

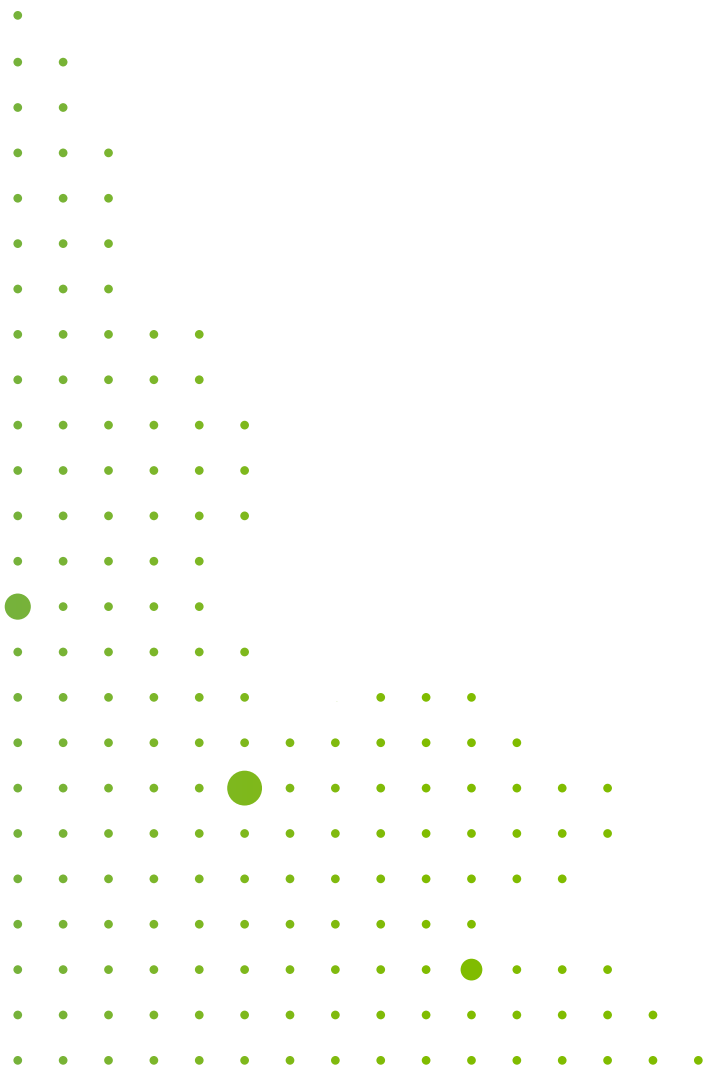


# Annual Report 2021

EP ENERGY TRADING, a.s.

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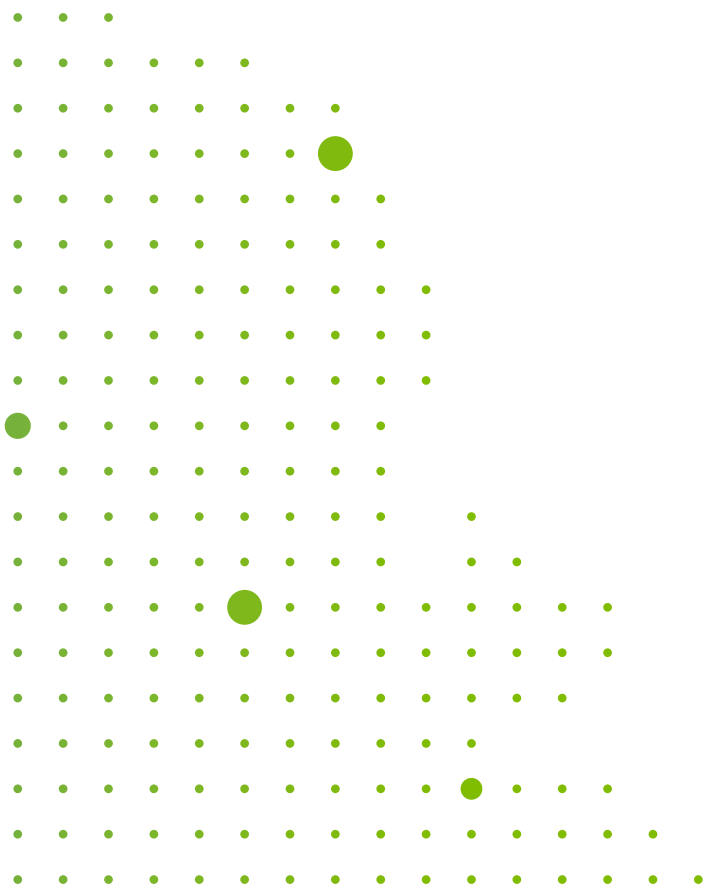
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# 1.

## Opening Statement Of The Chief Executive Officer

Ladies and Gentlemen,

Let me inform you about the business activities of EP ENERGY TRADING, a.s. in the past year ended 31 December 2021 and plans of the Company for 2022.

In 2021, we achieved the planned supply of electricity and natural gas to end customers despite the difficult pandemic situation caused by COVID-19. Specifically, we supplied 2.8 TWh of electricity and 2.2 TWh of natural gas.

The Company currently supplies energy to more than 73,000 supply points in the Czech Republic and Slovakia which is a year-on-year increase by more than 5,800 supply points.

Increasing the loyalty and satisfaction of our customers, business partners and our employees - this is the primary principle of our Company based on which we achieve good financial results in the long-term and increase the value of the Company.

EP ENERGY TRADING, a.s. sells its products under the epet brand. The strategy of the brand is customer-oriented and wishes for simplicity, efficiency, clarity and a human approach.

As in the prior year, we will continue to focus on strengthening our position in the segment of energy supply to households through new investment opportunities.

I would like to thank you all for the cooperation to date and I believe that you will continue to be satisfied with our services.

In Prague on 30 April 2022



Ing. Petr Švec, MBA  
Chief Executive Officer of EP ENERGY TRADING, a.s.

# 2.

## Selected Data On The Company

Company:	EP ENERGY TRADING, a.s.
Registered office:	Klimentská 1216/46, Prague - Prague 1, 110 02
Corporate ID:	273 86 643
Tax ID:	CZ27386643
Recorded in:	Register of Companies maintained by the Municipal Court in Prague, File B, Insert 10233
Tel.:	+420 255 707 090
Fax:	+420 255 707 091
E-mail:	info@epet.cz
Website:	www.epet.cz
Customer line:	+420 255 707 099

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Foreign branch:	EP ENERGY TRADING, a.s., organizačná zložka,
Registered office:	Pribinova 25, PSČ 811 09, Bratislava, Slovakia
Corporate ID:	366 82 071

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Subsidiary:	Dobrá Energie s. r. o.
Registered office:	Klimentská 1216/46, Prague - Prague 1, 110 00
Corporate ID:	242 40 834

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Sole shareholder:	EP Energy, a.s.
Registered office:	Pařížská 130/26, Josefov, 110 00 Prague 1
Corporate ID:	292 59 428



# Company Profile

**EP ENERGY TRADING, a.s.**, joint stock company, is a reliable supplier of electricity and natural gas to households, companies and wholesale customers in the Czech Republic and Slovakia.

It offers a professional approach, fast and open dealings, good quality services and especially interesting and competitive prices to its customers. It is a respected alternative to all dominant energy suppliers.

Another business activity of the Company is trading with electricity and gas on the wholesale market.

The entity is part of the EP ENERGY group, a significant supplier of heat and the second largest electricity producer in the Czech Republic. Thanks to the economic strength of this owner who has its own energy sources, EP ENERGY TRADING, a.s. is a stable partner for its customers, offering one of the best price conditions on the market and the assurance of compliance with contractual obligations.

# 3.

## Report Of The Board Of Directors On The Company's Business Activities And Balance Of Its Assets

All listed data are prepared in line with the Czech Accounting Standards.

### Economic results for 2021

In the year ended 31 December 2021, EP ENERGY TRADING, a.s. reported sales of nearly CZK 14 billion. The profit before tax amounted to nearly CZK 91 million.

### Principal business activities in 2021

The principal business activities include the sale of electricity and gas to end customers in the Czech Republic and in Slovakia and electricity and gas trading on the wholesale market.

#### Electricity

The total sales of electricity to end customers in the Czech Republic and Slovakia in 2021 in technical units reached 2,756 GWh. Supplies of electricity in Slovakia are provided through EP ENERGY TRADING, a.s., organizačná zložka.

EP ENERGY TRADING, a.s. has an exclusive position in the purchase and sale of electricity from the production sources of the group and electricity supply to end customers.

In 2021, the company traded 5,402 GWh of electricity, including stock exchange trading.

#### Natural gas

In 2021, EP ENERGY TRADING, a.s. supplied 2,224 GWh of natural gas to end customers in the Czech Republic and traded 2,185 GWh of this commodity.

### Further development

For 2022, the principal task is to maintain current market positions in the sale of electricity and gas increase the sale in the household segment. The Company will focus on maintaining its profitability in the energy supplies to end customers segments despite the current highly competitive conditions on the market and a prudent approach to the risk that the Company upholds.

EP ENERGY TRADING, a.s. will continue to strengthen relationships with its partners and develop business relations with new counterparties.

Internally, the Company will focus on optimizing processes and improving the quality of service to end customers.





## Research and development activities

The Company does not focus on research and development activities.

## Environmental protection and labour relations

The Company always behaves in an environmentally friendly manner when using consumer materials. Labour relations comply with the Labour code.

## Information on objectives and methods of risk management

The Company is, among other things, exposed to currency and market risk in its standard business activities. The Company's management regularly monitors and assesses these risks, in cooperation with the risk management department. The objective of the Company's management is to decrease potential negative impacts of these risks, which is achieved with the use of currency and commodity derivatives. The Company uses hedge accounting; its principles are described in detail in Note 2e) the notes to the financial statements.

## Other requirements

During 2021, the Company acquired no treasury shares. The information on the Company's branch is available in the notes to the financial statements.

## Significant post balance sheet events

Significant post balance sheet events are presented in the notes to the financial statement that form part of this annual report.

In Prague on 29 April 2021



Ing. Petr Švec, MBA  
Member of the Board of Directors



Ing. Ladislav Sladký  
Member of the Board of Directors

## 4.

## Report On Related Party Transactions

pursuant to Act No. 90/2012 Coll., on Business Corporations and Cooperatives, for the reporting period from 1 January 2021 to 31 December 2021.

The Board of Directors of EP ENERGY TRADING, a.s., having its registered office at Klimentská 1216/46, 110 02, Prague 1, prepared this Report on Related Party Transactions between the controlled entity, directly and indirectly controlling entities and other entities controlled by the same controlling entity for the reporting period from 1 January 2021 to 31 December 2021, under Section 82 of Act No. 90/2012 Coll. on Business Corporations and Cooperatives, as amended.

The directly controlling entity in the reporting period from 1 January 2021 to 31 December 2021 was EP Energy, having its registered office at Pařížská 130/26, Josefov, 110 00 Prague 1.

The directly controlling entity EP Energy, a.s. held 16 shares of the controlled entity, representing 100% of the share capital and a corresponding share in voting rights in the reporting period.

### I. Controlled entity

EP ENERGY TRADING, a.s., having its registered office at Klimentská 1216/46, 110 02, Prague 1, Corporate ID 273 86 643, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 10233 on 31 October 2005.

### II. Controlling entity

#### a) directly controlling entities

EP Energy, a.s., having its registered office at Pařížská 130/26, Prague 1, 110 00, Corporate ID 292 59 428, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21733, on 16 December 2010.

#### b) indirectly controlling entities

In period from 1 January 2021 to 31 December 2021, the indirectly controlling entity was EP Infrastructure, a.s., having its registered office at Pařížská 130/26, Josefov, 110 00 Prague 1, corporate ID 02413507, registered in the Register of Companies held at the Municipal Court in Prague, Section B, file 21608.

### III. Role of the controlled entity, manner and means of control

The role of the controlled entity in the group is trading with commodities on the wholesale market and supply of commodities to end customers. In this role, the controlled entity enters in business relations with related parties. All contractual relations with related parties were concluded under the arm's length principle, and the agreed performance corresponded to standard trade conditions.

The decisive influence of the controlling entity is primarily exercised by the appointing and recalling of members of the statutory bodies and the supervisory body in line with the applicable legal regulations and Articles of Association of the controlled entity.

#### IV. Contracts concluded with related parties during the reporting period

During the reporting period ended 31 December 2021, the following contracts were effective between the controlled entity and directly or indirectly controlling entities and between the controlled entity and entities controlled by the same controlling entity:

- EFET master agreement concluded with Stredoslovenská energetika, a.s. on 1 October 2007
- Master agreement concluded with Stredoslovenská energetika-Distribúcia, a.s. on 1 July 2007.
- Master agreement on the supply and purchase of electricity with the transfer of responsibility for differences concluded with Elektrárny Opatovice, a.s. on 15 December 2010.
- Master agreement on the supply and purchase of electricity with the transfer of responsibility for differences concluded with Plzeňská energetika a.s. on 15 December 2010.
- Loan contract with EP Energy, a.s. concluded on 15 November 2013.
- EFET master agreement (electricity) concluded with EP Commodities, a.s. on 1 December 2014.
- EFET master agreement (gas) concluded with EP Commodities, a.s. on 1 December 2014
- EFET master agreement concluded with Pražská teplárenská a.s. on 10 December 2013
- EFET master agreement concluded with EP Commodities, a.s. on 1 December 2014
- Master agreement on distribution concluded with SPP – distribúcia, a.s. on 6 October 2015
- Agreement on the supply of electricity – purchase of electricity for 2021 with POWERSUN a.s. concluded on 8 October 2020
- Agreement on the supply of electricity – purchase of electricity for 2021 with VTE Pchery, s.r.o. concluded on 8 October 2020
- Agreement on the supply of HV electricity for 2020-2021 with VTE Pchery, s. r. o. concluded on 22 November 2019.
- Agreement on the supply of HV electricity for 2020-2021 with POWERSUN a.s., concluded on 19 November 2019
- Agreement on combined supplies of HV electricity for 2021 with MSEM, a.s., concluded on 8 December 2020
- Agreement on combined supplies of gas (wholesale and medium size customers) for 2021 with MSEM, a.s., concluded on 8 December 2020
- Agreement on combined supplies of HV electricity for 2021 with SOR Libchavy spol. s r.o., concluded on 5 November 2020
- Agreement on combined supplies of HV electricity for 2021 with Plzeňská teplárenská, a.s., concluded on 21 December 2020
- Agreement on combined supplies of gas (wholesale and medium size customers) for 2021 with Plzeňská teplárenská, a.s., concluded on 10 March 2020
- Agreement on combined supplies of gas (wholesale and medium size customers) for 2021-2022 with SOR Libchavy spol. s.r.o., concluded on 8 April 2020
- Agreement on combined supplies of LV electricity with RPC, a.s. concluded on 3 October 2017, as amended by amendment no. 1 of 15 May 2020
- Agreement on combined supplies of gas (wholesale and medium size customers) for 2021 with United Energy, a.s, concluded on 5 May 2020
- EFET master agreement (electricity) concluded with PT Concept, a.s. (Pražská teplárenská Trading, a.s.) on 15 April 2015
- EFET master agreement (gas) concluded with PT Concept, a.s. (Pražská teplárenská Trading,a.s.) on 15 October 2012
- Master agreement on the supply and purchase of electricity with the transfer of responsibility for differences concluded with United Energy a.s. concluded on 31 December 2010.
- Agreement on maintained financial collateral with EP Commodities, a.s., concluded on 1 December 2017
- Service agreement with EP Commodities, a.s. concluded on 2 January 2018.
- Agreement on the provision of professional assistance with EP Infrastructure, a.s., concluded on 2 January 2018

- Agreement on the provision of professional assistance with EP Infrastructure, a.s., concluded on 1 October 2018
- Agreement on the provision of professional assistance with EP Investment Advisors, s.r.o. concluded on 4 January 2016, including the amendment of 2 January 2017.
- Agreement on combined supplies of LV electricity with Loko Train s.r.o. concluded on 27 November 2015, 9 December 2019, 21 September 2021 (3x)
- Agreement on combined supplies of retail gas with Loko Train s.r.o. concluded on 27 November 2015, 21 September 2021
- Agreement on combined supplies of LV electricity with Plzeňská teplárenská a.s., a.s., concluded on 4 August 2020
- Agreement on combined supplies of retail gas with Plzeňská teplárenská, a.s. concluded on 13 December 2019, as amended by amendment no. 1 of 15 February 2020
- Loan contract with EP Energy, a.s. concluded on 21 May 2021.
- Agreement on the supply of natural gas with Dobrá Energie s.r.o. concluded on 26 October 2021.

## V. Other legal acts made in the interest of related parties

During the reporting period, no legal acts were made in favour of the directly or indirectly controlling entities or entities controlled by the same controlling entity in addition to standard legal acts made as part of the exercise of its rights as the shareholder of the controlled entity.

## VI. Other measures made in the interest or at the initiative of related parties

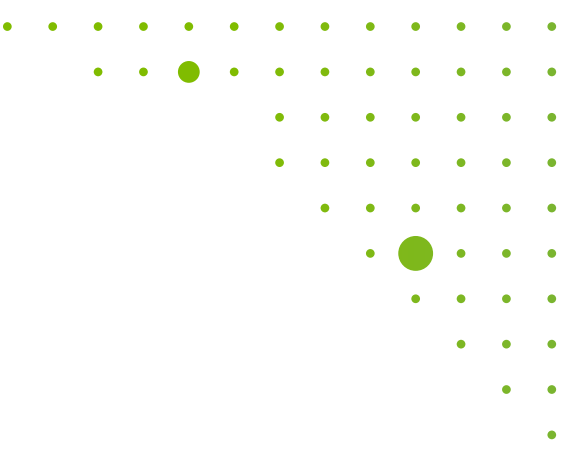
During the reporting period, no measures were adopted or made between the controlled entity and directly or indirectly controlling entities and entities controlled by the same controlling entity in addition to standard measures made by the controlled entity in relation to the controlling entity as a shareholder of the controlled entity.

In 2021, no acts were made relating to assets exceeding 10% of the equity of the controlled entity at the initiative or in the interest of the controlling entity.

## VII. Performance provided and received by the controlled entity

During the reporting period, the controlled entity provided the following performance with the following counter-performance to the directly or indirectly controlling entities and entities controlled by the same controlling entity (cash amounts rounded up to CZK thousand):

Related party	Performance	Sales in CZK thousand	Costs in CZK thousand
Dobrá Energie s.r.o.	Sales of goods	38 665	0
	Costs of goods sold	0	0
	Other services	2 143	0
	Total	40 808	0
VTE Pchery, s.r.o.	Sales of goods	305	0
	Costs of goods sold	0	5 065
	Other services	0	0
	Total	305	5 065
United Energy, a.s.	Sales of goods	70 642	0
	Costs of goods sold	0	1 419 707
	Other services	7 958	120
	Total	78 600	1 419 827
POWERSUN a.s.	Sales of goods	61	0
	Costs of goods sold	0	3 829
	Other services	0	0
	Total	61	3 829



Related party	Performance	Sales in CZK thousand	Costs in CZK thousand
EP Energy, a.s.	Interest expense	0	2 918
	Fees for guarantees	0	0
	Interest income	7 334	0
	Other services	0	1 949
	Total	7 334	4 867
Elektrárny Opatovice, a.s.	Sales of goods	90 222	0
	Costs of goods sold	0	2 415 775
	Other services	10 064	714
	Total	100 286	2 416 489
Stredoslovenská energetika, a.s.	Sales of goods	634 240	0
	Costs of goods sold	0	29 589
	Total	634 240	29 589
EP Commodities, a.s.	Costs of goods sold	0	2 520 973
	Sales of goods	641 097	0
	Other services	1 293	23 456
	Interest expense	0	1 032
	Interest income	1 893	0
	Total	644 283	2 545 461
Severočeská teplárenská, a.s.	Costs of goods sold	0	0
	Sales of goods	7 151	0
	Total	7 151	0
SOR Libchavy	Costs of goods sold	11 376	0
	Sales of goods	0	0
	Total	11 376	0
SPP Storage s.r.o.	Costs of goods sold	0	0
	Sales of goods	3 398	0
	Total	3 398	0
LokoTrain s.r.o.	Costs of goods sold	0	0
	Sales of goods	31	0
	Total	31	0
MSEM a.s.	Costs of goods sold	0	0
	Sales of goods	2 649	0
	Total	2 649	0
Alternative Energy s.r.o.	Costs of goods sold	0	0
	Sales of goods	34	0
	Total	34	0
RPC, a.s.	Costs of goods sold	0	0
	Sales of goods	119	0
	Total	119	0
SPP Distribúcia a.s.	Costs of goods sold	0	34 317
	Total	0	34 317
EP Infrastructure, a.s.	Other services	0	784
	Total	0	784
Plzeňská teplárenská, a.s.	Sales of goods	75 197	0
	Costs of goods sold	0	1 112 489
	Other services	9 590	0
	Total	84 787	1 112 489
Alternative Energy s.r.o.	Costs of goods sold	0	74 241
	Total	0	74 241

## VIII. Detriment to the controlled entity and manner of its compensation

The controlled entity incurred no detriment and gained no property advantage from the above concluded contracts, other legal acts, other measures and provided performance or received counter-performance.

## IX. Assessment of benefits and disadvantages arising from relations between related parties, relating risks

The controlled entity has no benefits or advantage from the relations between related parties. Relations are based on an arm's length principle and mean no undue benefit or disadvantage for any of the parties. Relations are neutral when it comes to benefits and no risks arise to the controlled entity from the relations.

## X. Information confidentiality

In the group, confidential information includes information and facts that are subject to trade secret of controlling entities, the controlled entity and other related parties and the information that was marked as confidential by any related party. In addition, it includes all information from trade transactions that could cause detriment to any of the related parties itself or in relation to other information or facts.

## XI. Conclusion

This report was prepared by EP ENERGY TRADING, a.s. and presented for review to the Supervisory Board and verification by the auditor. As the controlled entity has a statutory obligation to prepare the annual report, this report will be appended to the annual report.

The annual report will be stored in the Collection of Deeds held by the Municipal Court in Prague.

In Prague on 31 March 2022



Ing. Petr Švec, MBA  
člen představenstva



Ing. Ladislav Sladký  
člen představenstva



# 5.

## Report Of The Supervisory Board On The Result Of Its Supervisory Activities

During 2021, the Supervisory Board of EP ENERGY TRADING, a.s. carried out its tasks in line with the Act on Business Corporations and Cooperatives and the Company's Articles of Association.

In its meetings, it regularly monitored the results of the Company's financial management, the balance of its assets and reviewed the analyses of its financial management. It checked and verified the fulfilment of tasks assigned to the Board of Directors by the general meeting, or by the resolution of the sole shareholder acting in the capacity of the general meeting, as well as the compliance with the generally binding legal regulations and the Company's Articles of Association.

During 2021, the Supervisory Board observed the Company's Articles of Association and the generally binding legal regulations applicable to the activities of joint stock companies when exercising its right of supervision. In the reporting period, the Supervisory Board predominantly focused on its principal task, i.e., supervising the Board of Directors' performance of its duties, and subsequently reviewing the annual financial statements and the proposed profit distribution.

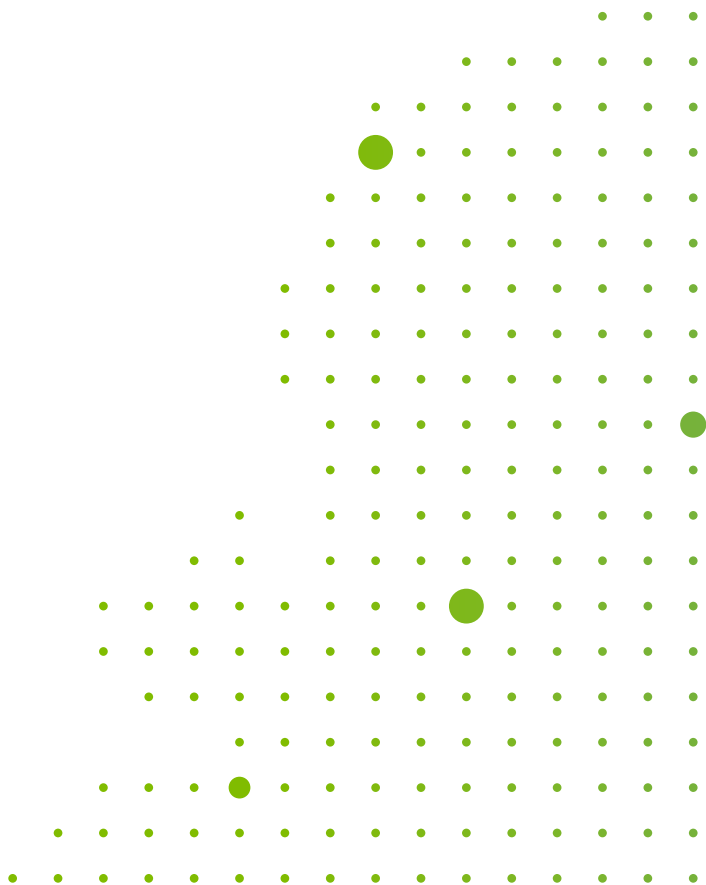
In the interest of the shareholder, it focused on, among other things, inspection of interim economic results, fulfilment of the business plan and resolutions of the annual general meeting. At the same time, it assisted the Board of Directors in implementing the Company's development strategy.

The Board of Directors provided all necessary underlying documents, information and explanations to the Supervisory Board. No deficiencies or breaches of the Articles of Association or applicable legal regulations were identified in the activities of the Board of Directors.

In Prague on 29 April 2022

Michal Antonín  
Chairman of the Supervisory Board

# Financial guides





# 6.

## Financial Statements In Accordance With The Czech Accounting Standards

<b>BALANCE SHEET</b> full version		EP ENERGY TRADING, a.s. Corporate ID 273 86 643			
As of 31.12.2021 (in CZK thousand)		Klimentská 1216/46 110 02 Praha 1			
		31.12.2021			31.12.2020
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>11 905 791</b>	<b>276 412</b>	<b>11 629 379</b>	<b>4 617 543</b>
<b>B.</b>	<b>Fixed assets</b>	<b>885 951</b>	<b>175 772</b>	<b>710 179</b>	<b>148 753</b>
<i>B.I.</i>	<i>Intangible fixed assets</i>	<i>109 312</i>	<i>82 758</i>	<i>26 554</i>	<i>28 506</i>
<i>B.I.2.</i>	<i>Valuable rights</i>	<i>72 784</i>	<i>65 888</i>	<i>6 896</i>	<i>8 802</i>
<i>B.I.2.1.</i>	<i>Software</i>	<i>72 784</i>	<i>65 888</i>	<i>6 896</i>	<i>8 802</i>
<i>B.I.4.</i>	<i>Other intangible fixed assets</i>	<i>17 114</i>	<i>16 870</i>	<i>244</i>	<i>352</i>
	<i>Prepayments for intangible fixed assets and intangible fixed assets under construction</i>	<i>19 414</i>		<i>19 414</i>	<i>19 352</i>
<i>B.I.5.2.</i>	<i>Intangible fixed assets under construction</i>	<i>19 414</i>		<i>19 414</i>	<i>19 352</i>
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>199 639</i>	<i>93 014</i>	<i>106 625</i>	<i>120 247</i>
<i>B.II.1.</i>	<i>Land and structures</i>	<i>7 561</i>	<i>7 561</i>		<i>137</i>
<i>B.II.1.2.</i>	<i>Structures</i>	<i>7 561</i>	<i>7 561</i>		<i>137</i>
<i>B.II.2.</i>	<i>Tangible movable assets and sets of tangible movable assets</i>	<i>19 906</i>	<i>17 541</i>	<i>2 365</i>	<i>4 372</i>
<i>B.II.3.</i>	<i>Valuation difference on acquired assets</i>	<i>172 172</i>	<i>67 912</i>	<i>104 260</i>	<i>115 738</i>
<i>B.III.</i>	<i>Non-current financial assets</i>	<i>577 000</i>		<i>577 000</i>	
<i>B.III.1.</i>	<i>Equity investments - controlled or controlling entity</i>	<i>577 000</i>		<i>577 000</i>	
<b>C.</b>	<b>Current assets</b>	<b>10 909 215</b>	<b>100 640</b>	<b>10 808 575</b>	<b>4 337 666</b>
<i>C.II.</i>	<i>Receivables</i>	<i>10 844 231</i>	<i>100 640</i>	<i>10 743 591</i>	<i>4 272 403</i>
<i>C.II.1.</i>	<i>Long-term receivables</i>	<i>583 460</i>		<i>583 460</i>	<i>69 695</i>
<i>C.II.1.5.</i>	<i>Receivables - other</i>	<i>583 460</i>		<i>583 460</i>	<i>69 695</i>
<i>C.II.1.5.2.</i>	<i>Long-term prepayments made</i>	<i>60 656</i>		<i>60 656</i>	<i>55 673</i>
<i>C.II.1.5.4.</i>	<i>Sundry receivables</i>	<i>522 804</i>		<i>522 804</i>	<i>81 171</i>
<i>C.II.2.</i>	<i>Short-term receivables</i>	<i>10 260 771</i>	<i>100 640</i>	<i>10 160 131</i>	<i>4 202 708</i>
<i>C.II.2.1.</i>	<i>Trade receivables</i>	<i>1 860 521</i>	<i>100 640</i>	<i>1 759 881</i>	<i>936 518</i>
<i>C.II.2.2.</i>	<i>Receivables - controlled or controlling entity</i>	<i>517 731</i>		<i>517 731</i>	<i>909 457</i>
<i>C.II.2.4.</i>	<i>Receivables - other</i>	<i>7 882 519</i>		<i>7 882 519</i>	<i>2 356 733</i>
<i>C.II.2.4.3.</i>	<i>State - tax receivables</i>	<i>153 809</i>		<i>153 809</i>	
<i>C.II.2.4.4.</i>	<i>Short-term prepayments made</i>	<i>2 133 583</i>		<i>2 133 583</i>	<i>824 354</i>
<i>C.II.2.4.5.</i>	<i>Estimated receivables</i>	<i>1 238 300</i>		<i>1 238 300</i>	<i>1 105 342</i>
<i>C.II.2.4.6.</i>	<i>Sundry receivables</i>	<i>4 356 827</i>		<i>4 356 827</i>	<i>359 888</i>
<i>C.IV.</i>	<i>Cash</i>	<i>64 984</i>		<i>64 984</i>	<i>65 263</i>
<i>C.IV.1.</i>	<i>Cash on hand</i>	<i>3</i>		<i>3</i>	<i>33</i>
<i>C.IV.2.</i>	<i>Cash at bank</i>	<i>64 981</i>		<i>64 981</i>	<i>65 230</i>
<b>D.</b>	<b>Other assets</b>	<b>110 625</b>		<b>110 625</b>	<b>131 124</b>
<i>D.1.</i>	<i>Deferred expenses</i>	<i>110 688</i>		<i>110 688</i>	<i>119 664</i>
<i>D.3.</i>	<i>Accrued income</i>	<i>-63</i>		<i>-63</i>	<i>11 460</i>

		31.12.2021	31.12.2020
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>11 629 379</b>	<b>4 617 543</b>
<b>A.</b>	<b>Equity</b>	<b>4 799 820</b>	<b>1 171 527</b>
A.I.	<i>Share capital</i>	<b>16 000</b>	<b>16 000</b>
A.I.1.	Share capital	16 000	16 000
A.II.	<i>Share premium and capital funds</i>	<b>3 900 946</b>	<b>343 237</b>
A.II.2.	<i>Capital funds</i>	<b>3 900 946</b>	<b>343 237</b>
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	3 891 660	333 952
A.II.2.4.	Gains or losses from transformations of business corporations (+/-)	9 285	9 285
A.III.	<i>Funds from profit</i>	<b>300</b>	<b>300</b>
A.III.1.	Other reserve funds	300	300
A.IV.	<i>Retained earnings (+/-)</i>	<b>811 991</b>	<b>787 424</b>
A.IV.1.	Accumulated profits or losses brought forward (+/-)	811 991	787 424
A.V.	<i>Profit or loss for the current period (+/-)</i>	<b>70 582</b>	<b>24 566</b>
<b>B.+C.</b>	<b>Liabilities</b>	<b>6 802 586</b>	<b>3 428 529</b>
<b>B.</b>	<b>Reserves</b>	<b>32 959</b>	<b>21 252</b>
B.II.	Income tax reserve	10 588	242
B.IV.	Other reserves	22 371	21 010
<b>C.</b>	<b>Payables</b>	<b>6 769 627</b>	<b>3 407 277</b>
C.I.	<i>Long-term payables</i>	<b>1 533 917</b>	<b>137 842</b>
C.I.3.	Long-term prepayments received	17 282	31 919
C.I.6.	Payables - controlled or controlling entity	577 000	
C.I.8.	Deferred tax liability	930 822	98 396
C.I.9.	<i>Payables - other</i>	<b>8 813</b>	<b>7 527</b>
C.I.9.3.	Sundry payables	8 813	7 527
C.II.	<i>Short-term payables</i>	<b>5 235 710</b>	<b>3 269 436</b>
C.II.3.	Short-term prepayments received	1 087 506	941 307
C.II.4.	Trade payables	1 647 123	901 700
C.II.6.	Payables - controlled or controlling entity	1 703 889	608 593
C.II.8.	<i>Other payables</i>	<b>797 192</b>	<b>817 836</b>
C.II.8.3.	Payables to employees	8 538	5 091
C.II.8.4.	Social security and health insurance payables	4 498	2 858
C.II.8.5.	State - tax payables and subsidies	14 035	48 273
C.II.8.6.	Estimated payables	703 437	741 477
C.II.8.7.	Sundry payables	66 684	20 137
<b>D.</b>	<b>Other liabilities</b>	<b>26 973</b>	<b>17 487</b>
D.1.	Accrued expenses	26 973	17 487

**PROFIT AND LOSS ACCOUNT**  
structured by the nature of expense method

EP ENERGY TRADING, a.s.  
Corporate ID 273 86 643

Year ended  
31.12.2021  
(in CZK thousand)

Klimentská 1216/46

110 02 Praha 1

		Year ended 31.12.2021	Year ended 31.12.2020
I.	Sales of products and services	46 826	20 521
II.	Sales of goods	13 982 237	11 074 861
A.	Purchased consumables and services	<b>12 285 827</b>	<b>11 199 097</b>
A.1.	Costs of goods sold	12 021 912	10 939 197
A.2.	Consumed material and energy	2 999	2 986
A.3.	Services	260 916	256 914
D.	Staff costs	<b>97 538</b>	<b>82 405</b>
D.1.	Payroll costs	72 593	61 671
D.2.	Social security and health insurance costs and other charges	<b>24 945</b>	<b>20 734</b>
D.2.1.	Social security and health insurance costs	23 282	19 401
D.2.2.	Other charges	1 663	1 333
E.	Adjustments to values in operating activities	<b>13 962</b>	<b>17 635</b>
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	<b>18 856</b>	<b>18 099</b>
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	18 856	18 099
E.3.	Adjustments to values of receivables	-4 894	-464
III.	Other operating income	<b>1 238 455</b>	<b>1 326 055</b>
III.3.	Sundry operating income	1 238 455	1 326 055
F.	Other operating expenses	<b>1 239 919</b>	<b>1 315 008</b>
F.3.	Taxes and charges	566	302
F.5.	Sundry operating expenses	1 239 353	1 314 706
*	<b>Operating profit or loss (+/-)</b>	<b>1 630 272</b>	<b>-192 708</b>
VI.	Interest income and similar income	<b>7 382</b>	<b>4 081</b>
VI.1.	Interest income and similar income - controlled or controlling entity	7 334	3 978
VI.2.	Other interest income and similar income	48	103
J.	Interest expenses and similar expenses	<b>3 950</b>	<b>15 158</b>
J.1.	Interest expenses and similar expenses - controlled or controlling entity	2 918	11 566
J.2.	Other interest expenses and similar expenses	1 032	3 592
VII.	Other financial income	8 982 445	1 608 006
K.	Other financial expenses	10 525 436	1 371 308
*	<b>Financial profit or loss (+/-)</b>	<b>-1 539 559</b>	<b>225 621</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>90 713</b>	<b>32 913</b>
L.	Income tax	<b>20 131</b>	<b>8 347</b>
L.1.	Due income tax	22 229	9 595
L.2.	Deferred income tax (+/-)	-2 098	-1 248
**	<b>Profit or loss net of tax (+/-)</b>	<b>70 582</b>	<b>24 566</b>
***	<b>Profit or loss for the current period (+/-)</b>	<b>70 582</b>	<b>24 566</b>
*	Net turnover for the current period	<b>24 257 344</b>	<b>14 033 524</b>

STATEMENT OF CHANGES IN EQUITY							EP ENERGY TRADING, a.s. Corporate ID 273 86 643
Year ended 31.12.2021 (in CZK thousand)							Klimentská 1216/46 110 02 Praha 1
	Share capital	Gains or losses from the revaluation of assets and liabilities	Gains or losses from the revaluation upon transformations of business corporations	Other reserve funds	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 December 2019	16 000	-306 565	9 285	300	755 272	32 152	506 444
Distribution of profit or loss					32 152	-32 152	
Change in the fair value of hedging instruments		790 762					790 762
Impact of the change in the fair value of hedging instruments on deferred tax		-150 245					-150 245
Profit or loss for the current period						24 567	24 567
Balance at 31 December 2020	16 000	333 952	9 285	300	787 424	24 567	1 171 528
Distribution of profit or loss					24 567	-24 567	
Change in the fair value of hedging instruments		4 391 919					4 391 919
Impact of the change in the fair value of hedging instruments on deferred tax		-834 211					-834 211
Profit or loss for the current period						70 582	70 582
Balance at 31 December 2021	16 000	3 891 660	9 285	300	811 991	70 582	4 799 818

## CASH FLOW STATEMENT

for the year ended 31 December 2021

(in thousands of Czech crowns)

Translated from the Czech original

**Name and registered office of  
the Company**

**Corporate ID:**

273 86 643

EP ENERGY TRADING, a.s.  
Klimentská 1216/46  
110 02, Prague 1  
Czech Republic

	Current period	Prior period
P. Cash and cash equivalents, beginning of period	65 263	29 093
<b>Net operating cash flow</b>		
Z: Accounting profit (loss) from ordinary activities	90 713	32 913
A.1. Non-cash transactions	16 889	32 089
A.1.1. Depreciation and amortisation of fixed assets	7 378	6 621
A.1.2. Change in:	6 584	10 089
A.1.2.1. Goodwill and valuation difference on acquired assets	11 478	11 478
A.1.2.2. Reserves and provisions	-4 894	-1 389
A.1.5. Interest expense and revenue accounted for	-3 432	11 077
A.1.6. Other non-cash transactions	6 359	4 302
A*.Net operating cash flow before taxation and changes in working capital	107 602	65 002
A.2.Changes in working capital	-1 583 173	112 606
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	-2 405 575	80 489
A.2.2.Change in short-term liabilities from operating activities, estimated payables and accrual	822 402	32 117
A.**Net operating cash flow before taxation	-1 475 571	177 608
A.3.Interest paid excluding amounts capitalised	-3 950	-15 158
A.4.Interest received	7 382	4 081
A.5.Income tax paid on ordinary income and income tax relating to prior periods	-11 883	-6 921
A.***Net operating cash flow	-1 484 022	159 610
<b>Investing activities</b>		
B.1.Acquisition of fixed assets	-580 280	-8 654
B.1.1.Acquisition of tangible fixed assets		-1 206
B.1.2.Acquisition of intangible fixed assets	-3 280	-7 448
B.1.3.Acquisition of long-term financial assets	- 577 000	
B.3.Advances and loans to related parties	391 726	-532 526
B.***Net cash flow from investing activities	-188 554	-541 180
<b>Financing activities</b>		
C.1.Change in long-term / short-term liabilities from financing	1 672 297	417 740
C.***Net cash flow from financing activities	1 672 297	417 740
F.Net increase or decrease in cash balance	-279	36 170
R.Cash and cash equivalents, end of period	64 984	65 263





# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

### 1. Description and principal activities

#### *Establishment and description of the Company*

EP ENERGY TRADING, a.s. ("the Company") was registered upon the entry in the Register of Companies maintained by the Municipal Court in Prague, Section 10233, File B, on 31 October 2005 as United Energy Trading, a.s. The principal activities of the Company are electricity trading and the sale of electricity, natural gas and related services to end customers in the Czech Republic and Slovakia.

#### *Ownership structure*

The sole shareholder of the Company as of 31 December 2021 is:

EP Energy, a.s.  
Pařížská 130/26  
110 00 Prague 1  
Czech Republic

#### *Registered office*

EP ENERGY TRADING, a.s.  
Klimentská 1216/46  
110 02 Prague 1  
Czech Republic

#### *Corporate ID*

273 86 643

#### *Members of the Board of Directors and Supervisory Board as of 31 December 2021*

##### *Members of the Board of Directors*

Miodrag Maksimović (Chairman)  
Petr Švec  
Ladislav Sladký

##### *Members of the Supervisory Board*

Michal Antonín (Chairman)  
Lenka Marečková  
Marek Spurný

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by EP Investment S.à r.l., with its registered office at 39. Avenue John F. Kennedy, L-1855 Luxembourg.

The consolidated financial statements of the narrowest group of entities to which the Company as a consolidated entity belongs are not prepared by EP Energy, a.s. as the parent company; the financial statements of all group companies are part of the consolidated financial statements of EP Infrastructure, a.s., with its registered office at Pařížská 130/26, Josefov, 110 00 Prague 1. The consolidated financial statements for 2021 will be published in the Register of Companies.

# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

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### *Changes in the Register of Companies*

In 2021, no changes were recorded in the Register of Companies.

### *Foreign branch or any part of the business abroad*

The Company has a branch abroad, EP ENERGY TRADING, a.s., organizačná zložka, with its registered office at Pribinova 25, 811 09 Bratislava, ID: 36 682 071, which was recorded in the Slovak Register of Companies on 3 October 2006. Mr Miroslav Rozkoš and Mr Petr Švec were in charge of the branch as of 31 December 2021.

### *Organisational structure*

The Company is organised into six divisions – Sales, Business Development, Sales Dispatch, Portfolio Management and Energy Communication, Finance and Trading in Electricity, which report to the Managing Director.



# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

### 2. Significant accounting policies applied by the Company

These financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, (the "Act on Accounting") and Regulation of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, for business entities using double-entry bookkeeping, as amended for 2021. Comparative information for 2020 is provided in accordance with the structure and designation of balance sheet and profit and loss account items specified by the Regulation as amended for 2021.

The financial statements have been prepared on a going concern basis.

#### a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost. Tangible fixed assets costing less than CZK 40 thousand and intangible fixed assets costing less than CZK 60 thousand are not recognised in the balance sheet and are charged to expenses in the year that they are acquired.

Assets are depreciated/amortised using the following methods over the following periods:

Assets	Method	Period
Incorporation expenses	Straight-line	5 years
PC equipment	Straight-line	4 years
Valuation difference	Straight-line	15 years

In the profit and loss account, depreciation/amortisation is presented in 'Adjustments to values of intangible and tangible fixed assets – permanent'.

Technical improvements increase the cost of fixed assets if the related expenses exceed CZK 80 thousand. Technical improvements to leased office premises are reported in 'Structures'. Leasehold improvements are depreciated over the lease term.

#### b) Non-current financial assets

Non-current financial assets include equity investments in controlled entities.

Non-current financial assets are carried at the acquisition cost. The cost includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

Equity investments are stated at the acquisition cost as of the balance sheet date, and in the event of a temporary decrease in the recoverable amount of an investment, a provision is established.

#### c) Creation of provisions and reserves

##### Receivables

The Company creates provisions for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables.

In the profit and loss account, the creation and release of provisions is presented in 'Adjustments to values of receivables'.

# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

### Reserves

An income tax reserve is created as the financial statements are prepared before the tax liability is determined. In the subsequent reporting period, the Company releases this reserve and records the actual tax liability determined.

In the balance sheet, the income tax reserve is reduced by income tax prepayments, and the net receivable (if any) is recorded in 'State - tax receivables'.

A reserve for outstanding vacation days is created as of the balance sheet date, based on an analysis of outstanding vacation days in the reporting period and average payroll expenses, including social security and health insurance expenses per employee.

### d) Foreign currency translation

The Company applies the Czech National Bank's official rate to foreign currency transactions. During the year, foreign exchange gains and losses are recognised when realised and unrealised exchange gains and losses are recognised at monthly closing dates.

At the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank's official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss.

### e) Factoring

The Company accounts for the sale of receivables to a factoring company through profit or loss, i.e. accounts for other operating revenues and expenses arising from the sale of receivables to a factoring company, as the risks and benefits associated with the ownership of receivables are transferred to the factoring company.

### f) Derivatives

#### Currency derivatives

Effective from 1 January 2013, the Company uses hedging derivatives (currency forwards and swaps) to mitigate foreign exchange risks relating to payments in foreign currencies. Hedging derivatives are recognised at fair value. Hedging fully complies with the Company's risk management strategy. All forward and swap transactions are documented, and their effectiveness is assessed regularly.

As of the balance sheet date, the realised part of financial derivatives was recognised in the profit and loss account and the unrealised part as 'Revaluation of assets and liabilities' in equity, considering the deferred tax effect.

#### Commodity derivatives

Futures and forwards that have been concluded for the purpose of purchase, sale or use of a commodity, i.e. electricity, gas and emission rights, and that are expected to be settled by delivery of the commodity do not meet the definition of a derivative and therefore are not remeasured at fair value.

# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

Commodity contracts, i.e. futures and forwards, that are not expected to be settled by the delivery of the commodity are considered to be derivatives and are remeasured at fair value.

As of the balance sheet date, commodity derivatives held for trading concluded at the EEX, same as derivatives traded with third parties, are revalued at fair market value, taking as a basis the closing prices on 31 December 2021 as published by the EEX.

On 1 January 2013, the Company began to apply hedge accounting to account for selected commodity derivatives traded on the EEX and commodity forwards with financial settlement in accordance with the internal risk management policy. Hedge accounting is applied in accordance with Czech Accounting Standard No. 110 "Derivatives". As of the balance sheet date, hedging instruments are reported at fair value and gains (losses) on the effective change in their fair values are recognised in 'Revaluation of assets and liabilities' in equity, after considering the deferred tax effect.

### g) Leased assets

Lease payments are expensed on a straight-line basis over the lease term.

### h) Income tax

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as of the first day of the reporting period, and any additionally assessed tax and refunds for previous periods.

Deferred tax is provided on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability will be utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future reporting periods.

Deferred tax in respect of items that are recorded directly in equity is also recorded in equity.

### i) Classification of liabilities

Any long-term liabilities, bank loans and overdrafts that are due within one year of the balance sheet date are classified as short-term.

### j) Accounting records of the foreign branch

The accounts of the foreign branch (organisational unit) are maintained separately in EUR in Slovakia. Each day, individual journal entries are translated at the Czech National Bank's official rates and imported to the accounts of the Czech entity. At the balance sheet date, assets and liabilities denominated in EUR are translated at the prevailing Czech National Bank's official rates. Foreign exchange differences arising from the translation of the balance sheet and profit and loss account as of the balance sheet date are recognised in the profit and loss account.

### k) Consolidation

Pursuant to Section 22aa of Act No. 563/1991 Coll., on Accounting, the financial statements of the Company and other entities subject to consolidation are included in the consolidated financial statements prepared by EP Infrastructure, a.s., with its registered office at Pařížská 130/26, Josefov,

# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

110 00 Prague 1; therefore, the Company does not prepare the consolidated financial statements. The consolidated financial statements of EP Infrastructure a.s. will be published in compliance with Section 22aa (2c) and under Section 21a of Act No. 563/1991 Coll., on Accounting.

### 3. Changes to accounting policies

In 2021, the Company made no changes to its accounting policies.

### 4. Fixed assets

#### a) Intangible fixed assets

2021	Other intangible assets	Software	Intangible assets under constr.	Total
<b>Acquisition cost</b>				
Balance at 31/12/2020	17 114	69 566	19 352	106 033
Additions	--	3 218	62	3 280
Disposals	--	--	--	--
Reclassification	--	--	--	--
Balance at 31/12/2021	17 114	72 784	19 414	109 313
<b>Accumulated amortisation</b>				
Balance at 31/12/2020	16 762	60 764	--	77 526
Amortisation	108	5 124	--	5 232
Accumulated amortisation on disposals	--	--	--	--
Balance at 31/12/2021	16 870	65 888	--	82 758
<b>Net book value 31/12/2020</b>	<b>352</b>	<b>8 802</b>	<b>19 352</b>	<b>28 506</b>
<b>Net book value 31/12/2021</b>	<b>244</b>	<b>6 896</b>	<b>19 414</b>	<b>26 554</b>



# EP ENERGY TRADING, a.s.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

2020	Other intangible assets	Software	Intangible assets under constr.	Total
<b>Acquisition cost</b>				
Balance at 31/12/2019	17 114	62 141	19 328	98 583
Additions	--	--	7 448	7 449
Disposals	--	--	--	--
Reclassification	--	7 424	-7 424	--
Balance at 31/12/2020	17 114	69 566	19 352	106 033
<b>Accumulated amortisation</b>				
Balance at 31/12/2019	16 654	56 597	--	73 251
Amortisation	108	4 167	--	4 275
Accumulated amortisation on disposals	--	--	--	--
Balance at 31/12/2020	16 762	60 764	--	77 526
<b>Net book value 31/12/2019</b>	<b>460</b>	<b>5 544</b>	<b>19 328</b>	<b>25 332</b>
<b>Net book value 31/12/2020</b>	<b>352</b>	<b>8 802</b>	<b>19 352</b>	<b>28 506</b>

# EP ENERGY TRADING, a.s.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

## b) Tangible fixed assets

2021	Structures	Individual movable assets	Valuation difference on acquired assets	Tangible assets under constr.	Total
<b>Acquisition cost</b>					
Balance at 31/12/2020	7 561	19 906	172 172	--	199 639
Additions	--	--	--	--	--
Disposals	--	--	--	--	--
Reclassification	--	--	--	--	--
Balance at 31/12/2021	7 561	19 906	172 172	--	199 639
<b>Accumulated depreciation</b>					
Balance at 31/12/2020	7 424	15 534	56 434	--	79 392
Depreciation	137	2 007	11 478	--	13 622
Accumulated depreciation on disposals	--	--	--	--	--
Reclassification	--	--	--	--	--
Balance at 31/12/2021	7 561	17 541	67 912	--	93 014
<b>Net book value 31/12/2020</b>	<b>137</b>	<b>4 372</b>	<b>115 738</b>	<b>--</b>	<b>120 247</b>
<b>Net book value 31/12/2021</b>	<b>--</b>	<b>2 365</b>	<b>104 260</b>	<b>--</b>	<b>106 625</b>

2020	Structures	Individual movable assets	Valuation difference on acquired assets	Tangible assets under constr.	Total
<b>Acquisition cost</b>					
Balance at 31/12/2019	7 561	18 700	172 172	--	198 433
Additions	--	1 206	--	--	1 206
Disposals	--	--	--	--	--
Reclassification	--	--	--	--	--
Balance at 31/12/2020	7 561	19 906	172 172	--	199 639
<b>Accumulated depreciation</b>					
Balance at 31/12/2019	7 245	13 367	44 956	--	65 568
Depreciation	179	2 167	11 478	--	13 824
Accumulated depreciation on disposals	--	--	--	--	--
Reclassification	--	--	--	--	--
Balance at 31/12/2020	7 424	15 534	56 434	--	79 392
<b>Net book value 31/12/2019</b>	<b>316</b>	<b>5 333</b>	<b>127 216</b>	<b>--</b>	<b>132 865</b>
<b>Net book value 31/12/2020</b>	<b>137</b>	<b>4 372</b>	<b>115 738</b>	<b>--</b>	<b>120 247</b>

# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

### 5. Financial assets

#### a) Non-current financial assets

Additions to non-current financial assets in 2021 is the acquisition of 100% of equity investments in Dobrá Energie s.r.o.

#### **Controlled and controlling entities and reporting entities under material influence**

2021	Equity investment	Numb er of shares	Nominal value of shares in CZK	Total profit (+)/ loss (-) for 2021	Equity at 31/12/2021	Acquisitio n cost	Share in equity (value established under the equity method of accounting)
Dobrá Energie s.r.o.	100%	776	9 000	82 767	95 266	577 000	100%

On 1 July 2021, EP ENERGY TRADING, a.s. acquired a 100% equity investment in Dobrá energie s.r.o. The acquisition cost was CZK 577,000 thousand. The company's registered office is at Klimentská 1216/46, Nové Město, 110 00 Prague 1

As of 31 December 2021, the registered capital of Dobrá energie s.r.o. amounts to CZK 9,000 thousand (2020 – CZK 9,000 thousand), equity as of 31 December 2021 amounted to CZK 95,266 thousand (2020 – CZK 64,859 thousand), and the profit for 2021 amounted to CZK 82,767 thousand (2020 – CZK 52,360 thousand).

In 2021, the Company had no income from non-current financial assets arising from received profit shares

### 6. Leased assets

The Company has an operating lease for company cars for a period of 36 months from the contract date. The annual cost of this lease for 2021 was CZK 1,965 thousand (2020 – CZK 1,576 thousand).

The Company also has an operating lease for office premises in Prague (till 31 July 2026) and Bratislava (for an indefinite period with a notice period of 12 months). The annual cost of this lease for 2021 was CZK 6,721 thousand (2020 – CZK 6,710 thousand).

### 7. Off-balance sheet tangible and intangible fixed assets

In accordance with the accounting policy described in Note 2(a) above, the Company expensed a part of tangible and intangible fixed assets to the profit and loss account in the year that they were acquired. The carrying amount of these tangible and intangible fixed assets charged to expenses in the current year was as follows:

	31/12/2020	31/12/2021
Tangible fixed assets	1 174	1 106
Total	1 174	1 106

# EP ENERGY TRADING, a.s.

## Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2021

(All amounts are shown in thousands of Czech crowns "CZK '000")

### 8. Valuation difference on acquired assets

As a result of the merger, the Company reports the amount of CZK 172,172 thousand (2020 – CZK 172,172 thousand) as a valuation difference on acquired assets. The price was determined based on an external expert's appraisal as of the valuation date (31 December 2014). The valuation difference is depreciated for accounting purposes over a period of 15 years; for 2021, depreciation totalled CZK 11,478 thousand (2020 – CZK 11,478 thousand).

### 9. Trade receivables and payables

- a) Short-term trade receivables total CZK 1,860,521 thousand (2020 – CZK 1,041,886 thousand), of which CZK 153,445 thousand (2020 – CZK 131,137 thousand) is overdue. A provision of CZK 100,640 thousand (2020 – CZK 105,368 thousand) was created as of 31 December 2021 for doubtful receivables.
- b) Short-term trade payables total CZK 1,647,123 thousand (2020 – CZK 901,700 thousand), of which CZK 13,929 thousand (2020 – CZK 28 thousand) is overdue.

### 10. State – tax receivables

The tax receivable amounts to CZK 153,809 thousand (2020 – CZK 38,193 thousand as a VAT and road tax payable); the receivable is composed of a value added tax receivable and a road tax payable.

### 11. Prepayments made

- a) Long-term prepayments total CZK 60,656 thousand (2020 – CZK 55,673 thousand), predominantly comprising a security deposit on gas trading provided to PPD of CZK 11,466 thousand (2020 – CZK 6,165 thousand) and a security deposit on electricity trading provided to OTE, a.s. of CZK 40,005 thousand (2020 – CZK 39,955 thousand).
- b) Short-term prepayments total CZK 2,133,583 thousand (2020 – CZK 824,354 thousand) and primarily comprise prepayments for the distribution of electricity and natural gas. The remaining balance of short-term prepayments primarily includes a prepayment to ČEZ Distribuce, a. s. of CZK 418,606 thousand (2020 – CZK 500,438 thousand) and a prepayment to GasNet, s.r.o. of CZK 96,160 thousand (2020 – CZK 115,163 thousand) and to EG.D, a.s. of CZK 119,406 thousand (2020 – CZK 135,526 thousand). The Company also provided a prepayment to EP Commodities, a.s.; see Note 28.

### 12. Estimated receivables

Estimated receivables of CZK 1,238,300 thousand (2020 – CZK 1,105,342 thousand) primarily comprise estimates for unbilled distribution and supply of electricity totalling CZK 809,835 thousand (2020 – CZK 756,633 thousand) and distribution and supply of natural gas totalling CZK 384,448 thousand (2020 – CZK 348,709 thousand).

### 13. Sundry receivables and payables – long-term and short-term

Sundry receivables of CZK 4,879,630 thousand (2020 – CZK 441,059 thousand) primarily comprise the revaluation of commodity derivatives to fair value as of 31 December 2021 of CZK 4,876,774 thousand (2020 – CZK 438,350 thousand); see Note 14.



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Sundry payables of CZK 75,497 thousand (2020 – CZK 27,663 thousand) primarily comprise the revaluation of commodity derivatives to fair value as of 31 December 2021 of CZK 73,010 thousand (2020 – CZK 26,625 thousand); see Note 14.

### 14. Derivatives

#### a) Currency hedging derivatives

As of the balance sheet date, the Company held the following derivatives for cash flow hedging purposes:

Forward exchange contracts	Due date	2021
		Fair value
Forwards (Commerzbank Aktiengesellschaft)	2022 – 2024	-37 001
Forwards (Komerční banka)	2022 – 2024	-34 899
Forwards (Raiffeisenbank)	2022 – 2024	-1 110
<b>Total</b>		<b>-73 010</b>

The fair value of derivatives totals CZK (73,010) thousand (2020 – CZK (26,625) thousand) of which CZK (64,197) thousand (2020 – CZK (19,100) thousand) is recorded in Sundry payables – short-term and CZK (8,813) thousand (2020 – CZK (7,526) thousand) in Sundry payables – long term. Derivatives which meet the condition of an effective hedge amounting to CZK (73,010) thousand (2020 – CZK (26,625) thousand) were charged to equity.

#### b) Commodity hedging derivatives and derivatives held for trading – electricity

As of the balance sheet date, the Company held the following forward contracts for trading with electricity:

Forward exchange contracts	Sales for	Fair value (in CZK)	Commodity volume (GWh)
Futures and forward contracts for purchase of electricity	2022	10 674 711	4 366
Futures and forward contracts for sale of electricity	2022	-6 319 986	2 573
Futures and forward contracts for purchase of electricity	2023	900 777	876
Futures and forward contracts for sale of electricity	2023	-424 543	491
Futures and forward contracts for purchase of electricity	2024	46 570	105
Futures and forward contracts for sale of electricity	2024	-0	0
		<b>4 877 529</b>	

The fair value of CZK 755 thousand (2020: CZK 562 thousand) was settled using the daily settlement of contract value changes on the commodities exchange as of 31 December 2021.

The unsettled fair value of derivatives totalled CZK 4,876,774 thousand (2020: CZK 438,350 thousand), of which CZK 4,353,970 thousand (2020: CZK 357,179 thousand in Sundry payables – short-term) is recognised in Sundry receivables – short-term and CZK 522,804 thousand in Sundry receivables – long-term (2020: CZK 81,171 thousand in Sundry payables – long-term).

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The Company records certain contracts traded on the OTC market as hedging derivatives. The fair value of hedging derivatives charged to equity totals CZK 4,876,774 thousand (2020: CZK 438,350 thousand).

### c) Commodity derivatives – CO2 emission rights (EUA)

In 2020, the Company started to trade in CO2 emission rights (EUA) with a physical supply for "Sources" (power plants within the EPH group). As of the balance sheet date, the Company held the following forward contracts for trading with emission rights:

Forward exchange contracts	Sale for	Fair value (in CZK)	Commodity volume (in lots)
forward contracts for the purchase of CO2 emission rights	2022	-1 455 390	2 669
forward contracts for the sale of CO2 emission rights	2022	1 455 390	2 669
forward contracts for the purchase of CO2 emission rights	2023	-50 058	286
forward contracts for the sale of CO2 emission rights	2023	50 058	286
		0	

The net value of these contracts was CZK 0 as of the balance sheet date.

### d) Commodity hedging derivatives and derivatives held for trading – gas

The Company has not concluded any forward contracts for the purchase and sale of gas for 2022 and subsequent years which would not have been concluded for the purpose of purchase, sale or use of the commodity. In 2021, the fair value of forwards which have not been concluded for the purpose of purchase, sale or use of the commodity was CZK 0.

## 15. Provisions

	Provisions for receivables	Total
Balance at 31/12/2020	105 368	105 368
Creation	10 726	10 726
Release/use	15 454	15 454
Balance at 31/12/2021	100 640	100 640

## 16. Deferred expenses

Deferred expenses of CZK 110,688 thousand (2020 – CZK 119,664 thousand) mainly represent deferred expenses on the acquisition of new points of supply.

## 17. Share capital

The share capital of CZK 16,000 thousand (2020 – CZK 16,000 thousand) consists of sixteen registered ordinary shares with a nominal value of CZK 1,000 thousand.

# EP ENERGY TRADING, a.s.

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### 18. Equity

#### a) Distribution of profit/loss

As of the date of preparation of the financial statements, the Company's management had not decided on the manner of distribution of the profit for 2021.

#### b) Movements in the 'Revaluation of assets and liabilities' account:

Balance at 01/01/2021	333 952
Change in fair value of currency hedging derivatives	-46 385
Change in deferred tax relating to currency hedging derivatives	8 813
Change in fair value of commodity hedging derivatives	4 438 304
Change in deferred tax relating to commodity hedging derivatives	-843 024
Balance at 31/12/2021	<b>3 891 660</b>

#### c) Revaluation of assets and liabilities' comprises:

Fair value of currency hedging derivatives	-73 010
Deferred tax relating to currency hedging derivatives	13 871
Fair value of commodity hedging derivatives	4 877 216
Deferred tax relating to commodity hedging derivatives	-926 417
Balance at 31/12/2021	<b>3 891 660</b>

### 19. Reserves

	Reserve for outstanding vacation days	Other reserves	Total
Balance at 31/12/2020	0	21 010	21 010
Creation	1 341	180	1 521
Release/use	-	-160	-160
Balance at 31/12/2021	1 341	21 030	22 371

### 20. Prepayments received

- a) Short-term prepayments received consist of prepayments of CZK 1,087,506 thousand (2020 – CZK 941,307 thousand) received from end customers in connection with the sale of electricity and natural gas.
- b) Long-term prepayments received total CZK 17,282 thousand (2020 – CZK 31,919 thousand) and primarily include received security deposits.

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### 21. Social security and health insurance liabilities

Social security and health insurance liabilities total CZK 4,498 thousand (2020 – CZK 2,858 thousand), of which CZK 3,024 thousand (2020 – CZK 1,826 thousand) relates to social security liabilities and CZK 1,474 thousand (2020 – CZK 1,083 thousand) to health insurance liabilities. None of these liabilities are overdue.

### 22. State – tax payables and subsidies

Tax payables amount to CZK 14,035 thousand (2020 – CZK 48,273 thousand), of which CZK 1,892 thousand (2020 – CZK 1,273 thousand) relates to income tax on employment and CZK 12,146 thousand to taxes on electricity and gas (2020 – CZK 8,807 thousand).

### 23. Estimated payables

Estimated payables of CZK 703,437 thousand (2020 – CZK 741,477 thousand) primarily comprise estimates for unbilled electricity and gas distribution totalling CZK 618,247 thousand (2020 – CZK 705,969 thousand) and estimates for unbilled supplies of commodities.

### 24. Accrued expenses

Accrued expenses total CZK 26,973 thousand (2020 – CZK 17,487 thousand) and primarily comprise accrued supplies of natural gas.

### 25. Sales information

The Company supplies two types of commodities to end customers – electricity and natural gas – and provides related services. Revenues in the table below are sorted by countries in which customers have their registered offices. Sales of these commodities and services were as follows:

		Domestic sales	European Union	Outside EU	Total
Electricity	2021	10 325 072	261 887	425 023	11 011 982
	2020	7 922 117	96 462	507 113	8 525 692
Natural gas	2021	2 422 730	547 525	0	2 970 255
	2020	2 078 774	470 310	86	2 549 170
Services	2021	46 812	14	0	46 826
	2020	19 885	635	0	20 520
Total	2021	12 794 614	809 426	425 023	14 029 063
	2020	10 020 776	567 407	507 199	11 095 382

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### 26. Sundry operating income and expenses

Sundry operating income mainly includes income from the sale of receivables to a factoring company; receivables sold amounted to CZK 1,224,992 thousand in 2021 and CZK 1,303,520 thousand in 2020.

Sundry operating expenses represent expenses associated with the buy-out of receivables from a factoring company; expenses amounted to CZK 1,224,992 thousand in 2021 and CZK 1,303,520 thousand in 2020, and write-offs of receivables amounted to CZK 7,233 thousand in 2020.

### 27. Other financial income and expenses

Other financial income and expenses primarily comprise realised and unrealised gains and losses from currency and commodity trading derivatives and foreign exchange gains and losses.

### 28. Related parties

#### a) Trade receivables and payables

The following related party balances are included in the trade receivables and payables described in Note 8 above:

	Receivables at		Payables at	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Plzeňská teplárenská, a.s.	20 443	3 608	145 288	84 971
VTE Pchery, s.r.o.	59	31	418	497
United Energy, a.s.	29 864	4 306	314 526	69 358
POWERSUN a.s.	8	9	62	50
EP Energy, a.s.	522 047	1 299	2 282 696	830
Elektrárny Opatovice, a.s.	17 014	5 472	431 847	172 619
Stredoslovenská energetika, a.s.	126 759	89 318	--	7 396
Stredoslovenská distribučná, a.s.	--	157	4 400	4 414
Dobrá energie, s.r.o.	40 808	--	--	--
EP Infrastructure, a.s.	--	--	948	817
Severočeská teplárenská a.s.	708	--	--	--
Slovenské elektrárne, a.s.	--	20 554	--	--
SOR Libchavy spol. s r.o.	1 047	1 523	138	96
SPP Storage s.r.o.	293	293	306	283
SPP Distribúcia, a.s.	6 181	6 526	4 076	2 806
MSEM, a.s.	10	136	80	60
EP Commodities, a.s.	1 812 191	195 095	491 201	327 476
Other companies in the group	10	758	104	9
Total	2 577 442	329 085	3 676 090	671 682



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### b) Cash pool

The Company reports cash on a group cash pool account kept by EP Energy, a.s. amounting to CZK 517,731 thousand (2020 – CZK 909,457 thousand). This cash pool is reported in 'Receivables – controlled or controlling entity'. The Company has borrowed cash from the group cash pool account maintained by EP Energy a.s. of CZK 1,703,889 thousand (2020 – CZK 608,593 thousand); this cash pool is reported in 'Payables – controlled or controlling entity'.

### c) Loans received

The Company recognises a loan received of CZK 577,000 thousand as of 31 December 2021 (2020: CZK 0 thousand).

### d) Prepayments made

In 2021, the Company provided a prepayment of CZK 1,557,431 thousand to EP Commodities (2020– CZK 131,289 thousand).

### e) Transactions with related parties

All material transactions with related parties were carried out based on the arm's length principle.

	Revenue for year		Expenses for year	
	2021	2020	2021	2020
Plzeňská teplárenská, a.s.	84 788	29 043	1 112 489	675 327
VTE Pchery, s.r.o.	305	271	5 065	7 484
United Energy, a.s.	78 601	15 890	1 419 827	435 514
POWERSUN a.s.	61	60	3 829	4 123
EP Infrastructure, a.s.	--	--	783	676
EP Energy, a.s.	7 334	3 978	4 867	12 896
Elektrárny Opatovice, a.s.	100 286	23 117	2 416 490	1 150 018
Stredoslovenská energetika a.s.	634 240	523 267	29 589	38 353
Stredoslovenská distribučná, a.s.	--	--	74 241	77 724
SPP Storage s.r.o.	3 398	3 046	--	--
Severočeská teplárenská a.s.	7 151	--	--	--
SOR Libchavy spol. s r.o.	11 376	13 565	--	--
MSEM, a.s.	2 649	2 631	--	--
SPP - distribúcia, a.s.	--	--	34 317	29 100
Dobrá energie, s.r.o.	40 808	--	--	--
Slovenské elektrárne, a.s.	--	67 793	--	6 665
EP Commodities, a.s.	644 283	449 388	2 545 461	2 276 083
Other companies in the group	185	105	--	--
<b>Total</b>	<b>1 615 465</b>	<b>1 132 154</b>	<b>7 646 958</b>	<b>4 713 963</b>

# EP ENERGY TRADING, a.s.

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### 29. Employees and executives

Average number of employees and executives and personnel expenses for 2021:

2021	Number	Wages and salaries	Social security and health insurance expenses	Other expenses
Employees and executives	85	65 709	21 625	1 663
Board of Directors	3	6 836	1 641	--
Supervisory Board	3	48	16	--
Total	91	72 593	23 282	1 663

Average number of employees and executives and personnel expenses for 2020:

2020	Number	Wages and salaries	Social security and health insurance expenses	Other expenses
Employees and executives	73	55 484	17 912	1 333
Board of Directors	3	6 142	1 474	--
Supervisory Board	3	45	15	--
Total	79	61 671	19 401	1 333

In 2021 and 2020, members of management, supervisory and administrative bodies received no advances, deposits, loans, guarantees or other benefits, nor do they hold any shares/equity investments in the Company.

### 30. Fees payable to statutory auditors

This information is presented in the notes to the consolidated financial statements of EP Infrastructure, a.s. in which the Company is included.

### 31. Income tax

#### a) Current tax

Current income tax comprises the tax estimate for 2021 of CZK 21,512 thousand (2020 – CZK 2,907 thousand), and an adjustment to tax of CZK 717 thousand (2020 – CZK 0 thousand) relating to prior periods.

An income tax reserve of CZK 21,512 thousand (2020 – CZK 2,907 thousand) was reduced by corporate income tax prepayments of CZK 10,924 thousand (2020 – CZK 2,665 thousand) and the net payable of CZK 10,588 thousand was reported in 'Income tax reserve' (2020 – the net payable of CZK 242 thousand was reported in 'Income tax reserve').

# EP ENERGY TRADING, a.s.

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### b) Deferred tax

	Assets		Liabilities		Net	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Tangible and intangible fixed assets	689	731	--	--	689	731
Hedging commodity derivatives	--	--	-926 730	-83 393	-926 730	-83 393
Deferred tax from valuation difference	--	--	-19 446	-21 627	-19 446	-21 627
Hedging FX derivatives	13 872	5 059	--	--	13 872	5 059
Adjustments to receivables and other temporary differences	793	834	--	--	793	834
Deferred tax asset/(liability)	15 354	6 624	-946 176	-105 020	-930 822	-98 396

In accordance with the accounting policies described in Note 2(h), a tax rate of 19% was used to calculate deferred tax (2020 – 19%).

A change in deferred tax of CZK 832,426 thousand (2020 – CZK 148,996 thousand) consists of deferred tax from hedging derivatives charged directly to equity of CZK 834,524 thousand (2020 – CZK 150,245 thousand), and a change in deferred tax recognised in profit/loss of CZK (2,098) thousand (2020 – CZK (1,249) thousand).

### 32. Contingent liabilities and off-balance sheet commitments

The Company has concluded the following bank guarantees in favour of its suppliers as of 31 December 2021:

Bank	Currency	EUR '000	CZK '000
COMMERZBANK Aktiengesellschaft	CZK	--	105 000
EP Energy, a.s.	EUR	8 000	--

The Company has concluded the following bank guarantees in favour of its suppliers as of 31 December 2020:

Bank	Currency	EUR '000	CZK '000
COMMERZBANK Aktiengesellschaft	CZK	--	55 000
EP Energy, a.s.	EUR	8 000	--

As of 31 December 2021, the book value of pledged receivables and pledged bank accounts was zero.



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## 33. Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Cash and cash equivalents as of the year-end are as follows:

	Balance at	
	2021	2020
Cash	64 984	65 263
Marketable securities	--	--
Cash and cash equivalents	64 984	65 263

'Other non-cash transactions' position of the cash flow statement includes the change in fair value of commodity hedging derivatives settled using the margin bank account and write-offs of receivables.

## 34. Material subsequent event

In relation to the ongoing military invasion in Ukraine and the related sanctions against the Russian Federation, the Company identified the risks and adopted relevant measures to reduce the impacts on its operations. Based on available information and the current developments, the Company continuously analyses the situation and assesses its impacts. The Company's management considered the potential implications of this situation on its activities and operations and came to the conclusion that they do not have a significant impact on the financial statements for the year ended 31 December 2021 or on the going concern assumption for 2022.

However, it cannot be ruled out that there will be any further adverse developments in the situation that would subsequently have a negative impact on the Company, its operations, financial position, results, cash flows and outlook in general.

Prepared on 29 April 2022

Petr Švec  
Member of the Board of Directors

Ladislav Sladký  
Member of the Board of Directors

# 7.

## **Auditor's Report To The Company's Shareholder**

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholder of EP ENERGY TRADING, a.s.

Having its registered office at: Klimentská 1216/46, 110 02 Praha – Praha 1

#### Opinion

We have audited the accompanying financial statements of EP ENERGY TRADING, a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2021, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of EP ENERGY TRADING, a.s. as at 31 December 2021, and of its financial performance and its cash flows 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.

#### 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 Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge 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 financial statements is, in all material respects, consistent with the 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 Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is 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 Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Board of Directors 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 30 April 2022

Audit firm:

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



Statutory auditor:

Ladislav Šauer  
registration no. 2261



