ENETIQA
Energy

Annual report 2023–2024

ENETIQA

WE ARE ENERGY

ENETIQA is an energy group operating in 15 cities in the Czech Republic in the following fields:

- **heat production and distribution**
- **high-performance electricity generation**
- **waste to energy production**
- **energy saving (EPC method)**
- **water management**

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, Corporate ID: 17245184. The Company's primary business activities are production, trade and services not specified in annexes 1 to 3 to 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 28-32, Place de la Gare, L-1616, Luxembourg, Grand Duchy of Luxembourg. It covers the activity of the ENETIQA Group in the Czech Republic.

Company People

As of the date of the issuance of the annual report, ENETIQA Energy s.r.o. has two statutory executives, Mr. Jörg Lüdorf and Mr. Jan Vencour. The Company has no employees.

The Supervisory Board supervises the exercise of the statutory body's powers and the implementation of the Company's business activities.

Supervisory Board

Saket Trivedi	Chairman of the Supervisory Board
Alberto Martinez Lopez	Member of the Supervisory Board
Stephane Paul Henri Calas	Member of the Supervisory Board

Significant Events

As of 1 July 2024, a supervisory body of the Company was established - the Supervisory Board.

Compliance

The Company does not perceive any material risks in the area of Compliance.

The Company did not acquire any treasury shares or equity interests during the reporting period.

ENETIQA Energy s.r.o.
Registered office: Kačírkova 982/4, 158 00 Praha 5 – Jinonice
Corporate ID: 17245184
VAT ID: CZ17245184
Legal status: Limited liability Company
The Company is recorded in the Register of Companies maintained by the Municipal Court in Prague, Section C, File 368824
+420 272 113 113
info@enetiqa-energy.cz
www.enetiqa-energy.cz

Report of the Board of Statutory Executives

on business activities for the year ended 30 September 2024

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

Activities of ENETIQA Group Companies

The companies within the ENETIQA Group primarily focus on the production and distribution of heat. The Group also generates electricity in eleven cities across the Czech Republic, with some companies involved in water management, electronic communications, and other services. ENETIQA a.s., a member of the Group, boasts the longest experience in implementing energy-saving projects in the country. Beyond offering services through the EPC (Energy Performance Contracting) method, it provides a range of related energy services to customers nationwide.

Energy Production

The ENETIQA Group primarily relies on a fuel mix dominated by natural gas for heat production. All electricity is generated exclusively through cogeneration, a process that combines the production of electricity and heat. Across twenty locations in eleven cities, the Group operates cogeneration engines or turbines with a total output of nearly 60.9 MWe for this combined production.

Uniquely in the Czech Republic, the ENETIQA Group utilises geothermal water to supply heat to thousands of households in Děčín. This geothermal source has significantly improved the region's environmental footprint and was awarded the "Project of the Decade" by the Association for the District Heating of the Czech Republic for advancements in heat and cold supply systems.

Since 2011, ENETIQA has also been active in the energy recovery from waste. In the Liberec region, the Group converts more than half of the waste that would otherwise go to landfills into heat and electricity.

ENETIQA Group Customers

Our customers in fifteen cities across the Czech Republic include households, both large and small industrial enterprises, as well as cities and municipalities. The Group has continued to develop its loyalty programme, offering rewards for long-term contracts. Additionally, ENETIQA has once again partnered with the cities where it operates on various social, sporting, and cultural projects.

Environment

The ENETIQA Group pursues objectives aligned with the climate commitments of individual cities and municipalities, often taking the lead in initiating such projects, as demonstrated by the list of initiatives implemented or planned during the reporting period. All Group companies strive to carry out their operations with minimal environmental impact. In heat production, for example, this includes the use of appropriate fuels such as natural gas, geothermal sources, and biomass, as well as the combined generation of heat and electricity (cogeneration), ensuring maximum fuel efficiency. During the previous reporting period, the Group also implemented various measures to improve efficiency, reduce heat losses, and renew resources and distribution networks. Providing a high-quality and safe energy supply and maintaining an active approach to customer service remain the top priorities for the ENETIQA Group. This includes reliable customer support, expert advice, continuous emergency dispatch services, and the management of heat production and distribution equipment.

Research and Development

The ENETIQA Group is also active in research and development. Together with Teplárna Liberec, a.s., and LEEF Technologies, we have launched the POPTEK project. In this project, we are developing an IT solution for managing and controlling an energy community, which will be tested in the real operational setting of Teplárna Liberec, a.s. The project, titled "Development and Practical Testing of an IT Solution for Optimising the Use of Renewable Energy Sources and Batteries in an Energy Community", will span the next two years and is co-financed by the Technology Agency of the Czech Republic under the THÉTA 2 programme, which supports applied research and innovation.

The ENETIQA Group will continue to advance projects in sustainable development, leveraging a range of innovations and new technologies. This is a key part of ENETIQA's strategy for further growth and expansion within 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.

Employees

The ENETIQA Group has also focused on services for employees, their professional development, and support for team activities. With over 500 employees in regional locations and at the headquarters in Prague, the Group has provided fulfilling and stable employment in a promising sector.

Significant Subsequent Events

After the end of the reporting period, the following events occurred:

- 1 October 2024: A change in the position of statutory executive took place at ENETIQA Trading s.r.o. The new statutory executive is Mr. Miloslav Fialka, Ph.D.
- 3 October 2024: OPATHERM a.s. received a prepayment of CZK 6,000,000 from ČPP for insurance compensation related to the September flood. The funds were used for purchasing pumps and meters.
- 31 December 2024: The ENETIQA Group, through Teplárna Liberec a.s., acquired a 100% share in WARMNIS spol. s r.o., Corporate ID: 43224679.
- 9 January 2025: QuantumX S.à r.l., registered office at Boulevard F.W. Raiffeisen, 17, L-2411 Luxembourg, Grand Duchy of Luxembourg, became a partner in ENETIQA Energy s.r.o.

In Prague on 22 January 2025

Jörg Lüdorf
Statutory Executive

Jan Vencour
Statutory Executive

Independent Auditor's Report

Deloitte.

Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
120 00 Prague 2 – Vinohrady
Czech Republic

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DeloitteCZ@deloitteCE.com
www.deloitte.cz

Registered by the Municipal Court in Prague, Section C, File 24349
ID. No.:49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT

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

Having its registered office at: Kačírkova 982/4, Jinonice, 158 00 Prague 5, the Czech Republic

Opinion

We have audited the accompanying consolidated financial statements of ENETIQA Energy s.r.o. and its subsidiaries (the "Group") prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 36.3 of the notes to the consolidated financial statements, which describes that the Group reported a loss after tax of CZK 457,759 thousand as of 30 September 2024. The Group depends on the parent company's financial support, which has expressed this support in writing. Our opinion is not modified in respect of this matter.

We further draw attention to note 1 of the notes to the consolidated financial statements, which describes the fact that the comparable period included only a nine-month period of business activity and, therefore, the presented financial results and cash flows are not fully comparable. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of ENETIQA Energy s.r.o. for the period of 9 months ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 17 May 2024.

Other Information in the Consolidated Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Consolidated Annual Report other than the consolidated financial statements and auditor's report thereon. The Statutory executives are responsible for the other information.

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Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory executives and Supervisory Board for the Consolidated Financial Statements

The Statutory executives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Statutory executives determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Statutory executives are responsible for assessing the Group'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 executives either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory executives.
- Conclude on the appropriateness of the Statutory executives 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 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

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audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 executives and the Supervisory Board 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.

In Prague on 22 January 2025

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Lubomír Křivánek
registration no. 2560

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Consolidated Financial Statements of the Group

Consolidated Statement of Comprehensive Income

For the period ended 30 September 2024

(CZK '000)	Note	1 Oct 2023, to 30 Sept 2024	1 Jan 2023, to 30 Sept 2023
PROFIT OR LOSS			
Revenue from contracts with customers	7	3,484,748	2,341,912
Other operating income	8	50,699	25,574
Change in inventories	21	20,594	10,123
Work performed by the entity and capitalised		355	363
Cost of materials and services	9	(2,333,305)	(1,721,850)
Personnel expenses	10	(504,728)	(337,611)
Other operating expenses	11	(190,981)	(185,575)
Depreciation and amortisation expenses	16.19	(515,790)	(727,351)
Impairment losses on trade receivable	22	(2,719)	(1,356)
Other gains and losses	12	3,809	(6,603)
Interest income	13	11,709	7,269
Interest expenses	13	(352,046)	(255,792)
Other Financial gains and losses	14	(151,389)	(26,184)
Loss before tax		**(479,043)**	(877,081)
Income taxes	15	21,285	90,897
Net loss for the period		**(457,759)**	(786,184)
Attributable to:			
Equity holders of the parent company		(442,466)	(729,166)
Non-controlling interest	32	(15,293)	(57,018)

(CZK '000)	Note	1 Oct 2023, to 30 Sept 2024	1 Jan 2023, to 30 Sept 2023
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax			
Fair value gain/(loss) from the effective portion on hedging instruments in the period		(45,254)	14,246
Less: Cumulative (gain)/loss on hedging instruments reclassified to profit or loss		0	0
Income tax relating to items that may be reclassified to profit or loss		2,354	(2,540)
Other comprehensive income for the year, net of tax		**(42,900)**	**11,706**
TOTAL COMPREHENSIVE LOSS		**(500,659)**	**(774,478)**
Attributable to:			
Equity holders of the parent company		(485,366)	(717,460)
Non-controlling interest	32	(15,293)	(57,018)

Consolidated Statement of Financial Position

For the period ended 30 September 2024

(CZK '000)	Note	30 Sept 2024	30 Sept 2023
ASSETS			
Intangible assets	16	13,081	13,241
Goodwill	17	45,221	45,221
Emission allowances	18	217,997	273,818
Property, plant and equipment	19	5,132,159	4,717,644
Derivatives and other financial assets	25	5,127	12,305
Trade and other receivables	22	24,066	31,309
Deferred tax assets	26	2,181	2,318
Total non-current assets		**5,439,831**	**5,095,856**
Inventories	21	73,999	80,817
Trade and other receivables	22	834,234	410,005
Derivatives	25	4,607	20,417
Other assets	23	30,978	74,457
Current income tax asset		23,037	25,101
Cash and cash equivalents	33.1	582,145	657,839
Total current assets		**1,549,000**	**1,268,636**
Total assets		**6,988,832**	**6,364,492**
EQUITY			
Share capital	30	663,970	663,970
Retained earnings		(1,249,868)	(807,402)
Other components of equity	31	511,343	11,343
Hedge reserve		(31,194)	11,706
Total equity attributable to owners of the parent company		**(105,749)**	**(120,383)**
Non-controlling interests	32	217,022	237,466
Total equity		**111,273**	**117,083**

(CZK '000)	Note	30 Sept 2024	30 Sept 2023
LIABILITIES			
Long-term debts	24	4,687,641	4,510,090
Provisions	29	4,532	30,575
Derivatives	25	22,257	0
Other liabilities	28	23,530	37,768
Deferred tax liabilities	26	501,080	558,139
Total non-current liabilities		**5,239,040**	**5,136,572**
Current portion of long-term debts	24	524,553	292,613
Provisions	29	57,801	56,138
Trade and other payables	27	554,790	297,720
Current income tax liability		14,888	38,015
Derivatives	25	1,542	0
Other liabilities	28	484,945	426,351
Total current liabilities		**1,638,519**	**1,110,837**
Total liabilities		**6,877,559**	**6,247,409**
Total equity and liabilities		**6,988,832**	**6,364,492**

Consolidated Cash Flow Statement

For the period ended 30 September 2024

(CZK '000)	Note	1 Oct 2023 to 30 Sept 2024	1 Jan 2023 to 30 Sept 2023
OPERATING ACTIVITIES			
Loss before tax		**(479,043)**	**(877,081)**
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	16.19	515,790	727,351
Impairment losses on trade receivables	22	0	0
Net interest	13	340,335	248,523
Net foreign exchange gain/loss	14	147,479	31,548
Revaluation of derivatives		0	0
(Gain)/loss from the sale of non-current assets		(1,601)	(1,251)
Provision for emission allowances	29	32,850	30,123
Other non-cash movements		(11,891)	3,180
Change in operating assets and liabilities			
(Increase)/decrease in trade receivables and other assets		(173,507)	20,590
Increase/(decrease) in trade payables and other liabilities		180,808	87,725
(Increase)/Decrease in inventories		6,818	29,575
Cash movements			
Interest received		11,710	7,269
Income tax paid	15	(54,347)	(22,971)
Cash flow from operating activities		**515,401**	**284,581**

INVESTING ACTIVITIES			
Acquisitions of subsidiaries, net of cash acquired	6	0	(96,460)
(Increase)/decrease in escrow account	23	0	96,460
Acquisitions of non-current assets		(808,298)	(380,898)
Proceeds from sale of non-current assets		24,603	12,729
Cash flow from investing activities		**(783,695)**	**(368,169)**

(CZK '000)	Note	1 Oct 2023 to 30 Sept 2024	1 Jan 2023 to 30 Sept 2023
FINANCING ACTIVITIES			
Proceeds from loans	24	205,000	100,000
Repayments of loans	24	(151,421)	(131,990)
Lease liability payments	24	(2,922)	(1,190)
Interest paid	24	(152,906)	(100,793)
Capital increase	31	300,000	0
Dividends paid to non-controlling interest		(5,151)	(2,653)
Cash flow from financing activities		**192,600**	**(136,626)**

Net increase/(decrease) in cash and cash equivalents		(75,694)	(220,214)
Cash and cash equivalents at the beginning of the period		**657,839**	**878,053**
Cash and cash equivalents at the end of the period		**582,145**	**657,839**

Consolidated Statement of Changes in Equity

For the period ended 30 September 2024

	Share capital	Retained earnings	Other components of equity	Hedge reserve	Total equity attributable to owners of the parent company	Non-controlling interest	Total Equity
Balance as of 31 Dec 2022	**120**	**(78,236)**	**230,583**	**-**	**152,467**	**297,137**	**449,604**
Net loss for the period	-	(729,166)	-	-	(729,166)	(57,018)	(786,184)
Other comprehensive income for the period, net of tax	-	-	-	11,706	11,706	-	11,706
Total comprehensive income	-	(729,166)	-	(11,706)	(717,460)	(57,018)	(774,478)
Capital contribution	663,850	-	(219,240)	-	444,610	-	444,610
Distribution of dividends to non-controlling interest	-	-	-	-	-	(2,653)	(2,653)
Balance as of 30 Sept 2023	**663,970**	**(807,402)**	**11,343**	**11,706**	**(120,383)**	**237,466**	**117,083**
Net loss for the period	-	(442,466)			(442,466)	(15,293)	(457,759)
Other comprehensive income for the period, net of tax				(42,900)	(42,900)		(42,900)
Total comprehensive income		(442 466)		(42 900)	(485 366)	(15,293)	(500,659)
Capital contribution			500,000		500,000		500,000
Distribution of dividends to non-controlling interest					-	(5,151)	(5,151)
Balance as of 30 Sept 2024	**663,970**	**(1,249,868)**	**511,343**	**(31,194)**	**(105,749)**	**217,022**	**111,273**

Notes to the Consolidated Financial Statement

For the year ended 30 September 2024

1. General Information
ENETIQA Energy s.r.o. (formerly Cube III Energy CZ s.r.o. until 1 March 2023) ("the Company") was established and registered in the Czech Republic on 15 June 2022. The Company's registered office is at Kačírkova 982/4, Jinonice, 158 00 Prague 5, Czech Republic. The Company is registered in the Register of Companies maintained by the Municipal Court in Prague under file number C368824.Its ultimate controlling entity is Cube Infrastructure Partners S.A. As of 30 September 2024, the shareholder of the Company was:

Shareholder	Interest in share capital	Voting rights
Cube III Energy Co-Investment CZ S.à r.l.	CZK 663,970 thousand 100%	100%

The principal activity of the Company and its subsidiaries ("the Group") is the production and distribution of heat in the Czech Republic. The Group is also engaged in highly efficient electricity generation, energy production from waste, energy consulting, and water management.

These financial statements are presented in thousands of Czech crowns (CZK '000). Foreign operations are included in accordance with the principles outlined in Note 3.7 to these financial statements.

When comparing financial performance and cash flows for the current (twelve-month) period with financial performance in the comparative period, it is important to note that the comparative period only included a nine-month trading period from 1 January 2023 to 30 September 2023. As a result, the presented financial performance and cash flows are not fully comparable.

2. Adoption of New and Revised Standards

2.1. New and Revised IFRS Accounting Standards Issued and Applied by the Group in the Current Period
In the current period, the Group did not apply any new standards or amendments to existing IFRS Accounting Standards. All new standards and amendments to existing standards with an effective date as of 1 October 2023 have already been applied by the Group in previous reporting periods.

2.2. New and Revised IFRS Accounting Standards Issued and Adopted by the EU but Not Yet Effective
As of the approval date of these financial statements, the Group has not applied the following amendments to existing IFRS Accounting Standards that have been issued by the IASB and approved for use in the EU, but have not yet become effective:

Standard	Name	Effective Date	Effective for the Group in the Reporting Period Beginning on
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024	1 Oct 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 Jan 2024	1 Oct 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 Jan 2024	1 Oct 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 Jan 2024	1 Oct 2024
Amendments to IAS 21	Lack of Exchangeability	1 Jan 2025	1 Oct 2025

The Group does not expect that the adoption of new standards and amendments to existing standards will have a significant impact on the Group's financial statements in future periods.

2.3. New and Revised IFRS Accounting Standards Issued but Not Yet Adopted by the EU

Currently, IFRS Accounting Standards as adopted by the European Union do not significantly differ from the version of the standards approved by the International Accounting Standards Board (IASB). The exception is the following new standards and amendments to existing standards, which have not been approved for use in the EU as of the date of approval of the financial statements:

Standard	Name	EU adoption status
IFRS 18	Presentation and Disclosure in Financial Statements (Effective date according to IASB: 1 January 2027)	Not yet adopted by the EU
IFRS 19	Subsidiaries Without Public Accountability: Disclosures (Effective date according to IASB: 1 January 2027)	Not yet adopted by the EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Voluntary application for eligible subsidiaries Annual Improvements to IFRS Accounting Standards - Volume 11 (Effective date according to IASB: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Effective date according to IASB: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (Effective date according to IASB: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and other amendments (The effective date has been indefinitely deferred by the IASB, but earlier application is permitted)	Approval for use in the EU has been deferred until the project on the equity method is completed.

The Group does not expect that the adoption of new standards and amendments to existing standards will have a significant impact on the Group's financial statements in future periods.

3. Material Accounting Policy Information

3.1. Basis of Preparation

These financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union.

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

At the time of approving these financial statements, the Board of Statutory Executives has a reasonable expectation that the Group has sufficient resources to continue as a going concern for the foreseeable future. Therefore, it continues to adopt the going concern assumption 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) prepared as at 30 September. 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. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation are 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 noncontrolling 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 the sale of heat, electricity, water and waste incineration. The Group also generates significant revenues from Energy Performance Contracting (EPC) projects.

a) Recognition of Revenues from Utilities

Revenues from Heat Supply

The Group supplies heat produced to the households, the 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 own 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 an advance payments plan that is sent to customers. At the end of the calendar year, the total price of heat supply during the year is determined based on actual consumption, which is settled against the advance payments.

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.

Unbilled Heat and Received Advance 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. 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 of assets and liabilities is presented on the balance sheet under “Other assets” or “Other liabilities”.

Revenues from Electricity Supply

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 payment 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 extraordinary market situation caused the supply of electricity to end customers in the calendar year 2023 at prices limited by the price cap according to Government Regulation No. 298/2022 Coll.

Electricity consumers were billed monthly for the supply of electricity at the capped price of power electricity. Subsequently, the electricity supplier submitted a request to OTE a.s. for the payment of monthly compensation for the past calendar month according to the conditions regulated by Government Regulation No. 5/2023. In this regulation, calculations for compensation of electricity supply according to the type of concluded contract, terms and rules were given. As soon as OTE received the money from the Ministry of Industry and Trade (MIT), it paid the compensation.

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 14-30 days for all categories.

Revenues from Water Supply

The Group recognises revenue from the supply of drinking water (referred to as „water charges“) and the disposal of wastewater (referred to as „sewage charges“). Water charges are billed based on the volume of drinking water supplied, as measured by water meters for individual customers. Sewage charges are calculated similarly, based on the volume of water consumed or, alternatively, by another method of determining the amount of wastewater according to applicable legislation. Revenue from water and sewage charges is recognised continuously based on the provision of services to customers.

The average payment term usually amounts to 14-30 days.

Revenues from Waste Processing
The Group recognises revenues from taking over waste that the Group utilises to generate energy, especially heat and electricity. The amount of revenues is determined by the quantity of delivered waste and its type.

The average payment term usually amounts to 14-30 days.

b) Recognition of Revenues from EPC
Energy Performance Contracting (EPC) serves as a strategic and financial mechanism aimed at enhancing energy efficiency and minimising energy consumption in buildings or facilities. In the framework of an EPC agreement, organisations 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 realised energy savings resulting from the implemented measures. This methodology empowers organisations 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 non-current credit risk and manage its liquidity.

3.6. The Group as a 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 of 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 has decided to present the financial statements in CZK, i.e. in a functional currency of the parent company.

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 Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages, salaries, and 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.

The Czech companies calculated the deferred tax using a 21% tax rate in the current period, compared to a 19% tax rate in the previous period.

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.

Machinery, equipment, fixtures and fittings are reported at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised by reducing the acquisition cost (for items acquired as part of business combinations, the acquisition cost is determined as the fair value at the acquisition date) over their useful lives, using the straight-line method, based on the following principles:

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

Freehold land and assets under construction are not depreciated.

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. Impairment Test of Intangible Assets, Property, Plant and Equipment and Investment Properties
Carrying amounts of intangible assets, property, plant and equipment and investment properties are assessed for indications of impairment at each balance sheet date. An impairment test pursuant to IAS 36 is performed if there are any such indications.

If the carrying amount of an asset is higher than its recoverable amount (the higher of its fair value less disposal costs or its value in use), the carrying amount is written down to the recoverable amount. The recoverable amounts must be determined for each individual asset, provided the asset does not generate any largely independent cash flows. In this case, the amount for which an independent third party would acquire the cash-generating unit at the balance sheet date is stated.

The values in use of the cash-generating units are determined on the basis of cash flow forecasts approved by the management and supervisory bodies of ENETIQA. Such cash flow forecasts are based on experience and results in previous years, as well as on expectations as to future market developments. They refer to the expected development in key macroeconomic figures derived from economic and financial studies. Key assumptions used in the forecasts concern the development in the price of electricity, natural gas, coal and emission allowances on global markets, the development of forex and interest rates on the financial markets and the relevant regulatory framework.

Cash flow forecasts cover a three-year period of detailed budgeting. Data for the subsequent budgeting years are based on the extrapolation of the results from the last budget year in the detailed budgeting period. The current growth rate estimates refer to the average non-current growth rates in the markets where the Company operates and are consistent with external sources of market expectations. Impairment losses are recognised when the recoverable amount of an asset is less than its carrying value. When an impairment loss is subsequently reversed, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment loss had been recognised in respect of the asset (or the cash-generating unit) in prior years. The reversal of an impairment loss is immediately recognised in the profit and loss statement.

3.12. 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.

3.13. Emission Allowances

Where the Group has greenhouse gas emission allowances with holding periods longer than one year, these are recognised as intangible assets. The greenhouse gas emission allowance (hereinafter the emission allowance) 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 allowances based on the National Allocation Plan. The Group is required to remit the number of emission allowances corresponding to its actual amount of greenhouse gas emissions in the previous calendar year by no later than 30 April of the next calendar year. Based on this remit, the Group writes off the number of emission allowances and values them using the FIFO method. Emission allowances allocated free of charge are recognised at zero value. Purchased emission allowances are measured at cost. As the emission allowances constitute non-amortisable assets, they are not amortised but, pursuant to IAS 36, reduced by any impairment losses.

In case the emission allowances are consumed, it means emissions are made, a provision to deliver emission allowances equal to emissions that have been made is recognised (see Note 3.17).

3.14. Inventories

Inventories comprise mainly raw materials such 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.

3.15. 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 current cash commitments rather than for investment or other purposes.

3.16. 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.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value, except for current trade receivables that do not have a significant financing component and 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.

b) 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.

(1) 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 categorised all its non-derivative financial assets at amortised 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.

(2) 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 'Interest income' line item.

(3) 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 gains and losses' line item (Note 14).

(4) 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 recognised 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.

(5) 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.

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

(1) 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.

(2) 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 gains and losses' line item in profit or loss.

(3) 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.

d) 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 unless the instrument is a hedging instrument in a qualifying cash flow hedge relationship.

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.

Hedge Accounting
The Group designs certain derivatives as hedges of a particular risk associated with the cash flows of highly probable forecast transactions. Cash flow hedges are implemented in line with IFRS 9.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging remain in equity at that time until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

3.17. 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 Allowances
In case the Emission allowances are consumed, it means emissions are made, a provision to deliver emission allowances equal to emissions that have been made is recognised 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 allowances 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 must 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 by 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 decarbonisation strategy and is accordingly evaluating the following technical options:
- We anticipate shutting down of the production of heat from heavy heating oil, which includes the physical demolition of the facility. A provision for this demolition has been recognised (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.

a) 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 the completeness and accuracy of the evidence based on meter readings taken several days after the end of the month. Missing data or externalities are compensated for by using the average consumption of a meter point.

The uncertainty in estimating items of heat arises from the 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.

b) 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 certain raw materials.

Estimates Related to Valuation of Non-Financial Assets
When assessing the impairment of goodwill and other non-financial assets, the directors have made estimates of input parametres. For more details refer to Note 3.11 and Note 20.

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 as of 30 Sept 2024
ENETIQA Energy s.r.o.	Czech Republic		
Subsidiaries			
ENETIQA a.s.	Czech Republic	09 Dec 2022	100.00 %
CTZ s.r.o.	Czech Republic	09 Dec 2022	50.96 %
Českolipské teplo a.s.	Czech Republic	09 Dec 2022	100.00 %
ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.	Czech Republic	09 Dec 2022	75.00 %
e.services s.r.o.	Czech Republic	09 Dec 2022	100.00 %
ENERGIE Holding a.s.	Czech Republic	09 Dec 2022	100.00 %
Teplárna Liberec, a.s.	Czech Republic	09 Dec 2022	76.04 %
G-LINDE s.r.o.	Czech Republic	09 Dec 2022	100.00 %
G-RONN s.r.o.	Czech Republic	09 Dec 2022	100.00 %
IROMEZ s.r.o.	Czech Republic	09 Dec 2022	100.00 %
OPATHERM a.s.	Czech Republic	09 Dec 2022	100.00 %
POWGEN a.s.	Czech Republic	09 Dec 2022	100.00 %
TERMIZO a.s.	Czech Republic	09 Dec 2022	100.00 %
TERMO Děčín a.s.	Czech Republic	09 Dec 2022	96.91 %
Zásobování teplem Vsetín a.s.	Czech Republic	09 Dec 2022	100.00 %
Enetiqa GmbH	Germany	12 Dec 2022	100.00 %
ENETIQA Trading s.r.o.	Czech Republic	21 Mar 2024	100.00 %

As of 21 March 2024, the parent company ENETIQA a.s. established a new subsidiary, ENETIQA Trading s.r.o.

6. Acquisition of Subsidiaries

6.1. Acquisition in the Current Period

ENETIQA Group did not acquire any new subsidiaries in the current reporting period.

6.2. Acquisition in the Previous Period

ENETIQA Group did not acquire any new subsidiaries in the previous reporting period.

7. Revenue from Contracts with Customers

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

Revenues by product line	**From 1 Oct 2023 to 30 Sept 2024 (CZK '000)**	**From 1 Jan 2023 to 30 Sept 2023 (CZK '000)**
Heat supply	1,988,778	1,396,082
Electricity supply	762,342	528,296
Water supply	101,370	71,485
Waste incineration	145,335	95,775
Construction – EPC projects	437,752	230,251
Impact of hedging	30,005	9,525
Other	19,166	10,498
Total	**3,484,748**	**2,341,912**

Revenues by timing of revenue – excluding impact of hedging		
Goods and services transferred over time		
Heat and water supply and waste incineration	2,090,148	1,467,567
Constructing – EPC projects	437,752	230,251
Electricity supply	792,347	534,085
Other	19,166	4,709
Goods and services transferred at a point in time		
Waste incineration	145,335	95,775
Total	**3,484,748**	**2,332,387**

The transaction price allocated to unsatisfied or partially unsatisfied obligations as of 30 September 2024 is as set out below.

Energy performance contracting (EPC)	**As of 30 Sept 2024 (CZK '000)**	**As of 30 Sept 2023 (CZK '000)**
Will be recognised as revenues during next reporting period	714,683	541,460
Will be recognised as revenues later than next reporting period	290,783	61,000
Total	**1,005,466**	602,460

Management expects that 71% of the transaction price allocated to [unfulfilled and/or partially unfulfilled] performance obligations as of 30 September 2024 (i.e., CZK 714,683 thousand) will be recognised as revenue in the next reporting period (from 1 October 2023 to 30 September 2024). The remaining 29% (i.e., CZK 290,783 thousand) will be recognised later than in the next reporting period, in subsequent financial periods. Further details regarding the revenue recognition method for EPC are provided in Note 3.5b.

8. Other Operating Income

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Income from lease	14,335	10,087
Release of provisions	10,271	3,766
Telecommunication services	1,687	1,281
Cost reimbursement for damages	3,260	742
State subsidies	0	781
Collection service	0	602
Other	21,146	8,315
TOTAL	**50,699**	**25,574**

The „Other“ item primarily includes non-governmental grants, revenue from contractual penalties, invoicing for service and maintenance of OPS, and invoicing for additional costs.

9. Cost of Material and Services

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Gas	(1,168,029)	(769,285)
Electricity	(339,213)	(399,943)
Coal	(53,555)	(38,131)
Heating oil	(9,908)	(56,164)
Biomass	(47,524)	(27,485)
Other raw materials	(71,252)	(39,077)
Water	(39,245)	(27,286)
Emission allowances consumption	(32,849)	(32,291)
Impairment of inventory	0	(840)
Impact of hedging	(11,442)	(8,853)
Subtotal energy consumption	**(1,773,017)**	**(1,399,355)**
EPC construction sub deliveries costs	(355,628)	(180,992)
Subtotal EPC sub deliveries	**(355,628)**	**(180,992)**
Repairs and maintenance	(125,441)	(100,365)
Revisions and inspections	(12,989)	(8,830)
Subtotal maintenance and revisions	**(138,430)**	**(109,195)**
Other	(66,230)	(32,308)
TOTAL	**(2,333,305)**	**(1,721,850)**

10. Personnel Expenses

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Wages and salaries	(355,899)	(237,131)
Social security expenses	(119,040)	(79,319)
Other personnel and social welfare expenses	(28,964)	(20,000)
Social expenses	(825)	(1,161)
Total personnel expenses	**(504,728)**	**(337,611)**

The number of employees of the Company and its subsidiaries was 506 as of 30 September 2024 (as of 30 September 2023: 487). Further information on the compensation of key management personnel is provided in Note 38.

11. Other Operating Expenses

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Insurance premium	(27,607)	(21,034)
Consulting and similar services	(43,645)	(82,443)
Fees for waste and wastewater disposal	(35,324)	(25,644)
IT services	(14,004)	(6,028)
Leases	(9,976)	(6,651)
Other taxes	(7,635)	(10,682)
Other	(52,790)	(33,093)
Total other operating expenses	**(190,981)**	**(185,575)**

The „Other“ item primarily includes expenses for advertising, publications, donations, telecommunication expenses, training and education.

12. Other Gains and Losses

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Gain from sale of assets	3,561	1,563
Gain from commodity derivatives	503	0
Loss from sale of emission allowances	(1,960)	(313)
Net foreign exchange gain/loss	1,705	(7,853)
Total	**3,809**	**(6,603)**

Net foreign exchange gain/loss includes the operational effects of changes in exchange rates.

13. Interest Income and Expense

Interest expense	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Bank loans	(146,759)	(101,455)
Loan from shareholder	(197,628)	(148,046)
Lease liabilities	(488)	(444)
Provisions	(109)	(1,631)
Interest rate swap	0	(2,456)
Other	(7,062)	(1,760)
Total interest expense	**(352,046)**	**(255,792)**

Interest income		
Bank deposits	11,709	7,269
Total interest income	11,709	7,269

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

14. Other Financial Gains and Losses

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Interest rate derivates	(2,038)	7,969
Net foreign exchange gain/loss	(142,074)	(26,990)
Other	(7,277)	(7,163)
Total	**(151,389)**	**(26,184)**

Net foreign exchange gain/loss includes gains associated with currency trading.

15. Income Tax

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Corpore income tax:		
Current period	(33,864)	(21,743)
Adjustments in respect of prior period	581	1,130
	(33,283)	**(20,613)**
Deferred tax (see note 26)		
Origination and reversal of temporary differences	54,568	111,510
Total	**21,285**	**90,897**

The corporate income tax rate applied to the reported profit is 19% for both the current and the previous period. From 1 January 2024, the corporate income tax rate changed from 19% to 21%. Deferred tax is calculated using the 21% tax rate (compared to the 19% tax rate in the previous period).

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

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Loss before tax	(479,043)	(877,081)
Tax at the Czech corporate tax rate of 19%	91,018	166,645
Tax effect of expenses that are not deductible in determining taxable profit	(37,549)	(65,585)
Tax effect of income not taxable in determining taxable profit	33,038	0
Tax effect of utilisation of tax losses not previously recognised	0	0
Change in unrecognised deferred tax assets	(40,001)	(15,293)
Adjustments in respect of prior period	3,724	1,130
Other	(28,945)	0
Income tax for the period	**21,285**	**90,897**

Note: The tax effect of expenses that are not deductible in determining taxable profit primarily consist of non-deductible interest expenses in the amount of CZK 38,966 thousand (CZK 46,421 thousand as of 30 September 2023).

The „Other" item includes the impact of the different rates used for the calculation of current and deferred tax in the amount of CZK (43,726 thousand).

16. Intangible Assets

Cost	Rights and licenses without SW (CZK '000)	Software (CZK '000)	Other intangible assets (CZK '000)	Assets under construction (CZK '000)	Total (CZK '000)
As of 31 Dec 2022	846	9,018	662	78	10,604
Additions	259	1,302	0	4,181	5,742
As of 30 Sept 2023	**1,105**	**10,320**	**662**	**4,259**	**16,346**
Accumulated Amortisation and Impairment					
As of 31 Dec 2022	(18)	(345)	(25)	0	(388)
Amortisation	(93)	(2,523)	(101)	0	(2,717)
As of 30 Sept 2023	**(111)**	**(2,868)**	**(126)**	**0**	**(3,105)**
Carrying amount					
As of 30 Sept 2023	**994**	**7,452**	**536**	**4,259**	**13,241**

Cost	Rights and licenses without SW (CZK '000)	Software (CZK '000)	Other intangible assets (CZK '000)	Assets under construction (CZK '000)	Total (CZK '000)
As of 30 Sept 2023	1,105	10,320	662	4,259	16,346
Additions	70	755	1,509	1,137	3,471
Transfers	6	4,695	(1,509)	(3,192)	0
Other	0	(3)	0	0	(3)
As of 30 Sept 2024	**1,181**	**15,767**	**662**	**2,204**	**19,814**
Accumulated Amortisation and Impairment					
As of 30 Sept 2023	(111)	(2,868)	(126)	0	(3,105)
Amortisation	(194)	(3,285)	(152)	0	(3,631)
Other	0	3	0	0	3
As of 30 Sept 2024	**(305)**	**(6,150)**	**(278)**	**0**	**(6,733)**
Carrying amount					
As of 30 Sept 2024	**876**	**9,617**	**384**	**2,204**	**13,081**

17. Goodwill

The goodwill on consolidation of CZK 45,221 thousand relates to the acquisition of Enetiqa Group. The allocation was made to those cash-generating units that were expected to benefit from the business combination in which the goodwill arose in 2022. The cash-generating units (CGUs) are identified as individual legal entities operating in specific towns or regions.

During 2023, an impairment test was done and it resulted in a goodwill write-off amounting to CZK 2,786 thousand.

An impairment test was also done in 2024, resulting in goodwill remaining unchanged.

At 30 September 2024 and 30 September 2023, goodwill is allocated to the following cash-generating units:

	ENERGIE Holding (CZK ,000)	G-RONN (CZK ,000)	TERMO Děčín (CZK ,000)	IROMEZ (CZK ,000)	Total (CZK ,000)
Carrying amount					
At 31 December 2022	34,358	10,863	2,375	411	48,007
Impairment	0	0	(2,375)	(411)	(2,786)
As of 30 September 2023	**34,358**	**10,863**	**0**	**0**	**45,221**
As of 30 September 2024	**34,358**	**10,863**	**0**	**0**	**45,221**

The information on impairment testing is provided in Note 3.11 and Note 20.

18. Emission Allowances

The following table summarises the movements in the quantity and carrying amount of emission allowances:

	Emission allowances	
	CZK '000	**Tons '000**
Carrying amount		
As of 31 December 2022	**347,569**	**169**
Granted	0	5
Sold	(11,337)	(6)
Settlement with register	(62,414)	(30)
As of 31 December 2023	**273,818**	**138**
Granted	0	5
Sold	(10,307)	(5)
Settlement with register	(45,514)	(22)
As of 31 December 2024	**217,997**	**116**

At 30 September 2024, the Group recognised a provision for the use of emission allowances in the amount of CZK 19,626 thousand; 10 thousand tons (at 30 September 2023: CZK 32,291 thousand; 16 thousand tons) (see Note 29).

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

19. Property, Plant and Equipment

Cost	Land, building (CZK '000)	Technical equipment and machinery (CZK '000)	Office and other equipment (CZK '000)	Construction in progress and advance payments (CZK '000)	Total (CZK '000)
As of 31 December 2022	2,855,910	2,076,701	21,675	179,067	5,133,353
Additions	32,057	115,172	3,754	216,380	367,363
Disposals	(555)	(4,181)	(424)	0	(5,160)
Transfers	0	23,345	0	(23,345)	0
As of 30 September 2023	**2,887,412**	**2,211,037**	**25,005**	**372,102**	**5,495,556**
Accumulated depreciation and impairment					
As of 31 December 2022	(21,486)	(39,068)	(670)	0	(61,224)
Charge for the period	(131,739)	(176,048)	(4,343)	0	(312,130)
Impairment	(270,489)	(136,880)	0	(2,349)	(409,718)
Disposals	555	4,181	424	0	5,160
As of 30 September 2023	**(423,159)**	**(347,815)**	**(4,589)**	**(2,349)**	**(777,912)**
Carrying amount					
As of 30 September 2023	**2,464,253**	**1,863,222**	**20,416**	**369,753**	**4,717,644**

Cost	Land, building (CZK '000)	Technical equipment and machinery (CZK '000)	Office and other equipment (CZK '000)	Construction in progress and advance payments (CZK '000)	Total (CZK '000)
As of 30 September 2023	2,887,412	2,211,037	25,005	372,102	5,495,556
Additions	35,645	45,596	1,450	856,176	938,867
Disposals	(34,882)	(33,693)	(60)	(1,861)	(70,496)
Transfers	107,443	254,184	3,088	(364,715)	0
Other	713	(284)	74	0	503
As of 30 September 2024	**2,996,331**	**2,476,840**	**29,557**	**861,702**	**6,364,430**
Accumulated depreciation and impairment					
As of 30 September 2023	(423,159)	(347,815)	(4,589)	(2,349)	(777,912)
Charge for the period	(246,911)	(259,417)	(6,319)	488	(512,159)
Disposals	34,882	33,693	60	1,861	70,496
Other	(11,715)	(867)	(114)	0	(12,696)
As of 30 September 2024	**(646,903)**	**(574,406)**	**(10,962)**	**0**	**(1,232,271)**
Carrying amount					
As of 30 September 2024	**2,349,428**	**1,902,434**	**18,595**	**861,702**	**5,132,159**

The information on impairment testing is provided in Note 3.11 and Note 20.

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 categorised by classes of leased assets included in the "Property, plant and equipment" line item.

Cost	Buildings (CZK '000)	Vehicles (CZK '000)	Total (CZK '000)
As of 31 December 2022	**15,212**	**52**	**15,264**
Additions	303	0	303
As of 30 September 2023	**15,515**	**52**	**15,567**
Accumulated depreciation			
As of 31 December 2022	**(419)**	**(18)**	**(437)**
Charge for the year	(3,737)	(34	(3,771)
As of 30 September 2023	**(4,156)**	**(52)**	**(4,208)**
Carrying amount			
As of 30 September 2023	**11,359**	**0**	**11,359**

Cost			
As of 30 September 2023	**15,515**	**52**	**15,567**
Additions	13,423	0	13,423
As of 30 September 2024	**28,938**	**52**	**28,990**
Accumulated depreciation			
As of 30 September 2023	**(4,156)**	**(52)**	**(4,208)**
Charge for the period	(5,167)	0	(5,167)
As of 30 September 2024	**(9,323)**	**(52)**	**(9,375)**
Carrying amount			
30 September 2024	**19,615**	**0**	**19,615**

Right of use of the building represents the rented office for headquarters in Prague, Kačírkova street. The Group is entitled to once extend the term under this Lease Agreement under the same terms by 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 contractual reasons. Possible term extension was not reflected in the right of use calculation based on management decision.

Amounts recognised in profit and loss	30 Sept 2024 CZK '000	30 Sept 2023 CZK '000
Depreciation expense on right-of-use assets	(5,167)	(3,771)
Interest expense on lease liabilities	(488)	(444)
Expense relating to short-term leases	(293)	(416)
Expense relating to leases of low value assets	(9,683)	(6,235)
Total cash outflow for leases	**(15,631)**	**(8,285)**

20. Impairment of Goodwill, Intangible Assets and Property, Plant and Equipment

The Group acquired the energy Group on 9 December 2022 (see Note 6). As of this date, all acquired assets and liabilities assumed were recognised at their fair value and goodwill arose as a result of purchase price allocation.

As at 30 September 2023 the management carried out impairment tests for all cash-generating units.

The information on impairment testing is provided in Note 3.11.

Impairment tests for goodwill, intangible assets and property, plant and equipment were performed using the discounted cash flow method using the following input parameters:
Discounted factor 8%
Terminal growth 2,0-3,5%

The impairment was identified and booked in those cash-generating units, determinate by increase of CIT and the discount factor exceeding regulatory limits. Based on the impairment test described above, the following impairment was recognised:

Cash-generating unit	Total impairment	Impairment on goodwill	Impairment on property, plant and equipment
Zásobování teplem Vsetín	260,713	0	260,713
Teplárna Liberec, TERMIZO	129,020	0	129,020
IROMEZ	14,901	411	14,490
TERMO Děčín	5,521	2,375	3,146
As of 30 September 2023	**410,155**	**2,786**	**407,369**
As of 30 September 2024	**0**	**0**	**0**

Sensitivity of discounted factor on impairment test results is specified below and represents new total impairment value if the discounted factor decreases or increases by 1%:

Cash-generating unit	Decrease by 1% (100bps)	Increase by 1% (100bps)
Zásobování teplem Vsetín	137,757	347,266
Teplárna Liberec, TERMIZO	0	462,519
IROMEZ	0	43,880
TERMO Děčín	0	63,829
As of 30 September 2023	**137,757**	**917,494**
Zásobování teplem Vsetín	0	0
Teplárna Liberec, TERMIZO	0	342,025
IROMEZ	0	0
TERMO Děčín	0	0
As of 30 September 2024	**0**	**342,025**

Management has performed impairment tests on all cash-generating units as of 30 September 2024. As a result of the tests, goodwill, intangible assets and property, plant and equipment are not impaired.

For further information see Note 16. Goodwill and Note 19. Property, Plant and Equipment.

21. Inventories

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Coal	27,102	34,318
Biomass	20,429	15,713
Spare parts	19,113	17,152
Other inventories	6,249	12,434
Heating oil	1,106	1,200
Total	**73,999**	**80,817**

The cost of inventories recognised as an expense during the period was CZK 110,998 thousand (2023: CZK 121,781 thousand). Inventories of fuels (coal, biomass, heating oil) of CZK 54,886 thousand (2023: CZK 63,665 thousand) are expected to be consumed during the next 12 months.

The capitalisation of own inventories during the period in the amount of CZK 20,594 thousand (2023: CZK 10,123 thousand) is related to own production of biomass.

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

22. Trade and Other Receivables

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Trade receivables, gross	652,528	441,140
Loss allowance	(4,679)	(2,078)
Trade receivables, net	647,849	439,062
Other receivables	210,451	2,252
Total	**858,300**	**441,314**
Non-current	24,066	31,309
Current	834,234	410,005
Total	**858,300**	**441,314**

Further details of pledged trade and other receivables are set out below.

Trade receivables
The average maturity period on sales of heat and electricity is 14 - 30 days. No interest is charged on outstanding trade receivables.

The average maturity period of EPC projects is 10 years. The Group charges interest (in the range 5-6%) on outstanding trade receivables (in 2024: CZK 608 thousand; in 2023: CZK 505 thousand). The Group usually sells the trade receivables to reduce credit risk and manage 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 loss allowance matrix by reference to the 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 and the forecast direction of conditions at the reporting date. The Group has recognised loss allowances of 3.85% against all receivables overdue up to one year; 100% against all receivables overdue between one and five years and 100% against all receivables overdue by more than five years. These percentages are informed by the Group's past experience indicating that receivables overdue by more than one year 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 at several points in 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 loss allowance matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different revenue streams, the provision for losses based on past due status is not further distinguished between the different customers of the Group.

30 Sept 2024	Trade receivables – days past due				
	Not past due (CZK '000)	< 1 year (CZK '000)	1 – 5 years (CZK '000)	>5 years (CZK '000)	Total (CZK '000)
Expected credit loss rate	0.47 %	3.85 %	100 %	100 %	X
Total gross carrying amount	645,070	6,017	278	1,163	652,528
Lifetime ECL	(3,006)	(232)	(278)	(1,163)	(4,679)
Total					**647,849**

30 Sept 2023	Trade receivables – days past due				
	Not past due (CZK '000)	< 1 year (CZK '000)	1 – 5 years (CZK '000)	>5 years (CZK '000)	Total (CZK '000)
Expected credit loss rate	0.09 %	4.98 %	100 %	100 %	x
Total gross carrying amount	434,033	5,715	148	1,244	441,140
Lifetime ECL	(401)	(285)	(148)	(1,244)	(2,078)
Total					**439,062**

The contractual amounts outstanding on trade receivables that were written off during the period but are still subject to enforcement activities were CZK 0 thousand.

As of 30 September 2024, the balance of trade and other receivables includes a receivable from a shareholder for an additional equity payment in the amount of CZK 200,000 thousand (30 September 2023: CZK 0 thousand).

23. Other Assets

	30 September 2024 (CZK'000)	30 September 2023 (CZK'000)
Value added tax	16,490	9,312
Deferred expenses	14,488	61,301
Other	0	3,844
Total	**30,978**	**74,457**

In 2024, deferred expenses decreased due to the significant decrease in advance payments for gas consumption.

24. Long-term Debts

	30 September 2024 (CZK'000)	30 September 2023 (CZK'000)
Debts at amortised cost		
Loan from shareholder	3,186,896	2,888,676
Bank loans	2,009,253	1,907,386
Lease liabilities	16,044	6,641
Total borrowings	**5,212,194**	**4,802,703**
Non-current	4,687,641	4,510,090
Current	524,553	292,613

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

Analysis of borrowings by currency

	Loans drawn in CZK (CZK '000)	Loans drawn in EUR (CZK '000)	Total (CZK '000)
30 September 2023			
Loan from shareholder	0	2,888,676	2,888,676
Bank loans	726,843	1,180,543	1,907,385
Lease liabilities	0	6,641	6,641
Total	**726,843**	**4,075,860**	**4,802,703**
30 September 2024			
Loan from shareholder	0	3,186,896	3,186,896
Bank loans	843,588	1,165,666	2,009,253
Lease liabilities	16,044	0	16,044
Total	**859,632**	**4,352,562**	**5,212,194**

The Group has the following main new types of long-term debts:
Bank loans
Within Komerční banka, a.s., the Group has arranged four credit lines for operational and investment activities in the total volume of CZK 700,000 thousand. As of 30 September 2024, CZK 205,000 thousand has been utilised for investments. The carrying amount at 30 September 2024 is CZK 196,073 thousand.

In December 2022, ENETIQA Energy, s.r.o., the parent Company of the Group, entered into an 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.

24.1. Covenants

The secured bank loan is subject to financial covenants which are tested semi-annually on 31 March and 30 September each year.

The management of the Group reported that the covenants as of 31 March and as of 30 September 2024 have been fulfilled based on non-audited data.

25. Derivative Financial Instruments and Other Financial Assets

	Current		Non-Current	
	30 Sept 2024 (CZK'000)	30 Sept 2023 (CZK'000)	30 Sept 2024 (CZK'000)	30 Sept 2023 (CZK'000)
Other financial assets recognised at amortised cost				
Corporate bond	0	0	5,000	5,000
Trading derivatives				
Interest rate swap	0	1,950	0	365
Commodities	376	0	0	0
Hedging derivatives				
Interest rate swap	278	9,614	0	6,940
Commodities	3,953	8,853	127	0
Derivatives and other financial assets	**4,607**	**20,417**	**5,127**	**12,305**

Derivative financial instruments and other financial liabilities

	Current		Non-Current	
	30 Sept 2024 (CZK'000)	30 Sept 2023 (CZK'000)	30 Sept 2024 (CZK'000)	30 Sept 2023 (CZK'000)
Other financial liabilities recognised at amortised cost				
Corporate bond	0	0	0	0
Trading derivatives				
Interest rate swap	0	0	0	0
Commodities	0	0	0	0
Hedging derivatives				
Interest rate swap	(22,435)	0	0	0
Commodities	(1,364)	0	0	0
Derivatives and other financial liabilities	**(23,799)**	**0**	**0**	**0**

a. Hedging Derivatives
Interest rate swap
The Group' risk management strategy is to minimise their exposure to changes in cash flows arising from variable interest payments from the loans.

In order to comply with their risk management strategy, the Group applies a cash flow hedge accounting to limit the risk arising on the payable variable interest on the loans, using a receive variable, pay fixed interest rate swap.

The Group entered into EUR denominated interest rate swap in January 2023. The hedge ratio is set at 1:1.

The Group assesses the economic relationship based on comparing the critical parameters of the hedging instruments and the hedged items.

i. The Group expects to make semi-annual payments of interest based on the 6M Euribor interest rate benchmark on the hedged loans.
ii The hedging instruments in the form of an interest rate swap consist of a fixed leg paid by the Group and a floating leg received by the Group derived from the 6M Euribor rate.
iii. The hedging instruments have been concluded by the Group so that they match the parameters of the hedged item in terms of the principal, payment dates and rate of amortisation of the principal.

The Group therefore expects that the change in the fair value of the hedged item due to the hedged risk will be offset by the changes in the fair value of the hedging instrument.

Potential sources of hedge ineffectiveness:
iv. Changes in the amount of the hedged item or the hedging instrument in the future
v. A change in the credit risk of the companies or the counterparty to the derivative contract
vi. Changes in the timing of the hedged cash flows
vii. Non-zero fair value of the hedging instrument as of hedge designation date

30 Sept 2024	Maturity	Nominal value ths. (CZK'000)	Contracted fixed interest rate	Fair value in CZK '000
Interest rate swap	29 Sept 2028	35,101	2.96%	(22,435)
Total	**-**	**35,101**	**-**	**(22,435)**

The interest rate swaps exactly match the interest payments on the loan. The effective part of the paid and accrued interest on the hedging instruments is reclassified to profit or loss and presented as interest expense to offset the amount of the interest expense arising from the hedged item.

The Group determines the actual ineffectiveness for accounting purposes using the dollar-offset method. The method includes comparing the cumulative change in fair value of the hedging instrument and the hedged item due to the hedged risk from the inception of the hedging relationship.

Hedging ineffectiveness in respect of interest rate swaps was immaterial in 2024.

Movement in the provision for cash flow hedges from interest rate swaps was as follows:

Commodity swaps
In accordance with the risk management strategy, the Group decided to hedge the commodity risk from electricity.

The aim is to use suitable commodity derivatives to fix the price of future sales of electricity and thereby limit the risk of unfavourable development of cash flows from future electricity sales.

To achieve the above objective, the Group entered into commodity swap contracts for planned future sales volumes. The hedge ratio is set at 1:1.

The Group assesses the economic relationship based on comparing the critical parameters of the hedging instruments and the hedged items.

viii. The underlying item of the hedged item and the hedging instrument is the same – electricity denominated in MWh.
ix. The reference price on the hedged item and the hedging instrument exists – proved by correlation analyses
x. The hedged item and the hedging instrument match in the designated volumes of the commodity per month as well as in timing of the cash flows. Difference is considered negligible.

Potential sources of hedge ineffectiveness:
xi. Unexpected changes in delivery dates
xii. Change in the volume of the actual hedged items below the designated volume
xiii. A change in the credit risk of the Group or the swap counterparty

	Maturity	Contract volume (MWh)	Fair value in CZK '000
Commodity swaps	Q4 2024	77,890	2,589
Total	**-**	**77,890**	**2,589**

Movement in the reserve for cash flow hedges from commodity swaps was as follows:

	30 Sept 2024 (CZK '000)
Opening balance 1 Oct 2023	7,171
Change in fair value of the hedging instrument recognised in OCI	(2,299)
Effect of deferred tax	(543)
Closing balance 30 Sept 2024	**4,329**

The Group determines the actual ineffectiveness for accounting purposes using the dollar-offset method. The method consists in comparing the cumulative change in fair value of the hedging instrument and the hedged item due to the hedged risk from the inception of the hedging relationship.

Hedging ineffectiveness in respect of commodity swaps was immaterial in 2024.

b. Trading Derivatives
In October 2018, the Group entered into CZK denominated interest rate swaps to pay a fixed interest rate and received 3M Pribor float rate. The interest rate swaps are used as a hedging tool in accordance with the Group's risk management strategy, however, the derivatives do not qualify for hedge accounting.

30 Sept 2024	Maturity	Nominal value (CZK '000)	Contracted fixed interest rate	Fair value in CZK '000
Interest rate swap	30.9.2025	45,220	2.75%	278
Total	**-**	**45,220**	**-**	**278**

30 Sept 2023	Maturity	Nominal value (CZK '000)	Contracted fixed interest rate	Fair value in CZK '000
Interest rate swap	30.9.2025	63,420	2.75%	2,315
Total	**-**	**63,420**	**-**	**2,315**

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 (CZK '000)	Emission allowances (CZK '000)	Fair value gain/ (loss) arising on derivatives (CZK '000)	Other (CZK '000)	Total (CZK '000)
As of 31 December 2022	**(613,354)**	**(66,038)**	**(802)**	**15,404**	**(664,790)**
Charge to profit or loss	108,515	14,013	0	(11,018)	111,510
Charge to other comprehensive income	0	0	(2,540)	0	(2,540)
As of 30 September 2023	**(504,839)**	**(52,025)**	**(3,342)**	**4,386**	**(555,821)**

As of 30 September 2023	**(504,839)**	**(52,025)**	**(3,342)**	**4,386**	**(555,821)**
Charge to profit or loss	(73,868)	6,246	0	122,431	54,809
Charge to other comprehensive income	0	0	3,098	(986)	2,112
As of 30 September 2024	**(578,707)**	**(45,779)**	**(244)**	**125,831**	**(498,899)**

The “Other” item primarily consists of deferred tax assets related to allowances and provisions 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 offsetting) for financial reporting purposes:

	30 Sept 2024 (CZK ‘000)	**30 Sept 2023 (CZK ‘000)**
Deferred tax liabilities	(501,080)	(558,139)
Deferred tax assets	2,181	2,318
	(498,899)	**(555,821)**

Unrecognised deferred tax asset as of 30 September 2024 amounts to CZK 40,001 thousand (2023: CZK 15,293 thousand).

As of 30 September 2024, deferred tax asset was calculated using the rate of 21%.

27. Trade and Other Payables

	30 Sept 2024 (CZK ‘000)	**30 Sept 2023 (CZK ‘000)**
Trade payables	554,493	296,773
Other payables	297	947
Total	**554,790**	**297,720**

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 considers that the carrying amount of trade payables approximates to their fair value.

28. Other Liabilities

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Overpayment of advances received from customers		
Unbilled heat, electricity and other supplies	(415,274)	(447,296)
Received advances from customers	757,194	771,412
Received advances from customers, net	**341,920**	**324,116**
Value added taxes	9,533	6,085
Other taxation and social security	38,047	22,798
Liabilities to employees	77,346	56,349
Contract liability from projects	3,464	4,085
Unpaid part of the purchase price from the acquisition of subsidiary	0	0
Other	38,164	50,686
	508,476	**464,119**
Non-current	23,530	37,768
Current	484,945	426,351
	508,476	**464,119**
Financial liabilities	0	0
Non-financial liabilities	508,476	464,119

The settlement period for supplies of heat, electricity and other supplies is 1 January – 31 December.

The balance of advances as of 30 September 2024 will be settled with heat supplies. The balance of advances is classified under non-financial liabilities.

29. Provisions

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Restoration provision	27,000	28,748
Litigation	589	1,625
Use of emission allowances	19,626	32,291
Other provisions	15,118	24,049
	62,333	**86,713**
Current	57,801	56,138
Non-current	4,532	30,575
	62,333	**86,713**

	Restoration provision (CZK '000)	Litigation (CZK '000)	Use of emission allowances (CZK '000)	Other provisions (CZK '000)	Total (CZK '000)
Additional provisions in the year	900		32,291	1,318	34,509
Utilisation of provision	0	0	(62,414)	(5,200)	(67,614)
On acquisition of subsidiary	0	0	0	0	0
Unwinding of discount	0	0	0	(2,168)	(2,168)
Adjustment for change in discount rate	1,174	0	0	457	1,631
As of 30 Sept 2023	**28,748**	**1,625**	**32,291**	**24,049**	**86,713**
Additional provisions in the year	0	0	32,850	3,527	36,377
Utilisation of provision	0	(1,063)	(45,515)	(12,507)	(59,085)
On acquisition of subsidiary	0	0	0	0	0
Unwinding of discount	0	0	0	0	0
Adjustment for change in discount rate	(1,748)	0	0	49	(1,699)
As of 30 Sept 2024	**27,000**	**589**	**19,626**	**15,118**	**62,333**

The restoration provision has been created based on environmental regulation no. 415/2012 Coll., which requires stricter environmental limits. The Group decided to terminate the production of heat from heating oil (HHO) and later 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 27,000 thousand. In estimating the liability, the directors have made assumptions regarding the following: level of contamination at the site, proximity to approved landfill sites, available decontamination technology and costs required to dispose of certain raw materials.

The Group's ongoing court proceedings:

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Provision for the ongoing court proceedings on heavy heating oil (HHO) inventory.	589	1,625

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

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Share capital of the Company (ENETIQA Energy s.r.o.), fully paid	663,970	663,970

In 2023, the Company's share capital increased by CZK 663,850 thousand following the decision of the sole shareholder. This increase was sourced from other capital contributions of the shareholder (Other components of equity) in the amount of CZK 219,240 thousand (see Note 31). The remaining part of CZK 444,610 thousand was covered by the capitalisation of the shareholder loan.

31. Other Components of Equity

In September 2024, the shareholder committed to provide the Group with an additional equity contribution of CZK 500,000 thousand. The contribution of CZK 300,000 thousand was received at the end of September 2024. The contribution of CZK 200,000 thousand was provided to the Group in October 2024.

32. Non-controlling Interests

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

	Share of non-controlling interests	Profit (loss) allocated to non-controlling interests for the period		Non-controlling interests	
Name of subsidiary	**%**	**From 1 Oct 2023 to 30 Sept 2024 (CZK '000)**	**From 1 Jan 2023 to 30 Sept 2023 (CZK '000)**	**30 Sept 2024 (CZK '000)**	**30 Sept 2023 (CZK '000)**
CTZ s.r.o.	49.04	1,215	(3,283)	68,655	72,345
TERMO Děčín a.s.	3.09	244	(168)	14,752	14,755
Teplárna Liberec, a.s.	23.96	(20,707)	(46,056)	128,288	148,995
ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.	25.00	3,956	(7,511)	5,327	1,371
Total		**(15,292)**	**(57,018)**	**217,022**	**237,466**

Dividend distributions to non-controlling interests during the current period were by CTZ s.r.o in the amount CZK 4,904 thousand (2023: CZK 2,452 thousand) and Termo Děčín a.s. in the amount of CZK 247 thousand (2023: CZK 201 thousand)

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

Teplárna Liberec, a.s.

	30 Sept 2024 (CZK '000)	**30 Sept 2023 (CZK '000)**
Current assets	96,075	224,381
Non-current assets	1,080,704	776,143
Current liabilities	510,238	198,470
Non-current liabilities	72,362	119,849
Equity attributable to owners of the Company	465,891	533,210
Non-controlling interests	128,288	148,995
	594,179	**682,205**

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	**From 1 Jan 2023 to 30 Sept 2023 (CZK '000)**
Revenue	623,509	456,746
Expenses	(709,925)	(648,957)
Profit (loss) for the period	(86,416)	(192,211)
Profit (loss) attributable to owners of the Company	(65,709)	(146,154)
Profit (loss) attributable to non-controlling interests	(20,707)	(46,056)

CTZ s.r.o.

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Current assets	17,156	42,713
Non-current assets	212,842	145,235
Current liabilities	77,484	25,123
Non-current liabilities	12,133	14,922
	140,380	**147,903**
Equity attributable to owners of the Company	71,725	75,558
Non-controlling interests	68,655	72,345

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	From 1 Jan 2023 to 30 Sept 2023 (CZK '000)
Revenue	141,863	93,057
Expenses	(139,386)	(99,753)
Profit (loss) for the period	2,477	(6,696)
Profit (loss) attributable to owners of the Company	1,262	(3,413)
Profit (loss) attributable to non-controlling interests	1,215	(3,283)

33. Notes to the Cash Flow Statement

33.1. Cash and Cash Equivalents

	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Bank balances	580,969	656,717
Cash on hand	1,176	1,122
	582,145	**657,839**

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.

	31 December 2022 (CZK '000)	Cash flow from financing activities (CZK '000)	Effect of acquisition (Note 6) (CZK '000)	Accrued interest (Note 13) (CZK '000)	Foreign exchange gain/loss (Note 14) (CZK '000)	30 September 2023 (CZK '000)
Loans from shareholder (note 24)	(3,169,764)	1,083	444,610	(148,046)	(16,559)	(2,888,676)
Loans from banks (note 24)	(1,923,281)	132,339	0	(101,455)	(14,989)	(1,907,386)
Lease liabilities (note 24)	(7,831)	1,634	0	(444)	0	(6,641)
Interest rate swap	5,508	(5,508)	0	0	0	0
Total liabilities from financing activities	**(5,095,368)**	**129,548**	**444,610**	**(249,945)**	**(31,548)**	**(4,802,703)**

	31 December 2023 (CZK '000)	Cash flow from financing activities (CZK '000)	Effect of acquisition (Note 6) (CZK '000)	Accrued interest (Note 13) (CZK '000)	Foreign exchange gain/loss (Note 14) (CZK '000)	30 September 2024 (CZK '000)
Loans from shareholder (note 24)	(2,888,676)	0	0	(197,627)	(100,593)	(3,186,896)
Loans from banks (note 24)	(1,907,386)	98,840	0	(146,759)	(53,948)	(2,009,253)
Lease liabilities (note 24)	(6,641)	(8,915)	0	(488)	0	(16,044)
Interest rate swap	0	0	0	0	0	0
Total liabilities from financing activities	**(4,802,703)**	**89,925**	**0**	**(344,874)**	**(154,541)**	**(5,212,193)**

34. Contingent Liabilities
The Group has a commitment as of 30 September 2024 arising from: ordered gas for the production of heat and electricity, purchased electricity, ordered coal for heat production, lease agreements (outside the Group), concluded contracts on water treatment services (outside the Group) and investment contracts (outside the Group).

Item	CZK ‘000 (excl. VAT)
Ordered gas for the period Sept-Oct 2024	344,569
Ordered electricity for the period Sept-Oct 2024	12,236
Ordered coal for the period Sept-Oct 2024	3,968
Leases (outside the Group) Oct-Sept 2024	146
Water treatment services contract (outside the Group) Oct-Sept 2024	0
Investment contracts (outside the Group) Oct-Sept 2024	198,629
Ordered gas for the period Jan-Dec 2025	503,883
Ordered electricity for the period Jan-Dec 2025	0
Ordered coal for the period Jan-Dec 2025	12,120
Leases (outside the Group) Jan-Dec 2025	101
Water treatment services contract (outside the Group) Jan-Dec 2025	0
Investment contracts (outside the Group) Jan-Dec 2025	51,311
Other contingent liabilities	1,016
Total	**1,127,978**

The amount disclosed represents the Group’s share of the expected amount of contingent liabilities. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

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 where the 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 Levels 1 and 2 during the current period.

a) Fair value of the Group’s financial assets and financial liabilities that are measured at fair value on a recurring basis
As of 30 September 2024, the Group recognised 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.

30 Sept 2023	Carrying amount (CZK '000)	Fair value Level 1 (CZK '000)	2 (CZK '000)	3 (CZK '000)	Total (CZK '000)
Financial assets/liabilities recognised at amortised cost					
Cash and cash equivalents (Note 33.1)	657,839	0	0	657,146	**657,146**
Trade and other receivables (Note 22)	441,314	0	0	441,314	**441,314**
Loans from shareholders (Note 24)	2,888,676	0	0	2,959,380	**2,959,380**
Loans from bank (Note 24)	1,907,386	0	0	1,907,386	**1,907,386**
Trade and other payables (Note 27)	297,720	0	0	297,720	**297,720**
Other financial assets (Note 25)	5,000	0	0	5,000	**5,000**
Financial assets/liabilities recognised at FVTPL					
Derivative financial assets (Note 25)	2,315	0	2,315	0	**2,315**
Financial assets/liabilities recognised at FVOCI					
Derivative financial assets (Note 25)	25,407	0	25,407	0	**25,407**

30 Sept 2024	Carrying amount (CZK '000)	Fair value Level 1 (CZK '000)	2 (CZK '000)	3 (CZK '000)	Total (CZK '000)
Financial assets/liabilities recognised at amortised cost					
Cash and cash equivalents (Note 33.1)	582,145	0	0	582,212	582,212
Trade and other receivables (Note 22)	858,300	0	0	858,300	858,300
Loans from shareholders (Note 24)	3,186,896	0	0	2,970,233	2,970,233
Loans from bank (Note 24)	2,009,253	0	0	2,009,253	2,009,253
Trade and other payables (Note 27)	554,790	0	0	554,790	554,790
Other financial assets (Note 25)	5,000	0	0	5,000	5,000
Financial assets/liabilities recognised at FVTPL					
Derivative financial assets (Note 25)	278		278		278
Derivative financial liabilities (Note 25)	22,435		22,435		22,435
Financial assets/liabilities recognised at FVOCI					
Derivative financial assets (Note 25)	4,080		4,080		4,080
Derivative financial liabilities (Note 25)	1,364		1,364		1,364

The management of the Group assumed that the carrying amount of loans from banks are approximate to their fair value as they bear variable interest rates.

The fair value of loans from the shareholder with fixed interest rates was estimated based on estimated future cash flows expected to be received, discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

The carrying amount of current assets and liabilities 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 seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by board members' approval.

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 percent VaR number used by the Group reflects the 95 percent 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 30 September 2024

Daily VaR (95%)	Impact on the pre-tax profit (CZK '000)	Impact on the post-tax profit (CZK '000)
Interest rate	434	334
Exchange rate	1,037	799
Commodity	7,460	5,745
Total	**8,931**	**6,877**

The impact on other components of equity should be zero.

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 percent confidence level does not reflect the extent of potential losses beyond that percentile.

These limitations, along with the inherent nature of the VaR measure, mean that the Group cannot guarantee that actual losses will not exceed the indicated VaR amounts, nor can it ensure that losses exceeding these amounts will occur less frequently than once every 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 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 loans that are denominated in EUR. 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 Currency Risk Management	30 Sept 2024 (CZK '000)	30 Sept 2023 (CZK '000)
Financial assets		
Cash and cash equivalents	58,657	197,264
Other assets (escrow account)	0	0
Financial liabilities		
Debts	(5,212,194)	(4,075,860)
Net position	**(5,153,537)**	**(3,878,596)**

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 utilisation Group cash pooling and maintaining mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts.

At the end of the reporting period, the floating interest rate associated with the acquisition loan remains unhedged. 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 rate 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 within the Group primarily stems from fluctuations in gas prices and availability, which impact electricity production and revenue streams. To mitigate these risks, the Group may engage in derivative transactions. However, as of the end of the reporting period, all commodity derivatives had been settled. Aware of the potential risks associated with gas and electricity price volatility, the Group entered into commodity derivatives or contractual arrangements in the subsequent reporting period to secure gas and electricity prices. These measures lock in margins and are executed in multiple 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 Statutory Executives, 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).

e) 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.

Trade and other payables include advance payments received from customers for services. This is a specific feature of the heating industry, where customers make advance payments for heat supplies throughout the year. As of the reporting date (September), these advances have not been fully settled. The settlement occurs through the provision of heat, particularly during the winter months when consumption is highest.

Additionally, the Group has an undrawn credit facility available to settle short-term liabilities as needed. This facility was not utilised during the financial year, demonstrating the stability of the Group's financial management.

30 Sept 2023	**Effective interest rate %**	**Less than 1 year (CZK '000)**	**1-5 years (CZK '000)**	**5+ years (CZK '000)**	**Total (CZK '000)**	**Carrying amount (CZK '000)**
Trade and other payables	-	297,720	0	0	297,720	297,720
Loans from shareholder	7.0 %	207,192	778,169	3,737,602	4,722,963	2,888,676
Bank loans	8.57%	291,169	2,275,506	38,911	2,605,586	1,907,387
Lease liabilities	7.5 %	3,183	3,988	0	7,171	6,641
Interest rate swaps						
– derivative liability	-	0	0	0	0	0
– derivate assets	-	11,564	7,305	0	18,869	18,869

30 Sept 2024	Effective interest rate %	Less than 1 year (CZK '000)	1-5 years (CZK '000)	5+ years (CZK '000)	Total (CZK '000)	Carrying amount (CZK '000)
Trade and other payables		1,067,394	5,483	5,719	1,077,596	1,063,266,
Loans from shareholder	7.0 %	556,501	792,489	3,459,767	4,808,760	3,186,896
Bank loans	7.83 %	316,760	2,218,251	23,799	2,558,810	2,009,253
Lease liabilities	6.00 %	1,927	13,326	5,371	20,625	16,044
Interest rate swaps						
– derivative liability		0	0		0	-23,799
– derivate assets		5,118	0		5,118	4,733

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

To mitigate the risks associated with the sale of heat, electricity, and water supply, the Group has implemented a policy of requiring monthly advance payments from customers. These advance payments help reduce exposure to accounts receivable and provide regular insights into customers' financial health and payment behaviour.

The Group is not exposed to any significant credit risk from individual contractual partners or groups of contractual partners with similar characteristics. The concentration of credit risk with a single contractual partner during the reporting period did not exceed 10%. The concentration of credit risk is limited due to the large customer base.

For risks related to EPC projects, the Group typically sells trade receivables to reduce credit risk and effectively manage liquidity. As of the end of the reporting period, the Group holds bank accounts only with prestigious banking institutions. Given that these banking institutions are part of international groups and based on the external credit ratings of these institutions, management considers the credit risk to be very low.

36.3. Credit Risk Management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation 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.

The Group reached net loss for the period ending on 30 September 2024 in amount of -457 759 ths. CZK and is dependent on the financial support of the parent company, which has expressed this support in writing.

Debt is defined by the Group as long- and short-term borrowings and lease liabilities (excluding derivatives) as disclosed in Note 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 financial covenants see Note 24.1.

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

	30 Sept 2024 (CZK '000)
Debts	5,212,194
Cash and cash equivalents	5,82,145
Net debt	**4,630,049**
Equity	**110,783**
Net debt to equity ratio	**41.79**

37. Subsequent Events

After the end of the reporting period, the following events occurred, which had a significant impact on the financial statements as of 30 September 2024:

- On 1 October 2024, there was a change in the statutory executive at ENETIQA Trading s.r.o. The new statutory executive is Mr. Miloslav Fialka, Ph.D.
- On 3 October 2024, OPATHERM a.s. received an advance payment of CZK 6,000,000 from ČPP related to insurance compensation for the September flood. The funds were utilised for the purchase of pumps and meters.
- On 31 December 2024, ENETIQA Group, through Teplárna Liberec a.s., acquired a 100% share in WARMNIS spol. s r.o., Corporate ID 43224679.
- On 9 January 2025, QuantumX S.à r.l., with its registered office at Boulevard F.W. Raiffeisen, 17, L-2411 Luxembourg, Grand Duchy of Luxembourg, became a shareholder in ENETIQA Energy s.r.o.

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 interest expenses to shareholders in Note 13. Loan from shareholder

On 8 December 2022, the shareholder provided the Group with two loans:

- A loan amounting to CZK 2,708,754 thousand, bearing interest at an effective interest rate of 7% per annum.
- The maturity of this loan is 8 December 2032.
- An interest-free loan from the shareholder amounting to CZK 677,189 thousand, which is due on 31 December 2028. The Group assumes that the market interest rate for this loan should be the same as that of the first loan provided by the shareholder. Therefore, part of the loan was recognised as an equity contribution (see Note 31) and the loan was recognised at CZK 461,010 thousand. In 2023, the shareholder decided to increase the Company's share capital and capitalised the loan in the amount of CZK 444,610 thousand.

The loan from the shareholder was reduced due to revaluation under IFRS 9.

38.2. Remuneration of Key Management Personnel

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

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

	From 1 Oct 2023 to 30 Sept 2024 (CZK '000)	**From 1 Jan 2023 to 30 Sept 2023 (CZK '000)**
Short-term employee benefits	(46,696)	(15,254)
Post-employment benefits	(903)	0
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payments	0	0
	(47,599)	**(15,254)**

39. Approval of the Financial Statements

The financial statements were approved by the statutory executives and authorised for issue on 22 January 2025.

Financial Statements

Balance Sheet

from 1 October 2023 to 30 September 2024, in CZK thousand

Ref.					Assets	30. 9. 2024			30. 9. 2023
						Gross	Adjustment	Net	Net
					TOTAL ASSETS	**4,844,534**	**(1,974,714)**	**2,869,820**	**2,380,325**
B.					**Fixed assets**	**4,242,506**	**(1,974,714)**	**2,267,792**	**2,117,792**
B.	**III.**				**Non-current financial assets**	**4,242,506**	**(1,974,714)**	**2,267,792**	**2,117,792**
B.	III.	1.			Equity investments - controlled or controlling entity	4,039,611	(1,974,714)	2,064,897	2,064,897
B.	III.	2.			Loans and borrowings - controlled or controlling entity	202,895	0	202,895	52,895
C.					**Current assets**	**602,025**	**0**	**602,025**	**262,533**
C.	**II.**				**Receivables**	**261,267**	**0**	**261,267**	**27,236**
C.	II.	2.			Short-term receivables	261,267	0	261,267	27,236
C.	II.	2.	2.		Receivables - controlled or controlling entity	59,160	0	59,160	27,236
C.	II.	2.	4.		Receivables - other	202,107	0	202,107	0
C.	II.	2.	4.	1.	Receivables from partners	200,000	0	200,000	0
C.	II.	2.	4.	3.	State - tax receivables	2,102	0	2,102	0
C.	II.	2.	4.	4.	Short-term prepayments made	5	0	5	0
C.	**IV.**				**Cash**	**340,758**	**0**	**340,758**	**235,297**
C.	IV.	2.			Cash at bank	340,758	0	340,758	235,297
D.					**Other assets**	**3**	**0**	**3**	**0**
D.	1.				Deferred expenses	3	0	3	0

Balance Sheet

from 1 October 2023 to 30 September 2024, in CZK thousand

Ref.				Liabilities and equity	30. 9. 2024	30. 9. 2023
				TOTAL LIABILITIES & EQUITY	**2,869,820**	**2,380,325**
A.				**Equity**	**(319,213)**	**(528,443)**
A.	**I.**			**Share capital**	**663,970**	**663,970**
A.	I.	1.		Share capital	663,970	663,970
A.	**II.**			**Share premium and capital funds**	**500,000**	**0**
A.	II.	2.		Capital funds	500,000	0
A.	II.	2.	1.	Other capital funds	500,000	0
A.	**IV.**			**Retained earnings (+/-)**	**(1,192,413)**	**2,159**
A.	IV.	1.		Accumulated profits or losses brought forward (+/-)	(1,192,413)	2,159
A.	**V.**			**Profit or loss for the current period (+/-)**	**(290,770)**	**(1,194,572)**
B.	**+**	**C.**		**Liabilities**	**3,189,033**	**2,908,768**
B.				**Reserves**	**0**	**6,276**
B.	II.			Income tax reserve	0	6,276
C.				**Payables**	**3,189,033**	**2,902,492**
C.	**I.**			**Long-term payables**	**2,828,382**	**2,734,028**
C.	I.	6.		Payables - controlled or controlling entity	2,828,382	2,734,028
C.	**II.**			**Short-term payables**	**360,651**	**168,464**
C.	II.	4.		Trade payables	0	109
C.	II.	6.		Payables - controlled or controlling entity	358,537	154,648
C.	II.	8.		Other payables	2,114	13,707
C.	II.	8.	5.	State - tax payables and subsidies	0	15
C.	II.	8.	6.	Estimated payables	2,114	13,692

Profit and Loss Account

from 1 October 2023 to 30 September 2024, in CZK thousand

Ref.			For the period ended 30. 9. 2024	For the period ended 30. 9. 2023
A.		Purchased consumables and services	7,393	24,317
A.	3.	Services	7,393	24,317
F.		Other operating expenses	41	40
F.	3.	Taxes and charges	0	2
F.	5.	Sundry operating expenses	41	38
*		**Operating profit or loss (+/-)**	**(7,434)**	**(24,357)**
IV.		Income from non-current financial assets - equity investments	0	987,966
IV.	1.	Income from equity investments - controlled or controlling entity	0	987,966
VI.		Interest income and similar income	10,365	11,207
VI.	1.	Interest income and similar income - controlled or controlling entity	10,365	11,207
I.		Adjustments to values and reserves relating to financial activities	0	1,974,714
J.		Interest expenses and similar expenses	197,627	196,003
J.	1.	Interest expenses and similar expenses - controlled or controlling entity	197,627	143,143
J.	2.	Other interest expenses and similar expenses	0	52,860
VII.		Other financial income	2,001	17,443
K.		Other financial expenses	101,198	9,838
*		**Financial profit or loss (+/-)**	**(286,459)**	**(1,163,939)**
**		**Profit or loss before tax (+/-)**	**(293,893)**	**(1,188,296)**
L.		Income tax	(3,123)	6,276
L.	1.	Due income tax	(3,123)	6,276
**		**Profit or loss net of tax (+/-)**	**(290,770)**	**(1,194,572)**
***		**Profit or loss for the current period (+/-)**	**(290,770)**	**(1,194,572)**
*		Net turnover for the current period	12,366	1,016,616

Notes to Financial Statements

from 1 October 2023 to 30 September 2024

1. Establishment and General information

1.1. Basic 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.

The Company is wholly owned by Cube III Energy Co-Investment CZ S.à r.l., reg. no.: B273589, with registered office at 28-32, Place de la Gare, L-1616, Luxembourg, Grand Duchy of Luxembourg.

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

1.2. Year-on-Year Changes and Amendments to the Register of Companies

On 27 July 2024, the following changes were made to the Register of Companies:

- Mr. Jörg Lüdorf was removed from the position of the statutory executive (termination of office on 30 June 2024),
- Mr. Jan Vencour was removed from the position of the statutory executive (termination of office on 30 June 2024),
- Mr. Jörg Lüdorf was registered as the statutory executive, chairman of the board of statutory executives (appointment and membership as of 1 July 2024),
- Mr. Jan Vencour was registered as the statutory executive, a member of the board of statutory executives, (appointment and membership as of 1 July 2024),
- Mr. ALBERTO MARTINEZ LOPEZ was registered as a member of the Supervisory Board (membership as of 1 July 2024),
- Mr. SAKET TRIVEDI was registered as chairman of the Supervisory Board (membership as of 1 July 2024, appointment as of 3 July 2024),
- Mr. STEPHANE PAUL HENRI CALAS was registered as a member of the Supervisory Board (membership as of 1 July 2024).

1.3. Current Economic Situation

The Company is a member of the ENETIQA group. In response to fluctuating market prices for key commodities within the group, a new entity, ENETIQA Trading s.r.o., was established on 21 March 2024. The primary goal of the new company is to swiftly adapt to changes in commodity prices and to optimise the use of all available resources across the ENETIQA group.

2. Accounting Principles and Policies

2.1. Basis of Preparation of the Financial Statements

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act No. 563/1991 Coll., as amended; Regulation No. 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

The Company's financial statements have been prepared as of the balance sheet date, i.e. 30 September 2024.

These financial statements are presented in thousands of Czech crowns (CZK '000) unless stated otherwise.

The Company does not prepare an annual report as of the date of these separate financial statements because it intends to include the relevant information in the consolidated annual report.

When comparing financial performance for the current (twelve-month) period with financial performance in the comparative period, it is important to note that the comparative period only included a nine-month trading period from 1 January 2023 to 30 September 2023. As a result, the presented financial performance and cash flows are not fully comparable.

2.2. Non-Current Financial Assets

Non-current financial assets consist of loans with maturity exceeding one year and equity investments. Upon acquisition, equity investments are carried at cost. The cost includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

As of the date of the financial statements, equity interests in controlled and controlled entities and entities under significant influence are measured at cost less provisions.

2.3. Cash

Cash consists of money in bank accounts.

As of 18 March 2024, the Company is participating in the „Cash pool" system of utilisation of free cash of individual Group companies. Funds deposited into or drawn from this system at the balance sheet date are shown in the balance sheet under 'Short-term receivables - controlled or controlling entity' and 'Short-term payables - controlled or controlling entity', respectively.

2.4. Receivables

Receivables are stated at a nominal value less provisions.

Estimated receivables are valued based on expert estimates and calculations.

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

2.5. Payables

Payables are stated at a nominal value.

Estimated payables are valued based on expert estimates and calculations.

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

2.6. Loans

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

2.7. Reserves

Reserves are intended to cover liabilities and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

The Company creates reserves for income tax liability less income tax prepayments made. If income tax prepayments exceed the expected tax, the difference is recognised as a short-term receivable.

2.8. Foreign Currency Translation

Transactions denominated in foreign currencies performed during the year are translated using the exchange rate of the Czech National Bank prevailing on the date of the transaction.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

2.9. Expenses and Income

Expenses and Income are stated on an accrual basis, i.e. in the period to which they are materially and temporally related.

Income 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.

2.10. Related Parties

The Company's related parties are the following:

- parties, which directly or indirectly control the Company, their subsidiaries, and associates;
- parties, which have a direct or indirect significant influence over the Company;
- members of the Company's or parent company's statutory and supervisory bodies and management and parties close to such members, including entities in which they have a controlling or significant influence;
- subsidiaries and associates and joint ventures.

Material transactions and outstanding balances with related parties are disclosed in Note 3.12.

2.11. Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

2.12. Year-on-Year Changes in Accounting Policies

The Company decided to reclassify short-term receivables from line 'Trade receivables' to 'Receivables - controlled or controlling entity' to provide a more faithful representation of reality. The comparative figures as of 30 September 2023 were adjusted to reflect the change in the total amount of CZK 27,236 thousand.

2.13. Interest Expenses

All interest expenses are charged to expenses.

2.14. Taxation

2.14.1. Tax Payable

Income tax payable is calculated using the applicable tax rate on accounting profit increased or decreased by permanently or temporarily non-tax deductible expenses and non-taxable income (e.g. creation and recognition of other reserves and provisions, representation costs, difference between accounting and tax depreciation, etc.). It also takes into account items reducing the tax base (donations), deductible items (tax losses, costs of R&D projects) and income tax allowances.

2.14.2. Deferred Tax

The deferred tax liability reflects the tax effect of temporary differences between the carrying amounts of assets and liabilities from an accounting perspective and the determination of the income tax base, taking into account the period of realisation. The deferred tax asset is accounted for under the assumption that it will be realised; otherwise, it is recorded as an off-balance sheet item. If the temporary difference arises from a revaluation recognised against the entity's equity, the deferred tax is charged against the relevant component of equity.

If the financial statements precede the final calculation of income tax, the entity will create a reserve for income tax.

2.15. 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 of the balance sheet date.

Where significant events occur after the balance sheet date but before 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 recognised in the financial statements.

3. Additional Information

3.1. Non-Current Financial Assets

On 9 December 2022, 100% of the shares in ENETIQA a.s. were acquired.

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

Controlled and controlling entities and entities under significant influence (in CZK '000):

Name and Legal Status of Company	**ENETIQA a.s.**	**ENETIQA a.s.**
Balance as of	30 September 2024	30 September 2023
Share in %	100	100
Total assets	2,537,199	2,558,370
Equity	1,141,317	1,178,934
Share capital and capital funds	1,022,639	1,135,389
Funds from profit	0	0
Retained earnings/accumulated losses brought forward	43,546	0
Profit/loss of the current year	75,132	812,545
Acquisition price of shares/shareholding	4,599,451	4,599,451
Nominal value of the share/shareholding	20,000	20,000
Number of shares	36	36
Dividends	769,000*	218,967

*On 15 February 2024, the Company approved the financial statements of ENETIQA a.s. and decided to allocate ENETIQA a.s. profit for 2023, amounting to CZK 812,545 thousand, as follows: a profit share of CZK 769,000 thousand to the Company, and the remaining CZK 43,546 thousand to the retained earnings brought forward of ENETIQA a.s. The profit share prepayment of CZK 769,000 thousand made in 2023 was settled.

Loans and borrowings to controlling and controlled entities, entities under significant influence and others (CZK '000):

Entity	**Description**	**As of 30 Sept 2024**	**As of 30 Sept 2023**
ENETIQA a.s.	Loan of 150 million, maturing in 10 years	150,000	-
ENETIQA a.s.	Loan of 250 million, maturing in 10 years	52,895	52,895

3.2. Receivables

The Company has no long-term receivables. In addition, the Company does not have any outstanding receivables that are considered doubtful for which a reserve would be made.

The Company records no past due receivables. The Company also records no receivables and contingent receivables that are not recognised in the balance sheet.

Receivables are not secured by guarantees in kind or encumbered by liens.

3.3. Provisions

Provisions represent temporary reductions in the value of assets (referred to in Note 3.1. and 3.2.).

Changes in provision accounts (CZK '000):

Provisions for:	Balance as of 1 Jan 2023	Net Change FY 2023	Balance as of 30 Sept 2023	Net Change FY 2024	Balance as of 30 Sept 2024
Financial assets	0	1,974,714	1,974,714	0	1,974,714
Receivables	0	0	0	0	0

3.4. Cash

As of 30 September 2024, cash at bank was encumbered by a lien pursuant to the Security Agreement of 8 December 2022 on the establishment of a lien on receivables from bank accounts.

3.5. Accruals and Deferrals

Deferred expenses include deferred rent and will be charged to expenses in the period to which they relate both materially and temporally.

3.6. Equity

On 3 July 2024, the sole shareholder of the Company approved the financial statements for the period from 15 June 2022 to 31 December 2022 and decided to transfer the 2022 profit of CZK 2,159 thousand. The profit share is transferred to the retained earnings brought forward.

On 3 July 2024, the sole shareholder of the Company approved the financial statements for the period from 1 January 2023 to 30 September 2023 and decided to transfer the 2023 profit of CZK 1,194,572 thousand. The loss is transferred to the accumulated losses brought forward.

Furthermore, on 18 September 2024, the sole shareholder approved the granting of an additional equity contribution of CZK 500,000 thousand. The first installment was paid on 20 September 2024, the second installment of CZK 200,000 thousand is classified as a receivable from the shareholder as of the balance sheet date and was paid on the due date as per Note 3.12.

Considering that the Company reported a loss after tax of CZK 290,770 thousand and negative equity of CZK 319,213 thousand as of 30 September 2024 Management of the Company has considered and evaluated that the entity is not insolvent under the Insolvency Act. The Company is dependent on financial support from the parent company, which has expressed this support in writing.

3.7. Liabilities, Future Liabilities and Contingent Liabilities

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

- agreement on the establishment of a pledge over receivables from bank accounts and agreement on the establishment of a pledge over receivables from the relevant agreements concluded on 8 December 2022 between the Company and Komerční banka
- agreement dated 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.

3.8. Long-Term and Short-Term Payables

As of 30 September 2024, the Company recorded a long-term payable arising from a loan from the parent company Cube III Energy Co-Investment CZ S.à r.l. of CZK 2,828,382 thousand.

Short-term payables to a controlled or controlling entity consist of interest on the loan received from the parent company Cube III Energy Co-Investment CZ S.à r.l. in the amount of CZK 358,515 thousand, payable within one year as of the balance sheet date, and a trade payable of CZK 22 thousand to ENETIQA a.s.

Estimated payables of CZK 2,114 thousand mainly include audit and legal costs.

The Company has no other payables that are not secured by Company assets and that are due in more than 5 years.

The Company has no payables that are not recognised in the balance sheet.

The Company did not provide any guarantees that are not recorded in the balance sheet.

The Management is unaware of any contingent liabilities as of 30 September 2024.

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

3.10. Other Financial Income
Other financial income mainly consists of exchange rate income.

3.11. Income Tax
Tax expense includes (CZK '000):

	1 Oct 2023 – 30 Sept 2024	1 Jan 2023 – 30 Sept 2023
Tax payable	3,153	-
Reserve for tax payable	-	6,276
Deferred tax	-	-
Adjustment of prior period tax expense according to the actual tax return filed	(6,276)	-
Total tax expense	**(3,123)**	**6,276**

The tax payable was calculated as follows (CZK '000):

	1 Oct 2023 – 30 Sept 2024	1 Jan 2023 – 30 Sept 2023
Profit before tax	(293,893)	(1,188,296)
Items reducing the tax base	(10,083)	(998,938)
Items increasing the tax base	205,083	2,203,829
Tax base	**(98,893)**	**16,595**
Corporate income tax of 19%	-	3,153
Income tax prepayments made	2,102	-
Income tax receivable/payable	**2,102**	**3,153**

The Company records no deferred tax asset.

3.12. Related Party Transactions
As of 30 September 2024, the Company recorded a short-term liability of CZK 358,515 thousand and a long-term liability of CZK 2,828,382 thousand to the controlling entity regarding the loan received. The loan is repayable on 7 December 2032 with interest at 7% per annum. As of 30 September 2023, the liability amounted to CZK 2,888,676 thousand.

As of 30 September 2024, the Company recorded a short-term liability to a subsidiary of CZK 22 thousand from invoices received.

As of 30 September 2024, the Company recorded short-term receivables from interest and cash pool arrangements with the subsidiary of CZK 59,160 thousand. Additionally, the Company recorded a receivable from the controlling entity for the second installment of the additional equity contribution of CZK 200,000 thousand, which is due by 31 October 2024.

On 10 February 2023, the Company granted to its subsidiary ENETIQA a.s. a long-term loan in the total amount of CZK 250,000 thousand, maturing on 9 February 2033, at an interest rate of 2W repo + 0.15% p.a. Its remaining amount as of 30 September 2024 amounted to CZK 52,895 thousand and is disclosed in the line "Non-current financial assets, loans and borrowings – controlled or controlling entity".

On 12 December 2023, the Company granted a long-term loan to its subsidiary ENETIQA a.s. in the total amount of CZK 150,000 thousand, maturing on 11 December 2033, at an interest rate of 2W repo + 0.15% p.a. The remaining amount as of 30 September 2024 was CZK 150,000 thousand and is disclosed in the line „Non-current financial assets, loans and borrowings - controlled or controlling entity".

No loans, credits, deposits, or advances were provided to Statutory Executives as of 30 September 2024 and 2023.

The Company records the following balances with related parties:

(CZK '000)	**1 Oct 2023 – 30 Sept 2024**	**1 Jan 2023 – 30 Sept 2023**
Non-current financial assets		
Loans and borrowings	202,895	52,895
Total non-current financial assets	**202,895**	**52,895**
Short-term receivables		
Receivables – controlled or controlling entity	59,160	27,236
Deferred expenses	3	0
Total short-term receivables	**59,163**	**27,236**
Total receivables	**282,058**	**80,131**
Short-term payables		
Estimated payables	1,230	3,530
Payables – controlled or controlling entity	22	0
Total short-term payables	**1,252**	**3,530**
Total payables	**1,252**	**3,530**

(CZK '000)	**1 Oct 2023 – 30 Sept 2024**	**1 Jan 2023 – 30 Sept 2023**
Income		
Interest on loans within the group	10,083	11,207
Interest on cash pool	282	0
Dividends	0	987,966
Total	**10,365**	**999,173**
Cost		
Rent	7	7
Other loan costs	0	1,083
Accounting services	360	0
Other services	9	0
Total	**376**	**1,090**

3.13. Subsequent events

On 7 October 2024, a Loan Agreement for CZK 500,000 thousand was signed with Teplárna Liberec, a.s. The maturity of the loan is ten years.

On 8 January 2025 the share capital of ENETIQA Energy s.r.o. was increased by CZK 9,000 thousand. The share capital after this contribution amounts to CZK 672,969,794.

On 9 January 2025, QuantumX S.à r.l., L-2411 Luxembourg, Boulevard F.W. Raiffeisen, 17, Grand Duchy of Luxembourg, became a shareholder of ENETIQA Energy s.r.o.

No other events occurred after the balance sheet date that would have a material impact on the financial statements.

In Prague, on 22 January 2025

Jörg Lüdorf
Statutory Executive

Jan Vencour
Statutory Executive

Report on Relations

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

The Company is entered in the Register of Companies managed by the Municipal Court in Prague, Section C, File no. 368824 (hereinafter referred to as the “**Company**”).

The Statutory Executives of the Company:

1) DECLARE THAT

- The group has joint management – a parent company and subsidiaries;
- The parent company, 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 Statutory Executives are required, in compliance with Section 82 of the Business Corporations Acts, to prepare a written Report of Relations between the controlling and the controlled entities for the previous reporting period, within 3 months after the end of the reporting period.

2) APPROVE THE REPORT ON RELATIONS FOR THE PERIOD FROM OCTOBER 2023 TO SEPTEMBER 2024

Structure of relations between the parent company and all subsidiaries (the controlling entity and the controlled entities) within the ENETIQA group:

The Company is a member of the ENETIQA group; its structure and parts are defined in Appendix 1 hereto.

Controlling entity (parent company – the group pursuant to Section 79 of the Business Corporations Act)

The Company is controlled by Cube III Energy S.à r.l., Register of Companies entry number: B258410, with registered seat at 28-32, Place de la Gare, L-1616, Luxembourg City, the Grand Duchy of Luxembourg.

Other entities controlled by the controlling entity (i.e. the parent company)

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

1. Entities directly controlled by the controlling entity (i.e. direct subsidiaries):

ENETIQA a.s., with its registered seat at Praha 5 – Jinonice, Kačírkova 982/4, post code: 158 00,
Corporate ID: 49685490

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

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

Role of the Controlled Entity in the ENETIQA Group

Parent company in the Czech Republic.

Method and Means of Control

Through ownership participation in the Company's General Meeting decision-making process or by following the instructions of the controlling entity.

Overview of acts performed in the reporting period of October 2023 – September 2024 taken at the instigation of or in the interest of entities controlled by the Controlling Entity in respect of assets exceeding 10% of the Controlled Entity's equity as determined in accordance with the financial statements for the previous reporting period.

	Acts exceeding 10% of equity (CZK '000)		
Business name	**Loans within the group – provided/received**	**Payment/income from the capital fund**	**Loan interest**
ENETIQA a.s.	150,000	-	-
Cube III Energy Co-Investment CZ S.à r.l.	-	500,000*	197,627

*Additional equity contribution

Agreements concluded by and between the Company and the controlled entity (subsidiary) or the controlling entity (parent company) and mutually by and between the controlled entities from October 2023 to September 2024.

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

Contracting Party	Date of Execution	Contract Title
ENETIQA Energy s.r.o. CUBE III ENERGY Co-Investment CZ S.à r.l.	8 Dec 2022	INTEREST BEARING LOAN FACILITY AGREEMENT
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 Dec 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 Dec 2022	Security Agreement
ENETIQA Energy s.r.o. Cube III Energy Co-Investment CZ S.à r.l.	18 Sept 2024	Additional Equity Contribution Agreement

The Company incurred no unsettled loss from any of the above-listed contracts.

Contracts between ENETIQA a.s. and other controlled entities

Contracting Party	Date of Execution	Contract Title
Cube III Energy CZ s.r.o. ENETIQA a.s.	9 Feb 2023	Interest-bearing loan facility agreement
ENETIQA a.s. ENETIQA Energy s.r.o.	1 Apr 2023	Sublease of non-residential premises
Teplárna Liberec a.s. ENETIQA a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e-services s.r.o. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. ENETIQA Energy s.r.o. ENETIQA Trading s.r.o.	18 Dec 2000	Company agreement
Teplárna Liberec a.s. ENETIQA a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e-services s.r.o. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. ENETIQA Energy s.r.o. ENETIQA Trading s.r.o.	26 May 2023	Appendix No. 16 to the contract of association of 18 Dec 2000
Teplárna Liberec a.s. ENETIQA a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e-services s.r.o. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. ENETIQA Energy s.r.o. ENETIQA Trading s.r.o.	17 Sept 2024	Agreement on the accession of another participant to the company agreement of 18 December 2000

Contracting Party	Date of Execution	Contract Title
Teplárna Liberec a.s. ENETIQA a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e-services s.r.o. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. ENETIQA Energy s.r.o. ENETIQA Trading s.r.o.	7 Jan 2009	Mandate contract
ENETIQA Energy s.r.o. ENETIQA a.s.	29 Sept 2023	Contract for the provision of accounting, economic reporting and controlling services and non-cash payment of direct electronic banking payments
Teplárna Liberec a.s. ENETIQA a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e-services s.r.o. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. ENETIQA Energy s.r.o. ENETIQA Trading s.r.o.	19 Sept 2024	Agreement on the accession of other parties and Appendix No. 4 to the mandate agreement of 7 January 2009
Teplárna Liberec a.s. MVV Energie CZ a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e-services s.r.o. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. ENETIQA Energy s.r.o. ENETIQA Trading s.r.o.	13 Nov 2020	Cashpooling Framework Agreement

Contracting Party	Date of Execution	Contract Title
Teplárna Liberec a.s. ENETIQA a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e.services s.r.o. G-LINDE s.r.o. G-RONN s.r.o. ENERGIE Holding a.s. IROMEZ s.r.o. OPATHERM a.s. POWGEN a.s. TERMIZO a.s. TERMO Děčín a.s. Zásobování teplem Vsetín a.s. ENETIQA Energy s.r.o. CTZ s.r.o. ENETIQA Trading s.r.o.	19 Mar 2024	Agreement on the accession of an additional participant and Amendment No. 1 to the Cashpooling Framework Agreement of 13 November 2020
Teplárna Liberec a.s. ENETIQA a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. Českolipské teplo a.s. e.services s.r.o. G-LINDE s.r.o. G-RONN s.r.o. ENERGIE Holding a.s. IROMEZ s.r.o. OPATHERM a.s. POWGEN a.s. TERMIZO a.s. TERMO Děčín a.s. Zásobování teplem Vsetín a.s. ENETIQA Energy s.r.o. CTZ s.r.o. ENETIQA Trading s.r.o.	22 Apr 2024	Agreement on the accession of an additional participant and Amendment No. 2 to the Cashpooling Framework Agreement of 13 November 2020
Teplárna Liberec a.s. ENETIQA a.s. POWGEN a.s. ENERGIE Holding a.s. IROMEZ s.r.o. TERMO Děčín a.s. CTZ s.r.o. OPATHERM a.s. Zásobování teplem Vsetín a.s. ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. G-RONN s.r.o. G-LINDE s.r.o. TERMIZO a.s. e.services s.r.o. ENETIQA Energy s.r.o. Českolipské teplo a.s. PricewaterhouseCoopers Audit, s.r.o.	18 Oct 2023	Audit Contract No. 32021995.A314/2023
ENETIQA Energy s.r.o. ENETIQA a.s.	12 Dec 2023	INTEREST BEARING LOAN FACILITY AGREEMENT

The Company incurred no unsettled loss from any of the above-listed contracts.

Confidential Information

All information and facts that constitute trade secrets of the controlling or controlled entities (the parent company and the subsidiaries) or other entities within the ENETIQA group are confidential, including any information designated as confidential by any related entity. Furthermore, all information related to business operations, as well as other associated data and facts that may be considered sensitive and whose disclosure could harm any entity within the ENETIQA group, are deemed confidential.

In accordance with Section 504 and the provisions on trade secret protection under Act No. 89/2012 Coll., the Civil Code, as amended, this Report on Relations excludes information of the aforementioned nature to prevent potential harm to the controlling and controlled entities (the holding company and its subsidiaries).

Additional Information

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

Assessment of the advantages and disadvantages arising from the relationships between ENETIQA group companies, risk assessment, and information on the potential loss settlement

The relationships between group companies are governed by the arm's length principle, with intra-group transactions conducted under market conditions. As a result, the controlled entities are not subject to any extraordinary advantages, disadvantages, or risks arising from their membership in the group.

During the reporting period, no additional measures were undertaken in the interest or at the instigation of the controlling or controlled entities beyond the usual measures taken by a controlled entity in relation to the controlling entity as its owner, except for those specified in the chapter ‚Other Losses Incurred by ENETIQA Energy s.r.o. and an Evaluation of the Settlement of Losses pursuant to Sections 71 and 72 of the Business Corporations Act, as amended.'

None of the companies within the ENETIQA group incurred any unsettled losses as a result of the Company's actions.

Conclusion

The Statutory Executives of ENETIQA Energy s.r.o. confirm that, based on the contracts effective between October 2023 and September 2024, executed between the Company and other entities within the ENETIQA group, as well as other performance of the Company in the interest or at the instigation of ENETIQA group members during the same period, the Company has not incurred any unsettled losses.

In Prague, on 20 December 2024

On behalf of ENETIQA Energy s.r.o.

Jörg Lüdorf
Statutory Executive

Jan Vencour
Statutory Executive

Appendix no. 1 to the Report on Relations

Group Structure of ENETIQA Group as of 30 September 2024

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 %
Město 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 %
  Město 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 %
  Statutární město Liberec 23,96 %

Enetiqa GmbH
ENETIQA a.s. 100,00 %

ENETIQA Trading s. r. o.
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 %
Statutární město Děčín 3,09 %

Zásobování teplem Vsetín a.s.
ENETIQA a.s. 100,00 %

Independent Auditor’s Report

Deloitte.

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ID. No.:49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR’S REPORT

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

Having its registered office at: Kačírkova 982/4, Jinonice, 158 00 Praha 5

Opinion

We have audited the accompanying financial statements of ENETIQA Energy s.r.o. (hereinafter also the “Company”) prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 30 September 2024, the profit and loss account for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ENETIQA Energy s.r.o. as at 30 September 2024, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3.6 to the financial statements, which describes that the Company reported a loss after tax of CZK 290,770 thousand and negative equity of CZK 319,213 thousand as of 30 September 2024. The Company depends on the parent company’s financial support, which has expressed this support in writing. Our opinion is not modified in respect of this matter.

We further draw attention to note 2.1 of the notes to the financial statements, which describes the fact that the comparable period included only a nine-month period of business activity and, therefore, the presented financial results are not fully comparable. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of ENETIQA Energy s.r.o. for the year ended 30 September 2023 were audited by another auditor who expressed an unqualified opinion on those financial statements on 17 May 2024.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor’s report thereon. The Statutory Executives are responsible for the other information.

As described in Note 2.1 to the financial statements, ENETIQA Energy s.r.o. has not prepared an annual report as at 30 September 2024, as it intends to include the relevant information in the consolidated annual report. Consequently, this auditor’s report does not include our statement on the other information.

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Responsibilities of the Company's Statutory Executives for the Financial Statements

The Statutory Executives are responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executives determine 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 Executives are responsible for assessing 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 Executives either intend to liquidate the Company or to cease operations, or have 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 ISAs 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 above law or regulation, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting methods 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executives 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.

In Brno on 22 January 2025

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o.	Lubomír Křivánek
registration no. 079	registration no. 2560
Deloitte	Křivánek

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