk, 142 00 Prague 4 has been deleted,
- the registered office of the company at Panská 854/2, Nové Město, 110 00 Prague 1 has been registered,
- Mr Martin Žižka has been removed from the position of Statutory Representative (termination of the office on 22 June 2022),
- Mr Simone Pini has been registered as Statutory Representative (appointment on 22 June 2022),
- a shareholder Companies.cz s.r.o. has been deleted,
- a shareholder Cube III Energy S.à r.l. has been registered.

On 20 December 2022, the following changes were made to the Commercial Register:

- a shareholder Cube III Energy S.à r.l. has been deleted,
- a shareholder Cube III Energy Co-Investment CZ S.à r.l. has been registered.

1.3. Current economic situation

The ongoing military conflict in Ukraine and the related sanctions against the Russian Federation and Belarus are having a significant impact on national economies in Europe and around the world. The Company has no direct exposure to Ukraine, Russia or Belarus.

The impact of the aforementioned military conflict and sanctions on the Company is indirect, mainly in the form of inflation. The Company's management continues to monitor the situation and its impact on the Company. As at the date of this report, the Company is in proper compliance with its obligations and therefore applies the going concern assumption.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's accounting is maintained and the financial statements have been prepared in accordance with Act No. 563/1991 Coll. on Accounting, as amended, Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll. on Accounting, for entities that are entrepreneurs accounting in the double-entry bookkeeping system, as amended, and the Czech Accounting Standards for Entrepreneurs, as amended.

The accounting follows general accounting principles, in particular the principle of valuation of assets at historical cost (unless otherwise stated below), the principle of accrual accounting, the precautionary principle and the going concern assumption.

The Company's financial statements are prepared as at the balance sheet date of 31 December 2022 for the period since establishment of the Company on 15 June 2022 to 31 December 2022. Due to the incorporation of the Company during the financial year, the income statement does not contain comparative figures and the balance sheet contains within the comparative figures only the opening balance sheet figures at the date of incorporation of the Company.

The financial information in these financial statements is expressed in thousands of Czech crowns (CZK), unless otherwise stated below.

2.2. Long-term investments

Long-term financial investments are investments in companies with a significant influence.

Investments are stated at cost when purchased. Cost includes direct costs related with its acquisition, such as fees and commissions to brokers, advisors and stock exchanges.

At the date of acquisition of the investments, these long-term financial investments are classified by the Company as investments in subsidiaries and investments in associates or held-to-maturity securities or available-for-sale securities and investments, depending on their nature.

Investments in companies whose cash flows and operating processes the Company can control in order to obtain benefits from their activities are classified as investments in subsidiaries.

Investments in companies whose financial flows and operating processes can be significantly influenced by the Company in order to obtain benefits from their activities are classified as Investments in associates.

As at the balance sheet date, investments in controlled and managed entities and in associates are measured at cost less valuation allowances.

2.3. Receivables

Receivables are stated at nominal value less a provision.

Receivables are classified as short-term and long-term, with short-term receivables falling due within one year of the balance sheet date.

2.4. Payables

Payables are stated at nominal value.

Payables are classified as short-term and long-term, with short-term receivables falling due within one year of the balance sheet date.

2.5. Loans

Loans are stated at nominal value less a provision. Part of long-term loans that are due within one year from the balance sheet date are also considered short-term loans.

2.6. Provisions

The Company recognises provisions to cover its obligations or expenses, when the nature of the obligations or expenses is clearly defined and it is probable or certain as at the balance sheet date that they will be incurred, however their precise amount or timing is not known.

2.7. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the exchange rate of the Czech National Bank applicable at the accounting event date.

Foreign currency assets and liabilities are translated at the exchange rate published by the Czech National Bank as at the balance sheet date.

2.8. Revenue

Revenue is stated on an accrual basis, i.e. to the period to which they are materially and temporally related.

Revenue is stated at the value of the consideration received or to be received and represents receivable for goods and services provided in the ordinary course of business, net of discounts, value added tax and other sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and the rights relating to those goods are transferred.

2.9. Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the company, their subsidiaries and associates;
- parties, which have directly or indirectly significant influence on the company;
- members of the company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence;
- subsidiaries and associates and joint-venture companies.

Material transactions and outstanding balances with related parties are disclosed in Notes 3.6.

2.10. Use of estimates

The preparation of the financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company's management has determined these estimates and assumptions based on all relevant information available to it. However, as the nature of the estimate implies, actual values in the future may differ from these estimates.

2.11. Interest expense

All borrowing costs are expensed.

2.12. Income tax

2.12.1. Current tax

The Company's management has recognised the tax liability and tax expense based on a tax calculation that is based on its understanding of the interpretation of tax laws enacted in the Czech Republic as at the balance sheet date and is satisfied that the amount of tax is correct in accordance with the applicable tax laws of the Czech Republic. Given the existence of various interpretations of tax laws and regulations by third parties, including government authorities, the income tax liability recorded in the Company's financial statements is subject to change based on the final opinion of the tax authorities.

2.12.2. Deferred tax

Deferred tax calculation is based on the liability method based on the balance sheet approach.

The carrying amount of a deferred tax asset is assessed and reduced as at the balance sheet date to the extent that it is no longer probable that sufficient taxable profit will be available against which the asset, or part of it, can be utilised.

Deferred tax is recognised in the income statement except to the extent that it relates to items charged directly to equity and the related deferred tax is also included in equity.

Deferred tax assets and liabilities are netted against each other and recognised in the balance sheet at their total net amount, except where certain partial tax assets cannot be offset against partial tax liabilities.

2.13. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed but are not themselves recognised in the financial statements.

3. ADDITIONAL INFORMATION

3.1. Long-term investments

On 9 December 2022, 100% of the shares in ENETIQA a.s. were acquired (formerly MVV Energie CZ a.s.).

Name of subsidiary	ENETIQA a.s.
Registered office of subsidiary	Kačírkova 982/4, Jinonice, 158 00 Prague 5
Acquisition cost	CZK 4,599,451 thousand

The Company is fully owned by Cube III Energy Co-Investment CZ S.à r.l. incorporated in Luxembourg.

3.2. Short-term payables

As at 31 December 2022, the Company recorded short-term trade payables in the amount of CZK 12,544 thousand.

As at 31 December 2022, the Company registered liability from the acquisition of a share in a subsidiary in the amount of CZK 96,460 thousand (EUR 4,000 thousand).

As at 31 December 2022, the Company registered a liability to the credit institution Komerční Banka, a.s. in the amount of CZK 1,831,688 thousand for the acquisition of a share in a subsidiary.

To secure the liabilities under the Loan Agreement with the financial institution Komerční banka, a.s. the Company has entered into the following agreements:

- agreement on the establishment of a pledge over receivables from bank accounts and relevant agreements concluded on 8 December 2022 between the Company and Komerční banka
- agreement from 9 December 2022 between the Company and Komerční banka on the establishment of financial security in the form of a pledge over shares in ENETIQA a.s.
- Security Agreement concluded on 8 December 2022 between the Company and CUBE III Energy Co-Investment CZ S.à r.l. and Komerční banka.

The Company has not any other payables that have not been secured against any assets of the Company and are not due after more than 5 years.

The Company does not have any liabilities or commitments that are not recognised in the balance sheet.

The Company did not provide any guarantees which were not recorded in the balance sheet.

The management of the Company is not aware of any contingent liabilities as at 31 December 2022.

3.3. Other financial expenses

Other financial expenses consist of exchange rate losses and bank fees.

3.4. Other financial income

Other financial income mainly consists of exchange rate income.

3.5. Off-balance sheet liabilities

The Company does not have any liabilities that are not recognised in the balance sheet.

3.6. Related party transactions and balances

As at 31 December 2022, the Company recorded a liability to the controlling party in the amount of CZK 3,398,411 thousand in respect of a loan received.

No loans, credits, deposits, advances were provided to Statutory Representatives as at 31 December 2022.

3.7. Subsequent events

On 23 January 2023, the Company has fully paid the liability for the acquisition of the investments in subsidiary.

On 17 February 2023, the Company entered into a pledge agreement with the financial institution Komerční banka, a.s. for the receivables under the intra-group loan agreement.

On 1 March 2023, the following changes were made to the Commercial Register:

- the name of the company „Cube III Energy CZ s.r.o." has been deleted,
- the name of the company „ENETIQA Energy s.r.o." has been registered,
- the share capital has been increased.

On 1 April 2023, the registered office of the Company has been changed.

On 11 April 2023, the following changes were made to the Commercial Register:

- Mr. SIMONE PINI has been removed from the position of Statutory Representative (termination of the office on 1 April 2023),
- Mr JAN VENCOUR has been registered as Statutory Representative (appointment on 1 April 2023),
- Mr JÖRG LÜDORF has been registered as Statutory Representative (appointment on 1 April 2023).

On 31 May 2023, loans from the credit institution Komerční banka, a.s. have been fully paid.

No other events have occurred subsequent to year-end that would have a material impact on the financial statements.

17. 5. 2024

Jörg Lüdorf
Chairman of the Board of Directors

Ing. Jan Vencour
Member of the Board of Directors

Report on Relations

Business name:	ENETIQA Energy s.r.o.
Registered seat:	Kačírkova 982/4, 158 00 Prague 5 – Jinonice
Company ID:	172 45 184
VAT ID:	CZ17245184

The company is entered in the Commercial Register managed by the Municipal Court in Prague, Section C, File no. 368824 (hereinafter referred to as the „Company").

The Managing Directors of the Company:

1) DECLARES THAT

- The business concern has joint management – with a holding entity and a subsidiary;
- The holding entity, pursuant to Section 79 of Act No. 90/2012 Coll., on Business Corporations, as amended (hereinafter referred to as the "Business Corporations Act"), and the majority owner are always the controlling entities, unless Section 75 of the Business Corporations Act states otherwise, and the subsidiary is always the controlled entity.

Based on the above, the Company Managing Directors are required, in compliance with Section 82 of the Business Corporations Acts, to prepare a written Report on the Relations between the controlling and the controlled entities for the past accounting period, within 3 months of the end of the accounting period.

2) APPROVES THE REPORT ON RELATIONS FOR THE PERIOD OF JUNE 2022 – DECEMBER 2022

The structure of relations between the holding entity and all subsidiaries (the controlling entity and the controlled entities) within the ENETIQA concern:

The Company is member of the ENETIQA concern; the structure and parts of it are defined in Appendix 1 hereto.

Controlling entity (holding entity – concern pursuant to Section 79 of the Business Corporations Act)

The Company is controlled by Cube III Energy S.à r.l., Commercial Register entry number: B258410, with registered seat at Ave de la Liberté 41 1931, Luxembourg City, the Grand Duchy of Luxembourg.

The other entities controlled by the controlling entity (i.e. the holding entity)

This Report on Relations defines all relationships between the Company and other controlled entities, or the holding entity. The mutual relations between the controlled entities are described in the Reports on Relations prepared by the respective entities. Other entities controlled by a controlling entity are not mentioned as the Company has no relationship with them.

1. Entities indirectly controlled by the controlling entity (i.e. indirect subsidiaries):

ENETIQA a.s., with its registered seat at Praha 5 – Jinonice, Kačírkova 982/4,
post code: 158 00, Company ID: 49685490
CTZ s.r.o., with its registered seat at Uherské Hradiště, Mařatice, Sokolovská 572, post code: 686 01,
Company ID: 63472163;
ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., with its registered seat at Česká Lípa, Liberecká 132, Stará Lípa,
post code: 470 01, Company ID: 64653200;
Českolipské teplo a.s., with its registered seat at Prague 5, Jinonice, Kačírkova 982/4,
post code: 158 00, Company ID: 63149907;
e.services s.r.o., with its registered seat at Děčín, Děčín I–Děčín, Oblouková 958/25,
post code: 405 02, Company ID: 28748514;
ENERGIE Holding a.s., with its registered seat at Prague 5, Jinonice, Kačírkova 982/4,
post code: 158 00,Company ID: 27594301;
Enetiqa GmbH, with its registered seat at Karlsruhe, Krämerstraße 46,
post code: 76189, Federal Republic of Germany, Company ID: HRB 745706
G-LINDE s.r.o., with its registered seat at Prague 5, Jinonice, Kačírkova 982/4,
post code: 158 00, Company ID: 24684538;
G-RONN s.r.o., with its registered seat at Prague 5, Jinonice, Kačírkova 982/4,
post code: 158 00, Company ID: 24679399;
IROMEZ s.r.o., with its registered seat at Pelhřimov, Pod Náspem 2005, post code: 393 01, Company ID: 24707341;
OPATHERM a.s., with its registered seat at Opava, Město, Horní náměstí 283/58,
post code: 746 01, Company ID: 25385771;
POWGEN a.s., with its registered seat at Prague 5, Jinonice, Kačírkova 982/4,
post code: 158 00, Company ID 27928411;
Teplárna Liberec, a.s., with its registered seat at Liberec IV–Perštýn, Dr. Milady Horákové 641/34a,
post code: 460 01, Company ID: 62241672;
TERMIZO a.s., with its registered seat at Liberec VII–Horní Růžodol, Dr. Milady Horákové 571/56,
post code: 460 07, Company ID: 64650251;
TERMO Děčín a.s., with its registered seat at Děčín I–Děčín, Děčín, Oblouková 958/25,
post code: 405 02, Company ID: 64050882;
Zásobování teplem Vsetín a.s., with its registered seat at Vsetín, Jiráskova 1326,
post code: 755 01, Company ID: 45192588.

Role of the Controlled Entity in ENETIQA Concern

Holding company in the Czech Republic.

Control Means and Method

Through the ownership share in the framework of the Company General Meeting decision-making process or by means of the holding (controlling) entity's instructions.

A survey of actions performed in the accounting period of June 2022 – December 2022 at the behest or in the interest of the controlling entity or any of the entities controlled by it, where the action concerned assets exceeding 10 % of the controlled entity's equity entered in the latest Financial Statement:

Business name	loan received from the controlling entity in '000 of CZK	interest on loan in '000 of CZK
Cube III Energy Co-Investment CZ S.à r.l.	3,157,296	12,468

With the exception of the conclusion and enactment of the agreements described below, there have been no transactions at the instigation of or in the interest of the Controlling entity or Entities controlled by the Controlling Entity that involve assets in excess of 10% of the Controlled Entity's equity determined in accordance with the most recent financial statements:

Contracting party	Date of execution	Contract title
Cube III Energy CZ s.r.o. MVV Energie AG	10. 8. 2022	Agreement for the sale and purchase of the entire issued share capital of MVV Energie CZ a.s.

Agreements concluded by and between the company and the controlled entity (subsidiary) or the controlling (holding) entity and mutually by and between the controlled entities during the period June 2022 – December 2022.

Contracts with Cube III Energy Co-Investment CZ S.à r.l.

Contracting party	Date of execution	Contract title
Cube III Energy CZ s.r.o. Cube III Energy Co-Investment CZ S.à r.l.	8. 12. 2022	Interest Bearing Loan Agreement
Cube III Energy CZ s.r.o. Cube III Energy Co-Investment CZ S.à r.l.	8. 12. 2022	Interest-free Loan Agreement

Contracts with ENETIQA a.s.

Contracting party	Date of execution	Contract title
Cube III Energy CZ s.r.o. Cube III Energy Co-Investment CZ S.à r.l. Komerční banka, a.s. KOMMUNALKREDIT AUSTRIA AG	8. 12. 2022	Intercreditor Agreement
Cube III Energy CZ s.r.o. Cube III Energy Co-Investment CZ S.à r.l. Komerční banka, a.s.	8. 12 .2022	Security Agreement

Other losses incurred to the company ENETIQA a.s. and the evaluation of the settlement of losses pursuant to Sections 71 and 72 of the Business Corporations Act, as amended

The Company suffered no harm in connection with its participation in the Group and its control during the Relevant Period.

Secret Information

All information and facts which form the business secrets of the controlling or controlled entities (the holding entity and the subsidiaries) or other entities within the ENETIQA concern, are confidential, including all information designated by any related entity as being confidential. In addition to the above, all information related to the business and other associated information and facts that might be considered secret and which could harm any entity within the ENETIQA concern, are confidential.

In compliance with Section 504 and the business secrets breach clause pursuant to Act No. 89/2012 Coll., the Civil Code, as amended, this Report on Relationships excludes information of the above-mentioned nature, to prevent potential loss on the part of the controlled and controlling entities (the holding company and subsidiary).

Additional information

Additional information may be found in the Financial Statements of ENETIQA Energy s.r.o.

Assessment of the Advantages and Disadvantages Resulting from the Relationships between ENETIQA Concern Entities, Risk Assessment, and Information on the Potential Loss Settlement

The relationships between group entities are based on the arm's length principle and intra-group transactions are implemented under market conditions, and thus the controlled entities are exposed to no extraordinary advantages, disadvantages, or risks following from their membership of the concern. In the course of the accounting period, no other measures were taken in the interest or at the behest of the controlling or controlled entities outside the scope of common measures taken by a controlled entity in relation to the controlling entity as the owner of the controlled entity. As none of the companies within the ENETIQA Group was harmed by the Company's actions, the Company was not obliged to compensate them.

Conclusion

Managing Directors of ENETIQA Energy s.r.o. states that on the basis of the contracts effective in the period between June 2022 and December 2022 and executed between the Company and other entities of the ENETIQA concern and other dealings of the Company in the interest or at the behest of the ENETIQA concern members carried out in the same period between June 2022 and December 2022, the Company has not suffered any loss.

In Prague, on 17. 5. 2024

On behalf of ENETIQA Energy s.r.o.

Jörg Lüdorf
Managing Director

Ing. Jan Vencour
Managing Director

Appendix no. 1 to the Report on Relations

Concern Structure of ENETIQA Group as of 30 December 2022

Cube III Energy S.à r.l.

Cube III Energy Co-Investment CZ S.à r.l.

ENETIQA Energy s.r.o.

ENETIQA a.s.

CTZ s.r.o.
ENETIQA a.s. 50.96%
City of Uherské Hradiště 49.04%

Českolipské teplo a.s.
ENETIQA a.s. 100.00 %

ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.
Českolipské teplo a.s. 75.00%
OSBD Česká Lípa 19.99%
City of Česká Lípa 5.01%

e.services s.r.o.
ENETIQA a.s. 100.00 %

ENERGIE Holding a.s.
ENETIQA a.s. 100.00 %

Teplárna Liberec, a.s.
ENERGIE Holding a.s. 76.04%
Statutory City of Liberec 23.96%

Enetiqa GmbH
ENETIQA a.s. 100.00 %

G-LINDE s.r.o.
ENETIQA a.s. 100.00 %

G-RONN s.r.o.
ENETIQA a.s. 100.00 %

IROMEZ s.r.o.
ENETIQA a.s. 100.00 %

OPATHERM a.s.
ENETIQA a.s. 100.00 %

POWGEN a.s.
ENETIQA a.s. 100.00 %

TERMIZO a.s.
ENETIQA a.s. 100.00 %

TERMO Děčín a.s.
ENETIQA a.s. 96.91%
Statutory City of Děčín 3.09%

Zásobování teplem Vsetín a.s.
ENETIQA a.s. 100.00 %

Events after the reporting period

On 23 January 2023, the Company fully paid its liability for the acquisition of investments in the subsidiary.

On 17 February 2023, the Company entered into a pledge agreement with the financial institution Komerční banka, a.s. for receivables under the intra-group loan agreement.

On 1 March 2023, the following changes were made to the Commercial Register:

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- Mr Jörg Lüdorf was registered as Statutory Representative (appointmented 1 April 2023).

On 31 May 2023, loans from the credit institution Komerční banka, a.s. were fully paid.

No other events have occurred subsequent to year-end with a material impact on financial statements.

www.enetiqa-energy.cz