

ANNUAL REPORT

2024





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1. Introduction of the Company's Management

In the year ended 31 December 2023, SPP Storage, s.r.o. (hereinafter the "Company") focused fully on the principal subject of its business, that is the operation of an underground natural gas storage facility located in Dolní Bojanovice, and on quality enhancement of the natural gas storage services.

In connection with the ongoing military conflict in Ukraine and the related sanctions against the Russian Federation, the Company has identified risks and taken appropriate measures to mitigate their impact on its business. Based on available information and the current situation, the Company continues to analyse developments and assess the direct effects of the conflict on its operations.

In the Company's view, even in the event of a complete halt in gas supply from the Russian Federation, alternative sources of the commodity are available. Furthermore, the Company believes that these alternative sources will sustain a continuous demand for gas storage facilities to ensure sufficient gas reserves for seasonal consumption during the winter months.

2. Underground Natural Gas Storage Facility in Dolní Bojanovice

In the year ended 31 December 2024, the Company secured duly the operations of the underground gas storage facility located in Dolní Bojanovice. In 2024, the operations of the natural gas storage facility were seamless.

The gas storage was secured in line with the Company's contractual liabilities and SPP Storage, s.r.o. complied with all submitted dispatching requests. The Company proceeded according to the plan established to maintain and modernise the facility, so that all legal and safety requirements can be met.

Throughout 2024, work was carried out to connect the gas storage facility to the Czech transmission system.

3. Income, Expenses and Profit

For the year ended 31 December 2024, the Company reported profit in the amount of CZK 546,258 thousand. Operating profit amounted to CZK 663,662 thousand and financial loss amounted to CZK 27,984 thousand.

The Company's net sales for the year ended 31 December 2024 amounted to CZK 939,580 thousand.

The Company settled its payables within the relevant maturity periods and its receivables were also collected duly and on time. The information on the Company's financial position is disclosed in the Notes to the Financial Statements for the Year Ended 31 December 2024.

4. Balance Sheet

As of 31 December 2024, the Company reported assets in the amount of CZK 5,018,921 thousand.

The predominant portion of assets included fixed assets in the amount of CZK 4,787,671 thousand, which represented 95%.

The Company's tangible fixed assets which principally include assets that are material for operations of the underground natural gas storage facility in Dolní Bojanovice were reported in the amount of CZK 3,613,740 thousand. Tangible fixed assets predominantly include buildings in the amount of CZK 1,743,140 thousand and a gas cushion that is reported in the balance sheet under other tangible fixed assets in the amount of CZK 1,106,423 thousand.

Intangible fixed assets were reported in the amount of CZK 1,173,931 thousand. The major item of intangible fixed assets includes goodwill in the amount of CZK 1,135,279 thousand.

Current assets were reported in the amount of CZK 225,859 thousand, of which CZK 90,398 thousand represented cash at bank.

The Company reported liabilities as of 31 December 2024 in the amount of CZK 5,018,921 thousand.



Major liabilities included long-term payables in the amount of CZK 688,689 thousand that comprised 14% of total liabilities. The entire value of long-term liabilities consists of deferred tax liability.

The Company reported equity in the amount of CZK 4,074,131 thousand, which comprises 73% of total liabilities. Major equity items included the Company's share capital in the amount of CZK 1,181,500 thousand and capital funds in the amount of CZK 1,671,700 thousand.

5. Events Arising Subsequent to the Balance Sheet Date that Are Critical in Meeting the Purpose of the Annual Report

No events occurred subsequent to the balance sheet date that would be material in terms of the underlying annual report.

6. Anticipated Development of the Reporting Entity's Business

The Company will continue its activity comprising the operation of the underground natural gas storage facility located in Dolní Bojanovice.

7. Research and Development Activities

Research and Development:

In the year ended 31 December 2024, the Company performed no research and development activities.

8. Acquisition of Own Equity Investments

In 2024, the Company acquired no own equity investments.

9. Environmental Protection and Labour Relations

Environmental Protection:

As part of its activities, the Company has continuously paid attention to the principles of environmental protection. In the year ended 31 December 2024, no damage or harm was caused to the environment during the performance of the Company's business activities. Compliance with regulations can be demonstrated through protocols from inspections carried out by state authorities.

Labour Relations:

As of 31 December 2024, the Company had twenty-nine (29) employees.

10. Branches or Other Parts of the Business Abroad

The Company has no branches or other parts of the business abroad.

11. Financial Statements

The Financial Statements form Appendix 1 to the Annual Report.

12. Auditor's Report

The Auditor's Report forms Appendix 2 to the Annual Report.

13. Related Party Transactions Report

The Related Party Transactions Report forms Appendix 3 to the Annual Report.

Since 2014, SPP Infrastructure, a.s., registered office at: Plátennícka 19013/2, Bratislava 821 09, Slovakia, Corporate ID: 47228709, has been the Company's sole owner.



Storage

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Appendix 1

Financial Statements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Name of the Company: SPP Storage, s.r.o.
Registered Office: Dolní Bojanovice 891, 696 17 Dolní Bojanovice
Legal Status: Limited Liability Company
Corporate ID: 248 22 191

Components of the Financial Statements:

Balance Sheet



Profit and Loss Account

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

These financial statements were prepared on 21 March 2025.

Statutory body of the reporting entity:	Signature
Martin Bartošovič Statutory executive	
Robert Bundil Statutory executive	

BALANCE SHEET
full version

SPP Storage, s.r.o.
Corporate ID 248 22 191

As of
31.12.2024
(in CZK thousand)

Dolní Bojanovice 891
696 17

		31.12.2024			31.12.2023
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	8 971 192	3 952 271	5 018 921	5 064 965
B.	Fixed assets	8 739 569	3 951 898	4 787 671	4 807 331
<i>B.I.</i>	<i>Intangible fixed assets</i>	<i>3 066 206</i>	<i>1 892 275</i>	<i>1 173 931</i>	<i>1 178 805</i>
B.I.2.	Valuable rights	41 864	40 665	1 199	1 600
B.I.2.1.	Software	1 917	1 160	757	1 135
B.I.2.2.	Other valuable rights	39 947	39 505	442	465
B.I.3.	Goodwill	2 986 889	1 851 610	1 135 279	1 135 279
B.I.4.	Other intangible fixed assets	36 984		36 984	41 381
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	469		469	545
B.I.5.2.	Intangible fixed assets under construction	469		469	545
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>5 673 363</i>	<i>2 059 623</i>	<i>3 613 740</i>	<i>3 628 526</i>
B.II.1.	Land and structures	2 366 040	603 897	1 762 143	1 788 870
B.II.1.1.	Land	19 003		19 003	17 702
B.II.1.2.	Structures	2 347 037	603 897	1 743 140	1 771 168
B.II.2.	Tangible movable assets and sets of tangible movable assets	1 869 840	1 325 102	544 738	590 175
B.II.3.	Valuation difference on acquired assets	113 931	113 931		
B.II.4.	Other tangible fixed assets	1 123 116	16 693	1 106 423	1 107 551
B.II.4.3.	Other tangible fixed assets	1 123 116	16 693	1 106 423	1 107 551
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	200 436		200 436	141 930
B.II.5.2.	Tangible fixed assets under construction	200 436		200 436	141 930
C.	Current assets	226 232	373	225 859	253 926
<i>C.I.</i>	<i>Inventories</i>	<i>51 221</i>	<i>373</i>	<i>50 848</i>	<i>68 097</i>
C.I.1.	Material	51 221	373	50 848	68 097
<i>C.II.</i>	<i>Receivables</i>	<i>84 613</i>		<i>84 613</i>	<i>76 678</i>
C.II.2.	Short-term receivables	84 613		84 613	76 678
C.II.2.1.	Trade receivables	353		353	4
C.II.2.2.	Receivables - controlled or controlling entity				26
C.II.2.4.	Receivables - other	84 260		84 260	76 648
C.II.2.4.3.	State - tax receivables	3 762		3 762	2 054
C.II.2.4.4.	Short-term prepayments made	123		123	95
C.II.2.4.5.	Estimated receivables	80 375		80 375	74 499
C.IV.	Cash	90 398		90 398	109 151
C.IV.1.	Cash on hand	17		17	24
C.IV.2.	Cash at bank	90 381		90 381	109 127
D.	Other assets	5 391		5 391	3 708
D.1.	Deferred expenses	5 391		5 391	3 708

		31.12.2024	31.12.2023
	TOTAL LIABILITIES & EQUITY		
A.	Equity	5 018 921	5 064 965
A.I.	Share capital	4 074 131	3 699 922
A.I.1.	Share capital	1 181 500	1 181 500
A.II.	Share premium and capital funds	1 181 500	1 181 500
A.II.2.	Capital funds	1 671 700	1 381 721
A.II.2.1.	Other capital funds	1 671 700	1 381 721
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	1 671 700	1 353 133
A.III.	Funds from profit	296 557	28 588
A.III.1.	Other reserve funds	296 557	296 557
A.IV.	Retained earnings (+/-)	378 116	378 116
A.IV.1.	Accumulated profits or losses brought forward (+/-)	378 116	378 116
A.V.	Profit or loss for the current period (+/-)	546 258	462 028
B.+C.	Liabilities	943 731	1 362 520
B.	Reserves	105 343	95 711
B.III.	Reserves under special legislation	11 395	10 919
B.IV.	Other reserves	93 948	84 792
C.	Payables	838 388	1 266 809
C.I.	Long-term payables	688 689	695 776
C.I.8.	Deferred tax liability	688 689	695 776
C.II.	Short-term payables	149 699	571 033
C.II.4.	Trade payables	19 364	11 074
C.II.6.	Payables - controlled or controlling entity	88 148	531 931
C.II.8.	Other payables	42 187	28 028
C.II.8.3.	Payables to employees	1 958	1 719
C.II.8.4.	Social security and health insurance payables	1 054	898
C.II.8.5.	State - tax payables and subsidies	34 361	23 438
C.II.8.6.	Estimated payables	4 805	1 965
C.II.8.7.	Sundry payables	9	8
D.	Other liabilities	1 059	2 523
D.1.	Accrued expenses	903	2 367
D.2.	Deferred income	156	156

PROFIT AND LOSS ACCOUNT

structured by the nature of expense method

SPP Storage, s.r.o.
Corporate ID 248 22 191Year ended
31.12.2024
(in CZK thousand)Dolní Bojanovice 891
696 17

		Year ended 31.12.2024	Year ended 31.12.2023
I.	Sales of products and services	939 580	853 107
A.	Purchased consumables and services	122 510	86 017
A.2.	Consumed material and energy	31 751	37 016
A.3.	Services	90 759	49 001
D.	Staff costs	37 387	32 093
D.1.	Payroll costs	27 044	23 241
D.2.	Social security and health insurance costs and other charges	10 343	8 852
D.2.1.	Social security and health insurance costs	9 068	7 689
D.2.2.	Other charges	1 275	1 163
E.	Adjustments to values in operating activities	95 418	98 043
E.1.	Adjustments to values of intangible and tangible fixed assets	95 526	98 215
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	95 526	98 215
E.2.	Adjustments to values of inventories	-108	-172
III.	Other operating income	2 281	935
III.1.	Sales of fixed assets	220	510
III.3.	Sundry operating income	2 061	425
F.	Other operating expenses	22 884	22 813
F.1.	Net book value of sold fixed assets	307	462
F.3.	Taxes and charges	1 409	926
F.4.	Reserves relating to operating activities and complex deferred expenses	9 632	14 102
F.5.	Sundry operating expenses	11 536	7 323
*	Operating profit or loss (+/-)	663 662	615 076
VI.	Interest income and similar income	1 737	
VI.1.	Interest income and similar income - controlled or controlling entity	1 737	
J.	Interest expenses and similar expenses	7 828	15 651
J.1.	Interest expenses and similar expenses - controlled or controlling entity	7 828	15 651
VII.	Other financial income	52 199	67 430
K.	Other financial expenses	18 124	15 501
*	Financial profit or loss (+/-)	27 984	36 278
**	Profit or loss before tax (+/-)	691 646	651 354
L.	Income tax	145 388	189 326
L.1.	Due income tax	144 877	126 484
L.2.	Deferred income tax (+/-)	511	62 842
**	Profit or loss net of tax (+/-)	546 258	462 028
***	Profit or loss for the current period (+/-)	546 258	462 028
*	Net turnover for the current period	939 580	

STATEMENT OF CHANGES IN EQUITY

SPP Storage, s.r.o.
Corporate ID 248 22 191

Year ended
31.12.2024
(in CZK thousand)

Dolní Bojanovice 891
696 17

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 December 2022	1 181 500	1 109 917	296 557	378 116	477 668	3 443 758
Distribution of profit or loss				477 668	-477 668	
Profit shares paid				-477 668		-477 668
Payments from capital funds		271 804				271 804
Profit or loss for the current period					462 028	462 028
Balance at 31 December 2023	1 181 500	1 381 721	296 557	378 116	462 028	3 699 922
Distribution of profit or loss				462 028	-462 028	
Profit shares paid				-462 028		-462 028
Payments from capital funds		289 979				289 979
Profit or loss for the current period					546 258	546 258
Balance at 31 December 2024	1 181 500	1 671 700	296 557	378 116	546 258	4 074 131

CASH FLOW STATEMENT

SPP Storage, s.r.o.
Corporate ID 248 22 191

Year ended
31.12.2024
(in CZK thousand)

Dolní Bojanovice 891
696 17

		Year ended 31.12.2024	Year ended 31.12.2023
P.	Opening balance of cash and cash equivalents	101 892	47 425
Z.	Profit or loss before tax	691 646	651 354
A.1.	Adjustments for non-cash transactions	76 783	40 085
A.1.1.	Depreciation of fixed assets	95 526	98 215
A.1.2.	Change in provisions and reserves	9 524	13 930
A.1.3.	Profit/(loss) on the sale of fixed assets	87	-48
A.1.5.	Interest expense and interest income	6 091	15 651
A.1.6.	Adjustments for other non-cash transactions	-34 445	-87 663
A.*	Net operating cash flow before changes in working capital	768 429	691 439
A.2.	Change in working capital	-126 880	35 604
A.2.1.	Change in operating receivables and other assets	-143 995	69 488
A.2.2.	Change in operating payables and other liabilities	834	-1 169
A.2.3.	Change in inventories	17 357	-32 609
A.2.5.	Change in current financial assets	-1 076	-106
A.**	Net cash flow from operations before tax	641 549	727 043
A.3.	Interest paid	-1 871	-2 393
A.4.	Interest received	1 737	
A.5.	Income tax paid from ordinary operations	-134 193	-112 292
A.***	Net operating cash flows	507 222	612 358
	<i>Cash flows from investing activities</i>		
B.1.	Fixed assets expenditures	-65 242	-124 683
B.2.	Proceeds from fixed assets sold	220	510
B.3.	Loans and borrowings to related parties	134 377	-77 835
B.***	Net investment cash flows	69 355	-202 008
	<i>Cash flow from financial activities</i>		
C.1.	Change in payables from financing	-134 378	121 985
C.2.	Impact of changes in equity	-462 028	-477 668
C.2.6.	Profit shares/ dividends paid	-462 028	-477 668
C.***	Net financial cash flows	-596 406	-355 683
F.	Net increase or decrease in cash and cash equivalents	-19 829	54 667
R.	Closing balance of cash and cash equivalents	82 063	101 892

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

1. Company Description and Principal Business Activities

Incorporation and Description of the Business

SPP Storage, s.r.o. (hereinafter the "Company") was formed on 18 March 2011.

The Company's principal business activities include the storage of natural gas.

Based on the prepared project, part of the business of SPP Bohemia a.s. was spun off into SPPB, s.r.o., corporate ID: 24822191. As a result of the spin-off, part of the assets and the related liabilities were transferred to the new company as of the effective date, ie 1 April 2011. The spun-off assets predominantly included tangible fixed assets related to the Dolní Bojanovice underground gas storage facility; and the liabilities predominantly included a loan from the parent company. The spin-off of the entity was duly recorded in the Register of Companies in October 2011.

On 11 October 2011, the Company changed its name from SPPB, s.r.o. to SPP Storage, s.r.o.

Based on the Contract for the Transfer of Shares of 12 February 2015, the Company acquired a 100% equity investment in SPP Bohemia a.s., in liquidation.

SPP Bohemia a.s. was removed from the Register of Companies on 29 June 2016.

Company Owner

The Company's sole owner as of 31 December 2024 was as follows:

SPP Infrastructure, a.s.	100.00 %
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Registered Office of the Company

SPP Storage, s.r.o.
No. 891
696 17 Dolní Bojanovice
Czech Republic

Corporate ID

248 22 191

Organisational Structure

The Company is part of the SPP consolidation group. The SPP Group prepares consolidated financial statements under International Financial Reporting Standards as adopted by the EU (IFRS). The consolidated financial statements prepared under IFRS will be available in the registered office of the parent company once they have been prepared.

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

Statutory Body as of 31 December 2024:

Statutory Executives:

Robert Bundil, Martinická 990/9, Kbely, 197 00 Praha 9, Czech Republic

Position origination date: 1 July 2023

Martin Bartošovič, Jána Hajdóczyho 811/8, 917 01 Trnava, Slovak Republic

Position origination date: 14 December 2016

Acting on behalf of the Company is ensured by two statutory executives acting jointly.

Supervisory Board:

Chairman of the Supervisory Board:

Peter Hajduček, 04001 Košice, Pod vlekom 11, Slovak Republic

Vice Chairman of the Supervisory Board:

Boris Balog, 82109 Bratislava, Jarabinková 10, Slovak Republic

Member of the Supervisory Board:

Maroš Jakubek, 84104 Bratislava - Karlova Ves, Rudolfa Mocka 1/C, Slovak Republic

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

2. Significant Accounting Policies Applied by the Company

The Company's financial statements have been prepared as of the balance sheet date, ie as of 31 December 2024, as ordinary year-end financial statements. The comparative figures as of 31 December 2023 were reported in accordance with the requirements of Czech Accounting Standards.

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll., which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

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

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

(a) Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets are stated at acquisition cost, which includes the purchase price and expenses associated with the acquisition.

Tangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 80 thousand on an individual basis.

Intangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 100 thousand on an individual basis.

Low-value tangible fixed assets include low-value assets with an acquisition cost between CZK 40 thousand and CZK 80 thousand each, and a useful life greater than one year. Low-value intangible fixed assets include low-value assets with an acquisition cost between CZK 70 thousand and CZK 100 thousand each, and a useful life greater than one year. Low-value tangible and intangible assets are recorded on standalone sub-ledger accounts and are depreciated over two years.

Current tangible assets include assets with an acquisition cost greater than CZK 40 thousand. Current tangible assets are reported directly through expenses in the year of acquisition through account No. "501 – Consumed Material" on a standalone sub-ledger account and are reported in the operating accounting records.

Current intangible assets include assets with an acquisition cost greater than CZK 70 thousand and an estimated useful life greater than one year. Current intangible assets are reported directly through expenses in the year of acquisition through account No. "518 – Services" on a standalone sub-ledger account and were reported in the operating accounting records.

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

Fixed assets are depreciated in accordance with the depreciation plan using an annual depreciation rate based on the expected useful lives of the assets. Depreciation is commenced in the month subsequent to the month when fixed assets are brought into use. Assets are depreciated up to the value of their acquisition cost, except for Goodwill, which was amortised to residual value.

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

Asset Type	Depreciation / Amortisation Method	Depreciation Period
Software	Straight-line	3 years
Goodwill	Straight-line	5 – 10 years
Low-value intangible fixed assets	Straight-line	2 years
Buildings and structures	Straight-line	20 – 60 years
Machinery, tools and equipment	Straight-line	6 – 55 years
Vehicles	Straight-line	4 – 5 years
Furniture and fixtures	Straight-line	3 – 8 years
Low-value tangible fixed assets	Straight-line	2 years
Other tangible fixed assets (except for the gas cushion, refer to the information presented below the table)	Straight-line	4 – 30 years
Valuation difference on acquired assets	Straight-line	15 years

Start-up costs, land and emission allowances are not amortised.

Gas Cushion

The gas cushion includes gas that is necessary to operate the underground natural gas storage facility. The complete consumption of the gas would deteriorate the operability of the underground storage facility. The gas cushion is reported as part of other tangible fixed assets and for accounting purposes it is depreciated on a straight-line basis over 11,994 months (999.5 years). The Company made a decision to also report depreciation of the gas cushion for tax purposes starting 2013. The gas cushion was classified into depreciation group 5 and will be depreciated over 30 years.

Investment of the Gas Pipeline

The asset acquired through an investment made by Slovenský plynárenský priemysel, a.s. that was brought into use as of 30 September 2011 (gas pipeline) is depreciated over 660 months (55 years). The acquisition cost is based on expert appraisal No. 435/2011 – Valuation of a Non-cash Investment – prepared by TPA Horwath Valuation Services, s.r.o. The invested gas pipeline is reported under buildings and structures.

(b) Inventory

Purchased inventory is stated at cost determined using the average cost method. The cost of inventory includes the purchase price of the inventory and the costs related to the acquisition thereof (freight costs, customs, duties, in-transit storage, packaging fees, commissions, etc).

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

(c) Recognition of Provisions and Reserves

The Company recognises provisions and reserves in expenses. If there are no longer reasons for the recognition, the release of provisions and reserves is credited to expenses.

Fixed Assets

The provision against fixed assets is recognised by reference to the usability of fixed assets.

Inventory

Provisions against inventory are made for slow-moving and obsolete inventory based on the analysis of inventory movements.

Provisions against inventory are created and released through the profit and loss account line item "Adjustments to values of inventories".

Reserves

Income Tax Reserve

The Company recognises an income tax reserve as the moment of preparation of the financial statements precedes the moment of determining the tax liability. The reserve is released in the following reporting period and a tax liability is recognised.

In the balance sheet, the income tax reserve is reduced by the receivable from prepayments made for the income tax. If the income tax prepayments exceed the tax liability estimated as of the balance sheet date, the difference is recognised in the balance sheet as a tax receivable. If the prepayments made for income tax are lower than the tax liability, the difference is reported in the balance sheet as a tax payable. In such cases, no income tax reserves are reported.

Reserve for Remediation and Reclamation, Mining Damage, and Decommissioning

The Company establishes reserves for restoring areas affected by mining activities and the operation of the underground gas storage facility to their original condition. These reserves can be categorised into three main groups:

1. Reserves under Act No. 44/1988 Coll., as amended:
 - a) Reserve for the remediation and reclamation of land affected by mining activities;
 - b) Reserve for mining damage.
2. Reserve for decommissioning (internally also referred to as the "environmental reserve").

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

Ad. 1. a) Reserve for the Remediation and Reclamation of Land Affected by Mining Activities

In its mining operations, the Company utilises wells and technologies predominantly located on land classified as arable land or land designated for forest functions. Such land is temporarily withdrawn from the Agricultural Land Fund (ZPF) or the Forest Land Fund (PuPFuL) for the purpose of mining activities and the operation of the underground gas storage facility. The Company prepares remediation and reclamation plans to restore the land to its original use.

The obligation to remediate and reclaim land under Act No. 334/1992 Coll. and Act No. 289/1995 Coll. is further linked to the Company's duty to create a remediation and reclamation reserve under Sections 31(5) and (6) and 37a of Act No. 44/1988 Coll., as amended.

Based on this legal requirement, the Company maintains a dedicated escrow account.

Ad. 1. b) Reserve for Mining Damage

Section 36 of Act No. 44/1988 Coll., as amended, defines mining damage. Under Section 34 in conjunction with Section 36 of the Mining Act, a company conducting mining activities is required to establish a reserve for mining damage.

Based on this legal requirement, the Company maintains a dedicated escrow account.

Ad.2. Reserve for Decommissioning (Internally Also Referred to as the "Environmental Reserve")

The Company establishes a reserve for the decommissioning of wells, dismantling of technological units, including linear structures, and restoring the affected land to a condition suitable for its original use. This reserve is gradually accumulated over the remaining expected operational life of the storage facility.

In 2021, the Company updated its estimated costs for well decommissioning. The key reasons for this update were as follows:

- Changes in the costs of materials, labour, and services, which constitute a significant portion of decommissioning expenses.
- Standardised accounting policy across the group, ensuring consistency in the information disclosed in the consolidated financial statements. In 2021, other companies within the group also reassessed their estimated decommissioning costs.
- Experience gained from completed decommissioning projects within the group.
- Insights and expertise from specialists regarding European standards applied in decommissioning, taking into account legal requirements for well decommissioning in the Czech Republic.

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Other Reserves

The Company recognises a reserve for greenhouse emission allowances, annual bonuses, outstanding vacation days, and outstanding bonuses for the Company's management. The reserve for greenhouse emission allowances is made due to the fact that the emission allowances obtained do not cover the actual volume of emissions released. The reserve for annual bonuses and outstanding bonuses paid to the management is made based on an expert appraisal according to the amount of employee salaries and the internal company rules for bonus recognition. The reserve for outstanding vacation days is determined pursuant to the calculation of the actual number of outstanding vacation days and the hourly rates of individual employees.

d) Derivatives

In 2012 the Company started to maintain hedge accounting.

Cash Flow Hedging

(hedging method against foreign currency risks related to cash flows)

The Company is exposed to foreign currency risks arising from the change in the amounts of revenues for gas storage in foreign currencies (EUR) due to changes in the foreign exchange rate between CZK and EUR. The foreign currency risk related to EUR is inherently eliminated through a received long-term loan denominated in EUR in respect of which the collected revenues in EUR are subsequently used to make the loan repayments in EUR.

Czech accounting regulations (Section 60 of Regulation 500/2002 Coll.) enable, under certain circumstances, accounting for unrealised foreign exchange gains and losses from assets and liabilities denominated in foreign currencies, through which the reporting entity may hedge against foreign currency risks, using the relevant equity account (solely through reporting on the face of the balance sheet), not reporting via expense and revenue accounts.

As of 20 December 2013, the Company repaid its loan on a one-off basis. As a result, one of the conditions for applying the hedging method ceased to apply, even though the second condition (i.e. collection of sales denominated in EUR) continues to be in effect. Therefore, the valuation differences are reflected in the Company's profit or loss only in an aliquot amount that corresponds to the originally-agreed loan repayment schedule.

On 19 December 2014, the Company drew funding under a new loan of EUR 125 million. As the loan meets the relevant conditions for recognition as a cash flow hedge, the Company re-applied the hedging method.

e) Foreign Currency Translation

Foreign currencies are translated using a fixed monthly rate, which is determined as of the first business day of each month based on the Czech National Bank's daily exchange rate. In the event that the foreign exchange rate is not promulgated by the Czech National Bank as of the first day of the month (eg Saturday, Sunday, bank holiday), for the relevant month, the Company applies the last known foreign exchange rate promulgated or issued by the Czech National Bank. During the year, realised foreign exchange rate gains and losses are recognised.

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Due to the parent company's requirements for the monthly reporting of the business results, assets and liabilities denominated in foreign currencies are translated pursuant to the official exchange rate promulgated by the Czech National Bank as of the last business day of the relevant month and as of the balance sheet date. Unrealised foreign exchange rate gains and losses are recognised in the profit and loss account, except for unrealised foreign exchange rate gains and losses arising from hedging accounting as disclosed in Note 2 (d) above.

Realised and unrealised foreign exchange rate gains and losses are reported on standalone sub-ledger accounts.

f) Prepayments Received and Made in Foreign Currency

Where prepayments received or made represent an integral part of the selling value or acquisition cost of a product, good, service, asset or inventory and delivery of the subject of the contractual arrangement is expected (i.e. it is assumed that the prepayments will not be settled by the return of cash but will be offset against the amount of the final invoice), they do not represent assets and liabilities denominated in a foreign currency and are not translated at the Czech National Bank's exchange rate at the financial statements date. For the purpose of maintaining a true and fair view of the financial position in accordance with Section 7 of Act 563/1991 Coll., on Accounting, as amended, the Company deviates from the requirements of the Czech Accounting Standards in this manner, as these prepayments do not expose the Company to any exchange rate risk and the recognition of any exchange rate difference arising from these prepayments would result in a distortion of economic reality.

The above prepayments are recognised in the balance sheet as part of fixed assets, inventories or deferred expenses, depending on the nature of the acquired consideration. The above prepayments received are recognised as part of deferred income in the balance sheet.

g) Income Taxation

Income tax for the reporting period comprises income tax payable and the movements in deferred tax. The income tax payable comprises the tax calculated from the tax base using the tax rate applicable in the reporting period and all additional assessments and refunds.

Deferred tax is based on temporary differences between the carrying and tax values of assets and liabilities, and other temporary differences (tax loss), multiplied by the income tax rates expected to be applicable for the periods in which the tax asset/liability is expected to be utilised.

A deferred tax asset is recognised only if it is probable that it will be recovered in subsequent reporting periods. When calculating deferred tax, the income tax rate applicable in the period when the tax liability or asset will be realised is used. If this tax rate is unknown, the rate valid for the next reporting period is applied. The top-up tax is not taken into account in the deferred tax calculation.

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The corporation is part of a multinational group of enterprises and became subject to the top-up tax in 2024. The calculation of the top-up tax is based on the effective tax rate for all entities within the relevant jurisdiction. The effective tax rate is determined as the ratio of total current and deferred taxes to the total qualifying profits. This effective tax rate is then compared to the minimum required effective tax rate of 15%. If the effective tax rate is below 15%, a top-up tax is calculated. The calculated top-up tax is then allocated among entities whose effective tax rate is below the minimum 15%, based on their profit share, ensuring that the overall effective tax rate reaches at least 15%.

Payables, Loans, and Financial Borrowings

The portion of long-term payables, bank loans and financial borrowings maturing within one year from the balance sheet date is included in short-term loans.

h) Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance. Cash and cash equivalents can be analysed as follows:

	(in CZK '000)	
	31 December 2024	31 December 2023
Cash on hand and cash in transit	17	24
Cash at bank	90 381	109 127
Total cash and cash equivalents	90 398	109 151
Of which: cash on an escrow account – cash at bank (in line with applicable legal regulations – reserves for reclamation and restoration of land)	-8 335	-7 259
Total available cash and cash equivalents	82 263	101 892

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

i) Use of Estimates

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

j) Net Turnover for the Reporting Period

In the current reporting period, due to changes in accounting legislation, the method for calculating the net turnover indicator for the accounting period has been modified. The net turnover figure presented in the financial statements for the previous accounting period is not comparable with the figure for the current reporting period. Therefore, in accordance with Section 4(7) of Decree No. 500/2002 Coll., as amended, the figure for the previous reporting period is not disclosed.

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The net turnover for the reporting period, as reported in the profit or loss statement (used for the categorisation of reporting entities and groups of reporting entities), was determined differently for 2024 and 2023 due to changes in accounting legislation:

- For 2023, net turnover was determined as the total of all revenues reported in the relevant lines of the profit or loss statement.
- For 2024, net turnover was determined as the sum of revenues from the sales of products and services. This includes only selected revenues that form the basis of the entity's business model, considering the industry and market in which the entity operates and the nature of its activities for customers.

If the net turnover indicator for the year 2023 had been determined using the methodology applied for the year 2024, its value would have been CZK 853,107 thousand.

3. Comparability of Reporting Periods

The comparative figures as of 31 December 2023 have been reported in line with the requirements arising from Czech Accounting Standards.

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4. Fixed Assets

(a) Intangible Fixed Assets

Cost

	(in CZK '000)			
	Opening balance	Additions	Disposals	Closing balance
Software	1 917	0	0	1 917
Valuable rights	39 947	0	0	39 947
Goodwill	2 986 889	0	0	2 986 889
Other IFA	41 381	1 489	-5 886	36 984
IFA under construction	545	288	-364	469
Total in 2024	3 070 679	1 777	-6 250	3 066 206
Total in 2023	3 053 979	36 365	-19 665	3 070 679

Provisions, Accumulated Amortisation and Net Book Value

	(in CZK '000)					
	Opening balance	Additions	Disposals	Closing balance	Provisions	Net book value
Software	782	378	0	1 160	0	757
Valuable rights	39 482	23	0	39 505	0	442
Goodwill	1 851 610	0	0	1 851 610	0	1 135 279
Other IFA	0	0	0	0	0	36 984
Intangible FA under construction	0	0	0	0	0	469
Total in 2024	1 891 874	401	0	1 892 275	0	1 173 931
Total in 2023	1 891 852	22	0	1 891 874	0	1 178 805

The predominant portion of goodwill represents a difference between the value of acquired assets and liabilities related to the operation of the underground gas storage facility located in Dolní Bojanovice that was determined based on an expert appraisal prepared for the purposes of a spin-off of a business part by TPA Horwath Valuation Services s.r.o and the carrying value of certain counterparts of assets and liabilities.

Based on an analysis of future cash flows, the Company estimated the anticipated residual value of goodwill as of 31 December 2021. Accordingly, starting from 1 January 2016 the Company set the amortisation method for goodwill on a straight-line basis, with the amortisation period lasting up to the point at which goodwill reaches its anticipated residual value. Starting from 1 January 2022, the Company tests the residual value of goodwill for impairment, if any.

In addition, the Company reports two other items of goodwill that originated prior to the Company's incorporation as a result of a spin-off.

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(b) Tangible Fixed Assets

Cost

	(in CZK '000)				
	Opening balance	Additions	Disposals	Transfers	Closing balance
Land	17 702	1 608	-307	0	19 003
Buildings	2 326 626	20 411	0	0	2 347 037
Tangible movable assets and groups thereof	1 870 121	119	-400	0	1 869 840
Valuation difference on acquired assets	113 931	0	0	0	113 931
Other TFA	1 123 116	0	0	0	1 123 116
Advance payments for TFA	0	101	-101	0	0
TFA under construction	141 930	120 558	-62 052	0	200 436
Total in 2024	5 593 426	142 797	-62 860	0	5 673 363
Total in 2023	5 483 471	129 866	-19 911	0	5 593 426

Provisions, Accumulated Depreciation and Net Book Value

	(in CZK '000)						
	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Land	0	0	0	0	0	0	19 003
Buildings	555 458	48 439	0	0	603 897	0	1 743 140
Tangible movable assets and groups thereof	1 279 946	45 556	-400	0	1 325 102	0	544 738
Valuation difference on acquired assets	113 931	0	0	0	113 931	0	0
Other TFA	15 565	1 128	0	0	16 693	0	1 106 423
TFA under construction	0	0	0	0	0	0	200 436
Provisions	0	0	0	0	0	0	0
Total in 2024	1 964 900	95 123	-400	0	2 059 623	0	3 613 740
Total in 2023	1 866 817	98 193	-110	0	1 964 900	0	3 628 526

The major additions to assets in 2024 included the technical improvements on the gas pipeline by installing safety shut-off valves of CZK 10,021 thousand. Furthermore, there was a technical improvement on the gas probes by installing subsurface safety shut-off valves, amounting to CZK 7,481 thousand.

The major additions to assets in 2023 included the technical improvement on gas probes by installing safety shut-off valves of CZK 3,336 thousand. Additionally, a water supply connection was constructed at the storage facility of CZK 1,442 thousand.

(c) Non-Current Financial Assets

As of 31 December 2024, the Company held no equity investments.

(d) Asset Impairment Testing

The value of the Company's assets is tested based on assumptions arising from a five-year plan and the going-concern assumption. The discount rate was determined as the weighted cost of capital at 9.6% and the growth matching the inflation rate since 2026 of 2%.

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The principal driver of the Company's value is a long-term contract concluded for almost the entire storage capacity. The Company's management prepared a plan for the Company's assets and the asset value testing under the assumption that the contract would be rolled over under the current terms and conditions. Despite the fluctuation of market prices, the Company does not currently have any information indicating the assumption would not be inappropriate. Cash flows used in the impairment test were thus modelled until the year 2074 which is the estimated useful life of fixed assets. The Company's management analysed the asset value test for sensitivity in terms of changes in the contract price. The analysis results showed that even if the annual contractual amount decreased by 10% subsequent to the roll-over, no provision against the assets would have to be made.

5. Leases

In the year ended 31 December 2024, the Company held offices in Hodonín and Dolní Bojanovice. The Company also utilised the rental of mobile containers at the operational site. Lease expenses for the year ended 31 December 2024 amounted to CZK 848 thousand (as of 31 December 2023: CZK 194 thousand).

6. Inventory

Based on the performed inventory count as of 31 December 2024, the Company reported inventory of natural gas in the amount of CZK 40,404 thousand, spare parts in the amount of CZK 9,995 thousand and operation refills in the amount of CZK 822 thousand.

The Company made a provision against the inventory of spare parts. Specifically, a provision of CZK 373 thousand was created for parts that were individually assessed and classified as obsolete and useless due to damage.

Based on the performed inventory count as of 31 December 2023, the Company reported inventory of natural gas in the amount of CZK 58,127 thousand, spare parts in the amount of CZK 9,643 thousand and operation refills in the amount of CZK 808 thousand.

7. Receivables and Payables

(a) Short-Term Trade Receivables

As of 31 December 2024, the Company reported short-term trade receivables in the amount of CZK 353 thousand (as of 31 December 2023: CZK 4 thousand).

As of 31 December 2023, and 2024, the receivables arising from the storage of natural gas were reported under estimated receivables.

(b) Short-Term Trade Payables

As of 31 December 2024, the Company reported short-term trade payables in the amount of CZK 19,364 thousand (as of 31 December 2023: CZK 11,074 thousand). None of the payables were past their due dates.

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(c) Estimated Receivables

As of 31 December 2024, the Company reported estimated receivables in the amount of CZK 80,375 thousand (as of 31 December 2023: CZK 74,525 thousand). The estimated receivable is composed of receivables from the storage of natural gas for December 2024 in the amount of CZK 78,434 thousand (as of 31 December 2023, it was composed of receivables from the storage of natural gas for December 2023 in the amount of CZK 74,431 thousand).

(d) Estimated Payables

As of 31 December 2024, the Company reported estimated payables in the amount of CZK 4,805 thousand (as of 31 December 2023: CZK 1,965 thousand).

8. Share Capital

The Company's share capital as of 31 December 2024 amounted to CZK 1,181,500 thousand.

The Company expects to distribute the profit for the current period.

9. Statement of Changes in Equity

(a) Movements in Equity

	Share capital	Other capital funds	Valuation gains or losses	Statutory reserve fund	Accumulated profits/losses brought forward	Profit for the period	Total
	(in CZK '000)						
Balance at 31 December 2023	1 181 500	1 353 133	28 588	296 557	378 116	462 028	3 699 922
Gains or losses on the revaluation of assets and liabilities	0	0	0	0	0	0	0
Distribution of profit/loss	0	0	0	0	462 028	-462 028	0
Dividends paid	0	0	0	0	-462 028	0	-462 028
Changes in capital funds (*)	0	318 567	-28 588	0	0	0	289 979
Profit for 2024	0	0	0	0	0	546 258	546 258
Balance at 31 December 2024	1 181 500	1 671 700	0	296 557	378 116	546 258	4 074 131

*Voluntary additional equity contribution of the Company's owner in 2024, which was settled through an offset transaction.

(b) Movements in the Account "Gains or losses on the revaluation of assets and liabilities":

	(in CZK '000)
Balance at 31 December 2023	28 588
Hedge accounting - unrealised foreign exchange gains and losses on the revaluation of a loan	-36 187
Change in deferred tax related to hedge accounting	7 599
Balance at 31 December 2024	0

10. Reserves

	Reserves under special legislation	Other reserves	Total
	(in CZK '000)		
Balance at 31 December 2023	10 919	84 792	95 711
Balance at 31 December 2024	11 395	93 948	105 343

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As of 31 December 2024, the Company reported a reserve for remediation and reclamation and a reserve for mining damage in the amount of CZK 11,395 thousand (as of 31 December 2023: CZK 10,919 thousand), a reserve for the liquidation of environmental burdens related to the extraction and storage of hydrocarbon in the facility of CZK 86,647 thousand (as of 31 December 2023: CZK 75,917 thousand), a reserve for greenhouse emission allowances of CZK 2,383 thousand (as of 31 December 2023: CZK 4,600 thousand) and other reserves in the amount of CZK 4,918 thousand (as of 31 December 2023: CZK 4,275 thousand).

11. Short-Term and Long-Term Loans

On 19 December 2014, the Company drew funding under a loan from its parent company, SPP Infrastructure, in the amount of EUR 125 million. The received loan matures within 10 years and will be repaid bi-annually under equal mid-year instalments. No collateral was provided under the loan. The interest rate attached to the loan amounts to 2.665% p.a.

The loan was repaid as of 31 December 2024 (the loan amount as of 31 December 2023 was CZK 309,406 thousand).

Both loan instalments, including interest, were settled non-cash in 2024 through offsetting. The loan repayment according to the payment schedule took place in December 2024.

12. Other Significant Balance Sheet and Profit and Loss Account Items

(a) Breakdown of Expenses on Services Incurred by the Company

	(in CZK '000)	
	2024	2023
Repair and maintenance expenses	57 682	21 682
Legal advisory	512	83
Services related to the operation of the underground gas storage facility	34 815	24 509
Tax and accounting advisory	1 024	712
Leases, telecommunication, training	3 649	2 826
Other services	3 383	2 697
Total	90 759	49 001

(b) Adjustments to Values of Intangible and Tangible Fixed Assets – Permanent

As of 31 December 2024, permanent adjustments to values of intangible and tangible fixed assets included depreciation of tangible fixed assets and amortisation of intangible fixed assets in the amount of CZK 95,526 thousand (as of 31 December 2023: CZK 98,215 thousand).

(c) Adjustments to Values of Inventories

As of 31 December 2024, adjustments to values of inventories included the decrease of a provision against inventories in the amount of CZK 108 thousand.

(d) Interest Expenses and Similar Expenses – Controlled or Controlling Entity

Interest expenses included interest on the long-term loan and the interest from the cash pooling account.

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13. Sales

The Company's income is broken down as follows:

	(in CZK '000)	
	2024	2023
Income from operating activities	941 861	854 042
Financial income	53 936	67 430
Total	995 797	921 472

In the years ended 31 December 2024 and 2023, all of the Company's income was generated domestically.

In the year ended 31 December 2024, income from operating activities principally included sales of gas storage in the amount of CZK 939,260 thousand (as of 31 December 2023: CZK 852,981 thousand) and supplies of gasoline (a liquid mixture of higher hydrocarbons) in the amount of CZK 286 thousand (as of 31 December 2023: CZK 69 thousand) and the sale of land valued at CZK 220 thousand (as of 31 December 2023: CZK 509 thousand).

In the year ended 31 December 2024, financial income primarily included realised foreign exchange gains in the amount of CZK 42,264 thousand (as of 31 December 2023: CZK 54,966 thousand) and unrealised foreign exchange gains in the amount of CZK 9,703 thousand (as of 31 December 2023: CZK 12,382 thousand).

14. Related Parties

(a) Receivables

Receivables from Controlled or Controlling Entities

As of 31 December 2024, the Company reported a receivable from the controlled or controlling entity arising from benefits on the cash pooling account in the amount of CZK 121 thousand (as of 31 December 2023: CZK 26 thousand), and a receivable from interest on the cash pooling account in the amount of CZK 1,730 thousand (as of 31 December 2023: CZK 0 thousand).

Receivables from Related Parties

As of 31 December 2024, the Company reported a receivable from related parties in the amount of CZK 78,434 thousand (as of 31 December 2023: CZK 74,431 thousand). As of 31 December 2024 and 2023, the receivable was reported under estimated receivables.

(b) Bonuses and Loans Provided to Members of Statutory and Supervisory Bodies

For the year ended 31 December 2024, the members of statutory and supervisory bodies received bonuses in the amount of CZK 1,488 thousand (for the year ended 31 December 2023: CZK 1,488 thousand).

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In the year ended 31 December 2024, the members of statutory and supervisory bodies received no loans and were provided with no guarantees, advance payments, proceeds arising from contracted pension insurance schemes and other benefits.

(c) Other

In the years ended 31 December 2024 and 2023, the Company entered into no controlling and profit distribution agreements.

(d) Income

As of 31 December 2024, the Company reported operating income generated with related parties in the amount of CZK 939,278 thousand (as of 31 December 2023: CZK 853,005 thousand), of which the major portion included sales of gas storage in the amount of CZK 939,260 thousand (as of 31 December 2023: CZK 852,981 thousand).

(e) Expenses

As of 31 December 2024, the Company reported operating expenses incurred on related party transactions in the amount of CZK 26,078 thousand (as of 31 December 2023: CZK 31,536 thousand). Of this amount, the major portion included CZK 25,986 thousand that was incurred on the operation of the underground gas storage facility in Dolní Bojanovice (as of 31 December 2023: CZK 31,629 thousand).

In 2024, the Company did not purchase gas for technological consumption from related parties (2023: CZK 51,655 thousand).

As of 31 December 2024, the Company reported financial expenses incurred on related party transactions in the amount of CZK 11,496 thousand (as of 31 December 2023: CZK 19,612 thousand). Of this amount, the major portion included interest on a loan received from the parent company in the amount of CZK 5,957 thousand (as of 31 December 2023: CZK 13,596 thousand).

(f) Payables

Payables to the Controlled or Controlling Entity

As of 31 December 2024, the Company reported payables to controlled or controlling entities in the amount of CZK 88,148 thousand (as of 31 December 2023: CZK 531,931 thousand), which represents a payable arising from a cash pool in the amount of CZK 88,148 thousand.

The loan liability, which was presented as short-term in 2023 (as of 31 December 2023: CZK 309,406 thousand), was repaid in 2024.

Cash pooling funds in the amount of CZK 88,148 thousand are due within 1 year.

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Intercompany Payables

As of 31 December 2024, the Company recognised intercompany payables in the amount of CZK 4,905 thousand.

As of 31 December 2023, the Company recognised intercompany payables in the amount of CZK 2,607 thousand.

15. Employees and Managers

The average number of employees and managers and the staff costs for the years ended 31 December 2024 and 2023 were as follows:

	Number of employees		Staff costs	
	2024	2023	2024	2023
Employees	28.08	25.75	32 018	26 715
Managers (*)	6	6	5 369	5 378
Total	34.08	31.75	37 387	32 093

(*) the figures also include the members of the Company's statutory bodies

16. State – Tax Receivables, Payables and Grants

Tax payables as of 31 December 2024 amounted to CZK 34,361 thousand (as of 31 December 2023: CZK 23,438 thousand), of which CZK 270 thousand (as of 31 December 2023: CZK 233 thousand) was a payable arising from income tax from dependent activities levied on the employees' salaries; the amount of CZK 8,881 thousand (as of 31 December 2023: CZK 8,678 thousand) represented a grant – emission allowances; and the amount of CZK 25,210 thousand represented a payable arising from corporate income tax.

Tax receivables as of 31 December 2024 amounted to CZK 3,762 thousand (as of 31 December 2023: CZK 2,054 thousand), of which CZK 3,758 thousand (as of 31 December 2023: CZK 2,028 thousand) was a receivable arising from VAT and the amount of CZK 4 thousand (as of 31 December 2023: CZK 26 thousand) was a receivable arising from advance payments made for extracted minerals.

17. Income Taxation

(a) Tax Payable

The corporate income tax comprising a payable in the amount of CZK 25,210 thousand includes estimated tax for the year ended 31 December 2024 in the amount of CZK 144,900 thousand decreased by income tax prepayments made in the amount of CZK 119,690 thousand.

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(b) Deferred Tax

The existing aggregate deferred tax asset/(liability) is analysed as follows:

	(in CZK '000)	
Deferred tax arising from	Balance at 31 Dec 2024	Balance at 31 Dec 2023
Fixed assets	708 497	- 706 084
Reserve for reclamation, restoration and elimination of environmental burdens	18 196	15 942
Other reserves	1 612	1 965
Hedging – valuation of payables	0	-7 599
Total asset/(liability)	-688 689	-695 776

In line with the accounting policies disclosed in Note 2 (f) above, the new tax rate of 21% was applied, effective from 1 January 2024.

The Company reported the deferred tax liability in full, i.e. in the amount of CZK 688,689 thousand.

The decrease in the deferred tax liability arising from the gains or losses on the revaluation of assets and liabilities under hedge accounting of CZK 7,599 thousand was reported as a decrease in gains or losses on the revaluation of assets and liabilities. Other movements were reported in the profit and loss account for the current period.

(c) Top-up Tax

In accordance with the law on top-up taxes for large multinational groups and large domestic groups, the corporation has become a taxpayer of the top-up tax. The corporation has assessed that the impact of the top-up tax on its tax expenses will be nil. Since the conditions for the so-called safe harbour may not be met, a preliminary calculation of the effective tax rate was performed according to the rules of Pillar Two, based on preliminary data for 2024, adjusted for significant modifications arising from the Pillar Two rules. Based on this preliminary calculation, the corporation should not incur a top-up tax liability. The above analysis represents an estimate based on the currently applicable comprehensive regulations, which are still subject to changes in various jurisdictions. Additionally, not all required data for a complete calculation under the rules of Pillar Two is available.

18. Contingent Liabilities and Off Balance Sheet Commitments

As of 31 December 2024, the Company had no payables not reported on the face of the balance sheet.

SPP Storage, s.r.o.

Notes to the Financial Statements (unconsolidated)

Prepared for the Year Ended 31 December 2024 (in CZK thousand)

19. Impact of the Military Conflict in Ukraine

In connection with the ongoing military conflict in Ukraine and the related sanctions directed against the Russian Federation, the Company has identified risks and taken appropriate measures to mitigate the impact of these risks on its business activities. Based on available information and current developments, the Company continuously monitors the situation and assesses its direct impact. Management has assessed the potential effects of this situation on its operations and business and concluded that it currently does not have a significant impact on the financial statements for the year ended 31 December 2024, nor on the assumption of the Company's ability to continue as a going concern in 2025. However, it is not possible to rule out further negative developments in the situation in the event of significant escalation of the conflict. This could subsequently have an impact on the Company, its business, financial situation, results, cash flows, and overall prospects.

We expect sustained demand for the use of our gas storage facility to ensure adequate gas supplies for seasonal consumption during the winter months. We have reviewed the current financial situation of SPP Storage s.r.o. as a reporting entity, in the event of an adverse development of the situation, and have concluded that sufficient financial resources are available to ensure future financial stability, including, among other things, credit guarantees.

20. Significant Events Arising between the Balance Sheet Date and the Preparation Date of the Financial Statements

No events occurred subsequent to the balance sheet date that may have a negative impact on the Company's assets and liabilities or that would deteriorate the Company's ability to continue as a going concern.

21. Fees Paid to the Auditor

The total expenses of the fees paid to the auditor for the current period are disclosed in the Group's consolidated financial statements.



Storage

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Appendix 2

Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Partner of SPP Storage, s.r.o.

Having its registered office at: No. 891, 696 17 Dolní Bojanovice

Opinion

We have audited the accompanying financial statements of SPP Storage, s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2024, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of SPP Storage, s.r.o. as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

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

Other Information in the Annual Report

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

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

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

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

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

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

The Statutory Executives are responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executives determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

In Prague on 21 March 2025

Audit firm:

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

Deloitte

Represented by:

Iva Fraisoová
registration no. 2528

Fraisoová



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Appendix 3

Related Party Transactions Report

RELATED PARTY TRANSACTIONS REPORT

of

SPP Storage, s.r.o.

for the Year Ended 31 December 2024

Report of the Statutory Executives of SPP Storage, s.r.o.

on Relations between the Controlling and the Controlled Entity and between the Controlled Entity and Other Entities Controlled by the Same Controlling Entity

pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the "Act on Business Corporations")

FOR THE YEAR ENDED 31 DECEMBER 2024

I. Related Parties (Relation Structure):

Controlled Entity:

SPP Storage, s.r.o. (hereinafter also the "Company")

Registered office: Dolní Bojanovice 891, 696 17

Corporate ID: 248 22 191

Recorded in the Register of Companies maintained by the Regional Court in Brno, File Ref. C 107605

Controlling Entity:

SPP Infrastructure, a.s.

Registered office: Plátennícka 19013/2

Bratislava 821 09, 825 11 Slovak Republic

Corporate ID: 47 228 709

Recorded in the Register of Companies maintained by the Municipal Court in Bratislava III, File Sa, Insert 5791/B

Equity investment held in the Controlled Entity: 100%

Other Entities Controlled by the Same Controlling Entity (hereinafter "other related entities"):

The Controlled Entity's ownership structure disclosing also the related parties of the Controlled Entity forms Appendix 1 thereto.

II. Role of the Controlled Entity in the Group

The Company's business focus includes its principal activity, that is, gas storage in an underground gas storage facility, which is in the Company's ownership. The Company is directly controlled by the Controlling Entity.

III. Method and Means of Control:

The Controlling Entity controls the Company directly by way of its 100% equity investment as the Company's sole owner. The control is exercised based on the Controlling Entity's resolutions and by members of the Company's bodies appointed by the Controlling Entity.

IV. Overview of Actions Adopted in the Reporting Period at the Initiative or in the Interest of the Controlling Entity or the Entities Controlled by the Controlling Entity in Respect of Assets Exceeding 10% of the Controlled Entity's Equity as per its Latest Financial Statements

On 13 June 2024, the sole shareholder of SPP Storage, s.r.o., acting in the capacity of the general meeting, decided on the distribution of profit for the year 2023 as dividends.

On 14 June 2024, SPP Storage, s.r.o. entered into an agreement with its sole shareholder, SPP Infrastructure a.s., regarding an additional equity contribution.

On 14 June 2024, SPP Storage, s.r.o. entered into an agreement with its sole shareholder, SPP Infrastructure a.s., on the offsetting of mutual claims.

In the year ended 31 December 2024, no other actions were adopted at the initiative or in the interest of the Controlling Entity or the entities controlled by the Controlling Entity in respect of assets exceeding 10% of the Company's equity as per its latest financial statements.

V. Overview of Contracts and Agreements between the Controlled and the Controlling Entity and between the Controlled Entity and Other Related Entities, including the Assessment of Contingent Detriment Incurred by the Controlled Entity and the Compensation thereof:

The Company entered into the following contracts and agreements with the Controlling Entity and other related entities. The list of the contracts and agreements is broken down by individual contractual counterparties of the Company. In accordance with Section 82(2)(e) of the Business Corporations Act, as amended, an overview of mutual agreements between the controlled entity and the controlling entity, or between controlled entities, is provided. The values of performances for individual agreements concluded with affiliated companies are not stated, as this information is considered a trade secret pursuant to Section 82(6) of the Business Corporations Act.

Karotáž a cementace, s.r.o.

1. Agreement on the Efficient Use of Resources and Liquidity Optimisation of 25 February 2014, as amended.
2. Framework Agreement for the Performance of a Set of Logging Works and Other Related Activities of 11 December 2024.

SPP Infrastructure, a.s.

1. Agreement on the Efficient Utilisation of Resources and Liquidity Optimisation of 25 February 2014, as amended;
2. Contract for the Allocation of Benefits and Sharing of Expenses under the Policy for Efficient Utilisation of Liquidity Resources of 19 December 2013, as amended;
3. Loan Agreement of 19 December 2014;
4. Agreement on an Additional Equity Contribution of 14 June 2024; and
5. Agreement on the Offsetting of Claims of 14 June 2024.

Slovenský plynárenský priemysel a.s.

1. Licence Agreement – Use of Intellectual Property Rights of 26 May 2014.

SPP – distribúcia, a.s.

1. Contract for Natural Gas Storage in an Underground Natural Gas Storage Facility of 21 May 1999, as amended;
2. Framework Agreement on Cooperation between Utility Network Operators of 10 January 2012;
3. Agreement on the Efficient Utilisation of Resources and Liquidity Optimisation of 25 February 2014, as amended; and
4. Contract for the Allocation of Benefits and Sharing of Expenses under the Policy for Efficient Utilisation of Liquidity Resources of 19 December 2013, as amended.

NAFTA a.s.

1. Framework Contract for Work – Geological Modelling, of 29 July 2011;
2. Framework Agreement on Cooperation between Utility Network Operators of 10 January 2012;
3. Confidentiality and Information Secrecy Agreement of 18 November 2014;
4. Contract for the Allocation of Benefits and Sharing of Expenses under the Policy for Efficient Utilisation of Liquidity Resources of 19 December 2013, as amended;
5. Agreement on the Efficient Utilisation of Resources and Liquidity Optimisation of 25 February 2014, as amended;
6. Contract for Natural Gas Storage with a Storage Capacity of One Year and Interruptible Capacity of 30 July 2019;
7. Framework Service Agreement of 31 August 2020 (effective from 1 September 2020), as amended by Addendum No. 1 of 25 February 2021;
8. Agreement on the Processing and Protection of Personal Data, effective from 1 September 2020;
9. Agreement on the Delivery of Electronic Invoices of 1 July 2020;

10. Gas Storage Agreement for Annual Storage Capacity with Interruptible Performance of 30 June 2021; and
11. Contract for Work on the Execution of Underground Well Repairs of 7 May 2024.

EP Energy Trading, a.s.

1. Shared Services Agreement for Electricity Supplies of 29 December 2023.

Eustream, a.s.

1. Technical Agreement on Terms and Conditions for the Delivery and Acceptance of Natural Gas between the Gas Storage Facility and the Gas Transport System of 15 May 2013;
2. Interconnection Agreement of 15 May 2013;
3. Contract for the Allocation of Benefits and Sharing of Expenses under the Policy for Efficient Utilisation of Liquidity Resources of 19 December 2013, as amended;
4. Agreement on the Efficient Utilisation of Resources and Liquidity Optimisation of 25 February 2014, as amended;
5. Contract No. 363/2014 (to secure the performance of an authorised activity comprising the operation of an extra high pressure gas pipeline DN 700, PN 80 state border between SK and CZ – Dolní Bojanovice underground gas storage facility) of 12 February 2015;
6. Framework Contract for Work (diagnostics, review and boroscope inspection of machinery) of 17 September 2020.

NAFTA Services, s.r.o.

1. Lease Agreement for Non-Residential Premises of 31 August 2020 (effective from 1 September 2020).

POZAGAS a.s.

1. Agreement on the Efficient Utilisation of Resources and Liquidity Optimisation of 5 February 2014, as amended; and
2. Contract for the Allocation of Benefits and Sharing of Expenses under the Policy for Efficient Utilisation of Liquidity Resources of 19 December 2013, as amended.

NAFTA Speicher GmbH & Co. KG

1. Agreement on the Efficient Utilisation of Resources and Liquidity Optimisation of 25 February 2014, as amended; and
2. Contract for the Allocation of Benefits and Sharing of Expenses under the Policy for Efficient Utilisation of Liquidity Resources of 19 December 2013, as amended.

EP Infrastructure, a.s.

1. Agreement on the Processing of Personal Data of 2 January 2019; and
2. Contract for the Provision of Technical Assistance of 9 June 2022.

NAFTA Production s. r. o.

1. Agreement on the Efficient Use of Resources and Liquidity Optimisation of 25 February 2014, as amended;
2. Agreement on the Allocation of Benefits and Cost Sharing from the Efficient Use of Liquidity Resources of 19 December 2013, as amended.

NAFTA E&P Holding Company a.s.

1. Agreement on the Efficient Use of Resources and Liquidity Optimisation of 25 February 2014, as amended.
2. Agreement on the Allocation of Benefits and Cost Sharing from the Efficient Use of Liquidity Resources of 19 December 2013, as amended.

VI. Assessment of Potential Detriment Incurred by the Controlled Entity

The Controlled Entity incurred no detriment as a result of its interrelation with the Controlling Entity and other related entities and as a result of the legal actions, contracts and agreements presented above.

VII. Evaluation of Advantages and Disadvantages arising from Relations between Entities Presented in Article I. Including the Evaluation whether Advantages Prevail over Disadvantages and Potential Risks Arising therefrom for the Controlled Entity:

The Controlled Entity's cooperation with the Controlling Entity and other related entities principally includes technical and financial services, which represents an advantage for the Company with regard to its size.

In Dolní Bojanovice on 21 March 2025

On behalf of SPP Storage, s.r.o.



Martin Bartošovič
Statutory Executive



Robert Bundil
Statutory Executive