

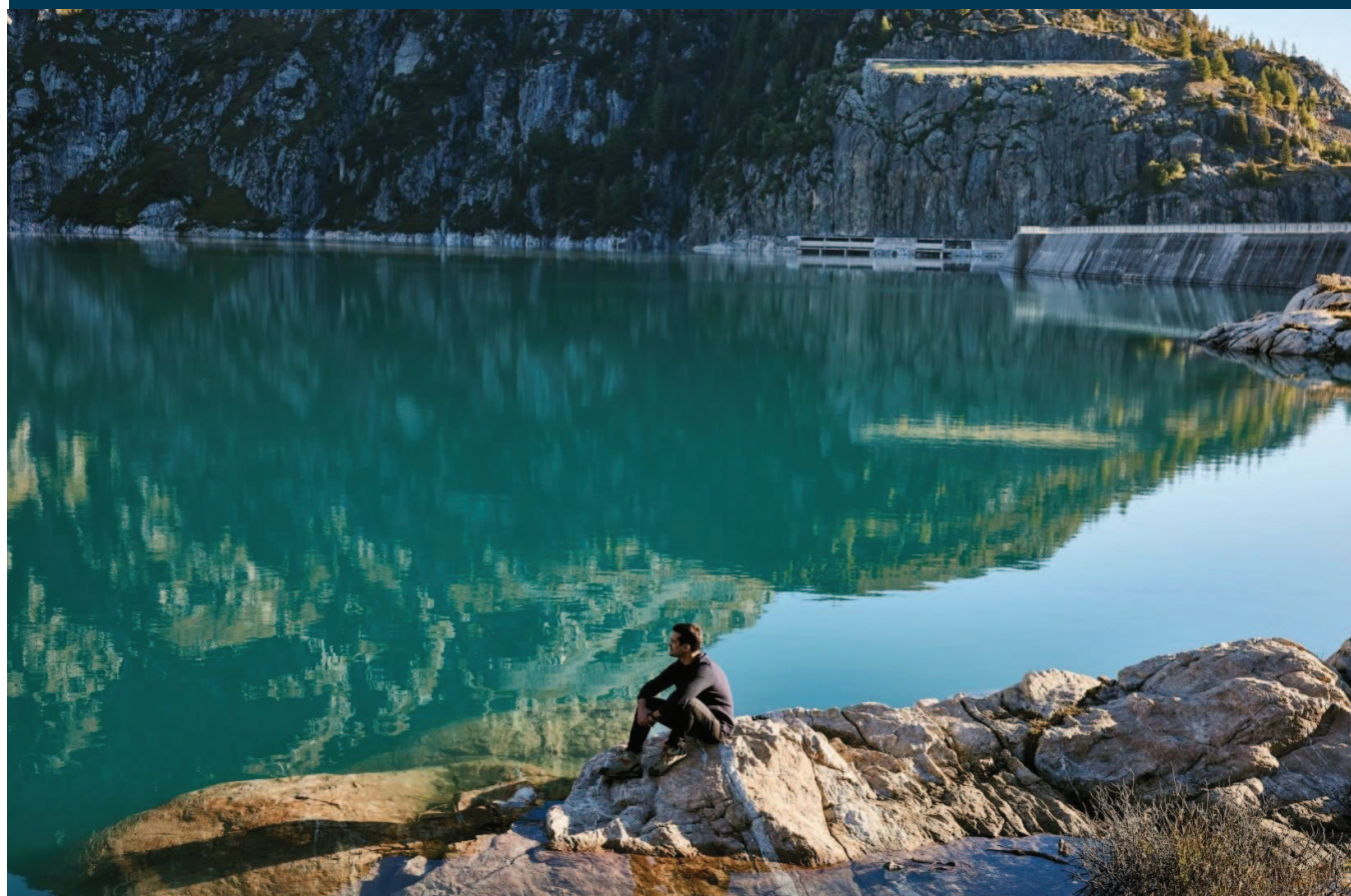
2023 ANNUAL REPORT

ALPIQ ENERGY SE

with registered office at Jungmannova 26/15, 110 00 Prague 1, ID No.: 284 77 090

for the accounting period from
1. 1. 2023 to 31. 12. 2023

prepared in compliance with Section 82 (2) of Act No. 90/2012 Coll., the Corporations Act and
Section 21 (2) of Act No. 563/1991 Coll., on Accounting Act.



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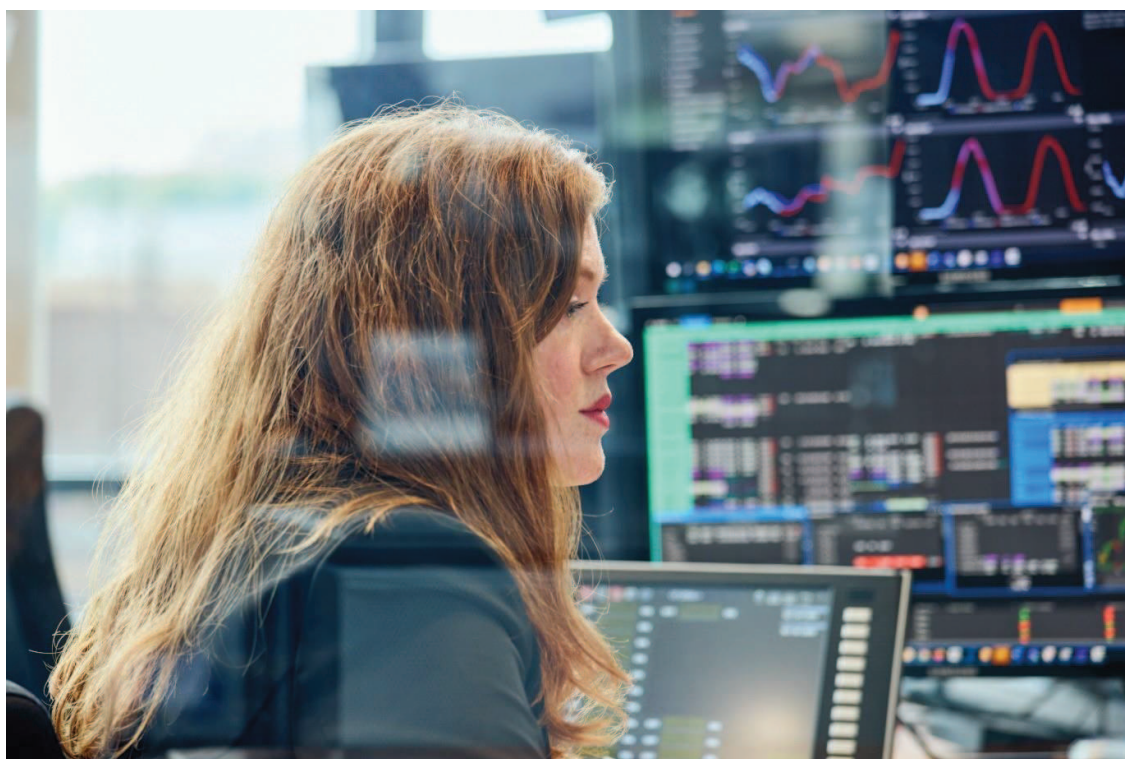
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The original version of this document, written in Czech, was duly signed and authorized. This English translation is provided for reference purposes only and does not bear any signatures.

While every effort has been made to ensure the accuracy of the translation, in the event of any discrepancies, inconsistencies or ambiguities, the original Czech version of this document shall prevail. The English version is provided "as is" without warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. The entire risk as to the quality and performance of the English version is with you. Should the English version prove defective, you assume the cost of all necessary servicing, repair, or correction. In no event shall the authors or copyright holders be liable for any damages whatsoever, including direct, indirect, incidental, consequential, loss of business profits or special damages, even if the authors or copyright holders have been advised of the possibility of such damages.

1 General part

ALPIQ ENERGY SE (hereinafter referred to as the "Company") is a European joint stock company with its registered office at Jungmannova 26/15, Nové Město, 110 00 Prague 1, ID No.: 284 77 090, VAT No.: CZ28477090, registered at the Registry Court in Prague under file number H81. The company was established on 20 October 2008. The Company is involved in electricity and gas trading and associated services. Alpiq Energy SE is member of the Swiss energy group Alpiq (the parent company of the entire group is Alpiq Holding AG.).



2 Company profile

Business name:	ALPIQ ENERGY SE
Registered office:	Jungmannova 26/15, 110 00 Prague 1
Business identification No:	284 77 090
Legal form:	European company (société européenne – SE)
Subject of business:	<ul style="list-style-type: none">• Gas trading• Mediation of trade and services• Wholesale and retail trade services• Providing of software, information technology consulting, data processing, hosting and related activities and web portals• Consulting and advisory services, preparation of expert studies and reports• Advertising, marketing, media representation• The out-of-school education and training, organization of courses, training, including lecturing activities• Activities of accounting consultants, bookkeeping, tax record keeping• Electricity trading• Rental properties, apartments, and non-residential premises
Basic capital:	EUR 7 000 000 (CZK 172 655 000)

Statutory bodies of the company: as at 31 December 2023

Board of Directors	
Chair:	Martin Hulena
Member:	Jan Kožušník
Member:	Oleksandr Zaretskyi

Supervisory Board	
Member:	Navin Parasram

Procurators:	
Libuše Jeremiášová	Lukáš Krutek
Hana Lindovská	Martin Štěpán
Tereza Jášková	

At least two members of the Board of Directors jointly (including the Board of Director's chairman and a member), or at least two procurators act and sign on the Company's behalf.

Sole Shareholder: Alpiq AG
Olten, Bahnhofquai 12, ZIP code 4600
the Swiss Confederation
Business identification No: CHE-105.974.401

The following changes were made to the Public Register entry in the period from 1 January 2023 to 31 December 2023:

On 14 March 2023, Zdeněk Čihák was removed from the position of a member of the Board of Directors of the Company and Gergely Gonda was removed from the position of a member of the Board of Directors of the Company, effective as of 31 March 2023, based on the decision of the sole shareholder, and at the same time Martin Hulena was appointed as a member of the Board of Directors and Oleksandr Zaretskyi as a member of the Board of Directors of the Company, effective as of 1 April 2023.

These events were registered in the public register on 3 April 2023 and 4 May 2023.

On 3 April 2023, the proxy Martin Hulena was removed from the public register.

Significant events from 1 January 2023 to 31 December 2023:

In 2023, the company extended its electricity trading license in Greece and its gas trading license in the Czech Republic.

In 2024, the company plans to renew its electricity trading license in the Czech Republic and further licenses in Central and South-Eastern Europe.

The company decided to reduce the activities of the Polish branch and to gradually close it down and transfer part of the business activities in Poland to the company's headquarters in the Czech Republic.

On 27 September 2017 the Company received a decision of the Romanian Tax Authority (ANAF) whereby it was assessed RON 792.7 million on VAT, income tax and accessories for the period from 2010 to 2014. The Company disagrees with the decision and has appealed the decision to the superior Tax Authority in 2017. The management of the Company is convinced that the decision of Romanian Tax Authority is unjustifiable and legally unsubstantiated. This opinion is supported also by analyses of external tax and legal experts. On 26 June 2018, the Company received the decision of ANAF appellate body with respect to its appeal. In the main proceedings, ANAF appellate body supported view of ANAF's audit team and dismissed the appeal with regard to a part of an amount of RON 589 million as being without merit. The decision of the tax authority of the assessment in the amount of RON 204 million was annulled by the appellate body of ANAF and it ordered a reaudit for that amount. In one matter concerning an immaterial amount, ANAF ruled in favor of the Company. In December 2018, the Company filed the respective merit claim with administrative court in Bucharest against the decision of ANAF appealing body, including full evidence and expert opinions. On 16 September 2019 the Court of Appeal in Bucharest granted the request of the Company and suspended enforcement of the tax assessment until the final decision of the courts in the merit case opened by the Company against ANAF. On 19 October 2021 the respective administrative court in Bucharest ruled in the merit case fully in favor of the Company cancelling both the decision of the appellate body of ANAF and the preceding original tax assessment. ANAF had subsequently appealed this decision to the court of second instance, i.e. Romania's Supreme Court. The Supreme Court has now confirmed the decision of the first instance in its decision of 27 March 2024. The decision is final.

The company further initiated civil law claim against ANAF in the amount of approx. EUR 2.5m representing damages caused by the unlawful tax assessment. The first instance court granted petition of the Company in full. However, ANAF filed a timely appeal, and the decision is thus not final yet. The appeal proceedings continue in front of the respective court in Bucharest.

As of 31 December 2023, the Company has branches in the Republic of Hungary, Romania, Switzerland, and Poland.



3 Report on the company's business performance and projected developments

In 2023, the company continued to implement its new business strategy, where most of the deals are concluded with the aim of making a profit from the purchase and sale of energy commodities, primarily electricity and gas, and thus benefit from market price movements. In connection with the new strategy, the Company significantly increased the volume of financially settled commodity derivatives traded on European energy exchanges, as well as partially financially settled third-party trades (OTC trades). The optimization of cross-border electricity flows between the countries of the CEE region remains one of the pillars of the company's business. In the gas wholesale market, the company focuses in particular on optimizing gas storage, exploiting cross-border gas flows and trading structured products that offer flexibility.

In view of the increased volatility on the energy markets in the recent period, the Company has tightened its risk and trading policy and significantly reduced trading in non-standard products. In 2023, the Company continued to reduce its supply to end customers in the B2B and B2C segments in the Czech Republic and Poland and focused primarily on wholesale trading of standard commodity contracts across the CEE region.

There have been significant changes in the development of wholesale electricity and gas prices in 2023. Pressure on European markets eased at the beginning of the year, mainly due to favorable temperature developments and a reduction in electricity demand in a pan-European context, due to a decline in economic activity, particularly in energy-intensive industries. During the first quarter, European market prices fell below the 2021 level, but remained above the historical average. Forecasts of very cold weather in early winter 2023 across Europe had only a short-term impact on electricity prices. The effect of continued low electricity demand, historically high production from nuclear power plants in France and also production from wind power plants prevailed. At the beginning of the winter, natural gas prices fell to around EUR 43 per megawatt-hour due to excess supply. During the summer, European electricity and natural gas futures prices continued to fall, mainly due to the ample supply of liquefied natural gas in Europe. The rapid switch from piped gas supply to flexible LNG allowed European countries to fill underground storage to historic highs. Price volatility remains elevated, particularly in the context of a system built on fast LNG supplies, which are not as robust as stable supplies through transit pipelines.

The company achieved a positive operating result of CZK 2,134 million. This resulted in a total net accounting profit of CZK 2,005 million. From this perspective, it can be said that 2023 was one of the most successful years in the company's history.

Despite the market turbulence, the company's operating liquidity and net asset position remained strong and stable in 2023. The Company is poised to continue to grow its business as planned and meet all of its commitments in the coming year.

In order to increase efficiency, to focus in the future mainly on standard commodity trading and in view of the low profitability, the company decided not to further develop the specific services and products offered by the Polish branch. Therefore, it was decided to close it down and transfer part of the trading activities to the company's headquarters based in the Czech Republic.

4 Report on relations

The Report on Relations between the Controlling Person and Controlled Person and between the Controlled Person and other persons controlled by the same Controlling Person (the "Report on Relations") for the Reference Period is an integral part of this Annual Report as an Appendix.

5 Financial statements

The annual financial statements for the reporting period from 1 January 2023 to 31 December 2023 are an integral part of this Annual Report as an Appendix and were audited by the audit firm KPMG Česká republika Audit, s.r.o.

6 Foreign branches as at 31 December 2023

The Company has the following foreign branches:

ALPIQ ENERGY SE Magyarországi Fióktelepe
1085 Budapest, Kálvin tér 12.
Hungary

ALPIQ ENERGY SE SPÓŁKA EUROPEJSKA ODDZIAŁ W POLSCE
00 609 Waszawa, ul. Armii Ludowej 26
Poland

ALPIQ ENERGY SE PRAGA – SUCURSALA BUCURESTI
Bulevardul DACIA, Nr. 30, camera 10, Etaj 6, Bucuresti Sectorul 1,
Romania

ALPIQ ENERGY SE, Prag, Zweigniederlassung Niedergösgen
Oltnerstrasse 63, 5013 Niedergösgen
the Swiss Confederation



7 Information on corporate activities pursuant to section 21(2) of Act 563/1991 Coll.

The Company carried out no research & development activities in 2023.

In compliance with the valid legal requirements the Company pays permanent attention to environmental protection, particularly the waste management.

The Company strictly complies with the Labor Code. Trade unions are not active in the Company. The average number of employees was 48 in 2023. Social expenses were withdrawn in accordance with the internal policy. The major employee benefits include meal allowances, contributions to language courses and leisure activities.

The Company does not own any own shares at the date of the annual report for the year 2023.

8 Subsequent events

The following significant event occurred after the balance sheet date:

In a dispute with the Romanian tax authority (ANAF), the court of second instance, the Romanian Supreme Court, ruled in favor of the company on 27 March 2024. ANAF had subsequently appealed this decision to the court of second instance, i.e. Romania's Supreme Court. The Supreme Court has now confirmed the decision of the first instance in its decision of 27 March 2024. The decision is final.

9 Confidentiality of information

1. All information and matters, which are part of trade secrets of the Controlling Person, Controlled Person, and other Related Parties, are deemed confidential including all information that any related party marks and designates as confidential. In addition, all business-related information that could by itself or in connection with other information or facts result in detriment to any related party is deemed confidential.

2. To avoid any detriment to the Controlled Person with regard to paragraph 1 of this article above, this report does not contain any other confidential information and facts.

Prague, 1 April 2024

.....
ALPIQ ENERGY
Oleksandr Zaretskyi
Member of the Board of Directors

.....
ALPIQ ENERGY SE
Jan Kožušník
Member of the Board of Directors

Report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person for the period from 1 January 2023 to 31 December 2023

This report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person (hereinafter the "Report on Relations") was prepared by *ALPIQ ENERGY SE (a European company), with its registered office located at Jungmannova 26/15, 110 00 Prague 1, Company Identification No. (IČO) 284 77 090, registered in the Public Register maintained in Prague under file No. H81* (hereinafter the "Company" or the "Controlled Person") pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations (hereinafter the "Business Corporations Act") for the period from 1 January 2023 to 31 December 2023 (hereinafter the "Accounting Period"). In preparing this Report on Relations, the Company's statutory body used the understanding and information available to the members of the statutory body as at the date of preparation of this Report. This Report on Relations constitutes an inseparable part of the Company's Annual Report for the period from 1 January 2023 to 31 December 2023.

1. Structure of relations between related parties

Throughout the Accounting period, the Company was a member of the Alpiq Group. The Company's shareholder holding with a 100% interest is Alpiq AG (the "Controlling Person"). The ultimate parent company of Alpiq Group is Alpiq Holding AG established under the laws of the Swiss Confederation, with the seat in Lausanne, Chemin de Mornex 10, 1003, Switzerland, recorded in commercial register of Canton Vaud under identification number CHE-369.267.193 (hereinafter „Alpiq Holding AG“). Alpiq Holding AG is the sole shareholder of Alpiq AG and indirectly controls the Company.

1.1. Brief description of the Controlled Person and the Controlling Person:

Controlled Person

Business name: ALPIQ ENERGY SE
Registered office: Jungmannova 26/15, 110 00 Prague 1
Business Identification No: 284 77 090
Legal form: European company

Controlling Person

Business name: Alpiq AG
Registered office: Olten, Bahnhofquai 12, 4600, the Swiss Confederation
Business Identification No: CH-105.974.401
Legal form: joint-stock company
The company was established under the laws of the Swiss Confederation.

Indirectly controlling Person (ultimate parent company of Alpiq group):

Business name: Alpiq Holding AG
Registered office: Lausanne, Chemin de Mornex 10, 1003, the Swiss Confederation
Business Identification No: CHE-369.267.193
Legal form: joint-stock company
The company was established under the laws of the Swiss Confederation.

1.2. Companies controlled by the same Controlling Person in the Accounting Period and having also the contractual obligations with the Company

Alpiq Energija Bulgaria EOOD, established and existing under the laws of Bulgaria, with its registered office located at Pozitano Sqr 2, 1000 Sofia, Bulgaria (hereinafter „Alpiq Energija Bulgaria EOOD“), whose sole shareholder was Alpiq AG until 21 June 2023, when the entire share of Alpiq AG was transferred to a third party outside the Alpiq Group;

Alpiq Energija BH d.o.o., established and existing under the laws of Bosnia and Herzegovina, with its registered office located at Street Kaptol 5/2, 71000 Sarajevo, Bosnia and Herzegovina (hereinafter „Alpiq Energija BH d.o.o.“), with Alpiq AG being the sole shareholder;

Alpiq Energy Albania SHPK, which entered the liquidation on 28. November 2023, established and existing under the laws of Albania, with its registered office located at str. Rruga Ibrahim Rugova, Nd. 40, H.2., Apod.3, 1019 Tirana, Albania (hereinafter „Alpiq Energy Albania SHPK“), with Alpiq AG being the sole shareholder;

ALPIQ TURKEY ENERJI TOPTAN SATIŞ LTD. ŞTİ., established and existing under the laws of Turkey, with its registered office located at Harbive Mah. Bostan Sokak No. 15 İç Kapı No. 5 Şişli İstanbul, Turkey (hereinafter „Alpiq Turkey Enerji Toptan Satis Ltd.“), with Alpiq AG being the majority shareholder (93.47%) and ALPIQ ENERGY SE holding the remaining 6.53% interest;

Alpiq Energija Skopje DOOEL Skopje, established and existing under the laws of Macedonia, with its registered office located at Str. Mirce Acev 2/ 3rd Floor, 1000 Skopje, Macedonia (hereinafter „Alpiq Energija Skopje, DOOEL“), with Alpiq AG being the sole owner;

Alpiq Energy Hellas SA in liquidation, which entered the liquidation on 29. April 2022 and liquidated on 13. November 2023, established and existing under the laws of Greece, with its registered office located at 350 Sygrou Av, 17674, Kallithea of Attica, Greece (hereinafter „Alpiq Energy Hellas SA in liquidation“), with Alpiq AG being the sole owner;

PO PROSTU ENERGIA SA w likwidacji, which entered the liquidation on 1 October 2021 and liquidated on 30. March 2023, established and existing under the laws of Poland, with its registered seat office located at Ul. Aleja Armij Ludowej 26, 00-609 Warsaw, Poland, with Alpiq AG being the sole owner.

Alpiq Services CZ s.r.o. established and existing under the laws of the Czech Republic, with its registered seat office located at Jungmannova 26/15, Nové Město, 110 00 Prague, with Alpiq AG being the sole owner;

Alpiq Csepel Kft. established and existing under the laws of the Hungary, with its registered seat office located at Kálvin tér 12, 1085 Budapest, Hungary, with Alpiq AG being the sole owner.

The Controlled Person with brief description provided in Article 1.1. is acquainted with the Controlling Person with brief description also provided in Article 1.1. and other persons controlled by the same Controlling Person. To the best knowledge of the statutory representatives the list of entities belonging to Alpiq Group (entities controlled directly or indirectly by Alpiq Holding AG) is enlisted on pages 118-120 of the Alpiq Holding AG's annual report available on this link:

https://reports.alpiq.com/23/app/uploads/Annual_Report_2023_en.pdf .

2. The Company's role in the relationships between the Company and other persons controlled by the same Controlling Person (hereinafter the "Related Parties")

The Company trades with an electricity, natural gas, emission allowances, certificates of origin of electricity from renewable resources, other commodity derivatives and financial derivatives linked to energy commodities and provides energy related services. The Company's activities in line with its business strategy comprise of the purchases and sales of the above commodities and providing related services to some of the Related Parties stipulated in Article 1.2 and to the Controlling Person stipulated in Article 1.1.

In addition, the Company bought supporting services in various fields (accounting, reporting, risk management, controlling, portfolio management, scheduling, administrative support, invoicing, payments, IT, etc.) from Alpiq Services CZ s.r.o. and Alpiq AG and had a significant position in determining the business strategies in some Related Parties.

Moreover, the Company obtains and provides several financial services within the Group including participation in cash-pool, provision of guarantees or provision of intercompany loans.

The Company is the ultimate Controlled Person controlled by Alpiq AG; no other legal entities are indirectly controlled or managed through the Company.

3. Method and means of control

The Company is subject to single management by Alpiq AG and indirectly by Alpiq Holding AG (parent company of Alpiq Group) with which the Company forms a concern pursuant to Section 79 of the Business Corporations Act. Single management is particularly exercised through regular meetings of the Company's statutory body members with Alpiq AG management and the methodologies and guidelines issued by Alpiq AG (Alpiq Holding AG) that are reflected in the Company's internal rules and regulations.

Alpiq AG also asserts the interests of the concern by exercising the rights of the sole shareholder exercising the powers of the General Meeting, particularly by electing and recalling members of the Company's bodies and approving their remuneration. As a result of its control, Alpiq AG is able, to a certain extent, to change the Company's Code of Rules. In addition, under Code of Rules, certain explicitly stipulated legal actions that do not constitute regular day-to-day business management require prior consent of the sole shareholder exercising the powers of the General Meeting.

4. Overview of actions taken in the past accounting period at the initiative or in the interest of the Controlling Person or the entities controlled by the Controlling Person, where such actions concerned assets exceeding 10% of the Company's equity

In the Accounting Period, the following actions were taken at the initiative or in the interest of the directly or indirectly controlling person, i.e. Alpiq AG or Alpiq Holding AG, or in the interest of persons controlled by the Controlling Person, that concerned the Company's assets exceeding 10% of equity (determined from the last annual financial statements, i.e. the Financial Statements for 2023):

Counterparty	Type of action	Value in CZK
Alpiq AG	Sale of electricity	14,696,970,481
Alpiq AG	Purchase of electricity	11,457,797,915
Alpiq AG	Sale of gas	15,161,659,018
Alpiq AG	Purchase of gas	15,666,897,493
Alpiq AG	Sale of CO2	975,290,741
Alpiq AG	Purchase of CO2	1,159,379,686
Alpiq AG	Other Strategic services	751,082,706
Alpiq Energija BH d.o.o	Sale of electricity	977,464,131
Alpiq Energija BH d.o.o.	Purchase of electricity	1,143,315,933

5. Overview of contracts and agreements between Related Parties

The following contracts and agreements between the Controlled Person and the Controlling Person and/or other Related Parties were effective in the Accounting Period:

1. Consulting agreement on electricity trading concluded with related party Alpiq Energy Hellas SA on 30 April 2009 with effect from 1 April 2009 for an indefinite period of time;
2. Cash-pooling agreement with Alpiq Holding Ltd. The agreement is effective from 5 March 2012 for an indefinite period of time;
3. Licensing Agreement with Alpiq Holding Ltd. dated 8 November 2010 with effect from 1 January 2010 for an indefinite period;
4. Framework contract (EFET) on gas purchase and supply concluded with controlling person Alpiq AG, with effect from 1 October 2014 for an indefinite period of time (part of the contract is the amendment from 26 September 2016 on trading with emission allowances CO₂);
5. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Turkey Enerji Tiptan Satis Ltd., with effect from 31 January 2012 for an indefinite period of time;
6. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Enerгия Bulgaria EOOD, with effect from 29 January 2010 for an indefinite period of time; the agreement was terminated as of 28 December 2023;
7. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energija BH d.o.o., with effect from 29 January 2010 for an indefinite period of time;
8. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energija Skopje DOOEL, with effect from 5 October 2010 for an indefinite period of time;
9. Agreements between related parties on strategic services and local services in Alpiq Energija BH d.o.o., Alpiq Energy Albania SH.P.K. and Alpiq Energija Skopje DOOEL. Agreements are effective from 1 January 2012 for an indefinite period of time;
10. IT service agreement concluded with the controlling person, Alpiq AG. The agreement is effective from 1 January 2016 for an indefinite period of time;
11. Service agreement on consulting and other services connected with access to the Bulgarian electricity market concluded on 11 September 2013 with related party Alpiq Enerгия Bulgaria EOOD for an indefinite period of time from 1 January 2013;
12. Loan agreement with related party Alpiq Energy Albania SH.P.K. concluded on 2 November 2011 with effect from 30 June 2010 for an indefinite period of time;
13. Framework contract (ISDA) concluded on 24 August 2014 with ultimate parent company of whole group, Alpiq Holding AG, for an indefinite period of time from 1 September 2014;
14. Service agreement on consulting and other services connected with access to particular electricity and gas markets, portfolio management and optimization and support to new markets and projects concluded on 3 January 2017 with parent company Alpiq AG for indefinite period of time;
15. Framework contract (ISDA) concluded on 10 May 2016 with parent company Alpiq AG;
16. Agreement for providing of balancing services with related party PO PROSTU ENERGIJA SA w likwidacji dated 25 July 2017, the agreement was terminated as of 24. January 2023;
17. Framework contract (EFET) on power purchase and supply concluded with related party PO PROSTU ENERGIJA SA w likwidacji, with effect from 11 May 2018 for an indefinite period of time, the agreement was terminated as of 24. January 2023;

18. Framework contract (EFET) on gas purchase and supply concluded with related party PO PROSTU ENERGIA SA w likwidacji, with effect from 5 March 2019 for an indefinite period of time, the agreement was terminated as of 2. January 2023;
19. Consulting agreement on finance services, management services, back-office, middle-office, risk management, scheduling, IT and office management with the related party Alpiq Services CZ s.r.o. concluded on 14 November 2018 for the period from 1 June 2018 for an indefinite period of time;
20. Reporting obligation agreement on EU "EMIR" concluded on 19 October 2018 with parent company Alpiq AG for an indefinite period of time;
21. Service agreement on energy services connected with intraday trading support with related party Alpiq Energia Bulgaria EOOD concluded on 30 May 2019 for the period from 1 June 2019 for an indefinite period of time, the agreement was terminated as of 21. June 2023;
22. Framework contract (ISDA) concluded on 8 August 2019 with related party Alpiq Energia Bulgaria EOOD, for an indefinite period of time, the agreement was terminated as of 7. February 2023
23. Reporting delegation agreement on EU "EMIR" concluded on 8 August 2019 with related party Alpiq Energia Bulgaria EOOD, the agreement was terminated as of 7. February 2023
24. Framework contracts for the usage of cross-border capacities (CUFA) concluded on 19 February 2019 with related party Alpiq Energija Skopje DOOEL for an indefinite period;
25. Operating agreement for operating gas trading with controlling person Alpiq AG concluded on 31 August 2020 with effectivity from 1 March 2019 including appendix with effectivity from 8. August 2023;
26. Framework contract (EFET) on power purchase and supply concluded with parent company Alpiq AG, with effect from 8 April 2020 for an indefinite period of time (including appendix from 8 April 2020 related to trading with emission allowances CO2);
27. Reporting delegation agreement on REMIT concluded on 10 December 2020 with related party PO PROSTU ENERGIA SA w likwidacji for an indefinite period of time, the agreement was terminated 9. February 2023;
28. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energy Albania SH.P.K., with effect from 15 February 2021 for an indefinite period of time;
29. Framework contract (ISDA) concluded on 2 July 2021 with related party Alpiq Energy Hellas SA for an indefinite period of time; the agreement was terminated as of 13. November 2023;
30. Reporting obligation agreement on EU "EMIR" concluded on 2 July 2021 with related party Alpiq Energy Hellas SA for an indefinite period of time, the agreement was terminated as of 13. November 2023;
31. Guarantee line agreement with ultimate parent company Alpiq Holding AG concluded on 30 August 2021 effective from 1 January 2021 for an indefinite period of time.
32. Service agreement on providing market and quantitative analysis concluded on 10 January 2023 with parent company Alpiq AG effective from 1 June 2022 for an indefinite period of time;
33. Agreement on contingent monetary contribution into the Company's equity by the Sole Shareholder concluded in August 2022 with parent company Alpiq AG;
34. Assignment of receivables agreement concluded with the parent company Alpiq AG on 28 April 2023;
35. Settlement agreement entered into with the parent company Alpiq AG on 5 October 2023 with effect from 29 September 2023
36. One-off EU ETS Emission Allowance Trading Agreement entered into with the related party Alpiq Csepel Kft. on 11 December 2023

6. Overview of issued guarantees to the benefit of Related Parties' business partners

The Company did not provide guarantees for the obligations to related parties during the reporting period.

7. Assessment of damage or detriment suffered, if any, and its settlement and evaluation of advantages or disadvantages and risks, if any, resulting from the relations between the Related Parties.

a. Assessment of damage or detriment suffered as a result of the relations between Related Parties

The statutory body of the Company, taking into account the circumstances and conditions under which the actions between the related parties in the accounting period were realized (conditions common in the ordinary course of business), concluded that the Company did not suffer any damage due to the influence. The loss incurred, section 5. points 34. and 35., was fully covered by the financial contribution of the sole shareholder immediately after its assessment.

b. Evaluation of advantages and disadvantages resulting from the relations between Related Parties

The Company's statutory body further declares that the Company's advantages as member of the concern, Alpiq Group, prevail, including, in particular, the Company's financial stability resulting from cash-pooling, group synergies in using and development of commonly needed platforms or other services, access to Group knowledge base as well as diversification of risks thanks to the opportunity to operate, via the concern, in various Central and Eastern European markets. The Company can moreover use concern brand and logo Alpiq.

c. Evaluation of risks involved in the relations between Related Parties

The Company did not identify any material risks resulting from the relations between Related Parties.

8. Lack of information necessary for the preparation of the Report on Relations

The Company declares that Alpiq Group comprises more than eighty related parties incorporated and existing under the laws of various world countries. Pursuant to Section 82(3) of the Business Corporations Act, the Controlled Person declares that given the circumstances and acting with due care, the dominant entity was requested to provide information on the complete structure of relations between related parties, including the ownership interests therein of the dominant entity or indirectly controlling person or other related parties. Information containing the list of Alpiq Group entities is included in section 1.2. The statutory body of the Company declares that as at the date of this report it is not aware of any other entities controlled directly or indirectly by Alpiq AG or Alpiq Holding AG.

This Report on Relations was prepared by the Controlled Person's statutory body as at 31 March 2024.

In Prague, on 31 March 2024

.....
ALPIQ ENERGY SE
Oleksandr Zaretskyi
Member of the Board of Directors

.....
ALPIQ ENERGY SE
Jan Kožušník
Member of the Board of Directors

ALPIQ ENERGY SE as at 31.12.2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET - LONG FORM

		Current year			Prior year
		Gross	Allowances	Net	Net
	TOTAL ASSETS	24,897,155	(5,205,932)	19,691,223	24,311,225
A.	STOCK SUBSCRIPTION RECEIVABLE				
B.	FIXED ASSETS	27,932	(19,923)	8,009	9,421
B. I.	Intangible fixed assets	12,510	(11,475)	1,035	489
B. I. 1.	Development				
2.	Valuable rights	12,510	(11,475)	1,035	489
1.	Software	12,510	(11,475)	1,035	489
2.	Other valuable rights				
3.	Goodwill				
4.	Other intangible fixed assets				
5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	0	0	0	0
1.	Advances granted for intangible fixed assets				
2.	Intangible fixed assets in progress				
B. II.	Tangible fixed assets	9,216	(8,448)	768	861
B. II. 1.	Land and structures	2,045	(1,900)	145	180
1.	Land				
2.	Structures	2,045	(1,900)	145	180
2.	Movable assets and sets of movable assets	7,171	(6,548)	623	681
3.	Gain or loss on revaluation of acquired property				
4.	Other tangible fixed assets	0	0	0	0
1.	Perennial crops				
2.	Livestock				
3.	Miscellaneous tangible fixed assets				
5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	0	0	0	0
1.	Advances granted for tangible fixed assets				
2.	Tangible fixed assets in progress				
B. III.	Long-term investments	6,206	0	6,206	8,071
B. III. 1.	Interests – controlled or controlling entity				
2.	Loans and borrowings – controlled or controlling entity				
3.	Interests – significant influence				
4.	Loans and borrowings - significant influence				
5.	Other long-term securities and interests	6,206		6,206	8,071
6.	Loans and borrowings - other				
7.	Other long-term investments	0	0	0	0
1.	Miscellaneous long-term investments				
2.	Advances granted for long-term investments				
C.	CURRENT ASSETS	24,835,523	(5,186,009)	19,649,514	24,227,934
C. I.	Inventories	2,537,624	(567,630)	1,969,994	1,297,613
C. I. 1.	Materials				
2.	Work in progress and semi-finished production				
3.	Finished products and goods	2,537,624	(567,630)	1,969,994	1,297,613
1.	Finished products				
2.	Goods	2,537,624	(567,630)	1,969,994	1,297,613
4.	Livestock				
5.	Advances granted for inventories				
C. II.	Receivables	21,595,307	(4,618,379)	16,976,928	21,944,777
C. II. 1.	Long-term receivables	920,959	0	920,959	864,080
1.	Trade receivables				
2.	Receivables – controlled or controlling entity				
3.	Receivables – significant influence				
4.	Deferred tax asset	804,173		804,173	748,544
5.	Other receivables	116,786	0	116,786	115,536
5.1.	Receivables from partners				
5.2.	Long-term advances granted	116,786		116,786	115,536
5.3.	Unbilled revenue				
5.4.	Miscellaneous receivables				

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE as at 31.12.2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET - LONG FORM

		Current year			Prior year
		Gross	Allowances	Net	Net
C. II. 2.	Short-term receivables	20,674,348	(4,618,379)	16,055,969	21,080,697
1.	Trade receivables	5,309,186	(4,617,882)	691,304	1,832,239
2.	Receivables – controlled or controlling entity	1,319,439		1,319,439	2,302,482
3.	Receivables – significant influence				
4.	Other receivables	14,045,723	(497)	14,045,226	16,945,976
4.1.	Receivables from partners				
4.2.	Social security and health insurance				
4.3.	Due from government - tax receivables	193,721	(497)	193,224	66,032
4.4.	Short-term advances granted	3,282,296		3,282,296	1,304,100
4.5.	Unbilled revenue	8,132,468		8,132,468	10,191,159
4.6.	Miscellaneous receivables	2,437,238		2,437,238	5,384,685
C. III.	Short-term financial assets	0	0	0	0
1.	Interests - controlled or controlling entity				
2.	Other short-term financial assets				
C. IV.	Cash	702,592	0	702,592	985,544
1.	Cash in hand	41		41	23
2.	Cash at bank	702,551		702,551	985,521
D. I.	Prepaid expenses and accrued income	33,700	0	33,700	73,870
D. I. 1.	Prepaid expenses	33,700		33,700	73,870
2.	Prepaid expenses (specific-purpose expenses)				
3.	Accrued income				

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

BALANCE SHEET - LONG FORM

		Current year	Prior year
TOTAL EQUITY & LIABILITIES		19,691,223	24,311,225
A.	EQUITY	3,506,545	1,998,735
A. I.	Basic capital	172,655	172,655
A. I. 1.	Registered capital	172,655	172,655
2.	Own ownership interests (-)		
3.	Changes in basic capital		
A. II.	Share premium and revaluation reserve	(497,216)	0
A. II. 1.	Share premium		
2.	Capital funds	(497,216)	0
1.	Other capital funds		
2.	Gain or loss on revaluation of assets and liabilities (+/-)	(497,216)	
3.	Gain or loss on revaluation upon corporate transformation (+/-)		
4.	Differences arising on corporate transformation (+/-)		
5.	Differences arising between balance sheet date and transformation date (+/-)		
A. III.	Reserves from profit	5,287,449	5,287,449
A. III. 1.	Other reserves		
2.	Statutory and other reserves	5,287,449	5,287,449
		0	0
A. IV.	Profit (loss) brought forward (+/-)	(3,461,369)	(2,994,854)
IV. 1.	Retained earnings	(3,461,369)	(2,994,854)
2.	Other profit (loss) brought forward (+/-)		
A. V. 1.	Profit (loss) for the year (+/-)	2,005,026	(466,515)
A. VI. 2.	Approved decision on advances for profit distribution (-)	0	0
B. + C.	PROVISIONS AND LIABILITIES	16,184,678	22,312,490
B. I.	Provisions	332,870	606,355
B. I. 1.	Provision for pensions and similar obligations		
2.	Provision for corporate income tax		
3.	Provisions recognized under special legislation		
4.	Other provisions	332,870	606,355
C.	Liabilities	15,851,808	21,706,135
C. I.	Long-term liabilities	0	0
1.	Bonds payable	0	0
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions		
3.	Long-term advances received		
4.	Trade payables		
5.	Long-term notes payable		
6.	Liabilities – controlled or controlling entity		
7.	Liabilities – significant influence		
8.	Deferred tax liability		
9.	Other liabilities	0	0
1.	Liabilities to partners		
2.	Unbilled deliveries		
3.	Miscellaneous liabilities		
C. II.	Current liabilities	15,851,808	21,706,135
1.	Bonds payable	0	0
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions		
3.	Short-term advances received	5,651,399	4,267,437
4.	Trade payables	395,272	107,234
5.	Short-term notes payable		
6.	Liabilities – controlled or controlling entity		
7.	Liabilities – significant influence		
8.	Other liabilities	9,805,137	17,331,464
1.	Liabilities to partners		
2.	Short-term borrowings		
3.	Liabilities to employees	8,735	6,587
4.	Liabilities arising from social security and health insurance	2,272	2,312
5.	Due to government – taxes and subsidies	178,151	143,449
6.	Unbilled deliveries	8,393,988	12,258,387
7.	Miscellaneous liabilities	1,221,991	4,920,729
D. I.	Accruals and deferred income	0	0
D. I. 1.	Accruals		
2.	Deferred income		

ALPIQ ENERGY SE for the year ended 31.12.2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT - LONG FORM

		Current year	Prior year
I.	Revenue from sale of finished products and services	846,531	287,622
II.	Revenue from sale of goods	65,656,425	169,270,034
A.	Production-related consumption	64,942,456	169,116,517
A.1.	Cost of goods sold	62,233,565	166,936,832
A.2.	Consumption of material and energy	1,975	1,908
A.3.	Services	2,706,916	2,177,777
B.	Change in inventory produced internally (+/-)	0	0
C.	Own work capitalized (-)	0	0
D.	Personnel expenses	218,155	85,171
D.1.	Wages and salaries	185,933	69,509
D.2.	Social security and health insurance costs and other costs	32,222	15,662
D.2.1.	Social security and health insurance costs	28,661	12,385
D.2.2.	Other costs	3,561	3,277
E.	Value adjustments in respect of operating activities	(609,935)	1,489,596
E.1.	Value adjustments in respect of intangible and tangible fixed assets	1,073	1,927
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	1,073	1,927
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets - temporary		
E.2.	Value adjustments in respect of inventory	(368,309)	935,939
E.3.	Value adjustments in respect of receivables	(242,699)	551,730
III.	Other operating income	5,722	171,785
III.1.	Income from sale of fixed assets	215	
III.2.	Income from sale of materials		
III.3.	Miscellaneous operating income	5,507	171,785
F.	Other operating expenses	(176,167)	(150,155)
F.1.	Net book value of fixed assets sold	37	
F.2.	Net book value of materials sold		
F.3.	Taxes and charges relating to operations	46,831	63,934
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	(273,485)	(776,930)
F.5.	Miscellaneous operating expenses	50,450	562,841
*	Profit or loss on operating activities (+/-)	2,134,169	(811,688)
IV.	Income from long-term investments - interests	0	0
IV.1.	Income from interests in subsidiaries or parents		
IV.2.	Other income from interests		
G.	Cost of interests sold	0	0
V.	Income from other long-term investments	10	0
V.1.	Income from other long-term investments - subsidiaries or parents		
V.2.	Other income from other long-term investments	10	
H.	Expenses relating to other long-term investments	1,865	0
VI.	Interest receivable and similar income	102,711	57,079
VI.1.	Interest receivable and similar income - subsidiaries or parents	32,143	26,342
VI.2.	Other interest receivable and similar income	70,568	30,737
I.	Value adjustments and provisions relating to financial activities	0	0
J.	Interest payable and similar expenses	262	21,838
J.1.	Interest payable and similar expenses - subsidiaries or parents		6,247
J.2.	Other interest payable and similar expenses	262	15,591
VII.	Other finance income	0	0
K.	Other finance cost	46,276	152,414
*	Profit or loss on financial activities (+/-)	54,318	(117,173)
**	Profit or loss before taxation (+/-)	2,188,487	(928,861)

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE for the year ended 31.12.2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT - LONG FORM

		Current year	Prior year
L.	Income tax	183,461	(462,346)
L.1.	Income tax due	106,919	245,477
L.2.	Income tax deferred (+/-)	76,542	(707,823)
**	Profit or loss after taxation (+/-)	2,005,026	(466,515)
M.	Transfer of share of profit or loss to partners (+/-)	0	0
***	Profit or loss for the year (+/-)	2,005,026	(466,515)
*	Net turnover	66,611,399	169,786,520

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE for the year ended 31.12.2023
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

CASH FLOW STATEMENT

For the years ended 31 December 2018 and 2017

		Current year	Prior year
Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	2,188,487	(928,861)
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	(2,339,830)	(3,419,994)
A. 1. 1.	Depreciation and amortization of fixed assets and write-off of receivables	49,325	563,196
A. 1. 2.	Change in allowances	(611,008)	1,487,669
A. 1. 3.	Change in provisions	(273,485)	(776,930)
A. 1. 4.	Foreign exchange differences	(36,809)	(3,236)
A. 1. 5.	(Gain)/Loss on disposal of fixed assets	1,687	
A. 1. 6.	Interest expense and interest income	(102,449)	(35,241)
A. 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received, effect of merger on equity)	(1,367,091)	(4,655,452)
A *	Net cash from operating activities before taxation, changes in working capital and extraordinary items	(151,343)	(4,348,855)
A. 2.	Change in non-cash components of working capital	(1,017,678)	5,759,250
A. 2. 1.	Change in inventory	(304,072)	(1,812,028)
A. 2. 2.	Change in trade receivables	1,334,617	(1,468,421)
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	178,580	9,765,190
A. 2. 4.	Change in trade payables	284,274	(825,257)
A. 2. 5.	Change in other payables, and in accruals and deferred income	(2,511,077)	99,766
A **	Net cash from operating activities before taxation, interest paid and extraordinary items	(1,169,021)	1,410,395
A. 3. 1.	Interest paid	(262)	(21,838)
A. 4. 1.	Income Tax paid/ received	(198,075)	(475,905)
A ***	Net cash provided by (used in) operating activities	(1,367,358)	912,652
Cash flows from investing activities			
B. 1. 1.	Purchase of fixed assets	(1,563)	(686)
B. 2. 1.	Proceeds from sale of fixed assets	215	
B. 3. 1.	Loans granted	983,043	(942,550)
B. 4. 1.	Interest received	102,711	50,693
B. 5. 1.	Cash restricted in use		
B ***	Net cash provided by (used in) investing activities	1,084,406	(892,543)
Cash flows from financing activities			
C. 1.	Change in long-term liabilities, and long-term and short-term loans		(43,125)
C. 2. 1.	Effect of other changes in equity on cash		
C. 2. 2.	Profit shares paid		
C. 2. 3.	Effect of other changes in own capital on cash		
C ***	Net cash provided by (used in) financing activities	0	(43,125)
F.	Net increase (decrease) in cash	(282,952)	(23,016)
P.	Cash and cash equivalents at beginning of year	985,544	1,008,560
R.	Cash and cash equivalents at end of year	702,592	985,544

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

as of 31 December 2023

(in CZK thousands)

ID company number

28477090

Name and address

ALPIQ ENERGY SE

Jungmannova 26/15

110 00 Prague 1

Czech Republic

	Basic capital	Other capital funds	Valuation differences on revaluation of assets and liabilities	Retained earnings (+/-)	Profit	Total
Balance as at 31/12/2022	172,655	5,287,449	--	-2,994,854	-466,515	1,998,735
Corrections related to previous periods	--	--	--	--	--	--
Balance as at 1/1/2023	172,655	5,287,449	--	-2,994,854	-466,515	1,998,735
Transfer of profit	--	--	--	-466,515	466,515	--
Repayment of previous years' losses	--	--	--	--	--	--
Dividends	--	--	--	--	--	--
Change in fair value of hedging instruments	--	--	-629,387	--	--	-629,387
Effect of change in fair value of hedging instruments on deferred tax	--	--	132,171	--	--	132,171
Rounding	--	--	--	--	--	--
Current year profit/loss	--	--	--	--	2,005,026	2,005,026
Balance as at 31/12/2023	172,655	5,287,449	-497,216	-3,461,369	2,005,026	3,506,545
Effect of merger	--	--	--	--	--	--
Balance as at 31/12/2023	172,655	5,287,449	-497,216	-3,461,369	2,005,026	3,506,545

	Basic capital	Other capital funds	Valuation differences on revaluation of assets and liabilities	Retained earnings (+/-)	Profit	Total
Balance as at 1/1/2022	172,655	5,287,449	--	-336,930	-2,657,924	2,465,250
Transfer of profit	--	--	--	-2,657,924	2,657,924	--
Repayment of previous years' losses	--	--	--	--	--	--
Dividends	--	--	--	--	--	--
Change in fair value of hedging instruments	--	--	--	--	--	--
Effect of change in fair value of hedging instruments on deferred tax	--	--	--	--	--	--
Rounding	--	--	--	--	--	--
Current year profit/loss	--	--	--	--	-466,515	-466,515
Balance as at 31/12/2022	172,655	5,287,449	--	-2,994,854	-466,515	1,998,735

ALPIQ ENERGY SE

Financial Statements for the year ended 31 December 2023

(Translation of Financial Statements Originally Issued in Czech –
See Note 2 to the Financial Statements)

ALPIQ ENERGY SE

Financial Statements for the year ended 31 December 2023

1. DESCRIPTION OF THE COMPANY

ALPIQ ENERGY SE ("the Company") is a European joint stock company having its registered address at Jungmannova 26/15, 110 00, Prague 1 Czech Republic, business registration No. (IC): 284 77 090, Tax ID: CZ 284 77 090, incorporated by an entry in the Public Register maintained with the Registration Court in Prague, File H81, on 20 October 2008. The Company is involved in electricity and gas trading. Alpiq Energy SE is a member of the Swiss energy group Alpiq (parent company of whole group is Alpiq Holding AG).

Members of the statutory bodies as at 31 December 2023 were as follows:

Board of Directors	
Chair:	Martin Hulena
Member:	Jan Kožušník
Member:	Oleksandr Zaretskyi

Supervisory Board	
Member:	Navin Parasram

Procurators	
Libuše Jeremiášová	Lukáš Krutek
Hana Lindovská	Martin Štěpán
Tereza Jášková	

The parent company is Alpiq AG with its registered office at Bahnhofquai 12, Olten, the Swiss Confederation, holding a 100% interest in the Company's basic capital. The ultimate parent company is Alpiq Holding AG, the Swiss Confederation.

The Company is included in the consolidated group of the parent company. The consolidated financial statements are available on this link, <https://reports.alpiq.com/23/>.

At least two members of the Board of Directors jointly (including the Board of Directors' chairman and a member), or at least two procurators act and sign on the Company's behalf.

The following changes were made to the Public Register entry in the period from 1 January 2023 to 31 December 2023:

On March 14, 2023, based on the shareholder's decision Zdeněk Čihák was recalled from the position of Chairman of the Management Board of the company, Gergely Gonda was recalled from the position of Member of the Management Board effective as of 31.3.2023 and Martin Hulena and Oleksandr Zaretskyi were appointed as Members of the Management Board effective as of 1.4.2023.

These events were registered in the Public register on April 3, 2023.

On April, 4, 2023, Martina Hulena was deregistered as the procurator from the Public register.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

Significant events from 1 January 2023 to 31 December 2023:

In 2023, the Company extended its electricity trading license in Greece and its gas trading license in the Czech Republic.

In 2024, the company plans to renew its electricity trading license in the Czech Republic and other electricity trading licenses in Central and Southeastern Europe.

The Company has decided to wind down the activities of the Polish business unit and gradually close it down and transfer part of the trading activities to the Company's headquarters in the Czech Republic.

On 27 September 2017 the Company received a decision of the Romanian Tax Authority (ANAF) whereby it was assessed RON 792.7 million on VAT, income tax and accessories for the period from 2010 to 2014. The Company disagrees with the decision and has appealed the decision to the superior Tax Authority in 2017. The management of the Company is convinced that the decision of Romanian Tax Authority is unjustifiable and legally unsubstantiated. This opinion is supported also by analyses of external tax and legal experts. On 26 June 2018, the Company received the decision of ANAF appellate body with respect to its appeal. In the main proceedings, ANAF appellate body supported view of ANAF's audit team and dismissed the appeal with regard to a part of an amount of RON 589 million as being without merit. The decision of the tax authority of the assessment in the amount of RON 204 million was annulled by the appellate body of ANAF and it ordered a reaudit for that amount. In one matter concerning an immaterial amount, ANAF ruled in favor of the Company. In December 2018, the Company filed the respective merit claim with administrative court in Bucharest against the decision of ANAF appealing body, including full evidence and expert opinions. On 16 September 2019 the Court of Appeal in Bucharest granted the request of the Company and suspended enforcement of the tax assessment until the final decision of the courts in the merit case opened by the Company against ANAF. On 19 October 2021 the respective administrative court in Bucharest ruled in the merit case fully in favor of the Company cancelling both the decision of the appellate body of ANAF and the preceding original tax assessment. ANAF had subsequently appealed this decision to the court of second instance, i.e. Romania's Supreme Court. The Supreme Court has now confirmed the decision of the first instance in its decision of 27 March 2024. The decision is final. The company further initiated civil law claim against ANAF in the amount of approx. EUR 2.5m representing damages caused by the unlawful tax assessment. The first instance court granted petition of the Company in full. However, ANAF filed a timely appeal, and the decision is thus not final yet. The appeal proceedings continue in front of the respective court in Bucharest. In view of the development and status of this case as described above, the Company does not consider it necessary to make a provision.

As at 31 December 2023 the Company holds foreign branches in Hungary, Romania, Switzerland and Poland.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines as applicable for 2023.

The current and prior period information in the income statement and the cash flow statement contains balances for the period from 1 January 2023 to 31 December 2023 and from 1 January 2022 and 31 December 2022 respectively. The balance sheet includes the current and comparable period containing the balances as at 31 December 2023 and 31 December 2022 respectively.

All the information disclosed in the notes to the financial statements contains the balances as at 31 December 2023 and comparable period as at 31 December 2022.

Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in preparing the financial statements as at 31 December 2023 and the financial statements as at 31 December 2022 are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are recorded at their acquisition cost and related expenses.

Intangible fixed assets with a cost exceeding CZK 60 thousand are amortized over their useful economic lives.

Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Software	1 - 4

b) Tangible Fixed Assets

Tangible fixed assets with a cost exceeding CZK 10 thousand in the case of the acquisition of furniture and fixtures, computer and telecommunication technologies and CZK 40 thousand in other cases are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs. Vehicles are deemed tangible fixed assets regardless of their acquisition cost.

The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

ALPIQ ENERGY SE

Financial Statements for the year ended 31 December 2023

Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Leasehold improvement (constructions)	over the lease term
Machinery and equipment	4 – 7
Vehicles	4
Furniture and fixtures	6

c) Financial Assets

Long-term financial assets consist of ownership interests in the Alpiq group companies.

Interests are valued at their acquisition cost, which includes the purchase price and direct costs related to the acquisition.

Short-term financial assets consist of liquid valuables, cash in hand and at bank.

d) Cash

Within the Alpiq group with a parent company Alpiq Holding AG, a system for utilization of idle money of individual group companies, i.e. cash-pooling, has been introduced. Cash deposited in, or used from, this system as at the balance sheet date is reported in 'Short-term receivables – controlled or controlling entity' or 'Current liabilities – controlled or controlling entity', as appropriate, in the accompanying balance sheet and the change in the deposited cash is reported in 'Loans granted' or 'Change in long-term liabilities, and long-term and short-term loans' in the accompanying cash flow statement.

e) Inventory

"Color" Certificates

In order to meet its obligation to deliver certain volume of electricity from renewable sources to end customers in Poland the Company purchases the so-called "color" certificates. These certificates are traded at stock exchanges, classified as goods and re-measured at the balance sheet date taking into consideration all foreseeable risks and contingent losses related to the certificates and the liabilities that are known as at the financial statements preparation date. Also, all types of impairment are taken into account. A temporary diminution in the value of the certificates is reflected via an allowance. The allowance amount depends on the price of "color" certificates at the Polish Energy Exchange and is determined as the difference between the acquisition cost and the current market value of the certificates. Purchased certificates are stated at actual cost being determined using the first-in, first-out ('FIFO') method.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

Gas Storages

The purchased natural gas is valued by average spot price or purchased price and is being determined using the first-in, first-out ('FIFO') method. Costs of purchased gas include acquisition-related costs such as variable injection fees. The Company accounts for the temporary impairment of purchased natural gas through the recognition of a valuation allowance. The amount of the valuation allowance is determined by the price of gas on the energy exchange and is calculated as the difference between the purchase price and the current market price.

f) Receivables

Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income. Amounts resulting from the revaluation of financial and commodity derivatives at fair value are shown in other receivables.

g) Provisions

A provision is made when the Company has an unconditional obligation as a result of past events, it is probable that the Company will be required to settle the obligation and the amount can be measured reliably.

The value of the recognized provisions is determined based on the best estimate of the required settlement of the present obligation at the balance sheet date and after taking into account the risks and uncertainties associated with the obligation.

h) Derivatives

Derivatives are initially measured at cost. Derivatives are recorded in other short-term receivables or payables, as appropriate, in the accompanying balance sheet.

Derivatives are classified as derivatives held for trading or hedging derivatives. The latter are designated as either fair value hedges or cash flow hedges. To qualify for hedge accounting, the change in the fair value of a derivative or of its estimated cash flow must offset, in whole or in part, the change in the fair value or cash flow arising from the hedged item. In addition, there must be formal documentation of the hedging relationship at inception and the Company must prove that the hedging relationship is highly effective. In all other cases, derivatives are recognized as financial and held-for-trading.

For hedging derivatives for which the cash flow hedge method is used, valuation differences related to the hedged risk are recognized in the relevant liability line item. Gains or losses on the measurement of hedging derivatives are recognized in the income statement in the same periods in which the costs or income associated with the hedged instruments are recognized in the income statement. If, as a result of the hedged forecast transaction, a non-financial asset, non-financial liability or firm commitment for which the fair value is hedged is subsequently recognized, the related gain or loss may be recognized together with the non-financial asset or liability.

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The company applies hedge accounting if:

- reinsurance is in line with the company's risk management strategy,
- the hedging relationship is formally documented at the time of the hedging transaction,
- the hedging relationship is expected to be effective for its duration,
- the effectiveness of the hedging relationship is objectively measurable,
- the hedging relationship is effective during the reporting period, which means that changes in the fair values or cash flows of the hedging instruments corresponding to the hedged risk are between 80 per cent and 125 per cent of the changes in the fair values or cash flows of the hedged instruments corresponding to the hedged risk,
- in the case of a cash flow hedge, the expected transaction is highly probable and presents a risk that changes in cash flows will affect profit or loss.

Derivatives are revalued to fair value as at the balance sheet date. The Company recognizes fair values of derivatives to costs and revenues on netting principle. The net position of financial non-commodity derivatives is recognized either in "Other finance cost" or in "Other finance income", as appropriate in the income statement. Due to the Company's scope of business, changes in the fair value of commodity derivatives for purchase or sale of electricity, gas, coal, emission allowances and color certificates are reported net in income statement on position "Revenue from sale of goods" (see Note 15).

Changes in the fair value of derivatives designated as fair value hedges are also recognized in income, together with the change in the fair value of the hedged item attributable to the risk being hedged.

The Company shall discontinue accounting for a derivative as a hedging derivative if any of the following events occurs:

- the hedging derivative expires or is terminated early
- the hedge no longer qualifies for inclusion in hedging derivatives,
- the entity elects to no longer classify the derivative as a hedge.

When the above events occur, any adjustments arising from changes in the fair values of hedged instruments that are measured at cost are amortized to expense or income from that point forward until the maturity of the hedged item at the latest.

Changes in the fair values of derivatives that are classified as cash flow hedges are accounted for in equity and recognized in the balance sheet through revaluation differences on revaluation of assets and liabilities. The ineffective portion of the hedge is charged directly to expense or income.

If the hedging derivative expires or is terminated, or the hedge no longer qualifies for designation as a hedge, the gain or loss on the hedging instrument that was recognized in equity when the hedge was effective continues to be recognized in equity until the expected transaction is realized, at which time it is recognized in profit or loss.

If the company no longer expects that the expected future transaction will be realized, the gain or loss on the hedging instrument that was recognized in equity when the hedge was effective is derecognized in profit or loss.

If an entity decides to no longer designate a derivative as a hedge and assumes that the expected transaction will be realized, the gain or loss on the hedging instrument that was recognized in equity when the hedge was effective continues to be recognized in equity until the expected transaction is realized and is then recognized in profit or loss.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

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If an entity decides to no longer designate a derivative as a hedge and does not expect the expected transaction to occur, the gain or loss on the hedging instrument that was recognized in equity when the hedge was effective is derecognized in profit or loss.

Revenues from invoiced physical power, gas and coal supplies classified as commodity derivatives are part of revenues from the sale of goods. Costs billed with respect to these physically delivered derivatives are recognized as cost of the goods sold. Financially settled commodity derivatives are presented in aggregated net value and in case of profit they are part of the sale of goods and in case of loss they are part of cost of the goods sold.

The limited remainder of the trades fall into a category that meets the "own-use" exemption and are not classified as derivatives.

"Own-use" trades are all trades entered into with the intention of physically delivering the commodity to final consumers for their consumption, spot trades of up to two days' duration and long-term trades.

i) Equity

The basic capital of the Company is stated at the amount recorded in the Public Register maintained in the Municipal Court in Prague. Any increase or decrease in the basic capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the financial statements date is recorded through changes in basic capital.

j) Provisions and Liabilities

Long-term liabilities and current liabilities are carried at their nominal values. Amounts resulting from the revaluation of financial and commodity derivatives at fair value are shown in other payables.

k) Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at the exchange rate prevailing at the transaction date. On the balance sheet date monetary items are adjusted to the exchange rates as published by the Czech National Bank as at 31 December except for doubtful debts reduced by an allowance, for which only the net amount, i.e. the amount in excess of the allowance, is revalued.

Realized and unrealized exchange rate gains and losses were charged or credited, as appropriate, to income for the year on net basis.

l) Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

Revenue from the sale of electricity and gas is recognized when electricity and gas are supplied, and it comprises billed amounts and the change in balance of supplied yet unbilled electricity and gas.

The change in the balance of unbilled electricity and gas is determined as at the financial statements' date based on an estimate, which is made on assumptions and information about projected consumption received from Energy Market Operator or consumption calculated using internal estimates and measuring. An actual amount of billed electricity and gas in the future may differ from the estimate.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

Purchased and sold electricity and gas are reported as revenue from sale of goods and cost of goods sold, as appropriate, in the financial statements. Other costs related to electricity and gas trading (distribution services, purchased cross-border capacities, etc.) are reported as consumed services. Sold capacities are presented as revenue from sale of finished products and services.

Within its trading activity, the Company enters standard contracts with other traders for the purchase and the sale of electricity, gas, coal, cross-border transmission capacities, emission allowances and color certificates, both effected in the same quantity and at the same point in time. These contracts are classified as derivatives held for trading and are revalued with a corresponding entry in net profit or loss as at the balance sheet day (see Note 3g). The revaluation of unrealized contracts is main part of the Company's trading activity and, accordingly, is reported in a net amount as revenue from sale of goods in the financial statements.

m) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.). In addition, the following items are taken into consideration: tax base decreasing items (donations), tax deductible items (tax loss) and income tax reliefs.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization. The deferred tax asset is recognized only up to the amount of expected future utilization.

n) Electricity Exchange Trading

The Company has entered electricity futures, i.e. commodity contracts for future electricity supplies on European energy markets. The futures are acquired primarily to speculate on short-term prices. In case of variation margining the movements in futures prices, which are credited or debited, as appropriate, to the Company on a daily basis, are recognized directly in profit and loss. In case of gain the variation margin is part of the sale of goods and in case of loss it is part of cost of the goods sold. Gains and losses arising from futures with physical delivery are recognized upon the supply of electricity. When the position is closed, any related gains or losses are recognized directly in profit and loss and are presented in aggregated net value. In case of profit, they are part of the sale of goods and in case of loss they are part of cost of the goods sold (see point 3g).

o) Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.

4. FIXED ASSETS**a) Intangible Fixed Assets (in CZK thousands)****COST**

	At beginning of year	Additions	Disposals	Transfers	At end of year
Software	11,685	825	-	-	12,510
Intangible fixed assets in progress	-	-	-	-	-
2023 Total	11,685	825	-	-	12,510
2022 Total	13,689	285	-2,289	-	11,685

ACCUMULATED AMORTIZATION

	At beginning of year	Amortization during year	Disposals	At end of year	Net book value
Software	-11,196	-279	-	-11,475	1,035
2023 Total	-11,196	-279	-	-11,475	1,035
2022 Total	-13,153	-332	2,289	-11,196	489

b) Tangible Fixed Assets (in CZK thousands)**COST**

	At beginning of year	Additions	Disposals	At end of year
Constructions	2,045	-	-	2,045
Machinery and equipment	5,573	738	-	6,311
Vehicles	48	-	-48	-
Furniture and fixtures	860	-	-	860
2023 Total	8,526	738	-48	9,216
2022 Total	11,425	401	-3,300	8,526

ACCUMULATED DEPRECIATION

	At beginning of year	Depreciation during year	Net book value	Disposals	Impairment	At end of year	Net book value
Constructions	-1,865	-35	-	-	-	-1,900	145
Machinery and equipment	-4,937	-751	-	-	-	-5,688	623
Vehicles	-3	-8	-37	48	-	-	-
Furniture and fixtures	-860	-	-	-	-	-860	-
2023 Total	-7,665	-794	-37	48	-	-8,448	768
2022 Total	-9,370	-1,595	-	3,300	-	-7,665	861

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

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In 2023 the additions relate primarily to the replacement of hardware and software in Hungarian branch.

The total value of small tangible fixed assets which are not reflected in the accompanying balance sheet was CZK 2,974 thousand at acquisition cost as at 31 December 2023 and 31 December 2022.

c) Long-Term Financial Investments

Other long-term securities and shares in the total amount of CZK 6,206 thousand as at 31 December 2023, respectively CZK 8,071 at 31 December 2022 represent investments in related parties:

- 6.53% share in the share capital of Alpiq Turkey Enerji Toptan Satis Ltd worth TLR 517 thousand (CZK 5,082 thousand), which was acquired in 2011. In 2021, the company's equity capital was increased by CZK 1,018 thousand. The total value of the share is CZK 6,100 thousand.
- 1% share in Alpiq Energy Ukraine for a total value of CZK 106 thousand. Acquired as part of the merger with Alpiq Lithuania as of 1 January 2014 for a value of UAH 12 thousand (CZK 29 thousand). On 10 February 2020, based on the decision of the Extraordinary General Meeting, it was decided to increase the investment in the company by EUR 3 thousand (CZK 77 thousand). The total value of the share is CZK 106 thousand.

The majority owner of all companies is Alpiq AG.

Alpiq RomEnergie S.r.l. was liquidated in 2023. The share of 1.6 % in the company was written off in the amount of CZK 1,865 thousand.

5. INVENTORY

The Company's inventory consists of the physical natural gas in gas storage and color certificates.

As at 31 December 2023 and 31 December 2022 the total value of gas in all storages is CZK 2,513,958 thousand and CZK 2,208,921 thousand, respectively. As at 31 December 2023 the gas valuation is reduced to the fair market selling price through an impairment account in the amount of CZK 561,580 thousand. As at 31 December 2022 the gas valuation is reduced to the fair market selling price through an impairment account in the amount of CZK 935,939 thousand. This is reported in the adjustment column in the balance sheet.

To meet its obligation to deliver certain volume of electricity from renewable sources to end customers in Poland the Company purchases the so-called "color" certificates. These certificates are traded at stock exchanges and are classified as goods in the accompanying balance sheet. Certificates have been written down to their estimated net realizable value by an allowance account. As at 31 December 2023 and 31 December 2022 the gross value of certificates is CZK 23,666 thousand and CZK 24,631 thousand respectively.

6. RECEIVABLES

Allowances against outstanding receivables that are considered doubtful were charged to income (see Note 7). K As at 31 December 2023, the Company did not record any receivables due from third parties more than 30 days past due, except for receivables for which an allowance has been made. As at 31 December 2023, the Company recorded receivables from related companies overdue for more than 30 days in the amount of CZK 297 thousand. As at 31 December 2022, the company recorded receivables from third parties overdue for more than 30 days, excluding receivables for which an allowance was made, in the amount of CZK 4,213 thousand. As at 31 December 2022, the Company recorded receivables from related companies overdue for more than 30 days in the amount of CZK 100,132 thousand.

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As at 31 December 2023, long-term advance payments in the total gross amount of CZK 116,786 thousand comprise mainly advance deposits to cover potential liabilities arising from the Company's activities performed on the electricity market of CZK 66 100 thousand towards OTE, a.s., (electricity market operator), CZK 50,686 thousand towards OKTE, a.s. As at 31 December 2022, long-term advance payments in the total gross amount of CZK 115,536 thousand comprise mainly advance deposits to cover potential liabilities arising from the Company's activities performed on the electricity market of CZK 66,100 thousand towards OTE, a.s. (electricity market operator), CZK 32,555 thousand towards OKTE, a.s. and CZK 16,881 thousand towards SEPS, a.s.

The company is part of a cash-pooling system with the ultimate parent company Alpiq Holding AG; the system is administrated by Deutsche Bank AG. Cash provided by the Company under the cash-pooling arrangement bears interest at the average monthly ESTER rate (but at a minimum rate of 0%), cash used by the Company within the cash-pooling bears interest of at ESTER + 0.78%. As at 31 December 2023 the Company had a receivable from the parent company in the amount of CZK 1,319,439 thousand. In the balance sheet, the balance is shown in the current period in current receivables on the line Receivables-controlled or controlling entity. As at 31 December 2022, the Company had a receivable from the parent company in the amount of CZK 2,302,482 thousand. In the balance sheet, the balance is shown in the previous period in current receivables on the line Receivables from a controlled or controlling person.

As of December 31, 2023 and December 31, 2022, the Company has not recorded any loans from related or third parties.

The total gross value of short-term advance payments made was CZK 3,282,296 thousand and CZK 1,304,100 thousand as at 31 December 2023 and 31 December 2022, respectively. Balances as at 31 December 2023 and 31 December 2022 comprise, in particular, advances for cover spot power contracts, transmission and other, particularly power-related fees and advances to cover electricity and gas supplies.

As at 31 December 2023, the Company reports in short-term tax receivables from the government in gross amounts as follows: value added tax receivable of CZK 379 thousand, a receivable on account of corporate income tax in the amount of CZK 186,530 thousand and other taxes of CZK 6,812 thousand. As at 31 December 2022, the Company reports in short-term tax receivables from the government in gross amounts as follows: value added tax receivable of CZK 363 thousand, a receivable on account of corporate income tax in the amount of CZK 65,983 thousand and other taxes of CZK 166 thousand.

As at 31 December 2023 unbilled revenue represents, in particular, unbilled supplies of electricity and gas, and cross border transmission capacities in the amount of CZK 8,078,652 thousand, and unbilled revenue from operating strategy services in the amount of CZK 53,816 thousand. As at 31 December 2022 unbilled revenue represents, in particular, unbilled supplies of electricity and gas, and cross border transmission capacities in the amount of CZK 10,169,656 thousand, and unbilled revenue from operating strategy services in the amount of CZK 21,503 thousand.

As at 31 December 2023 and 31 December 2022, other receivables comprise, in particular, positive fair values of outstanding derivatives in the amount of CZK 1,645,371 thousand and CZK 4,613,820 thousand (see Note 11) and initial margin collateral on power exchanges of CZK 756,912 thousand and CZK 705,534 thousand. As at 31 December 2023 and 31 December 2022 other receivables also include receivables from related parties (see Note 16) and others.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

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7. ALLOWANCES

Allowances reflect a temporary diminution in value of assets (see Notes 5 and 6).

Changes in the allowance accounts (in CZK thousands):

Allowances against:	Balance as at 31/ 12/ 2021	Transfer	Decrease	Increase	Balance as at 31/ 12/ 2022	Transfer	Decrease	Increase	Balance as at 31/ 12/ 2023
Intangible fixed assets	4,952	-	-	-	4,952	-	-	-	4,952
Receivables – legal	109,920	64,674	-139	6,764	181,219	2,084,281	-16,896	-	2,248,604
Receivables and other receivables – tax non-deductible	4,199,428	-64,674	-643,578	1,188,683	4,679,859	-2,084,281	-229,150	3,347	2,369,775
Goods – tax non-deductible	-	-	-	935,939	935,939	-	-374,359	6,050	567,630
Total	4,314,300	-	-643,717	2,131,386	5,801,969	-	-620,405	9,397	5,190,961

Legal allowances are created in compliance with the Act on Provisions No 593/1992 Coll. and if the specified conditions are met, they are treated as a tax-deductible expense for the calculation of corporate income tax.

The decrease in the non-tax valuation allowance in 2023 mainly represents the write-off of trade receivables in the amount of CZK 48,252 thousand. This is due to the exhaustion of all available means to obtain them and considering the amount of other possible costs, the amount of which would very likely exceed the potential financial benefit, and also due to the settlement of part of the debt by the counterparty in the amount of CZK 163,724 thousand.

Increase in accounting (non-tax) allowances for receivables and advances in the amount of CZK 3,347 thousand. In 2023, the increase in the allowance for past due receivables mainly represented an increase in the allowance for doubtful accounts.

Due to the declining market prices as of 31 December 2023, the Company has also again created a temporary non-tax valuation allowance for gas stored in storage in the amount of CZK 561,580 thousand. The Company has adjusted the value of the stored gas to its expected fair sales value. It was therefore reduced by CZK 374,359 thousand compared to 2022.

As at 31 December 2023, an allowance against trade and other receivables totaled CZK 4,617,882 thousand and against tax receivables CZK 497 thousand.

As at 31 December 2022, an allowance against trade and other receivables totaled CZK 4,860,598 thousand and against tax receivables CZK 480 thousand.

8. STATEMENT OF CHANGES IN EQUITY

In the period from 1 January 2023 to 31 December 2023, the Company applied hedge accounting for the first time in accordance with the applicable accounting legislation, resulting in the reported revaluation differences.

The Company proposes to transfer the result for the year ended 31 December 2023 (income of CZK 2,005,026 thousand) to the accumulated losses.

The Company did not distribute any dividends in 2023.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

9. PROVISIONS

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31/ 12/ 2021	Additions	Deductions	Balance as at 31/ 12/ 2022	Additions	Deductions	Balance as at 31/ 12/ 2023
Onerous contracts	1,172,103	183,985	-1,131,968	224,120	-	-224,120	-
Fee to support renewable sources	22,332	36,584	-22,332	36,584	19,552	-36,584	19,552
Other	188,850	160,503	-3,702	345,651	86,252	-118,585	313,318
Total	1,383,285	381,072	-1,158,002	606,355	105,804	-379,289	332,870

In 2023, the Company has recognized a provision for onerous contracts in the amount of CZK 224,120 thousand. The provision was made in 2022 primarily for the portfolio of physical deliveries that were hedged by financial transactions. In 2023, the Company offset the loss on the hedged physical delivery portfolios with a provision for onerous contracts.

For the purposes of the provision amount determination, an open position of portfolio of electricity contracts was valued using the CZK/EUR foreign exchange rates as published by the Czech National Bank and the of electricity futures rates applicable as at 31 December 2023. The final CZK/EUR exchange rate and the price of electricity, at which the open positions of electricity portfolio will be closed, may significantly differ from the rates and prices used for the provision determination. Due to a possible fluctuation of foreign exchange rates and electricity prices copying the developments in global markets, the net profit or loss from contracts for electricity supplies covered by the provision may significantly differ from the net profit or loss anticipated as at 31 December 2023.

During the year, the Company also created a provision related to the reorganization of part of Company's activities in the amount of CZK 23,721 thousand and, at the same time, booked a provision for the winding-down of the Polish branch in the amount of CZK 18,642 thousand. The provision for costs related to the reorganization of the part of the company was increased by the amount of CZK 7,532 thousand. The other provision was increased by the impact of exchange rate differences and by the update of other provisions in the amount of CZK 1,409 thousand. There was also a decrease in the provision for costs related to potential legal disputes in the amount of CZK 5,420 thousand.

During the year, the Company recognized a provision for costs related to the payment of bonuses to traders in the amount of CZK 58,669 thousand and at the same time, released the provision for costs related to the payment of bonuses to traders created in 2022 in the amount of CZK 89,444 thousand.

The other provisions also include a provision for costs related to potential legal disputes, including possible claw back, in the amount of CZK 216,029 thousand. This provision has been made to cover possible future claw back claims that could arise as a result of a change in the terms of legal proceedings.

In addition, the Company recorded a provision for the fee to support renewable sources in Poland that the Company is obliged to pay from electricity volumes delivered to end customers. The obligation is met either by the payment of the fee determined by the government for the respective period or the purchase and following redemption of the rights to certificates confirming energy produced from renewable sources. The provision balance was CZK 19,552 thousand and CZK 36,584 thousand as at 31 December 2023 and 31 December 2022, respectively.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

10. CURRENT LIABILITIES

As at 31 December 2023, the Company had no significant short-term liabilities to third parties overdue for more than 30 days, and recorded short-term liabilities to related parties overdue for more than 30 days in the amount of CZK 3,718 thousand. As at 31 December 2022, the Company had no significant current liabilities to third parties or to related parties and recorded current liabilities overdue for more than 30 days in the amount of CZK 24,267 thousand.

The total value of short-term advances received was CZK 5,651,399 thousand and CZK 4,267,437 thousand as at 31 December 2023 and 31 December 2022, respectively. Balances comprise of covering electricity and gas supplies and it also contains the advance towards its parent company in the amount of CZK 2,667,828 thousand and CZK 2,602,009 thousand, respectively, related to gas transactions.

As at 31 December 2023 and 31 December 2022, the Company had liabilities of CZK 2,272 thousand and CZK 2,312 thousand, respectively, owing to social security and health insurance premiums payable next year in January.

As at 31 December 2023 unbilled deliveries represent, in particular, unbilled supplies of electricity and related services in the amount of CZK 7,518,792 thousand, unbilled deliveries from operating strategy services in the amount of CZK 854,305 thousand and others in the amount of CZK 20,891 thousand. As at 31 December 2022 unbilled deliveries represent, in particular, unbilled supplies of electricity and related services in the amount of CZK 10,804,328 thousand, unbilled deliveries from operating strategy services in the amount of CZK 1,439,127 thousand and others in the amount of CZK 14,932 thousand.

As at 31 December 2023 and 31 December 2022, miscellaneous liabilities comprise, in particular, negative fair values of outstanding derivatives in the amount of CZK 1,217,928 thousand and CZK 4,919,500 thousand (see Note 11). Miscellaneous liabilities as at 31 December 2022 contain also an obligation to the Greek and Hungarian energy market in the total amount of CZK 4,063 thousand. Miscellaneous liabilities as at 31 December 2022 contain also an obligation to the Greek and Hungarian energy market in the total amount of CZK 1,229 thousand.

Payables to related parties (see Note 16).

11. DERIVATIVES

In the course of its business, the Company concludes contracts for derivatives, which do not qualify as hedging instruments and are classified as held for trading. As at 31 December 2023 and 31 December 2022 the derivatives were revalued at fair value, with the positive and negative fair values of derivatives being included in other receivables and other payables, respectively.

The following table summarizes face values and positive or negative fair values of outstanding derivatives held for trading as at 31 December 2023 and 31 December 2022:

(in CZK thousands)	31/ 12/ 2023			31/ 12/ 2022		
	Contractual/ Face value	Fair value		Contractual/ Face value	Fair value	
		Positive	Negative		Face value	Positive
Commodity derivatives	4,628,897	1,486,694	494,651	11,577,049	4,610,831	4,916,027
Currency forwards	808,275	2,052	-	1,057,458	2,989	3,473
Total	5,437,172	1,488,746	494,651	12,634,507	4,613,820	4,919,500

Derivatives that do not qualify as hedges are included in derivatives held for trading.

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

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The following table summarizes the face values and positive and negative fair values of open hedging derivatives at December 31, 2023 and December 31, 2022:

(in CZK thousands)	31/ 12/ 2023			31/ 12/ 2022		
	Contractual/ Face value	Fair value		Contractual/ Face value	Fair Value	
		Positive	Negative		Positive	Negative
Futures	198,301	708,367	790,593	-	-	-
Total hedge derivatives	198,301	708,367	790,593	-	-	-

Hedging derivatives include derivatives that have been entered into to manage price risk and meet the criteria for hedge accounting.

12. INCOME TAXES

	2023 in CZK thousands	2022 in CZK thousands
Profit before taxes	2,188,487	-928,861
Difference between book and tax depreciation	-2,174	-1,368
Non-deductible expenses		
Creation / (release) of provisions and allowances	-2,961,692	639,440
Write-off, sale / assignment of receivables	48,252	391,764
Other (e.g. entertainment expenses, donations, estimated bonuses, fines and penalties)	13,733	30,592
Revenues related to prior tax period	-	91,556
Non-deductible expenses incurred in prior tax period and deductible in current period	-27,166	-92,830
Tax paid abroad for the previous tax year deductible in the current year	-71,618	-161,120
Taxable income	-812,178	-30,827
Tax loss carryforward utilized	-	-
Current income tax rate, %	19	19
Tax	-	-
Current tax abroad	105,237	68,523
Tax paid on dividends received in the Czech Republic	-	-
Tax paid and payable in the Czech Republic for the previous year	1,682	176,954
Current tax expense	106,919	245,477

The corporate income tax payable on ordinary activities for 2023 comprises mainly the tax payable in the Hungarian branch in the amount of CZK 89,788 thousand, in the Polish branch in the amount of CZK 15,448 thousand and in the Romanian branch in the amount of CZK 1 thousand. The tax payable includes income tax for 2021 for the whole company in the Czech Republic in the amount of CZK 1,682 thousand. The pro rata credit for tax paid abroad has not been taken into account in the amount of the reconciliation.

In 2023, the estimate of income tax payable in the Czech Republic has been reduced by income tax advances paid in the amount of CZK 186,493 thousand. The resulting receivable was recognized under

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State-tax receivables in the amount of CZK 186,493 thousand. The estimate of income tax payable in Hungary was reduced by income tax advances paid in the amount of CZK 51,046 thousand. The resulting liability was recognized under State-tax payables in the amount of CZK 38,400 thousand. The estimate of income tax payable in Poland was reduced by income tax advances paid in the amount of CZK 12,362 thousand. The resulting receivable was recognized under State-tax receivables in the amount of CZK 2,273 thousand and the estimate of income tax payable in Romania in the amount of CZK 37 thousand recognized under State-tax receivables. In 2022, the estimate of income tax payable in the Czech Republic, net of income tax advances paid, was recognized under State tax receivables in the amount of CZK 65,983 thousand. The estimate of income tax payable in Hungary, net of income tax advances paid, is shown under State-tax payable in the amount of CZK 7,058 thousand. The estimate of income tax payable in Poland, net of income tax advances paid, is shown under State-tax liability in the amount of CZK 3,582 thousand. The estimate of income tax payable in Romania, net of income tax advances paid, is shown under State-tax liability in the amount of CZK 641 thousand.

The Company can carry forward tax losses generated in prior years for up to five years. As of December 31, 2023, the Company records tax losses in the total amount incurred for the tax years 2022 and 2023 and can be utilized in the following five years, i.e., up to 2027 and 2028, respectively.

The Company quantified deferred taxes as follows (in CZK thousand):

Deferred tax items	31/ 12/ 2023		31/ 12/ 2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	51	-	167	-
Allowances	577,157	-	1,067,000	-
Provisions	69,903	-	115,207	-
Tax loss carryforward	174,768	-	5,857	-
Estimated items (untaken vacation and bonuses and other temporary differences)	4,484	-6,615	82,095	-80,289
Total	826,363	-6,615	1,270,326	-80,289
Net	819,748	-	1,190,037	-
Deferred tax in Equity	132,171	-	-	-
Deferred tax	951,919	-	-	-

As of 1 January 2024, the corporate income tax rate was increased from 19% to 21%. The Company has taken this change into account in the calculation of deferred tax as at 31 December 2023. The total change in deferred tax assets resulting from the tax change amounts to CZK 78,071 thousand.

As at 31 December 2023, the Company recognizes a deferred tax asset in respect of temporary differences in the Polish branch in the amount of CZK 2,665 thousand and a deferred tax asset in the Czech Republic for temporary differences in the amount of CZK 669,337 thousand. This is increased by deferred tax relating to the revaluation of hedging derivatives in equity in the amount of CZK 132,171 thousand.

As of 31 December 2023, and 31 December 2022, the Company has not recognized a deferred tax asset of CZK 147,476 thousand for prudence reasons, and CZK 441,493 thousand, respectively. The change in the deferred tax asset of CZK 76,542 thousand compared to the previous year reflects the change in the expected tax base for its application in future years. The deferred tax liability of CZK 6,615 thousand was incurred in Poland and was fully offset against the deferred tax asset.

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13. COMMITMENTS AND CONTINGENCIES

The following bank guarantees and guarantees of the parent company were issued to the benefit of the Company's business partners (in CZK thousands):

	31/ 12/ 2023	31/ 12/ 2022
Guarantees issued in the Alpiq Holding Group	3,733,683	2,735,702
Bank guarantees	1,336,328	1,481,754

14. REVENUES

The breakdown of revenues from ordinary activities is as follows (in CZK thousands):

	01/ 01/ 2023 – 31/ 12/ 2023		01/ 01/ 2022 – 31/ 12/ 2022	
	Domestic	Foreign	Domestic	Foreign
Sale of electricity and gas	5,530,439	13,544,341	4,044,275	23,790,647
Commodity derivatives physically delivered	3,533,365	42,053,941	7,638,654	121,994,954
Commodity derivatives financial (net)	-45,995	514,351	-305,940	7,680,993
Change in fair value of derivatives relating to electricity, gas, and CO2 certificates trading	815,471	481,768	251,806	4,389,429
Other	81	75,194	-	72,838
Total revenues	9,833,361	56,669,595	11,628,795	157,928,861

Revenues from power and gas supplies classified as commodity derivatives are part of revenues from the sale of electricity and gas. They amounted CZK 45,587,306 thousand in 2023. Costs billed with respect to these derivatives are recognized as cost of the goods sold. They amounted to CZK 46,984,660 thousand in 2023.

Summary of revenues and costs on commodity derivative trading (in CZK thousands):

	01/ 01/ 2023 – 31/ 12/ 2023		01/ 01/ 2022 – 31/ 12/ 2022	
	Domestic	Foreign	Domestic	Foreign
Revenues	3,533,365	42,053,941	7,638,654	121,994,954
Costs	-6,672,106	-40,312,554	-14,984,888	-123,159,262
Total margin	-3,138,741	1,741,387	-7,346,234	-1,164,308

15. PERSONNEL AND RELATED EXPENSES

The breakdown of personnel expenses is as follows (in CZK thousands):

	01/ 01/ 2023 – 31/ 12/ 2023	01/ 01/ 2022 – 31/ 12/ 2022
Average number of employees	48	56
Wages and salaries	185,933	69,509
Social security and health insurance	28,661	12,385
Social cost	3,561	3,277
Total personnel expenses	218,155	85,171

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Wages and salaries for 2023 and 2022 include also wages and salaries paid not only to employees in the Czech Republic but also in the Company's branches in Hungary and Poland.

16. RELATED PARTY INFORMATION

In 2023 and 2022 the members of statutory and supervisory bodies, directors and executive officers were granted no loans, guarantees, advances or other benefits and they do not hold any shares of the Company.

As of December 31, 2023, the Company has no pension obligations to former members of the Executive Board, the Supervisory Board, and the Board of Directors.

The Company sells electricity and gas and provides services to related parties in the ordinary course of business. For the period from 1 January 2023 to 31 December 2023 sales amounted to CZK 32,171,747 thousand, respectively for the period from 1 January 2022 to 31 December revenues to the group amounted to CZK 108,778,892 thousand.

Short-term receivables from related parties as at 31 December were as follows (in CZK thousands):

Related party	31/ 12/ 2023	31/ 12/ 2022
Alpiq AG	4,872,530	9,245,649
Alpiq Holding AG	2,052	2,989
Alpik Energija Skopje DOOEL	10,198	174,691
Alpiq RomIndustries S.R.L.	-	12
Alpiq Energia Bulgaria Ltd.*	-	276,659
Alpiq Energy Albania SH.P.K.	593	289
Alpiq Energija BH d.o.o.	50,821	341,612
Alpiq Csepel Kft.	25,238	-
Po Prostu Energia SA	-	2,240
Total	4,961,432	10,044,141

*Group Alpiq sold the shares as of 21/6/2023

Current receivables from related parties recognized as at 31 December 2023 and 31 December 2022 included trade receivables in respect of electricity and gas sold, accounts receivable representing unbilled electricity and gas deliveries and other receivables consisting of positive values of currency and commodity derivatives, receivables in respect of the provision of services and loans granted to sister companies in the Group.

As at 31 December 2023 the company had a receivable towards its parent company in the amount of CZK 1,319,439 thousand resulting from positive balance of the cash provided within the cash-pooling and is reflected in current year in current assets in the balance sheet caption Receivables – controlled or controlling entity. The interest income recorded in the current accounting period amounted to CZK 32,143 thousand. As at 31 December 2022 the company had a receivable towards its parent company in the amount of CZK 2,302,482 thousand resulting from positive balance of the cash provided within the cash-pooling and is reflected in current year in current assets in the balance sheet caption Receivables – controlled or controlling entity. The interest expense recorded in the current period relating to the cash-pooling was CZK 6,247 thousand.

The Company purchases electricity and gas, receives services from related parties in the ordinary course of business, pays fees for guarantees provided. In the period from 1 January 2023 to 31 December 2023, purchases from the Group amounted to CZK 30,707,204 thousand, for the previous period from 1 January 2022 to 31 December 2022, purchases from the Group amounted to CZK 111,168,217 thousand.

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Short-term payables to related parties as at 31 December were as follows (in CZK thousands):

Related party	31/ 12/ 2023	31/ 12/ 2022
Alpiq AG	7,076,153	10,621,586
Alpiq Holding AG	4,006	4,362
Alpiq Services CZ s.r.o.	27,021	40,248
Alpik Energija Skopje DOOEL	11,168	153,148
Alpiq Energia Bulgaria Ltd.*	-	3,307
Atel Energija BH d.o.o.	56,046	335,107
Alpiq Energy Albania SH.P.K.	2,907	1,430
Po Prostu Energia SA	-	3,519
Total	7,177,301	11,162,707

* Group Alpiq sold the shares as of 21/6/2023

In 2023, short-term payables to related parties included trade payables from sales of electricity, gas and emission allowances; unbilled deliveries representing unbilled supplies of electricity, gas and emission allowances, other liabilities comprising negative values of currency and commodity derivatives, liabilities from received support services (SLAs) and guarantee fees.

17. SIGNIFICANT ITEMS OF INCOME STATEMENT

The cost of services consists mainly of: (i) in the amount of CZK 768,811 thousand related to the costs under the "Operating agreement" with Alpiq AG, (ii) group services in the amount of CZK 203,870 thousand and (iii) transmission charges and other costs related to the transmission of electricity, which for 2023 amounted to CZK 1,632,917 thousand. The remaining costs consist of IT services costs of CZK 63,729 thousand and other services in the amount of CZK 37,983 thousand.

In the reporting period, taxes and fees totaled CZK 46,831 thousand of which the largest portion is attributable to concession and license fees in the amount of CZK 19,399 thousand, from taxes in the amount of CZK 17,562 thousand and other fees, mainly stock exchange access fees, amount to CZK 9,870 thousand.

In 2023, other operating expenses in the total amount of CZK 56,500 thousand consists mainly of the income from represent mainly costs related to the write-off of receivables from business partners in the amount of CZK 54,302 thousand, insurance costs in the amount of CZK 1,354 thousand, write-off of the irrecoverable VAT receivable in the amount of 402 thousand and others.

Other financial expense includes mainly exchange rate gains and losses, guarantee fees and gains and losses on financial non-commodity derivative transactions that are recognized net (see Note 3).

Statutory auditor's fee is disclosed in the Consolidated annual report of the group.

18. SUBSEQUENT EVENTS

The following significant event occurred after the balance sheet date:

In the tax dispute with the Romanian tax authority, the court of second instance also decided in favor of Alpiq Energy SE, Prague. Romania's Supreme Court upheld the judgment of the competent administrative court of first instance in the tax dispute on VAT and corporate income tax, which has been ongoing since 2017. The Supreme Court has now confirmed the decision of the first instance in its decision of 27 March 2024. The decision is final.

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19. STATEMENT OF CASH FLOWS

The cash flow statement was prepared under the indirect method.

Prepared on:	Signature of accounting unit's statutory body:	
1 April 2024	Jan Kožušník	Oleksandr Zaretskyi

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.



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*This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.*

Independent Auditor's Report

to the Shareholder of ALPIQ ENERGY SE

Opinion

We have audited the accompanying financial statements of ALPIQ ENERGY SE ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2023, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, comprising material accounting policies. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

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

Other Matter

The financial statements of the Company as at 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2023.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge



obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those 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 matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

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

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Statutory Auditor Responsible for the Engagement

Karel Charvát is the statutory auditor responsible for the audit of the financial statements of ALPIQ ENERGY SE as at 31 December 2023, based on which this independent auditor's report has been prepared.

Prague
1 April 2024

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Karel Charvát
Partner
Registration number 2032