

**NET4GAS Holdings Group**  
**Consolidated Annual Report 2023**

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## Consolidated Group Data

The Consolidated Group (further referred to as “Group” or “NET4GAS Holdings Group”) consists of the parent company NET4GAS Holdings, s.r.o. (further referred to as “NET4GAS Holdings”) and companies that are directly or indirectly controlled by NET4GAS Holdings, namely NET4GAS, s.r.o. (further referred to as “NET4GAS”) and BRAWA, a.s. (further referred to as “BRAWA”).

NET4GAS Holdings is a holding company and its main scope of activity is management of the Consolidated Group.

NET4GAS holds an exclusive gas Transmission System Operator (TSO) licence in the Czech Republic. The company secures the international transit of natural gas across the Czech Republic, domestic transmission of natural gas to partners in the Czech Republic and associated commercial and technical services.

BRAWA is the sole owner of the GAZELLE gas pipeline. This 166-kilometre pipeline, with a pipe diameter of DN 1400 and a design pressure of 85 bar, connects the transmission systems of the Czech Republic and the Federal Republic of Germany at the border points Brandov and Rozvadov. NET4GAS is the operator of the GAZELLE pipeline.

## Profile of Consolidated Group Companies

### NET4GAS Holdings

<b>Company name:</b>	NET4GAS Holdings, s.r.o.
<b>Identification number:</b>	291 35 001
<b>Date of registration in the Commercial Register:</b>	5 December 2012
<b>Address:</b>	Na hřebenech II 1718/8, 140 00 Prague 4 - Nusle, Czech Republic
<b>Shareholders:</b>	▪ ČEPS, a.s. (100%)

On 11 December 2023, a share transfer agreement was entered into between Allianz Infrastructure Luxembourg I S.à r.l., a company with registered office at Rue Albert Borschette 2A, 1246 Luxembourg, Grand Duchy of Luxembourg, Registration No. B 157276, and ČEPS, a.s., a company with registered office at Elektrárenská 774/2, 101 52 Prague 10, Czech Republic, Identification No. 25702556, registered under Reg. No. B 5597 in the Commercial Register maintained by the Prague Municipal Court, based on which Allianz Infrastructure Luxembourg I S.à r.l., the seller, transferred its 50% share in NET4GAS Holdings, s.r.o. to ČEPS, a.s., the buyer. Furthermore, on 11 December 2023, a share transfer agreement was entered into between Borealis Novus Parent B.V., a company with registered office at Muiderstraat 9U, 1011PZ Amsterdam, Netherlands, Registration No. 57412243, and ČEPS, a.s., based on which Borealis Novus Parent B.V., the seller, transferred its 50% share in NET4GAS Holdings, s.r.o. to ČEPS, a.s., the buyer, whereupon ČEPS, a.s. became the sole owner of NET4GAS Holdings, s.r.o. effective as of 11 December 2023.

### NET4GAS Holdings Statutory Directors as of 31 December 2023

#### Svatopluk Vnouček

Statutory Director

Position held since: 11 December 2023

#### Martin Kašák

Statutory Director

Position held since: 11 December 2023

### Changes in the NET4GAS Holdings Statutory Directors

In the course of 2023, several changes took place in the composition of the executive officers of NET4GAS Holdings.

Under a decision of the Company's General Meeting of 12 April 2023, Igor Lukin, Mario Fischer, Delphine Voeltzel and Michael Raymond Mc Nicholas were removed as statutory directors with immediate effect and Andrew Cox, Roxana Tataru, Alastair Colin Hall and Timm Degenhardt were appointed as new statutory directors.

Under a decision of the Company's General Meeting adopted in the form of a notarial deed executed on 11 December 2023 by Martin Diviš, a notary with registered office in Prague, under Ref. No. NZ 1987/2023, N 2123/2023, an amendment to the Company's Memorandum of Association was approved effective as of 11 December 2023, changing the number of the Company's statutory directors to two statutory directors.

Furthermore, under a decision of the Company's General Meeting adopted in the form of a notarial deed executed on 11 December 2023 by Martin Diviš, a notary with registered office in Prague, under Ref. No. NZ 1987/2023, N 2123/2023, the General Meeting approved the immediate termination of the offices of the resigning statutory directors of NET4GAS Holdings, Ltd, namely Alastair Colin Hall, Roxana Tataru, Timm Degenhardt and Andrew Cox, in response to the resignations received. At the same time, the General Meeting elected, effective as of the effective date of the share transfer agreements referred to above, Svatoopluk Vnouček and Martin Kašák as the Company's statutory directors.

## NET4GAS

<b>Company name:</b>	NET4GAS, s.r.o.
<b>Identification number:</b>	272 60 364
<b>Date of registration in the Commercial Register:</b>	29 June 2005
<b>Address:</b>	Na Hřebenech II 1718/8, 140 00 Prague 4 - Nusle, Czech Republic
<b>Shareholder:</b>	NET4GAS Holdings (100%)

### NET4GAS Supervisory Board as of 31 December 2023

#### **Petr Doškář**

Chairman of the Supervisory Board  
Position held since: 20 December 2023  
Member since: 12 December 2023

#### **Radek Lucký**

Vice-Chairman of the Supervisory Board  
Position held since: 20 December 2023  
Member since: 12 December 2023

#### **Martin Palkovský**

Member of the Supervisory Board  
Member since: 12 December 2023

### Changes in the NET4GAS Supervisory Board

In the course of 2023, changes took place in the composition of the NET4GAS Supervisory Board. Under a decision of the sole shareholder exercising the powers of the Company's General Meeting dated 16 June 2023, Michael Raymond Mc Nicholas and Delphine Voeltzel were discharged as members of the Supervisory Board effective immediately. At the same time, under a decision of the sole shareholder exercising the powers of the General Meeting dated 16 June 2023, Lars Erik Clausen and Michael F. Keppel were appointed as new members of the Supervisory Board effective immediately. At a regular meeting of the Supervisory Board held on 23 June 2023, Lars Erik Clausen was elected as Chairman of the Supervisory Board effective immediately.

On 5 December 2023, the membership of George Nowack on the Supervisory Board ended upon the expiry of his five-year term of office. On 11 December 2023, Lars Erik Clausen, Mario Fischer, Igor Emilievic Lukin, and Michael F. Keppel resigned as members of the Supervisory Board by delivering written resignation notices to the Supervisory Board. The Supervisory Board acknowledged the resignation of the members of the Supervisory Board based on their written notices and approved the termination of their offices as of 11 December 2023. The sole shareholder exercising the powers of the General Meeting acknowledged the resignation of the aforementioned members of the Supervisory Board based on their written notices and simultaneously decided 11 December 2023 to be the last day of their term of office as members of the Company's Supervisory Board.

Under a decision of the sole shareholder exercising the powers of the General Meeting adopted in the form of a notarial deed executed on 12 December 2023 by Martin Diviš, a notary with registered office in Prague, under Ref. No. NZ 1994/2023, N 2132/2023, an amendment to the Company's Memorandum of Association was approved effective as of 12 December 2023, changing the number of members of the Supervisory Board to three members.

Under a decision of the sole shareholder exercising the powers of the General Meeting adopted in the form of a notarial deed executed on 12 December 2023 by Martin Diviš, a notary with registered office in Prague, under Ref. No. NZ 1994/2023, N 2132/2023, Petr Doškář, Radek Lucký, and Martin Palkovský were elected as new members of the Supervisory Board effective as of 12 December 2023.

Under a decision of the Supervisory Board adopted at its meeting held on 20 December 2023, Petr Doškář was elected as Chairman of the Supervisory Board effective as of 20 December 2023 and Radek Lucký as Vice-Chairman of the Supervisory Board effective as of 20 December 2023.

### **NET4GAS Statutory Directors as of 31 December 2023**

#### **Andreas Rau**

Statutory Director and CEO

Position held since: 1 December 2023

(NET4GAS Statutory Director continuously since 1 December 2013)

#### **Radek Benčík**

Statutory Director and COO

Position held since: 1 October 2021

(NET4GAS Statutory Director continuously since 1 October 2011)

### **Changes in the NET4GAS Statutory Directors**

Václav Hrach resigned as a statutory director of the Company and thereby served notice of resignation dated 23 June 2023. In accordance with the Company's Memorandum of Association, the Supervisory Board acknowledged Václav Hrach's resignation as the Company's statutory director at its meeting held on 23 June 2023, and simultaneously decided 30 September 2023 to be the last day of his term of office as a statutory director.

At its regular meeting held on 22 September 2023, the Company's Supervisory Board re-elected Andreas Rau as the Company's statutory director effective as of 1 December 2023. Simultaneously, the Supervisory Board approved an extension of the executive service agreement between the Company and Andreas Rau.

Under a decision of the sole shareholder exercising the powers of the General Meeting adopted in the form of a notarial deed executed on 12 December 2023 by Martin Diviš, a notary with registered office in Prague, under Ref. No. NZ 1994/2023, N 2132/2023, an amendment to the Company's Memorandum of Association was approved effective as of 12 December 2023, changing the number of the Company's statutory directors to two statutory directors.

## **NET4GAS Audit Committee as of 31 December 2023**

Following the issue of investment securities accepted for trading on the regulated European market, NET4GAS has become a public interest entity within the meaning of Act No. 563/1991 Coll. on Accounting, as amended, and is subject to the duty to establish an Audit Committee. The main responsibilities of the Audit Committee include monitoring the efficiency of the internal control system and the risk management system, overseeing the effectiveness of internal audit and securing its functional independence, monitoring the compilation of financial statements and consolidated financial statements, recommending the statutory auditor, assessing the independence of the statutory auditor and the audit company, evaluating the provision of supplementary services, and overseeing the conduct of mandatory audit.

The NET4GAS Audit Committee was established under a decision of the NET4GAS Statutory Directors on 31 May 2016.

### **Michal Petrman**

Member of the Audit Committee

Member since: 1 June 2016

### **Stanislav Staněk**

Chairman of the Audit Committee

Position held since: 22 June 2023

Member since: 1 June 2016

### **Pavel Závitkovský**

Member of the Audit Committee

Member since: 1 June 2016

## **Changes in the NET4GAS Audit Committee**

In accordance with the Audit Committee Statute, Michal Petrman, Stanislav Staněk, and Pavel Závitkovský were reappointed under a decision of 15 May 2023 of the sole shareholder of NET4GAS exercising the powers of the General Meeting as independent members of the Audit Committee following the end of their one-year terms of office, effective as of 1 June 2023. On 22 June 2023, Stanislav Staněk was elected as Chairman of the Audit Committee.

The following changes in the Audit Committee occurred in the course of 2023: On 11 December 2023, Mario Fischer and Alberto Rozza resigned as members of the Audit Committee by serving a written notice of resignation to the sole shareholder. The sole shareholder, exercising the powers of the General Meeting, acknowledged the resignation of the aforementioned members of the Audit Committee and simultaneously decided 11 December 2023 to be the last day of their term of office as members of the Company's Audit Committee.

Under a decision of the sole shareholder exercising the powers of the General Meeting adopted in the form of a notarial deed executed on 12 December 2023 by Martin Diviš, a notary with registered office in Prague, under Ref. No. NZ 1994/2023, N 2132/2023, an amendment to the Company's Memorandum of Association was approved effective as of 12 December 2023, changing the number of members of the Audit Committee to three members.

## BRAWA

<b>Company name:</b>	BRAWA, a.s.
<b>Identification number:</b>	247 57 926
<b>Date of registration in the Commercial Register:</b>	10 November 2010
<b>Address:</b>	Na Hřebenech II 1718/8, 140 21 Prague 4 - Nusle, Czech Republic
<b>Shareholder:</b>	NET4GAS (100%)

### Supervisory Board of BRAWA as of 31 December 2023

#### Martin Kolář

Chairman of the Supervisory Board

Position held since: 11 July 2022

Membership since: 1 July 2022

(in the Supervisory Board continuously since 20 March 2012)

#### Radek Benčík

Vice-Chairman of the Supervisory Board

Position held since: 11 July 2022

Membership since: 1 July 2022

(in the Supervisory Board continuously since 20 March 2012)

#### Andreas Rau

Member of the Supervisory Board

Membership since: 19 February 2022

(in the Supervisory Board continuously since 19 February 2014)

### Changes in the Supervisory Board

No changes occurred in the composition of the Supervisory Board of BRAWA in 2023.

### Board of Directors of BRAWA as of 31 December 2023

#### Jan Martinec

Chairman of the Board of Directors

Position held since: 7 July 2019

Membership since: 7 July 2019

(in the Board of Directors continuously since 7 July 2014)

#### Miroslav Holý

Vice-Chairman of the Board of Directors

Position held since: 17 December 2020

Membership since: 30 November 2020

(in the Board of Directors continuously since 1 November 2015)

### Changes in the Board of Directors

No changes occurred in the composition of the Board of Directors of BRAWA in 2023.



# Consolidated Report on Operations of the NET4GAS Holdings Group 2023

## NET4GAS Holdings Group Main Financial Indicators

Selected indicators*	2023 (CZK million)
Revenue	3,004
Operating profit	(318)
Profit before taxation	(618)
Profit after taxation	(1,331)
Capital expenditure to tangible and intangible assets in 2023	783

\* according to CZ GAAP

### Revenues, costs, profit

The Group's main business activity is natural gas transmission in accordance with the Act No. 458/2000 Coll., on conditions for undertaking the business and for the execution of state administration in the energy sector and on changes to certain acts (the "Energy Act").

In 2023, the Group achieved a profit before taxation of CZK (618) million, profit after taxation was CZK (1,331) million. The operating profit of the Group amounted to CZK (318) million, the majority formed by NET4GAS. The Group generated profit from its core business operations – transit of natural gas and domestic transmission.

Its total revenue amounted to CZK 3,004 million, total operating costs were CZK 3,322 million.

### Asset structure

The total assets of the Group in 2023 amounted to CZK 58,568 million, of which fixed assets accounted for CZK 48,052 million, representing 82 % of total assets. The components of these assets were tangible fixed assets valued at CZK 51,194 million, intangible fixed assets valued at CZK 229 million.

As of 31 December 2023, current assets amounted to CZK 10,288 million, representing 18 % of total assets. Short-term financial assets comprised approx. 86 % and receivables approximately 11 %.

### Investments

In 2023, the Groups Capital expenditures amounted to CZK 783 million. As at 31 December 2023, the total amount of work in progress was CZK 671 million. In 2023, the Group finished long-term projects in the amount of CZK 610 million (additions to fixed assets at cost).

### Structure of liabilities and equity

The Group's equity as of 31 December 2023 was CZK 14,824 million.

Liabilities amounted to CZK 43,538 million. Long-term liabilities and borrowings (particularly bonds, utilised loan, deferred taxes liability, and liabilities arising from derivative instruments) accounted for about 96 %.

### Investment instruments and financial derivatives

To secure a return on its available cash during 2023, the Group made use of term deposits and bills of exchange offered by leading banking institutions. For the purpose of hedging contractual cash flows (income from the transmission of natural gas and from a foreign currency bond) against currency risks, the Group used financial derivatives in 2023. The Group manages its financial risks, which include primarily currency, interest rate, credit and liquidity risks. Risks are continuously monitored and assessed, and hedged if necessary.

## **Branches or other parts of business premises abroad**

None of the companies in the Group has branches or other parts of business premises abroad.

## **NET4GAS Main Financial Operations**

On 4 January 2023, the Company announced that the last monthly payments due under key agreements with its main customer, had not been received. As announced on 6 April 2023, negotiations with the main customer about resolving the situation have not been successful. Consequently, N4G has decided to commence arbitration proceedings against the main customer in order to protect its legal rights and seek the due payment of the amounts owed to it by the main customer.

In response to the aforementioned and ongoing external geopolitical uncertainties, NET4GAS continued building financial reserves, implementing savings, and temporarily suspending the payment of dividends to shareholders during 2023. No changes in the financing of the Company took place in 2023. The Company continues to actively monitor the market conditions and the geopolitical situation in the territory where it conducts business, and is analysing options to improve its financial resilience as the owner and operator of critical infrastructure in the Czech Republic.

On 29 May 2023, Fitch Ratings downgraded the Company's credit rating from BB+ "Negative Outlook" to BB- "Evolving". On 4 October 2023, in consequence of a change of owner, Fitch Ratings upgraded NET4GAS's credit rating to "rating watch positive".

## **NET4GAS Main Business Operations**

The total volume of gas transmitted in 2023 amounted to 10.15 billion cubic meters (bcm), of which 6.77 bcm went to consumers in the Czech Republic, transit to foreign countries amounted to 1.04 bcm, and the remainder was transported to gas storage facilities. Compared to 2022, total transport decreased by 20.77 bcm.

The decline was mainly caused by the absence of physical transmission of Russian gas via the Czech Republic and other changes in gas flow in Europe stemming especially from the geopolitical consequences of the Russian invasion of Ukraine.

Domestic transport decreased in 2023 by 0.74 bcm compared to 2022, mainly due to higher average temperatures and savings resulting in reduced consumption by Czech consumers.

In 2023, NET4GAS fulfilled its contractual commitments under 10,278 gas transmission agreements. The year-on-year decrease in concluded contracts was mainly caused by the growing interest of traders in booking long-term, mainly annual, capacity products for gas supplies to the Czech Republic, which led to a decline in short-term bookings.

In 2023, NET4GAS completed the implementation of the Moravia Capacity Extension domestic project (MCE), the objective of which was to expand the output capacity of the gas transmission system for the Central and Northern Moravian region, thereby ensuring the continued security of supplies in the region. The project involved the construction of about 85 kilometres of a new DN 1000 PN 73.5 high-pressure pipeline between the existing Tvrdonice and Bezměrov distribution nodes (a high-pressure gas pipeline) and the related adjustments to the Břeclav compression station. Unfinished work tasks were completed, defects were repaired, and a fit-for-use certificate was issued on 25 October 2023 for the high-pressure pipeline. The certificate entered into legal force on 27 October 2023.

As part of a noncommittal assessment of demand for capacity on the Czech Republic's borders with neighboring trading zones carried out in accordance with national legislation during July and August 2023, NET4GAS received no indicative demand for incremental capacity for any of the cross-border points.

The Ministry of Industry and Trade renewed the Transmission System Operator's exemption from enabling bidirectional flow at the Cieszyn border point, valid until 31 December 2023. In connection with negotiations with the Polish transmission system operator GAZ-SYSTEM, three potential future solutions were identified here to allow bidirectional flow. Until a decision is made to implement and put into operation one of the solutions, NET4GAS has applied to the Ministry of Industry and Trade for an extension of the above-mentioned exemption by two additional years. The process is now pending. In 2023, preparatory work continued on five projects aimed at connecting customers to the transmission system and reinforcing the system's capacity. Three building permits in effect were successfully obtained for these projects. Construction and installation work was performed on an additional three connection projects in 2023. As regards the technical solution, the projects consist of building new pipelines sized DN 150 – DN 500 with a length from 0.1 to 8.3 kilometres, enlarging existing transfer stations, and increasing the capacity of commercial metering.

In the area of innovations and transitioning to a low-carbon economy, activities pursued by NET4GAS in 2023 mainly focused on preparations for the future transport of hydrogen. For example, NET4GAS continues to be one of the sponsors of the European Hydrogen Backbone initiative.

The project is aimed at building a European backbone hydrogen infrastructure, primarily based on repurposing existing gas networks, and effectively connecting major (potential) hydrogen production and consumption sites. In 2023, work concentrated on hydrogen import corridors and specific implementation projects, including those developed by NET4GAS. From an accounting perspective, it is not a research and development expenditure for the fiscal year 2023.

As in previous years, in 2023 NET4GAS continued pursuing several international initiatives in the hydrogen transport segment. NET4GAS is one of the founders of the Central European Hydrogen Corridor initiative, aimed at examining the possibilities of transmitting hydrogen from Ukraine through Slovakia and the Czech Republic to Germany and a member of the SunSHyne initiative, which investigates the possibilities of transporting hydrogen from North Africa. In addition, in 2023 NET4GAS began another initiative that focuses on the South-East European region. Titled South-East Europe Hydrogen Corridor, this venture will examine the feasibility of transporting hydrogen from Greece and Romania via Bulgaria, Hungary, Slovakia, and the Czech Republic westward to Germany. NET4GAS continues to actively carry on a large-scale internal project with the aim of mapping the existing infrastructure and its preparedness for the transmission of hydrogen, both in its pure form and in the form of various blends with natural gas. Our results achieved in 2023 confirm, to an increasing degree, the assumptions that the existing gas infrastructure can be used to a significant extent for transporting hydrogen. From an accounting perspective, the above-mentioned detail is not a research and development expenditure for the fiscal year 2023.

In November 2023, the European Commission published the proposal of the sixth Union List of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI), including hydrogen corridors traversing the Czech Republic. NET4GAS has two hydrogen projects on the list, specifically the Central European Hydrogen Corridor (CEHC) and the Czech-German Hydrogen Interconnector (CGHI).

## **BRAWA Business Operations**

The core activity of BRAWA in 2023 was managing its property, the GAZELLE pipeline, and its lease to the transmission system operator NET4GAS.

## Human Resources

As of 31 December 2023, NET4GAS had 525 employees, 19.24% of whom were women. Women accounted for 12.93% of employees in management positions. The educational background of the company's workforce has remained stable. The standard of NET4GAS employees' working and social conditions is defined under a Collective Agreement valid from 2020 to 2024. As of 31 December 2023, BRAWA had no employees.

As part of its human resources and social policy, NET4GAS offers its employees programs and benefits that include retirement savings and life insurance contributions, lump-sum meal contributions, five days of vacation above the legal requirement, 3 sick days, flexible working time, premium healthcare, contributions for leisure activities, and assistance for families with young children. NET4GAS facilitates the return of employees to work after parental leave, particularly through maintaining contact, supporting their active participation in projects and allowing them to work from home. As in previous years, employees had an opportunity to obtain financial support for a pre-school that their children attend.

Cooperation continues with schools, students, and graduates with the aim of supporting fields of study related to the company's business and fostering technical expertise (see NET4GAS Corporate Philanthropy). NET4GAS also continues to support the employment of handicapped persons. Every position is assessed in view of its suitability for handicapped individuals and advertised as such where applicable.

## Code of Conduct

The NET4GAS Group is conscious of its role in society and its responsibility towards all its stakeholders and the environment, in which it operates. It has therefore committed itself to a clear set of principles that form a framework for its activities in the business and social spheres defined by the Code of Conduct. Its adherence is monitored by the Compliance Officer.

The conduct of the Group and the employees is based on personal responsibility, honesty, loyalty, and respect for others, their safety and the environment. The Group supports the internationally declared human rights, promotes their protection and at the same time ensures that no violation of human rights occurs in the Group. It also acts against all forms of corruption, including extortion and bribery.

The Code of Conduct forms the basis for the creation of further internal documentation and every employee is acquainted with it. Moreover, annual reporting on the implementation of the Code of Conduct is introduced. In 2023, the Compliance Officer did not receive any notification of a violation of the Code of Conduct.

## Environmental Protection

Close attention was paid to environmental protection, which the NET4GAS Group regards not only from the viewpoint of fulfilling legal requirements, but also, and more importantly, as a part of its corporate social responsibility. Environmental protection is taken into consideration in all decisions and processes with the aim of minimizing any burden the company's operations might place on the natural world.

In 2023, the NET4GAS Group discharged all requirements arising under environmental protection laws, and inspections carried out by government authorities in 2023 confirmed the full conformity of operations in the inspected localities to the applicable environmental legislation and conditions of issued licenses in effect.

The Group's commitment to environmental protection goes beyond the scope of legal requirements. An example is the consistent use of a mobile compressor that serves for the removal of gas from a pipeline section undergoing repairs and thanks to that the pumped gas is not released into the atmosphere.

Recycling, energy savings, and other environmentally friendly activities were and remain an integral part of the operations. In 2023, the Group continued to support nature conservation and environmental protection projects under the NET4GAS Closer to Nature program (see NET4GAS Corporate Philanthropy).

## **Reducing Emissions**

In 2023, the NET4GAS Group continued its efforts to reduce methane and carbon dioxide emissions. The NET4GAS Group's overall carbon footprint in 2023 was considerably reduced compared to previous years. As regards reducing methane emissions, an example of the above efforts was the acquisition of another mobile booster compressor, which – as early as in 2024 – will allow pumping a significantly higher quantity of methane from various parts of the gas pipeline network before it is depressurised for maintenance purposes.

## Report on Relations of NET4GAS Holdings, s.r.o. 2023

The Statutory Directors of NET4GAS Holdings, s.r.o. (further referred to in this Report on Relations as the “Company”) have drawn up, in accordance with Section 82 of Act No. 90/2012 Coll., the Business Corporations Act (the “BCA”), this following Report on Relations covering the relations among the Company and controlling entities and among the Company and other entities controlled by the same controlling entities (the “Related Parties”) during 2023 in all cases where the Company is aware of the existence of such Related Parties. This Report on Relations forms an integral part of the NET4GAS Holdings Group Consolidated Annual Report 2023 and is provided to the Company’s shareholders for their review within the same period of time and under the same conditions as the Financial Statements.

### 1. Controlling entities

In the accounting period ended 31 December 2023, the Company was controlled by:

#### I. In the period from 1 January 2023 to 11 December 2023

(i) Allianz Infrastructure Luxembourg I S.à r.l., with its registered office at 1246 Luxembourg, Rue Albert Borschette 2A., Grand Duchy of Luxembourg, registration number: B 157276, and (ii) Borealis Novus Parent B.V., with its registered office at 1011PZ Amsterdam, Muiderstraat 9U, Kingdom of the Netherlands, registration number: 57412243, each of which was a shareholder of the Company with an ownership interest of 50%, and which together had the status of controlling entities in relation to the Company pursuant to Section 75(3) of the BCA.

#### II. In the period from 11 December 2023 to 31 December 2023

##### a) directly by

ČEPS, a.s., with registered office at Elektrárenská 774/2, 101 52 Prague 10, ID No. 25702556, registered under Reg. No. B 5597 in the Commercial Register maintained by the Prague Municipal Court;

##### b) indirectly by

The Czech Republic, the sole shareholder of ČEPS, a.s., where shareholder rights in ČEPS, a.s. are exercised on behalf of the state by the competent authority, specifically the Ministry of Industry and Trade, with registered office at Na Františku 1039/32, 110 00 Prague 1, ID No. 47609109.

### 2. Other Related Parties

The Board of Directors of the Company has prepared this Relationship Report based on available information.

The structure of the relations among the controlling entities and the controlled entity and other Related Parties is set out in Annex No. 1 to this Report on Relations.

### 3. Role of the controlled entity, method and means of control

The Company is a holding company through which its shareholders indirectly control NET4GAS, s.r.o., with its registered office at Na Hřebenech II 1718/8, Nusle, Prague 4, 140 21, Czech Republic, ID No. 272 60 364, recorded in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 108316.

Until 11 December 2023, the Company was commonly controlled by Allianz Infrastructure Luxembourg I S.à r.l. and Borealis Novus Parent B.V., and the control was based mainly on the fact that these companies were shareholders in the Company and appointed and removed the Company’s Statutory Directors.

As of 11 December 2023, the Company is controlled by ČEPS, a.s., and the control is mainly based on the fact that ČEPS, a.s. is the sole shareholder of the Company and appoints and removes the Company’s Statutory Directors.



#### **4. Agreements concluded between the Company and Related Parties**

There were agreements mentioned in Annex No. 2 to this Report on relationships concluded between the Company and controlling entities or Related Parties during the most recent accounting period. The agreements concluded in preceding accounting periods which were in effect during the most recent accounting period form Annex No. 3 to this Report on Relations.

#### **5. Acts performed in the most recent accounting period at the instigation or in the interest of controlling entities or Related Parties**

In the most recent accounting period, the Company, in addition to concluding agreements as specified in Article 4 of this Report on Relations, no other actions were taken at the instigation or in the interest of the controlling entities or Related Parties.

#### **6. No damage**

In the most recent accounting period, the Company incurred no damage as a result of agreements with controlling entities or Related Parties, or as a consequence of other acts or actions performed in the interest or at the instigation of the same, which were concluded or undertaken during the most recent accounting period or in any preceding accounting period. It has therefore not been necessary to secure compensation for damage or to conclude any agreements on such compensation.

#### **7. Advantages and disadvantages resulting from relations with Related Parties**

In the 2023 accounting period, relations among the controlling entities and Related Parties were an advantage for the Company in terms of increased financial stability.

#### **8. Confidentiality**

None of the information disclosed in this Report on Relations constitutes a trade secret of the Company.

#### **9. Conclusion**

This Report on Relations was approved by the Company's Statutory Directors.

In Prague on 1 March 2024



Svatopluk Vnouček  
Statutory Director



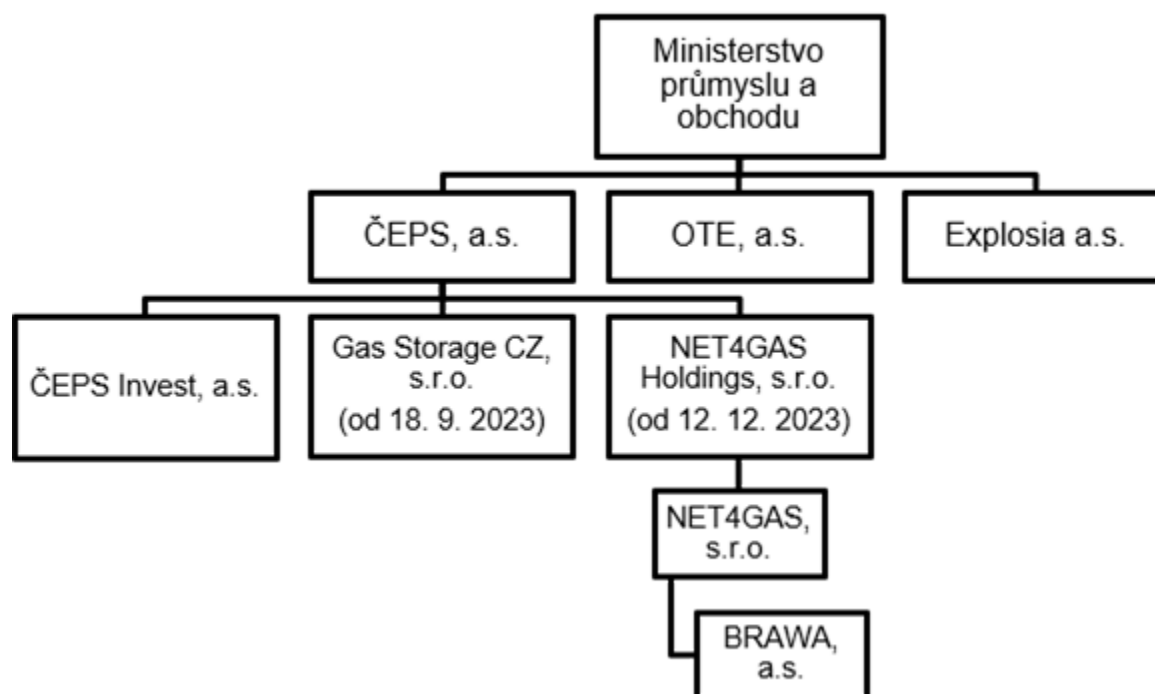
Martin Kašák  
Statutory Director

## Annex No. 1 Structure of relations among controlling entities and Related Parties in the most recent accounting period

### I. In the period from 1 January 2023 to 11 December 2023

Allianz Infrastructure Luxembourg I S.à r.l. (50,00 %) a Borealis Novus Parent B.V. (50,00 %)  
100,00 % NET4GAS Holdings, s.r.o.  
100,00 % NET4GAS, s.r.o.  
BRAWA, a.s.

### II. In the period from 11 December 2023 to 31 December 2023





**Annex No. 2: Agreements concluded between the Company and controlling entities or Related Parties in the most recent accounting period**

SAP	Contracting Party	Agreement	Date of conclusion	Details
1900000154	NET4GAS, s.r.o. Allianz Infrastructure Luxembourg, Borealis Novus Parent B.V., ČEPS, a.s.	Deferral Agreement	29 September 2023	The subject matter of the agreement is the recognition of a debt consisting of the return of a dividend prepayment.
1900000155	NET4GAS, s.r.o.	Notarial Deed	29 September 2023	Direct enforcement agreement
1900000147	Allianz Infrastructure Luxembourg, Borealis Novus Parent B.V., Datasite UK	Statement of Work	5 July 2023	The subject matter of the agreement is the securing of a digital data room.
1900000149	Allianz Infrastructure Luxembourg	Agreement on Payment of Additional Contribution N4GHxAİL	8 December 2023	The subject matter is the payment of an additional contribution for the purpose of increasing the company's equity.
1900000150	Borealis Novus Parent B.V.	Agreement on Payment of Additional Contribution N4GHxBNP	8 December 2023	The subject matter is the payment of an additional contribution for the purpose of increasing the company's equity.

**Annex No. 3: Agreements concluded between the Company and controlling entities or Related Parties in previous accounting periods and effective in the most recent accounting period**

SAP	Contracting Party	Agreement	Date of conclusion	Details
1900000039	NET4GAS, s.r.o.	Agreement on the Provision of Loans, as amended by Amendment No. 1 of 16 January 2014, Amendment No. 2 of 21 March 2014, Amendment No. 3 of 16 July 2015, Amendment No. 4 of 11 November 2019 and Amendment No. 5 of 22 December 2022	11 November 2013	The agreements lay down a framework for cash pooling in Czech crowns (between NET4GAS, s.r.o., BRAWA, a.s., and NET4GAS Holdings, s.r.o.) and US dollars and euros (between NET4GAS, s.r.o. and NET4GAS Holdings, s.r.o.), the purpose of which is to optimize the use of funds in the framework of related party transactions and to reduce transaction costs. The amendments define the price and the method of its determination, the specification of the services provided, as well as the List of responsible persons of the Provider.
1900000129	NET4GAS, s.r.o., BRAWA, a.s. (multilateral agreement)	Agreement Ref. No. ZBA/2017/07 on the Provision of Real Unidirectional Cash Pooling as amended by Amendment 001 of 27 September 2018 and Amendment 002 of 26 May 2022	9 November 2017	
1900000130	NET4GAS, s.r.o. (multilateral agreement)	Agreement Ref. No. ZBA/2017/08 on the Provision of Real Unidirectional Cash Pooling as amended by Amendment 001 of 27 September 2018 and Amendment 002 of 26 May 2022	9 November 2017	
1900000131	NET4GAS, s.r.o. (multilateral agreement)	Agreement Ref. No. ZBA/2017/09 on the Provision of Real Unidirectional Cash Pooling as amended by Amendment 001 of 27 September 2018 and Amendment 002 of 26 May 2022	9 November 2017	
1900000102	NET4GAS, s.r.o.	Service Level Agreement for Selected Services as amended by Amendment No. 2 of 6 December 2019	25 June 2015	The subject matter of the agreement is the provision of the following services by NET4GAS, s.r.o. to NET4GAS Holdings, s.r.o.: accounting, controlling, tax issues, cash-flow, contract management, and PR service. The amendment defines an overview of the service services provided.
1900000136	NET4GAS, s.r.o.	Agreement on personal data processing	6 December 2019	This agreement sets out the rights and obligations of the parties with respect to the processing of relevant personal data.
1716000006	OTE, a.s.	Cooperation Agreement, as amended by Amendment No. 1 of 23 December 2016, Amendment No. 2 of 7 December 2017,	16 May 2016	The subject of the Agreement is the obligation of the Parties to cooperate in the areas specified in the relevant

		Amendment No. 3 of 4 December 2018, Amendment No. 4 of 27 November 2019 and Amendment No. 5 of 24 November 2019		provisions of the Energy Act and its implementing regulations
1716000662	Gas Storage CZ, s.r.o.	Master Gas Transmission Agreement, as amended by Amendment No. 1 of 10 January 2020	20 May 2016	The subject matter of the agreement is securing gas transmission by N4G for Gas Storage CZ via the transmission system.
1708000488	Gas Storage CZ, s.r.o.	Agreement on the Terms of Operation of the Interconnection of the Transmission System and Virtual Gas Storage, as amended by Amendment No. 1 of 4 August 2010, Amendment No. 2 of 10 January 2017	3 March 2009	The subject matter of this agreement is the terms for the interconnection of the transmission system and gas storage.
1711000685	Gas Storage CZ, s.r.o.	Transmission System Connection Agreement – Tvrdonice	12 November 2013	The agreements define the technical capacity of the applicable gas storage for injection and extraction. The agreements lay down specific details, such as delivery points, separating points, asset-related matters, responsibilities, access to properties, connection project timetables, etc.
1714000921	Gas Storage CZ, s.r.o.	Transmission System Connection Agreement - Horní Věstonice	14 October 2015	
1710000465	Gas Storage CZ, s.r.o.	Transmission System Connection Agreement - Třanovice	13 October 2010	

**Annex No. 4: Acts performed in the most recent accounting period at the instigation or in the interest of controlling entities or Related Parties**

In the most recent accounting period, no actions were taken at the instigation of or in the interest of controlling entities or related parties.

## Post Balance Sheet Events

Subsequent events are described in the Annex No.1 Consolidated Financial Statements, Note 19 Subsequent Events.

## Persons Responsible for the Consolidated Annual Report

We hereby declare on our honour that the information stated in this Consolidated Annual Report is true and that no material facts have been omitted or misstated.

In Prague on 1 March 2024



Svatopluk Vnouček  
Statutory Director



Martin Kašák  
Statutory Director

**Annex no. 1: Consolidated Financial Statements**



## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**Name of the Company:** NET4GAS Holdings, s.r.o.  
**Registered Office:** Na hřebenech II 1718/8, 140 00 Prague 4 – Nusle  
**Legal Status:** Limited Liability Company  
**Corporate ID:** 291 35 001

### Components of the Consolidated Financial Statements:

Consolidated Balance Sheet  
Consolidated Profit and Loss Account  
Consolidated Statement of Changes in Equity  
Consolidated Cash Flow Statement  
Notes to the Consolidated Financial Statements

These consolidated financial statements were prepared on 1 March 2024.

Statutory body of the reporting entity:	Signature
<b>Svatopluk Vnouček</b> Statutory Executive	
<b>Martin Kašák</b> Statutory Executive	

# CONSOLIDATED BALANCE SHEET

full version

As of  
(in CZK million)

NET4GAS Holdings, s.r.o.

Corporate ID 291 35 001

Na hřebenech II 1718/8  
140 00 Praha 4

		31.12.2023			31.12.2022
		Brutto	Korekce	Netto	Netto
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>94 614</b>	<b>36 046</b>	<b>58 568</b>	<b>59 193</b>
<b>B.</b>	<b>Fixed assets</b>	<b>83 990</b>	<b>35 938</b>	<b>48 052</b>	<b>49 675</b>
<i>B.I.</i>	<i>Intangible fixed assets</i>	<b>845</b>	<b>616</b>	<b>229</b>	<b>116</b>
B.I.1.	Development	46	46	-	-
B.I.2.	<i>Valuable rights</i>	<b>711</b>	<b>553</b>	<b>158</b>	<b>17</b>
B.I.2.1.	Software	705	547	158	17
B.I.2.2.	Other valuable rights	6	6	-	-
B.I.4.	Other intangible fixed assets	21	17	4	11
B.I.5.	<i>Prepayments for intangible fixed assets and intangible fixed assets under construction</i>	<b>67</b>	-	<b>67</b>	<b>88</b>
B.I.5.1.	Prepayments for intangible fixed assets	57	-	57	29
B.I.5.2.	Intangible fixed assets under construction	10	-	10	59
<i>B.II.</i>	<i>Tangible fixed assets</i>	<b>90 183</b>	<b>38 989</b>	<b>51 194</b>	<b>53 282</b>
B.II.1.	<i>Land and structures</i>	<b>79 721</b>	<b>31 815</b>	<b>47 906</b>	<b>49 481</b>
B.II.1.1.	Land	329	-	329	310
B.II.1.2.	Structures	79 392	31 815	47 577	49 171
B.II.2.	Tangible movable assets and sets of tangible movable assets	9 778	7 174	2 604	3 058
B.II.4.	<i>Other tangible fixed assets</i>	<b>1</b>	-	<b>1</b>	<b>1</b>
B.II.4.3.	Other tangible fixed assets	1	-	1	1
B.II.5.	<i>Prepayments for tangible fixed assets and tangible fixed assets under construction</i>	<b>683</b>	-	<b>683</b>	<b>742</b>
B.II.5.1.	Prepayments for tangible fixed assets	22	-	22	282
B.II.5.2.	Tangible fixed assets under construction	661	-	661	460
	Positive/negative goodwill on consolidation	-7 038	-3 667	-3 371	-3 723
<b>C.</b>	<b>Current assets</b>	<b>10 396</b>	<b>108</b>	<b>10 288</b>	<b>9 259</b>
<i>C.I.</i>	<i>Inventories</i>	<b>236</b>	-	<b>236</b>	<b>228</b>
C.I.1.	Material	236	-	236	228
<i>C.II.</i>	<i>Receivables</i>	<b>1 207</b>	<b>108</b>	<b>1 099</b>	<b>2 219</b>
C.II.1.	<i>Long-term receivables</i>	<b>389</b>	-	<b>389</b>	<b>904</b>
C.II.1.5.	<i>Receivables - other</i>	<b>389</b>	-	<b>389</b>	<b>904</b>
C.II.1.5.4.	Sundry receivables	389	-	389	904
C.II.2.	<i>Short-term receivables</i>	<b>818</b>	<b>108</b>	<b>710</b>	<b>1 315</b>
C.II.2.1.	Trade receivables	159	108	51	274
C.II.2.4.	<i>Receivables - other</i>	<b>659</b>	-	<b>659</b>	<b>1 041</b>
C.II.2.4.3.	State - tax receivables	-	-	-	21
C.II.2.4.4.	Short-term prepayments made	3	-	3	3
C.II.2.4.5.	Estimated receivables	255	-	255	529
C.II.2.4.6.	Sundry receivables	401	-	401	488
<i>C.III.</i>	<i>Current financial assets</i>	<b>4 500</b>	-	<b>4 500</b>	<b>5 863</b>
C.III.2.	Other current financial assets	4 500	-	4 500	5 863
<i>C.IV.</i>	<i>Cash</i>	<b>4 453</b>	-	<b>4 453</b>	<b>949</b>
C.IV.2.	Cash at bank	4 453	-	4 453	949
<b>D.</b>	<b>Other assets</b>	<b>228</b>	-	<b>228</b>	<b>259</b>
D.1.	Deferred expenses	107	-	107	126
D.3.	Accrued income	121	-	121	133



		31.12.2023	31.12.2022
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>58 568</b>	<b>59 193</b>
<b>A.</b>	<b>Equity</b>	<b>14 824</b>	<b>14 374</b>
A.II.	<i>Share premium and capital funds</i>	5 949	7 068
A.II.2.	<i>Capital funds</i>	5 949	7 068
A.II.2.1.	Other capital funds	5 402	5 381
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	547	1 687
A.IV.	<i>Retained earnings (+/-)</i>	<b>10 206</b>	<b>3 677</b>
A.IV.1.	Accumulated profits or losses brought forward (+/-)	10 206	3 677
A.V.	<i>Profit or loss for the current period (+/-)</i>	<b>-1 331</b>	<b>6 529</b>
A.VI.	Profit share prepayments declared (-)	-	(2 900)
<b>B.+C.</b>	<b>Liabilities</b>	<b>43 538</b>	<b>44 604</b>
<b>B.</b>	<b>Reserves</b>	<b>275</b>	<b>301</b>
B.II.	Income tax reserve	24	2
B.IV.	Other reserves	251	299
<b>C.</b>	<b>Payables</b>	<b>43 263</b>	<b>44 303</b>
C.I.	<i>Long-term payables</i>	<b>41 781</b>	<b>41 376</b>
C.I.1.	<i>Bonds issued</i>	<b>18 778</b>	<b>18 643</b>
C.I.1.1.	Convertible bonds	18 778	18 643
C.I.2.	Payables to credit institutions	14 474	14 474
C.I.4.	Trade payables	5	13
C.I.8.	Deferred tax liability	7 464	7 036
C.I.9.	<i>Payables - other</i>	<b>1 060</b>	<b>1 210</b>
C.I.9.3.	Sundry payables	1 060	1 210
C.II.	<i>Short-term payables</i>	<b>1 482</b>	<b>2 927</b>
C.II.1.	<i>Bonds issued</i>	<b>423</b>	<b>427</b>
C.II.1.1.	Convertible bonds	423	427
C.II.3.	Short-term prepayments received	209	559
C.II.4.	Trade payables	206	402
C.II.8.	<i>Other payables</i>	<b>644</b>	<b>1 539</b>
C.II.8.3.	Payables to employees	31	42
C.II.8.4.	Social security and health insurance payables	17	22
C.II.8.5.	State - tax payables and subsidies	25	27
C.II.8.6.	Estimated payables	299	665
C.II.8.7.	Sundry payables	272	783
<b>D.</b>	<b>Other liabilities</b>	<b>206</b>	<b>215</b>
D.1.	Accrued expenses	177	180
D.2.	Deferred income	29	35

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

NET4GAS Holdings, s.r.o.  
Corporate ID 291 35 001

Year ended  
31.12.2023  
(in CZK million)

Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

		Year ended 31.12.2023	Year ended 31.12.2022
I.	Sales of products and services	3 004	12 949
A.	Purchased consumables and services	541	1 080
A.2.	Consumed material and energy	113	572
A.3.	Services	428	508
C.	Own work capitalised (-)	( 161)	-147
D.	Staff costs	725	748
D.1.	Payroll costs	532	545
D.2.	Social security and health insurance costs and other charges	193	203
D.2.1.	Social security and health insurance costs	173	181
D.2.2.	Other charges	20	22
E.	Adjustments to values in operating activities	2 605	2 449
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	2 497	2 449
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	2 501	2 453
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	( 4)	( 4)
E.3.	Adjustments to values of receivables	108	-
	Release of negative goodwill on consolidation	352	352
III.	Other operating income	49	50
III.1.	Sales of fixed assets	25	-
III.2.	Sales of material	39	-
III.3.	Sundry operating income	( 15)	50
F.	Other operating expenses	13	126
F.1.	Net book value of sold fixed assets	22	1
F.2.	Material sold	22	-
F.3.	Taxes and charges	19	7
F.4.	Reserves relating to operating activities and complex deferred expenses	( 49)	52
F.5.	Sundry operating expenses	-1	66
*	<b>Operating profit or loss (+/-)</b>	<b>( 318)</b>	<b>9 095</b>
VI.	Interest income and similar income	843	544
VI.2.	Other interest income and similar income	843	544
J.	Interest expenses and similar expenses	1 993	1 663
J.2.	Other interest expenses and similar expenses	1 993	1 663
VII.	Other financial income	1 347	464
K.	Other financial expenses	497	459
*	<b>Financial profit or loss (+/-)</b>	<b>( 300)</b>	<b>-1 114</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>( 618)</b>	<b>7 981</b>
L.	Income tax	713	1 452
L.1.	Due income tax	35	1 427
L.2.	Deferred income tax (+/-)	678	25
**	<b>Profit or loss net of tax (+/-)</b>	<b>( 1 331)</b>	<b>6 529</b>
***	<b>Profit or loss for the current period (+/-)</b>	<b>( 1 331)</b>	<b>6 529</b>
*	Net turnover for the current period	5 243	14 007

**CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY**

**NET4GAS Holdings, s.r.o.**  
**Corporate ID 291 35 001**

Year ended  
31.12.2023  
(in CZK million)

Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

	Capital funds	Gains or losses from the revaluation of assets and liabilities	Accumulated profits or losses brought forward	Profit or loss for the current period	Profit share prepayments declared	TOTAL EQUITY
<b>Balance at 31 December 2021</b>	<b>5 381</b>	<b>1 362</b>	<b>59</b>	<b>4 118</b>	<b>-3 400</b>	<b>7 520</b>
Gains or loss on fair value remeasurement - fin. derivatives		325				325
Distribution of profit			4 118	( 4 118)		
Profit shares paid			( 500)		3 400	2 900
Profit share prepayments declared					( 2 900)	( 2 900)
Consolidated profit for the period				6 529		6 529
<b>Balance at 31 December 2022</b>	<b>5 381</b>	<b>1 687</b>	<b>3 677</b>	<b>6 529</b>	<b>-2 900</b>	<b>14 374</b>
Gains or loss on fair value remeasurement - fin. derivatives		( 1 140)				( 1 140)
Distribution of profit			6 529	( 6 529)		
Increase in other capital funds	21					21
Refunded share prepayments declared					2 900	2 900
Consolidated loss for the period				( 1 331)		( 1 331)
<b>Balance at 31 December 2023</b>	<b>5 402</b>	<b>547</b>	<b>10 206</b>	<b>( 1 331)</b>		<b>14 824</b>

## CONSOLIDATED CASH FLOW STATEMENT

NET4GAS Holdings, s.r.o.  
Corporate ID 291 35 001

Year ended  
31.12.2023  
(in CZK million)

Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

		Year ended 31.12.2023	Year ended 31.12.2022
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	<b>949</b>	<b>299</b>
	<b><i>Cash flows from ordinary activities (operating activities)</i></b>		
Z.	Profit or loss before tax	-618	7 981
A.1.	Adjustments for non-cash transactions	2 550	3 053
A.1.1.	Depreciation of fixed assets	2 149	2 101
A.1.2.	Change in provisions and reserves	-53	31
A.1.3.	Profit/(loss) on the sale of fixed assets	-25	1
A.1.4.	Revenues from profit shares	-773	-2
A.1.5.	Interest expense and interest income	1 144	1 119
A.1.6.	Adjustments for other non-cash transactions	108	-197
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>1 932</b>	<b>11 034</b>
A.2.	Change in working capital	781	-4 285
A.2.1.	Change in operating receivables and other assets	1 005	-481
A.2.2.	Change in operating payables and other liabilities	-1 580	1 052
A.2.3.	Change in inventories	-8	-46
A.2.4.	Change in current financial assets	1 364	-4 810
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>2 713</b>	<b>6 749</b>
A.3.	Interest paid	-2 002	-1 440
A.4.	Interest received	857	411
A.5.	Income tax paid from ordinary operations	8	-1 454
<b>A.***</b>	<b>Net operating cash flows</b>	<b>1 576</b>	<b>4 266</b>
	<b><i>Cash flows from investing activities</i></b>		
B.1.	Fixed assets expenditures	-1 018	-3 616
B.2.	Proceeds from fixed assets sold	25	
<b>B.***</b>	<b>Net investment cash flows</b>	<b>-993</b>	<b>-3 616</b>
	<b><i>Cash flow from financial activities</i></b>		
C.2.	Impact of changes in equity	2 921	
C.2.3.	Other cash contributions made by partners/shareholders	21	
C.2.6.	Profit shares advances refunded	2 900	
<b>C.***</b>	<b>Net financial cash flows</b>	<b>2 921</b>	
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>3 504</b>	<b>650</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>4 453</b>	<b>949</b>

# ***Group NET4GAS Holdings***

Notes to the consolidated financial statements

31 December 2023

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### **1. GENERAL INFORMATION**

#### **1.1. Introductory information about the Company**

NET4GAS Holdings, s.r.o. (the "Company") was incorporated on 5 December 2012 by the Municipal Court in Prague, Section C, Insert 202655 and has its registered office at Na hřebenech II 1718/8, Nusle, 140 00 Prague 4, Czech Republic. The identification number of the Company is 291 35 001. The Company's primary business activity is holding shares in other companies for the NET4GAS Group.

Since 2 August 2013, the Company has been a joint venture of two entities: Allianz Infrastructure Luxembourg I S.à r.l. (50%), with its registered office in Luxembourg and Borealis Novus Parent B.V. (50%), with its registered office in the Netherlands.

On 11 December 2023, the state-owned company, ČEPS, a.s., acquired a 100% equity investment in NET4GAS Holdings, s.r.o. As a result of this transaction, ČEPS became the sole shareholder of NET4GAS Holdings.

The Company had no arrangements that are not included in the balance sheet as of 31 December 2023 or 31 December 2022.

Statutory Directors as of 31 December 2023:

Svatopluk Vnouček	Position held since: 11 December 2023
Martin Kašák	Position held since: 11 December 2023

During 2023 there were the following changes in the composition of the NET4GAS Holdings management:

Michael Raymond Mc Nicholas ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023. Delphine Voeltzel ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023. Igor Emilievic Lukin ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023. Mario Fischer ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023.

Alastair Colin Hall became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023. Roxana Tataru became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023. Timm Robert Degenhardt became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023. Andrew Julian Frederick Cox became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023.

Alastair Colin Hall ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023. Roxana Tataru ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023. Timm Robert Degenhardt ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023. Andrew Julian Frederick Cox ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023.

Svatopluk Vnouček became Statutory Director on 11 December 2023 and the change was entered in the Commercial Register on 12 December 2023.

Martin Kašák became Statutory Director on 11 December 2023 and the change was entered in the Commercial Register on 12 December 2023.

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### **1.2. Consolidated group description**

The consolidation group (the "Group") consists of the Consolidating Company, NET4GAS, s.r.o. and BRAWA, a.s.

NET4GAS, s.r.o. was incorporated based on the decision of the Municipal Court in Prague, Section C, Insert 108316, on 29 June 2005 and has its registered office at Na Hřebenech II 1718/8, Prague 4 – Nusle, the Czech Republic. The company's main business activity is natural gas transmission in accordance with Act No. 458/2000 Coll., on conditions for undertaking business and on the execution of state administration in the energy sector and on changes to certain decrees. The identification number of the company is 272 60 364.

BRAWA, a.s., was incorporated based on the decision of the Municipal Court in Prague, Section B, Insert 16622, on 10 November 2010 and has its registered office in Prague – Nusle, Na Hřebenech II 1718/8. The company's primary business activity is the lease of real estate, flats and non-residential premises. The identification number of the company is 247 57 926. The sole shareholder of BRAWA, a.s. is NET4GAS, s.r.o.

In the following notes, the term "Group" refers to the consolidation group. The figures presented in the consolidated balance sheet and consolidated income statement reflect the totals of NET4GAS, s.r.o., BRAWA, a.s. and NET4GAS Holdings, s.r.o. adjusted for the elimination of mutual transactions within the Group.

The consolidated financial statements are prepared based on data from the Consolidating Company NET4GAS Holdings, s.r.o. and on data of its directly or indirectly controlled subsidiaries.

The following table provides information on the subsidiaries:

#### **Subsidiaries for the year ended 2023**

<b>Name</b>	<b>NET4GAS, s.r.o.</b>	<b>BRAWA, a.s.</b>
<b>Registered office</b>	<b>Czech Republic</b>	<b>Czech Republic</b>
Acquisition cost of interest (in CZK million)		
Share in %	100%	100%
GAAP	International Financial Reporting Standards as adopted by the European Union	Czech GAAP
Data from separate financial statements	For the year ended 31 December 2023	For the period of 12 months ended 30 November 2023
Registered capital (in CZK million)	2,750	402
Equity (in CZK million)	17,952	6,085
Profit(+)/Loss(-) for the current period (in CZK million)	(1,962)	250
Total assets (in CZK million)	67,712	7,078
Consolidation method	Full	Full
Date of acquisition	2 August 2013	2 August 2013

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### Subsidiaries for the year ended 2022

Name	NET4GAS, s.r.o.	BRAWA, a.s.
Registered office	Czech Republic	Czech Republic
Acquisition cost of interest (in CZK million)	9,077	5,835
Share in %	100%	100%
GAAP	International Financial Reporting Standards as adopted by the European Union	Czech GAAP
Data from separate financial statements	For the year ended 31 December 2022	For the period of 12 months ended 30 November 2022
Registered capital (in CZK million)	2,750	402
Equity (in CZK million)	18,154	6,252
Profit for the current year (in CZK million)	6,243	280
Total assets (in CZK million)	68,450	7,081
Consolidation method	Full	Full
Date of acquisition	2 August 2013	2 August 2013

The reporting period of BRAWA, a.s., for 2023 began on 1 December 2022 and ended on 30 November 2023. For the preparation of the Group's consolidated financial statements as of 31 December 2023, the actual transactions of BRAWA, a.s. for the period from January to December 2023 and balances as of 31 December 2023 were used.

## 2. ACCOUNTING POLICIES

### 2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic on the historical cost valuation basis except as disclosed below. Derivatives and securities are stated at fair value. The consolidated financial statements are presented in millions of Czech crowns, unless stated otherwise.

The consolidated financial statements, as well as the accompanying separate financial statements of NET4GAS Holdings, s.r.o. have been prepared for the period from 1 January 2023 to 31 December 2023. Comparatives are presented for the period from 1 January 2022 to 31 December 2022.

The consolidated financial statements were prepared based on the direct method. Their purpose is to give a true and fair view of the assets, liabilities, financial position and profit or loss of the consolidation group as a whole.

The selected consolidation method is applied to all entities included in the consolidation group consistently and continually.

For the purpose of preparation of the consolidated financial statements and in accordance with Czech Accounting Standard for Entrepreneurs No. 20, the consolidating Company added up the reclassified and adjusted information from its separate financial statements with the information provided by its subsidiaries.

It is not required to adjust the depreciation schemes as determined by each subsidiary and related depreciation charges of both tangible and intangible fixed assets for the consolidated financial statements purposes.

### 2.2. Intangible fixed assets

All intangible assets with a useful life longer than one year and an acquisition cost of more than CZK 60 thousand are treated as intangible fixed assets.



## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

Purchased intangible fixed assets are initially recorded at cost, which includes all costs related to acquisition. All research costs are expensed. Costs of development whose results are intended for trading are capitalised as intangible assets and recorded at the lower of acquisition cost or the value of future economic benefits. All other development costs are expensed as incurred.

Intangible fixed assets are amortised applying the straight-line method over their estimated useful lives as follows (unless an agreement or licence conditions state a shorter or longer period):

<b>Intangible fixed assets</b>	<b>Estimated useful life</b>
Development	6 years
Software	3 years
Royalties	1.5 - 6 years
Other intangible fixed assets	6 years

The amortisation plan is updated during the useful life of the intangible fixed assets based on changes of the expected useful life.

An impairment provision is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the asset.

Technical improvements on intangible fixed assets exceeding CZK 10 thousand per year are capitalised.

Emission allowances are presented by the Group as other intangible fixed assets.

Emission allowances allocated to the Group by the National Allocation Plan are recognised under 'Other intangible fixed assets' and 'State – tax payables and subsidies' upon being credited to the Group account in the Register of Emission Allowances in the Czech Republic. Emission allowances allocated to the Group are measured at market price at the date of acquisition. Liability from the emission rights is released to 'Other operating income' when the respective expenses are incurred.

The consumption of purchased emission allowances is recorded to other operating expenses on the basis of an expert estimate of actual CO<sub>2</sub> emissions produced in the period. At the same time, the emission allowances liability recorded in 'State – tax payables and subsidies' is released in 'Other operating income' if this involves the consumption of allocated emission allowances.

The first-in-first-out method is applied for all disposals of emission allowances. Sales of emission allowances are recorded as other operating income and are stated at the selling price.

### 2.3. Tangible fixed assets

All tangible assets with a useful life greater than one year and a acquisition cost of more than CZK 10 thousand are treated as tangible fixed assets. Purchased tangible fixed assets are initially recorded at cost, which includes all costs related to acquisition. Own work capitalised is recorded at cost.

Tangible fixed assets, except for land which is not depreciated, are depreciated applying the straight-line method over their estimated useful lives as follows:

<b>Tangible fixed assets</b>	<b>Estimated useful life</b>
Buildings and constructions	30 - 70 years
Plant, machinery and equipment	4 - 40 years
Furniture and fittings	4 - 8 years
Motor vehicles	5 - 8 years

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

The depreciation plan is updated during the useful life of the tangible fixed assets based on the expected useful life. Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred. Technical improvements on tangible fixed assets exceeding CZK 80 thousand per year are capitalised.

An impairment provision is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

### **Assessment of non-current asset impairment for the year ended 31.12.2023**

The Group's management has prepared a plan for possible future development with respect to the use of the transmission system and gas supply through the transmission system and has analysed the impact on its future operations, results of operations and possible impairment of the Company's fixed assets. The plan was based on information and assumptions known at the time of its preparation and takes into account, among other things, the assumption of a positive change in price regulation in response to the current geopolitical situation and unprecedented changes in gas flows through the Czech transmission system. This assumption has already been supported by the ERO's price decision for 2024, which represents (compared to 2023) a substantial increase in the Company's allowed revenues.

The cash flows were discounted to present value using the weighted average cost of capital (WACC). At the reporting date, our calculation took into account, among other things, the cost of external financing and the Company's cost of equity. In calculating the cost of equity, the Group took into account the yield to maturity of Czech government bonds, a risk premium derived from the Czech market risk premium and a beta coefficient calculated based on data from a group including relevant energy companies. The data were collected from reliable external sources.

Based on the assessment of the presented plan the Company has not identified any impairment of property, plant and equipment as of 31 December 2023 that would require an adjustment to the financial statements in accordance with applicable accounting policies. However, future developments cannot be reliably estimated; therefore, the need for future adjustments to the amounts of property, plant and equipment cannot be excluded.

## **2.4. Negative goodwill on consolidation**

Goodwill on consolidation is the difference between the purchase price of shares and interests in a consolidated entity and their valuation reflecting the shareholding of the Consolidating Company in equity, the value of which is determined as the difference between the fair values of assets and liabilities as of the date of acquisition. Remeasurement of assets and liabilities of subsidiaries at fair value is performed for the purpose of calculating the goodwill on consolidation only if the valuation of assets and liabilities of subsidiaries in the accounting records significantly differs from their fair value at the date of acquisition.

The date of acquisition is the day from which the Consolidating Company effectively exercises its influence. The goodwill on consolidation is amortised in accordance with Czech Accounting Standard for Entrepreneurs No. 20 on a straight-line basis over 20 years (unless a shorter period can be substantiated). The negative goodwill on consolidation is credited to income from operating activities (see Note 5).

## **2.5. Determining the fair value**

Financial derivatives are measured at fair value by the Group.

The Group uses the discounted cash-flow model for determining the fair values of currency forwards and currency interest rate swaps, with the exclusive use of market parameters.

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### **2.6. Inventories**

Raw materials principally comprise spare parts for the gas pipeline network. Purchased inventories are stated at cost less provisions. Cost includes all costs related to the acquisition of inventory (mainly transport costs, customs duty, etc.). The weighted average method is applied for inventory valuation.

A provision is created based on an individual evaluation of inventories.

### **2.7. Receivables**

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of the ageing structure and an individual evaluation of the creditworthiness of customers. The Group does not establish any provision for receivables from related parties.

For receivables related to core revenues, the following criteria apply: the Company assesses the asset impairment of 10% for receivables when any portion of instalment is overdue for more than one fiscal year and less than two fiscal years; 25% when it is overdue for more than two and less than three fiscal years; 50% when it is overdue for more than three and less than four fiscal years; and of 100% when it is overdue for more than four fiscal years. The approach may be modified based on underlying information which is available in individual cases.

### **2.8. Temporary assets – deferred expenses**

Deferred expenses relate to subsequent reporting periods. They are recognised under expenses in the period to which they relate.

### **2.9. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents include current liquid assets which are easily convertible into cash in an amount agreed in advance and not expected to be subject to material fluctuations in value over time. Cash equivalents are, for example, deposits with a maturity of less than three months from the date of acquisition and liquid debt securities held for trading in public markets. The value of cash equivalents as of 31 December 2023 reached the amount of CZK 8,871 million (2022: CZK 5,863 million).

The Group has prepared a consolidated cash flow statement using the indirect method.

### **2.10. Foreign currency translation**

Monetary assets and liabilities are translated into the Company's functional currency at the official spot exchange rate of the Czech National Bank ("CNB") on the dates of the transactions.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement and presented net.

Companies in the Group consider advances paid for the acquisition of fixed assets or inventories as receivables denominated in a foreign currency and, therefore, these assets are translated using the exchange rates promulgated by the Czech National Bank as of the balance sheet date.

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### **2.11. Derivative financial instruments**

Derivative financial instruments including currency forwards and currency interest rate swaps are initially recognised at cost in the balance sheet and subsequently are remeasured at their fair value. Fair values are derived by applying discounted cash flow models, with the exclusive use of market parameters. All derivatives are presented in 'Other long-term and short-term receivables' or 'Other long-term and short-term payables' when their fair value is positive or negative, respectively.

Derivatives embedded in other financial instruments are not treated as separate derivatives.

Changes in the fair value of derivatives held for trading are included in Other financial expenses or Other financial income.

The Group pre-determines certain derivatives as a hedge of future cash flows attributable to the selected asset or liability or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way, provided that certain criteria are met, such as defining the hedging strategy and hedging relationship before hedge accounting is applied and ongoing documentation of the actual and expected effectiveness of the hedge. Cash flows arising from currency interest rate swaps depend on contractual terms and the movement of exchange rates.

Changes in the fair value of financial derivatives that qualify as effective cash flow hedges are recorded as 'Gains or losses from the revaluation of assets and liabilities' in equity and are classified as an income or expense in the period during which the hedged item affects the profit and loss account. The gain or loss relating to the ineffective portion of the cash flow hedge is directly recognised under other financial expenses or income, as applicable.

### **2.12. Bonds issued and other borrowings**

The Group initially recognises bonds issued and other borrowings and subordinated liabilities at cost at the date of their creation. Upon initial recognition, these financial liabilities are measured at amortised cost.

The Group pre-determines certain foreign currency bonds and loans to hedge future cash flows from certain expected transactions (cash flow hedges). Recognition of bonds designated as hedging instruments in this way is only possible when certain criteria are met, including the definition of the hedging strategy and the hedge relationship before hedge accounting is applied, and ongoing documentation of the actual and expected effectiveness of hedging.

Foreign exchange rate gains or losses from the revaluation of foreign currency bonds and other borrowings, including discounts on the repayment of bonds and other borrowings that met the criteria of effective cash flow hedges, are recognised as 'Gains or losses from the revaluation of assets and liabilities' in equity and in profit or loss in the same period in which the hedged item affects the profit and loss statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in equity at that time remains in equity until the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recorded in other comprehensive income is immediately transferred to profit or loss within 'Other financial expense (income)'.

Related finance charges, including interest expense, are not included in hedging and are charged to profit or loss using the straight-line amortisation method on an accruals basis.

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### **2.13. Equity**

The Group's decision to make profit share prepayments is recognised as a decrease in equity and is presented in the balance sheet line 'Profit share prepayments declared'. Such a profit share prepayment or a part thereof is recognised as a receivable from shareholders as of the balance sheet date if the Group incurs a loss or generates a profit lower than the value of profit share prepayments.

### **2.14. Reserves**

The Companies of the Group recognise reserves to cover their liabilities or expenses 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 reserve recognised as of the balance sheet date represents the best estimate of expenses that are likely to be incurred, or for liabilities the amount required for their settlement.

The Companies of the Group recognise a reserve for their future income tax payable net of income tax prepayments. If the prepayments made are higher than the estimated income tax payable, the difference is recognised as a short-term receivable.

### **2.15. Employment benefits**

The Group recognises a reserve for the employees' outstanding vacation days, remuneration and bonuses.

Regular contributions are made to the state to fund the national pension insurance scheme. The Companies in the Group also provide contributions to supplementary pension schemes operated by independent pension funds.

### **2.16. Revenue recognition**

Companies in the Group recognise as revenue mainly income for gas transmission within and across the Czech Republic. Sales are recognised upon the delivery of products and are stated net of discounts and value added tax.

### **2.17. Subsidies**

A subsidy is recognised when received or when an irrevocable right to receive a subsidy originates.

A subsidy received for either the acquisition of fixed assets (including technical improvement) or for the settlement of interest charged to the cost of assets can either decrease the cost of assets or own work capitalised.

### **2.18. Related parties**

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

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

Material transactions and outstanding balances with related parties are disclosed in Note 14.

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### **2.19. Leases**

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the lease term. Future lease payments which do not fall due as of the balance sheet date are disclosed in the notes but not presented in the balance sheet.

### **2.20. Interest expense**

All interest expenses are recognised as part of expenses. Long-term payables are not discounted.

### **2.21. Liquidity risk and Going concern**

The subsidiary NET4GAS manages the funds and cash of all the companies in the group in the form of a common cash pool. At the end of 2023, the Group has cash of EUR 8,871 million which sufficiently covers expenses of all Group entities for 2024. Management believes that this situation is a sufficiently stable assumption for the Group's continuation in 2024.

### **2.22. Income tax payable and deferred tax**

The corporate income tax expense is calculated for each company in the Group based on the statutory tax rate and accounting profit before taxes, increased or decreased by the appropriate permanent and temporary tax non-deductible expenses and revenues. In addition, the following items are taken into consideration: items decreasing the tax base, tax deductible items and income tax relief. The corporate income tax expense in the consolidated profit and loss account consists of the sum of corporate income tax expense of the Consolidating Company and other companies in the Group consolidated using the full consolidation method.

Deferred tax is recognised for all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognised if it is probable that a sufficient future taxable profit will be available against which the asset can be utilised.

Deferred tax from derivative financial instruments and borrowings denominated in foreign currencies designated to hedge future cash flows which are revalued to equity, is also recognised directly in equity.

The consolidated deferred tax position is a sum of the deferred tax positions of the Consolidating Company and other companies in the Group for which the full consolidation method has been used, adjusted for the effects of temporary differences resulting from intercompany transactions.

The windfall tax (temporary) is effective for a period of 3 years (i.e. 2023-2025) starting 1 January 2023 and operates as a 60% surcharge on corporate income tax. Specifically listed companies based on the type of industry (including gas transmission that relates to NET4GAS, s.r.o.) shall be subject to the windfall tax. The windfall tax is applied to the excess profit determined as the difference between the tax base in the given year and the average of the tax bases for the last 4 years (2018-2021) increased by 20%. Furthermore, the windfall tax should be reported in the financial statements as part of the income tax payable. NET4GAS, s.r.o., as a taxpayer, continuously evaluates the potential impact of windfall tax on the Company.

### **2.23. Subsequent events**

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

**Group NET4GAS Holdings**Notes to the consolidated financial statements  
for the year ended 31 December 2023**3. INTANGIBLE FIXED ASSETS**

<i>(CZK million)</i>	<b>1 January 2023</b>	<b>Additions / transfers</b>	<b>Disposals</b>	<b>31 December 2023</b>
<b>Cost</b>				
Research	50	-	(4)	46
Software	555	164	(14)	705
Other royalties	6	-	-	6
Other intangible fixed assets	28	(7)	-	21
Advances paid for intangible fixed assets	29	28	-	57
Intangible fixed assets under construction	59	(49)	-	10
<b>Total</b>	<b>727</b>	<b>136</b>	<b>(18)</b>	<b>845</b>
<b>Accumulated amortisation</b>				
Research	(50)	-	4	(46)
Software	(538)	(23)	14	(547)
Other royalties	(6)	-	-	(6)
Other intangible fixed assets	(17)	-	-	(17)
<b>Total</b>	<b>(611)</b>	<b>(23)</b>	<b>18</b>	<b>(616)</b>
<b>Net book value</b>	<b>116</b>			<b>229</b>

<i>(CZK million)</i>	<b>1 January 2022</b>	<b>Additions / transfers</b>	<b>Disposals</b>	<b>31 December 2022</b>
<b>Cost</b>				
Research	51	-	(1)	50
Software	546	13	(4)	555
Other royalties	6	1	(1)	6
Other intangible fixed assets	42	-	(14)	28
Advances paid for intangible fixed assets	9	20	-	29
Intangible fixed assets under construction	45	14	-	59
<b>Total</b>	<b>699</b>	<b>57</b>	<b>(20)</b>	<b>727</b>
<b>Accumulated amortisation</b>				
Research	(51)	-	1	(50)
Software	(519)	(23)	4	(538)
Other royalties	(6)	-	-	(6)
Other intangible fixed assets	(19)	(1)	3	(17)
<b>Total</b>	<b>(595)</b>	<b>(24)</b>	<b>8</b>	<b>(611)</b>
<b>Net book value</b>	<b>104</b>			<b>116</b>

As of 31 December 2023, other intangible fixed assets included CZK 4 million emission allowances (as of 31 December 2022: CZK 12 million).

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### 4. TANGIBLE FIXED ASSETS

<i>(CZK million)</i>	1 January 2023	Additions / transfers	Disposals	31 December 2023
<b>Cost</b>				
Land	310	19	-	329
Constructions	79,048	344	-	79 392
Tangible fixed assets and their sets	9,735	82	(39)	9 778
Other tangible fixed assets	1	-	-	1
Advances paid for tangible fixed assets	282	-	(260)	22
Tangible fixed assets under construction	460	201	-	661
<b>Total</b>	<b>89,836</b>	<b>646</b>	<b>(299)</b>	<b>90 183</b>
<b>Accumulated depreciation</b>				
Constructions	(29,793)	(1 942)	-	(31 735)
Tangible fixed assets and their sets	(6,677)	(536)	39	(7 174)
Provision for constructions	(84)	4	-	(80)
<b>Total</b>	<b>(36,554)</b>	<b>(2 474)</b>	<b>39</b>	<b>(38 989)</b>
<b>Net book value</b>	<b>53,282</b>			<b>51 194</b>

<i>(CZK million)</i>	1 January 2022	Additions / transfers	Disposals	31 December 2022
<b>Cost</b>				
Land	307	4	(1)	310
Constructions	75,098	3,950	-	79,048
Tangible fixed assets and their sets	9,293	506	(64)	9,735
Other tangible fixed assets	1	-	-	1
Advances paid for tangible fixed assets	150	132	-	282
Tangible fixed assets under construction	1,426	(966)	-	460
<b>Total</b>	<b>86,275</b>	<b>3,626</b>	<b>(65)</b>	<b>89,836</b>
<b>Accumulated depreciation</b>				
Constructions	(27,929)	(1,864)	-	(29,793)
Tangible fixed assets and their sets	(6,176)	(565)	64	(6,677)
Provision for constructions	(87)	3	-	(84)
<b>Total</b>	<b>(34,192)</b>	<b>(2,425)</b>	<b>64</b>	<b>(36,554)</b>
<b>Net book value</b>	<b>52,083</b>			<b>53,282</b>

### 5. NEGATIVE GOODWILL ON CONSOLIDATION

The negative goodwill on consolidation of CZK 7,038 million relates to the acquisition of NET4GAS, s.r.o. as of 2 August 2013.

It was calculated as the difference between the purchase price of 100% shares in NET4GAS, s.r.o. and their valuation reflecting the shareholding of the Consolidating Company in equity, the value of which was determined as the difference between the fair values of assets and liabilities as of the date of the acquisition.

The negative goodwill on consolidation is amortised on a straight-line basis over 20 years. The total balance of the negative goodwill on consolidation is CZK 3,371 million as of 31 December 2023 (as of 31 December 2022: CZK 3,723 million).



## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### 6. RECEIVABLES

Analysis by quality of receivables:

<i>(CZK million)</i>	31 December 2023 Trade and estimated receivables	31 December 2022 Trade and estimated receivables
<b>Total neither past due nor impaired</b>	50	100
<i>Past due but without impairment</i>		
- less than 30 days overdue	1	174
- between 30 - 60 days overdue	-	-
- 60 days or more overdue	-	-
<b>Total past due</b>	1	174
<i>Individually determined to be impaired (gross)</i>		
- 360 days or more overdue	108	-
<b>Less impairment provision</b>	<b>(108)</b>	-
<b>Total net trade and other receivables</b>	<b>51</b>	<b>274</b>

Income tax prepayments amount to CZK 0 million made by NET4GAS, s.r.o. as of 31 December 2023 (as of 31 December 2022: CZK 1,448 million). The reserve for income tax of CZK 0 million was recorded as of 31 December 2023 (as of 31 December 2022: CZK 1,427 million).

Income tax prepayments of CZK 8 million paid by BRAWA, a.s. as of 31 December 2023 (as of 31 December 2022: CZK 7 million) were offset against the provision for income tax of CZK 29 million as of 31 December 2023 (as of 31 December 2022: CZK 8 million).

### 7. DEFERRED EXPENSES

Deferred expenses as of 31 December 2023 and 31 December 2022 represent, *inter alia*, expenses related to the acquisition of bank loans recognised on an accruals basis over the term of individual loans.

Deferred expenses were as follows:

<i>(CZK million)</i>	31 December 2023	31 December 2022
Bank loans	34	43
Other deferred expenses	73	83
<b>Total</b>	<b>107</b>	<b>126</b>

For information about bonds and bank loans, see Note 11 Bank loans and other borrowings.

### 8. EQUITY

NET4GAS Holdings, s.r.o. prepares the consolidated financial statements of the largest group of entities of which the Company forms a part.

The Group records equity of CZK 14,824 million as of 31 December 2023 (as of 31 December 2022: CZK 14,374 million). All Group companies recognised positive equity in their separate financial statements prepared as of 31 December 2023 and 31 December 2022.

Information on the Company's shareholders is disclosed in Note 1.

Gains or losses from the revaluation of assets and liabilities represent changes in the fair values of derivatives which are classified as cash flow hedges (see Note 13).

On 30 June 2023, the Annual General Meeting approved the Company's financial statements for 2022 and resolved that the profit for 2022 will not be distributed. On 29 September 2022, the General Meeting approved the financial statements of the Company for the year 2021 and decided to distribute part of the profit for the year 2021 in the amount of 500 million CZK to Company's shareholders. The General Meeting decided to transfer the remaining part of the profit for 2021 in the amount of 3, 726 million CZK to retained earnings of previous years.

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
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The Company's receivable in the amount of 2,900 million CZK for the repayment of the 2022 Advance Dividend was paid in 2023.

Increase / decrease in additional equity contributions:

<i>Month/Year</i>	<i>(CZK million)</i>	<i>Comments on the settlement of the increase / decrease</i>
2022 no movement		
<b>Total increase/decrease in 2022</b>	<b>-</b>	
December 2023	21	Cash received
<b>Total increase in 2023</b>	<b>21</b>	

## 9. RESERVES

<i>(CZK million)</i>	<b>Other reserves</b>	<b>Income tax provision net of advances</b>	<b>Total</b>
<b>Opening balance as of 1 January 2022</b>	<b>258</b>	<b>8</b>	<b>266</b>
Charge for the year	136	2	138
Released in the year	10	8	18
Used in the year	85	-	85
<b>Closing balance as of 31 December 2022</b>	<b>299</b>	<b>2</b>	<b>301</b>
Charge for the year	127	25	152
Released in the year	37	2	39
Used in the year	138	1	139
<b>Closing balance as of 31 December 2023</b>	<b>251</b>	<b>24</b>	<b>275</b>

For an analysis of the current and deferred income taxes, see Note 16.

Other reserves principally comprise reserves for remuneration and employee benefits, reserves for severance payments and the share option programme.

## 10. PAYABLES

Payables are not covered by material guarantees and none of their maturities is greater than 5 years.

Long-term payables include:

- Debentures and bonds issued (Note 11);
- Long-term trade payables – retention fee;
- Deferred tax liability (Note 16); and
- Other long-term payables – long-term payables from financial derivatives (Note 13).

Short-term payables include:

- Payables from future coupon payments from issued bonds (Note 11);
- Short-term prepayments received – mainly prepayments received for the transport of gas;
- Trade payables; and
- Other short-term payables (Note 13):

As of 31 December 2023, they mainly included unbilled supplies of services, material and acquisition of fixed assets (estimated payables) in the amount of CZK 299 million (as of 31 December 2022: CZK 665 million) and deposits received from customers as of 31 December 2023 in the amount of CZK 148 million (as of 31 December 2022: CZK 658 million).

The Company provided no off-balance sheet material guarantees.

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### 11. BANK LOANS AND OTHER BORROWINGS

Analysis of bank loans:

<i>(CZK million)</i>	<b>Interest rate (%)</b>	<b>Currency</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Consortium of banks	PRIBOR + margin	CZK	14,474	14,474
<b>Total bank loans</b>			<b>14,474</b>	<b>14,474</b>

The Group's bonds issued are as follows:

	<b>Nominal amount of issue</b>	<b>Due date</b>	<b>Annual coupon repayment date</b>	<b>31 December 2023 (CZK million)</b>	<b>31 December 2022 (CZK million)</b>
Bond EUR, serial no. 2, ISIN XS1090449627**	EUR 160,000,000	28 July 2026	Each 28 July In arrears	4,003	3,901
Bond EUR, serial no. 4, ISIN XS1172113638**	EUR 50,000,000	28 July 2026	Each 28 July In arrears	1,249	1,218
Bond CZK, domestic, serial no. 5, ISIN CZ0003519472*	CZK 2,643,000,000	17 July 2025	Each 17 July In arrears	2,671	2,668
Bond CZK, domestic, serial no. 6, ISIN CZ0003529786*	CZK 4,098,000,000	28 Jan 2028	Each 28 Jan/Jul In arrears	4,230	4,235
Bond CZK domestic, serial no. 7, ISIN CZ0003529794*	CZK 6,900,000,000	28 Jan 2031	Each 28 Jan In arrears	7,048	7,047
<b>Total bonds</b>				<b>19,201</b>	<b>19,069</b>

\* Bonds issued in denominations of CZK 3,000,000.

\*\* Bonds issued in denominations of EUR 100,000.

The coupon rates of the above-mentioned bonds oscillate between 2.745 and 7.16% p.a.

The bond with serial no. 2. was accepted for trading on a regulated market of the Irish Stock Exchange on 28 July 2014. The 2015 bonds, serial no. 4, were issued via private placement. Domestic "CZ" bonds were accepted for trading on a regulated market of the Prague Stock Exchange on 17 July 2018 (bond with serial no. 5) and 28 January 2021 (bonds with serial no. 6 – 7). Upon repaying the nominal value and paying the interest income, the respective taxes and charges under the Czech laws will be withheld from the payments made to bondholders.

### 12. COMMITMENTS AND CONTINGENT LIABILITIES

Management of the Group is not aware of any contingent liabilities as of 31 December 2023.

The loan documentation and contracts and documentation governing bonds do not contain any quantitative covenants. The agreements only stipulate several qualitative covenants, such as a limited right to pledge the assets of NET4GAS, s. r. o. in favour of the creditor, loss of licence and change of controlled entities. Violation of the covenants could lead to the immediate repayment of loans.

As of 31 December 2023, the Group has contractual investment commitments relating to tangible fixed assets in the amount of CZK 297 million (31 December 2022: CZK 848 million). The commitments relate exclusively to the Moravia Capacity Extension and Extension Business Development.

The Group has the following commitments in respect of operating leases:

<i>(CZK million)</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
Due within one year	36	28
<b>Total commitments in respect of operating leases and rental</b>	<b>245</b>	<b>264</b>

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses financial derivatives with banks for hedging the financial risks that the Group is exposed to.

The Group uses fixed derivative agreements with contractually defined terms of cash flows. Their value is mainly influenced by developments in foreign exchange rates.

#### 13.1. Derivatives held for trading.

The Group had outstanding receivables and payables from currency swaps as of 31 December 2023 (outstanding receivables and payables from currency swaps as of 31 December 2022).

(CZK million)	31 December 2023		31 December 2022	
	Trade with positive fair value	Trade with negative fair value	Trade with positive fair value	Trade with negative fair value
<b>Currency forwards and swaps: fair value, as at the reporting period, of</b>				
- USD receivable on settlement (+)	-	-	-	-
- USD payable on settlement (-)	-	-	-	-
- EUR payable on settlement (-)	-	-	-	-
- CZK receivable on settlement (+)	-	-	-	-
<b>Fair value of foreign exchange forwards and swaps - current</b>	-	-	-	-

Changes in the fair value of derivatives held for trading are recorded in the income statement:

(CZK million)	2023	2022
<b>As of 1 January</b>	-	(12)
Fair value of currency swaps acquired during the year	-	12
Fair value of currency swaps settled during the year	-	-
<b>As of 31 December</b>	-	-

#### 13.2. Derivatives meeting the criteria for hedge accounting

The Group has concluded contracts on currency interest rate swaps and currency swaps, which are classified as hedging derivatives for hedging cash flows.

As of 31 December 2023 and 31 December 2022, derivatives were remeasured at fair value, with the positive and negative fair values of derivatives being included in other receivables and other payables respectively.

Change in the fair value of hedging derivatives is recognised in the hedging reserve in equity until the hedged items affect profit or loss, or the hedged forecasted transaction results in an asset or liability.

The following table summarises the nominal values and the positive or negative fair values of open hedging derivatives as of 31 December 2023:

(CZK million)	31 December 2023		
	Fair value Positive	Fair value Negative	Nominal value
			7,430
Currency interest rate swaps	505	(1,213)	(EUR 210 mil + USD 100 mil)
Interest rate swap	275	-	7,400
<b>Total cash flow hedging derivatives</b>	<b>780</b>	<b>(1,213)</b>	<b>14,830</b>

\* Of which CZK 238 million represents the current portion and CZK (671) million represents the non-current portion.

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

The following table summarises the face values and the positive or negative values of outstanding hedging derivatives as of 31 December 2022:

<i>(CZK million)</i>	31 December 2022		
	Fair value		Nominal value
	Positive	Negative	
			7,326
Currency interest rate swaps	108	(1,333)	(EUR 210 mil. + USD 100mil.)
Interest rate swap	1,278	-	7,400
<b>Total cash flow hedging derivatives</b>	<b>1,386</b>	<b>(1,333)</b>	<b>14,726</b>

\* Of which CZK 361 million represents the current portion and CZK (307) million represents the non-current portion.

Changes in the fair value of interest rate derivatives recorded in equity:

<i>(CZK million)</i>	2023	2022
<b>Opening balance as of 1 January</b>	<b>54</b>	<b>(179)</b>
Charge for the year (+/-)	(487)	233
<b>Closing balance as of 31 December</b>	<b>(433)</b>	<b>54</b>

## 14. RELATED PARTY TRANSACTIONS

All material transactions (except equity transactions disclosed in note 8) with related parties are disclosed in this note.

At 31 December 2023, the outstanding balances with related parties were as follows:

<i>(CZK million)</i>	Subsidiaries of joint ventures' ultimate parents	Immediate parent
<b>Gross value of trade and other receivables</b>		
OTE, a.s.	31	-
<b>Loans</b>	-	-

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

<i>(CZK million)</i>	Subsidiaries of joint ventures' ultimate parents	Immediate parent
<b>Other revenues</b>		
ČEPS, a.s. - others	-	55

At 31 December 2022, the outstanding balances with related parties were as follows:

<i>(CZK million)</i>	Subsidiaries of joint ventures' ultimate parents	Immediate parent
<b>Loans</b>	-	-

The income and expense items with related parties for the year ended 31 December 2022 were as follows:

<i>(CZK million)</i>	Subsidiaries of joint ventures' ultimate parents	Immediate parent
<b>Other revenues</b>	-	-

At 31 December 2023 and 2022 the Group did not have any other rights and obligations connected to related parties.

## Group NET4GAS Holdings

Notes to the consolidated financial statements  
for the year ended 31 December 2023

No loans were provided in 2023 and 2022 to the Company's statutory directors, members of the Supervisory Board and other members of management.

### 15. EMPLOYEES

	2023		2022	
	number	(CZK million)	number	(CZK million)
Salaries to key management	17	84	17	67
Wages and salaries to other employees	508	448	546	478
Social security costs	-	173	-	181
Other social costs	-	20	-	22
<b>Wages and salaries total</b>	<b>525</b>	<b>725</b>	<b>563</b>	<b>748</b>

Key management represents Statutory Directors and managers directly reporting to them.

The company cars available for use to members of Group management have acquisition cost of CZK 13 million (2022: CZK 14 million).

The foreign members of Group management were provided with accommodation, with the related rental cost totalling CZK 1 million in 2023 (2022: CZK 1 million).

### 16. INCOME TAX

The income tax expense analysis:

(CZK million)	2023	2022
Current tax (19%)	30	1,435
Deferred tax	678	25
Adjustment of prior-year tax based on the income tax return filed	5	(8)
<b>Total income tax expense</b>	<b>713</b>	<b>1,452</b>

The current tax includes:

(CZK million)	2023	2022
Net profit before taxation	(618)	7,981
Difference between accounting and tax depreciation/amortisation	(11)	(138)
Tax non-deductible expenses	787	66
Gifts	-	(4)
Amortisation of negative goodwill on consolidation	-	(352)
Tax base	158	7,553
<b>Current corporate income tax at 19 %</b>	<b>30</b>	<b>1,435</b>

The deferred tax asset/ (liability) analysis:

(CZK million)	31 December 2023	31 December 2022
<b>Deferred tax liability arising from:</b>		
Difference between net and tax book values of assets	(7,404)	(6,696)
Cash flow hedges	(145)	(396)
<b>Total deferred tax liability</b>	<b>(7,549)</b>	<b>(7,092)</b>
<b>Deferred tax asset arising from:</b>		
Other reserves and provisions	85	56
Tax losses (NET4GAS, s.r.o. and NET4GAS Holdings, s.r.o.)	96	4
Unrecognised tax receivable	(96)	(4)
<b>Total deferred tax asset</b>	<b>85</b>	<b>56</b>
<b>Net deferred tax liability</b>	<b>(7,464)</b>	<b>(7,036)</b>

## **Group NET4GAS Holdings**

Notes to the consolidated financial statements  
for the year ended 31 December 2023

The income tax rate of 21% (19%) was used for the calculation as of 31 December 2023 (and 2022).

A potential deferred tax asset arising from a tax loss of CZK 96 million as of 31 December 2023 (as of 31 December 2022: CZK 4 million) was not recognised.

NET4GAS Holdings, s.r.o. had tax losses as of 31 December 2023 of CZK 16 million (2022: CZK 19 million). NET4GAS, s.r.o. had tax losses as of 31 December 2023 of CZK 440 million (2022: CZK 0 million).

### **17. AUDIT COSTS AND OTHER SERVICES PROVIDED BY THE STATUTORY AUDITOR**

<i>(CZK million)</i>	<b>2023</b>	<b>2022</b>
Statutory audits of the financial statements of Group companies and related services	3	3
Agreed-upon procedures related to grants received from the European Commission	-	-
Other non-audit services	-	-
<b>Total</b>	<b>3</b>	<b>3</b>

### **18. SALES**

Sales analysis:

<i>(CZK million)</i>	<b>2023</b>	<b>2022</b>
Transport		
- Foreign customers	927	10,863
- Domestic customers	2,077	2,086
Other – domestic	-	-
<b>Sales of own products and services</b>	<b>3,004</b>	<b>12,949</b>
Other operating income	49	50
<b>Total operating income</b>	<b>3,053</b>	<b>12,999</b>
Interest income and similar income – subsidiaries or controlling party	-	-
Other interest income and similar income	843	544
Other financial income	1,347	464
<b>Net turnover for the reporting period</b>	<b>5,243</b>	<b>14,007</b>

### **19. SUBSEQUENT EVENTS**

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

**Annex no. 2: Separate Financial Statements**



## SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**Name of the Company:** NET4GAS Holdings, s.r.o.  
**Registered Office:** Na hřebenech II 1718/8, 140 00 Prague 4 - Nusle  
**Legal Status:** Limited Liability Company  
**Corporate ID:** 291 35 001

### Components of the Separate Financial Statements:

**Balance Sheet**



**Profit and Loss Account**

**Statement of Changes in Equity**

**Cash Flow Statement**

**Notes to the Financial Statements**

**These separate financial statements were prepared on 1 March 2024.**

<b>Statutory body of the reporting entity:</b>	<b>Signature</b>
<b>Svatopluk Vnouček</b> Statutory Executive	
<b>Martin Kašák</b> Statutory Executive	

**BALANCE SHEET**

full version

As of  
31.12.2023  
(in CZK thousand)NET4GAS Holdings, s.r.o.  
Corporate ID 291 35 001Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

		31.12.2023			31.12.2022
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>9 126</b>		<b>9 126</b>	<b>9 137</b>
<b>B.</b>	<b>Fixed assets</b>	<b>9 077</b>		<b>9 077</b>	<b>9 077</b>
<i>B.III.</i>	<i>Non-current financial assets</i>	<i>9 077</i>		<i>9 077</i>	<i>9 077</i>
B.III.1.	Equity investments - controlled or controlling entity	9 077		9 077	9 077
<b>C.</b>	<b>Current assets</b>	<b>49</b>		<b>49</b>	<b>60</b>
<i>C.II.</i>	<i>Receivables</i>	<i>49</i>		<i>49</i>	<i>60</i>
<i>C.II.2.</i>	<i>Short-term receivables</i>	<i>49</i>		<i>49</i>	<i>60</i>
C.II.2.2.	Receivables - controlled or controlling entity	7		7	60
C.II.2.4.	<i>Receivables - other</i>	<i>42</i>		<i>42</i>	
C.II.2.4.6.	Sundry receivables	42		42	

		31.12.2023	31.12.2022
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>9 126</b>	<b>9 137</b>
<b>A.</b>	<b>Equity</b>	<b>9 084</b>	<b>6 148</b>
A.II.	<b>Share premium and capital funds</b>	<b>5 402</b>	<b>5 381</b>
A.II.2.	<i>Capital funds</i>	<b>5 402</b>	<b>5 381</b>
A.II.2.1.	Other capital funds	5 402	5 381
A.IV.	<b>Retained earnings (+/-)</b>	<b>3 667</b>	<b>3 726</b>
A.IV.1.	Accumulated profits or losses brought forward (+/-)	3 667	3 726
A.V.	<b>Profit or loss for the current period (+/-)</b>	<b>15</b>	<b>-59</b>
A.VI.	Profit share prepayments declared (-)		-2 900
<b>B.+C.</b>	<b>Liabilities</b>	<b>42</b>	<b>2 989</b>
<b>B.</b>	<b>Reserves</b>	<b>31</b>	<b>88</b>
B.IV.	Other reserves	31	88
<b>C.</b>	<b>Payables</b>	<b>11</b>	<b>2 901</b>
C.II.	<b>Short-term payables</b>	<b>11</b>	<b>2 901</b>
C.II.4.	Trade payables	1	1
C.II.8.	<i>Other payables</i>	<b>10</b>	<b>2 900</b>
C.II.8.1.	Payables to partners		2 900
C.II.8.4.	Social security and health insurance payables	2	
C.II.8.5.	State - tax payables and subsidies	2	
C.II.8.7.	Sundry payables	6	

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

NET4GAS Holdings, s.r.o.  
Corporate ID 291 35 001

Year ended  
31.12.2023  
(in CZK thousand)

Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

		Year ended 31.12.2023	Year ended 31.12.2022
A.	Purchased consumables and services	12	4
A.3.	Services	12	4
D.	Staff costs	34	
D.1.	Payroll costs	29	
D.2.	Social security and health insurance costs and other charges	5	
D.2.1.	Social security and health insurance costs	5	
F.	Other operating expenses	-58	58
F.4.	Reserves relating to operating activities and complex deferred expenses	-58	58
*	<b>Operating profit or loss (+/-)</b>	<b>12</b>	<b>-62</b>
VI.	Interest income and similar income	3	2
VI.1.	Interest income and similar income - controlled or controlling entity	3	2
VII.	Other financial income	57	3
K.	Other financial expenses	57	2
*	<b>Financial profit or loss (+/-)</b>	<b>3</b>	<b>3</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>15</b>	<b>-59</b>
**	<b>Profit or loss net of tax (+/-)</b>	<b>15</b>	<b>-59</b>
***	<b>Profit or loss for the current period (+/-)</b>	<b>15</b>	<b>-59</b>
*	Net turnover for the current period	60	5

**STATEMENT OF  
CHANGES IN EQUITY**Year ended  
31.12.2023  
(in CZK thousand)**NET4GAS Holdings, s.r.o.**  
**Corporate ID 291 35 001**Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

	Other capital funds	Accumulated profits or losses brought forward	Profit or loss for the current period	Profit share prepayments	TOTAL EQUITY
<b>Balance at 31 December 2021</b>	<b>5 381</b>		<b>4 226</b>	<b>-3 400</b>	<b>6 207</b>
Distribution of profit or loss		3 726	-4 226		-500
Profit shares paid				500	500
Profit or loss for the current period			-59		-59
<b>Balance at 31 December 2022</b>	<b>5 381</b>	<b>3 726</b>	<b>-59</b>	<b>-2 900</b>	<b>6 148</b>
Distribution of profit or loss		-59	59		
Profit share prepayments returned				2 900	2 900
Increase in other capital funds	21				21
Profit or loss for the current period			15		15
<b>Balance at 31 December 2023</b>	<b>5 402</b>	<b>3 667</b>	<b>15</b>		<b>9 084</b>

# CASH FLOW STATEMENT

Year ended  
31.12.2023  
(in CZK thousand)

NET4GAS Holdings, s.r.o.  
Corporate ID 291 35 001

Na hřebenech II 1718/8  
Nusle  
140 00 Praha 4

		Year ended 31.12.2023	Year ended 31.12.2022
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>		
	<i>Cash flows from ordinary activities (operating activities)</i>		
Z.	Profit or loss before tax	15	-59
A.1.	Adjustments for non-cash transactions	-60	55
A.1.2.	Change in provisions and reserves	-57	57
A.1.5.	Interest expense and interest income	-3	-2
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>-45</b>	<b>-4</b>
A.2.	Change in working capital	21	
A.2.1.	Change in operating receivables and other assets	11	
A.2.2.	Change in operating payables and other liabilities	10	
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>-24</b>	<b>-4</b>
A.4.	Interest received	3	2
<b>A.***</b>	<b>Net operating cash flows</b>	<b>-21</b>	<b>-2</b>
	<i>Cash flows from investing activities</i>		
B.3.	Loans and borrowings to related parties		2
<b>B.***</b>	<b>Net investment cash flows</b>		<b>2</b>
	<i>Cash flow from financial activities</i>		
C.2.	Impact of changes in equity	21	
C.2.3.	Other cash contributions made by partners/shareholders	21	
<b>C.***</b>	<b>Net financial cash flows</b>	<b>21</b>	
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>		
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>		

***NET4GAS Holdings, s.r.o.***

Separate financial statements

31 December 2023

## 1. GENERAL INFORMATION

### 1.1. Introductory information about the Company

NET4GAS Holdings, s.r.o. ("the Company") is a limited liability company incorporated on 5 December 2012 by the Municipal Court in Prague, Section C, Insert 202655 and has its registered office at Na hřebenech II 1718/8, Nusle, 140 00 Prague 4, Czech Republic, and the business registration number (IČ) is 291 35 001. The Company was established as HYX Czech, s.r.o. The Company's name was changed from HYX Czech, s.r.o. to NET4GAS Holdings, s.r.o. on 8 August 2013. The Company's main business activity is holding shares in other companies for the NET4GAS Group.

The Company is the parent company of NET4GAS, s.r.o. The accompanying financial statements have been prepared as separate financial statements.

The Company has no arrangements that are not included in the balance sheet as at 31 December 2023 or 31 December 2022.

Since 2 August 2013, the Company has been a joint venture of two entities: Allianz Infrastructure Luxembourg I S.à r.l. (50%), with its registered office in Luxembourg and Borealis Novus Parent B.V. (50%), with its registered office in the Netherlands.

On 11 December 2023, the state-owned company, ČEPS, a.s., acquired a 100% equity investment in NET4GAS Holdings, s.r.o. As a result of this transaction, ČEPS became the sole owner of NET4GAS Holdings.

Statutory Directors as of 31 December 2023:

Svatopluk Vnouček	Position held since: 11 December 2023
Martin Kašák	Position held since: 11 December 2023

During 2023 there were the following changes in the composition of the NET4GAS Holdings management:

Michael Raymond Mc Nicholas ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023. Delphine Voeltzel ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023. Igor Emilievic Lukin ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023. Mario Fischer ceased to be the Statutory Director on 12 April 2023. The change was entered in the Commercial Register on 27 September 2023.

Alastair Colin Hall became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023. Roxana Tataru became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023. Timm Robert Degenhardt became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023. Andrew Julian Frederick Cox became Statutory Director on 12 April 2023 and the change was entered in the Commercial Register on 27 September 2023.

Alastair Colin Hall ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023. Roxana Tataru ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023. Timm Robert Degenhardt ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023. Andrew Julian Frederick Cox ceased to be the Statutory Director on 11 December 2023. The change was entered in the Commercial Register on 12 December 2023.



**NET4GAS Holdings, s.r.o.**

Notes to financial statements  
for the year ended 31 December 2023

Svatopluk Vnouček became Statutory Director on 11 December 2023 and the change was entered in the Commercial Register on 12 December 2023.

Martin Kašák became Statutory Director on 11 December 2023 and the change was entered in the Commercial Register on 12 December 2023.

There were no employees in the period ending 31 December 2023 and 2022. The Company updated its Articles of Association that are now fully governed by the new Corporations Act.

## **2. ACCOUNTING POLICIES**

### **2.1. Basis of preparation**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for large companies and have been prepared under the historical cost convention.

### **2.2. Investments in subsidiaries**

Investments in subsidiaries represent ownership interests in enterprises that are controlled by the Company ("the subsidiary").

Investments in subsidiaries are recorded at cost less a provision for impairment.

### **2.3. Receivables**

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers. The company does not establish any provision for receivables from related parties.

### **2.4. Foreign currency translation**

Monetary assets and liabilities are translated into Company's functional currency at the official spot exchange rate of the Czech National Bank ("CNB") on the dates of the transactions.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement and presented net.

### **2.5. Equity**

The Company's decision to pay an interim profit distribution is reflected in the accounting as a decrease in equity and is presented on the balance sheet line - Profit share prepayments declared. Such an advances on profit distribution paid or a part thereof is classified as a receivable from shareholders as at the balance sheet date if the Company incurs a loss or achieves lower profit than the value of the originally paid advance profit distribution.

### **2.6. Related parties**

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

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

Material transactions and outstanding balances with related parties are disclosed in Note 8.

## **2.7. Interest expense**

All borrowing costs are expensed.

## **2.8. Liquidity risk and Going concern**

The subsidiary NET4GAS manages the funds and cash of all the companies in the group in the form of a common cash pool. At the end of 2023, the Group has cash of CZK 8,871 million which sufficiently covers expenses of all Group entities for 2024. Management believes that this situation is a sufficiently stable assumption for the Group's continuation in 2024.

## **2.9. Deferred tax**

Deferred tax is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognized if it is probable that sufficient future taxable profit will be available against which the asset can be utilized.

## **2.10. Cash-flow statement**

Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are, for example, deposits with a maturity of less than 3 months from the date of acquisition and liquid debt securities traded in public markets.

The Company has prepared a Cash-flow statement using the indirect method.

## **2.11. Subsequent events**

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

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

### 3. INVESTMENTS IN SUBSIDIARIES

(CZK million) 31 December 2023	Cost	Share (%)	2023 net profit	Net assets	2023 profit distribution income	2023 advance profit distribution received
<b>Czech entities</b>						
NET4GAS, s.r.o.	9,077	100%	(1,962)	17,952	-	(2,900)
<b>Total</b>	<b>9,077</b>	<b>100%</b>	<b>(1,962)</b>	<b>17,952</b>	<b>-</b>	<b>(2,900)</b>
(CZK million) 31 December 2022	Cost	Share (%)	2022 net profit	Net assets	2022 profit distribution income	2022 advance profit distribution received
<b>Czech entities</b>						
NET4GAS, s.r.o.	9,077	100%	6,243	18,155	-	2,900
<b>Total</b>	<b>9,077</b>	<b>100%</b>	<b>6,243</b>	<b>18,155</b>	<b>-</b>	<b>2,900</b>

NET4GAS, s.r.o. was incorporated on 29 June 2005 by the Municipal Court in Prague, Section C, Insert 108316 and has its registered office at Na Hřebenech II 1718/8, Prague 4 – Nusle, the Czech Republic. The company's main business activity is natural gas transmission in accordance with the Act No. 458/2000 Coll., on conditions for undertaking the business and for the execution of state administration in the energy sector and on changes to certain decrees. Identification number of the company is 272 60 364.

The profit and advances of the subsidiary:

The 2022 Advance Dividend was returned in 2023.

### 4. RECEIVABLES

The Company has no overdue receivables. Unsettled receivables have not been covered by guarantees.

The Company has no receivables nor provided any guarantees which are not included in the balance sheet.

### 5. EQUITY

The shareholders:

(in %)	31 December 2023	31 December 2022
Allianz Infrastructure Luxembourg I S.à r.l., L-2450 Luxembourg, 14, boulevard F.D. Roosevelt, Luxembourg, Registration number: B 175770	-	50
Borealis Novus Parent B.V., 1011PZ Amsterdam, Muiderstraat 9, Netherlands, Registration number: 57412243	-	50
ČEPS, a.s., Elektrárenská 774/2, Prague 10, Corporate ID: 25702556	100	-
<b>Total</b>	<b>100</b>	<b>100</b>

Ministerstvo průmyslu a obchodu České republiky is the ultimate parent company for ČEPS, a.s.

The Company is fully governed by the new Corporations Act (see Note 1) and used the option not to create a reserve fund. This fact is further enabled by the Articles of Association of the Company.

The Company prepares the consolidated financial statements of the largest group of entities of which the Company forms a part as a subsidiary. The consolidated financial statements of the largest group of entities of which the Company forms a part as a subsidiary can be obtained on Company's web page.

**NET4GAS Holdings, s.r.o.**

Notes to financial statements  
for the year ended 31 December 2023

Increase / decrease in Capital contributions outside registered capital

<i>Month/Year</i>	<i>(CZK million)</i>	<i>Comment to the settlement of the increase / decrease</i>
2022 no movement		
<b>Total increase/decrease in 2022</b>	<b>-</b>	
December 2023	21	Cash received
<b>Total increase in 2023</b>	<b>21</b>	

Profit and advance payments:

The advance dividend of CZK 2,900 million was returned to the Company in 2023.

Profit and advance payments:

<i>Month/Year</i>	<i>(CZK million)</i>	<i>Comment to the settlement of the increase / decrease</i>
<b>Balance as of 31. December 2021</b>	<b>(3,400)</b>	
September 2022	(500)	Profit 2021
September 2022	(2,900)	Advance paid 2022
September 2022	3,400	Advance returned 2021
<b>Total decrease in 2022 (advances)</b>	<b>(500)</b>	
December 2023	(2,900)	Advance returned 2022
<b>Total decrease in 2023 (advances)</b>	<b>(2,900)</b>	
<b>Balance as of 31. December 2023</b>	<b>0</b>	

## 6. PAYABLES, COMMITMENTS AND CONTINGENT LIABILITIES

Trade payables and other liabilities were not secured by Company's assets and their maturity is less than 5 years.

The Company provide no other guarantees except those recognized in the balance sheet.

As at 31 December 2023 and 31 December 2022, the Company had no overdue current payables.

## 7. COMMITMENTS AND CONTINGENT LIABILITIES

The management of the Company is not aware of any contingent liabilities as at 31 December 2022 and as at 31 December 2023. The Company has no investment commitments and no operating lease and no other commitments.

## 8. RELATED PARTY TRANSACTIONS

Short-term receivables from related parties were as follows (in CZK million):

<b>Related party</b>	<b>Nature of relationship</b>	<b>Terms/Due dates</b>	<b>Interest rate p.a.</b>	<b>31 December 2023</b>
NET4GAS, s.r.o.	Subsidiary	3 months from notice delivery	7.66%	1
			4.25% (EUR)	0
			5.73% (USD)	6
<b>Total</b>				<b>7</b>

**NET4GAS Holdings, s.r.o.**

Notes to financial statements  
for the year ended 31 December 2023

Related party	Nature of relationship	Terms/Due dates	Interest rate p.a.	31 December 2022
			7.91%	29
NET4GAS, s.r.o.	Subsidiary	3 months from notice delivery	2.22% (EUR)	24
			4.99% (USD)	7
<b>Total</b>				<b>60</b>

Interest income related to short-term loans to related parties amounted to CZK 3 million in 2023 (2022: CZK 2 million).

Other financial income to related parties amounted to CZK 55 million in 2023 (2022: CZK 0 million).

No income from investments in NET4GAS, s.r.o. in 2023 and 2022.

No short-term payables from related parties in 2023 and 2022.

Other financial expense incurred on the payables from the controlling company was CZK 55 million in 2023 (2022: CZK 0 million).

No loans, guarantees or other benefits have been granted to the Company's directors, members of the Supervisory Board and other members of management.

The Company's executives were paid bonuses for the year 2023 in the amount of CZK 0,1 million in January 2024.

**9. FEES PAID AND PAYABLE TO THE AUDIT COMPANY**

The information relating to the fees paid and payable for services performed by the audit company Deloitte Audit s.r.o. is included in the consolidated financial statements of the Company.

**10. INCOME TAX**

The current tax analysis:

(CZK million)	2023	2022
Net profit before taxation (+) / Loss (-)	15	(59)
<i>Non-taxable income</i>		
Income from subsidiaries	-	-
<i>Non-deductible expenses</i>		
Consultancy services / Release of reserves	(12)	62
Interest expenses	-	-
Tax base	3	3
<b>Deduction of tax losses</b>	<b>(3)</b>	<b>(3)</b>
<b>Corporate income tax at 19%</b>	<b>-</b>	<b>-</b>

A potential net deferred tax asset of CZK 3 million as at 31 December 2023 (as at 31 December 2022: CZK 4 million) has not been recognized. The 21% (19%) rate has been used to calculate it as at 31 December 2023 (and 2022).

As at 31 December 2023, the Company had tax losses of CZK 16 million. The tax losses can be deducted from the tax base pursuant to Section 34 (1) to (3) of the Income Tax Act as follows: amount of 16 mil CZK last in 2025.

**11. SUBSEQUENT EVENTS**

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

**Annex no. 3: Independent Auditor's Report**

## INDEPENDENT AUDITOR'S REPORT

### To the Partners of NET4GAS Holdings, s.r.o.

Having its registered office at: Na hřebenech II 1718/8, Nusle, 140 00 Praha 4

#### Opinion

We have audited the accompanying separate financial statements of NET4GAS Holdings, 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 of 31 December 2023, the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We have audited the accompanying consolidated financial statements of NET4GAS Holdings, s.r.o. and its subsidiaries (the "Group") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the consolidated balance sheet as of 31 December 2023, the consolidated profit and loss account, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion:

- The accompanying separate financial statements give a true and fair view of the financial position of NET4GAS Holdings, s.r.o. as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.
- The accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2023, and of its consolidated financial performance and its consolidated 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 and 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.

#### 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 separate and consolidated financial statements and auditor's report thereon. The Statutory Executives are responsible for the other information.

Our opinion on the separate and consolidated financial statements does not cover the other information. In connection with our audit of the separate and 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 separate and 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 separate and consolidated financial statements is, in all material respects, consistent with the separate and 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 and the Group 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 for the Financial Statements

The Statutory Executives are responsible for the preparation and fair presentation of the separate and consolidated 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 the separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Statutory Executives are responsible for assessing the Company's and 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 Company or the Group 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 separate and 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 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 separate and 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 Company's or 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 Company's or 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 separate and consolidated 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 or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and 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 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 1 March 2024

Audit firm:

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



Statutory auditor:

Václav Loubek  
registration no. 2037



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ID No.: 29135001

A PDF version of the NET4GAS Holdings Group Consolidated Annual Report 2023 is available on the website of NET4GAS Holdings in Czech and in English. In all matters of interpretation, the Czech version of the annual report takes precedence over the English version.