EP GROUP

2024

Consolidated Annual Report

Year 2024

Group Performance
[EUR]

27.5 billion
Consolidated revenues

3.6 billion
Underlying EBITDA

1.7 billion
Free Cash Flow

0.1×
Net Underlying Leverage Ratio

Performance in Segments
[Underlying EBITDA in EUR]

1.2 billion
Energy Transition

0.8 billion
Flexible Power Generation

0.6 billion
Gas and Power Distribution

0.4 billion
Gas Transmission

0.3 billion
Gas Storage

0.2 billion
Renewable Energy

Green Finance Framework established and inaugural green bond issued
in May 2024

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Contents

Financial and Operational **Highlights**

of the Year

Financial and Operational Highlights of the Year

		2024	2023
INCOME STATEMENT			
Revenues	€ million	27,549	26,660
Gross profit[1]	€ million	11,472	9,793
Earnings before interest, taxes, deprecia-tion and amortization (Underlying EBITDA)[2]	€ million	3,613	4,675
Earnings before interest and tax (EBIT)[3]	€ million	1,824	3,517
Net financial income (expense)	€ million	(333)	1,846
Profit before income tax	€ million	1,813	6,294
Profit for the year	€ million	1,145	5,650
BALANCE SHEET			
Total assets	€ million	40,504	42,961
Equity total	€ million	13,823	13,735
Net working capital[4]	€ million	1,580	2,193
Net financial debt (cash)[5]	€ million	(208)	1,164
CASH FLOW STATEMENT			
Cash flow from operating activities	€ million	4,470	3,058
Cash flow from investing activities	€ million	(1,779)	2,554
Cash flow from financing activities	€ million	(1,540)	(1,199)
Change in cash and cash equivalents	€ million	1,151	4,413
Cash and cash equivalents	€ million	8,530	7,435
Capital expenditures (CAPEX)[6]	€ million	1,041	950
Income tax paid	€ million	871	1,679
Free Cash flow (FCF)[7]	€ million	1,701	2,046

		2024	2023
RATIOS			
Net leverage[8]	×	(0.1×)	0.2×
Cash conversion[9]	%	47.1%	43.8%
Operating KPIs			
Average number of employees	#	17,680	18,372
Net installed capacity	MW	22,007	22,179
Net power production[10]	TWh	65.7	73.5
Emission intensity[10]	t CO_2/GWh	766	770

1 Grofit profit represents Revenues less Purchases and consumables.
2 Underlying EBITDA has been prepared in accordance with the definition set out in the Note 5 to the Consolidated Financial Statements.
3 EBIT = Profit (loss) from operations.
4 Net working capital = Trade receivables and other assets (non-current and current) + Inventories, extracted minerals and mineral products + Prepayments and other deferrals (current) – Trade payables and other liabilities (non-current and current).
5 Net financial debt (cash) = Loans and borrowings – Cash and cash equivalents.
6 Capital expenditure (CAPEX) represents additions to tangible and intangible assets plus advances paid for tangible and intangible assets less emission allowances, additions to right of use assets and goodwill.
7 Free Cash flow is defined as Underlying EBITDA less CAPEX less Income tax paid.
8 Net leverage = Net financial debt / Underlying EBITDA.
9 Cash conversion = (Underlying EBITDA – CAPEX – Income tax paid) / Underlying EBITDA.
10 In 2023, net power production and emission intensity are pro-forma adjusted as if EP Netherlands and LEAG Groups were acquired on 1 January 2023.

Introduction

by the Chairman of the Board of Directors and CEO

Dear stakeholders and partners, dear current and future colleagues,

I am pleased to present the 2024 consolidated annual results of EP Group, a.s. (“**EP**” or, together with its subsidiaries, the “**Group**”), highlighting a year of continued commitment to reliable delivery of essential services, combined with strategic growth initiatives and business diversification.

While EP Group, a.s. has only been incorporated since 2019, becoming the top holding company of all current and future businesses strategically controlled by Daniel Křetínský, the Group as a whole has been evolving over the past two decades. Initially established with a focus on energy and infrastructure, the Group has since expanded its activities into media, logistics, food wholesale, food and consumer retail, e-commerce and real estate. As at the end of the past financial year, EP was one of the largest private groups operating across the European Union and the United Kingdom.

Through its main subsidiaries Energetický a průmyslový holding, a.s. (“**EPH**”) and EP Energy Transition, a.s., EP is one of the leading European electricity producers and operators of vital infrastructure assets including power grids and gas distribution and storage facilities. The Group’s energy business has always been focused on stable, regulated or contracted revenues from energy infrastructure, combined with the power generation segment’s ability to seize opportunities in volatile markets while ensuring consistent secured income through long-term capacity contracts. The Group’s modern and flexible power generation fleet plays a crucial role in the provision of balancing services to national electricity networks across Europe, enabling safe and sustainable power generation from renewable sources such as wind or solar.

Daniel Křetínský
Chairman of the Board of EP Group, a.s.

Through our other investments, namely EP Global Commerce a.s., EC Investments, a.s. and Czech Media Invest, a.s., the Group is an active investor and operator of businesses across multiple European countries in the food wholesale and retail sector, media and book publishing and e-commerce, consumer electronics and e-grocery.

For the 2024 financial year, the Group generated 27.55 Bn EUR of revenues and 3.6 Bn EUR of underlying EBITDA on a consolidated basis, while maintaining a net cash position[1].

In the course of 2024, the Group and its affiliates rolled out three strategic transactions with the aim to reshape EP's future profile and build additional pillars of its business. In June 2024, EP UK BidCo Ltd., a member of the Group, launched a take-private offer on the London Stock Exchange for International Distribution Services Plc ("**IDS**"), the holding company of Royal Mail and GLS (the "**IDS Take-Private**"). In December 2024, EP Global Commerce GmbH ("**EPGC**"), an affiliate of the Group, initiated a delisting discussion with METRO AG, followed by a delisting offer launched in early 2025 on the Frankfurt Stock Exchange for the majority of shares in METRO AG, an international food wholesale company (the "**METRO Take-Private**"). Finally, also in December 2024, EPH signed an agreement with Enel Produzione S.p.A. for the acquisition of the remaining 50% stake in Slovak Power Holding BV, thereby becoming a 66% shareholder of Slovenské elektrárne, a.s. (the "**SE Acquisition**").

Following the successful delisting of METRO AG in April this year, EP's shareholders resolved to align EPGC's ownership structure with that of the Group's other key subsidiaries. Pending approval from the German financial regulator, EPGC will become a direct subsidiary of EP. The IDS Take-Private transaction and the SE Acquisition were completed in April and May, respectively, and both groups already form part of EP.

Through its controlling stake in IDS, EP became one of the leading European parcel logistics companies and proud shareholder of Royal Mail, the universal provider of postal services in the United Kingdom with a history reaching back more than 500 years. With METRO AG, EP will acquire the largest European cash & carry and food service delivery provider, active in 23 countries worldwide. The acquisition of Slovenské elektrárne, a.s., Slovakia's dominant electricity producer generating power from zero-emission assets such as nuclear, hydro, and solar, strengthened EP's position in clean energy production.

Collectively, these three transactions redefine EP's scale and diversification and make EP one of the most prominent and financially resilient business conglomerates in Europe, with robust credit quality of each of its key parts and the Group as a whole. If combined, based on latest publicly available audited consolidated annual financial statements of the respective holding companies, EP Group, a.s., Slovenské elektrárne, a.s., IDS and METRO AG would generate an aggregate revenue and aggregate Adjusted EBITDA close to 80 Bn EUR and 8 Bn EU[2], respectively.

1 Cash and cash equivalents exceed the amount of financial debts as reported in the EP Group's 2024 consolidated financial statements.
2 Adjusted EBITDA represents the sum of the following: (I) in relation to EP, based on the consolidated financial statements of EP Group, a.s. as of 31 December 2024, the sum of Profit (loss) from operations, Depreciation, amortization and impairment, Non-cash (gain) loss from commodity and freight derivatives, net and Change in provisions; (II) in relation to Metro AG, based on the consolidated financial statements of METRO AG as of 30 September 2024, as the term Adjusted EBITDA is defined on page 3 of those financial statements, (III) in relation to IDS, based on the consolidated financial statements as of 31 March 2024 (converted to EUR using average ECB exchange rate of 0.863 for period from 1 April 2023 to 31 March 2024), as the term Adjusted EBITDA is defined on page 71 of those statements; and (IV) in relation to Slovenské elektrárne, a.s. based on the consolidated financial statements as of 31 December 2024, as the term EBITDA is defined on page 4 of those statements.

Our mission is to provide reliable services at competitive prices to our clients and customers. The key partner on this mission is our crew. Following the completion of the strategic transactions and integration of EPGC into the Group, EP will have a workforce of around 275,000 people. I would like to assure all our new colleagues that EP is a responsible organization, acutely aware of the social dimension of its business and the importance of its team for its success. We are eager to pursue new growth opportunities, building on the knowledge and expertise of both existing and new team members, and offering our people a stable and inspiring working environment.

To conclude, I would like to extend particular thanks to our partners from J&T who participate as reliable and trusted investors in all our key enterprises, to the financing banks and bond investors supporting all our strategic initiatives and, most importantly, to all our colleagues for their efforts and support in creating one of the most successful private businesses in Europe.

Your Sincerely,

Daniel Křetínský

Chairman of the Board of EP Group, a.s.

I. Combined Review of Operations

In this section

1. Major events in 2024

Acquisitions and disposals

Decommissioning of hard coal-fired Mehrum power plant

On 28 March 2024, the closure of the German hard coal-fired power plant Mehrum (690 MW) was finalized as a part of Group's dedication to a sustainable future without coal. The decommissioning of this coal power plant underscores the Group's commitment to transforming towards sustainable electricity production.

Acquisition of Scandbio AB

On 29 November 2024, the Group closed, via its subsidiary Lausitz Energie Verwaltungs GmbH (part of LEAG Group) the acquisition of Scandbio AB and its subsidiaries and an associate. The Scandbio Group is a lead sustainable pellets producer, with a combined annual capacity of 510,000 tonnes of pellets, located in Sweden and Latvia.

Acquisition of 50% stake in West Burton Energy from TotalEnergies

On 16 December 2024, EP UK Investments, subsidiary of EPH in the UK, has acquired a 50% stake in West Burton Energy from TotalEnergies, which acquired 100% ownership during 2024. West Burton Energy owns a 1.3 GW gas power plant and a 49 MW battery storage system.

Commissioning of solar capacity with 43 MW PV Peres West I

On 16 December 2024, MIBRAG, a subsidiary of EPH, has commissioned PV Peres West I, its third photovoltaic plant. Built on a recultivated area of the Vereinigtes Schleenhain open-cast mine, located south of Leipzig, the plant will provide 43 MW of solar energy, primarily for MIBRAG's own electricity supply. PV Peres West I will generate enough electricity to support the equivalent of 16,000 households annually.

Agreement to acquire Enel's stake in Slovenské elektrárne

On 18 December 2024, EPH has signed an agreement with Enel Produzione S.p.A. to acquire the remaining 50% stake in Slovak Power Holding B.V. (SPH), which owns 66% of Slovenské elektrárne, a.s. This follows an early call option introduced in 2020, amending the original 2015 contract. EPH previously acquired 50% of SPH in 2016. The deal to acquire remaining 50% stake was successfully completed on 23 May 2025. The acquisition of 100% in SPH was valued at EUR 150 million, all of which has already been prepaid. As a result, EPH now owns a 100% stake in SPH, which in turn owns a 66% majority stake in Slovenské elektrárne, a.s., Slovakia's largest electricity producer, now operates solely with carbon-free energy sources.

Financing

EPIF successfully issued EUR 285 million green Schuldschein

On 5 March 2024, EP Infrastructure, a.s. has raised EUR 285 million through Schuldschein loan agreements under German law issued in line with EPIF's green principles (so called "green Schuldschein"). Initially targeting a minimum volume of EUR 100 million, strong demand from the Schuldschein investor community led to an increase in the offering amount. The floating rate Schuldschein loan agreements have durations of three and five years, with corresponding margins of 2.50% p.a. and 2.90% p.a., respectively. COMMERZBANK AG acted as the arranger of the green Schuldschein.

EPIF has allocated the proceeds from the Schuldschein loan agreements in accordance with its Green Finance Framework established in August 2023.

EP Infrastructure 2024 Notes

On 26 April 2024, EPIF redeemed all its outstanding EUR 750 million 1.659% Notes due 2024, issued on 26 April 2018. The outstanding amount redeemed was EUR 547 million.

EPH successfully issues its inaugural EUR 500 million green bonds

To provide a link between its transition strategy and external financing, EPH introduced its Green Finance Framework in May 2024 and subsequently issued its inaugural green bond of EUR 500 million via its subsidiary EPH Financing International, a.s. The EUR-denominated green bonds, maturing in November 2029, bear an annual coupon of 5.875%. An amount equivalent to the net proceeds from the issuance will be allocated in line with EPH's Green Finance Framework to a portfolio of eligible green projects.

EPH Financing International 2028 Notes additional emission

On 29 July 2024, EPH Financing International, a.s. successfully sold additional EUR 100 million of its 6.651% 2028 Notes, i.e. increased the volume of the first notes issue under its programme. The notes were privately placed at 103.989% of their nominal value. Applicable effective interest rate associated with the additional issue is 5.599%. The net proceeds were upstreamed to EPH.

EPIF Facility agreement

On 8 November 2024, EPIF signed a new EUR 400 million revolving facility agreement, replacing the revolving facility made available under the senior term and revolving facilities agreement from January 2020. New financing will provide EPIF with an unsecured revolving facility until 8 November 2027.

The debts of EPIF under the EPIF's Facilities Agreement are general, senior unsecured debts of the EPIF and rank equally in right of payment with the EPIF's existing and future indebtedness that is not subordinated in right of payment.

Selected events that occurred after the reporting date

Events occurring after the end of the reporting period are listed in Note 36. in the Notes to the Consolidated Financial Statements.

2. Business performance

Operational performance

Performance of infrastructure assets

Majority of the Group's critical energy infrastructure assets are bundled under umbrella of EPIF (subsidiary of EPH). These assets represent one of key pillars of the Group's business with stable financial performance and significant contribution to energy transition.

Operational performance of infrastructure assets is driven namely by development of economic activity as well as weather conditions in Central Europe. Additionally, Gas Transmission is influenced by the gas market development in Europe nowadays driven mainly by the war in Ukraine. These factors influenced all segments of the infrastructure business.

The volume of transited gas was 17.8 bcm, representing an increase of 11% (16.1 bcm in 2023).

In segment of Gas and Power Distribution, the Group distributed 47.3 TWh of gas representing an increase of 4% (45.5 TWh in 2023) and 6.1 TWh of power representing an increase of 2% (6.0 TWh in 2023).

The EP Group (the "EPG") supplied 11.7 PJ of heat (12.4 PJ in 2023). Majority of supply volumes belong to highly efficient CHP plants in the Czech Republic under EPIF Group and lignite plants operated by LEAG in Germany, with minor supply volumes provided also by other German operations under power generation assets.

KPI	Unit	2024	2023	2024 – 2023	%
Performance of EPG infrastructure assets					
Gas Transmission Flows	Bcm	17.8	16.1	1.7	11%
Gas Storage Capacity	TWh	64.4	64.3	0.1	0%
Gas Distribution	TWh	47.3	45.5	1.8	4%
Power Distribution	TWh	6.1	6.0	0.1	2%
Heat Supply	PJ	11.7	12.4	(0.7)	(5%)

Note: Net power production of EP Netherlands and LEAG Group is pro-forma included as if those Groups were acquired on 1 January 2023.

Performance of power generation assets

EP Group consolidates 22.0 GW of net installed power capacity (22.2 GW in 2023). The capacities generated 65.7 TWh of power (73.5 TWh in 2023).

All generation assets are managed under the EPG Energy Group segment, which includes EPH consolidated entities as well as EP Energy Transition Group, where the majority share is made up by LEAG.

Net power production decreased by 9% in 2024, which was driven by commodity prices softening.

KPI	Unit	2024	2023	2024 – 2023	%
Net installed capacity – Electricity – Total					
EPG Energy Group					
Czech Republic	MW	900	900	–	–%
Slovakia	MW	68	68	–	–%
Germany	MW	8,396	9,926	(1,530)	(15%)
Netherlands	MW	2,603	2,585	18	1%
France	MW	845	837	8	1%
Ireland	MW	384	384	–	–%
UK	MW	3,971	3,489	482	14%
Italy	MW	4,840	3,990	850	21%
Total – EPG Energy Group	**MW**	**22,007**	**22,179**	**(172)**	**(1%)**
Total – EP Group	**MW**	**22,007**	**22,179**	**(172)**	**(1%)**

KPI	Unit	2024	2023	2024 – 2023	%
Net power production – Total					
EPG Energy Group					
Czech Republic	TWh	1.2	1.5	(0.3)	(19%)
Slovakia	TWh	0.0	0.0	0.0	10%
Germany	TWh	38.4	41.6	(3.2)	(8%)
Netherlands	TWh	6.4	7.4	(1.0)	(13%)
France	TWh	0.5	0.8	(0.3)	(41%)
Ireland	TWh	0.7	1.1	(0.4)	(33%)
UK	TWh	7.4	9.0	(1.6)	(18%)
Italy	TWh	11.1	12.1	(1)	(8%)
Total – EPG Energy Group	**TWh**	**65.7**	**73.5**	**(7.8)**	**(11%)**
Total – EP Group	**TWh**	**65.7**	**73.5**	**(7.8)**	**(11%)**

Note: Net power production of EP Netherlands and LEAG Group is pro-forma included as if those Groups were acquired on 1 January 2023.

Additional power generation assets are owned by equity accounted investees within EPG. Companies belonging to this group possessed 4.7 GW of net installed power capacity (4.9 GW in 2023) and generated 20.6 TWh of power (20.9 TWh in 2023). Major share of this is represented by Slovenské elektrárne Group.

Sustainability performance

As a key energy player, EPG is aware of its role in the ongoing transformation of the energy system in Europe with the objective of limiting the threat posed by climate change. EPG fully supports the resolutions passed by the Paris Climate Conference in 2015, committing all the countries involved to limiting the global temperature increase to significantly less than 2 degrees Celsius compared with the pre-industrial level.

To accomplish this strategy and to facilitate the transformation of coal regions in the most dedicated and efficient way, EPG established EP Energy Transition subgroup (EPETr). Under EPETr the Group will concentrate mainly its German assets with LEAG Group being first one transferred under this umbrella during 2023. MIBRAG Energy Group will follow by the end of 2025. The Group will focus via EPETr on development of renewable energy projects with significant pipeline already in active development, replacement of existing network-critical power generation capacities by hydrogen-ready power plants and BESS to provide balancing services critical for stability of network and active cooperation with unions, regions, and governments to carry out the energy transition with minimum or no socially adverse impact.

In 2024, EPG issued its inaugural green instruments at the level of subgroups EPH and EPIF. In March 2024, EPIF issued green Schuldschein loans. Strong interest from the investor community indicated acceptance of EPIF's approach to energy transition and consequently also increased the original minimum volume of EUR 100 million to the final amount of EUR 285 million. In May 2024, EPH issued its inaugural green bond of EUR 500 million through its subsidiary EPH Financing International, a.s., maturing in November 2029.

Our decarbonization and energy transition plans and ongoing efforts are described below in the following section.

Decarbonization efforts

EP Group produced 54.6 million tons of CO_2 emissions (61.3 million tons in 2023[3]) with intensity of 766 ton CO_2/GWh (770 ton CO_2/GWh in 2023). GHG emissions volume and intensity follow power and heat generation volumes as well as generation fuel mix. Emission intensity is calculated including heat component, as without these the performance of our highly efficient CHP plants would be distorted. The overall CO_2 emissions were reduced by 11% compared to 2023, reflecting lower utilization of gas and coal power plants in response to normalized power prices.

Coal phase out

EPG has a clear coal exit plan for its remaining coal power plant fleet which respects local legislation and requirements of the grid. Hard coal operations beyond 2025 shall be limited to the Fiume Santo hard coal power plant on Sardinia, operating under a must-run regime. Lignite operations in Germany under LEAG and MIBRAG Energy Group will be phased out in line with the coal exit plan of the German authorities. In addition, EPG operates predominantly lignite-based cogeneration heating plants providing vital heat supplies to the district heating networks in several regions in the Czech Republic. EPG has already commenced conversions of all plants to alternative sources as described further below.

While we remain committed to the energy transition by decommissioning our power plants and phasing out coal, security of supply in the regions where we operate necessitates the continued operation of certain coal assets. In 2022, amidst new challenges stemming from the European energy crisis, we were asked to keep the Mehrum and Emile Huchet 6 hard coal power plants (both originally set for decommissioning) operational by the German and French governments until March 2024 (with decommissioning started in 2024) and March 2025 respectively (EPG is currently evaluating strategic options for the future of EH6 power plant which has not been producing since late February 2025).

3 Includes pro-proforma EP Netherlands and LEAG Group as if acquired on 1 January 2023.

KPI	Unit	2024	2023	2024 - 2023	%
Direct CO_2 Emissions (Scope 1)					
EPG Energy Group					
Czech Republic	million tons CO_2 eq.	1.6	2.1	(0.6)	(27%)
Slovakia	million tons CO_2 eq.	0.0	0.1	(0.0)	(18%)
Germany	million tons CO_2 eq.	42.2	45.9	(3.7)	(8%)
Netherlands	million tons CO_2 eq.	2.3	2.7	(0.4)	(14%)
France	million tons CO_2 eq.	0.3	0.4	(0.1)	(25%)
Ireland	million tons CO_2 eq.	0.3	0.5	(0.2)	(40%)
UK	million tons CO_2 eq.	2.3	3.8	(1.5)	(40%)
Italy	million tons CO_2 eq.	5.4	5.8	(0.4)	(8%)
Switzerland	million tons CO_2 eq.	0.2	–	0.2	–%
Total – EPG Energy Group	**million tons CO_2 eq.**	**54.6**	**61.3**	**(6.7)**	**(11%)**
Total – EP Group	**million tons CO_2 eq.**	**54.6**	**61.3**	**(6.7)**	**(11%)**

KPI	Unit	2024	2023	2024 - 2023	%
Emission intensity – Including heat component					
EPG Energy Group					
Czech Republic	ton CO_2 eq./GWh	432	544	(112)	(21%)
Slovakia	ton CO_2 eq./GWh	150	9	141	1571%
Germany	ton CO_2 eq./GWh	1,022	1,014	8	1%
Netherlands	ton CO_2 eq./GWh	363	368	(5)	(1%)
France	ton CO_2 eq./GWh	724	497	227	46%
Ireland	ton CO_2 eq./GWh	368	408	(40)	(10%)
UK	ton CO_2 eq./GWh	313	427	(114)	(27%)
Italy	ton CO_2 eq./GWh	484	484	–	0%
Total – EPG Energy Group	**ton CO_2 eq./GWh**	**766**	**770**	**(4)**	**(1%)**
Total – EP Group	**ton CO_2 eq./GWh**	**766**	**770**	**(4)**	**(1%)**

Note: Calculation of Emission intensity indicators excludes emissions from non-energy producing operations, namely eustream, a.s., SPP - distribúcia, a.s., NAFTA a.s. and Pozagas a.s. in Slovakia, SPP Storage, s.r.o., EP ENERGY TRADING, a.s. and EP Commodities, a.s. in the Czech Republic, EP Commodities AG and EP Resources AG in Switzerland, NAFTA Speicher GmbH in Germany and Humbly Grove Energy Limited in the UK and in respective summary indicators, in the amount of 0.3 mil. ton CO_2 in 2024 (0.1 mil. ton CO_2 in 2023). Emissions above includes pro-proforma EP Netherlands and LEAG Group as if acquired on 1 January 2023.

Expanding and optimizing flexible power sources

To ensure sufficient dispatchable capacity and support the integration of intermittent renewables into the broader energy system, EPG is investing in highly efficient, hydrogen-ready gas power plants. In 2024, EPG commissioned the 647 MW Kilroot OCGT plant in the UK and is in advanced commissioning process of the 800 MW Tavazzano CCGT plant in Italy and it is already providing power to the grid since 2025. In the first half of 2026, an additional 880 MW CCGT plant in Ostiglia, Italy, is scheduled for commissioning. All these plants are designed to be hydrogen-ready and are backed by long-term capacity contracts ranging from 10 to 15 years. Their flexibility and rapid response times make them an essential complement to the expansion of renewable energy.

With growing penetration of renewables, the utilization of dispatchable gas power plants is expected to decline. After coal generation sources are phased out, gas power plants will be the last in the generation merit order, depending on their generation efficiency. By default, keeping those assets operational is not detrimental to the build-out of renewables which will always be fully utilised given their virtually zero marginal costs. On the contrary, flexible gas power plants are a vital enabler of the acceleration of renewables ramp up. EPG projects to reduce full load hours (“FLH”) of the power plants based on the efficiency of respective power plants and their useful lives.

Additionally, EPG is investing in efficiency upgrades for gas turbines at existing power plants. In the Netherlands, following the successful implementation of the Advanced Turbine Efficiency Upgrade (ATEP) at the Enecogen CCGT power plant, the company is now applying the same upgrade at the Sloe power plant, with completion expected in 2025. ATEP leverages cutting-edge turbine blade technology to enhance efficiency. In Italy, EPG secured capacity in a competitive auction by increasing net power output by approximately 100 MW through efficiency-enhancing Advanced Gas Path (AGP) projects at its CCGT plants. These upgrades will strengthen Italy’s grid reliability, improve efficiency, and contribute to reducing carbon and other air emissions.

Renewable energy

In Germany, LEAG Renewables (former EP New Energies), the EP Group owned renewables developer, continued to work on several photovoltaic and wind projects in Germany. Along with MIBRAG, which is also active in Germany, LEAG also undergoing gradual transformation and aims to convert former lignite mining areas into renewable energy hubs.

LEAG has an ambitious project pipeline of solar and onshore wind projects by 2030, leveraging former mining and energy sites. LEAG currently operates solar plants with a total net installed capacity of 110 MW. The company is in advanced commissioning process of Germany’s largest floating PV system on Cottbuser Ostee Lake. Additionally, LEAG has begun construction of the country’s largest onshore wind park ‘Forst-Briesnig II‘ with a capacity of 105 MW.

MIBRAG is active in establishing photovoltaic (PV) and wind projects mostly in areas that either already have been reclaimed or are currently under reclamation. MIBRAG built a PV power plant with a capacity of ca. 30 MWp on a reclaimed area of United Schleenhain mine. The construction work started in October 2022 and was finished in third quarter of 2023. The next PV power plant with a capacity of ca. 43 MWp was built next to the 30 MWp project during 2024 and was commissioned in December 2024. The electricity generated by both PV plants is used for own consumption. There is a range of other renewable projects in the pipeline prepared in cooperation with LEAG Renewables.

In France, EPG has performed repowering of two wind farms, Ambon and Muzillac, with the total investment of EUR 35 million. This operation enabled a 30% increase in the production capacity of each farm, raising their total installed capacity from 18.50 MW to 26.40 MW. Repowering stands as a great example of energy transition and circular economy, as 98% of the total mass of the turbines was recycled. EPG’s subsidiary Gazel Energie is actively working on repowering the reminder of its wind fleet in France. The Lehaucourt wind farm, with a capacity of 14 MW, has secured a 20-year tariff of €87/MWh and its repowering is expected to be completed within the next two years.

EPG plans to continue operating its biomass power plants and heating facilities as a complementary energy source. The Lynemouth biomass power plant in the UK is expected to ramp up production following a temporary decline in 2022-2024. In France, the Provence biomass power plant will transition from biomass co-combustion with coal to exclusively using biomass. Additionally, biomass will remain an integral component of EPG’s district heating assets in the Czech Republic, supporting sustainable heat generation.

Energy storage

EPG has developed a significant pipeline of battery energy storage system (BESS) projects. Its subsidiary, LEAG, commissioned its first battery in Germany in 2020, a 50 MW / 53 MWh facility in Lusatia. Another major BESS project with a capacity of 100 MW / 130 MWh is currently under construction and set for commissioning in 2025. Additionally, EPG recently commissioned a 35 MW / 44 MWh battery storage facility at the Emile Huchet power plant site in France. Final investment decisions have been made for further BESS projects such in the UK (project 299 MW in Eggborough) and Italy (three projects, two 100 MW / 200 MWh in Fiume Santo and Trapani and one 70 MW / 280 MWh in Centro Energie Ferrara under construction with expected commissioning in 2026 and 2027 respectively), while new opportunities across all countries of EPG operations are continuously assessed.

Heat Infrastructure decarbonization

EPG operates heating plants including adjacent district heating networks at several locations in the Czech Republic. The heating plants are still predominantly lignite-fired but have already partly diversified its fuel mix towards biomass or municipal waste. Within this business segment, EPG has commenced conversion projects away from lignite to a balanced mix of highly efficient gas-fired plants, waste-to-energy plants, and biomass units by 2030. The combined cycle gas units will also be prepared for the combustion of hydrogen or other zero-emission gases once these are available on a commercial scale. All projects have been granted investment subsidies from the Modernization Fund which has a dedicated programme HEAT aimed at transformation of district heating systems. EPG subsidiaries were also successful in the inaugural auction for operating cogeneration subsidies awarded to highly efficient combined heat and power plants for 15 years.

Green gases adoption

Owing to its critical gas midstream and downstream infrastructure, the Group is uniquely positioned to be a front-runner in the accommodation of hydrogen across its entire gas value chain with several projects launched to assess readiness for large-scale transmission, storage, and distribution of hydrogen.

The Slovak gas transmission system operator eustream prepares its network for transporting renewable and low-carbon gases. In accordance with the EU Regulation on renewable and natural gases, including hydrogen, all gas transmission system operators are required to accept gas flows with a hydrogen content of up to 2% by volume at interconnection points between Union Member States in the natural gas system. The necessary adjustments are have mainly involved the replacement of metering equipment and other components of the network. Given that eustream operates 4–5 parallel pipelines, it is well positioned to dedicate one pipe to hydrogen, while accommodating the natural gas flows in the transitional period. This project called “H2 Infrastructure – Transmission Repurpose (H2I-TR)” was assigned a status of the Important Project of Common European Interest (IPCEI) and shall be eligible for a portion of the total funding allocated to projects supporting hydrogen infrastructure in Europe. Eustream is a member of the alliances focused on Europe-wide hydrogen adoption such as European Hydrogen Backbone or Clean Hydrogen Alliance, or Central European Hydrogen Corridor (CEGH), an initiative which aims to connect areas with potentially abundant hydrogen supply sources in Ukraine with large demand areas in Germany. Eustream also joined the international industry partnership for the production and supply of green hydrogen “H2EU+Store”, which is focused on the entire supply chain from hydrogen production to its transit and storage.

As eustream and other gas transmission operators in Europe take actions to accommodate hydrogen in their pipelines, it is essential for downstream network operators to assess and adapt their infrastructure as well. SPP - distribúcia, a.s. successfully completed a pilot project in 2022 where it blended 10% of hydrogen into the gas distribution network in a small village in Slovakia and tested interaction of the networks as well as appliances at households and commercial customers (boilers, cookers). The network of SPPD is relatively modern and a high share of polyethylene pipes (nearly 60% of local networks) with superior permeability characteristics makes the network ideally positioned to accommodate pure hydrogen in the future. In 2024, SPPD completed its certification process to prepare its network for distributing gas blends containing 5 – 10% hydrogen. Concurrently, SPPD facilitates connection of first biomethane stations into its network and operates a registry of renewable gases to connect biomethane producers and offtakers. SPPD expects to connect approximately 34 existing biogas stations to its network in the medium term after their conversion into biomethane stations. The total biomethane potential according to the latest National Energy and Climate Plan of Slovakia can reach up to 400 million cubic meters in the medium term.

NAFTA seeks to identify both an appropriate location for storing hydrogen mixed with natural gas and the maximum possible concentration that could be stored in a porous geological structure. For this purpose, Nafta launched project Henri which was approved as one of the first Important Projects of Common European Interest (IPCEI) in the hydrogen area. Nafta will be supported in its efforts to identify appropriate locations for storing hydrogen mixed with natural gas. The first phase of the project involves experts seeking an appropriate location for storing hydrogen mixed with natural gas. Having identified an appropriate underground geological structure, laboratory research will be carried out to define the maximum permitted concentration of hydrogen. A broad spectrum of parameters would be researched, such as possible geochemical and microbial reactions and changes in the rocks. The second phase of the project involves constructing a pilot test of the technology to generate hydrogen through water electrolysis. The hydrogen would then be mixed with natural gas at concentrations defined in the first phase of the project and the mixture stored in underground facilities. The objective is not one-cycle testing, but rather to test multi-cycle production and injection to obtain comprehensive data about the impact and behavior of hydrogen stored underground.

Methane reduction

Methane leakage is an inherent part of operating gas pipelines and gas storage facilities. EPG subsidiaries have introduced robust Leak Detection & Repair (LDAR) to identify and reduce methane leakage. In the gas distribution segment, SPPD has increased the frequency of leak surveys in recent years, reducing the methane emissions by 44% between 2020 and 2024. SPPD applies a risk-based approach for conducting leak detection surveys, prioritizing more frequent inspections of the network's most susceptible areas. SPPD uses innovative technologies such as drones to inspect inaccessible areas or in-line sensors to conduct internal pipeline inspections. In the gas transit and storage segment, EPG subsidiaries are implementing measures such as mobile repumping compressors to gradually eliminate venting of gas for repair and maintenance purposes.

Supply business

EPG subsidiaries engaged in supply of electricity and gas are active in promoting green energy. EPNL is expanding its other activities by taking over the Balancing Services Agreement and the Power Off-take Agreement with the Gemini Wind Park. This means that EPNL is the buyer of the renewable energy generated by Gemini and that EPNL is responsible for balancing the park's production. The Gemini Wind Park, located in the Dutch North Sea, is one of the world's largest wind parks and is a crucial element in the renewable energy infrastructure.

Energy by-products

Via subsidiaries bundled under EP Power Minerals Group, EPG specializes in sourcing and trading power generation by-products, including cementitious materials and abrasives. Cementitious materials like fly ash and granulated blast furnace slag offer both economic and environmental benefits when used in cement and concrete. They enhance the performance of fresh and hardened concrete, reduce reliance on natural resources, and contribute to the industry's decarbonization goals. In particular, fly ash serves as a highly ecological and cost-effective substitute for clinker in cement production (up to 30%). Fly ash significantly reduces the CO_2 footprint as the production of 1 metric ton of clinker generates about 0.8 metric tons of CO_2. EPG's subsidiaries also provide a wide range of abrasives for dry and wet blasting. These eco-friendly products are ideal for industrial surface cleaning, building and ship maintenance, and water jet cutting – delivering excellent results on surfaces such as steel, metal, stone, concrete, and wood.

Logistics

In EPG's logistics division, we achieved savings in production of GHG emissions as well as energy by continuous efforts to switch freight transport from motorways to railways at several projects.

Environmental protection across the EP Group

In 2024, the companies within the EP Group continued to be operated in a manner ensuring their failure-free operation and high efficiency in producing electricity and heat, which has direct impact on the volume of produced emissions.

Several environmental regulations in Germany, France, Italy, the United Kingdom, and the European Union regulate the EP Group activities. These include regulations governing the discharge and emission of pollutants, the handling of hazardous substances and their disposal, cleaning of contaminated sites and health and safety of employees. For example, EP Group is subject to regulations that impose strict limits on emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), solid dust particles emissions (SDP), and mercury (Hg).

EPG has established policies to mitigate negative environmental impacts related to air pollution, as detailed in our "ESG Master Policy", and "Environmental Policy". The policy outlines our commitment to reducing emissions and complying with local environmental regulations. EPG's operational activities are driven by these policies and principles and by our responsibility to adhere to national legislation and local operational regulations, which provide us with further guidance.

All EPG power plants and heating plants are located in EU member states and the United Kingdom, ensuring that they operate in compliance with the Best Available Techniques (BAT) as outlined in the BAT Reference Documents (BREF) for Large Combustion Plants. These facilities are obliged to meet the emission limits specified by the Industrial Emissions Directive (IED). A limited number of plants within EPG operate under temporary exemptions from the IED limits. These exemptions are granted in cases where compliance would require disproportionate investments, particularly when the plants are close to decommissioning or replacement in the near future. At present, these temporary exemptions primarily apply to district heating plants in the Czech Republic, which are in the advanced stages of decommissioning lignite units and transitioning to alternative technologies.

Management of air emissions is further strengthened through the implementation of an ISO 14001-certified Environmental Management System (EMS), which is operational across the majority of EPG entities. The ISO-certified EMS plays a key role in air pollution management by identifying relevant environmental impacts, implementing effective operational controls, and conducting regular monitoring and measurement. Additionally, it provides enhanced assurance of compliance with regulatory requirements.

Water quantity available and quality is also under constant attention in all EPG's assets. For example, in Italy we faced risks connected to water scarcity as some of our plants rely on water cooling. In this regard, EP Produzione started to study the implementation of hybrid cooling water for its units in Tavazzano. This equipment will reduce the dependence on water during the period of scarcity. Another feasibility study refers to the Ostiglia power plant in which the cooling water for the old units is taken from Po river which does not allow water withdrawal at periods of water shortage. To overcome this issue, the engineers are studying a pumping system that locally raises the water height until the required level of the cooling system. The Ostiglia New H-class unit is instead equipped with an air-cooling condenser that drastically reduces the dependence on water availability.

In Germany, EPG continues to be engaged in lignite mining operations via subsidiaries in LEAG and MIBRAG Energy Group and strives to minimize its environmental impact.

To prevent potential negative effects of lignite mining on groundwater levels, sealing walls are constructed. Most of the water pumped from the mines is returned to local ecosystems, while also utilizing the water for cooling of LEAG's power plants. The modern closed-circuit cooing systems enable to recirculate the cooling water 20 to 40 times. LEAG is also dedicated to preserving biodiversity, particularly within and around its mining and operational areas. LEAG actively recultivates post-mining landscapes, transforming them into areas suitable for diverse uses. Since 2019, LEAG has recultivated 1,588 hectares of land, of which almost 62% was through reforestation.

Moreover, since 2019, MIBRAG recultivated 369 hectares of land which was converted into forestry or agricultural areas. The tree planting is always complemented by a variety of supporting shrub species, which help to structure forest and plantation edges and provide additional biodiversity. To facilitate the growth of deep root systems and increase the trees' long-term vitality, the seedlings are only watered in exceptional cases. In the first years after planting, measures are taken to keep the trees free of competition from grasses and protect them against damage by deer. Care measures for the trees are caried out for at least 15 years, at which point they are integrated into the general forest management activities.

Our services are not limited to the supply of and distribution of basic energy commodities, but we also aim to educate our customers on energy savings and responsible behaviour with respect to energy. These efforts are manly visible at Stredoslovenská energetika, a.s., which offers services aimed at energy savings, such as LED lighting, highly efficient heating, heat pumps or solar panel installations. This is accompanied by an educational project for children in kindergartens and elementary schools, teaching them energy-saving practices through brochures, educational videos, and games. Subsidiaries operating district heating networks regularly inform customers about optimal temperature and efficiency.

Another interesting project shows that a lot can already be won by making our colleagues aware of how they can play an important role in becoming more sustainable. Sloe Centrale started the private lease project for electric cars in 2018 to reduce its ecological footprint. To do so, we seek smart solutions in order to reduce our gas usage and CO_2 emissions. As Sloe Centrale is located in a somewhat remote area with no public transportation, most people use a car to go to work and one employee suggested to promote the use of electric cars. With the project every employee has the option to privately lease an electric car at relatively low costs. In February 2024, 16 new full electric cars (with EPNL logo) were delivered. So, 33% of our staff drives emission-free, not only to work but also for private kilometres.

We also remain active to promote safety at our sites. For example, the "7 Traps" is EP Produzione's safety campaign started already in 2016 that, by describing seven potentially dangerous situations that can occur in the workplace, aims to emphasize the need to maintain a high level of attention and control at all times and achieve maximum employee and contractor involvement.

Besides safety there is a range of projects connected to employees, from recruiting, through talent retention to their skills development realised across whole Group.

ESG policies

EP Group has adopted ESG policies which are being gradually implemented across the EP Group entities. These policies reflect our consciousness of immense responsibility for ESG issues by the whole EP Group. The policies aligned the already existing local principles with a common and comprehensive set of unified principles and detailed guidelines for our daily activities.

These policies are:

- ESG Master Policy
- Environmental Policy
- Operational Policy
- Code of Conduct
- Procurement Policy
- Tax Governance Policy
- Anti-Corruption and Anti-Bribery Policy
- Anti-Financial Crime Policy
- Sanctions Policy
- Anti-Trust Law Policy
- KYC Directive
- Bio-Diversity Policy
- Policy on Reporting of Serious Concerns
- Asset Integrity Policy
- Equality, Diversity, and Inclusion Policy
- Cybersecurity Principles

Health, Safety and Environmental Committee ("HSE Committee")

Particularly within its energy operations, EP Group places great emphasis on the creation of safe working environment. At the level of EPH and EPIF, there are dedicated HSE Committees in place which are tasked with the following activities:

a) Provide the Board of Directors with a view on the adequacy and effectiveness of the Group safety, health, environment and security management systems and their application;

b) Review and provide guidance on safety, health, environment and security strategies, policies and initiatives of the Group;

c) Make recommendations to the Board of Directors and refer key safety, health, environment and security decisions to the Board of Directors for approval;

d) Monitor the safety, health, environment and security performance (including contractors) against regulatory standards and targets set by the Board of Directors;

e) Review all major incidents, focusing particularly on those arising from operational issues.

The HSE Committees represent key bodies safeguarding that the EPH and EPIF Groups act in line with the adopted ESG policies. EP Group subsidiary LEAG is subject to oversight from EPH HSE Committee with regular reporting in place.

Employment relations and employees

The main strengths and key focus of the EP Group is good relationship with employees and their loyalty. The Group maintains good and fair relations with the trade unions within the entities of Group through regular meetings and discussions on labour, social and wage related issues. Similarly, respecting the human rights and implemented non-discriminatory guidelines are viewed as essential for securing employee-friendly working environment across the Group. Safety and quality management covers health protection at work, safety management system, technology, and human resources all of which are an integral part of the management of the Group.

EP Group upholds internationally recognised principles of good labour practice as well as all principles of the United Nations Global Compact in respect of Human rights, labour, environment and anticorruption and encourages its business partners to endorse the same commitment as specified in detail in EP Group Procurement policy.

The management believes that the Group, its companies and equipment comply with all legislative requirements and best practice methods. Moreover, they are constantly striving to improve the safety level of the Group's activities by introducing measures focused on risk assessment, elimination, mitigation, and prevention. The Group also provides general training programs on employee safety and when selecting or assessing potential suppliers, the Group also considers their approach and attitude towards security issues.

EPG employees are interested in overall EPG economic performance. As internal stakeholders, they are engaged in business issues at the local level, being especially interested in the performance of the subsidiary they work for.

An average number of employees in EP Group during 2024 was 17,680 (18,372 in 2023).

An average number of employees in EPG Energy Group during 2024 was 17,393 (18,065 in 2023) and an average number of employees in EPG Other during 2024 was 287 (307 in 2023).

KPI	Unit	2024	2023	2024 - 2023	%
Headcount					
EPG Energy Group					
Czech Republic	#	2,172	2,191	(19)	(1%)
Slovakia	#	4,260	4,250	10	0%
Germany	#	9,010	9,661	(651)	(7%)
Netherlands	#	269	260	9	3%
France	#	414	426	(12)	(3%)
UK	#	549	583	(34)	(6%)
Ireland	#	3	4	(1)	(25%)
Italy	#	615	604	11	2%
Poland	#	55	47	8	17%
Switzerland	#	46	39	7	18%
Total – EPG Energy Group	**#**	**17,393**	**18,065**	**(672)**	**(4%)**
EPG Other					
Czech Republic	#	287	307	(20)	(7%)
Total – EPG Other	**#**	**287**	**307**	**(20)**	**(7%)**
Total – EP Group	**#**	**17,680**	**18,372**	**(692)**	**(4%)**

Corruption and breaches

EP Group maintains consistently high standards in ethics throughout its operations and supply chain and does not tolerate corruption at any level. Any breaches of this could result in major and serious reputational damage to the Group. In line with EP Group KYC Directive compliance requirements are factored into all decisions when entering business relations with suppliers or business partners. While these principles were adhered to in the past, their importance is increasing in today's environment and as such, EPG has decided to formalise those into an overall policy applicable across the EPG, including all subsidiaries.

EPG always strives to operate all its facilities safely and in compliance with licensing regulations. The compliance with such systems is ensured with regular on-site checks. In addition, the Company regularly undertakes analyses and evaluations of environmental issues to assess their relevance for its companies. The focus of our internal compliance management is to raise the level of awareness among its employees to prevent any possible breaches.

Internal Control System

The Group has taken reasonable steps to establish and maintain adequate procedures, systems, and controls to enable it to comply with its legal, regulatory, and contractual obligations, including regarding financial reporting, which it periodically evaluates. To provide employees with unified means of reporting compliance concerns and compliance violations without fear of retaliation or retribution and to set out the way in which any serious concerns that they have may be raised and how these concerns are dealt with, the EPG adopted a Policy on Reporting of Serious Concerns. Similarly, also all our business partners are encouraged to raise concerns about any issue relating to EPG or suspicion of violation of the EP Group Policies at the earliest possible stage.

The Group does not have integrated information systems, and each subsidiary has its own accounting platform and accounting methodologies. The subsidiaries prepare separate financial statements under the applicable local accounting standards for statutory purposes and part of the IFRS financial statements consolidation process is manual. In 2022, the Group largely implemented a Group-wide reporting system aimed at limiting the amount of required manual intervention.

Each subsidiary has its own system of internal controls that is designed to manage risk and diminish the occurrence of fraud at each entity based on the subsidiary's size and nature of its business.

Financial performance

EPG achieved solid financial results in the year under the review, despite challenging market conditions with electricity prices declining from their peaks in the previous periods. Results confirm the ability of EPG to adapt and maintain operational efficiency, even in a volatile market environment and shows resilience of the model as result of high and continuously increasing share of contracted or regulated revenue streams.

Revenues

Total revenues amounted to EUR 27,549 million (EUR 26,660 million in 2023).

External Revenues of EPG Energy Group reached EUR 27,414 million (EUR 26,542 million in 2023). The Group revenue remains strong even with the decreasing prices of the power on the markets.

Substantial part of Groups revenue is dependent on already pre-booked capacities, such as ship-or-pay contracts for the Gas Transmission Business, store-or-pay contracts for the Gas Storage Business, fixed tariff components for the Gas and Power Distribution Business and fixed heat price component for the Heat Infra Business or capacity contracts in case of Flexible Power Generation segment.

External revenue increase of Energy Transition segment relates mostly to the fact that 2023 includes only 3 months of LEAG operations while 2024 contains full year operations.

External Revenues	Unit	2024	2023	2024 - 2023	%
EPG Energy Group					
Gas Transmission	million EUR	471	260	211	81%
Gas and Power Distribution	million EUR	2,411	3,141	(730)	(23%)
Gas Storage	million EUR	306	403	(97)	(24%)
Heat Infra	million EUR	273	293	(20)	(7%)
Flexible Power Generation	million EUR	17,929	18,968	(1,039)	(5%)
Renewable Energy	million EUR	704	705	(1)	0%
Energy Transition	million EUR	5,137	2,604	2,533	97%
Other (EPG Energy Group)	million EUR	183	168	15	9%
Total EPG Energy Group	**million EUR**	**27,414**	**26,542**	**872**	**3%**
EPG Other					
E-commerce	million EUR	128	115	13	11%
Total EPG Other	**million EUR**	**128**	**115**	**13**	**11%**
Holding Entities	million EUR	7	3	4	133%
Total EP Group	**million EUR**	**27,549**	**26,660**	**889**	**3%**

Underlying EBITDA

Underlying EBITDA of EP Group[4] reached EUR 3,613 million (EUR 4,675 million in 2023). The presented Underlying EBITDA is defined as profit from operations plus depreciation, amortization and impairment charges and is further netted for eventual impact of negative goodwill. Apart from this, the Underlying EBITDA calculation does not include any further adjustments.

Underlying EBITDA of the EPG Energy Group amounted to EUR 3,702 million (EUR 4,754 million in 2023). Gas transmission segment improved by EUR 273 million, or 196%, largely due to the absence of one-off risk mitigation measures that adversely impacted performance in 2023. Gas Storage results deteriorated by EUR 89 million, or 24%, primarily due to lower volatility and decreased spreads, and also Heat Infra recorded a decrease by EUR 29 million, or 23%, as a result of lower heat offtakes and adverse power spread development affecting electricity production and revenues from ancillary services. Gas and Power Distribution segment remained broadly stable. Flexible Power Generation segment decreased by EUR 965 million, or 53%, which was primarily driven by lower volumes of power produced, reflecting challenging market conditions. A similar trend was observed also in the renewable energy segment, which decreased by EUR 88 million, or 31%.

Underlying EBITDA of the Energy Transition segment (mainly LEAG Group) reached EUR 1,244 million (EUR 1,405 in 2023). Decrease of EBITDA relates to lower production and lower spread achieved as compared to exceptional 2023 results.

4 For reconciliation of Underlying EBITDA to closest IFRS measure refer to Note 5 of EPG's IFRS Consolidated Financial Statements for 2024.

Underlying EBITDA	Unit	2024	2023	2024 - 2023	%
EPG Energy Group					
Gas Transmission	million EUR	412	139	273	196%
Gas and Power Distribution	million EUR	597	596	1	0%
Gas Storage	million EUR	275	364	(89)	(24%)
Heat Infra	million EUR	95	124	(29)	(23%)
Flexible Power Generation	million EUR	842	1,807	(965)	(53%)
Renewable Energy	million EUR	195	283	(88)	(31%)
Energy Transition	million EUR	1,244	1,405	(161)	(11%)
Other (EPG Energy Group)	million EUR	42	36	6	17%
Total EPG Energy Group	**million EUR**	**3,702**	**4,754**	**(1,052)**	**(22%)**
EPG Other					
E-commerce	million EUR	(25)	(22)	(3)	14%
Total EPG Other	**million EUR**	**(25)**	**(22)**	**(3)**	**14%**
Holding Entities	million EUR	(64)	(57)	(7)	12%
Total EP Group	**million EUR**	**3,613**	**4,675**	**(1,062)**	**(23%)**

CAPEX

CAPEX of EP Group reached EUR 1,041 million (EUR 950 million in 2023). The presented CAPEX is defined as additions to tangible and intangible assets plus advances paid for tangible and intangible assets less emission allowances, additions to right of use assets and goodwill.

CAPEX of EPG Energy Group reached EUR 1,034 million (EUR 941 million in 2023). EPG Energy Group continued its effort to increase production efficiency, reduce environmental impact of its operations and enhance reliability of its services. The high level of CAPEX in Flexible Power Generation segment is largely due to continuing construction of 3 major development projects, namely Tavazzano CCGT and Ostiglia CCGT in Italy, and also Kilroot OCGT in Northern Ireland, which was successfully commissioned in 2024. These projects represent together over EUR 171 million. Other significant part of CAPEX represents mainly major overhauls of power plants. There were also higher spending on reconstruction and development of the gas and power distribution networks, and progress in Heat Infra decarbonisation projects.

CAPEX of Energy Transition segment (mainly LEAG Group) reached EUR 382 million (EUR 154 in 2023). The level of CAPEX was driven by development CAPEX of over EUR 190 million spend for battery projects, solar and wind power plants. Standard maintenance CAPEX to secure strong availability of the power plant fleet increased due to the fact that LEAG was consolidated only for 3 months in 2023.

CAPEX	Unit	2024	2023	2024 - 2023	%
EPG Energy Group					
Gas Transmission	million EUR	3	5	(2)	(40%)
Gas and Power Distribution	million EUR	130	119	11	9%
Gas Storage	million EUR	20	40	(20)	(50%)
Heat Infra	million EUR	89	68	21	31%
Flexible Power Generation	million EUR	314	495	(181)	(37%)
Renewable Energy	million EUR	81	28	53	189%
Energy Transition	million EUR	382	154	228	148%
Other (EPG Energy Group)	million EUR	15	32	(17)	(53%)
Total EPG Energy Group	**million EUR**	**1,034**	**941**	**93**	**10%**
EPG Other					
E-commerce	million EUR	5	8	(3)	(38%)
Total EPG Other	**million EUR**	**5**	**8**	**(3)**	**(38%)**
Holding Entities	million EUR	2	1	1	100%
Total EP Group	**million EUR**	**1,041**	**950**	**91**	**10%**

Net financial debt (cash), Leverage and Cash conversion

Net financial debt (cash) stood at EUR negative 208 million at the end of the year under review (positive EUR 1,164 million in 2023). The presented figure is calculated summing up Loans and borrowings netted for Cash and cash equivalents.

The net financial debt (cash) decreased by EUR 1,372 million, or 15%, which is mainly related to higher balance of cash and cash equivalents in 2024.

Net Leverage improved to negative 0.1× (positive 0.2× in 2023) primarily driven by a reduction in net debt that outweighed the decline in EBITDA.

Net financial debt and Leverage	Unit	2024	2023	2024 - 2023	%
Loans and borrowings	million EUR	8,322	8,599	(277)	(3%)
(less) Cash and cash equivalents	million EUR	8,530	7,435	1,095	15%
Net financial debt (cash)	**million EUR**	**(208)**	**1,164**	**(1,372)**	**(118%)**
Underlying EBITDA	million EUR	3,613	4,675	(1,062)	(23%)
Net Leverage		**(0.1×)**	**0.2×**	**(0.3×)**	**–**

Cash conversion was 47.1% (43.8% in 2023). While EBITDA declined, the decrease in income tax paid was even more substantial. This was due to significantly higher tax payments in 2023, which stemmed from the exceptional financial results in 2022.

Cash conversion	Unit	2024	2023	2024 - 2023	%
Underlying EBITDA	million EUR	3,613	4,675	(1,062)	(23%)
CAPEX	million EUR	(1,041)	(950)	(91)	10%
Income tax paid	million EUR	(871)	(1,679)	808	(48%)
FCF	million EUR	1,701	2,046	(345)	(17%)
Cash conversion	**%**	**47.1%**	**43.8%**	**3.3%**	**–**

Large portion of CAPEX consists of development CAPEX, which is related to development projects focused mainly on the support of grid stability and reliable supply of power. Most of these expendi-tures represent constructions of gas turbine power plants in Germany, Northern Island and Italy mentioned in the previous chapter. Development CAPEX of EP Group reached EUR 560 million (EUR 479 million in 2023).

3. Other Information

Description of the diversity policy applied to the statutory body, supervisory body or other similar body

The Company is committed to encouraging equality, diversity, and inclusion among its workforce, and eliminating unlawful discrimination, in line with the ILO Convention No. 111 on discrimination. The aim is for our employees to be truly representative of all sections of society and our customers, and for each employee to feel respected and able to give their best. We strive to ensure that our employees feel supported and comfortable at work as we recognise that our staff are our greatest asset. We aim to attract and retain people with diverse skills, experience, and background to deliver high-quality products and services. These commitments are articulated by the Group Equality, Diversity and Inclusion diversity policy and apply in full to the process of selecting suitable candidates for the position of the member of Company's statutory and supervisory body.

Rights and obligations associated with shares

Act No. 90/2012 Coll., Commercial Companies, as amended, and the Company's Articles of Association govern the rights and obligations associated with the Company's shares. The current version of Articles of Association is placed into the collection of documents of the Commercial Register maintained by the Municipal Court in Prague.

LEI code

The company EP Group, a.s. was registered with LEI (Legal Entity Identifier) code No. 315700O1XVEPAYIMH375 CDCP (Centrální depozitář cenných papírů). LEI code of other companies within the Group can be found on https://search.gleif.org/#/search/.

Branches

The Group has the following organizational units abroad:

- AISE, s.r.o., organizačná zložka located in Slovakia;
- NAFTA a.s. – organizační složka located in the Czech Republic;
- EP ENERGY TRADING, a.s. – organizačná zložka located in Slovakia;
- EP COMMODITIES A.S. LONDON BRANCH located in the United Kingdom;
- EP Commodities, a.s., Prag, Zweigniederlassung Zug located in Switzerland;
- Karotáž a cementace, s.r.o. Hodonín odštepný závod Michalovce located in Slovakia;
- ÚJV Řež a.s. – organizačná zložka Slovensko located in Slovakia;
- LokoTrain s.r.o. – organizačná zložka located in Slovakia;
- LokoTrain s.r.o. oddzial w Polsce located in Poland; and
- Spedica, s.r.o., organizačná zložka Slovensko located in Slovakia.

Research and development activities

In 2024, the Group did not carry out any significant research and development activities and as a result did not incur any material research and development costs.

Acquisition of own shares or own ownership interests

During the 2024, Group did not acquire any own shares or ownership interests within the Group.

Risks and risk management policies

The Group is exposed to a variety of financial and market risks. The risk management policies are set out in the notes to the Consolidated Financial Statements.

Outlook for 2025

EP Group expects to continue being key participant on European power market, where our top priority remains the same: guaranteeing the health, safety and well-being of the Group's employees, and safeguarding of the essential power grid security in countries where the Group operates. The Group management plans to continue developing its central business activities across the whole group.

The Group believes its medium- to long-term market position stays resilient, primarily as I) the Group operates critical infrastructure in gas and power distribution, gas transportation and storage and power generation, II) major operated assets within EPH are regulated or semi-regulated and/or long-term contracted with high-quality counterparties, III) coal operations primarily concentrated within EP Energy Transition are expected to transition from coal-related activities, and IV) in its newly set EP Heat & Power, it will concentrate on transitioning from lignite coal CHPs into more environmentally sustainable solutions. At the same time, EP Group maintains a robust credit and liquidity risk management system at its subsidiaries' level. The Group expects to continue developing its current business while concentrating on own development and possibly acquisitions to access new markets and new segment outside of energy.

4. Market development

Macroeconomic developments

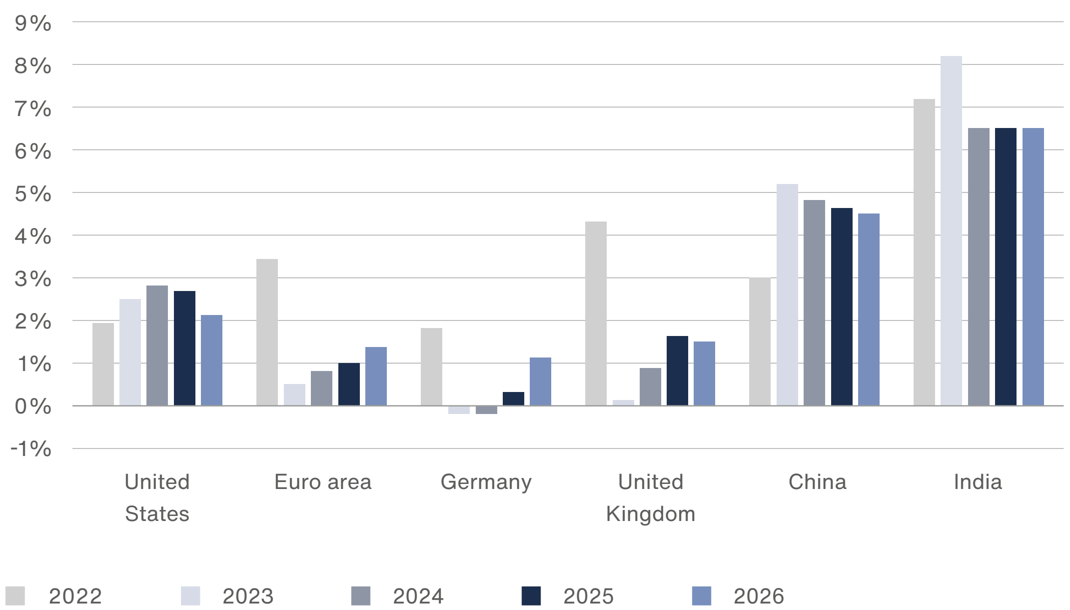
Global economic growth slightly slowed in 2024, with sticky inflation resulting in central banks moving more cautiously in the easing cycle, and a few central banks raising rates. The IMF in its January 2025 World Economic Outlook Update pegged global economic growth at 3.2% in 2024 compared to 3.3% in 2023.

Nominal wage growth is beginning to moderate, accompanied by ongoing signs of labor market normalization. While core goods price inflation has returned to or fallen below its historical trend, services price inflation remains above pre–COVID-19 levels in many economies, particularly in the United States and the euro area. Additionally, some emerging market and developing economies in Europe and Latin America continue to experience pockets of elevated inflation due to various unique factors.

China's economic growth stood at 4.7 percent year-over-year (y/y), falling short of analysts' expectations. While net exports grew faster than anticipated, this only partially offset a sharper-than-expected slowdown in consumption, driven by delayed stabilization in the property market and persistently weak consumer confidence.

India also experienced a greater-than-expected slowdown, primarily due to a pronounced decline in industrial activity. In the euro area, growth remained sluggish, with Germany lagging other member countries, as manufacturing and goods exports continued to struggle despite a pickup in consumption driven by recovering real incomes. Japan saw a mild contraction in output due to temporary supply disruptions. In contrast, the US economy maintained strong momentum, expanding by 2.7 percent y/y in the third quarter, fuelled by robust consumer spending.

IMF GDP growth projections



Source: IMF, World Economic Outlook, January 2025 Update

Commodity markets will remain a key driver of global economic growth this year. In 2024, crude prices largely stayed within the mid-$70/bbl range, with occasional spikes into the $80s due to geopolitical tensions. Despite the possibility of stricter sanctions on Iran and Russia, upside to crude prices remains capped due to weaker oil demand growth in China and anticipated strong non-OPEC supply increases in the coming months.

Global gas prices saw a sharp decline from their 2022 – 2023 peaks last year, driven by a mild European winter that kept storage levels high, stagnant industrial gas demand, strong renewable energy expansion, improved French nuclear power output, and increased Norwegian gas exports. However, the expiration of the Russia-Ukraine transit agreement has tightened Europe's gas market, pushing The Dutch Title Transfer Facility (TTF) prices up to nearly 60 EUR/MWh. These price spikes could once again fuel inflationary pressures while dampening industrial activity and overall consumption.

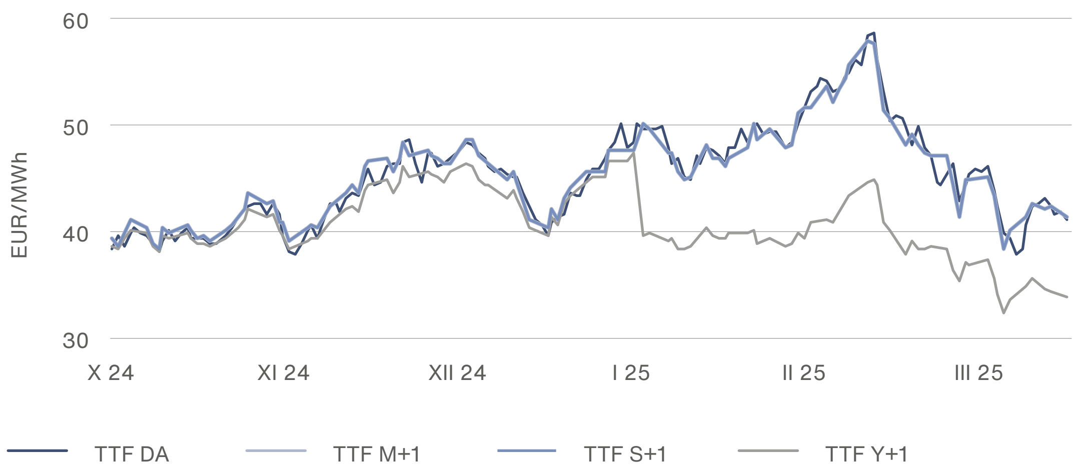
Overall, the IMF expects global growth to remain broadly stable in 2025, albeit lackluster. Current projections point to global economic growth of 3.3% in both 2025 and 2026, below the historical (2000 – 2019) average of 3.7%. With Donald Trump elected as US president November 2024, economic policy uncertainty has risen sharply, particularly on the trade and fiscal fronts.

Energy market developments

Latest developments

European natural gas prices have remained highly volatile in the first few weeks of 2025, driven by supply constraints, geopolitical uncertainties, and evolving demand dynamics. TTF prices have been on an upward trajectory since Q1 2024, rising from 28 EUR/MWh in late February 2024 to nearly 60 EUR/MWh by early February 2025, marking a two-year high.

TTF spot and forward prices over Win-24 and Apr-25



Source: EEX, ICE, EPC UK

A major driver of this price surge was the uncertainty over the continuation of Russian gas transit via Ukraine. With existing transit contracts expiring at the end of 2024, fears grew that all piped gas deliveries from Russia through Ukraine would cease, increasing Europe's reliance on LNG and tightening the global gas market. Flows halted on 1 January 2025.

Despite entering winter 2024 with comfortable storage levels, Europe faced higher-than-usual gas withdrawal rates, depleting reserves faster than in the previous couple of years. By March 15, 2025, EU gas storage was at just 35% capacity, having dropped significantly due to colder weather and reduced Russian supply. This rapid drawdown has raised concerns about replenishing storage ahead of the following winter, as Europe will need to secure additional LNG imports. The European Commission had set a storage fullness target of around 45% by February 2025, but some countries fell short of this target, highlighting ongoing vulnerabilities in supply management. There are broader concerns over a potential inventory shortfall against the European Commission's 1 November 2025 target of 90% fullness, as reflected by positive Summer vs. Winter TTF forward spreads.

To address this, some European countries such as Germany were considering lowering storage gates and mulling mechanisms to subsidise potentially uneconomic gas injections into storage during the summer months.

These factors highlight the persistent volatility in European gas markets, with geopolitical uncertainties, supply risks, and policy responses continuing to drive price movements into 2025. Given potential market tightness and LNG's role as the marginal fuel, TTF prices are expected to trade above the upper bound of the traditional coal-to-gas switching range, as to maximize gas displacement in the power sector and attract as much flexible LNG supply as possible.

European power markets maintained its bullish momentum into the start of this year on the continued uplift in gas prices following the cessation of Russian pipeline gas supply via Ukraine at the end of 2024. Gains in the price of EU carbon allowances have provided further support, with the benchmark Dec-25 futures contract surpassing 80 EUR/t in early February amid increasing length built by speculative investors. In Germany, spot baseload prices averaged 114.14 EUR/MWh for January, its highest monthly level since the start of 2023.

However, the subsequent drop in TTF gas prices from mid-February amid ongoing efforts to secure a ceasefire deal between Russia and Ukraine and macroeconomic uncertainties from new US tariffs has pressured European power prices driven by industrial activity loss. With TTF prices moving back into the fuel switch channel, this has somewhat helped to improve the relative competitiveness of gas generation within the thermal mix.

Further at the start of 2025, in March and April 2025, European natural gas prices declined from the €40 – 42/MWh range to lows of €30 – 31/MWh. This downward move was primarily driven by reduced heating demand and subdued LNG competition from Asia. Forward prices also softened following the EU's decision to discontinue binding end-of-season storage obligations, allowing greater flexibility in the summer market. Sentiment was further influenced by expectations of weaker global economic activity linked to new U.S. trade tariffs. Meanwhile, developments related to the Russia-Ukraine conflict have remained limited. While any resumption of Russian pipeline gas or LNG flows into Europe would present significant downside risks to prices, EU institutions have initiated legislative efforts to gradually phase out imports of Russian gas by the end of the decade.

In France, EDF has continued to proceed with its programme of nuclear controls and repairs without major incident through 2024. Across the year, the group achieved 361 TWh of nuclear generation across its nuclear fleet versus an initial estimate of 315 – 345 TWh. For the next three years (2025 – 2027), the group updated its nuclear output estimate for each year to 350 – 370 TWh, which would include generation from the new Flamanville 3 EPR which was commissioned in H2 2024 and currently undergoing a testing phase. French power prices have continued to remain decoupled from the rest of NW European markets across the start of summer on a continuation of export restrictions. In particular, export flows to Belgium and Germany have been notably low with an increasing number of activated Critical Network Element with Contingency within the flow-based domain suggesting growing internal congestion and reduced flexibility within the French grid. Elsewhere, Belgium is set to decommission three of its nuclear reactors this year leaving the country with only the Doel 4 and Tihange 3 reactors, which is expected to run through to 2035, following a 10-year lifetime extension agreed at the end of 2023.

Meanwhile in Germany, a new government coalition was formed following the country's federal election on February 23, with CDU/CSU Friedrich Merz becoming the next chancellor in early May. In terms of energy policy, the governing coalition has outlined plans to increase infrastructure spending, introduce incentives to build up to 20 GW of gas power plant capacity by 2030 under a new power plant strategy, and reduce electricity prices by 'at least 5 cents per kilowatt hour' by reducing electricity tax to the EU minimum and lowering grid fees. In addition, there have been explanatory discussions for plans to be able to call up reserve capacity to the market when day-ahead prices rise above 150 EUR/MWh as a means to alleviate price spikes.

European gas and power markets remain finely balanced and prone to significant volatility until 2027, when sizeable LNG liquefaction capacity expansions are expected to be commissioned. Any major LNG or upstream production outage affecting European supply could quickly send prices towards the top of the coal-to-gas fuel-switching range – or potentially above it – depending on the magnitude of the event.

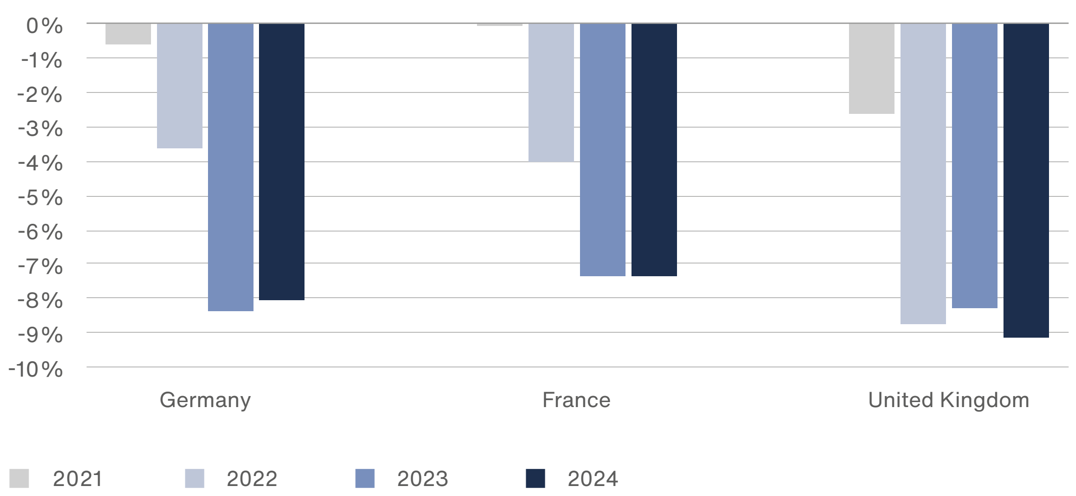
Power consumption

European power demand showed little sign of recovery in 2024, as weak economic conditions, high inflation, and elevated interest rates continued to weigh on consumption. The industrial sector suffered from instances of permanent demand destruction, with energy-intensive industries scaling back operations in response to sustained cost pressures. Nowhere was this more evident than in Germany, where production in energy-intensive sectors remained near financial crisis-era lows. The chemical and motor vehicle industries saw particularly steep declines, reflecting broader structural shifts in industrial output. While there were marginal improvements in electricity consumption relative to 2023, overall demand across the EU remained firmly below pre-pandemic levels in 2019.

Policy-driven shifts in consumption patterns further reinforced the sluggish demand recovery. The sustained impact of high energy prices in 2022 and 2023 led to long-term behavioural changes, with households and businesses curbing non-essential electricity use. Additionally, EU-wide decarbonization policies accelerated demand-side flexibility, driving greater efficiency and self-sufficiency, further weighing on overall power consumption.

Despite these headwinds, power consumption in Germany edged 0.3% above pre-COVID levels, while France remained flat, and the UK continued to decline. However, in all three countries, demand remained well below 5% of pre-pandemic levels. The UK's sharper decline was driven by a combination of weaker industrial activity, aggressive energy efficiency measures, increased self-generation, and consumer adaptation to high electricity prices, reinforcing a long-term structural shift toward lower reliance on grid electricity. This was accelerated with UK interest rates holding much higher compared to the Eurozone.

Changes in power demand relative to 2019



Source: IEA, ODRE, GOV.UK

Power production

In 2024, weak power demand recovery, coupled with the continued phase-out of coal and lignite capacity and the accelerated expansion of renewable energy, led to another year of year-on-year declines in fossil fuel generation across the EU-27. Total fossil fuel-based electricity production fell 10% year-on-year (y/y) to 610 TWh, marking a new multi-decade low.

Germany saw a particularly sharp contraction in its lignite and coal-fired capacity, which declined by 35% y/y to 24 GW, driven by ongoing decarbonization efforts and government policies aimed at reducing reliance on carbon-intensive energy sources. As a result, reliance on cross-border electricity flows surged, with average interconnector utilization doubling to 3.4 GW per day throughout the year to compensate for the lost baseload generation previously provided by decommissioned thermal plants.

The expansion of renewable capacity, bolstered by favourable weather conditions, drove a 49 TWh increase in wind and solar generation (7.5% y/y). For the first time, wind and solar output surpassed fossil fuel-based generation by a notable 86 TWh, highlighting a fundamental shift toward cleaner energy and the continued displacement of carbon-intensive power sources.

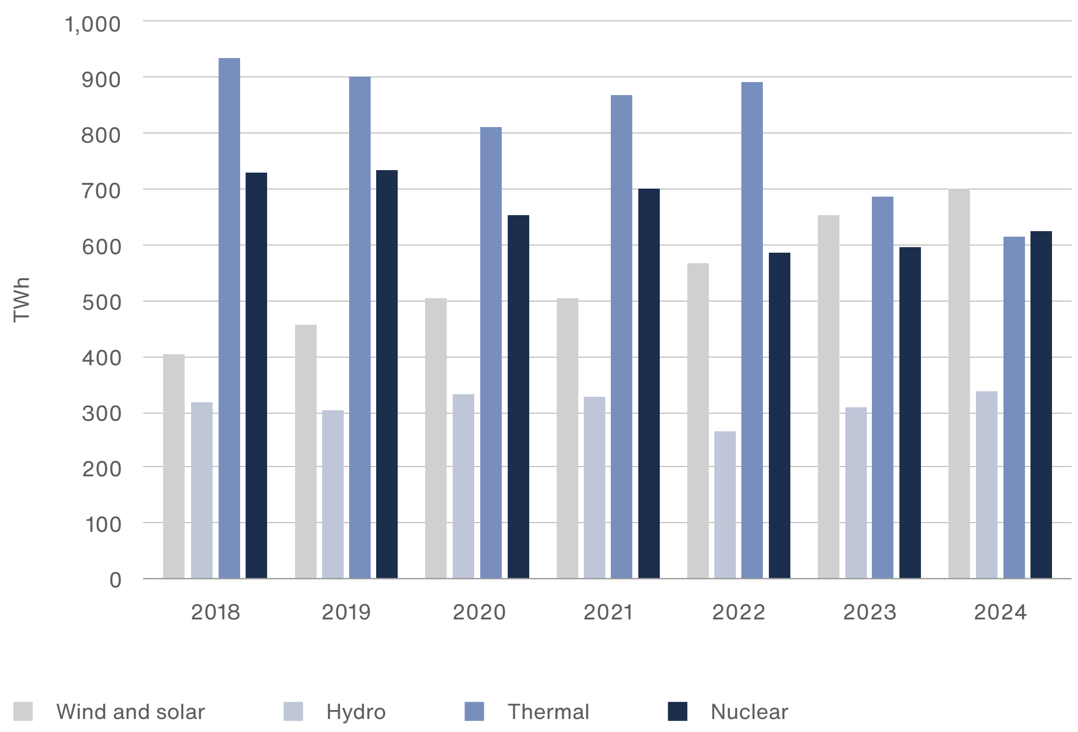
A key driver of this transition was the rapid growth in solar capacity, particularly in mainland Europe, where Germany led the expansion with 14 GW of new installations in 2024. This surge contributed to a 20% y/y increase in solar generation across Europe, making solar the largest single factor behind renewables overtaking fossil fuel-based power production.

Meanwhile, hydroelectric balances, particularly in the Alpine and Continental European regions, showed marked improvement compared to the previous year. Unlike 2023, when hydro reserves were firmly in deficit, 2024 saw a notable surplus against seasonal norms, allowing for a 31 TWh (10.2% y/y) increase in hydroelectric generation across the EU-27.

Nuclear generation also experienced a rebound, largely due to improved reactor availability in France, where the absence of stress corrosion issues – previously a major concern – enabled a significant recovery. EDF's nuclear generation in 2024 totalled 360 TWh, landing within its revised target range of 358 – 364 TWh and significantly exceeding the initial guidance of 315 – 345 TWh. This strong performance was driven by improved reactor availability, streamlined maintenance operations, and enhanced industrial efficiency throughout the year. As a result, total EU-27 nuclear output increased by 29 TWh, reaching 618 TWh, a 5% y/y gain.

Despite gas prices declining further within the fuel-switching range compared to 2023, and clean dark spreads – an indicator of coal-fired power profitability – turning firmly negative, the proliferation of cheaper energy sources reduced the reliance on gas-fired power generation. Although clean spark spreads, a measure of gas plant profitability, remained largely positive in the first half of the year (unlike in 2023, when they were predominantly negative), total gas-based power production still declined for the fifth time in a year, by 25 TWh (7% y/y) as the overall generation mix contin-ued shifting toward low-carbon alternatives.

EU-27 power production by source



Source: ENTSO-E, Energy-charts.info

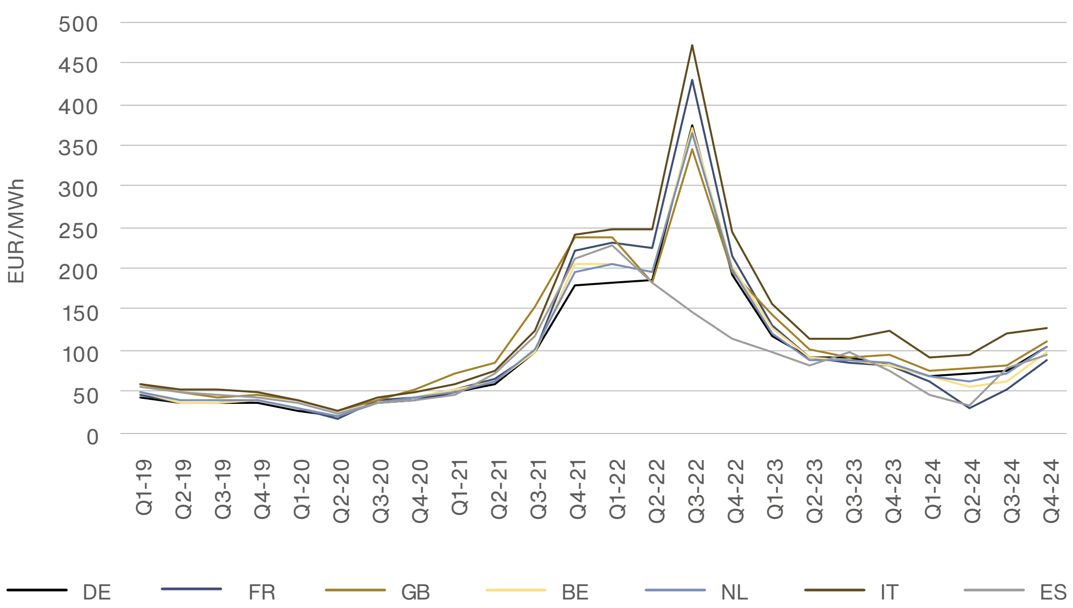
Power prices

In 2024, European power prices saw a significant decrease compared to 2023, with the average wholesale electricity price settling around 82 EUR/MWh, marking a drop from the previous year of 97 EUR/MWh. The decline was attributable to lower fuel and carbon prices and as an increasing share of renewables and nuclear in the power mix contributed to reduce the overall number of running hours for thermal generation.

While overall baseload power prices were lower year-on-year through 2024, the growing influence of renewables in the European power system has resulted in higher price volatility. While the frequency of negative prices set another record across the region, there was also a greater incidence of price spikes across several markets reflecting the increased risk of system stress events during periods of low renewable output amid declining thermal generation capacity.

European power markets opened the year with a bearish undertone as high pre-winter gas storage inventories and mild temperatures allowed gas prices to derisk and as high renewable output, particularly from a surge hydro generation, helped to limit the need for thermal generation sources. In Germany, spot baseload prices averaged 68 EUR/MWh for Q1 2024, a decrease of around 40% year-on-year.

European power spot deliveries



Source: EPEX, EP Commodities

Prices began to rebound early into the summer period for most power markets, in line with gains in fuels and carbon as rising tensions in the Middle East added to geopolitical risks from the ongoing conflict between Russia and Ukraine. Despite an uplift in prices for most EU power markets, the abundance of non-thermal generation source (nuclear and hydro), alongside the implementation of cross-border export restrictions allowed France to decouple from the wider NW EU region through Q2 2024. Average spot prices in France delivered below 30 EUR/MWh for the quarter, marking a 47 EUR/MWh discount versus Germany. Through Q3 2024, there continued to be notable divergences in regional power price spreads, with heatwave conditions and unplanned thermal outages driving significant upside in SEE power prices.

The upward momentum to prices extended into Q4 2024 as uncertainty surrounding Russian pipeline gas supply to Europe supported gains across the energy complex. Colder temperatures and below normal wind speeds further placed stress on European power systems, with hourly prices across multiple markets spiking to levels not observed since the energy crisis. This highlights the increasing upside price sensitivity to intermittent renewable output amid a decline in thermal generating capacity in recent years.

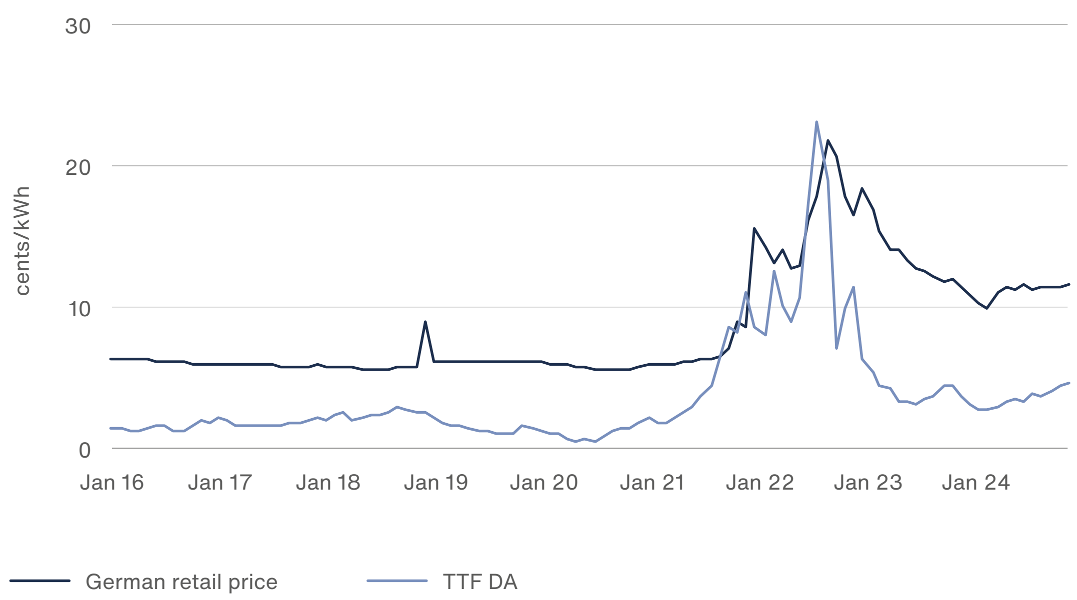
Gas consumption

European natural gas consumption slipped slightly y/y in 2024, continuing a three-year downward trend. Lingering price-driven demand losses coupled with additional closures of large industrial consumers were only partially offset by demand gains owing to relatively colder weather conditions y/y.

Northwest European and Italian local distribution company (LDC) demand reflecting burn for heating rose slightly by 1.1 bcm y/y to 138 bcm in 2024, largely on the back of colder weather compared to 2023. Retail prices remained relatively elevated last year compared to historical averages, keeping a lid on demand recovery across the region.

Meanwhile, European power sector gas declined, mostly due to the growth in renewable generation and higher French nuclear availability. Non-LDC demand, which includes demand for power generation and industrial use was 121.7 bcm in 2024, down by 1.6 bcm y/y.

Germany retail price, TTF DA



Source: Verivox, PEGAS, EP Commodities

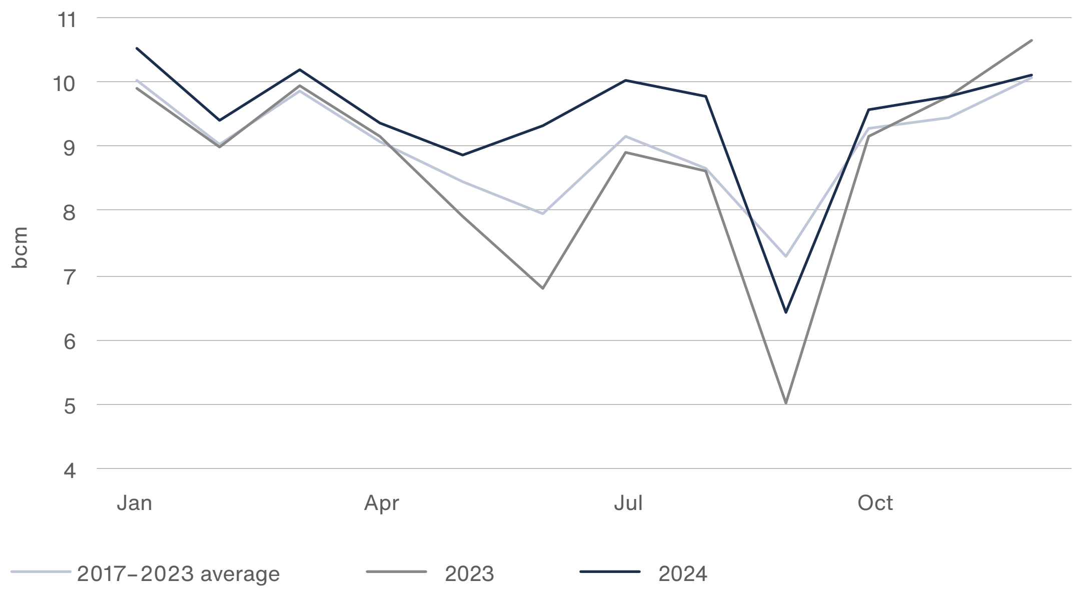
Gas supply

Norway remained the largest single gas supplier to Europe via pipeline in 2024.

Exports to Europe grew from 2023, moving 7.6% higher to 113 bcm. Lower maintenance overruns was the key contributor relative to an outage-affected 2023. High gas prices relative to oil meant producers continued to spurn using gas for enhanced oil recovery (EOR).

State-owned Equinor was granted a production permits of more than 40 bcm and 7 bcm for key flexible field Troll for Oseberg respectively – keeping them at the record levels of previous gas years.

Norwegian gas pipeline exports to Europe

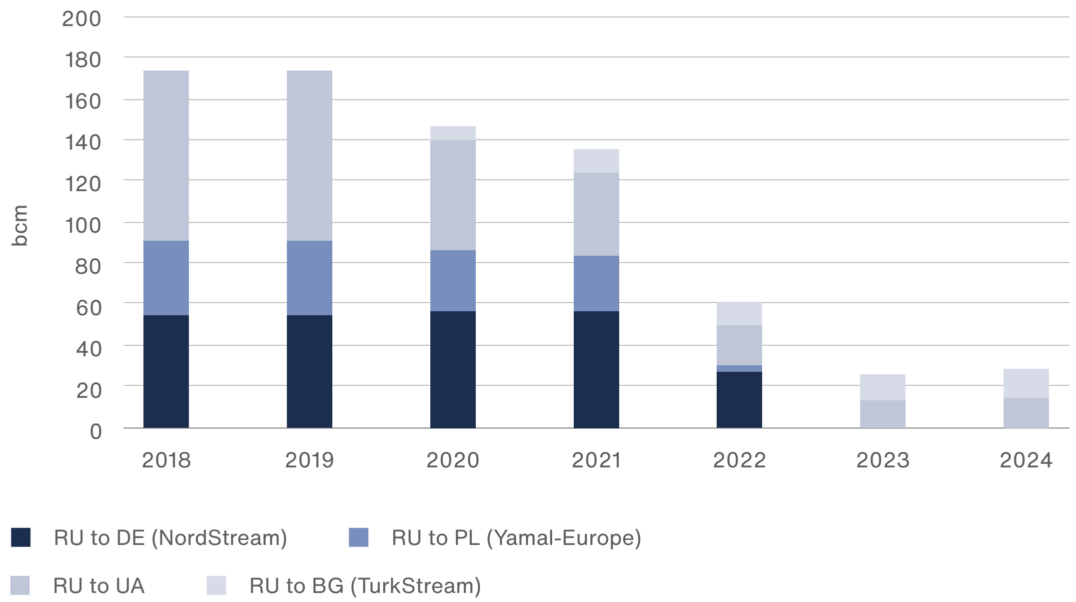


Source: Gassco, EP Commodities

Russian pipeline exports remained a fraction of their historic norm with Gazprom continuing to supply a few contractual buyers via the Ukrainian and Turkstream routes. Flows totalled approximately 34 bcm in 2024, higher than 2023 but still a fraction of their 168 bcm peak in 2021.

Even when the 12 bcm/y OMV-Gazprom supply contract was terminated over arbitration proceedings in November, flows remained unchanged. However, flows into Ukraine ceased at the start of 2025 on the expiration of the Gazprom-Naftogaz transit deal, with no new agreement signed.

Russian pipeline exports to Europe by transit route



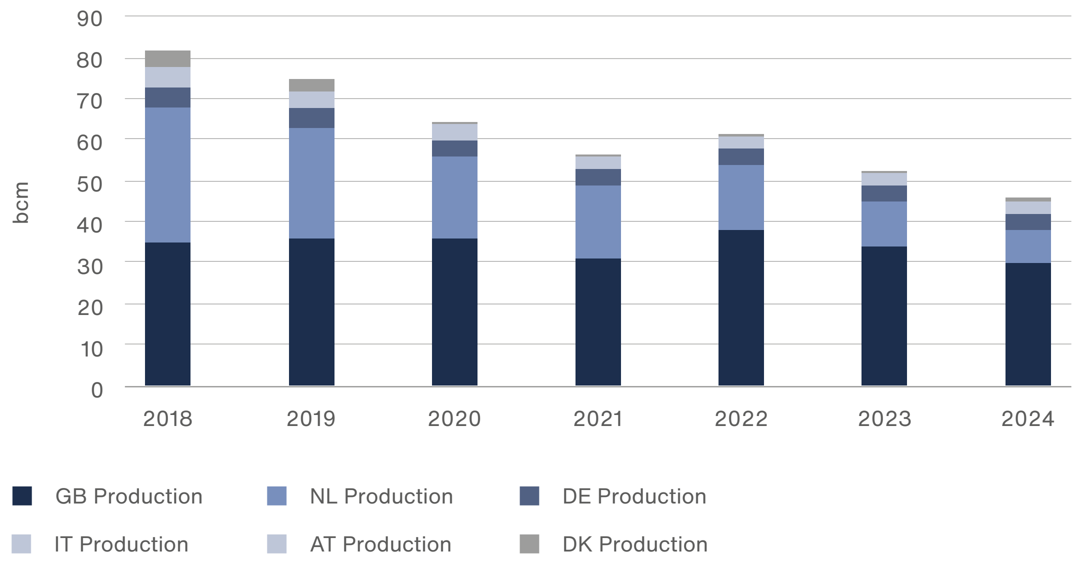
Source: ENTSOG, GTSOU, EP Commodities

UK Continental Shelf (UKCS) production continued to suffer from age-related declines, with deliveries down 14% y/y to 30 bcm in 2024.

Dutch production dropped 13% y/y to 9 bcm in 2024. Operator NAM wound down production at the Groningen field early in 2023, leaving small fields as the source of domestic production in the Netherlands, with some residual Danish volumes arriving via the NOGAT pipeline.

Denmark struggled to ramp up production the Tyra field though 2024 after four years of redevelopment. Operator Total restarted the field but full production was consistently pushed back through the year. Flows to the Danish grid totalled 0.4bcm from Tyra and smaller fields, well below the 3 bcm/year capacity of the Tyra alone.

European domestic gas production



Source: ENTSOG, EP Commodities

North African flows to Italy and Spain inched 6% lower to 31 bcm with Algeria accounting for most exports and Libya delivering just 4% of the total. The Hassi R'Mel booster project mitigated the effect of high depletion rates from Algeria's more mature fields. Algerian exports to Spain remain constrained by the cessation of transit via Morocco on the MEG pipeline in 2022.

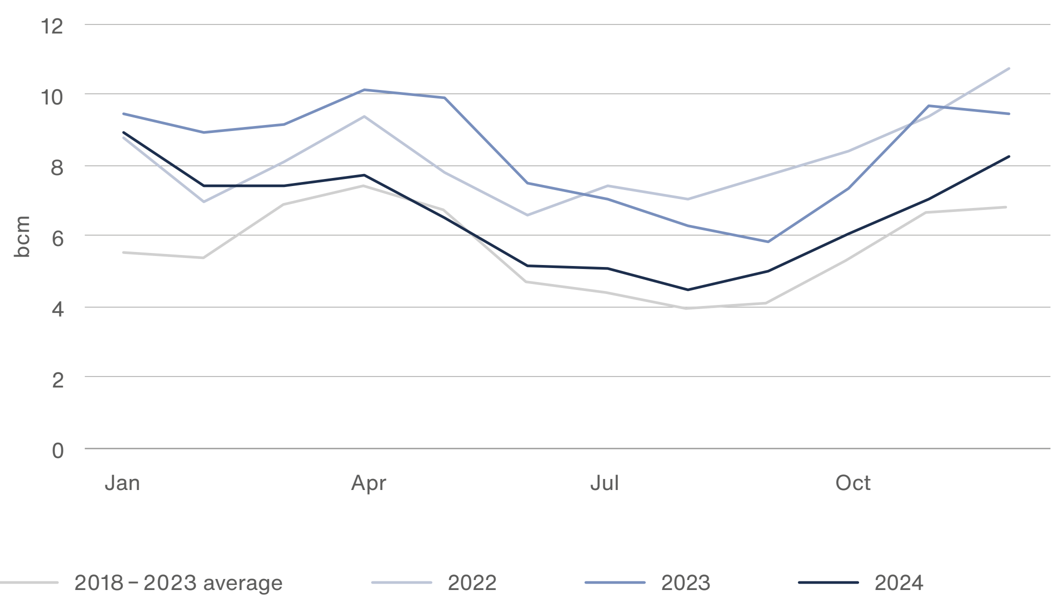
Azeri flows into Italy climbed to 10 bcm, up 11% from 2023. There was some offtake into the Balkan region via the IGB pipeline but Italy continued to take most contractual and spot deliveries.

LNG

European LNG sendout for Northwest Europe and Italy dropped 22 bcm y/y in 2024, driven by a mild winter, lack of recovery in LDC and industrial demand, strong renewable growth, and higher y/y pipeline imports from Norway, all of which lowered the call on LNG at the margin.

That said, European LNG sendout of 79 bcm in 2024 remained well above the 2018 – 2023 average of 68 bcm. Europe's lower call on LNG led to a steady de-risking of TTF prices, which averaged 35 EUR/MWh in 2024, down from 120 EUR/MWh in 2022 and 41 EUR/MWh in 2023. Lower flat TTF prices, in turn, incentivized gas demand growth in several price-sensitive countries, most notably China, India, Bangladesh, and Thailand, all of which saw higher y/y LNG takes. Overall, Asian LNG imports rose by 25 bcm y/y in 2024.

European LNG sendout, balances in our perimeter



Source: ENTSOG, Transmission System Operators

China's total gas demand increased by 38 bcm y/y, with most of the growth coming from the city gas and industrial sectors, while gas-to-power and chemical feedstock demand also rose vs. 2023. This strong demand growth persisted despite slowing overall economic expansion, underscoring natural gas's positioning in the broader energy mix. City gas consumption, in particular, was bolstered by rising LNG demand in the heavy truck sector. LNG is viewed as a cleaner-burning alternative to diesel – a crucial factor in China, where air pollution remains a pressing issue. The government has been promoting LNG adoption through tighter emissions standards and subsidies for LNG-fueled trucks.

Indian LNG imports hit a record 36 bcm in 2024, up 6 bcm y/y, supported by lower flat TTF prices, rising industrial demand, subsidies for the fertilizer sector, and changes to the pipeline tariff mechanism. Stagnating domestic production, which grew by less than 0.5 bcm y/y, also contributed to an increased reliance on LNG.

On the supply side, global LNG exports rose only marginally y/y, by 0.9 bcm, with just the small Altamira and Congo FLNG projects coming online. The US remained the largest exporter, followed by Australia and Qatar. Russian exports increased by just 1.4 bcm y/y, as US sanctions on Arctic LNG 2 hampered the project's startup, leaving it mothballed at the time of writing.

Meanwhile, feedgas availability remained constrained across several legacy exporters – including Indonesia, Malaysia, Algeria, and Trinidad – due to upstream depletion rates. Most notably, Egypt shifted from being a net LNG exporter in 2019 – 2023 to a net importer in 2024. This reversal was driven by water cut issues at the Zohr field – Egypt's largest gas field – along with continued demand growth from the power sector, leading to sustained LNG imports from June 2024 onward. In Nigeria, feedgas availability slightly improved amid better security conditions in the Niger Delta, though operating rates at the NLNG plant remained well below technical capacity.

Europe's ongoing reliance on LNG has been exacerbated by the complete halt of Russian gas exports via Ukraine, and the potential for unplanned outages at major LNG export plants remains a significant factor influencing TTF price volatility.

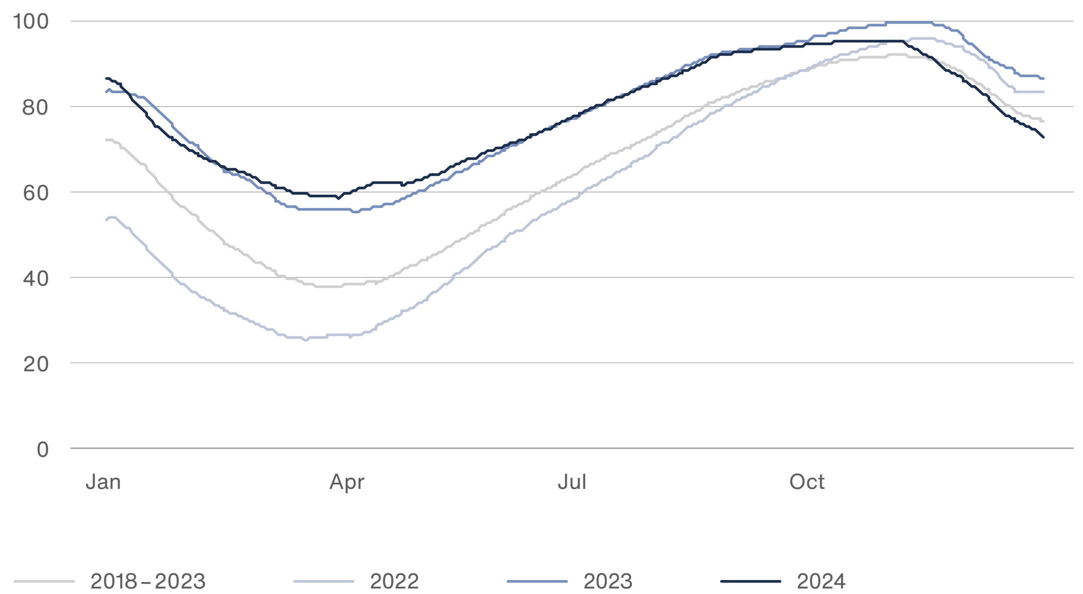
Gas storage

European underground storage sites broke a new end-winter stock level at the end of March 2024 with 58.5 bcm in storage, which equates to 58% full. Higher inventories against previous years were largely the result of milder than usual weather suppressing heating demand and allowing stocks to be preserved during the peak winter season.

European storage sites flipped to net injections in April with steady flows continuing until November. All European markets (except Denmark) met their respective stock targets for 1 November 2024 as mandated by EU regulation or superseding national law.

Stocks surpassed the mandated targets across several European markets, with inventories on 1 November 2024 reaching 95.2 bcm (94% full), which is however lower on a yearly basis as stocks were 98.3 bcm (98%) as of 1 November 2023. In October 2024 forward European gas contracts began trading at a premium to contracts for delivery in winter 2025 – 2026. This occurrence, highly unusual for the European gas market, has cast uncertainty over commercial storage injections across Europe in meeting the 1 November 2025 stock target.

European gas inventories fill rate (%)

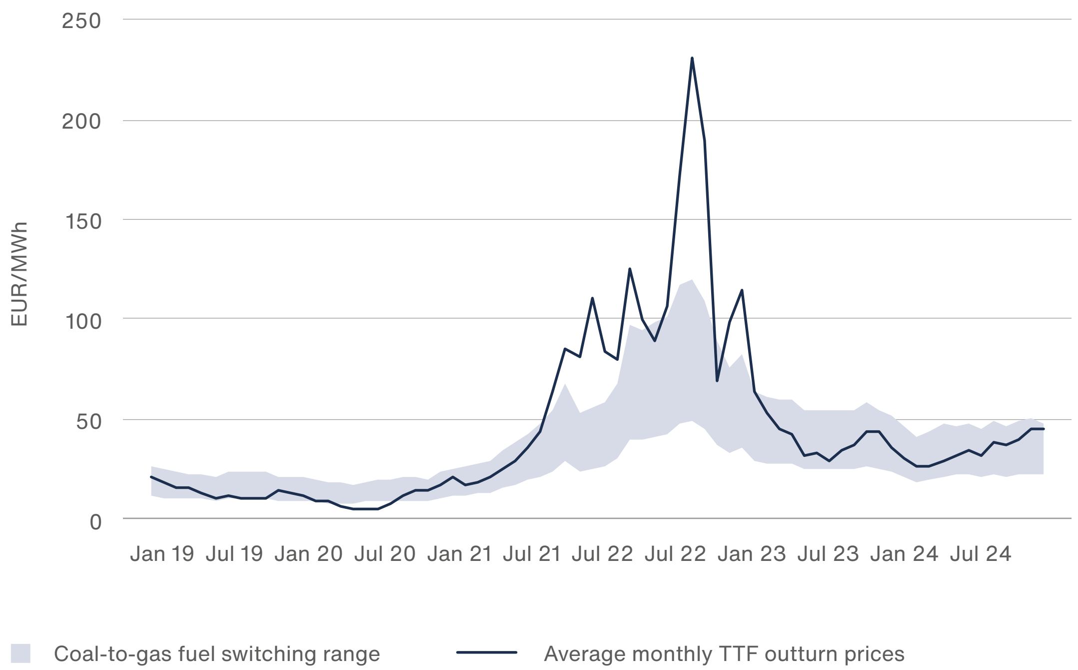


Source: AGSI, EP Commodities

Gas prices

TTF prices continued their downward trend at the start of 2024, driven by record-high pre-winter inventories, ample supply, and subdued demand amid mild winter temperatures and ongoing weakness in industrial consumption. In January, average day-ahead prices hovered around 30 EUR/MWh, significantly lower than the January 2023 average of 63 EUR/MWh, when supply security concerns were still supporting prices.

Average TTF outturn prices versus coal-to-gas fuel switching range



Source: ICE, NYMEX, EP Commodities

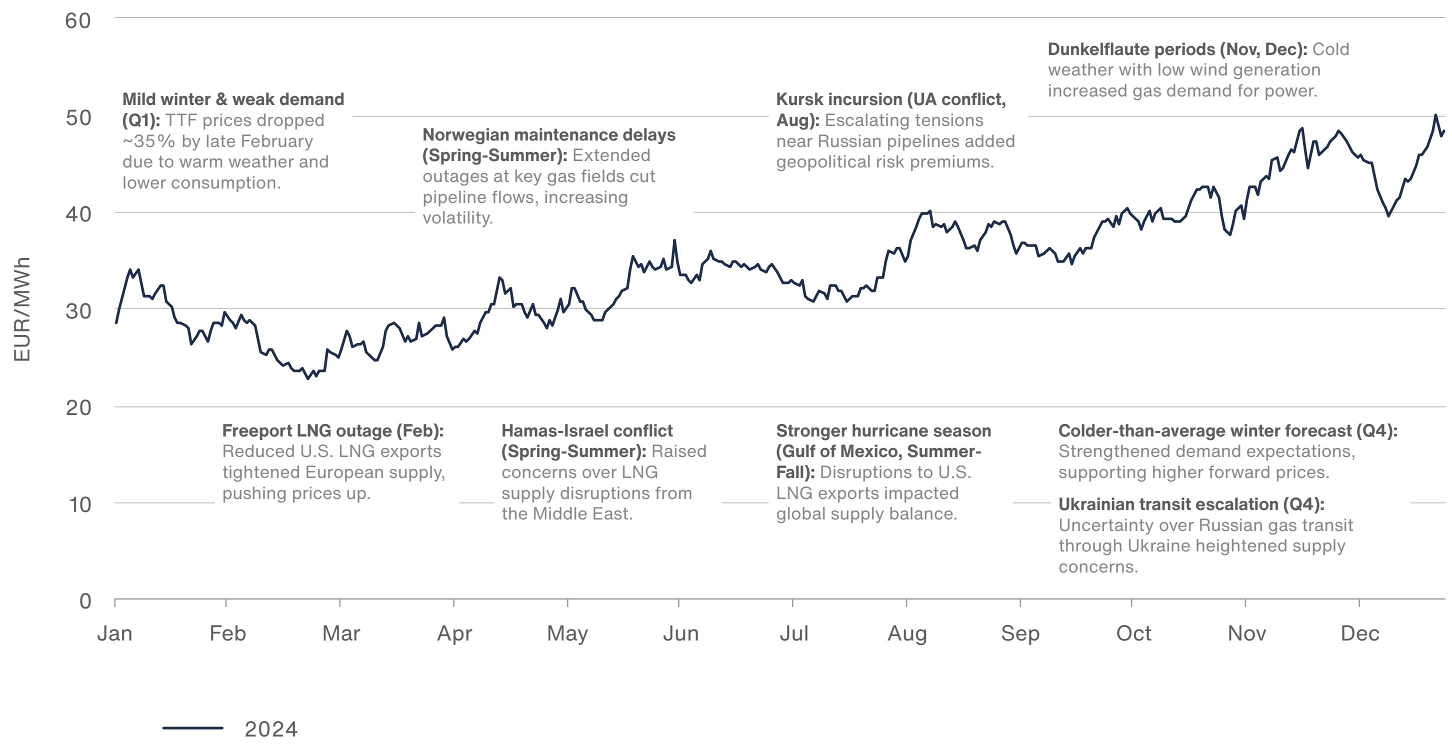
Although day-ahead prices saw a brief uptick in early February following a short-lived outage at Norway's Nyhamna processing plant, they quickly retreated as seasonal demand waned throughout March. By the end of Q1 2024, day-ahead prices had averaged 28 EUR/MWh. However, from late Q1 into Q2, prices rebounded to an average of 32 EUR/MWh, largely due to a recovery in Asian LNG demand, which tightened the global market, as well as an outage at the Freeport LNG plant on the US Gulf Coast, where operations remained restricted until mid-May. Additional upward pressure came from risks to Israeli gas production and exports to Egypt, amid intermittent strikes between Israel and Iran throughout the quarter.

The price rally extended into Q3 2024, with day-ahead prices averaging 35 EUR/MWh. The rally was primarily fuelled by continued strong Asian LNG demand but was further exacerbated by concerns over Russian gas flows via Ukraine. These fears intensified after Ukraine's unexpected incursion into Russia's Kursk region, where it seized control of the Sudzha metering station. Persistent geopolitical tensions in the Middle East also added to supply concerns.

In Q4 2024, prices climbed further, with day-ahead prices averaging 43 EUR/MWh, once again driven by uncertainty surrounding Russian gas supply to Europe. Speculation mounted over the fate of gas transit through Ukraine, as political statements fueled volatility. The prospect of an immediate supply cut under Austria's OMV long-term contract also supported prices.

In mid-November, OMV was awarded EUR 230 million in damages by the International Chamber of Commerce due to irregular Russian gas deliveries to Germany. The company later announced plans to recover these damages, along with interest and costs, by offsetting them against future payments to Gazprom Export under Austria's long-term gas supply contract. This development sparked concerns that Russian pipeline gas flows to Austria and Slovakia via Ukraine could be halted prematurely.

TTF outturn (day ahead) prices in EUR/MWh



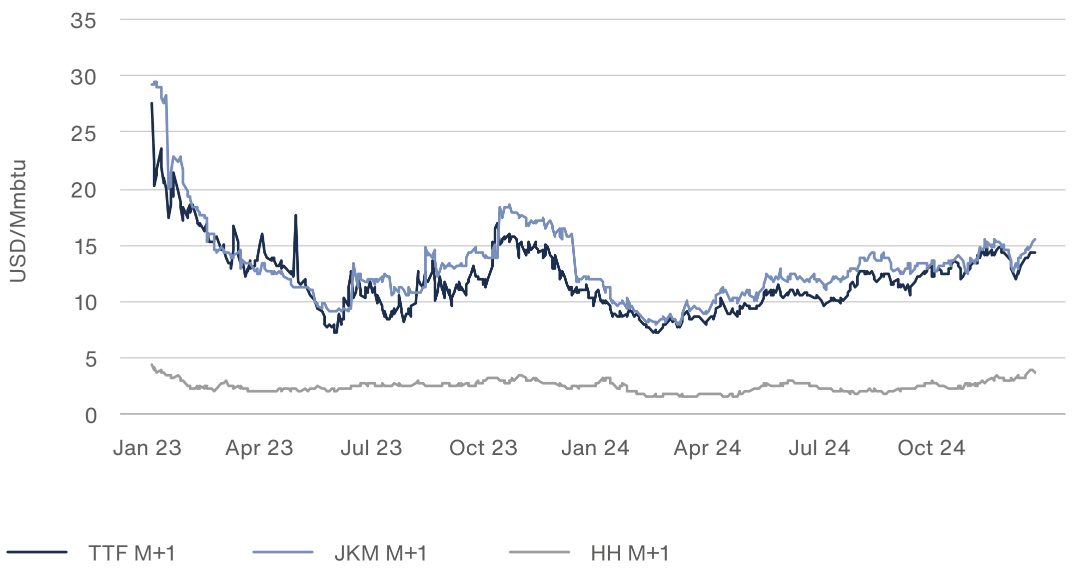
Source: ICE, EP Commodities

JKM-TTF spreads averaged $1/MMBtu in 2024, down slightly from the 2023 average of $1.5/MMBtu. Several factors influenced the spread consistently throughout the year.

A sharp rise in Asian gas demand in 2024 led to a higher reliance on cross-basin US spot cargoes, with US LNG exports to Asia increasing to 41 bcm from 33 bcm in 2023. Despite Gatun Lake's water levels returning to normal from Q2 2024, transit via the Panama Canal remained limited. US LNG carriers continued to favor the longer Cape of Good Hope route due to difficulties in securing prompt transit slots, as LNG carriers ranked lower than other vessel classes. Meanwhile, US LNG exports to Asia via the Suez Canal remained minimal due to ongoing geopolitical tensions in the Middle East.

Although longer voyage distances for cross-basin cargoes could have supported a wider JKM-TTF spread, this effect was offset by a significant loosening in shipping balances. Over 100 new LNG carriers entered the fleet in 2023-24, while several major greenfield LNG projects, such as Golden Pass on the US Gulf Coast, faced delays. With LNG supply expansion lagging behind fleet growth, spot and term freight rates declined, limiting the upside to JKM-TTF spreads.

Global gas prices



Source: ICE, NYMEX, EP Commodities

Henry Hub prices averaged $2.2/mmbtu in 2024, the lowest annual average in inflation-adjusted terms ever recorded, reflecting a 16% decline from 2023 and a 68% drop from 2022 – the largest two-year decrease on record. Strong domestic production and limited demand growth kept prices low for most of the year, except in January, when a severe cold snap drove space-heating demand and temporarily pushed the Henry Hub spot price to a yearly high of $13.5/mmbtu.

Prices then steadily declined through February and March as production remained robust, weather moderated, and natural gas storage levels stayed high following the warmest winter on record, with end-of-season inventories on 31 March coming in 25% higher than in 2023, and 39% above the five-year average. Prices remained subdued through the second and third quarters, as lower seasonal heating demand in April and May, flat net exports, and stagnant LNG capacity (mostly owing to EPC issues at the Golden Pass LNG project) further limited upward price pressure.

Although summer air-conditioning demand led to increased consumption in the power sector, storage injections were below average, gradually reducing the surplus, yet the market still entered the 2024–2025 winter season with the highest storage levels since 2016. By December, prices began to rise as seasonal temperatures returned to more typical winter conditions, increasing demand for space heating.

Oil

Crude oil prices ended 2024 at around $70/bbl, marginally down from $75/bbl at the start of the year. Lacklustre Asian demand battled with Middle East tensions and US policy and kept crude prices in check this year. Crude prices reached a high in March at around $83/bbl and were the lowest in November at just above $68/bbl.

The year kicked off with security concerns in the Gulf of Aden which resulted in supply disruption and major shipping lanes being diverted away from the Red Sea. But a reduction in crude prices during the first quarter prompted OPEC+ to prolong voluntary production cuts until the end of the second quarter.

Ukraine's attacks on Russian oil refineries intensified in the second quarter, with the notable strike on the 240 kbd Tuapse plant on 17 May. Overall Ukraine targeted 12 refineries causing however only minor disruptions to throughput volumes.

Fears of weak global economic slowdown took centre stage early in the third quarter, with investors beginning to expect interest rates cuts. July's Chinese GDP data missed analyst expectations to the downside, which revived concerns about global oil demand. In September, the US Federal Reserve began reducing interest rates with a first 0.5% cut.

OPEC extended production cuts through October and December, while Libya imposed an oil export ban due to a dispute between rival governments.

The fourth quarter began with escalating tensions in the Middle East as Iran launched a series of large air strikes against Israel. OPEC extended production cuts through December and into Q1 2025. In October, Libya reopened its oilfields.

Iran and Venezuela remained under US sanctions during the whole year, but oil exports from these two countries increased in 2024, with exports reaching new high levels.

Key oil benchmark prices

Source: ICE, EP Commodities

Towards the end of the year the re-election of Donald Trump as US president drove a short-lived rally in oil prices with US equities and the dollar also edging higher. The year ended with ongoing uncertainties on the demand side as well as risks of trade wars, further deterioration in US-China relations as Donald Trump enters the White House.

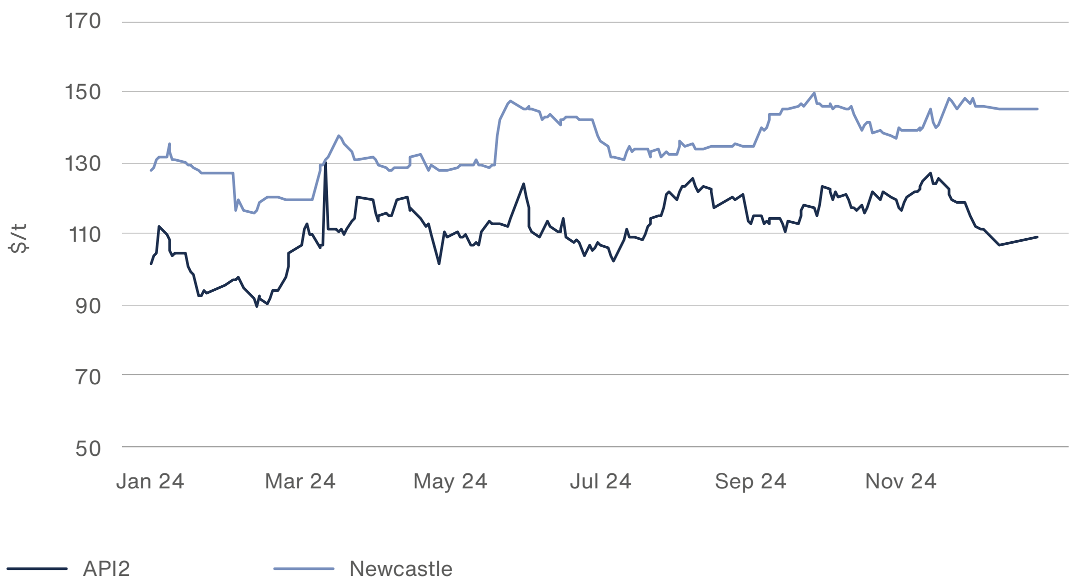
Coal

API2 prices fell throughout 2024, driven by persistent oversupply and weak demand signals. Prices declined from around $118/t at the beginning of 2024 to approximately $95/t by year-end. The IEA estimates global coal demand reached 8,630 Mt in 2024, a modest 1.2% y/y increase.

European Union coal demand further contracted, dropping an additional 15% in 2024. Accelerated renewable energy deployment and improved performance from nuclear continued to displace thermal generation. There were similar trends in the US where demand dropped 10% has renewable buildout and competitive natural gas prices accelerated coal-fired power plant retirements. Both Japan and South Korea also lost around 5–7% of coal demand from 2023, pressured by renewables and nuclear restarts.

China's coal demand grew 2.3% year on year in 2024. Despite slowing economic growth, the electricity sector maintained steady coal-fired power generation, with total consumption reaching approximately 3,100 Mt. Indian demand rose 6.5% y/y in 2024. Power generation remained the primary driver, with coal consumption for electricity increasing to around 997 Mt. India's continued industrial expansion and electricity infrastructure development sustained coal demand, though at a moderated pace compared to previous years.

Global coal prices



Source: ICE, EP Commodities

The global coal supply continued to grow in 2024, with the IEA estimating supplies reaching approximately 8,730 Mt (up 1.7% y/y). China continued to drive supply dynamics, increasing domestic production to around 4.4 billion tonnes to further reduce import dependence.

India's domestic production continued its strong growth trajectory, increasing by approximately 8% to more than 1,080 Mt in 2024. Captive mine operators remained a key growth driver, with the IEA estimating captive block output growth of around 22%. NTPC, India's largest power producer, further expanded production in its captive blocks, estimated to have increased by an additional 45% to approximately 33 Mt.

While coal stocks declined in those regions actively moving away from coal, the stayed high in major consumers like China or India. The latter helped pressure seabourne coal prices as key importers were able to manage their own supplies.

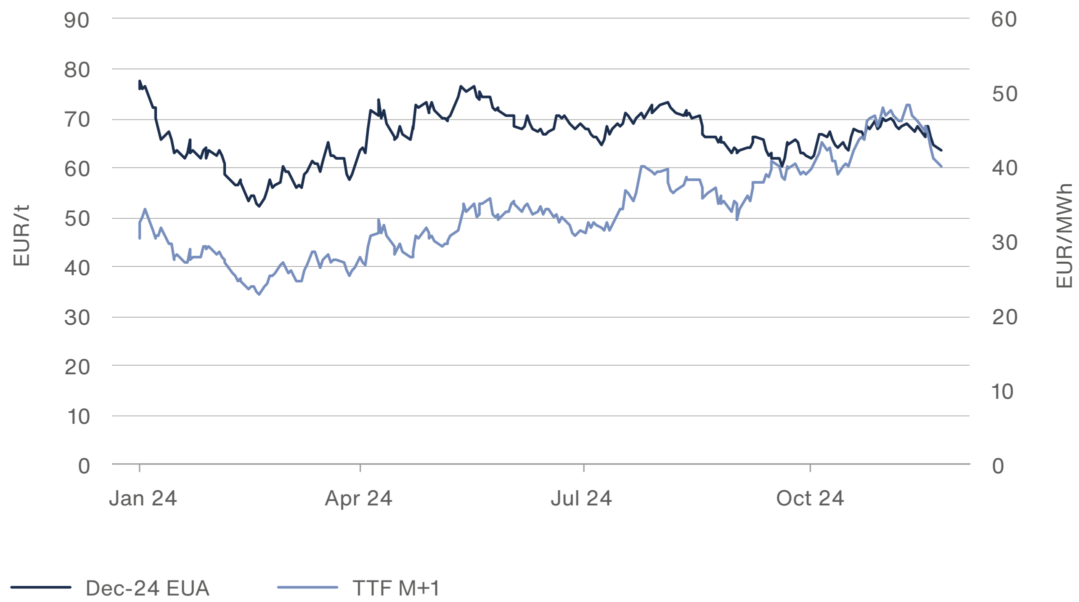
EUA

Europe's overall stagnant macroeconomic outlook contributed to exert downward pressure on EU carbon allowances (EUAs), with the average price of the benchmark front-December futures contract falling from 85 EUR/t in 2023 to 66.5 EUR/t in 2024.

After reaching an all-time high of above 100 EUR/t in early 2023, the EUA Dec futures contract retreated significantly through the second half of 2023, with the downtrend persisting into 2024, with EUA demand dwindling on reduced emissions from the power sector, and as stagnant economic conditions continued to dampen any significant industrial recovery.

During H1 2024, weakening European gas prices further weighed on carbon, whose fluctuations continued to display a high correlation to gas price movements. With gas pricing relatively low in the fuel-switching channel, this helped to squeeze out more carbon-intensive coal out of the power generation mix. Moreover, an increasing share of renewables and nuclear in the power mix further contributed to reduce the overall space for thermal generation, with a notable increase year-on-year in hydropower output across the region.

EUA price in EUR/t



Source: ICE, EP Commodities

When this situation reversed on the rally in TTF gas prices in early spring, carbon also started a steady recovery that lasted until June. However, the positive correlation between EUAs and gas prices began to weaken into the second half of the year. While TTF gas prices steadily increased in anticipation of a potential cessation in Russian pipeline flows via Ukraine, EUAs held relatively steady within a 60–70 EUR/t trading range on persistently weak fundamentals and as speculation about a possible increase in volumes sold to co-finance the REPowerEU programme weighed on EUAs until the European Commission clarified in November that no adjustment would be made before September 2025.

On the supply side, overall volumes increased as cuts in the issuance of allowances under the broader ETS cap trajectory were offset by the scope expansion to include emissions from the maritime sector and larger auctions. In addition, the frontloading of EUA auction volumes to help finance the REPowerEU programme added 87 m EUAs to the market. A total of 1,134 m EUAs were issued in 2024, which was around 5% year-on-year, with auction volumes only affected by additional supply from REPowerEU in the second half of 2023.

From a policy perspective, the European Commission released its communication and impact assessment on a 2040 climate target in February 2024, with a 90% reduction in greenhouse gas emissions proposed as an intermediate target to bridge the 55% target for 2030 and climate neutrality by 2060. However, this topic was somewhat overshadowed by increasing concerns about Europe's industrial competitiveness, exemplified by a report presented by former ECB chief Mario Draghi in September and by the European Commission's pledge to present a Clean Industrial Deal to address increasing uncompetitiveness of European industries with other global economies.

II. Management Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of EP Group, a.s. (further “the Company”) for the year ended 31 December 2024, which is prepared in accordance with the Czech accounting legislation.

The Statutory Financial Statements of the Company have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, and relevant regulations and decrees applicable to entrepreneurs, in particular Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting.

The Consolidated Financial Statements of the EP Group, a.s. have been prepared in accordance with International accounting standards (IAS) and International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as adopted by the European Union.

In our opinion, both accompanying financial statements give true and fair view of the assets, liabilities, financial position, profit or loss as well as cash flows for the financial year 2024. In addition, the Group’s review of operations includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

We recommend the Annual Report for authorisation and approval at the Annual General Meeting.

Prague, 30 May 2025

Daniel Křetínský Chairman of the Board of Directors	**Pavel Horský** Member of the Board of Directors

III. Report on Relations

Report on relations

between the controlling and controlled entities and on relations between the controlled entity and other entities controlled by the same controlling entity (related entities)

prepared by the Board of Directors of EP Group, a.s. with its registered office at Pařížská 130/26, Josefov, 110 00 Praha 1, IČ: 086 49 197, in accordance with Section 82 (1) of Act No. 90/2012 Coll., on Business Companies and Cooperatives, as amended

("the Report")

I. Preamble

The Report has been prepared pursuant to Section 82 (1) of the Act on Business Companies and Cooperatives (the Business Corporations Act) (Act No. 90/2012 Coll., as amended).

The report has been submitted for review to the Company's Supervisory Board in accordance with Section 83 (1) of the Act on Business Companies and Cooperatives (the Business Corporations Act) (Act No. 90/2012 Coll., as amended) and the Supervisory Board's position will be communicated to the Company's General Meeting deciding on the approval of the Company's financial statements and on the distribution of the Company's profit or the settlement of its loss.

The Report has been prepared for the 2024 reporting period.

II. Structure of relations between the entities

Controlled entity

The Controlled entity is EP Group, a.s. with the registered office at Pařížská 130/26, Josefov, 110 00 Praha 1, corporate ID: 086 49 197 recorded in the Commercial Register maintained by the Municipal Court in Prague, File B, Insert 24846.

Directly controlling entites

EP Investment S.à r.l.
Registered office: L-2314 Luxembourg, Place de Paris 2, Grand Duchy of Luxemburg
Reg. No.: B184.488
Legal status: société à responsabilité limitée

Other controlled entities

The structure of relations between the controlling entity EP Investment S.à r.l. and groups of controlled entities controlled by this controlling entity is specified in Appendix 1 to the Report. The appendix, therefore, does not include the complete ownership structure of EP Investment S.à r.l., nor does it include shareholders holding non-controlling interests.

III. Role of the controlled entity; method and means of control

Role of the controlled entity

- strategic management of the development of a group of directly or indirectly controlled entities
- providing financing and developing financing systems for group entities
- optimizing the services utilized/provided in order to improve the entire group's performance
- managing, acquiring and treating the Company's ownership interests and other assets

Method and means of control

The controlling entity holds a majority of share of voting rights in EP Group, a.s. over which it exercises a controlling influence.

IV. Overview of acts made pursuant to Section 82 (2) (d) of Act No. 90/2012 Coll., on Business Companies and Cooperatives (the Business Corporations Act)

During the 2024 financial year, the Company paid out profit share exceeding 10% of the Company's equity.

In addition to the above, during 2024 no other actions were taken at the initiative or in the interest of the controlling entity in respect of assets exceeding 10% of the controlled entity's equity as determined from the most recent financial statements.

V. Agreements concluded between EP Group, a.s. and Other Related Parties

V.1.1

In 2024, the following loan agreements concluded by companies in the EP Investments, S.à r.l. Group were effective:

On 14 March 2024 a loan agreement was signed between EP Group, a.s. as the creditor and EP Investment S.à r.l. as the debtor.

In 2024, the following loan agreements concluded by companies in the EP Group, a.s. Group were effective:

On 10 September 2024 a loan agreement was signed between EP Group, a.s. as the creditor and EP Real Estate, a.s. as the debtor.

In 2024, the following loan agreements concluded by companies in the Energetický a průmyslový holding, a.s. Group were effective::

On 30 June 2023 a loan agreement, including effective amendments, was signed between EP Group, a.s. as the debtor and Energetický a průmyslový holding, a.s. as the creditor.

On 12 March 2024 a loan agreement was signed between EP Group, a.s. as the debtor and Energetický a průmyslový holding, a.s. as the creditor.

In 2024, the following other loan agreements were effective:

On 22 December 2020 a loan agreement, including effective amendments, was signed between EP Group, a.s. as the creditor and EP Global Commerce a.s. as the debtor.

V.1.2

In 2024, the following agreements on additional equity contributions were effective:

On 15 January 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Energy Transition, a.s.

On 19 January 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EC Investments a.s.

On 29 January 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Energy Transition, a.s.

On 27 March 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Real Estate, a.s.

On 10 April 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EC Investments a.s.

On 10 April 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and CZECH MEDIA INVEST a.s.

On 19 April 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Energy Transition, a.s.

On 24 June 2024 a loan agreement on an additional equity contributions was signed between EP Investment S.à r.l. as the shareholder and EP Group, a.s.

On 24 June 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and Energetický a průmyslový holding, a.s.

On 30 July 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Energy Transition, a.s.

On 30 July 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and CZECH MEDIA INVEST a.s.

On 30 July 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Project Finance, a.s.

On 20 August 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and EP Real Estate, a.s.

On 19 December 2024 a loan agreement on an additional equity contributions was signed between EP Group, a.s. as the shareholder and Ogen s.r.o.

V.1.3

In 2024 the following agreements on the assignment of a receivable or payable and netting agreements concluded by companies in the Energetický a průmyslový holidng, a.s. Group were effective:

On 10 April 2024 a matual netting agreement was signed between Energetický a průmyslový holding, a.s. and EP Group, a.s.

V.1.4

In 2024, the following other contracts concluded by companies in the EP Investment S.à r.l. Group were effective:

On 15 October 2024 an Agreement on the purchase of 9,9% stake in EP Global Commerce a.s. was signed between EP Investment S.à r.l. as the transferor and EP Group, a.s. as the transferee.

V.1.5

In 2024, the following operating contracts concluded by companies in Energetický a průmyslový holding, a.s. Group were effective:

Sublease agreement for business premises dated 30 October 2019 between EP Investment Advisors, s.r.o. as tenant and EP Group Investments a.s. as subtenant.

Professional services agreement dated 28 February 2022 between EP Investment Advisors, s.r.o. as the provider and EP Group, a.s. as the interested party with an effective date of 1 January 2021.

Professional services agreement between Energetický a průmyslový holding, a.s. as the provider and EP Group, a.s. as the interested party with an effective date of 1 January 2022.

V.2.

Other legal acts between EP Group, a.s. and other related parties

Apart form the above, no other agreements have been concluded between EP Group, a.s. and related parties and there has been no performance or consideration between EP Group, a.s. and related parties.

EP Group, a.s. has not taken or carried out any other legal acts or measures in the interest of or at the instigation of related parties.

V.3.

Transactions, receivables and payables of EP Group, a.s. toward related parties

Receivables and payables of EP Group, a.s. toward related parties as of 31 December 2024 will be disclosed in the relative item of the notes of the financial statements of the controlled entity for 2024.

VI.

We hereby confirm that this Report on relations between related entities of EP Group, a.s., prepared pursuant to the provisions of Section 82 (1) of the Act on Business Companies and Cooperatives (the Business Corporations Act) (Act No.90/2012 Coll., as amended), for the reporting period form 1 January 2024 to 31 December 2024, includes all information known as at the date of signing this report, regarding:

- agreements between related parties
- performance and counter-performance provided to relevant parties
- other juridical acts carried out in the interest of related entities and
- all measures taken or implemented in the interest of at the initiative of related entities.

The Board of Directors of EP Group, a.s. further declares that EP Group, a.s. incurred no damage as a result of the actions of the controlling entity or any entity controlled by the same entity. All transactions between the controlled and the controlling entity or entities controlled by the same entity were concluded at arm's length. The contractual and other relations with related entities resulted in no loss or financial advantage or disadvantage to EP Group, a.s.

In Prague, on 31 March 2025

JUDr. Daniel Křetínský
Chairman of the Board of Directors of EP Group, a.s.

Mgr. Pavel Horský
Member of the Board of Directors of EP Group, a.s.

IV. Consolidated Audit Report

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

Tel: +420 246 042 500
Fax: +420 246 042 555
DeloitteCZ@deloitteCE.com
www.deloitte.cz

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EP Group, a.s.

Having its registered office at: Pařížská 130/26, Josefov, 110 00 Praha 1

Opinion

We have audited the accompanying consolidated financial statements of EP Group, a.s. and its subsidiaries (the "Group") prepared on the basis of International Financial Reporting Standards (IFRS ® Accounting Standards) adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

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

Other Information in the Consolidated Annual Report

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

In Prague on 30 May 2025

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o. registration no. 079	Ladislav Šauer registration no. 2261

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V. Consolidated financial statements

In this section

EP Group, a.s.

Consolidated Financial Statements as of and for the year ended 31 December 2024

Consolidated statement of comprehensive income

For the year ended 31 December 2024
In millions of EUR ("MEUR")

	Note	2024	2023
Revenues	7	**27,549**	**26,660**
Purchases and consumables	8	**(16,077)**	**(16,867)**
Subtotal		**11,472**	**9,793**
Services	9	(1,378)	(1,044)
Personnel expenses	10	(1,398)	(959)
Depreciation, amortization and impairment	15, 16	(1,789)	(2,026)
Emission rights, net	11	(4,378)	(2,752)
Bargain purchase gain	6	–	868
Own work, capitalized		65	43
Other operating expense, net	12	(770)	(406)
Profit from operations		**1,824**	**3,517**
Finance income	13	299	2,315
Change in impairment on financial instruments and other financial assets	13	30	12
Finance expense	13	(662)	(481)
Net finance income (expense)		**(333)**	**1,846**
Share of profit of equity accounted investees, net of tax	17	321	931
Gain from disposal of subsidiaries, joint ventures and associates	6	1	–
Profit before income tax		**1,813**	**6,294**
Income tax expenses	14	(668)	(644)
Profit for the year		**1,145**	**5,650**

Consolidated statement of comprehensive income

(continued)

For the year ended 31 December 2024
In millions of EUR ("MEUR")

	Note	2024	2023
Items that are not reclassified subsequently to profit or loss			
Revaluation value reserve included in other comprehensive income	14, 15	(139)	480
Fair value reserve included in other comprehensive income, net of tax	14	18	(50)
Share of the other comprehensive income of equity accounted investees, net of tax		(1)	1
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	14	17	(73)
Effective portion of changes in fair value of cash-flow hedges, net of tax	14	(207)	224
Share of the other comprehensive income of equity accounted investees, net of tax		(133)	486
Other comprehensive income for the year, net of tax		**(445)**	**1,068**
Total comprehensive income for the year		**700**	**6,718**
Profit attributable to:			
Owners of the Company		352	3,005
Non-controlling interest	24	793	2,645
Profit for the year		**1,145**	**5,650**
Total comprehensive income attributable to:			
Owners of the Company		190	3,327
Non-controlling interest	23	510	3,391
Total comprehensive income for the year		**700**	**6,718**

The notes presented on pages 79 to 251 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2024
In millions of EUR ("MEUR")

	Note	31 December 2024	31 December 2023
Assets			
Property, plant and equipment	15	14,882	14,851
Intangible assets and goodwill	16	3,239	4,422
Investment property		49	49
Equity accounted investees	17	1,610	1,337
Restricted cash		111	225
Financial instruments and other financial assets	27	819	870
Trade receivables and other assets	20	458	405
Prepayments and other deferrals		8	8
Deferred tax assets	18	414	278
Total non-current assets		**21,590**	**22,445**
Inventories, extracted minerals and mineral products	19	1,014	1,322
Trade receivables and other assets	20	3,893	5,313
Contract assets		135	75
Financial instruments and other financial assets	27	3,815	5,560
Prepayments and other deferrals		114	122
Current income tax receivable	14	182	140
Restricted cash		892	549
Cash and cash equivalents	21	8,530	7,435
Assets/disposal groups held for sale	22	339	–
Total current assets		**18,914**	**20,516**
Total assets		**40,504**	**42,961**
Equity			
Share capital	23	2,577	2,577
Reserves	23	(1,665)	(2,058)
Retained earnings		3,675	4,009
Total equity attributable to equity holders		**4,587**	**4,528**
Non-controlling interest	24	9,236	9,207
Total equity		**13,823**	**13,735**

Consolidated statement of financial position

(continued)

As at 31 December 2024
In millions of EUR ("MEUR")

	Note	31 December 2024	31 December 2023
Liabilities			
Loans and borrowings	25	6,764	7,690
Financial instruments and financial liabilities	28	284	210
Provisions	26	4,858	4,475
Deferred income	27	88	95
Contract liabilities		138	120
Deferred tax liabilities	19	2,213	2,078
Trade payables and other liabilities	29	35	1,314
Total non-current liabilities		**14,380**	**15,982**
Trade payables and other liabilities	29	3,872	3,663
Contract liabilities		123	105
Loans and borrowings	25	1,558	909
Financial instruments and financial liabilities	28	936	2,439
Provisions	26	4,880	5,420
Deferred income	27	76	58
Current income tax liability	14	574	650
Liabilities from disposal groups held for sale	22	282	–
Total current liabilities		**12,301**	**13,244**
Total liabilities		**26,681**	**29,226**
Total equity and liabilities		**40,504**	**42,961**

The notes presented on pages 79 to 251 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024
In millions of EUR ("MEUR")

		Attributable to owners of the Company											
			Reserves										
	Note	Share capital	Other capital funds from capital contributions	Non-distributable reserves	Translation reserve	Fair value reserve	Revaluation reserve	Other capital reserves	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total Equity
Balance as at 1 January 2024 (A)		**2,577**	**686**	**9**	**105**	**32**	**577**	**(3,672)**	**205**	**4,009**	**4,528**	**9,207**	**13,735**
Total comprehensive income for the year:													
Profit or loss (B)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**352**	**352**	**793**	**1,145**
Other comprehensive income:													
Foreign currency translation differences for foreign operations	14, 23	–	–	–	39	–	–	–	–	–	39	(22)	**17**
Fair value reserve included in other comprehensive income, net of tax	14, 23	–	–	–	–	11	–	–	–	–	11	7	**18**
Revaluation reserve included in other comprehensive income, net of tax	14, 23	–	–	–	–	–	(26)	–	–	–	(26)	(113)	**(139)**
Effective portion of changes in fair value of cash-flow hedges, net of tax	14, 23	–	–	–	–	–	–	–	(106)	–	(106)	(101)	**(207)**
Share of the other comprehensive income of equity accounted investees, net of tax		–	–	–	(7)	(1)	–	–	(72)	–	(80)	(54)	**(134)**
Total other comprehensive income (C)		**–**	**–**	**–**	**32**	**10**	**(26)**	**–**	**(178)**	**–**	**(162)**	**(283)**	**(445)**
Total comprehensive income for the year (D) = (B + C)		**–**	**–**	**–**	**32**	**10**	**(26)**	**–**	**(178)**	**352**	**190**	**510**	**700**
Contributions by and distributions to owners:													
Contributions to other funds		–	69	–	–	–	–	–	–	–	**69**	153	**222**
Dividends to equity holders	23, 24	–	–	–	–	–	–	–	–	(696)	**(696)**	(1,004)	**(1,700)**
Transfer to retained earnings		–	–	–	–	–	(20)	–	–	21	**1**	(1)	**–**
Transfer to non-distributable reserves – creation of legal fund		–	–	21	–	–	–	–	–	(21)	–	–	**–**
Total contributions by and distributions to owners (E)		**–**	**69**	**21**	**–**	**–**	**(20)**	**–**	**–**	**(696)**	**(626)**	**(852)**	**(1,478)**
Changes in ownership interests in subsidiaries:													
Effects of changes in shareholding on non-controlling interest	6	–	–	–	–	–	–	–	–	10	10	(10)	**–**
Other effects in equity	6	–	–	–	–	–	–	485	–	–	485	381	**866**
Total changes in ownership interests in subsidiaries (F)		**–**	**–**	**–**	**–**	**–**	**–**	**485**	**–**	**10**	**495**	**371**	**866**
Total transactions with owners (G) = (E + F)		**–**	**69**	**21**	**–**	**–**	**(20)**	**485**	**–**	**(686)**	**(131)**	**(481)**	**(612)**
Balance at 31 December 2024 (H) = (A + D + G)		**2,577**	**755**	**30**	**137**	**42**	**531**	**(3,187)**	**27**	**3,675**	**4,587**	**9,236**	**13,823**

The notes presented on pages 79 to 251 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(continued)

For the year ended 31 December 2023
In millions of EUR ("MEUR")

			Attributable to owners of the Company										
			Reserves										
	Note	Share capital	*Other capital funds from capital contributions*	*Non-distributable reserves*	*Translation reserve*	*Fair value reserve*	*Revaluation reserve*	*Other capital reserves*	*Hedging reserve*	Retained earnings	Total	Non-controlling interest	Total Equity
Balance as at 1 January 2023		**2,577**	**823**	**9**	**125**	**63**	**502**	**(2,968)**	**(72)**	**1,107**	**2,166**	**6,101**	**8,267**
Total comprehensive income for the year:													
Profit or loss (B)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,005**	**3,005**	**2,645**	**5,650**
Other comprehensive income:													
Foreign currency translation differences for foreign operations	14, 23	–	–	–	(12)	–	–	–	–	–	(12)	(61)	**(73)**
Fair value reserve included in other comprehensive income, net of tax	14, 23	–	–	–	–	(27)	–	–	–	–	(27)	(23)	**(50)**
Revaluation reserve included in other comprehensive income, net of tax	14, 23	–	–	–	–	–	91	–	–	–	91	389	**480**
Effective portion of changes in fair value of cash-flow hedges, net of tax	14, 23	–	–	–	–	–	–	–	1	–	1	223	**224**
Share of the other comprehensive income of equity accounted investees, net of tax		–	–	–	(8)	1	–	–	103	–	96	82	**178**
Share of the other comprehensive income of equity accounted investees reclassified to profit or loss, net of tax		–	–	–	–	–	–	–	173	–	173	136	**309**
Total other comprehensive income (C)		**–**	**–**	**–**	**(20)**	**(26)**	**91**	**–**	**277**	**–**	**322**	**746**	**1,068**
Total comprehensive income for the year (D) = (B + C)		**–**	**–**	**–**	**(20)**	**(26)**	**91**	**–**	**277**	**3,005**	**3,327**	**3,391**	**6,718**
Contributions by and distributions to owners:													
Distribution of other funds		–	(137)	–	–	–	–	–	–	–	**(137)**	–	**(137)**
Contributions to other funds		–	–	–	–	–	–	–	–	–	**–**	910	**910**
Dividends to equity holders	23, 24	–	–	–	–	–	–	–	–	(249)	**(249)**	(1,830)	**(2,079)**
Transfer to retained earnings		–	–	–	–	–	(19)	–	–	19	**–**	–	**–**
Total contributions by and distributions to owners (E)		**–**	**(137)**	**–**	**–**	**–**	**(19)**	**–**	**–**	**(230)**	**(386)**	**(920)**	**(1,306)**
Changes in ownership interests in subsidiaries:													
Effects of acquisition through step acquisition	6	–	–	–	–	(5)	3	(704)	–	115	**(591)**	647	**56**
Effects of acquisition of non-controlling interests	6	–	–	–	–	–	–	–	–	12	**12**	(12)	**–**
Total changes in ownership interests in subsidiaries (F)		**–**	**–**	**–**	**–**	**(5)**	**3**	**(704)**	**–**	**127**	**(579)**	**635**	**56**
Total transactions with owners (G) = (E + F)		**–**	**(137)**	**–**	**–**	**(5)**	**(16)**	**(704)**	**–**	**(103)**	**(965)**	**(285)**	**(1,250)**
Balance at 31 December 2023 (H) = (A + D + G)		**2,577**	**686**	**9**	**105**	**32**	**577**	**(3,672)**	**205**	**4,009**	**4,528**	**9,207**	**13,735**

The notes presented on pages 79 to 251 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024
In millions of EUR ("MEUR")

	Note	2024	2023
OPERATING ACTIVITIES			
Profit for the year		1,145	5,650
Adjustments for:			
Income tax expenses	14	668	644
Depreciation, amortization and impairment	15, 16	1,789	2,026
Dividend income	13	(9)	(6)
Change in impairment on financial instruments and other financial assets	13	(30)	(12)
Change in fair value of property, plant and equipment		4	–
Non-cash (gain) loss from commodity and freight derivatives, net		338	(499)
(Gain) loss on disposal of property, plant and equipment, investment proper-ty and intangible assets	12	(9)	7
Emission rights	11	4,378	2,752
Share of profit of equity accounted investees	17	(321)	(931)
Gain on disposal of subsidiaries, joint ventures and associates	6(d)	(1)	–
Gain from financial instruments	13	63	(2,028)
Net interest expense	13	256	222
Change in allowance for impairment to trade receivables and other assets, write-offs	12	(5)	101
Change in provisions	26	484	(60)
Bargain purchase gain	6(b)	–	(868)
Other finance fees		9	11
Unrealized foreign exchange gains, net		(29)	(44)
Other non-cash operations		(1)	(3)
Operating profit before changes in working capital		**8,729**	**6,962**
Change in trade receivables, other assets, prepayment and other deferrals and contract assets		2,049	4,378
Change in inventories, extracted minerals and mineral products		229	223
Purchase and sale of emission rights		(4,423)	(3,616)
Change in trade payables and other liabilities, deferred income and contract liabil-ities		(998)	(3,020)
Change in restricted cash		(245)	(190)
Cash generated from (used in) operations		**5,341**	**4,737**
Income taxes paid		(871)	(1,679)
Cash flows generated from (used in) operating activities		**4,470**	**3,058**

Consolidated statement of cash flows

(continued)

For the year ended 31 December 2024
In millions of EUR ("MEUR")

	Note	2024	2023
INVESTING ACTIVITIES			
Dividends received from associates and joint-ventures		16	1
Dividends received, other		8	6
Purchase of financial instruments		(124)	(3)
Issue (repayment) of bills of exchange		–	(213)
Loans provided to other entities		(1,338)	(550)
Repayment of loans provided to other entities		291	446
Proceeds (outflows) from sale/settlement of financial instruments		215	94
Acquisition of property, plant and equipment and intangible assets	15, 16	(1,041)	(950)
Proceeds from sale of property, plant and equipment and intangible assets		40	14
Acquisition of associates and joint ventures	6	(8)	–
Acquisition of subsidiaries, net of cash acquired	6	(35)	3,851
Net cash (outflow) inflow from disposal of subsidiaries	6	1	–
Increase in participation in existing subsidiaries, joint-ventures and associates	6	–	(36)
Capital contributions paid to associates and joint ventures		(52)	(225)
Interest received		248	119
Cash flows from (used in) investing activities		**(1,779)**	**2,554**

Consolidated statement of cash flows

(continued)

For the year ended 31 December 2024
In millions of EUR (“MEUR”)

	Note	2024	2023
FINANCING ACTIVITIES			
Contributions to equity from shareholders		69	25
Withdrawal from equity from shareholders		–	(162)
Proceeds from borrowings received	25	1,991	5,098
Repayment of borrowings	25	(2,290)	(5,241)
Proceeds from bonds issued, net of transaction fees	25	641	538
Repayment of bonds issued	25	(547)	(203)
Interest paid		(359)	(299)
Finance fees paid from repayment of borrowings and bond issue		(16)	(31)
Payment of lease liability	31	(99)	(77)
Contributions to other fonds from non-controlling interests		74	64
Dividends paid to non-controlling interests	24	(826)	(739)
Dividends paid to the owners of the Company	23	(178)	(172)
Cash flows from (used in) financing activities		**(1,540)**	**(1,199)**
Net increase (decrease) in cash and cash equivalents		*1,151*	*4,413*
Cash and cash equivalents at beginning of the year		**7,435**	**3,027**
Effect of exchange rate fluctuations on cash held		(6)	(5)
Cash and cash equivalents at end of the year		**8,580**	**7,435**
Out of which cash and cash equivalents attributable to held for sale entities		*50*	–

The notes presented on pages 79 to 251 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Background

EP Group, a.s. (the “Parent Company” or “the Company” or “EPG”) is a joint-stock company, with its registered office at Pařížská 130/26, 110 00 Praha 1, Czech Republic. The Company was founded on 8 October 2019 and entered in the Commercial Register on 30 October 2019.

The main activities of the Company are corporate investments in the energy infrastructure and power generation. Besides energy infrastructure and power generation activities the Group also operates in logistics, media and e-commerce sectors.

The consolidated financial statements of the Company for the year ended 31 December 2024 include the statements of the Parent Company and its subsidiaries and the Group’s interests in associates and joint-ventures (together referred to as the “Group” or the “EPG Group”). The most significant Group entities are listed in Note 34 – Group entities.

The shareholders of the Company as at 31 December 2024 and 31 December 2023 were as follows:

In millions of EUR

	Interest in share capital		Voting rights
	MEUR	%	%
EP Investment S.à r.l.	2,301	89.29%	89.29%
Tiliacordata Limited	276	10.71%	10.71%
Total	**2,577**	**100.00%**	**100.00%**

The members of the Board of Directors of the Company as at 31 December 2024 were:

- Daniel Křetínský (Chairman of the Board of Directors)
- Marek Spurný (Member of the Board of Directors)
- Pavel Horský (Member of the Board of Directors)
- Jan Špringl (Member of the Board of Directors)

Transaction overview related to the shareholder structure of EPG Group

No change in the shareholder structure occurred in the year ended 31 December 2024 and 31 December 2023.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS ® Accounting Standards) adopted by the European Union.

The consolidated financial statements were approved by the Board of Directors on 30 May 2025.

b) Basis of measurement

The consolidated financial statements have been prepared on a going-concern basis using the historical cost method, except for the following material items in the statement of financial position, which are measured at fair value:

- gas transmission pipelines and gas distribution pipelines at revalued amounts;
- gas inventories for trading at fair value less cost to sell;
- investment properties;
- derivative financial instruments;
- non-derivative financial instruments at fair value through profit or loss;
- financial instruments at fair value through other comprehensive income.

Non-current assets and disposal groups held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

The accounting policies described in the following paragraphs have been consistently applied by the Group entities and between accounting periods.

c) Recent developments and key events for the Group

Macroeconomic and geopolitical environment

In the context of the ongoing military invasion in the territory of Ukraine and associated sanctions targeting the Russian Federation, the Parent Company has identified risks and adopted appropriate measures to mitigate impacts on Group's business activities. Based on the information available and current developments, the Parent Company's management has been continuously analysing the situation and assessing its direct impact on the Group. The Parent Company's management has assessed the potential impacts of this situation on Group's operations and concluded that they do not currently have a material impact on 2024 financial statements or going concern assumption in 2025. However, further negative developments as regards this situation cannot be ruled out, which could subsequently have a material negative impact on the Company, its businesses, financial condition, results, cash flows and overall outlook.

d) Functional and presentation currency

The Company's functional currency is Euro („EUR"). The consolidated financial statements are prepared in Euro, which also the Group's presentation currency. All financial information presented in Euros has been rounded to the nearest million.

e) Use of estimates and judgements

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the following years is included in the following notes:

- Notes 6, 15 and 16 – accounting for business combinations, recognition of goodwill/bargain purchase gain, impairment testing of property, plant and equipment and goodwill;
- Note 7 – revenues;
- Note 14 – assessment of Pillar Two income taxes exposure;
- Note 15 – measurement of gas transmission and gas distribution pipelines at revalued amounts;
- Note 19 – measurement of inventories for trading at fair value less cost to sell;
- Note 22 – classification of entities as held for sale;
- Note 26 – measurement of defined benefit obligations, recognition and measurement of provisions;
- Notes 25, 28 and 32 – valuation of loans and borrowings and financial instruments;
- Note 23 and 29 – valuation of written put option over non-controlling interest;
- Note 35 – litigations.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable on the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

ii. Judgements

Information about judgements made in the application of accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Notes 6 and 16 – accounting for business combinations, measurement of goodwill/bargain purchase gain, impairment testing of goodwill;
- Note 7 – judgements relating to recognition of revenues from customers;
- Note 15 – assessment that IFRIC 12 and IFRS 16 is not applicable to the gas transmission and gas distribution pipelines, power distribution networks, gas storage facilities and heat infra facilities and distribution network;
- Note 6 and 24 – information relating to assessment of control over subsidiaries;
- Note 22 – classification of entities as held for sale;
- Note 26 – measurement of defined benefit obligations, recognition and measurement of provisions;
- Note 28 – own use exemption application for forward contracts on power and CO_2 emission allowances;
- Note 28 and 32 – hedge accounting application;
- Note 29 – classification of transactions which contain a financing element.

f) Recently issued accounting standards

i. Newly adopted Standards, Amendments to standards and Interpretations effective for the year ended 31 December 2024 that have been applied in preparing the Group's financial statements

The following paragraphs provide a summary of the key requirements of IFRSs that are effective for annual periods beginning on or after 1 January 2024 and that have thus been applied by the Group for the first time.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Effective for annual reporting periods beginning on or after 1 January 2024)

The amendment Classification of Liabilities as Current or Non-current clarifies how to classify debt and other liabilities as current or non-current and how to determine whether in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment includes clarifying the classification requirements for debt a company might settle by converting it into equity. The amendment Non-current Liabilities with Covenants improves the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

The amendment has had an impact on the disclosure in the notes to the consolidated financial statements of the Group. Refer to Note 25 – Loans and borrowings for more details.

Newly adopted IFRS Accounting Standards, Amendments to Standards and Interpretations with no material impact on the Group's financial statements:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

ii. Standards not yet effective

At the date of authorisation of these consolidated financial statements, the following significant Standards and Amendments to Standards have been issued but are not yet effective for the period ended 31 December 2024 and thus have not been adopted by the Group:

The Group is currently reviewing possible impact of the amendments to its financial statements.

Amendments to IAS 21 – Lack of Exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025)

Under the amendments, the entities are required to apply a consistent approach to assessing whether a currency is exchangeable into another currency. When a currency is not exchangeable, the amendments define how to determine the exchange rate to use and the disclosures the entity is required to provide.

IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027 (not adopted by EU yet))

IFRS 18 Presentation and Disclosure in Financial statements applies to all financial statements prepared and presented in accordance with IFRS and will replace IAS 1 Presentation of Financial Statements. The new standard introduces three main sets of new requirements with the aim to improve how companies report financial performance and provide investors with a more useful basis for analysing and comparing companies:

(a) Categories for classifying income and expenses in the statement of profit or loss

Entities are required to classify income and expenses included in the statement of profit or loss into one of the following categories: operating, investing, financing, income taxes, discontinued operations. Modifications of the classification requirements are applicable for entities with specified business activities (banks, investment entities, investment property entities).
The standard also requires the presentation of specified subtotals in the statement of profit or loss.

(b) Management-defined performance measures (“MPMs”)

MPMs are subtotals of income and expenses that an entity uses in public communication with users of financial statements to communicate management’s view of an aspect of the financial performance and that complement totals or subtotals included in IFRSs. Entities disclose information about its MPMs in a single note, the standard specifies disclosure requirements for each MPM.

(c) Aggregation and disaggregation of information

The standard introduces principles for aggregation and disaggregation of information and for presenting information in the primary financial statements or in the notes.

The issuance of IFRS 18 includes amendments to other IFRS standards, among other amendments to IAS 7 Statement of cash flow which removes the presentation alternatives for interest and dividends and uses operating profit subtotal as the single starting point for the indirect method of reporting cash flows from operating activities.

The Group is currently reviewing the impact of the new standard to its financial statements and to the disclosure the Group provides.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (Effective for annual reporting periods beginning on or after 1 January 2027 (not adopted by EU yet))

The standard specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in the other IFRS Accounting Standards for entities that are subsidiaries without public accountability and whose parent entity produces consolidated financial statements that comply with IFRS Accounting Standards. Eligible entities may, but are not required to, apply IFRS 19 in its financial statements and provide a reduced version of the disclosure requirements set out in other IFRS Accounting Standards.

The Group is currently reviewing the impact of the new standard to the disclosure the Group provides.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2026 (not adopted by EU yet))

The amendments apply to requirements related to settling financial liabilities using an electronic payment system, assessing contractual cash flow characteristics of financial assets including those with ESG-linked features and certain disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The Group is currently reviewing possible impact of the amendments to its financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (Effective for annual reporting periods beginning on or after 1 January 2026 (not adopted by EU yet))

Annual Improvements affect the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards (clarification of hedge accounting by first-time adopter), IFRS 7 Financial Instruments: Disclosures (clarification of certain paragraphs related to gain or loss on derecognition, credit risk disclosures and disclosure of deferred difference between fair value and transaction price), IFRS 9 Financial Instruments (unification of IFRS 9 requirements to account for an extinguishment of a lessee’s liability and removing inconsistent reference to transaction price as per IFRS 15), IFRS 10 Consolidated Financial Statements (clarification in determination of a de facto agent) and IAS 7 Statement of Cash Flows (removing obsolete reference to cost method).

The Group is currently reviewing possible impact of the amendments to its financial statements.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (Effective for annual reporting periods beginning on or after 1 January 2026 (not adopted by EU yet))

The amendments change the own-use requirements in IFRS 9 to include the factors an entity is required to consider when applying own-use requirements to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent and adjust the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument. Amendments to IFRS 7 relate to disclosure requirements for contracts for nature-dependent electricity with specified characteristics.

The Group is currently reviewing possible impact of the amendments to its financial statements.

The Group has not early adopted any IFRS standards where adoption is not mandatory at the reporting date. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition.

3. Material accounting policies

The EP Group has consistently applied the accounting policies set out below to all periods presented in these consolidated financial statements, except as described in Note 2(f) and 3(a).

Certain comparative amounts in the consolidated statement of financial position have been regrouped or reclassified, where necessary, on a basis consistent with the current period.

a) Changes in accounting policies and terminology

There was no change in accounting policies or terminology in the year ended 31 December 2024.

b) Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over the investee, exposure to variable returns from its involvement with the investee and is able to use its power over the investee to affect the amount of its returns. The existence and effect of potential voting rights that are substantive is considered when assessing whether the Group controls another entity. The consolidated financial statements include the Group's interests in other entities based on the Group's ability to control such entities regardless of whether control is actually exercised or not. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii. Equity accounted investees

Associates are enterprises in which the Group has significant influence, but not control, over financial and operating policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for under the equity method and are initially recognised at cost. Acquisition related costs are recognized in cost of the investment. Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment; any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. The consolidated financial statements include the Group's share of the total profit or loss and other comprehensive income of associates from the date that the significant influence commences until the date that the significant influence ceases. When the Group's share of losses, including Group's share of negative other comprehensive income, exceeds the carrying amount of the associate, the carrying amount is reduced to nil and the recognition of further losses or further negative other comprehensive income is discontinued, except to the extent that the Group has incurred obligations in respect of or has made payments on behalf of the associate.

iii. Joint operations

A joint operation is an arrangement in which the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

On a date a joint control over a joint operation arises, the Group applies acquisition method as defined by IFRS 3 and measures its assets and liabilities in a joint operation (including its share of any assets and liabilities held jointly) at fair values as at the date the joint control commences. Purchase price or any form of consideration transferred is also measured at fair value. Acquisition related costs are recognized in profit or loss as incurred.

Excess of the consideration transferred over the Group's share of fair value of the net identifiable assets of the joint operation is recognized as goodwill. If the Group's share of the fair value of identifiable assets and liabilities exceeds the consideration transferred, the excess is recognized in profit and loss in the period the joint control arises.

When the Group undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- its assets and liabilities (including its share of any assets and liabilities held jointly);
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses (including its share of any expenses incurred jointly).

The financial statements of joint operations are included in the consolidated financial statements from the date that joint control commences until the date that joint control ceases.

iv. Accounting for business combinations

The Group acquired its subsidiaries in two ways:

- As a business combination transaction within the scope of IFRS 3 which requires initial measurement of assets and liabilities at fair value.
- As a business combination under common control which is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Such acquisitions are excluded from the scope of IFRS 3. The assets and liabilities acquired were recognized at the carrying amounts recognized previously in the Group's controlling shareholder's consolidated financial statements (i.e. value at cost as at the date of acquisition less accumulated depreciation and/or potential impairment). No new goodwill or bargain purchase gain was recognized on these acquisitions.

Acquisition method and purchase price allocation

As at the acquisition date the Group measures identifiable assets acquired and the liabilities assumed at fair value, with the exception of deferred tax assets and liabilities, assets or liabilities related to employee benefits and assets/disposal groups classified as held for sale under IFRS 5, which are recognized and measured in accordance with the respective standards.

Purchase price or any form of consideration transferred in a business combination is also measured at fair value. Contingent consideration is measured at fair value at the date of acquisition and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in profit or loss.

Acquisition related costs are recognized in profit or loss as incurred.

v. Non-controlling interests

Acquisitions of non-controlling interest are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill and no gain or loss is recognised as a result of such transactions.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at acquisition date.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vii. Unification of accounting policies

The accounting policies and procedures applied by the consolidated companies in their financial statements were unified in the consolidation and are aligned with the accounting policies applied by the Parent Company.

viii. Pricing differences

The Group accounted for pricing differences which arose from establishment of the Group and acquisition of certain new subsidiaries in the subsequent period. Such subsidiaries were acquired under common control of EP Investment S.à r.l. (which held controlling interest in the Group at the time of acquisition of the subsidiaries), and therefore excluded from the scope of IFRS 3, which defines recognition of goodwill raised from a business combination as the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary. Acquirees under common control are treated under the net book value presented in the Consolidated financial statements of Energetický a průmyslový holding, a.s. (i.e., including historical goodwill less potential impairment). The difference between the cost of acquisition and carrying values of net assets of the acquiree and original goodwill carried forward as at the acquisition date were recorded to consolidated equity as pricing differences presented within other capital reserves.

ix. Reversal of accumulated amortization, depreciation and bad debt allowances in common control acquisitions

Accumulated amortisation and depreciation of intangible and tangible assets acquired as part of a common control transaction were reversed against the gross carrying amount of the underlying intangible and tangible assets, i.e. the intangible and tangible assets were recognised at their net book values as at the acquisition date.

Similarly, in acquisitions involving common control transactions, any bad debt allowances were reversed against gross amounts of purchased receivables as at the acquisition date.

x. Disposal of subsidiaries, joint operations and equity accounted investees

Gain or loss from disposal of investments in subsidiaries and equity accounted investees is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

If the assets and liabilities are disposed by selling the interest in a subsidiary, a joint venture or an associate, the profit or loss from sale is recognised in total under Gain (loss) from disposal of subsidiaries, joint ventures and associates in the statement of comprehensive income.

If the Group disposes of a subsidiary that was acquired under a common control transaction and pricing differences were recognised on acquisition (refer to Note 3(b) VII – Pricing differences), pricing differences are reclassified from other capital reserves to retained earnings at the date of the subsidiary's disposal.

xi. Written put option over non-controlling interest

Written put options over non-controlling interest, where the owner of the put option is a minority shareholder and the Group has an obligation to accept the option and acquire the non-controlling interest according to pre-agreed terms, are recognized as other liabilities. Upon initial recognition, they are measured at the present value of the expected redemption amount and are subsequently measured at amortized cost. Accrued interest is recognized in financial expenses. The liability under the option and any subsequent changes to it due to the refinement of the estimate of the value of the expected redemption amount are recognized directly in equity.
If the option expires without being exercised, the liability is derecognized with a corresponding adjustment to equity.

c) Foreign currency

i. Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Company's functional currency is Euro. Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate at the transaction date. The consolidated financial statements are prepared and presented in Euro, which is both the functional and the presentation currency.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the respective functional currencies of Group entities at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the respective functional currencies of Group entities at the foreign exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the respective functional currencies at the foreign exchange rates at the dates the fair values are determined.

Foreign exchange differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of FVOCI equity instruments or qualifying cash flow hedges to the extent that the hedge is effective, in which case foreign exchange differences arising on retranslation are recognised in other comprehensive income.

A summary of the main foreign exchange rates applicable for the reporting period is presented in Note 32 – Risk management policies and disclosures.

ii. Translation of foreign operations

These consolidated financial statements are prepared in Euro. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro at foreign exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro using average exchange rate for the period. For significant transactions the exact foreign exchange rate is used.

Foreign exchange differences arising on translation of foreign operations are recognised in other comprehensive income and presented in the translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. At disposal, relevant part of translation reserve is recycled to income statement and included in gain (loss) from disposal of subsidiaries, joint ventures, joint operations and associates in the consolidated statement of comprehensive income.

d) Non-derivative financial assets

i. Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income – debt instrument, fair value through other comprehensive income – equity instrument or fair value through profit or loss. The classification of financial asset is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at *amortized cost* if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI test”).

Principal is the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Loans and receivables which meet SPPI test and business model test are classified by the Group as financial asset at amortised cost.

A *debt instruments* are measured *at fair value through other comprehensive income* if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collection contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI test”).

The Group may make an irrevocable election at initial recognition for particular investments in *equity instruments* that would otherwise be measured at fair value through profit or loss (as described below) and are not held for trading to present subsequent changes in fair value in other comprehensive income. The Group has equity securities classified as financial assets *at fair value through other comprehensive income*. These investments are not held for trading, but rather for long-term purposes and thus the Group has elected not to present the changes in the fair value of these investments in profit or loss.

All investments in equity instruments and contracts on those instruments are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represent the best estimate of fair value within that range. The Group uses all information about the performance and operations of the investee that becomes available after the date of initial recognition. To the extent that any such relevant factors exist, they may indicate that cost might not be representative of fair value. In such cases, the Group uses fair value. Cost is never the best estimate of fair value for investments in quoted instruments.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The key type of financial assets measured at fair value through profit or loss by the Group are derivatives.

ii. Recognition

Financial assets are recognised on the date the Group becomes party to the contractual provision of the instrument.

iii. Measurement

Upon initial recognition, financial assets are measured at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial instrument. Attributable transaction costs relating to financial assets measured at fair value through profit or loss are recognised in profit or loss as incurred. For the methods used to estimate fair value, refer to Note 4 – Determination of fair values.

Financial assets at FVtPL are subsequently measured at fair value, with net gains and losses, including any dividend income, recognised in profit or loss.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated using effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other gains and losses are recognised in other comprehensive income and reclassified to profit or loss upon derecognition of the asset.

Equity instruments at FVOCI are subsequently measured at fair value. Dividends are recognised in profit or loss in finance income. Other gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest rate method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. Interest income, foreign exchange gains and losses, impairment and any gain or loss on derecognition are recognised in profit or loss.

iv. Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the rights to receive the contractual cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

v. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis.

e) Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings, debt securities issued, bank overdrafts, and trade and other payables. Such financial liabilities are initially recognised at the settlement date at fair value plus any directly attributable transaction costs except for financial liabilities at fair value through profit and loss, where transaction costs are recognised in profit or loss as incurred. Financial liabilities are subsequently measured at amortised cost using the effective interest rate, except for financial liabilities at fair value through profit or loss. For the methods used to estimate fair value, refer to Note 4 – Determination of fair values.

Transactions for the purchase of commodities may contain a financing element such as extended payment terms. Such items are presented as trade payables if the financing element is insignificant, payment terms are consistent with supply terms commonly provided in the market and the financing period does not exceed 90 days after the physical supply of the commodity.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

f) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency, interest rate and commodity risk exposures.

Derivatives are recognised initially at fair value, with attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Trading derivatives

When a derivative financial instrument is held for trading i.e. is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

Cash flow hedges and fair value hedges

The Group has adopted hedge accounting requirements as per IFRS 9. The financial derivatives, which do not meet the criteria for hedge accounting as stated by IFRS 9 are classified as for trading and related profit and loss from changes in fair value is recognised in profit and loss.

Hedging instruments which consist of derivatives associated with a currency risk are classified either as cash-flow hedges or fair value hedges.

From the inception of the hedge, the Group maintains a formal documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. The Group also periodically assesses the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

In the case of a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then the hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss. In case the future transaction is still expected to occur then the balance remains in equity and is recycled to profit or loss when the hedged transaction impacts profit or loss.

In the case of a fair value hedge, the hedged item is remeasured for changes in fair value attributable to the hedged risk during the period of the hedging relationship. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognised in profit or loss, except for the financial asset – equity instrument at FVOCI, for which the gain or loss is recognised in other comprehensive income.

In the case of a fair value hedge, the gain or loss from re-measuring the hedging instrument at fair value is recognised in profit or loss.

Transactions with emission rights and energy

According to IFRS 9, certain contracts for emission rights and energy fall into the scope of the standard. Purchase and sales contracts entered into by the Group provide for physical delivery of quantities intended for consumption or sale as part of its ordinary business. Such contracts are thus excluded from the scope of IFRS 9.

In particular, forward purchases and sales settled by delivery of the underlying are considered to fall outside the scope of application of IFRS 9, when the contract concerned is considered to have been entered into as part of the Group's normal business activity. This is demonstrated to be the case when all the following conditions are fulfilled:

- delivery of the underlying takes place under such contracts;
- the volumes purchased or sold under the contracts correspond to the Group's operating requirements;
- the Group does not have a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instrument;
- the Group does not have a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuation in price or dealer's margin.

Contracts which do not meet above mentioned conditions fall under the scope of IFRS 9 and are accounted for in line with the requirements of IFRS 9. When for similar contracts the Group has practice of net settlement, a two-book structure and a strict separation of own-use book and trading book is applied.

For each contract where own-use exemption applies, the Group determines whether the contract leads to physical settlement in accordance with Group's expected purchase, sale or usage requirements. The Group considers all relevant factors including the quantities delivered under the contract and the corresponding requirements of the entity, the delivery locations, the duration between contract signing and delivery and the existing procedure followed by the entity with respect to contracts of this kind.

Contracts which fall under the scope of IFRS 9 are carried at fair value with changes in the fair value recognised in profit or loss.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and in banks, and short-term highly liquid investments with original maturities of three months or less.

h) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Purchased inventory and inventory in transit are initially stated at cost, which includes the purchase price and other directly attributable expenses incurred in acquiring the inventories and bringing them to their current location and condition. Inventories of a similar nature are valued using the weighted average method except for the energy production segment, where the first-in, first-out principle is used.

Internally manufactured inventory and work in progress are initially stated at production costs. Production costs include direct costs (direct material, direct labour and other direct costs) and part of overhead directly attributable to inventory production (production overhead). The valuation is written down to the net realisable value if the net realisable value is lower than production costs.

Inventories used for trading purposes are recognized at fair value less cost to sell. Changes in value are recognized in consolidated statement of comprehensive income in the year in which they occur.

i) Impairment

i. Non-financial assets

The carrying amounts of the Group's assets, other than inventories (refer to accounting policy (h) – Inventories), investment properties (refer to accounting policy (l) – Investment property) and deferred tax assets (refer to accounting policy (r) – Income taxes) are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful life or that are not yet available for use, the recoverable amount is estimated at least each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes and is not larger than an operating segment before aggregation. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU or CGUs, and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

ii. Financial assets (including trade and other receivables and contract assets)

The Group measures loss allowances using expected credit loss ("ECL") model for financial assets at amortized cost, debt instruments at FVOCI and contract assets. Loss allowances are measured on either of the following bases:

- 12-month ECLs: ECLs that result from possible default events within the 12 months after the reporting date;
- lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs except for those financial assets for which credit risk has not increased significantly since initial recognition. For trade receivables and contract assets, the Group measures loss allowances at an amount equal to lifetime ECLs.

Financial assets are allocated to three stages (Stage I – III) or to a group of financial assets that are impaired at the date of the first recognition purchased or originated credit-impaired financial assets ("POCI"). At the date of the initial recognition, the financial asset is included in Stage I or POCI. Subsequent to initial recognition, financial asset is allocated to Stage II if there was a significant increase in credit risk since initial recognition or to Stage III of the financial asset has been credit impaired.

The Group assumes that the credit risk on a financial asset has increased significantly if:

a) a financial asset or its significant portion is overdue for more than 30 days;

b) the Group negotiates with the debtor in a financial difficulty about debt's restructuring;

c) the probability of default of the debtor increases by 20%; or

d) other material events occur which require individual assessment (e.g., development of external ratings of sovereign credit risk).

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred (e.g. a financial asset is overdue for more than 90 days, insolvency or similar proceedings have been initiated with the debtor, the probability of default of the borrower increases by 100% compared to the previous rating).

For the purposes of ECL calculation, the Group uses components needed for the calculation, namely probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). Forward-looking information means any macroeconomic factor projected for future, which has a significant impact on the development of credit losses ECLs are present values of probability-weighted estimate of credit losses. The Group considers mainly expected growth of gross domestic product, reference interest rates, stock exchange indices or unemployment rates.

Presentation of loss allowances

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

iii. Equity accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

j) Property, plant and equipment

i. Owned assets – cost model

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (refer to accounting policy (i) – Impairment). Opening balances are presented at net book values, which include adjustments from revaluation within the Purchase Price Allocation process (refer to accounting policy (b) iii – Basis of consolidation – Accounting for business combinations).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalised borrowing costs (refer to accounting policy (q) – Finance income and costs). The cost also includes costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Owned assets – revaluation model

The gas transmission pipelines of eustream, a.s. and the gas distribution pipelines in SPP - distribúcia, a.s. are held under revaluation model. The assets are carried at revalued amount, which is fair value at the date of revaluation less accumulated subsequent depreciation and impairment. Revaluation is made with sufficient regularity, at least every 5 years. Revaluation is always applied to the entire class of property, plant and equipment the revalued asset belongs to.

Initial revaluation as at the date of initial application of revaluation model, the difference between carrying amount and revalued amount is recognized as revaluation surplus directly in equity if revalued amount is higher than carrying amount. Difference is recognized in profit or loss if revalued amount is lower than carrying amount.

On subsequent revaluation, increase in revalued amount is recognized in other comprehensive income or in profit or loss to the extent it reverses a revaluation decrease of the same asset previously recognized in profit or loss. The decrease in revalued amount primarily decreases amount accumulated as revaluation surplus in equity, eventual remaining part of decrease in revalued amount is recognized in profit or loss. Accumulated depreciation is eliminated against gross carrying amount of the asset.

Deferred tax asset or liability is recognized in equity or in profit or loss in the same manner as the revaluation itself.

When asset under revaluation model is depreciated, revaluation surplus is released to retained earnings as the asset is depreciated. When the revalued asset is derecognized or sold, the revaluation surplus as a whole is transferred to retained earnings.

iii. Free-of-charge received property

Several items of gas and electricity equipment (typically connection terminals) were obtained “free of charge” from developers and from local authorities (this does not represent a grant, because in such cases the local authorities act in the role of a developer). This equipment was recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability as receipt of the free of charge property is related to obligation to connect the customers to the grid. These costs approximate the fair value of the obtained assets. This contract liability is released in the income statement on a straight-line basis in the amount of depreciation charges of non-current tangible assets acquired free of charge.

iv. Subsequent costs

Subsequent costs incurred to add to, replace part of, or service a previously recognized item of property, plant and equipment are capitalized and recognized as part of the item of property, plant and equipment only if it is probable that the future economic benefits associated with these costs will flow to the entity and they can be measured reliably. All other expenditures, including the costs of the day-to-day servicing of property, plant and equipment, are recognised in profit or loss as incurred.

v. Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in which case the right-of-use asset should be depreciated from the commencement date to the end of the useful life of the underlying asset.

The estimated useful lives are as follows:

Power plant buildings and structures	7–100 years
Buildings and structures	7–80 years
Gas pipelines	30–70 years
Machinery, electric generators, gas producers, turbines and boilers	7–50 years
Mines and mine property	15–30 years
Distribution network	10–30 years
Machinery and equipment	4–40 years
Fixtures, fittings and others	3–20 years

Depreciation methods and useful lives, as well as residual values, are reassessed annually at the reporting date. For companies acquired under IFRS 3 for which a purchase price allocation was prepared, the useful lives are reassessed based on the purchase price allocation process.

k) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets of the acquired subsidiary/associate/joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries/joint operations is included under intangible assets. Goodwill on acquisitions of associates/joint ventures is included in the carrying amount of investments in associates/joint ventures.

If the Group's share in the fair value of identifiable assets and liabilities of a subsidiary or equity accounted investees as at the acquisition date exceeds the acquisition cost, the Group reconsiders identification and measurement of identifiable assets and liabilities, and the acquisition cost. Any excess arising on the re-measurement (bargain purchase gain) is recognised in profit and loss account in the period of acquisition.

Upon acquisition of non-controlling interests (while maintaining control), no goodwill is recognised.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses (refer to accounting policy (i) – Impairment) and is tested for impairment annually.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. Intangible assets with an indefinite useful life are not subject to amortisation and are recorded at cost less any impairment losses (refer to accounting policy (i) – Impairment). Intangible assets with a definite useful life are amortised over their useful lives and are recorded at cost less accumulated amortisation (see below) and impairment losses (refer to accounting policy (i) – Impairment).

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the asset.

In 2024 and 2023, expenditures incurred by the Group did not meet these recognition criteria. Development expenditure has thus been recognised in profit or loss.

iii. Emission rights

Recognition and measurement

Emission rights issued by a government are initially recognised at fair values. Where an active market exists, fair value is based on the market price. The fair value for allocated emission rights is determined as the price at the date of allocation. Emission rights that are purchased are initially recognised at cost.

Internally generated emission allowances (in form of green certificates) obtained from qualifying generation assets are recognized as generation occurs, when it is probable that the expected future economic benefits attributable to them will flow to the Group and their cost can be measured reliably.

Subsequently, emission rights are accounted for under the cost method under intangible assets.

The Group's accounting policy is to use the first-in, first-out principle ("FIFO") for emission rights disposal (consumption or sale).

Impairment of emission rights

At each reporting date, the Group assesses whether there is any indication that emission rights may be impaired.

Where an impairment indicator exists, the Group reviews the recoverable amounts of the cash generating unit, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. In case the carrying value of a cash generating unit is greater than its recoverable value, impairment exists.

Any identified emission rights impairment is recognised directly as a debit to a profit or loss account and a credit to a valuation adjustment.

Recognition of grants

A grant is initially recognised as deferred income and recognised in profit on a systematic basis over the compliance period, which is the relevant calendar year, regardless of whether the allowance received continues to be held by the entity. The pattern for the systematic recognition of the deferred income in profit is assessed based on estimated pollutants emitted in the current month, taking into account the estimated coverage of the estimated total annually emitted pollutants by allocated emission rights. The release of deferred income to a profit and loss account is performed on a quarterly basis; any subsequent update to the estimate of total annual pollutants is taken into account during the following monthly or quarterly assessment. Any disposals of certificates or changes in their carrying amount do not affect the manner in which grant income is recognised.

Recognition, measurement of provision

A provision is recognised regularly during the year based on the estimated number of tonnes of CO_2 emitted.

It is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. It means that the provision is measured based on the current carrying amount of the certificates on hand if sufficient certificates are owned to settle the current obligation, by using a FIFO method. The Group companies identify (in each provision measurement period) which of the certificates are "marked for settling" the provision and this allocation is consistently applied.

Otherwise, if a shortfall of emission rights on hand as compared to the estimated need exists at the reporting date, then the provision for the shortfall is recorded based on the current market value of the emission certificates at the end of the reporting period.

iv. Software and other intangible assets

Software and other intangible assets acquired by the Group that have definite useful lives are stated at cost less accumulated amortisation (see below) and impairment losses (refer to accounting policy (i) – Impairment).

Intangible assets that have an indefinite useful life are not amortised and are instead tested an-nually for impairment. Their useful life is reviewed at each period-end to assess whether events and circumstances continue to support an indefinite useful life.

v. Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date the asset is available for use. The estimated useful lives are as follows:

Software	2–7 years
Customer relationship and other contracts	2–20 years
Other intangible assets	2–20 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

l) Investment property

Investment property is property held by the Group either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment property is measured at fair value. For measurement policy of investment property refer to Note 4(c). Any gain or loss arising from a change in fair value is recognised in profit or loss.

m) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate of the amount can be made.

Provisions are recognised at the expected settlement amount. Long-term obligations are reported as liabilities at the present value of their expected settlement amounts, if the effect of discount is material, using as a discount rate the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss in finance costs.

The effects of changes in interest rates, inflation rates and other factors are recognised in profit or loss in operating income or expenses. Changes in estimates of provisions can arise in particular from deviations from originally estimated costs, from changes in the settlement date or in the scope of the relevant obligation. Changes in estimates are generally recognised in profit or loss at the date of the change in the estimate (see below).

i. Employee benefits

Long-term employee benefits

Liability relating to long-term employee benefits and service awards excluding pension plans is defined as an amount of the future payments, to which employees will be entitled in return for their service in the current and prior periods. Future liability which is calculated using the projected unit credit method is discounted to its present value. The discount rate used is based on yields of high-quality corporate bonds as at the end of the reporting period, which maturity approximately corresponds with the maturity of the future obligation. The revaluation of the net liability from long-term employee benefits and service awards (including actuarial gains and losses) is recognised in full immediately in other comprehensive income.

Contributions for pension insurance resulting from Collective agreement are expensed when incurred.

Pension plans

In accordance with IAS 19, the projected unit credit method is the only permitted actuarial method. The benchmark (target value) applied to measure defined benefit pension obligations is the present value of vested pension rights of active and former employees and beneficiaries (present value of the defined benefit obligation). It is in general assumed that each partial benefit of the pension commitment is earned evenly from commencement of service until the respective due date.

If specific plan assets are established to cover the pension payments, these plan assets can be netted against the pension obligations and only the net liability is shown. The valuation of existing plan assets is based on the fair value at the balance sheet date in accordance with IAS 19.

Assets used to cover pension obligations that do not fully meet the requirement of plan assets have to be carried as assets on the balance sheet. Any netting off against the liability to be covered will not apply in this respect.

The Group recognises all actuarial gains and losses arising from benefit plans immediately in other comprehensive income and all expenses related to the defined benefit plan in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and past service costs that had not been previously recognised.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Provision for lawsuits and litigations

Settlement of a lawsuit represents an individual potential obligation. Determining the best estimate either involves expected value calculations, where possible outcomes, stated based on a legal study, are weighted by their likely probabilities or it is the single most likely outcome, adjusted as appropriate to consider risk and uncertainty.

iii. Provision for emission rights

A provision for emission rights is recognised regularly during the year based on the estimated number of tonnes of CO_2 emitted. It is measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

iv. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

v. Asset retirement obligation and provision for environmental remediation

Certain property, plant and equipment of conventional and renewable power plants in and gas storage facilities and coal mines have to be dismantled and related sites have to be restored at the end of their operational lives. These obligations are the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit Group commitment.

Obligations arising from the decommissioning or dismantling of property, plant and equipment are recognised in connection with the initial recognition of the related assets, provided that the obligation can be reliably estimated. The carrying amounts of the related items of property, plant and equipment are increased by the same amount that is subsequently amortised as part of the depreciation process of the related assets.

A change in the estimate of a provision for decommissioning and restoration of property, plant and equipment is generally recognised against a corresponding adjustment to the related assets, with no effect on profit or loss. If the related items of property, plant and equipment have already been fully depreciated, changes in the estimate are recognised in profit or loss.

No provisions are recognised for contingent asset retirement obligations where the type, scope, timing and associated probabilities cannot be determined reliably.

Provisions for environmental remediation in respect of contaminated sites are recognised when the site is contaminated and when there is a legal or constructive obligation to remediate the related site.

Provisions are recognised for the following restoration activities:

- dismantling and removing structures;
- rehabilitating mines and tailings dams;
- abandonment of production, exploration and storage wells;
- dismantling operating facilities;
- closure of plant and waste sites; and
- restoration and reclamation of affected areas.

The entity records the present value of the provision in the period in which the obligation is incurred. The obligation generally arises when the asset is installed or the environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased to reflect the change in the present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

All the provisions for environmental remediation and asset retirement obligation are presented under Provision for restoration and decommissioning.

vi. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The unavoidable costs under a contract reflect net cost of exiting from the contract, which is the lower of the costs of fulfilling the contract, and any compensations or penalties arising from failure to fulfil the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

n) Leases

Definition of a lease

An agreement is or contains a leasing arrangement if it gives the customer the right to control the use of an identified asset in a time period in exchange for consideration. Control exists if the customer has the right to obtain substantially all economic benefits from the use of the asset and also the right to direct its use.

Lessor accounting

Lessor classifies leasing as either financial or operating. Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

In the case of financial leasing the lessor reports in its statement of financial position a receivable in an amount equal to the net financial investment in the leasing. In the statement of comprehensive income then during the leasing term it reports financial revenues.

In the case of operating leasing the lessor recognises an underlying asset in the statement of financial position. In the income statement then during the leasing term it reports leasing payments as revenues on a straight-line basis over the lease term and depreciation of the underlying asset as an expense.

Lessee accounting

Upon the commencement of a leasing arrangement, the lessee recognises a right-of-use asset against a lease liability, which is valued at the current value of the leasing payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Incremental borrowing rate is determined based on interest rates from selected external financial sources and adjustments made to reflect the terms of the lease.

Exception option applies for short-term leases (lease term 12 months or shorter) and leases of low value assets (lower than 5 thousand EUR). The Group has elected not to recognize right-of-use assets for these leases. Lease payments are recognised as an expense on a straight-line basis over lease period.

The lease liability is subsequently measured at amortized cost under the effective interest rate method. Lease liability is remeasured if there is a change in:

- future lease payments arising from change in an index or rate;
- estimated future amounts payable under a residual guaranteed value;
- the assessment of the exercise of purchase, extension or termination option;
- in-substance fixed lease payments; or
- in the scope of a lease or consideration for a lease (lease modification) that is not accounted as a separate lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets. In case the right-of-use assets has been reduced to zero, the adjustment is recognized in profit or loss.

The Group presents right-of-use assets in property, plant and equipment, the same line item as it presents underlying assets of the same nature that it owns. The right-of-use assets is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

In a statement of comprehensive income, the lessee reports interest expense and (straight-line) depreciation of a right-of-use asset. A company (lessee) depreciates an asset in accordance with the requirements of the IAS 16. The asset is depreciated from the commencement date to the end of the lease term. If the underlying asset is transferred to the Group at the end of the lease term, the right-of-use asset is depreciated over the useful life of the underlying asset.

Service part of a lease payment

Companies within the Group accounting for leases of vehicles do not separate the service fee from the lease payments. Total lease payments are used to calculate the lease liability. For other leasing contracts the service fee is separated from the lease payments. Service fee is recognised as a current expense in statement of comprehensive income, remaining part is used to calculate the leasing liability.

Lease term

The lease term is determined at the lease commencement date as the non-cancellable period together with periods covered by an extension (or by a termination) option if the Group is reasonably certain to exercise such option.

Where the lease contract is concluded for an indefinite period with option to terminate the lease available both to the lessor and the lessee, the Group assesses the lease term as the longer of (I) notice period to terminate the lease and, (II) period over which there are present significant economic penalties that disincentives the Group from terminating the lease. In case the assessed lease term is for a period below 12 months, the Group applies the short-term recognition exemption.

Renewal options

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

o) Revenue

i. Revenues from contracts with customers

The Group applies a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on the criteria for meeting the performance obligation, the revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

Sales transactions usually contain variable consideration and usually do not contain significant financing component. Certain sales transactions contain also non-cash consideration.

The Group has identified following main sources of Revenue in scope of IFRS 15 (for complete source of Group's revenues refer to Note 7 – Revenues, for more information on contracts with customers refer to Note 5 – Operating segments):

- **Revenues from sale of gas, electricity, heat or other energy products (energy products)**

Revenues from power production (wholesale) are recognized based on the volume of power delivered to the grid and price per contract or as of the market price on the energy exchange.

The Group recognises the revenue upon delivery of the energy products to the customer. The moment of the transfer of the control over the products is considered at the moment of delivery, i.e. when the customer gains the benefits and the Group fulfils the performance obligation.

Revenues from energy supply to end consumers are measured using transaction prices allocated to those goods transferred, reflecting the volume of energy supplied, including the estimated volume supplied between last invoice date and end of the period. For B2C customers advance payments are required in general based on historical consumption, those are settled when the actual supplied volumes are known. While B2B customers are usually invoiced with higher frequency based on actual volumes supplied.

Where the Group acts as energy provider it was analysed if the distribution service invoiced is recognised as revenue from customers under IFRS 15. Judgement may be required to determine whether the Group acts as principal or agent in those cases. It has been concluded that the Group acts as a principal because it has the inventory risk for distribution services, and therefore materially all distribution services which are billed to its customers as part of the revenues from energy delivery are presented gross in the statement of comprehensive income.

- **Gas and electricity infrastructure services**

The Group provides services connected with the infrastructure by providing transmission or distribution of energy products or by providing storage capacities. Some of these services include ship-or-pay clauses (at gas transmission business) and store-or-pay clauses (at gas storage business), which reserve daily or monthly capacity for the customer with corresponding billing. The revenues from all these contracts are recognised over the time of the contract. As the Group fulfils the performance obligation arisen from those contracts over the time of the contract, the revenues are recognised based on reserved capacity (gas transmission, gas distribution and gas storage) or distributed volume of energy (electricity distribution).

The transaction price comprises of fixed consideration (nominated capacity fees) and variable consideration (fee adjustments based on transmitted/distributed volume, and fee adjustment based on difference in quality of transmitted gas on input and output). The variable consideration is recognized as incurred as it is constrained by uncertainty related to factors outside the Group's influence (such as energy demand volatility and weather conditions). The services are generally billed on a monthly basis.

In case of transmission services part of the remuneration is collected in the form of non-cash consideration provided in the form of natural gas (payment for gas transmission services). The Group measures the non-cash consideration received at fair value.

The Group has evaluated that several items of gas and electricity equipment (typically connection terminals) obtained "free of charge" from developers and from local authorities does not represent a grant (because in such cases the local authorities act in the role of a developer) and do not constitute a distinct performance obligation. This equipment is recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability as receipt of the free of charge property is related to the obligation to distribute energy to the customers (a non-cash consideration). These costs approximate the fair value of the obtained assets.

- **Grid balancing services**

The Group provides grid balancing services to transmission system operators ("TSO") primarily in Italy, Germany, France, Ireland and the United Kingdom. The purpose of grid balancing services is to ensure the reliability of power grid and to maintain the quality of electricity supply. Grid balancing, which can span a wide array of services provided by the Group, includes two main streams of revenues represented by capacity fees and activation fees. The Group earns capacity fees for providing the service regardless of whether the TSO activates it (remuneration for availability), whereas activation fees are earned only when TSO requests the services (remuneration for performance).

Grid balancing services are accounted as 'stand-ready' services and recognized over time on a straight line-basis. Capacity fees represent a fixed part of the transaction price and are recognised equally over the contract period. Activation fees represent variable consideration of the contract. The Group does not accrue the activation fees as these are highly susceptible to factors outside Group's influence (such as weather conditions and fluctuation in energy consumption). The activation fees are recognized when activation (or deactivation) of respective resource is requested by the customer.

- **Coal mining and revenues from sale of coal**

The Group recognises the revenue from sales of coal at a point in time, upon delivery of coal to the customer. The moment of the transfer of control over the product is considered the moment of delivery to the destination specified by the customer, i.e. when the customer gains the benefits, and the Group fulfils the performance obligation. Shipping and handling activities are considered only as fulfilment activities. Sales revenue is commonly subject to adjustments by variable consideration based on inspection of the product by the customer. Where there are agreed differences in volume or quality of delivered products, this is reflected as a reduction or an increase in sales revenue recognised on the sale transaction.

The Group may further guarantee to the customer its mining capacity for which the customer pays a fixed capacity fee. If the mining capacity is booked, the Group recognizes the performance as 'stand-ready' performance and respective revenues is recognized over contract period on a straight-line basis.

- **Logistics and freight services**

The Group provides procurement of commodities, freight and logistic connected services. At the inception of each contract, the Group identifies the performance obligations in the contract. Distinct performance obligations may include sale of goods and materials, transport, operation of containers and/or related consulting activities. Revenues from the sale of goods and materials are recognized at the point in time when the control is transferred to the customer. Revenues from freight services are recognized over a period of time as the customer is obliged to pay for the performance completed to date.

ii. Derivatives where the underlying asset is a commodity

Cash-settled contracts and contracts that do not qualify for the application of the own-use exemption are regarded as trading derivatives.

The following procedure applies to other commodity and financial derivatives that are not designated as hedging derivatives and are not intended for the sale of electricity from the Group's sources, for delivery to end customers or for consumption as a part of the Group's ordinary business (the own-use exemption is not applied).

At the date of the financial statements, trading derivatives are measured at fair value. The change in fair value is recognised in profit or loss. For the purposes of Group reporting, where trading with commodity derivatives forms a significant part of the Group's total trading activities, the measurement effect is recognised in "Gain (loss) from commodity and freight derivatives, net", a separate line item under "Revenues" for commodity derivatives with electricity, gas, coal and freight. The measurement effect for commodity derivatives with emission rights is included in line item "Emission rights, net".

iii. Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

p) Government grants

Government grants are recognised initially at fair value as deferred income when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses the grant is intended to compensate are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

q) Finance income and costs

i. Finance income

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, gains on sale of investments in securities and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

ii. Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, fees and commissions expense for payment transactions and guarantees, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

iii. Borrowing costs

Borrowing costs that arise in connection with the acquisition, construction or production of a qualifying asset, from the time of acquisition or from the beginning of construction or production until entry into service, are capitalised and subsequently amortised alongside the related asset. In the case of a specific financing arrangement, the respective borrowing costs for that arrangement are used. For non-specific financing arrangements, borrowing costs to be capitalised are determined based on a weighted average of the borrowing costs.

r) Income taxes

Income taxes comprise current and deferred tax. Income taxes are recognised in profit or loss, except to the extent that they relate to a business combination or to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the reporting period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognised on the following temporary differences: temporary differences arising from the initial recognition of assets or liabilities that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. No deferred tax is recognised on the initial recognition of goodwill.

The amount of deferred tax is based on the expected manner of realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but there is an intention to settle current tax liabilities and assets on a net basis, or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

s) Dividends

Dividends are recognised as distributions within equity upon approval by the Company's shareholders.

t) Non-current assets held for sale and disposal groups

Non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (and all assets and liabilities in a disposal group) are re-measured in accordance with the Group's relevant accounting policies. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of their carrying amount and fair value less costs to sell. If an investment or portion of an investment in associate or joint venture is classified as held for sale, it is measured at the lower of its existing carrying amount and fair value less cost to sell. Equity method of accounting is not applied since the classification as held for sale.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Gains are not recognised in excess of any cumulative impairment loss.

Any gain or loss on the re-measurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of a discontinued operation is included in profit or loss from continuing operations.

u) Segment reporting

Segment results that are reported to the Group's Board of Directors (the chief operating decision maker) include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. The support is provided by four executive committees: a strategic committee, an investment committee, a risk management committee, and a compliance committee.

4. Determination of fair values

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on three different approaches which may be employed to determine the fair value:

Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business. For example, valuation techniques consistent with the market approach often use market multiples derived from a set of comparables.

Income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Cost approach is based on the premise that a prudent investor would pay no more for an asset than its replacement or reproduction cost. The depreciated replacement cost approach involves establishing the gross current replacement cost of the asset, and then depreciating this value to reflect the anticipated effective working life of the asset from new, the age of the asset, the estimated residual value at the end of the asset's working life and the loss in service potential.

IFRS 13 requires fair value measurements of assets to assume the highest and best use of the asset by market participants, provided that the use is physically possible, financially feasible and not illegal. Highest and best use might differ from the intended use by an individual acquirer. Although all three valuation approaches should be considered in the valuation analysis, the fact pattern surrounding each business combination, the purpose of valuation, the nature of the assets, and the availability of data dictate which approach or approaches including accounting-oriented approaches are ultimately utilized to calculate the value of each tangible asset.

Certain items of property, plant and equipment – specifically, gas transmission pipeline owned and operated by eustream, a.s. ("Eustream") and gas distribution pipelines owned and operated by SPP - distribúcia, a.s. ("SPPD") – have been recognized at revalued amount in accordance with IAS 16 since 1 January 2019 and 1 January 2020, respectively. The revalued amount represents the fair value as at the date of the most recent revaluation, net of any subsequent accumulated depreciation and subsequent accumulated impairment. Regular, independent revaluations are conducted at least every five years to ensure that the carrying amount on the statement of financial position does not differ materially from fair value. The most recent revaluation was conducted as at 30 June 2024 for Eustream and as at 1 January 2023 for SPPD.

Each revaluation was conducted by an independent expert who used mainly the depreciated replacement cost approach supported by the market approach for some types of assets. In general, the replacement cost method was used and the indexed historical cost method for assets where reproductive rates were not available. By determining the fair value of individual assets with the cost approach, physical deterioration, plus technological and economic obsolescence of assets was acknowledged.

The assumptions used in the revaluation model are based on the reports of the independent appraisers. The resulting reported amounts of these assets and the related revaluation surplus of assets do not necessarily represent the value in which these assets could or will be sold. There are uncertainties about future economic conditions, changes in technology and the competitive environment within the industry, which could potentially result in future adjustments to estimated revaluations and useful lives of assets that can significantly modify the reported financial position and profit. For further information, refer to Note 15 – Property, plant and equipment.

b) Intangible assets

The fair value of intangible assets recognised as a result of a business combination is based on the discounted cash flows expected to be derived from the use or eventual sale of the assets.

c) Investment property

The fair value of investment property is determined by an independent registered valuer. The fair value is assessed based on current prices in an active market for similar properties in the same location and condition, or where not available, by applying generally applicable valuation methodologies that consider the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation (discounting).

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

d) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

The fair value of inventories held by commodity traders (for trading purposes) is based on their listed market price and is adjusted for transport costs.

e) Non-derivative financial assets

The fair value of financial assets at fair value through profit or loss, debt and equity instruments at FVOCI and financial assets at amortized cost is based on their quoted market price at the reporting date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by management using pricing models or discounted cash flows techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the reporting date.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

The fair value of trade and other receivables and of financial assets at amortized cost is determined for disclosure purposes only.

f) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

g) Derivatives

The fair value of forward electricity, gas and emission rights contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on zero coupon rates).

The fair value of interest rate swaps is based on broker quotes or internal valuations based on market prices. Those quotes or valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of other derivatives (exchange rate, commodity, foreign CPI indices) embedded in a contract is estimated by discounting the difference between the forward values and the current values for the residual maturity of the contract using a risk-free interest rate (based on zero coupon rates).

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

5. Operating segments

Reportable segments have been identified primarily based on internal reports used by the Group's "Chief operating decision maker" (Board of Directors) to allocate resources to the segments and assess their performance. The Group seeks to achieve excellence in all aspects of its operations. Major indicators used by the Board of Directors to measure these segments' performance is operating profit before depreciation, amortization, impairment of tangible and intangible assets, and gain on bargain purchase (or "Underlying EBITDA") and capital expenditures (excl. emission rights, right-of-use assets, and goodwill) (or "CAPEX").

EPG Energy Group

Gas Transmission

The Group's Gas transmission business is operated through Eustream, which owns and operates one of the main European gas pipelines and serves as the sole gas transmission system operator in the Slovak Republic. Eustream's transmission network is connected to all neighbouring countries, enabling the transit of gas to and from the Czech Republic, Austria, Ukraine, Hungary and Poland. It is also the largest natural gas import route to Ukraine from Western Europe and, prior to the war in Ukraine, it was the most utilized. Eustream's services are utilized by major European energy companies. Access to the system and gas transport are provided to all partners in a transparent and non-discriminatory manner, in accordance with the European and Slovak gas legislation.

Eustream generates revenue primarily by charging tariffs for the transmission of gas through its pipelines. Shippers are obliged to pay the capacity fees for the booked capacity irrespective of whether such capacity is utilised by the shipper as all contracts, regardless of duration, are based on a 100 per cent ship-or-pay principle.

The transmission fees are based on floating tariff for all entry and exit points, enabling tariff adjustments in the event of significant changes in economic parameters, even for existing contracts (this change will not apply to existing long-term contracts that have a fixed operating schedule). In addition to the transmission fees, network users are required to provide gas in-kind for operational needs, predominantly as a fixed percentage of commercial gas transmission volume at each entry and exit point. The network users may agree with Eustream to provide gas in-kind in a financial form. Gas for operational needs covers, among other things, the energy needs for the operation of compressors and the gas balance differences related to the measurement of gas flows. As Eustream is legally responsible for network balance, it sells any gas in-kind it has received that is not consumed. Since the volume of gas in-kind is variable, any revenue from this mandatory sale of residual gas in-kind is also variable.

Gas and Power Distribution

The Gas and power distribution segment consists of the Power distribution division, the Gas distribution division and the Supply division. The Power distribution division distributes electricity in the central Slovakia region while the Gas distribution division is responsible for distribution of natural gas covering almost the complete gas distribution network in Slovakia. The Supply division primarily supplies power and natural gas to end-consumers in the Czech Republic and Slovakia. This segment is mainly represented by Stredoslovenská energetika Holding, a.s. (further "SSE"), Stredoslovenská distribučná, a.s. (further "SSD"), SPP - distribúcia, a.s. (further "SPPD"), EP ENERGY TRADING, a.s. (further "EPET") and Dobrá Energie s.r.o.

The companies SPPD and SSD, which provide distribution of natural gas and power, respectively, are required by law to provide non-discriminatory access to the distribution network. Prices are subject to the review and approval of the Regulatory Office for Network Industries ("RONI"). Both entities operate under a regulatory framework where allowed revenues are based primarily on the Regulated Asset Base ("RAB") multiplied by the allowed regulatory WACC plus eligible operating expenditures and allowed depreciation in line with regulatory frameworks in other Western European countries. All key tariff parameters are set for a given regulatory period of five years, while the current regulatory period started in January 2023.

Revenue from sales of electricity and gas is recognised when the electricity and gas is delivered to the customer. With respect to SSE, RONI regulates certain aspects of SSE's relationships with its customers including the pricing of electricity, gas and services provided to certain SSE customers. Prices of electricity and gas for households and small business are regulated by RONI, while prices of electricity and gas for the wholesale customers are not regulated. In the Czech Republic, prices for end-consumers in supply activities are typically not regulated.

EPET and the SSE engage in the buying and selling of power. Selling encompasses transactions in the wholesale electricity market for power generated by the Group within its Heat Infra Business. Buying encompasses procurement of electricity and natural gas to meet the demands of customers as part of the division's supply activities. Most of the Group's transactions are carried out on a back-to-back basis.

Gas Storage

The Gas storage segment is represented by NAFTA a.s., POZAGAS a.s., NAFTA Germany GmbH and its subsidiaries and SPP Storage, s.r.o. which store natural gas primarily under long-term contracts in underground storage facilities located in Slovakia, Germany and the Czech Republic.

The Group stores natural gas in two locations in Slovakia and the Czech Republic and three locations in Germany. Additionally, NAFTA a.s. and POZAGAS a.s. sell part of their storage capacity at the Austrian Virtual Trading Point and pay entry-exit fees in relation to the access to the Austrian market. Storages play a pivotal role in ensuring security of gas supply by accommodating injection, withdrawal, and storage of natural gas based on seasonal demands, adhering to relevant legislation. Also, capacities are utilized to capitalize on short-term market volatility in gas prices, allowing for effective management and optimization in response to fluctuations. The bulk of storage capacity is reserved through long-term contracts. The pricing mechanisms differ, incorporating either adjustments for inflation along with standard price revision clauses, or formulas based on actual market spreads. All contracts are bound by a store-or-pay obligation.

Heat Infra

The Heat Infra segment owns and operates three large-scale combined heat and power plants (CHPs) in the Czech Republic mainly operated in highly efficient co-generation mode and represented primarily by: Elektrárny Opatovice, a.s., United Energy, a.s. and Plzeňská teplárenská, a.s. The heat generated in its CHPs is supplied mainly to retail customers through well maintained and robust district heating systems that the Group owns in most of the cases. Czech based heat supply is regulated in a way of cost plus a reasonable profit margin. The entities also represent major Czech power producers and important providers of grid balancing services for ČEPS, the Czech electricity transmission network operator. EP Sourcing, a.s. and EP Cargo a.s., as main suppliers of the above-mentioned entities, are also included in this segment.

Flexible Power Generation

Flexible Power Generation segment is divided into two subsegments – Contracted/Semi-contracted subsegment (including generation activities in Italy, the UK and Ireland) and Merchant subsegment (including generation activities in Germany, the Netherlands and France and supply business activities in France and the Netherlands).

Contracted/Semi-contracted subsegment

The Contracted/Semi-contracted part of the segment is primarily represented by investments in assets that generate electricity in condensation mode and which are contracted or partially contracted under some regulatory scheme, typically capacity market contracts (Italy, the UK and Ireland) or must run regime (Italy). Overall installed capacity of Group's gas and coal fired power plant fleet in this segment is 8.7[1] GW.

In addition to these, Group's joint venture operates a power plant with installed capacity of 0.8 GW in Italy.

Italy

EP Produzione S.p.A. operates a total net installed capacity of 4.8[2] GW through four gas-fired power plants and one coal-fired power plant, making it one of the most relevant power generation players in the country. Its efficient and high-performance power stations are managed according to the highest environmental, safety and reliability standards, including the hard coal power plant Fiume Santo on the Sardinia Island with an installed capacity of 599 MW which ensures local grid stability. The company operates four gas power plants – Livorno Ferraris, Ostiglia and Tavazzano Montanaso in the north of Italy and Trapani in Sicily and is building two new gas power plants one in Tavazzano is already in the advanced phase of commissioning and second one is constructed in Ostiglia. Both are to be part of the system to ensure stability of the grid in Italy. The gas-fired power plant Scandale in Calabria, which has a capacity of 814 MW, is managed by Ergosud S.p.A., a joint venture between EPH and A2A.

United Kingdom

EP Langage Limited is a gas-fired power station located near Plymouth, Devon. Construction of the site started in 2008 and was commissioned in 2010. The total site capacity is 905 MW. The high-pressure steam system enables high efficiency (51%), its flexible design is capable of 2-shift operation and low minimum load, enhancing plant option value, and the 2 to 1 configuration provides increased flexibility to the National Grid, the UK's high voltage electricity transmission network, for alternative services helping grid stability.

EP SHB Limited is a gas-fired power station located near Stallingborough. The total installed capacity of the power plant is 1,297 MW. The site consists of Phase 1 and Phase 2, which are separate power plants with one combined cooling systems and flexible design capable of 2-shift operation and minimum load, enhancing plant option value.

EP NI operates two new OCGT units with total installed capacity of 647 MW on the Kilroot brownfield site supported by awarded capacity contracts. Furthermore, there is an opportunity for further development including additional battery storage.

EP Ballylumford Limited is a power station located in Northern Ireland with a total capacity of 683 MW and operates a mix of flexible gas-fired CCGT and distillate fired OCGT units. The highly flexible CCGTs can operate in several different modes and has the lowest minimum generation for CCGT on the Irish market. EP Ballylumford is backed by capacity contracts and also is able to trade the power it generates on a single wholesale market across the island of Ireland.

Since December 2024. The UK Group includes also equity accounted investee in West Burton CCGT power plant with installed capacity of 1,332 MW, where the Group owns 50% share.

1 In addition to 8.7 GW, the Group has been investing into new low emission sources in Italy with the aim to secure stability and reliability of local electricity markets which are also included in this segment of which 0.8 GW for new power plant in Tavazzano is already included as it is in advanced stage of commissioning (additional not yet included installed capacity of the new power plants under construction is approx. 0.9 GW).

2 New power plant in Tavazzano (0.8 GW) is included as it is in the final stage of commissioning, and it is already providing power to network in the testing stage.

Ireland

Tynagh Energy Limited is a power producer in the Republic of Ireland that owns 384 MW CCGT power plant (dual fuel natural gas and distillate) in east County Galway. The plant was commissioned in 2006 and its estimated life span is approximately 30 years. The power plant is in a unique position of being the only independent CCGT plant on the Irish market and provides a flexible daily electricity production to the wholesale electricity market but also a significant part of the gross margin comes from fixed capacity market contracts.

Merchant subsegment

The Merchant part of the segment is primarily represented by investments in assets that generate electricity and sell it on the merchant market (Germany, France and the Netherlands) and gas and power supply business activities (France and the Netherlands). Overall installed capacity of Group's power plant fleet in this segment is 4.2[3] GW.

France

Power Generation Group through its subsidiary Gazel Energie Generation S.A.S. operated one hard coal-fired power generation unit with an installed capacity of 595 MW, located near Saint-Avold, which was recommissioned during second half of 2022 to support the electricity grid and security of supply due to necessity driven by situation on energy market, and also 150 MW biomass power plant in Provence, which was awarded with PPA contract since the beginning of 2025 for no less than 8 years. Through its subsidiaries Gazel Energie Solutions S.A.S., Dynamo S.A.S. and Illico S.A.S., it is also active in electricity and gas retail supply for Industrial and Commercial ("I&C") and small-to-medium enterprises ("SME") customers.

Germany

Group operates via its subsidiary Kraftwerk Schkopau GmbH a lignite power plant with net installed capacity of 900 MW. The power plant provides primarily specialized products to industrial customers Dow Chemical and Deutsche Bahn.

It also operated via its subsidiary Kraftwerk Mehrum GmbH a hard coal-fired power plant near Hanover with a net installed capacity of 690 MW for part of the year 2024. The power plant was taken from the grid at the end of March 2024 and the Group started with its decommissioning.

The Netherlands

EP Netherlands B.V. operates via its subsidiaries and a joint operation four highly efficient CCGT power plants with total net installed capacity of 2.6 GW. Those power plants operate in a merchant mode, but also provide important balancing services to Tennet. In addition, it is also active on electricity and gas supply for commercial and SME customers, operates gas pipe connection to one of its power plants and provides access to market to third party wind park via PPA (power purchase agreement).

Other

Beside operations this part contains also supporting functions such as trading of energy products related to our power plant portfolio and underground gas storage facility in the UK as well as procurement of commodities and freight requirements of the Group's power plant facilities.

3 The number includes installed capacity of Emile Huchet 6 (EH6). Power plants was already off the merchant operations (since March 2022). However, due to situation on the fragile French energy market the power plants were recommissioned during 2022 to support the electricity grid and security of supply and remained in operation during whole 2024.

Renewable Energy

The Renewable energy segment consists mostly of biomass fired power plants located in the UK and Italy as well as of wind farms and solar parks located in Germany and France. Total installed capacity of renewable sources is 0.7 GW.

United Kingdom

Lynemouth Power Limited is the owner and operator of a biomass-fired power station in Northumberland with total net installed capacity of 395 MW (original coal-fired installed capacity 420 MW). Commissioned in 2019. Lynemouth holds a Contract for Difference contract for full biomass conversion.

Italy

The biomass-fired power plant Strongoli, owned and operated by Biomasse Italia S.p.A. is situated in the central-eastern part of Calabria. With a total capacity of 46 MW, it is one of the most modern biomass-fired power plants in Europe. The plant is mainly fuelled with biomass made of wood chips, derived from forest maintenance and agro-food residuals coming from local and national markets.

The biomass-fired power plant Crotone, owned and operated by Biomasse Crotone is situated in the central-eastern part of Calabria. Crotone is a biomass-fired power plant with a total capacity of 27 MW. The plant is mainly fuelled with biomass made of wood chips, derived from forest maintenance and agro-food residuals coming from local and national markets.

Fusine Energia operates a biomass-fired power plant in Fusine, province of Sondrio, with an installed capacity of 6 MW.

All three power plants operate under guaranteed price scheme and their revenues are thus fully regulated.

France

Renewable energy portfolio in France comprises six wind farms with a total capacity of 84 MW operated by Aerodis, S.A. and Gazel Energie Renouvelables S.A.S., and two solar parks with a total capacity of 11 MW operated by Gazel Energie Solaire S.A.S.

Other

In Renewable Energy segment are included also three solar power plants and one wind farm in the Czech Republic and two solar power plants and a biogas facility in Slovakia.

In addition, this segment also includes EP Power Minerals which is a group of entities and joint ventures providing building material substitutes and abrasives derived from ashes as by-products of coal-fired power plants. In addition, waste management solutions are provided. The headquarters are located in Dinslaken (Germany). Operations of the entity are located mainly in Germany, with branches located also in Poland, the UK, Asia and also in Finland and the Netherlands.

Carbon neutral

The main entity within this segment is Slovenské elektrárne, a.s. and its subsidiaries, accounted for using equity method with 33% share of the Group. Slovenské elektrárne, a.s. is the largest electricity producer in the Slovak Republic, operating two nuclear, 31 hydroelectric and two photovoltaic power plants, generating 62% of the country's total electricity production in 2024. With a net installed capacity of 3.9 GW, it is one of the largest electricity producers in Central and Eastern Europe. After closing its last coal power plant in Vojany in March 2024, its unique portfolio enables it to produce 100% of electricity without greenhouse gases. Following the completion of new unit Mochovce 3 of Mochovce Nuclear Power plant in 2023, the company is currently completing units 4 of the same power plant, which is one of only three nuclear power plant constructions currently underway in Europe.

Energy Transition

Energy Transition segment will be concentrated on transformation of lignite business into new low carbon or carbon neutral energy business. It currently consists of Lausitz Energie Vewaltungs GmBH subgroup (“LEAG Group”) and MIBRAG GmbH subgroup.

LEAG Group operated four Lusatian open-cast mines in 2023 and four lignite power plants and one new OCGT powerplant that operates under long term contract and serves for stability of power grid. It also operates two smaller OCGTs that are in operating as grid stability reserve. Total net installed capacity of LEAG power plants was 8.3 GW.

MIBRAG GmbH (“MIBRAG”) has its activities focused on the south of Saxony-Anhalt region, where it operates Profen open-cast mine, and in Saxony, where it operates Schleenhein open-cast mine. The produced lignite is supplied to power plants under long-term supply agreements. Two biggest customers are Lippendorf and Schkopau power plants. The company holds shares in three other entities offering a wide range of services from energy generation, landscaping to civil engineering, disposal and mine engineering services.

MIBRAG Neue Energie GmbH operates the “Am Geyersberg” wind farm on the site of the Schleenhain mine near Groitzsch, Saxony, with a total installed capacity of 7 MW. The wind farm consists of 3 Siemens wind turbines. The company strives for further development of wind power in the area of surface mines owned by MIBRAG. In addition new solar power plant with installed capacity of 30 MW was commissioned in 2023 by MIBRAG on a recultivated land.

Other (EPG Energy Group)

Other entities in this segment primarily include Group’s logistic companies and other supporting function to Group’s main segments managed by EPPE or EPIF Groups. Mainly it includes EP Cargo Deutschland GmbH, EP CARGO POLSKA, S.A., Lokotrain s.r.o., LOCON Logistik & Consulting AG, EP Cargo Trucking Group and SPEDICA Group, which arrange complex logistical solutions for other Group segments as well as for third parties.

An equity-accounted investee SŽ EP Logistika Group is also included in this segment.

Real estate activities of the Group are also included in this segment.

EPG Other

Media

The media segment is concentrated under 50% investment in Group CZECH MEDIA INVEST, accounted for using the equity method. CZECH MEDIA INVEST a.s. is a holding company that focuses on acquisition and management of media assets (i.e. radio broadcasters or newspaper publishers) in Central and Western Europe.

E-commerce

The Group’s e-commerce segment is concentrated under EC Investments a.s. (“ECI”). ECI consists of 75% investment in Košík Holding a.s. which is a Czech online supermarket specializing in delivering groceries and other products directly to customers’ homes. Other main investments are investees accounted for using the equity method. These include 50% investment in Heureka Group a.s., Europe’s largest group of comparison websites and online shopping advisors. 50% investment into FAST ČR, a.s. (operator of PLANEO brick-and-mortar and online electronics retail brand). Other entities included in this segment are DoDo Group SE, a European logistic and technology company that focuses on last-mile delivery solutions and VIVANTIS a.s., an online retailer specializing in a broad range of lifestyle and personal care products.

Retail

The retail segment consists of the equity-accounted investee Supratuc2020, S.L., retail food operator in Catalonia and Balearic Islands.

Profit or loss

For the year ended 31 December 2024
In millions of EUR

	EPG Energy Group									EPG Other					
	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Revenues: Energy and related services	482	2,430	349	418	17,826	575	–	8,291	–	–	–	–	–	(5,191)	25,180
external revenues	*471*	*2,343*	*302*	*232*	*16,312*	*495*	–	*5,025*	–	–	–	–	–	–	*25,180*
of which: electricity	–	*1,580*	–	*44*	*10,112*	*420*	–	*4,640*	–	–	–	–	–	–	*16,796*
gas	*471*	*763*	*300*	–	*6,054*	–	–	–	–	–	–	–	–	–	*7,588*
coal	–	–	–	–	*125*	–	–	*345*	–	–	–	–	–	–	*470*
heat	–	–	–	*188*	–	–	–	*40*	–	–	–	–	–	–	*228*
other energy products	–	–	*2*	–	*21*	*75*	–	–	–	–	–	–	–	–	*98*
inter-segment revenues	*11*	*87*	*47*	*186*	*1,514*	*80*	–	*3,266*	–	–	–	–	–	*(5,191)*	–
Revenues: Logistics and freight services	–	–	–	44	346	–	–	1	180	–	–	–	–	(56)	515
external revenues	–	–	–	*19*	*346*	–	–	*1*	*149*	–	–	–	–	–	*515*
inter-segment revenues	–	–	–	*25*	–	–	–	–	*31*	–	–	–	–	*(56)*	–
Revenues: Other	–	19	5	22	378	215	–	306	44	–	128	–	15	(226)	906
external revenues	–	*19*	*4*	*22*	*225*	*209*	–	*258*	*34*	–	*128*	–	*7*	–	*906*
inter-segment revenues	–	–	*1*	–	*153*	*6*	–	*48*	*10*	–	–	–	*8*	*(226)*	–
Gain/(Loss) from commodity derivatives for trading with electricity and gas, net	–	49	–	–	1,046	–	–	(147)	–	–	–	–	–	–	948
Total revenues	**482**	**2,498**	**354**	**484**	**19,596**	**790**	**–**	**8,451**	**224**	**–**	**128**	**–**	**15**	**(5,473)**	**27,549**
Purchases and consumables	(31)	(1,664)	(12)	(143)	(17,289)	(406)	–	(1,748)	(54)	–	(93)	–	(2)	5,365	(16,077)
external purchases and consumables	*(16)*	*(1,297)*	*(10)*	*(91)*	*(13,251)*	*(406)*	–	*(858)*	*(53)*	–	*(93)*	–	*(2)*	–	*(16,077)*
inter-segment purchases and consumables	*(15)*	*(367)*	*(2)*	*(52)*	*(4,038)*	–	–	*(890)*	*(1)*	–	–	–	–	*5,365*	–
Services	(9)	(126)	(31)	(79)	(410)	(143)	–	(529)	(103)	–	(42)	–	(42)	136	(1,378)
Personnel expenses	(31)	(149)	(40)	(54)	(256)	(48)	–	(737)	(42)	–	(13)	–	(28)	–	(1,398)
Depreciation, amortization, and impairment	(112)	(245)	(28)	(53)	(277)	(78)	–	(948)	(41)	–	(7)	–	–	–	(1,789)
Emission rights, net	–	–	(1)	(116)	(842)	–	–	(3,419)	–	–	–	–	–	–	(4,378)
Bargain purchase gain	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Own work, capitalized	1	28	2	2	5	–	–	23	–	–	4	–	–	–	65
Other operating income (expenses)	–	10	3	1	38	2	–	(797)	17	–	(9)	–	(7)	(28)	(770)
Profit (loss) from operations	**300**	**352**	**247**	**42**	**565**	**117**	**–**	**296**	**1**	**–**	**(32)**	**–**	**(64)**	**–**	**1,824**

Profit or loss (continued)

For the year ended 31 December 2024
In millions of EUR

	EPG Energy Group									EPG Other					
	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Finance income	19	29	14	11	214	11	–	205	–	–	(22)	–	1,986	(2,168)	299
external finance income	*19*	*21*	*6*	*4*	*32*	*10*	–	*183*	–	–	*(22)*	–	*46*	–	*299*
inter-segment finance income	–	*8*	*8*	*7*	*182*	*1*	–	*22*	–	–	–	–	*1,940*	*(2,168)*	–
Changes in impairment on financial instruments and other financial assets	–	2	–	–	(1)	–	–	13	–	34	(18)	–	–	–	30
Finance expense	(35)	(15)	(7)	(5)	(145)	(16)	–	(128)	(5)	–	(1)	–	(540)	235	(662)
Net finance income (expense)	**(16)**	**16**	**7**	**6**	**68**	**(5)**	**–**	**90**	**(5)**	**34**	**(41)**	**–**	**1,446**	**(1,933)**	**(333)**
Share of profit of equity accounted investees, net of tax	–	–	–	–	4	1	323	3	29	(37)	5	(7)	–	–	321
Gain on disposal of subsidiaries, joint ventures and associates	–	–	–	–	–	–	–	–	1	–	–	–	–	–	1
Profit (loss) before income tax	**284**	**368**	**254**	**48**	**637**	**113**	**323**	**389**	**26**	**(3)**	**(68)**	**(7)**	**1,382**	**(1,933)**	**1,813**
Income tax expenses	(117)	(146)	(68)	(12)	(145)	(35)	–	(120)	–	–	(1)	–	(24)	–	(668)
Profit (loss) for the year	**167**	**222**	**186**	**36**	**492**	**78**	**323**	**269**	**26**	**(3)**	**(69)**	**(7)**	**1,358**	**(1,933)**	**1,145**

* EUR 1,932 million is attributable to intra-group dividends primarily recognised by EP Power Europe, a.s., EPPE Germany, a.s., SPP Infrastructure, a.s., EP France S.A.S., EP UK Investments Ltd., Czech Gas Holding Investment B.V. and EP Energy, a.s.

Other financial information:	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Underlying EBITDA[1]	412	597	275	95	842	195	–	1,244	42	–	(25)	–	(64)	–	**3,613**

(1) Underlying EBITDA represents profit (loss) for the year before income tax expenses, finance expense, finance income, change in impairment on financial instruments and other financial assets, share of profit of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures and associates, depreciation of property, plant and equipment, amortization of intangible assets, impairment of property, plant and equipment and intangible assets and bargain purchase gain.

Profit or loss (continued)

For the year ended 31 December 2023
In millions of EUR

	EPG Energy Group									EPG Other					
	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Revenues: Energy and related services	264	3,401	457	687	17,533	658	–	3,616	–	–	–	–	–	(3,185)	23,431
external revenues	*260*	*3,097*	*399*	*255*	*16,767*	*535*	*–*	*2,116*	*2*	*–*	*–*	*–*	*–*	*–*	*23,431*
of which: electricity	*–*	*2,219*	*–*	*98*	*12,059*	*467*	*–*	*1,817*	*–*	*–*	*–*	*–*	*–*	*–*	*16,660*
gas	*260*	*878*	*397*	*–*	*4,433*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*5,968*
coal	*–*	*–*	*–*	*–*	*271*	*–*	*–*	*281*	*–*	*–*	*–*	*–*	*–*	*–*	*552*
heat	*–*	*–*	*–*	*157*	*–*	*–*	*–*	*18*	*–*	*–*	*–*	*–*	*–*	*–*	*175*
other energy products	*–*	*–*	*2*	*–*	*4*	*68*	*–*	*–*	*2*	*–*	*–*	*–*	*–*	*–*	*76*
inter-segment revenues	*4*	*304*	*58*	*432*	*766*	*123*	*–*	*1,500*	*(2)*	*–*	*–*	*–*	*–*	*(3,185)*	*–*
Revenues: Logistics and freight services	–	–	–	45	375	–	–	1	195	–	–	–	–	(66)	550
external revenues	*–*	*–*	*–*	*23*	*375*	*–*	*–*	*1*	*151*	*–*	*–*	*–*	*–*	*–*	*550*
inter-segment revenues	*–*	*–*	*–*	*22*	*–*	*–*	*–*	*–*	*44*	*–*	*–*	*–*	*–*	*(66)*	*–*
Revenues: Other	–	29	4	15	322	182	–	70	26	–	115	–	12	(62)	713
external revenues	*–*	*29*	*4*	*15*	*292*	*170*	*–*	*70*	*15*	*–*	*115*	*–*	*3*	*–*	*713*
inter-segment revenues	*–*	*–*	*–*	*–*	*30*	*12*	*–*	*–*	*11*	*–*	*–*	*–*	*9*	*(62)*	*–*
Gain/(Loss) from commodity derivatives for trading with electricity and gas, net	–	15	–	–	1,534	–	–	417	–	–	–	–	–	–	1,966
Total revenues	**264**	**3,445**	**461**	**747**	**19,764**	**840**	**–**	**4,104**	**221**	**–**	**115**	**–**	**12**	**(3,313)**	**26,660**
Purchases and consumables	(48)	(2,613)	(17)	(319)	(16,006)	(345)	–	(480)	(38)	–	(85)	–	–	3,084	(16,867)
external purchases and consumables	*(32)*	*(1,734)*	*(12)*	*(119)*	*(14,229)*	*(345)*	*–*	*(273)*	*(38)*	*–*	*(85)*	*–*	*–*	*–*	*(16,867)*
inter-segment purchases and consumables	*(16)*	*(879)*	*(5)*	*(200)*	*(1,777)*	*–*	*–*	*(207)*	*–*	*–*	*–*	*–*	*–*	*3,084*	*–*
Services	(9)	(127)	(41)	(79)	(366)	(143)	–	(243)	(110)	–	(38)	–	(46)	158	(1,044)
Personnel expenses	(31)	(138)	(41)	(53)	(252)	(45)	–	(320)	(35)	–	(13)	–	(31)	–	(959)
Depreciation, amortization, and impairment	(117)	(241)	(37)	(60)	(196)	(80)	–	(1,258)	(32)	–	(4)	–	(1)	–	(2,026)
Emission rights, net	–	–	(2)	(172)	(1,056)	3	–	(1,524)	(1)	–	–	–	–	–	(2,752)
Bargain purchase gain	–	–	–	–	–	–		865	–	–	–	–	3	–	868
Own work, capitalized	2	23	4	2	4	–	–	7	–	–	1	–	–	–	43
Other operating income (expenses)	(39)	6	–	(2)	(281)	(27)	–	(139)	(1)	–	(2)	–	8	71	(406)
Profit (loss) from operations	**22**	**355**	**327**	**64**	**1,611**	**203**	**–**	**1,012**	**4**	**–**	**(26)**	**–**	**(55)**	**–**	**3,517**

Profit or loss (continued)

For the year ended 31 December 2023
In millions of EUR

	EPG Energy Group									EPG Other					
	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Finance income	5	27	17	17	104	4	–	431	(1)	–	1	–	3,244	(1,534)	2,315
external finance income	*5*	*14*	*11*	*9*	*36*	*3*	–	*419*	*(1)*	–	*1*	–	*1,818*	–	*2,315*
inter-segment finance income	–	*13*	*6*	*8*	*68*	*1*	–	*12*	–	–	–	–	*1,426*	*(1,534)*	–
Changes in impairment on financial instruments and other financial assets	–	(4)	(2)	–	(7)	–	–	(1)	–	30	(5)	–	1	–	12
Finance expense	(35)	(19)	(8)	(3)	(162)	(11)	–	(55)	(3)	–	(1)	–	(387)	203	(481)
Net finance income (expense)	**(30)**	**4**	**7**	**14**	**(65)**	**(7)**	**–**	**375**	**(4)**	**30**	**(5)**	**–**	**2,858**	**(1,331)**	**1,846**
Share of profit of equity accounted investees, net of tax	–	–	–	–	4	1	225	726	3	(40)	(2)	14	–	–	931
Gain on disposal of subsidiaries, joint ventures and associates	–	–	–	–	3	–	–	–	–	–	–	–	–	(3)	–
Profit (loss) before income tax	**(8)**	**359**	**334**	**78**	**1,553**	**197**	**225**	**2,113**	**3**	**(10)**	**(33)**	**14**	**2,803**	**(1,334)**	**6,294**
Income tax expenses	2	(87)	(81)	(21)	(406)	(47)	–	(51)	(1)	–	–	–	48	–	(644)
Profit (loss) for the year	**(6)**	**272**	**253**	**57**	**1,147**	**150**	**225**	**2,062**	**2**	**(10)**	**(33)**	**14**	**2,851**	**(1,334)**	**5,650**

* EUR 1,332 million is attributable to intra-group dividends primarily recognised by EP Power Europe, a.s., SPP Infrastructure, a.s., Czech Gas Holding Investment B.V. and EP Energy, a.s.

Other financial information:															
Underlying EBITDA[1]	139	596	364	124	1,807	283	–	1,405	36	–	(22)	–	(57)	–	**4,675**

(1) Underlying EBITDA represents profit (loss) for the year before income tax expenses, finance expense, finance income, change in impairment on financial instruments and other financial assets, share of profit of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures and associates, depreciation of property, plant and equipment, amortization of intangible assets, impairment of property, plant and equipment and intangible assets and bargain purchase gain.

Underlying EBITDA reconciliation to the closest IFRS measure

The underlying EBITDA reconciles to the profit as follows:

For the year ended 31 December 2024

In millions of EUR

	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Underlying EBITDA	**412**	**597**	**275**	**95**	**842**	**195**	**–**	**1,244**	**42**	**–**	**(25)**	**–**	**(64)**	**–**	**3,613**
Depreciation, amortization and impair-ment	(112)	(245)	(28)	(53)	(277)	(78)	–	(948)	(41)	–	(7)	–	–	–	(1,789)
Bargain purchase gain	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance income	19	29	14	11	214	11	–	205	–	–	(22)	–	1,986	(2,168)	299
Change in impairment on financial in-struments and other financial assets	–	2	–	–	(1)	–	–	13	–	34	(18)	–	–	–	30
Finance expense	(35)	(15)	(7)	(5)	(145)	(16)	–	(128)	(5)	–	(1)	–	(540)	235	(662)
Share of profit (loss) of equity accounted investees, net of tax	–	–	–	–	4	1	323	3	29	(37)	5	(7)	–	–	321
Gain (loss) on disposal of subsidiaries, joint ventures and associates	–	–	–	–	–	–	–	–	1	–	–	–	–	–	1
Income tax	(117)	(146)	(68)	(12)	(145)	(35)	–	(120)	–	–	(1)	–	(24)	–	(668)
Profit for the year	**167**	**222**	**186**	**36**	**492**	**78**	**323**	**269**	**26**	**(3)**	**(69)**	**(7)**	**1,358**	**(1,933)**	**1,145**

For the year ended 31 December 2023

In millions of EUR

	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding entities	Inter-segment elimination	Consolidated Financial Information
Underlying EBITDA	**139**	**596**	**364**	**124**	**1,807**	**283**	**–**	**1,405**	**36**	**–**	**(22)**	**–**	**(57)**	**–**	**4,675**
Depreciation, amortization and impair-ment	(117)	(241)	(37)	(60)	(196)	(80)	–	(1,258)	(32)	–	(4)	–	(1)	–	(2,026)
Bargain purchase gain	–	–	–	–	–	–	–	865	–	–	–	–	3	–	868
Finance income	5	27	17	17	104	4	–	431	(1)	–	1	–	3,244	(1,534)	2,315
Change in impairment on financial in-struments and other financial assets	–	(4)	(2)	–	(7)	–	–	(1)	–	30	(5)	–	1	–	12
Finance expense	(35)	(19)	(8)	(3)	(162)	(11)	–	(55)	(3)	–	(1)	–	(387)	203	(481)
Share of profit (loss) of equity accounted investees, net of tax	–	–	–	–	4	1	225	726	3	(40)	(2)	14	–	–	931
Gain (loss) on disposal of subsidiaries, joint ventures and associates	–	–	–	–	3	–	–	–	–	–	–	–	–	(3)	–
Income tax	2	(87)	(81)	(21)	(406)	(47)	–	(51)	(1)	–	–	–	48	–	(644)
Profit for the year	**(6)**	**272**	**253**	**57**	**1,147**	**150**	**225**	**2,062**	**2**	**(10)**	**(33)**	**14**	**2,851**	**(1,334)**	**5,650**

Segment assets and liabilities

For the year ended 31 December 2024

In millions of EUR

	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding Entities	Inter-segment elimination	Consolidated Financial Information
Reportable segment assets	4,529	6,203	989	979	10,140	929	879	14,969	459	268	265	54	6,100	(6,259)	40,504
Reportable segment liabilities	(2,145)	(2,294)	(350)	(361)	(7,962)	(433)	–	(10,198)	(223)	–	(31)	–	(8,943)	6,259	(26,681)
Additions to tangible and intangible assets	4	151	24	194	955	55	–	6,955	81	–	7	–	2	–	8,428
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights, right-of-use assets and goodwill)	3	130	20	89	314	81	–	382	15	–	5	–	2	–	1,041
Equity accounted investees	–	1	–	–	74	1	879	20	40	268	176	54	97	–	1,610

For the year ended 31 December 2023

In millions of EUR

	Gas transmission	Gas and power distribution	Gas storage	Heat infra	Flexible power generation	Renewable energy	Carbon neutral	Energy transition	Other	Media	E-commerce	Retail	Holding Entities	Inter-segment elimination	Consolidated Financial Information
Reportable segment assets	4,335	6,399	1,027	1,054	12,368	1,016	684	12,953	1,607	273	343	63	6,465	(5,626)	42,961
Reportable segment liabilities	(2,045)	(2,348)	(364)	(431)	(9,249)	(410)	-	(8,705)	(1,091)	-	(22)	-	(10,187)	5,626	(29,226)
Additions to tangible and intangible assets	7	134	33	303	1,249	29	-	8,031	49	-	9	-	1	-	9,845
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights, right-of-use assets and goodwill)	5	119	40	68	495	28	-	154	32	-	8	-	1	-	950
Equity accounted investees	-	1	-	-	70	2	684	21	92	273	131	63	-	-	1,337

Information about geographical areas

In presenting information on the basis of geography, segment revenue is based on geographical location of delivery of goods and services and segment assets are based on the geographical location of the assets.

For the year ended 31 December 2024

In millions of EUR

	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Property, plant and equipment	832	8,962	2,319	1,153	841	71	149	550	2	3	14,882
Intangible assets and goodwill	315	46	2,629	36	55	16	78	64	–	–	3,239
Investment property	3	–	26	–	20	–	–	–	–	–	49
Total	**1,150**	**9,008**	**4,974**	**1,189**	**916**	**87**	**227**	**614**	**2**	**3**	**18,170**

In millions of EUR	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Revenues: Electricity	212	978	3,622	2,423	3,398	246	657	1,384	2,845	1,031	16,796
Revenues: Gas	296	1,127	368	345	986	1,011	395	184	783	2,093	7,588
Revenues: Coal	51	5	286	–	3	1	1	–	1	122	470
Revenues: Heat	188	–	40	–	–	–	–	–	–	–	228
Revenues: Other energy products	–	1	25	1	7	–	32	8	1	23	98
Revenues: Logistics and freight ser-vices	58	5	152	–	5	3	–	2	56	234	515
Revenues: Other	173	23	435	15	136	–	2	3	40	79	906
Gain (loss) from commodity and freight derivatives, net	46	71	68	(22)	446	(5)	217	13	77	37	948
Total	**1,024**	**2,210**	**4,996**	**2,762**	**4,981**	**1,256**	**1,304**	**1,594**	**3,803**	**3,619**	**27,549**

The geographical area "Other" comprises income items primarily from Luxembourg.[1]

(1) Revenues from Luxembourg include mainly derivative transactions on energy exchanges.

For the year ended 31 December 2023

In millions of EUR

	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Property, plant and equipment	792	9,195	2,197	983	853	80	121	604	23	3	14,851
Intangible assets and goodwill	394	42	3,679	19	87	9	71	121	–	–	4,422
Investment property	3	–	27	–	19	–	–	–	–	–	49
Total	**1,189**	**9,237**	**5,903**	**1,002**	**959**	**89**	**192**	**725**	**23**	**3**	**19,322**

In millions of EUR	Czech Republic	Slovakia	Germany	Italy	United Kingdom	Ireland	France	Nether-lands	Switzer-land	Other	Total
Revenues: Electricity	1,248	1,293	2,497	2,525	2,939	216	775	1,984	1,838	1,345	16,660
Revenues: Gas	347	1,017	2,070	553	276	1,131	213	222	187	(48)	5,968
Revenues: Coal	89	12	267	–	1	1	22	–	24	136	552
Revenues: Heat	157	–	18	–	–	–	–	–	–	–	175
Revenues: Other energy products	2	2	29	1	8	–	9	3	–	22	76
Revenues: Logistics and freight services	66	5	94	–	34	–	2	4	85	260	550
Revenues: Other	148	32	240	(1)	48	–	1	3	38	204	713
Gain (loss) from commodity and freight derivatives, net	67	(177)	1,116	181	(221)	–	1,240	80	(117)	(203)	1,966
Total	**2,124**	**2,184**	**6,331**	**3,259**	**3,085**	**1,348**	**2,262**	**2,296**	**2,055**	**1,716**	**26,660**

The geographical area "Other" comprises income items primarily from Luxembourg.[1]

(1) Revenues from Luxembourg include mainly derivative transactions on energy exchanges.

6. Acquisitions and disposals of subsidiaries, joint ventures and associates

a) Acquisitions and step acquisitions

i. 31 December 2024

In millions of EUR	Date of acquisition	Equity interest acquired %	Equity interest after acquisition[(1)] %
New subsidiaries			
Scandbio AB and its subsidiaries and associates ("Scandbio Group")	29/11/2024	100	100
New joint ventures			
West Burton Flexible Generation Limited, UK T-Power 2 Limited, UK Transition Power Ltd. and West Burton B Limited ("West Burton")	13/12/2024	50	50
Groupe Delcourt SAS and its subsidiaries[(2)]	30/12/2024	100	100
SAS Editions du Sons-Sol[(2)]	6/9/2024	75	75

(1) Equity interest held by direct parent entity or investor, excluding indirect non-controlling interest.
(2) Part of CZECH MEDIA INVEST a.s. Group (equity accounted investee).

Scandbio AB

On 29 November 2024, the Group closed, via its subsidiary Lausitz Energie Verwaltungs GmbH ("LEAG Group"), the acquisition of Scandbio AB and its subsidiaries Scandbio Latvia Ltd, Fastighets AB Gävle-Lomshed, Fastighets AB Söderhamn-Ljusne, Fastighets AB Ydre Kammarp and associate Norbergs Järnväg AB. The Scandbio Group is a lead sustainable pellets producer, with a combined annual capacity of 510,000 tonnes of pellets, located in Sweden and Latvia.

West Burton

On 13 December 2024, EP UK Investments Ltd., a 100% subsidiary of EPH, acquired a 50% stake in West Burton Energy from TotalEnergies. West Burton Energy owns a 1.3 GW gas power plant and a 49 MW battery storage system, which strengthens our presence in the UK energy market. By partnering with TotalEnergies, the Group collaborates with a leading player in the energy sector. TotalEnergies is renowned for its expertise in renewable and flexible power generation, including modern gas-fired power plants.

Groupe Delcourt SAS

On 30 December 2024, the CZECH MEDIA INVEST a.s., a 50% joint venture of EP Group, through its 100% subsidiary Editis Holding S.A. acquired a 100% stake in Groupe Delcourt SAS. Groupe Delcourt is the independent publishing house of comics, manga and webtoons in France. Groupe Delcourt is the 10th biggest publisher in France with a catalogue of 13 thousand titles.

Acquisition of non-controlling interest

Due to changes in Group structure on 23 December 2024, indirect non-controlling interest in EP New Energies GmbH, EP New Energy Italia S.r.l., Fusine Energia S.r.l., Biomasse Crotone S.p.A., Biomasse Servizi S.r.l. and Biomasse Italia S.p.A decreased from 52.23% to 44%.

Due to changes in Group structure on 27 June 2024, indirect non-controlling interest in Leag Renewables GmbH increased from 47.36% to 60.8%.

On 14 February 2024, the Group through its 56% subsidiary EC Investments a.s. increased its share in Parcel Delivery Holding s.r.o. from 80% to 82.89%

The transactions resulted in the derecognition of non-controlling interest in amount of EUR 10 million.

Increase of investment in associates

On 31 January 2024, Parcel Delivery Holding increased its investment in DoDo Group SE from 41.85% to 46%.

ii. 31 December 2023

In millions of EUR	Date of acquisition	Equity interest acquired %	Equity interest after acquisition[(1)] %
New subsidiaries			
Rijnmond Power Holding B.V.	05/01/2023	100	100
PZEM Energy Company B.V., PZEM Pipe B.V., Sloe Centrale Holding B.V. and their subsidiaries ("PZEM and Sloe Group")	25/01/2023	100	100
MaasStroom Energie C.V.	23/05/2023	100	100
LEAG Holding, a.s., Lausitz Energie Ver-waltungs Gmbh, its subsidiaries and associ-ates ("LEAG Group")[(3)]	29/09/2023	20	70
SGL – Schienen Güter Logistik GmbH	31/10/2023	100	100
FVE Holding, s.r.o. and its subsidiaries ("FVE Group")	20/12/2023	100	100
New joint operation			
Enecogen V.O.F.	23/05/2023	50	50
New associates			
JAG SAS[(2)]	12/06/2023	45	45
Domy Krč Zálesí s.r.o.	01/11/2023	50	50
Editis Holding S.A.[(2)]	14/11/2023	100	100

(1) Equity interest held by direct parent entity or investor, excluding indirect non-controlling interest.
(2) Part of CZECH MEDIA INVEST a.s. Group (equity accounted investee).
(3) Acquisition of additional interest in LEAG Group has led to change of measurement method from equity accounted investee to full consolidation.

Rijnmond Power Holding B.V., PZEM and Sloe Group

On 25 January 2023, the Group closed, via its subsidiary EP Netherlands B.V. (“EP NL”), the acquisition of Sloe power plant with 870 MW installed capacity from ZEH N.V. and French electric utility company EDF S.A. In addition, on 5 January 2023, EP NL acquired Rijnmond power plant with 810 MW installed capacity. Besides the power plant portfolio, EP NL has also acquired PZEM Energy Company B.V. from ZEH N.V. which includes the ZBL pipeline (a 55 km gas pipeline supplying the Sloe Power Plant), trading business and B2B power and gas supply.

MaasStroom Energie C.V. and Enecogen V.O.F.

On 23 May 2023, EP NL has successfully concluded an agreement with Castleton Commodities International LLC (CCI), securing the acquisition of two gas-fired power plants. EP NL has acquired full ownership of MaasStroom, a gas-fired power plant located in Rotterdam (Pernis) with an installed capacity of 426 MW. Additionally, EP NL has acquired a 50% stake in Enecogen, a gas-fired power plant situated in Rotterdam (Europoort) with a total installed capacity of 910 MW (share of EPH is 455 MW). The remaining 50% stake in Enecogen will continue to be held by the Dutch energy company, Eneco N.V. These strategic acquisitions, together with the previous Dutch acquisitions, have enabled EP NL to establish a portfolio comprising four highly efficient gas-fired power plants. With a cumulative capacity of 2.6 GW, EP NL now ranks as the third largest operator of power plants in the Netherlands, which will ensure a stable supply of energy in the ongoing complex energy transition.

LEAG Group

On 23 June 2023, EP Energy Transition, a.s. (“EPETr”), subsidiary of EPG, acquired 20% share in LEAG Group main operating entities Lausitz Energie Kraftwerke AG and Lausitz Energie Bergbau AG, its subsidiaries and associates. Closing of the transaction took place on 10 October 2023. Following this transaction, EPG transferred the remaining 50% share of LEAG it held through EPH into EPETr in two tranches, first taking place on 29 September 2023 and second on 27 December 2023.

As a result of these transactions, the Group gained control over LEAG Group on 29 September 2023. Thus, the Group ceased to apply the equity method over investment in LEAG Group and started to consolidate LEAG Group as a subsidiary from the date the control was gained. The profit from revaluation of previously held interest in equity-accounted investee is presented as a part of finance income (Note 13), for information about written put option over non-controlling interest refer to Note 29.

SGL – Schienen Güter Logistik GmbH

On 31 October 2023, EP Logistics International, a.s. (EPLI), a subsidiary of EPH, has completed the acquisition of 100% stake in the established German company SGL – Schienen Güter Logistik GmbH, a logistics company which will complement EPLI’s portfolio of services in the field of rail freight transportation and construction logistics.

Editis Holding S.A.

On 14 November 2023, CZECH MEDIA INVEST Group acquired 100% share in Editis Holding S.A. (“Editis Group”). Editis Group is a collective brand for its group of companies and is the second largest publishing group in France, with representation in literature publishing, education and referencing, and is also a major player in distribution.

Acquisition of non-controlling interest

On 1 February 2023, the Group acquired additional 20% interest in MFresh Holding 1 s.r.o. The ownership of the Group in MFresh Holding s.r.o. increased from 80% to 100% (effective interest increased from 44.8% to 56%).

On 25 May 2023, the Group acquired additional 20% interest in Kinet s.r.o. The ownership of the Group in Kinet s.r.o. increased from 80% to 100% (effective interest increased from 15.15% to 18.93%).

On 4 December 2023, the Group acquired additional 9% interest in Alternative Energy, s.r.o. The ownership of the Group in Alternative Energy, s.r.o. increased from 90% to 99% (effective interest increased from 34.78% to 38.25%).

The acquisition of LEAG Group on 29 September 2023 resulted in change of indirect non-controlling interest in EP New Energies GmbH, EP New Energy Italia S.r.l., Fusine Energia S.r.l., Biomasse Crotone S.p.A., Biomasse Servizi S.r.l. and Biomasse Italia S.p.A.

The transactions resulted in the derecognition of non-controlling interest in amount of EUR 12 million.

Increase of investment in associates

On 24 May 2023, EC Investments a.s. increased its investment in CE Electronics Holding a.s. (parent entity of Fast Group) from 40% to 50%.

On 28 June 2023, EC Investments a.s. increased its investment in Heureka Group a.s. from 40% to 50%.

On 1 November 2023, Parcel Delivery Holding increased its investment in DoDo Group SE from 37% to 41.85%.

b) Effect of acquisitions

i. 31 December 2024

Subsidiaries and joint operations

The fair value of the amounts recognized for assets acquired and liabilities assumed as at the acquisition dates of Scandbio AB and its subsidiaries and associates are provided in the following table.

In millions of EUR	Carrying amount	Fair value adjustment	2023 Total
Property, plant, equipment, land, buildings	16	–	16
Trade receivables and other assets	11	–	11
Inventories	28	–	28
Cash and cash equivalents	9	–	9
Loans and borrowings	(11)	–	(11)
Trade payables and other liabilities	(17)	–	(17)
Net identifiable assets and liabilities	**36**	**–**	**36**
Goodwill on acquisitions of subsidiaries/joint operation			8
Cost of acquisition			**44**
Consideration paid, satisfied in cash (A)			44
Total consideration transferred			**44**
Less: Cash acquired (B)			9
Net cash inflow (outflow) (C) = (B – A)			**(35)**

Associates and joint ventures

The fair value of the amounts recognized for assets acquired and liabilities assumed as at the acquisition date of West Burton and Groupe Delcourt SAS are provided in the following table.

In millions of EUR	2024 Total
Non-current assets	532
Current assets	141
Fair value of assets	**673**
Non-current liabilities	(639)
Current liabilities	(180)
Fair value of liabilities	**(819)**
Fair value of identifiable net assets	**(146)**
Net assets value attributable to the Group's share	**(73)**

Acquisition of investment in SAS Editions du Sons-Sol did not have a material impact on the financial statements of the Group and the impact is therefore not disclosed.

ii. 31 December 2023

Subsidiaries

The fair value of the amounts recognized for assets acquired and liabilities assumed as at the acquisition dates of Rijnmond Power Holding B.V., PZEM and Sloe Group, MaasStroom Energie C.V., Enecogen V.O.F., LEAG Group, SGL – Schienen Güter Logistik GmbH and FVE Group are provided in the following table.

In millions of EUR	Carrying amount[1]	Fair value adjustment	2023 Total[1]
Property, plant, equipment, land, buildings	2,796	(735)	2,061
Intangible assets	1,666	1,688	3,354
Investment property	17	6	23
Trade receivables and other assets	3,835	(27)	3,808
Financial instruments and other financial assets	591	8	599
Inventories	325	–	325
Restricted cash	544	–	544
Cash and cash equivalents	4,489	–	4,489
Deferred tax assets	277	(180)	97
Provisions	(6,092)	84	(6,008)
Deferred tax liabilities	(19)	(145)	(164)
Loans and borrowings	(693)	–	(693)
Financial instruments and other financial liabilities	(1,537)	–	(1,537)
Trade payables and other liabilities	(2,025)	27	(1,998)
Net identifiable assets and liabilities	**4,174**	**726**	**4,900**
Non-controlling interest			(1,297)
Goodwill on acquisitions of subsidiaries/joint operation			65
Bargain purchase gain on acquisition of subsidiaries			(868)
Cost of acquisition			**2,800**
Consideration paid, satisfied in cash (A)			638
Fair value of the previously held share			2,162
Total consideration transferred			**2,800**
Less: Cash acquired (B)			4,489
Net cash inflow (outflow) (C) = (B – A)			**3,851**

(1) Represents values at 100% share for Rijnmond Power Holding B.V., PZEM and Sloe Group, MaasStroom Energie C.V., LEAG Group, SGL – Schienen Güter Logistik GmbH and FVE Group and values at 50% share for joint operation Enecogen V.O.F.

Associates and joint ventures

The fair value of the amounts recognized for assets acquired and liabilities assumed as at the acquisition date of Editis Group and JAG SAS are provided in the following table.

In millions of EUR	2023 Total
Non-current assets	815
Current assets	424
Fair value of assets	**1,239**
Non-current liabilities	(346)
Current liabilities	(483)
Fair value of liabilities	**(829)**
Fair value of identifiable net assets	**410**
Net assets value attributable to the Group's share	**205**

Acquisition of investment in other associates and joint ventures did not have a material impact on the financial statements of the Group and the impact is therefore not disclosed.

iii. Rationale for acquisitions

The Group's strategic rationale for realised acquisitions comprised several factors, including:

- The subsidiaries' businesses are complementary to Group's portfolio;
- Potential for synergic effects;
- The subsidiaries have an advantageous position within the market;
- Subject industries are expected to grow in the future;
- Further vertical integration of the trading activities with the generation activities, i.e. securing coal and gas supplies for own coal and gas fired plants.

As further expansion in energy sectors of the countries in which the Group currently has operations is one of the strategic aims of the Group, Group is investing both in energy companies and in companies supplying the energy industry. The Group's current aim is to further strengthen its position and become an important participant in the energy market in the Central and Western Europe.

The Group's view is that there is long-term strategic value in these investments due to the development of the market.

The following table provides information on revenues and profit or loss of acquirees that have been included in the consolidated statement of comprehensive income for the reporting period.

In millions of EUR	2024
Revenue of the acquirees recognised since the acquisition date	10
Profit (loss) of the acquirees recognised since the acquisition date	–

In millions of EUR	2023
Revenue of the acquirees recognised since the acquisition date	4,006
Profit (loss) of the acquirees recognised since the acquisition date	155

The following table provides information on the estimated revenues and profit or loss that would have been included in the consolidated statement of comprehensive income, if the acquisition had occurred at the beginning of the reporting period (i.e. as at 1 January 2024 or as at 1 January 2023); this financial information was derived from the statutory or IFRS financial statements of the acquired entities.

In millions of EUR	2024
Revenue of the acquirees recognised in the year ended 31 December 2024*	99
Profit (loss) of the acquires recognised in the year ended 31 December 2024*	3

In millions of EUR	2023
Revenue of the acquirees recognised in the year ended 31 December 2023*	13,450
Profit (loss) of the acquires recognised in the year ended 31 December 2023*	2,679

* Before intercompany elimination; based on local statutory financial information.

For details on major acquisitions please refer also to Appendix 1 – Business combinations.

c) Business combinations – acquisition accounting 2024 and 2023

The acquiree's identifiable assets, liabilities and contingent liabilities were recognised and measured at their fair values at the acquisition date by the parent company EP Group, a.s. (except for acquisitions under common control, which are carried in net book values); in line with the above, the established fair values were subsequently reported in the consolidated financial statements of the Company. Allocation of the total purchase price among the net assets acquired for financial statement reporting purposes was performed with the support of professional advisors.

The valuation analysis is based on historical and prospective information prevailing as at the date of the business combination (which also involves certain estimates and approximations such as business plan forecasts, useful life of assets, and the weighted average cost of capital components). Any prospective information that may impact the future value of the acquired assets is based on management's expectations of the competitive and economic environments that will prevail at the time.

The results of the valuation analyses are also used for determining the amortisation and depreciation periods of the values allocated to specific intangible and tangible fixed assets.

Purchase price allocation was performed for all business combinations within the scope of IFRS 3.

Fair value adjustments resulting from business combinations in 2023 are presented in detail per company Appendix 1 – Business combinations.

The fair value adjustments resulting the acquisition and purchase price allocation of Scandbio AB in 2024 and SGL – Schienen Güter Logistik GmbH in 2023 were not significant and therefore the management of the Group decided not to recognize any fair value adjustments resulting from this acquisition.

d) Disposal of investments

i. 31 December 2024

During the year 2024 the Group disposed of its investments in:

In millions of EUR	Date of disposal	Equity interest disposed[1] %
Subsidiaries, associates and joint ventures disposed		
Groš reality I s.r.o.	23/07/2024	100
Rezidence Vyhlídalova, s.r.o.	28/5/2024	100

(1) Equity interest disposed by direct parent entity or investor, excluding indirect non-controlling interest.

None of the above-mentioned disposals had significant impact on the Group's financial statements.

ii. 31 December 2023

During the year 2023 the Group disposed of its investments in:

In millions of EUR	Date of disposal	Equity interest disposed[1] %
Subsidiaries, associates and joint ventures disposed		
EPH Financing SK, a.s. v likvidácii	06/04/2023	100
Groš reality II s.r.o.	23/08/2023	100
Klinika Brno, s.r.o.	13/12/2023	100

(1) Equity interest disposed by direct parent entity or investor, excluding indirect non-controlling interest.

None of the above-mentioned disposals had significant impact on the Group's financial statements.

Partial disposals

On 6 January 2023, the Group sold 25% share in Košík Holding a.s. to third parties.

On 1 February 2023, the Group sold 20% share in Parcel Delivery Holding s.r.o. to third parties.

On 22 March 2023, the Group sold 44% minus 1 share in EP Energy Transition, a.s. to third parties.

7. Revenues

In millions of EUR	2024	2023
Revenues: Energy and related services		
of which: Electricity	16,796	16,660
Gas	7,588	5,968
Coal	470	552
Heat	228	175
Other energy products	98	76
Total Energy and related services	**25,180**	**23,431**
Revenues: Logistics and freight services	**515**	**550**
Revenues: Other	**906**	**713**
Total Revenues from customers	**26,601**	**24,694**
Gain (loss) from commodity and freight derivatives, net	**948**	**1,966**
Total	**27,549**	**26,660**

For disaggregation of revenue based on type of service and based on geographical area refer to Note 5 – Operating segments.

Revenues: Energy and related services: Gas include revenues from sale of gas, and also revenue from distribution of gas of EUR 512 million (2023: EUR 485 million), gas storage of EUR 483 million (2023: EUR 455 million) and from gas transmission of EUR 483 million (2023: EUR 264 million).

Revenues: Energy and related services: Electricity consists primarily of sale of electricity of EUR 16,584 million (2023: EUR 16,340 million). The amount of EUR 213 million (2023: EUR 320 million) relates to distribution of electricity.

Revenues from logistics and freight services and other revenues are represented mainly by sales of gypsum, revenues from transportation and disposal costs, sewage sludge incineration and restoration services to third parties.

In 2024 and 2023, no revenue was recognised from performance obligations satisfied (or partially satisfied) in previous periods.

Line item "Gain (loss) from commodity and freight derivatives, net" comprises of transactions related mostly to derivatives held for risk management purposes for which hedge accounting documentation under IFRS is however not prepared. This includes measurement of unsettled derivatives to fair value as at the balance sheet date as well as certain reclassification adjustments between gain (loss) from commodity derivatives and revenues from energy and related services related to derivative contract held for risk management purposes, which are reported as trading derivatives according to IFRS requirements. As a result of IFRS treatment, revenues from sale of underlying commodity are measured using fair value of the underlying commodity as at the date of settlement of the derivative contract and difference between contracted price and fair value is included in Gain (loss) from commodity and freight derivatives.

Total revenues less total purchases and consumables are presented in line "Subtotal" in the statement of comprehensive income.

Contract assets and liabilities primarily relate to not invoiced part of fulfilled performance obligation, received payments for services and goods where control over the assets was not transferred to customer and deferred income related to grid connection fees collected and free-of-charge non-current assets transferred from customers.

Several items of gas equipment (typically connection terminals) were obtained “free of charge” from developers and from local authorities (this does not represent a grant, because in such cases the local authorities act in the role of a developer). This equipment was recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability as receipt of the free of charge property is related to obligation to provide services to the customers in the future periods. These costs approximate the fair value of the obtained assets. This contract liability is released in the income statement on a straight-line basis in the amount of depreciation charges of non-current tangible assets acquired free of charge.

Contract assets and liabilities

The amount of EUR 135 million recognised in current contract liabilities at the beginning of the year was recognised as revenue during the year 2024.

8. Purchases and consumables

In millions of EUR	2024	2023
Purchase cost of sold gas and other energy products	6,302	5,206
Purchase cost of sold electricity	5,776	7,481
Consumption of energy	2,252	2,691
Consumption of fuel and other material	615	490
Other purchase costs	584	858
Changes in WIP, semi-finished products and finished goods	260	(101)
Other purchases	288	242
Total purchases and consumables	**16,077**	**16,867**

Purchases and consumables presented in the above table contain only purchase cost of sold energy and materials consumed in producing energy output, it does not contain directly attributable overhead (particularly services, personnel expenses, depreciation and amortization, emission rights etc.).

9. Services

In millions of EUR	2024	2023
Repairs and maintenance	446	287
Network fees	167	88
Transport expenses	127	131
Consulting expenses	120	102
Insurance expenses	71	46
Outsourcing and other administration fees	68	68
Information technologies costs	66	48
Rent expenses	52	38
Industrial waste	44	41
Advertising expenses	30	20
Environment protection	18	27
Security services	12	8
Training, courses, conferences	9	8
Communication expenses	8	6
Other	140	126
Total	**1,378**	**1,044**

Fees payable to statutory auditors

In millions of EUR	2024	2023
Statutory audits	12	9
Services in addition to the statutory audits	2	3
Total	**14**	**12**

Fees payable to statutory auditors include expenses recorded by all subsidiaries, and also joint operations accounted for using proportionate consolidation. Statutory audits include fees payable for statutory audits of financial statements. Services in addition to the statutory audits include primarily the following services: review of the condensed interim consolidated financial statements of EPIF and EPH Groups; assistance with the compilation of the Sustainability Report; expert opinion on R&D allowance; provision of comfort letter and other special reports (covenant compliance; gas flow; AUP over Slovak FS; review report).

10. Personnel expenses

In millions of EUR

	2024	2023
Wages and salaries	1,038	698
Compulsory social security contributions	256	179
Expenses and revenues related to employee benefits (IAS 19)	22	25
Board members' remuneration (including boards of subsidiaries)	7	7
Other social expenses	75	50
Total	**1,398**	**959**

The average number of employees during 2024 was 17,680 (2023: 13,057), of which 322 were executives (2023: 306). Average number of employees from acquired entities (refer to Note 6.a) was adjusted to cover only the period for which the entities were part of the Group.

11. Emission rights

In millions of EUR

	2024	2023
Deferred income (grant) released to profit and loss	230	51
Profit from sale of emission rights	(63)	(426)
Creation and release of provision for emission rights	(4,106)	(2,100)
Gain (loss) from commodity derivatives for trading with emission rights, net	(439)	(277)
Total	**(4,378)**	**(2,752)**

12. Other operating income (expense), net

In millions of EUR

	2024	2023
Government grants received[1]	39	9
Revenues from write-off payables	33	–
Compensation from insurance and other companies	29	18
Consulting fees	25	21
Rental income	24	17
Gain on disposal of tangible and intangible assets	9	–
Ecological tax reimbursement	6	5
Contractual penalties	4	3
Profit from sales of material	1	36
Property acquired free-of-charge and fees from customers	–	2
Other	102	72
Other operating income	**272**	**183**
Creation and reversal of provision	(642)	(71)
Office equipment and other material	(160)	(101)
Taxes and charges	(115)	(107)
Repairs and maintenance material	(27)	(30)
Trading fees	(10)	(86)
Gifts and sponsorship	(10)	(7)
Contractual penalties	(7)	(26)
Re-transmission fee	(4)	(6)
Intermediation fees	(3)	(5)
Shortages and damages	(2)	(3)
Loss on disposal of tangible and intangible assets	–	(7)
Change in impairment	5	(101)
Other	(67)	(39)
Other operating expense	**(1,042)**	**(589)**
Other operating income (expense), net	**(770)**	**(406)**

(1) In 2024, the line includes mainly revenues from RET certificates in Italy and REGO certificates in the United Kingdom, both related to renewable energy.

Taxes and charges include carbon price support tax, property tax, electricity tax, gas tax and other taxes and charges.

No material research and development expenses were recognized in profit and loss for the year ended 31 December 2024 and 31 December 2023.

13. Net finance income (expense)

In millions of EUR	2024	2023
Interest income	353	216
Fee and commission income	10	44
Net foreign exchange gain	20	21
Dividend income	9	6
Finance income	**392**	**287**
Loss from financial liabilities at amortized cost	(70)	(18)
Profit (loss) from trading derivatives[3]	(3)	21
Loss from sale of financial instruments	(23)	(20)
Profit from revaluation of financial instruments at fair value[1]	(1)	1,470
Profit from revaluation of previously held interest in equity-accounted investee[2]	–	364
Profit from revaluation of contingent consideration[2]	–	210
Profit from hedging derivatives	4	1
Profit (loss) from financial instruments	**(93)**	**2,028**
Total finance income	**299**	**2,315**
Change in impairment on financial assets	30	12
Total change in impairment on financial assets	**30**	**12**
Interest expense	(500)	(387)
Interest income (expense) from unwind of provision discounting	(109)	(51)
Fees and commissions expense for other services	(53)	(43)
Total finance expense	**(662)**	**(481)**
Net finance income (expense)	**(333)**	**1,846**

(1) Represents mainly profit from revaluation of equity option related to call option of EP Slovakia B.V. over additional 50% interest in Slovak Power Holding B.V., the owner of 66% shares in Slovenské elektrárne a.s. For further details of the option scheme refer to Note 17 – Equity accounted investees
(2) For details refer to Note 28 – Financial instruments.
(3) All derivatives are for the risk management purposes.

14. Income tax expenses

Income taxes recognized in profit or loss

In millions of EUR	2024	2023
Current taxes:		
Current year	(650)	(728)
Adjustment for prior periods	(98)	(29)
Withholding tax	(3)	(3)
Total current taxes	**(751)**	**(760)**
Deferred taxes:		
Origination and reversal of temporary differences[1]	83	116
Total deferred taxes	**83**	**116**
Total income taxes (expense) benefit recognised in profit or loss	**(668)**	**(644)**

(1) For details refer to Note 18 – Deferred tax assets and liabilities.

Balance of current income tax liability in amount of EUR 557 million (2023: EUR 650 million) is mainly represented by LEAG Group of EUR 224 million (2023: EUR 214 million), EP Mehrum GmbH of EUR 117 million (2023: EUR 147 million), eustream, a.s. of EUR 56 million (2023: EUR 6 million) and EP Commodities AG of EUR 28 million (2023: EUR 28 million).

Deferred taxes are calculated using currently enacted tax rates expected to apply when the asset is realized or the liability settled. The corporate income tax rates in respective countries were as follows:

	Tax rate	
Country	2024	2023
The Czech Republic	21%	19%
France	25%	25%
Germany	12.5 – 32.61%	24.23 – 32.96%
Ireland	12.5%	12.5%
Italy	24%	24%
The Netherlands	19 – 25.8%	19 – 25.8%
Poland	19%	19%
Slovakia	21%	21%
Switzerland	12.5%	12.5%
United Kingdom	25%	23.5%

Current year income tax includes also special sector tax effective in Slovakia, the Czech Republic, the United Kingdom and Italy.

Pillar Two income tax (Global minimum top-up tax)

The Group is within the scope of the OECD Pillar Two model rules as from 2024.

In a nutshell, the Pillar Two rules provide that, if in certain jurisdictions where the Group operates the effective tax rate (given by the ratio between adjusted accounting result and adjusted corporate income taxes in the jurisdiction) falls below 15%, the Group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

The relevant set of rules also provides for a transition period in which the in-scope groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbour ("TSH") that applies for the first three years after the relevant regulation comes into effect. TSH relies on simplified calculations, mainly based on data extracted from the Country-by-Country Reporting under BEPS Action 13 and three types of alternative tests. In any jurisdiction where the Group operates and at least one of the TSH tests is satisfied, the top-up tax due for such jurisdiction will be deemed to be zero. A test is satisfied for a jurisdiction where:

- Revenue and profit before tax are below EUR 10 million and EUR 1 million, respectively (De Minimis test);
- Effective Tax Rate (ETR) equals to or exceeds an agreed rate (ETR test, 15% for 2024); or
- Profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (Routine Profit test).

The Group has performed an assessment of its potential exposure for Pillar Two top-up taxes in 2024. The assessment relies on the most recent information available regarding the financial performance of the Group´s entities. This includes the 2023 Country-by-Country Reporting, 2023 financial statements data and available preliminary financial data for 2024.

Based on the assessment performed, most jurisdictions where the Group has material operations should benefit from the TSH. Only the Czech Republic and Ireland might not benefit from the TSH. With respect to these jurisdictions, the Group has provisionally calculated the potential top-up tax exposure based on the 2024 accounting data revised for material Pillar Two rules adjustment (where relevant). Only Ireland would fail to meet the 15% minimum ETR with a limited top-up tax potentially due in an amount below EUR 1 million. The potential top-up tax due was calculated based on the 2024 accounting data and the difference between the local statutory tax rate and the minimum tax rate of 15%.

The above analysis has to be considered as an estimated exposure as the indicative calculation is based on complex regulations that have only recently been enacted (and are still subject to amendments in various jurisdictions) with limited guidelines and not all relevant data available to perform the full Pillar Two calculation.

The Group has launched a specific project to implement Pillar Two model rules, including their localization in jurisdictions where the Group has significant operations. The Group also continues to monitor the development of the Pillar Two legislation and guidelines. The dedicated, customized Pillar Two calculations and reporting tool is being integrated into the Group's existing reporting system in cooperation with external advisors.

In relation to deferred taxes, the Group has applied a temporary mandatory exemption from deferred tax accounting impact and neither recognizes nor discloses information about deferred tax related to Pillar Two income taxes.

Income tax recognised in other comprehensive income

In millions of EUR	2024		
	Gross	Income tax	Net of income tax
Items that are not reclassified subsequently to profit or loss			
Revaluation value reserve included in other comprehensive income	(31)	(108)	(139)
Fair value reserve included in other comprehensive income	18	–	18
Share of the other comprehensive income of equity accounted investees[1]	(1)	–	(1)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	17	–	17
Effective portion of changes in fair value of cash-flow hedges	(241)	34	(207)
Share of the other comprehensive income of equity accounted investees[1]	(133)	–	(133)
Total	**(371)**	**(74)**	**(445)**

(1) Deferred tax recognized in other comprehensive income of equity accounted investees is not shown in the table as it is not relevant to the financial statements of the Group.

In millions of EUR	2023		
	Gross	Income tax	Net of income tax
Items that are not reclassified subsequently to profit or loss			
Revaluation value reserve included in other comprehensive income	593	(113)	480
Fair value reserve included in other comprehensive income	(55)	5	(50)
Share of the other comprehensive income of equity accounted investees[1]	1	–	1
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(73)	–	(73)
Effective portion of changes in fair value of cash-flow hedges	327	(103)	224
Share of the other comprehensive income of equity accounted investees[1]	177	–	177
Share of the other comprehensive income of equity accounted investees reclassified to profit or loss, net of tax[1]	309	–	309
Total	**1,279**	**(211)**	**1,068**

(1) Deferred tax recognized in other comprehensive income of equity accounted investees is not shown in the table as it is not relevant to the financial statements of the Group.

Reconciliation of the effective tax rate

In millions of EUR

	%	2024	%	2023
Profit before tax		1,813		6,294
Income tax using the Company's domestic rate (21%)	21.0%	381	19.0%	1,196
Effect of tax rates in foreign jurisdictions	(2.8%)	(51)	3.2%	199
Change in tax rate[1]	6.1%	110	(0.3%)	(20)
Non-deductible expenses[2]	9.8%	177	1.6%	102
Non-taxable income[3]	5.0%	91	(12.1%)	(759)
Share of profit of equity accounted investees	(3.7%)	(67)	(2.8%)	(177)
Tax incentives	(0.1%)	(2)	(0.1%)	(7)
Recognition of previously unrecognized tax losses	(0.5%)	(9)	(0.3%)	(18)
Effect of special levy for business in regulated services[4]	2.6%	48	0.5%	32
Current year losses for which no deferred tax asset was recognized	0.8%	14	0.1%	7
Change in temporary differences for which no deferred tax asset is recognized	(0.6%)	(10)	(0.1%)	(7)
Current period adjustment for deferred tax recognized in prior period[4]	(6.3%)	(115)	1.4%	89
Withholding tax, income tax adjustments for prior periods	5.6%	101	0.1%	7
Income taxes recognised in profit or loss	**36.9%**	**668**	**10.2%**	**644**

(1) This item relates mainly to increase of corporate income tax rate in Slovakia from 21% to 24% in 2025 and related recalculation of deferred taxes.
(2) The basis consists mainly of non-deductible interest expenses of EUR 338 million (2023: EUR 184 million), non-deductible expenses from revaluation of contingent consideration of EUR 93 and in the year ended 31 December 2023 also derivatives of EUR 40 million and creation of provisions of EUR 17 million.
(3) The basis mainly contains non-taxable interest revenues of EUR 24 and in the year ended 31 December 2023 also profit from revaluation of equity option of EUR 1,470 million, bargain purchase gain of EUR 868 million, revaluation of previously held interest in equity accounted investee on gain of control of EUR 364 million, profit from revaluation of contingent consideration of EUR 210 million and non-taxable income related to derivatives of EUR 155 million.
(4) The item relates to special industry taxes.

15. Property, plant and equipment

In millions of EUR	Land and buildings[1]	Gas transmission pipelines – fair value model	Gas distribution pipelines – fair value model	Technical equipment, plant and machinery[1]	Other equipment, fixtures and fittings	Under construction	Advance payments for property, plant and equipment	Total
Cost or revaluation		*Level 3*	*Level 3*					
Balance at 1 January 2024	**3,245**	**3,918**	**4,100**	**7,105**	**60**	**681**	**665**	**19,774**
Effects of movements in foreign exchange	(13)	–	–	59	(2)	4	–	**48**
Additions	61	–	52	503	1	377	195	**1,189**
Additions through business combinations[2]	5	–	–	10	–	1	–	**16**
Revaluation	–	(465)	–	–	–	–	–	**(465)**
Disposals	(12)	–	(6)	(153)	(1)	(8)	–	**(180)**
Transfers to intangible assets	–	–	–	(1)	–	–	–	**(1)**
Transfers	100	–	6	609	2	(343)	(374)	**–**
Transfer to Asset held for sale	(2)	–	–	(45)	–	–	–	**(47)**
Change in provision recorded in PPE	10	–	–	15	–	–	–	**25**
Balance at 31 December 2024	**3,394**	**3,453**	**4,152**	**8,102**	**60**	**712**	**486**	**20,359**
Depreciation and impairment losses								
Balance at 1 January 2024	**(1,124)**	**(380)**	**(166)**	**(3,221)**	**(17)**	**(15)**	**–**	**(4,923)**
Effects of movements in foreign exchange	5	–	–	(35)	–	–	–	**(30)**
Depreciation charge for the year	(112)	(90)	(169)	(702)	(3)	–	–	**(1,076)**
Disposals	11	–	6	146	–	–	–	**163**
Revaluation	–	431	–	–	–	–	–	**431**
Impairment losses recognised in profit or loss	(7)	–	–	(46)	–	(7)	–	**(60)**
Transfer to Asset held for sale	–	–	–	18	–	–	–	**18**
Balance at 31 December 2024	**(1,227)**	**(39)**	**(329)**	**(3,840)**	**(20)**	**(22)**	**–**	**(5,477)**
Carrying amounts								
At 1 January 2024	**2,121**	**3,538**	**3,934**	**3,884**	**43**	**666**	**665**	**14,851**
At 31 December 2024	**2,167**	**3,414**	**3,823**	**4,262**	**40**	**690**	**486**	**14,882**

(1) Including right-of-use assets.
(2) Purchase of Scandbio AB Group.

In millions of EUR	Land and buildings[1]	Gas transmission pipelines – fair value model	Gas distribution pipelines – fair value model	Technical equipment, plant and machinery[1]	Other equipment, fixtures and fittings	Under construction	Advance payments for property, plant and equipment	Total
Cost or revaluation		*Level 3*	*Level 3*					
Balance at 1 January 2023	**2,754**	**3,921**	**3,932**	**5,416**	**57**	**354**	**303**	**16,737**
Effects of movements in foreign exchange	(18)	–	–	(2)	(1)	3	(1)	**(19)**
Additions	66	–	11	323	2	269	322	**993**
Additions through business combinations[2]	427	–	–	1,407	11	175	41	**2,061**
Revaluation	–	–	135	–	–	–	–	**135**
Disposals	(7)	(2)	(6)	(130)	–	(14)	–	**(159)**
Transfers to intangible assets	–	–	–	–	–	1	–	**1**
Transfers	8	(1)	28	73	(1)	(107)	–	**–**
Change in provision recorded in PPE	15	–	–	18	(8)	–	–	**25**
Balance at 31 December 2023	**3,245**	**3,918**	**4,100**	**7,105**	**60**	**681**	**665**	**19,774**
Depreciation and impairment losses								
Balance at 1 January 2023	**(1,025)**	**(295)**	**(463)**	**(2,895)**	**(14)**	**(7)**	**–**	**(4,699)**
Effects of movements in foreign exchange	9	–	–	7	(2)	(2)	–	12
Depreciation charge for the year	(102)	(87)	(163)	(462)	(4)	–	–	**(818)**
Disposals	5	2	6	125	1	3	–	**142**
Revaluation	–	–	457	–	–	–	–	**457**
Impairment losses recognised in profit or loss	(12)	–	(3)	3	–	(5)	–	**(17)**
Transfers	1	–	–	1	2	(4)	–	**–**
Balance at 31 December 2023	(1,124)	(380)	(166)	(3,221)	(17)	(15)	–	**(4,923)**
Carrying amounts								
At 1 January 2023	**1,729**	**3,626**	**3,469**	**2,521**	**43**	**347**	**303**	**12,038**
At 31 December 2023	**2,121**	**3,538**	**3,934**	**3,884**	**43**	**666**	**665**	**14,851**

(1) Including right-of-use assets.
(2) Purchase of Rijnmond Power Holding B.V., PZEM and Sloe Group, MaasStroom Energie C.V., Enecogen V.O.F., LEAG Group, FVE Group and SGL – Schienen Güter Logistik GmbH.

Revaluation of gas pipeline

The gas distribution pipeline owned and operated by SPP - distribúcia, a.s. and the gas transmission pipeline owned and operated by eustream a.s. are recognised at revalued amount, primarily using the cost approach, especially the replacement cost method. Replacement costs are based on the acquisition cost of equivalent assets (EA) and are the estimated net book value of the assets from the acquisition cost of EA, useful lives and age of existing assets (replacement cost less depreciation methodology). For more details on revaluation, refer Note 4(a).

A revaluation of Eustream's gas transmission pipelines network was carried out with an effective date of 30 June 2024. The previous revaluation was performed as of 1 August 2019. Regular, independent revaluations are conducted at least every five years to ensure that the carrying amount on the statement of financial position does not differ materially from fair value. As of 30 June 2024, Eustream's transmission pipeline system had a carrying value of EUR 3,495 million under the Revaluation model. Based on the revaluation of relevant assets performed with an effective date as of 30 June 2024, the carrying value decreased to EUR 3,460 million. The difference of EUR 35 million with a corresponding deferred tax impact of EUR 8 million was recognized as a current period revaluation under IAS 16 and reported in other comprehensive income for the period.

Revalued asset is depreciated on a straight-line basis, revaluation surplus is released to retained earnings as the asset is depreciated. If the revalued asset is derecognised or sold, the revaluation surplus as a whole is transferred to retained earnings. These transfers are made directly in equity and do not affect other comprehensive income.

If the pipelines were accounted for using the cost model, the net book value of the asset as at 31 December 2024 would be EUR 3,471 million (2023: EUR 3,526 million), of which net book value of Eustream's assets EUR 1,575 million (2023: EUR 1,615 million) and net book value of SPPD's assets EUR 1,896 million (2023: EUR 1,911 million).

Impairment testing of property, plant and equipment

The Group performed regular impairment test assessment of its property, plant and equipment. In relation to the ongoing military invasion in the territory of Ukraine and associated sanctions targeting the Russian Federation (further described in the Note 2(c) Recent developments and key events for the Group), as at the date of these financial statements, the Parent Company analysed the impacts of the situation on its business and performed an impairment testing in line with its material accounting policy described in Note 3(i) Impairment. In particular, the Parent Company assessed scenarios regarding the potential use of the transmission network and gas supply via the transmission system, the development of regulatory frameworks in countries where the Group operates, the consumption of gas and power in Slovakia, overall demand for transmission and gas storage services, as well as consumption and price development of heat and electricity, all of which might have an impact on the recoverable amount of assets. The Parent Company evaluated various scenarios, including alternatives that assumed, among other, the termination of Russian gas supplies to EU countries. The Parent Company evaluated various scenarios, including alternatives that assumed, among other, the termination of Russian gas supplies to EU countries.

For assessment of recoverable amount of PPE following assumptions were used:

- commodity prices based on available forward prices;
- discount rates applied are calculated as Weighted Average Cost of Capital (WACC) of each CGU. Cost of Equity was determined using the Capital Asset Pricing Model, while parameters were based on the reputable external sources and peer-group entities relevant to each CGU. Among other things, Cost of Equity takes into account a risk premium rate considering the recent developments.

In case of Group's transmission system the following specific underlying assumptions were considered for base scenario:

- in the short to mid-term horizon, it is anticipated that Russian gas will to continue to be supplied to EU countries, at least at levels observed as of the balance sheet date. In the mid-term, EU countries are expected to develop additional LNG capacities in the region to balance the reduction in Russian gas supplies experienced since mid-2022, without significantly reducing Europe's gas consumption;
- due to the strategic position of eustream with respect to gas supply to countries neighbouring with Slovakia, the gas transmission network of eustream is deemed to be relevant even in a scenario with reduced or even stopped natural gas flows from Russia;
- the major Russian shipper is assumed to honour its long-term capacity contract with eustream;
- natural gas demand in Slovakia and the neighbouring countries is expected to remain broadly in line with historical volumes;
- significant decarbonization projects are assumed to be implemented at the generation assets in the Heat Infra segment, which are expected to be co-funded by subsidies;
- in the long term, natural gas is assumed to be replaced by low-carbon gases.

Based on the aforementioned assumptions and the impairment test performed, the Parent Company has not identified any material impairment of property, plant and equipment that would require a correction of its measurement in the financial statements in line with the applicable accounting regulations. However, given the uncertainty of the future developments it is not possible to rule out the need for future adjustments to the values of the Group's property, plant and equipment in the future.

Idle assets

As at 31 December 2024 and 31 December 2023 the Group had no significant idle assets.

Security

At 31 December 2024, property, plant and equipment with a carrying value of EUR 892 million (2023: EUR 164 million) are subject to pledges from financial indebtedness and hedging transactions.

16. Intangible assets (including goodwill)

In millions of EUR	Goodwill	Software	Emission rights	Customer relationship and other contracts	Other intangible assets	Total
Cost						
Balance at 1 January 2024	**340**	**167**	**3,331**	**1,945**	**97**	**5,880**
Effect of movements in foreign exchange	(1)	–	(1)	1	(1)	**(2)**
Additions	–	15	7,134	–	14	**7,163**
Additions through business combinations[1]	8	–	–	–	–	**8**
Disposals	–	(2)	(7,686)	–	(14)	**(7,702)**
Transfers from tangible assets	–	–	–	–	1	**1**
Transfers to Asset held for sale	–	–	(1)	–	–	**(1)**
Transfers	–	4	–	–	(4)	**–**
Balance at 31 December 2024	**347**	**184**	**2,777**	**1,946**	**93**	**5,347**
Amortisation and impairment losses						
Balance at 1 January 2024	**(101)**	**(121)**	**–**	**(1,217)**	**(19)**	**(1,458)**
Effect of movements in foreign exchange	–	–	–	(1)	–	**(1)**
Amortisation for the year	–	(19)	–	(606)	(8)	**(633)**
Disposals	–	3	–	–	1	**4**
Impairment losses recognised in profit or loss	(20)	–	–	–	–	**(20)**
Balance at 31 December 2024	**(121)**	**(137)**	**–**	**(1,824)**	**(26)**	**(2,108)**
Carrying amount						
At 1 January 2024	**239**	**46**	**3,331**	**728**	**78**	**4,422**
At 31 December 2024	**226**	**47**	**2,777**	**122**	**67**	**3,239**

(1) Purchase of Scandbio AB Group.

In millions of EUR

	Goodwill	Software	Emission rights	Customer relationship and other contracts	Other intangible assets	Total
Cost						
Balance at 1 January 2023	**277**	**140**	**352**	**118**	**63**	**950**
Effect of movements in foreign exchange	(2)	(1)	(4)	(1)	–	**(8)**
Additions	–	14	8,890	–	43	**8,947**
Additions through business combinations[1]	65	12	1,514	1,828	–	**3,419**
Disposals	–	(1)	(7,422)	–	(4)	**(7,427)**
Transfers from tangible assets	–	–	–	–	(1)	**(1)**
Transfers	–	3	1	–	(4)	**–**
Balance at 31 December 2023	**340**	**167**	**3,331**	**1,945**	**97**	**5,880**
Amortisation and impairment losses						
Balance at 1 January 2023	**(101)**	**(108)**	**–**	**(46)**	**(14)**	**(269)**
Effect of movements in foreign exchange	–		–	1	–	**1**
Amortisation for the year	–	(14)	–	(1,172)	(4)	**(1,190)**
Disposals	–	1	–	–	–	**1**
Impairment losses recognised in profit or loss	–	–	–	–	(1)	**(1)**
Balance at 31 December 2023	**(101)**	**(121)**		**(1,217)**	**(19)**	**(1,458)**
Carrying amount						
At 1 January 2023	**176**	**32**	**352**	**72**	**49**	**681**
At 31 December 2023	**239**	**46**	**3,331**	**728**	**78**	**4,422**

(1) Purchase of Rijnmond Power Holding B.V., PZEM and Sloe Group, Enecogen V.O.F. and FVE Group.

In 2024, the Group purchased emission allowances of EUR 7,101 million (2023: EUR 8,647 million). The remaining part of EUR 33 million (2023: EUR 243 million) was allocated to the Group by the respective authorities and counterparties.

Amortisation of intangible assets is included in the row Depreciation, amortization and impairment in the consolidated statement of comprehensive income.

Other intangible assets comprise valuable rights, capacity market certificates, intangible assets under construction and advance payment for intangible assets.

All intangible assets, excluding goodwill, were recognised as assets with definite useful life.

The Group did not capitalise any development costs in 2024 and 2023.

The Group has also carried out research activities reflected in these consolidated financial statements. Research costs are recognised as operating expenses in the income statement immediately when incurred. No significant research costs were incurred during 2024 and 2023.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to single cash generating units are as follows (no intangible assets with indefinite useful lives were identified):

In millions of EUR

	31 December 2024	31 December 2023
EOP Distribuce, a.s.	52	52
Košík.cz s.r.o.	41	42
EP Power Minerals GmbH	22	22
EP NL Rijnmond 2 B.V.	20	20
Enecogen V.O.F.	17	27
Biomasse Italia S.P.A.	16	16
EP Power Grit GmbH	11	11
Scandbio AB	8	–
LOCON Logistik & Consulting AG	7	7
Elektrárny Opatovice, a.s.	7	7
EP Cargo a.s.	5	5
EP ENERGY TRADING, a.s.	5	5
FVE Holding, s.r.o.	3	3
Kraftwerk Schkopau GbR	3	3
PZEM Energy Company B.V	2	2
EP NL ZBL B.V.	2	2
SPEDICA GROUP COMPANIES, s.r.o.	2	2
EP Cargo Trucking CZ s.r.o.	1	1
SPV100, s. r. o.	1	1
Dobrá energie s.r.o.	1	1
EP NL Rijnmond 1 B.V.	–	10
Total goodwill	**226**	**239**

In 2024, the balance of goodwill decreased by EUR 20 million due to impairment of goodwill of Enecogen V.O.F. and EP NL Rijnmond 1 B.V. and increased by EUR 8 million due to acquisition of Scandbio AB Group.

Goodwill and impairment testing

In compliance with IAS 36, the Group annually conducts impairment testing of goodwill. The Group also conducts impairment testing of other intangible assets with indefinite useful lives, and of cash generating units (CGUs) where a trigger for impairment testing is identified. As at the acquisition date goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU, to which the goodwill relates, on the basis of a value in use that reflects estimated future discounted cash flows. Value in use is derived from management forecasts of future cash flows updated since the date of acquisition. Impairment tests were performed in a similar manner as described in Note 15.

17. Equity accounted investees

The Group has the following investments in associates and joint ventures:

In millions of EUR

Associates and joint ventures	Country(2)	Ownership(1) 31 December 2024 %	Carrying amount 31 December 2024
SPH Group	Slovakia	33%	880
CMI Group	Czech Republic	50%	268
Heureka Group a.s. Group	Czech Republic	50%	114
SŽ EP	Slovenia	49%	99
Ergosud S.P.A.	Italy	50%	74
EP HoldCo a.s. Group	Czech Republic	50%	54
of which: SUPRATUC2020 SOCIEDAD LIMITADA Group	*Spain*	*50%*	*116*
HHEGV Group	Czech Republic	50%	29
CE Electronics Holding, a.s. Group	Czech Republic	40%	26
DoDo Group SE Group	Czech Republic	46%	25
Titancoin International a.s. Group	Czech Republic	40%	11
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Germany	50%	16
EP Lower Saxony GmbH	Germany	30.84%	8
Other individually immaterial associates			6
Total			**1,610**

In millions of EUR

Associates and joint ventures	Country(2)	Ownership(1) 31 December 2023 %	Carrying amount 31 December 2023
SPH Group	Slovakia	33%	685
CMI Group	Czech Republic	50%	273
SŽ EP	Slovenia	49%	96
Ergosud S.P.A.	Italy	50%	70
EP HoldCo a.s. Group	Czech Republic	50%	63
of which: SUPRATUC2020 SOCIEDAD LIMITADA Group	*Spain*	*50%*	*126*
Heureka Group a.s. Group	Czech Republic	50%	69
CE Electronics Holding, a.s. Group	Czech Republic	40%	28
DoDo Group SE Group	Czech Republic	41.85%	23
Titancoin International a.s. Group	Czech Republic	40%	11
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Germany	50%	17
Other individually immaterial associates			2
Total			**1,337**

(1) Ownership percentage represents the share held by the direct parent of the associate or joint venture.
(2) Country of incorporation of the main operating entities of the subgroup.

HHE Group Ventures Group

Effective 1 January 2024, the Group commenced applying the equity method to its interest in HHE Group Ventures Kft. and its subsidiaries. Prior to this date, HHE Group Ventures Group was held at cost and the equity method was not applied due to immateriality. The initial application of the equity method resulted in the recognition of equity investee in amount of EUR 27 million.

SPH Group

In 2016, EP Slovakia B.V., EPH's subsidiary, completed the first stage of acquisition of 50% shares in Slovak Power Holding B.V. ("SPH"), which is the owner of 66% shares in Slovenské elektrárne a.s. ("SE"). The second stage involves a put or call option for the remaining 50% shares in SPH which may be used by Enel Produzione SpA ("Enel") or EP Slovakia B.V. respectively. The total price for both of the two stages of acquisition is subject to an adjustment mechanism, which will be applied upon closing of the second stage of the transaction and will reflect certain parameters, mainly the change in the net financial position of SE and the enterprise value of the Mochovce units 3 and 4 ("EMO34"). Enel provided a loan to SPH in 2018 and subsequently the conditions for the use of the put or call option were amended to reflect the loan.

Enel and EP Slovakia B.V. signed a new agreement in December 2020 that modified a number of amendments to the contract. The agreement specifies how shareholders of SPH will participate on further financing of EMO34 project and extension of maturity of loan provided by Enel until 2032. The agreement regulates the "trigger events" for which parties can exercise the respective options. On 18 December 2024, Enel and EPH via its subsidiary EP Slovakia B.V. entered into agreement to purchase the remaining share in SPH. Under the terms of the Agreement, the total consideration for the acquisition of 100% of SPH's share capital amounts to EUR 150 million, already paid by EPH during the completion of the first phase of the transaction. As a result, the Group recalculated contingent consideration payment for the first part of the transaction and recognized loss of EUR 63 million (refer to Note 13).

In 2024, the Group recognized share on profit of EUR 323 million (2023: EUR 225 million), share on other comprehensive income of negative EUR 128 million (2023: positive EUR 459 million).

Impairment test and option value of SE were based on the external expert valuation report. Based on estimated free cash flows reflecting power prices forecast and the Group's estimate of timing of EMO4 block full operation and related CAPEX to finalize this project. Discount rate applied reflects risks connected with the company and it is estimated to be 7.55%. As a result, the Group recognized a loss in finance expense from revaluation of the option (refer to Note 13). Valuation of the option and its presentation as a short-term financial asset is based on a management assumption that closing of the transaction will take place within following twelve months.

A change in discount rate by +1% would cause decrease of option value by negative EUR 267 million and decrease in discount rate by -1% would have effect on the option value of positive EUR 324 million.

The Group calculated simplified sensitivity of option value on power prices. Option value would drop by EUR 72 million, if power prices dropped by 1 EUR/MWh in every year used in value calculation and would increase by EUR 72 million, if price of power increased by 1 EUR/MWh in every year used in value calculation.

The Group has the following shares in the profit (loss) of associates and joint ventures:

In millions of EUR

Associates and joint ventures	Country[3]	Ownership[2] 31 December 2024 %	Share of profit (loss) 2024
SPH Group	Slovakia	33%	322
CMI Group	Czech Republic	50%	(37)
Heureka Group a.s. Group	Czech Republic	50%	3
SŽ EP	Slovenia	49%	6
Ergosud S.P.A.	Italy	50%	4
EP HoldCo a.s. Group	Czech Republic	50%	(7)
of which: SUPRATUC2020 SOCIEDAD LIMITADA Group	*Spain*	*50%*	*(2)*
HHEGV Group	Czech Republic	50%	19
CE Electronics Holding, a.s. Group	Czech Republic	40%	4
DoDo Group SE Group	Czech Republic	46%	(2)
Titancoin International a.s. Group	Czech Republic	40%	–
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Germany	50%	3
EP Lower Saxony GmbH	Germany	30.84%	–
Other individually immaterial associates			6
Total			**321**

In millions of EUR

Associates and joint ventures	Country[3]	Ownership[2] 31 December 2023 %	Share of profit (loss) 2023
LEAG Group	Germany	–	[1]724
SPH Group	Czech Republic	33%	224
CMI Group	Slovenia	50%	(40)
SŽ EP	Italy	49%	8
Ergosud S.P.A.	Czech Republic	50%	4
EP HoldCo a.s. Group	Czech Republic	50%	14
of which: SUPRATUC2020 SOCIEDAD LIMITADA Group	*Spain*	*50%*	*20*
Heureka Group a.s. Group	Germany	50%	(2)
CE Electronics Holding, a.s. Group	Czech Republic	40%	3
DoDo Group SE Group	Czech Republic	41.85%	(3)
Titancoin International a.s. Group	Germany	40%	–
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH	Slovakia	50%	2
Other individually immaterial associates			(3)
Total			**931**

(1) The figure represents share of profit of equity accounted investee LEAG from 1 January to 29 September 2023 when control over LEAG was obtained and includes cash flow hedge reserve reclassified to profit or loss on disposal of equity accounted investee.
(2) Ownership percentage represents the share held by the direct parent of the associate or joint venture.
(3) Country of incorporation of the main operating entities of the subgroup.

The table below provides summary financial information for joint venture LEAG, presented at 100% for the period from 1 January to 30 September 2023, when the Group gained control over LEAG. The total comprehensive income for the period 1 January to 30 September 2023 does not include impact of cash-flow hedge realized into profit due to change of consolidation method.

In millions of EUR

	2023
Statement of comprehensive income information	
Revenues	8,471
of which: interest income	*102*
Depreciation and amortization	(209)
Interest expense	(104)
Income tax expense	(838)
Profit (loss) for the year[1]	**2,067**
Other comprehensive income	(553)
Total comprehensive income for the year	**1,514**

(1) Includes dividends from EP New Energy Italia S.r.l. eliminated in calculation of share of profit (loss) attributable to the Group.

The table below provides summary financial information for joint venture CMI Group, presented at 100% as of 31 December 2024 and 2023 and for the years then ended.

In millions of EUR	2024	2023
Statement of financial position[1]		
Total assets	**1,681**	**1,686**
Non-current assets	1,147	1,066
Current assets	534	620
of which: cash and cash equivalents	*90*	*198*
other current assets	*444*	*422*
Total liabilities	**1,206**	**1,149**
Non-current liabilities	515	465
of which: financial liabilities (excl. trade payables)	*421*	*368*
other non-current liabilities	*94*	*97*
Current liabilities	691	684
of which: financial liabilities (excl. trade payables)	*103*	*114*
other non-current liabilities	*588*	*570*
Equity	**475**	**537**
Statement of comprehensive income information[1]		
Revenues	1,129	495
of which: finance income	*3*	*3*
Depreciation and amortization	(289)	(149)
Finance expenses	(22)	(8)
Income tax (expense) benefit	6	(2)
Profit (loss) for the year	**(73)**	**(90)**
Other comprehensive income	(5)	(3)
Total comprehensive income for the year	**(78)**	**(93)**

(1) Data from consolidated financial statements according to IFRS.

As of 31 December 2024, the Group did not report a valuation allowance (2023: EUR 35 million) to its financial investment in CMI Group.

The table below provides summary financial information for joint venture SŽ EP d.o.o., presented at 100% as at 31 December 2024 and 2023 and for the years then ended.

In millions of EUR	2024	2023
Statement of financial position information		
Total assets	**334**	**323**
Non-current assets	180	212
Current assets	154	111
of which: cash and cash equivalents	*52*	*53*
other current assets	*102*	*58*
Total liabilities	**133**	**125**
Non-current liabilities	77	81
of which: financial liabilities (excluding trade payables)	*73*	*78*
other non-current liabilities	*4*	*3*
Current liabilities	56	44
of which: financial liabilities (excluding trade payables)	*18*	*14*
other current liabilities	*38*	*30*
Equity	**201**	**198**
Statement of comprehensive income information		
Revenues	227	212
of which: interest income	*4*	*2*
Depreciation and amortization	(31)	(27)
Interest expense	(3)	(2)
Income tax expense	(1)	(1)
Profit (loss) for the year	**12**	**15**
Other comprehensive income	–	2
Total comprehensive income for the year	**12**	**17**

The table below provides summary financial information for joint venture West Burton, presented at 100% as at 31 December 2024. Income statement information are not presented as joint control over West Burton was obtained at the end of 2024.

In millions of EUR	2024
Statement of financial position information	
Total assets	**506**
Non-current assets	416
Current assets	90
of which: cash and cash equivalents	*10*
other current assets	*80*
Total liabilities	**771**
Non-current liabilities	619
of which: financial liabilities (excluding trade payables)	*568*
other non-current liabilities	*51*
Current liabilities	152
of which: financial liabilities (excluding trade payables)	–
other current liabilities	*152*
Equity	**(265)**

The table below provides summary financial information for joint venture HHE Group Ventures Group presented at 100% as at 31 December 2024 and for the year then ended.

In millions of EUR	2024
Statement of financial position information	
Total assets	**145**
Non-current assets	87
Current assets	58
of which: cash and cash equivalents	*9*
other current assets	*49*
Total liabilities	**94**
Non-current liabilities	40
of which: financial liabilities (excluding trade payables)	*37*
other non-current liabilities	*3*
Current liabilities	54
of which: financial liabilities (excluding trade payables)	*10*
other current liabilities	*44*
Equity	**51**
Statement of comprehensive income information	
Revenues	125
Depreciation and amortization	(7)
Interest expense	(2)
Income tax expense	(25)
Profit (loss) for the year	**35**
Other comprehensive income	9
Total comprehensive income for the year	**44**

Summary financial information for standalone associates, presented at 100% as at 31 December 2024 and for the year then ended.

In millions of EUR

Associates and joint ventures	Revenue	Profit (loss)	Other comprehensive income	Total comprehensive income	Equity
SPH Group	3,736	978	(386)	592	2,665
Ergosud S.P.A.	93	8	–	8	147
SUPRATUC2020 SOCIEDAD LIMITADA Group	(7)	(7)	–	(7)	557
Heureka Group a.s. Group	108	5	–	5	(1)
CE Electronics Holding, a.s. Group	658	6	(0)	6	73
HHEGV Group	125	35	9	44	52
DoDo Group SE Group	69	(7)	–	(7)	11
Titancoin International a.s. Group	72	1	–	1	26
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH(1)	48	7	–	7	24
EP Lower Saxony GmbH(1)	–	–	–	–	29

In millions of EUR

Associates and joint ventures	Non-current assets	Current assets	Non-current liabilities	Current liabilities
SPH Group	9,378	1,379	5,099	2,993
Ergosud S.P.A.	146	96	21	74
SUPRATUC2020 SOCIEDAD LIMITADA Group	887	183	247	266
Heureka Group a.s. Group	111	30	11	131
CE Electronics Holding, a.s. Group	90	251	111	157
HHEGV Group	88	58	40	54
DoDo Group SE Group	23	19	9	22
Titancoin International a.s. Group	5	29	1	7
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH(1)	21	29	24	2
EP Lower Saxony GmbH(1)	5	24	–	–

(1) Data from standalone financial statements according to German GAAP.

Summary financial information for standalone associates, presented at 100% as at 31 December 2023 and for the year then ended.

In millions of EUR

Associates and joint ventures	Revenue	Profit (loss)	Other comprehensive income	Total comprehensive income	Equity
SPH Group	5,195	670	1,848	2,518	2,072
Ergosud S.P.A.	82	8	–	8	139
SUPRATUC2020 SOCIEDAD LIMITADA Group	1,322	78	–	78	595
Heureka Group a.s. Group	88	(5)	–	(5)	(106)
CE Electronics Holding, a.s. Group	192	6	1	7	58
DoDo Group SE Group	72	(10)	–	(10)	10
Titancoin International a.s. Group	68	–	–	–	26
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH(1)	50	7	–	7	24

In millions of EUR

Associates and joint ventures	Non-current assets	Current assets	Non-current liabilities	Current liabilities
SPH Group	9,247	1,377	7,155	1,397
Ergosud S.P.A.	157	88	33	73
SUPRATUC2020 SOCIEDAD LIMITADA Group	887	183	209	266
Heureka Group a.s. Group	108	23	207	30
CE Electronics Holding, a.s. Group	83	222	122	125
DoDo Group SE Group	23	18	5	26
Titancoin International a.s. Group	6	27	1	6
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH(1)	21	29	24	2

(1) Data from standalone financial statements according to German GAAP.

18. Deferred tax assets and liabilities

The following deferred tax assets and (liabilities) have been recognised:

In millions of EUR

Temporary difference related to:	31 December 2024 Assets	Liabilities	Net	31 December 2023 Assets	Liabilities	Net
Property, plant and equipment	158	(2,346)	(2,188)	370	(2,306)	(1,936)
Intangible assets	3	(184)	(181)	17	(365)	(348)
Investment property	–	(8)	(8)	–	(7)	(7)
Inventories	27	–	27	17	(18)	(1)
Trade receivables and other assets	8	(50)	(42)	12	(1)	11
Provisions	132	(114)	18	349	(91)	258
Employees benefits (IAS 19)	31	(65)	(34)	42	(70)	(28)
Loans and borrowings	10	(11)	(1)	25	(11)	14
Tax losses	39	–	39	34	–	34
Derivatives	309	(151)	158	596	(361)	235
Right-of-use assets	22	(22)	–	18	(16)	2
Other items	462	(49)	413	43	(77)	(34)
Subtotal	**1,201**	**(3,000)**	**(1,799)**	**1,523**	**(3,323)**	**(1,800)**
Set-off tax	(787)	787	–	(1,245)	1,245	–
Total	**414**	**(2,213)**	**(1,799)**	**278**	**(2,078)**	**(1,800)**

In millions of EUR

Balances related to:	Balance at 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Transfer	Transfer to assets held for sale	Effect of movements in foreign exchange rate	Balance at 31 December 2024
Property, plant and equipment	(1,936)	(141)	(107)	–	–	(4)	(2,188)
Intangible assets	(348)	167	–	–	–	–	(181)
Investment property	(7)	(1)	–	–	–	–	(8)
Inventories	(1)	28	–	–	–	–	27
Loans and borrowings	14	(15)	–	–	–	–	(1)
Trade receivables and other assets	11	(53)	–	–	–	–	(42)
Provisions	258	(243)	3	–	–	–	18
Employee benefits (IAS 19)	(28)	(2)	(3)	–	–	(1)	(34)
Tax losses	34	5	–	–	–	–	39
Derivatives	235	(108)	34	(1)	1	(3)	158
Right-of-use assets	2	(1)	–	(1)	1	(1)	–
Other	(34)	447	(1)	2	–	(1)	413
Total	**(1,800)**	**83**	**(74)**	**–**	**2**	**(10)**	**(1,799)**

In millions of EUR

Balances related to:	Balance at 1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	Acquired in business combinations	Transfer	Effect of movements in foreign exchange rate	Balance at 31 December 2023
Property, plant and equipment	(1,864)	(7)	(107)	73	(31)	–	(1,936)
Intangible assets	(34)	210	1	(526)	–	1	(348)
Inventories	–	–	–	(7)	–	–	(7)
Trade receivables and other assets	13	(14)	–	–	–	–	(1)
Provisions	(11)	5	–	20	–	–	14
Employee benefits (IAS 19)	5	5	–	2	(1)	–	11
Loans and borrowings	98	92	2	56	11	(1)	258
Unpaid interest	(11)	1	2	(18)	(2)	–	(28)
Tax losses	63	(164)	–	90	45	–	34
Derivatives	40	(6)	(103)	303	2	(1)	235
Right-of-use assets	1	–	–	–	–	1	2
Other	60	(6)	(6)	(60)	(24)	2	(34)
Total	**(1,640)**	**116**	**(211)**	**(67)**	**–**	**2**	**(1,800)**

Unrecognised deferred tax assets

A deferred tax asset has not been recognised in respect of the tax losses that are available for carry forward by certain EPG Group entities and certain items of property, plant and equipment:

In millions of EUR	31 December 2024	31 December 2023
Tax losses carried forward	1,171	1,495
Property, plant and equipment	–	64
Total	**1,171**	**1,559**

A deferred tax asset that has not been recognised in respect of the tax losses is attributable to the following entities:

In millions of EUR	31 December 2024	31 December 2023
EP France S.A.S. and its subsidiaries	806	1,001
Košík.cz s.r.o.	129	95
Humbly Grove Energy Limited	93	93
EP Resources AG	63	89
Slovak Gas Holding B.V.	25	186
SPP Infrastructure, a.s.	20	11
Czech Gas Holding Investment B.V.	13	13
Lausitz Energie Verwaltungs GmbH	11	–
EP Resources DE GmbH	6	–
Košík Holding a.s.	3	–
EP Intermodal a.s.	1	–
EP Ukraine B.V.	1	–
EP Energy, a.s.	–	7
Total	**1,171**	**1,495**

A deferred tax asset that has not been recognised in respect of property, plant and equipment is fully attributable to EP NI Energy Limited.

Majority of the entities in the table represent holding companies with insignificant operating activities. The Group does not expect significant taxable profit growth on these entities, so no deferred tax was recognized. If sufficient taxable profit were to be achieved in 2024, then the associated tax income (savings) would be up to EUR 283 million (2023: 355 million).

A deferred tax asset is recognised for the carry-forward of unused tax losses only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. An estimate of the expiry of tax losses is shown below:

	2025	2026	2027	2028	After 2029	Total
Tax losses	13	24	29	34	1,071	**1,171**

Tax losses expire over a period of 5 years in the Czech Republic and Slovakia, 6 years (9 years for losses up to 2018) in the Netherlands for standard tax losses and indefinitely in France, Germany and the UK. Under current tax legislation, some deductible temporary differences do not expire. Deferred tax assets have not been recognised in respect of these items because, due to the varying nature of the sources of these profits, it is not probable that future taxable profit against which the Group can utilise the benefits from the deferred tax assets will be available.

Temporary differences related to items of property, plant and equipment for which no deferred tax asset has been recognized expire indefinitely.

19. Inventories

In millions of EUR	31 December 2024	31 December 2023
Spare parts	277	261
Extracted minerals and mineral products	220	236
Fossil fuel	186	307
Raw materials and supplies	120	116
Overburden	78	87
Inventories for trading held at fair value	62	229
Finished goods and merchandise	43	57
Work in progress	28	29
Total	**1,014**	**1,322**

In 2024, inventories of EUR 2,631 million (2023: EUR 2,929 million) were recognized as an expense during the year and included in Purchases and consumables. These values exclude expenses reported by EP Commodities, a.s. and EP Commodities AG which are related to trading activities without physical delivery.

Inventories for trading held at fair value are categorized within Level 1 of the fair value hierarchy (for detail of valuation methods refer to Note 2(e) i – Assumption and estimation uncertainties).

As at 31 December 2024, inventories in the amount of EUR 19 million (2023: EUR 20 million) were subject to pledges.

20. Trade receivables and other assets

In millions of EUR	31 December 2024	31 December 2023
Trade receivables	2,281	2,715
Margin of stock exchange derivatives	658	1,639
Expected compensations	279	279
Value added tax receivables	256	268
Uninvoiced revenues	223	118
Other advance payments	195	240
Accrued income[1]	159	206
Subsidies related to renewable energy	58	22
Defined benefit assets in excess of obligations	52	50
Estimated receivables	41	54
Receivables from emission rights granted free-of-charge	38	4
Deposits for capacity market auctions	20	40
Other taxes receivables, net	20	24
Other receivables and assets	138	121
Allowance for bad debts	(67)	(62)
Total	**4,351**	**5,718**
Non-current	458	405
Current	3,893	5,313
Total	**4,351**	**5,718**

(1) For more detail on accrued income refer to Note 30 – Commitments and contingencies.

In 2024, EUR 7 million receivables were written-off through profit or loss (2023: EUR 1 million).

As at 31 December 2024, trade receivables with a carrying value of EUR 272 million are subject to pledges (2023: EUR 382 million).

As at 31 December 2024, trade receivables and other assets amounting EUR 4,256 million are not past due (2023: EUR 5,635 million) remaining net balance of EUR 99 million is overdue (2023: EUR 83 million). For more detailed aging analysis refer to Note 32(a)(ii) – Risk management – credit risk (impairment losses).

As at 31 December 2024 and 2023, the fair value of trade receivables and other assets equal to its carrying amount.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 32 – Risk management policies and disclosures.

21. Cash and cash equivalents

In millions of EUR	31 December 2024	31 December 2023
Current accounts with banks	5,101	5,154
Term deposits	3,372	2,124
Bills of exchange	50	155
Debentures	–	1
Cash on hand	7	1
Total	**8,530**	**7,435**

Term deposits, debentures and bills of exchange issued by banks with original maturity of up to three months are classified as cash equivalents.

As at 31 December 2024 cash equivalents of EUR 82 million are subject to pledges (2023: EUR 47 million) in case the Group defaults on some of its indebtedness. As such, pledged cash is readily available and is not classified as restricted.

22. Assets and liabilities held for sale

The following items are presented within assets/disposal groups held for sale:

In millions of EUR	31 December 2024	31 December 2023
Property, plant and equipment	29	–
Intangible assets and goodwill	1	–
Financial instruments and other financial assets	33	–
Trade receivables and other assets	87	–
Prepayments and other deferrals	6	–
Income tax receivables	3	–
Restricted cash	16	–
Deferred tax assets	1	–
Inventories, extracted minerals and mineral products	113	–
Cash and cash equivalents	50	–
Total	**339**	**–**

The following items are presented within liabilities from disposal groups held for sale:

In millions of EUR	31 December 2024	31 December 2023
Loans and borrowings	136	–
Provisions	5	–
Deferred income	3	–
Deferred tax liabilities	3	–
Trade payables and other liabilities	111	–
Contract liabilities	24	–
Total	**282**	**–**

As at 31 December 2024, balances of assets held for sale and liabilities from disposal groups held for sale are represented by companies EP Resources AG, EP Resources CZ a.s., EP Resources PL S.A. and EP Resources DE GmbH ("EP Resources Group").

Companies included in EP Resources Group were reclassified to assets and liabilities held for sale as of 31 December 2024 due to the intention of the Group to dispose of the controlling share in these operations at the beginning of 2025. As of 31 December 2024, the sale was highly probable as the Group entered into a sale agreement in 2024 and the completion of the transaction was only subject to regulatory approvals which were obtained in January 2025.

23. Equity

Share capital, share premium

The authorised, issued and fully paid share capital as at 31 December 2024 consisted of 4,480,002 ordinary shares with a par value of CZK 14,300 each (2023: 4,480,002 ordinary shares with a par value of CZK 14,300 each).

The shareholder is entitled to receive dividends and to cast 1 vote per 1 share of nominal value CZK 14,300 at meetings of the Company's shareholders.

In 2024, the Company declared dividends in amount of EUR 696 million (2023: EUR 249 million) to its shareholders. Dividend declared per share in 2024 was EUR 155 (2023: EUR 56 million).

31 December 2024	Number of shares 14,300 CZK	Ownership %	Voting rights %
EP Investment S.à r.l.	4,000,002	89.29%	89.29%
Tiliacordata Limited	480,000	10.71%	10.71%
Total	**4,480,002**	**100.00%**	**100.00%**

31 December 2023	Number of shares 14,300 CZK	Ownership %	Voting rights %
EP Investment S.à r.l.	4,000,002	89.29%	89.29%
Tiliacordata Limited	480,000	10.71%	10.71%
Total	**4,480,002**	**100.00%**	**100.00%**

The reconciliation of the number of shares outstanding at the beginning and at the end of the year is provided as follows:

	Number of shares 2024 14,300 CZK
Shares outstanding at the beginning of the year	4,480,002
Shares outstanding at the end of the year	**4,480,002**

	Number of shares 2023 14,300 CZK
Shares outstanding at the beginning of the year	4,480,002
Shares outstanding at the end of the year	**4,480,002**

Reserves

Reserves recognised in equity comprise the following items:

In millions of EUR	31 December 2024	31 December 2023
Other capital funds from capital contributions	755	686
Revaluation reserve	531	577
Fair value reserve	42	32
Non-distributable reserves	30	9
Hedging reserve	26	205
Translation reserve	137	105
Other capital reserves	(3,186)	(3,672)
Total	**(1,665)**	**(2,058)**

Non-distributable reserves

The legal reserve of EUR 12 million was reported as at 31 December 2024 (2023: EUR 9 million).

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations of the Group. As at 1 January 2022, EUR has become the Group's functional as well as presentation currency. Translation reserve arising from entities with EUR functional currency and translation reserve arising from entities with CZK functional currency from historical iTranslation reserve includes also translation reserve arising from translation of the consolidated financial statements to presentation currency until 31 December 2021. Translation reserve arising historically on translation into presentation currency from entities with CZK functional currency remains to be presented within translation reserve and will not be reclassified subsequently to profit or loss. Translation reserve arising historically on translation into presentation currency from entities with GBP, USD or PLN functional currencies remains to be presented within translation reserve and will be reclassified to profit or loss on disposal of such foreign operations.

Other capital reserves

The Group accounted for pricing differences which arose from establishment of the Group and acquisition of certain new subsidiaries in the subsequent period. Such subsidiaries were acquired under common control of EP Investment S.à r.l. (which held controlling interest in the Group at the time of acquisition of the subsidiaries), and therefore excluded from the scope of IFRS 3, which defines recognition of goodwill raised from a business combination as the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary. Acquirees under common control are treated under the net book value presented in the Consolidated financial statements of Energetický a průmyslový holding, a.s. (i.e., including historical goodwill less potential impairment). The difference between the cost of acquisition and carrying values of net assets of the acquiree and original goodwill carried forward as at the acquisition date were recorded to consolidated equity as pricing differences presented within other capital reserves.

The balance of other capital reserves also includes equity impact of recognition and revaluation of option over non-controlling interest, where the owner of the put option is a minority shareholder (see policy 3.b.x).

Hedging reserves

The effective portion of fair value changes in financial derivatives designated as cash flow hedges are recognised in equity (for more details please refer to Note 28 – Financial instruments and Note 32 – Risk management policies and disclosure).

Fair value reserve

Fair value reserve comprises actuarial gains and losses related to IAS 19 pension plan provisions.

Revaluation reserve

Revaluation reserve represents an effect from revaluation of gas transmission and gas distribution pipelines as per IAS 16 to fair value. For detail refer to Note 4(a).

24. Non-controlling interest

31 December 2024 In millions of EUR	Stredoslovenská energetika, a.s. and its subsidiaries	NAFTA a.s. and its subsidiaries	SPP Infrastructure, a.s. and its subsidiaries[5]	SPP distribúcia, a.s. and its subsidiaries	eustream a.s.	Energetický a průmyslový holding a.s. subgroup[1][11]	Lausitz Energie Verwaltungs GmbH and its subsidiaries	Other[6]	Total
Non-controlling percentage[2]	**66.19%**	**52.41%**	**66.19%**	**66.19%**	**66.19%**	**44%**	**60.80%**		
Statement of financial position[3]									
Total assets	1,156	798	5,595	4,696	4,529	26,410	12,640		
of which: non-current	*869*	*555*	*4,942*	*3,995*	*3,761*	*15,423*	*4,650*		
current	*287*	*243*	*653*	*701*	*768*	*10,987*	*7,990*		
Total liabilities	398	304	1,035	1,612	2,145	18,271	8,273		
of which: non-current	*207*	*253*	*–*	*1,532*	*1,462*	*9,758*	*3,865*		
current	*191*	*51*	*1,035*	*80*	*683*	*8,513*	*4,408*		
Net assets	**758**	**494**	**4,560**	**3,084**	**2,384**	**8,139**	**4,367**	**–**	**–**
Non-controlling interest calculation	502	259	(353)	2,041	1,578	3,417	1,435		
Subgroup's non-controlling interest entering consolidation[4]	–	–	–	–	–	4,103	–		
Carrying amount of non-controlling interest	**502**	**259**	**(353)**	**2,041**	**1,578**	**7,520**	**1,435**	**281**	**9,236**
Statement of comprehensive income[3]									
Total revenues	1,120	321	370	550	504	24,241	5,157		
of which: dividends received	–	[9]23	[10]353	–	–	9	–		
Profit after tax	109	158	342	105	167	1,036	335		
Total other comprehensive income for the year, net of tax	(1)	–	–	(61)	(73)	(374)	(22)		
Total comprehensive income for the year[3]	**108**	**158**	**342**	**44**	**94**	**662**	**313**	**–**	**–**
Profit allocated to non-controlling interest	72	71	(7)	69	111	261	204	(65)	793
OCI allocated to non-controlling interest	(1)	–	–	(40)	(49)	(119)	(35)	(24)	(283)
Share of profit of subgroup's non-controlling interest entering consolidation[4]	–	–	–	–	–	393			
Share of other comprehensive income of sub-group's non-controlling interest entering consolidation[4]	–	–	–	–	–	(105)			
Total comprehensive income attributable to non-controlling interest	**71**	**71**	**(7)**	**29**	**62**	**430**	**169**	**(89)**	**510**
Net cash inflows (outflows)[3]	**(20)**	**50**	**72**	**(60)**	**376**	**(28)**	**1,207**	**–**	**–**
Dividends declared[10]	**(33)**	**(4)**	**[7](174)**	**–**	**–**	**(990)**	**–**	**–**	**(990)**

(1) Including Stredoslovenska energetika, a.s., NAFTA a.s., SPP Infrastrucrure a.s., SPP - distribúcia, a.s. and eustream a.s. (refer to Note 34 Group entities).
(2) Non-controlling percentage of Stredoslovenska energetika, a.s., NAFTA a.s., SPP Infrastrucrure a.s., SPP - distribúcia, a.s. and eustream a.s. represents non-controlling interest on the level of EPH subgroup. Even though the immediate parent companies hold less than half of the voting rights, the Group assumes its control over the subgroups through shareholders' agreements that provide the Group with management control as the shareholder's agreement provides the Group with right and ability to manage subgroups' activities and influence thus their performance and return on the investment. Financial information derived from financial statements prepared in accordance with IFRS including fair value adjustments arising from the acquisition by the Group.
(3) The non-controlling interest of EPH subgroup is mainly related to EPIF Investments a.s. subgroup. The carrying amount of non-controlling interest of the EPIF Investments a.s. subgroup amounts to EUR 3,308 million, the share on profit amounts to EUR 271 million and the share on other comprehensive income amounts to negative EUR 72 million. Stredoslovenska energetika, a.s., NAFTA a.s., SPP Infrastructure a.s., SPP - distribúcia, a.s. and eustream a.s., are part of the EPIF Investments a.s. subgroup (refer to Note 34).

(4) Excluding NAFTA a.s. and its subsidiaries, SPP Storage, s.r.o. and SPP - distribúcia, a.s. and its subsidiaries, eustream, a.s. and POZAGAS a.s.
(5) Column "Other" represents primarily non-controlling interest in EP Energy Transition, a.s. and ECI subgroup.
(6) SPP Infrastructure, a.s. declared dividends of EUR 342 million in December 2024, of which EUR 174 million attributable to non-controlling interest is recognised as a dividend payable in trade payable as of 31 December 2024.
(7) Includes financial investments in eustream, a.s., SPP - distribúcia, a.s., NAFTA, a.s. and POZAGAS a.s. eliminated in calculation of NCI.
(8) Includes dividends from POZAGAS a.s. eliminated in calculation of NCI.
(9) Includes dividends from SPP - distribúcia, a.s., SPP Storage, s.r.o., NAFTA, a.s. and POZAGAS a.s. eliminated in calculation of NCI.
(10) Dividends declared by EPH subgroup represent dividends declared by subsidiaries of EPH attributable to non-controlling interest in the amount of EUR 298 million and dividends declared to direct non-controlling interest in amount of EUR 692 million.

31 December 2023
In millions of EUR

	Stredoslovenská energetika, a.s. and its subsidiaries	*NAFTA a.s. and its subsidiaries*	*SPP Infrastructure, a.s. and its subsidiaries*[5]	*SPP distribúcia, a.s. and its subsidiaries*	*eustream a.s.*	Energetický a průmyslový holding a.s. subgroup[1] [11]	Lausitz Energie Verwaltungs GmbH and its subsidiaries[11]	Other[6]	Total
Non-controlling percentage[2]	**66.19%**	**52.41%**	**66.19%**	**66.19%**	**66.19%**	**44%**	**60.80%**		
Statement of financial position[3]									
Total assets	1,145	829	5,526	4,810	4,335	28,873	12,621		
of which: non-current	*830*	*555*	[8]*5,420*	*4,123*	*3,906*	*15,607*	*5,765*		
current	*315*	*274*	*106*	*687*	*429*	*13,266*	*6,856*		
Total liabilities	431	304	966	1,555	2,045	19,663	8,637		
of which: non-current	*182*	*226*	*499*	*1,458*	*1,894*	*11,331*	*3,374*		
current	*249*	*78*	*467*	*97*	*151*	*8,332*	*5,263*		
Net assets	**714**	**525**	**4,560**	**3,255**	**2,290**	**9,210**	**3,984**	**–**	**–**
Non-controlling interest calculation	473	275	(345)	2,154	1,516	3,786	1,266		
Subgroup's non-controlling interest entering consolidation[4]	–	–	–	–	–	4,171	–		
Carrying amount of non-controlling interest	**473**	**275**	**(345)**	**2,154**	**1,516**	**7,957**	**1,266**	**(16)**	**9,207**
Statement of comprehensive income[3]									
Total revenues	1,587	414	295	531	274	25,530	2,161		
of which: dividends received	–	[9]23	[10]279	–	–	6	–		
Profit after tax	129	219	269	137	(6)	4,715	(52)		
Total other comprehensive income for the year, net of tax	–	(1)	–	460	272	1,086	1		
Total comprehensive income for the year[3]	**129**	**218**	**269**	**597**	**266**	**5,801**	**(51)**	**–**	**–**
Profit allocated to non-controlling interest	85	103	(7)	91	(4)	1,992	(31)	358	2,645
OCI allocated to non-controlling interest	–	(1)	–	304	180	108	–	122	746
Share of profit of subgroup's non-controlling interest entering consolidation[4]	–	–	–	–	–	326	–	–	–
Share of other comprehensive income of sub-group's non-controlling interest entering consolidation[4]	–	–	–	–	–	516	–	–	–
Total comprehensive income attributable to non-controlling interest	**85**	**102**	**(7)**	**395**	**176**	**2,942**	**(31)**	**480**	**3,391**
Net cash inflows (outflows)[3]	**100**	**(133)**	**(22)**	**194**	**125**	**492**	**(409)**	**–**	**–**
Dividends declared[10]	**(39)**	**(4)**	[7]**(291)**	**–**	**–**	**(1,830)**	**–**	**–**	**(1,830)**

(1) Including Stredoslovenska energetika, a.s., NAFTA a.s., SPP Infrastrucrure a.s., SPP - distribúcia, a.s. and eustream a.s. (refer to Note 34 Group entities).
(2) Non-controlling percentage of Stredoslovenska energetika, a.s., NAFTA a.s., SPP Infrastrucrure a.s., SPP - distribúcia, a.s. and eustream a.s. represents non-controlling interest on the level of EPH subgroup. Even though the immediate parent companies hold less than half of the voting rights, the Group assumes its control over the subgroups through shareholders' agreements that provide the Group with management control as the shareholder's agreement provides the Group with right and ability to manage subgroups' activities and influence thus their performance and return on the investment.uFinancial information derived from financial statements prepared in accordance with IFRS including fair value adjustments arising from the acquisition by the Group.
(3) The non-controlling interest of EPH subgroup is mainly related to EPIF Investments a.s. subgroup. The carrying amount of non-controlling interest of the EPIF Investments a.s. subgroup amounts to EUR 3,327 million, the share on profit amounts to EUR 231 million and the share on other comprehensive income amounts to EUR 367 million. Stredoslovenska energetika, a.s., NAFTA a.s., SPP Infrastructure a.s., SPP - distribúcia, a.s. and eustream a.s., are part of the EPIF Investments a.s. subgroup (refer to Note 34).
(4) Excluding NAFTA a.s. and its subsidiaries, SPP Storage, s.r.o. and SPP - distribúcia, a.s. and its subsidiaries, eustream, a.s. and POZAGAS a.s.
(5) Column "Other" represents primarily non-controlling interest in EP Energy Transition, a.s. and ECI subgroup.
(6) SPP Infrastructure, a.s. declared dividends of EUR 300 million in March 2023 and EUR 271 million in December 2023, of which the unpaid portion of EUR 139 million is recognised as a dividend payable in trade payable as of 31 December 2023.
(7) Includes financial investments in eustream, a.s., SPP - distribúcia, a.s., NAFTA, a.s. and POZAGAS a.s. eliminated in calculation of NCI.
(8) Includes dividends from POZAGAS a.s. eliminated in calculation of NCI.
(9) Includes dividends from SPP - distribúcia, a.s., SPP Storage, s.r.o., NAFTA, a.s. and POZAGAS a.s. eliminated in calculation of NCI.
(10) Dividends declared by EPH subgroup represent dividends declared by subsidiaries of EPH attributable to non-controlling interest in the amount of EUR 341 million and dividends declared to direct non-controlling interest in amount of EUR 1,489 million.
(11) Non-controlling interest of Lausitz Energie Verwaltungs GmbH and its subsidiaries (LEAG Group) represents non-controlling interest after the Group gained control over LEAG Group (refer to Note 6.a). Prior to the gain of control, LEAG Group was included as equity method investee in EPH subgroup. The share of non-controlling interest on share of profit on equity method investee was EUR 454 million and share on OCI of equity method investee was EUR 121 million.

25. Loans and borrowings

In millions of EUR	31 December 2024	31 December 2023
Issued debentures at amortised costs	4,767	4,680
Loans payable to credit institutions	2,469	2,455
Revolving credit facility	399	1,052
Lease liabilities	254	24w2
Factoring loans	1	103
Loans payable to other than credit institutions	432	67
Total	**8,322**	**8,599**
Non-current	6,764	7,690
Current	1,558	909
Total	**8,322**	**8,599**

The weighted average interest rate on loans and borrowings (excluding debentures) for 2024 was 5.7% (2023: 5.37%).

Issued debentures at amortised costs

Details about debentures issued as at 31 December 2024 are presented in the following table:

In millions of EUR	Principal	Accrued interest	Unamortised transactions cost	Issue date	Maturity	Intrest rate (%)	Effective interest rate (%)
EP Infrastructure 2026 Notes	600	4	(1)	30/07/2019	30/07/2026	1.698	1.795
EP Infrastructure 2028 Notes	500	2	(1)	09/10/2019	09/10/2028	2.045	2.117
EP Infrastructure 2031 Notes	500	8	(2)	02/03/2021	02/03/2031	1.816	1.888
eustream Notes	500	4	(2)	25/06/2020	25/06/2027	1.625	1.759
SPP Infrastructure Financing Notes	500	12	–	12/02/2015	12/02/2025	2.625	2.685
SPP - distribúcia Notes	500	4	(4)	09/06/2021	09/06/2031	1.000	1.079
EPH Financing CZ 2025 Notes	298	4	–	17/03/2020	17/03/2025	4.500	4.870
EPH Financing CZ 2027 Notes	95	3	(1)	19/08/2022	19/08/2027	8.000	8.200
EPH Financing International 2028	600	5	2	13/11/2023	13/11/2028	6.651	(1)6.773/5.599
EPH Financing International 2028 Notes	500	3	(3)	30/11/2024	30/11/2029	5.875	6.289
EPH Private placements	138	2	(3)	14/08/2020–23/02/2024	19/07/2025–25/01/2027	(2)–	(2)–
Total	**4,731**	**51**	**(15)**	**–**	**–**	**–**	**–**

(1) Different effective interest rates apply for initial EUR 500 million tranche and additional EUR 100 million tranche.
(2) Interest rates vary per issue and are fixed or a combination of reference interest rate (6M PRIBOR) and margin set for relevant interest period.

Details about debentures issued as at 31 December 2023 are presented in the following table:

In millions of EUR	Principal	Accrued interest	Unamortized transaction cost	Issue date	Maturity	Intrest rate (%)	Effective interest rate (%)
EP Infrastructure 2024 Notes	547	5	–	26/04/2018	26/04/2024	1.659	1.786
EP Infrastructure 2026 Notes	600	4	(1)	30/07/2019	30/07/2026	1.698	1.795
EP Infrastructure 2028 Notes	500	2	(2)	09/10/2019	09/10/2028	2.045	2.117
EP Infrastructure 2031 Notes	500	8	(2)	02/03/2021	02/03/2031	1.816	1.888
eustream Notes	500	4	(2)	25/06/2020	25/06/2027	1.625	1.759
SPP Infrastructure Financing Notes	500	12	–	12/02/2015	12/02/2025	2.625	2.685
SPP - distribúcia Notes	500	3	(3)	09/06/2021	09/06/2031	1.000	1.079
EPH Financing CZ 2025 Notes	303	4	(1)	17/03/2020	17/03/2025	4.500	4.870
EPH Financing CZ 2027 Notes	97	3	(1)	19/08/2022	19/08/2027	8.000	8.200
EPH Financing International 2028 Notes	500	4	(3)	13/11/2023	13/11/2028	6.651	6.773
EPH Private placements	98	1	–	14/08/2020–19/07/2023	22/01/2025–14/06/2026	(1)–	(1)–
Total	**4,645**	**50**	**(15)**	**–**	**–**	**–**	**–**

(1) Interest rates vary per issue and are fixed or a combination of reference interest rate (6M PRIBOR) and margin set for relevant interest period.

All EP Infrastructure Notes, EPH Financing CZ Notes and EPH Financing International Notes described above contain a covenant limiting certain types of distributions to the shareholders under certain circumstances. The Group has to monitor the ratio of total amount of Group's net debt to Group's EBITDA (i.e. net leverage) before certain types of distributions are carried out.

EP Infrastructure 2024 notes

On 26 April 2024, EPIF redeemed all its outstanding EUR 750 million 1.659 per cent. Notes due 2024, issued on 26 April 2018. The outstanding amount redeemed was EUR 547 million.

EPH Financing International 2029 Notes

On 31 May 2024, EPH Financing International, a.s., a 100% subsidiary of EPH, issued bonds in the amount of EUR 500 million in the denomination of EUR 100,000 each, under the EUR 3,000,000,000 EMTN Programme, guaranteed by EPH (the "EPH Financing International 2029 Notes"). The EPH Financing International 2029 Notes were issued as "green bonds" with the net proceeds intended specifically to finance or refinance, in whole or in part, a portfolio of eligible green projects in line with the use of proceeds, project evaluation and selection process described in the Green Finance Framework, which is available at https://www.epholding.cz/ under section 'Sustainability' and has been prepared in accordance with the Green Bond Principles published by ICMA. The EPH Financing International 2029 Notes are listed on the Official List of the Irish Stock Exchange and traded on the regulated market of Euronext Dublin. Unless previously redeemed or cancelled, the EPH Financing International 2029 Notes will be redeemed at their principal amount on 30 November 2029.

The EPH Financing International 2029 Notes bear a fixed interest rate of 5.875% p.a. and are stated net of debt issue costs. These costs are allocated to the profit and loss account through effective interest rate of 6.289%.

EPH Financing International 2028 Notes additional emission

On 29 July 2024, EPH Financing International, a.s. successfully sold additional EUR 100 million of its 6.651% 2028 Notes, i.e. increased the volume of the first notes issue under its programme. The notes were privately placed at 103.989% of their nominal value. Applicable effective interest rate associated with the additional issue is 5.599%. The net proceeds were upstreamed to EPH.

Other loans and borrowings

Terms and debt repayment schedule

Terms and conditions of outstanding loans as at 31 December 2024 were as follows:

In millions of EUR	Currency	Nominal interest rate	Year of maturity (up to)	Balance at 31/12/24	Due within 1 year	Due in 1–5 years	Due in following years
Unsecured bank loan	EUR	variable*	2029	1,788	106	1,682	–
Unsecured bank loan	EUR	fixed	2042	191	27	104	60
Secured bank loan	EUR	variable*	2028	438	30	408	–
Secured bank loan	CZK	variable*	2030	31	5	20	6
Secured bank loan	EUR	fixed	2030	21	3	16	2
Unsecured loan	EUR	variable*	2028	47	43	4	–
Unsecured loan	EUR	fixed	2025	371	17	347	7
Secured loan	EUR	fixed	2039	14	1	4	9
Revolving credit facility	EUR	variable*	2026	399	349	50	–
Factoring loan	EUR	variable*	2025	1	1	–	–
Lease liabilities	n/a	n/a	n/a	254	62	147	45
Total interest-bearing liabilities				**3,555**	**644**	**2,782**	**129**

* Variable interest rate is derived as EURIBOR or PRIBOR plus a margin. All interest rates are market based.

Terms and conditions of outstanding loans as at 31 December 2023 were as follows:

In millions of EUR	Currency	Nominal interest rate	Year of maturity (up to)	Balance at 31/12/23	Due within 1 year	Due in 1–5 years	Due in following years
Unsecured bank loan	EUR	variable*	2029	1,993	101	1,832	60
Unsecured bank loan	EUR	fixed	2033	211	27	14	170
Unsecured bank loan	EUR	variable*	2028	192	37	155	–
Secured bank loan	CZK	variable*	2030	35	4	19	12
Secured bank loan	EUR	fixed	2030	24	3	16	5
Unsecured loan	EUR	variable*	2028	47	2	45	–
Unsecured loan	EUR	fixed	2025	15	2	13	–
Secured loan	EUR	fixed	2039	5	1	2	2
Revolving credit facility	EUR	variable*	2026	1,052	11	1,041	–
Factoring loan	EUR	variable*	2025	103	50	53	–
Lease liabilities	n/a	n/a	n/a	242	72	103	67
Total interest-bearing liabilities				**3,919**	**310**	**3,293**	**316**

* Variable interest rate is derived as EURIBOR or PRIBOR plus a margin. All interest rates are market based.

EPIF Schuldschein loan agreements

On 5 March 2024, EPIF has raised EUR 285 million through Schuldschein loan agreements under German law issued in line with EPIF's green principles (so called "green Schuldschein"). The floating rate Schuldschein loan agreements have durations of three and five years, with corresponding margins of 2.50% p.a. and 2.90% p.a., respectively.

The debts of EPIF under the Schuldschein loan agreements are general, senior unsecured debts of the EPIF and rank equally in right of payment with EPIF's existing and future indebtedness that is not subordinated in right of payment. The Schuldschein loan agreements contain certain restrictive provisions and also a change of control provision the triggering of which may result in mandatory prepayment.

EPH Term and revolving facilities agreement

EPH is a party to a term and revolving facilities agreement dated 21 June 2023 with a syndicate of banks (the "EPH Facilities Agreement"), pursuant to which EPH has available loan facilities as of 31 December 2024 in the total amount of EUR 3,045 million.

The EPH's obligations under the EPH Facilities Agreement are general, senior unsecured obligations and rank equally in right of payment with the EPH's existing and future indebtedness that is not subordinated in right of payment. The EPH Facilities Agreement contains restrictive provisions which, among other things, prohibit the use of the funds from the facilities for coal or lignite related activity, limit the Group's ability to incur additional financial indebtedness, make distributions and certain other payments, dispose of certain assets or create security over certain Group's assets, and EPH's ability to merge with other companies. The agreement obliges EPH to dispose of or close certain coal and lignite assets. The restrictions are subject to a number of exceptions and qualifications. For example, EPH may make distributions and certain other payments if (among other things), the Group net leverage does not exceed a certain limit, EPH and certain other Group members may incur additional financial indebtedness if (among other things) certain net leverage limits set for various Group levels are met. The EPH Facilities Agreement also contains change of control provisions the triggering of which may result in mandatory prepayment.

EPIF Facility agreement

On 8 November 2024, EPIF signed a new EUR 400 million revolving facility agreement, replacing the revolving facility made available under the senior term and revolving facilities agreement from January 2020. New financing will provide EPIF with an unsecured revolving facility until 8 November 2027.

The debts of EPIF under the EPIF's Facilities Agreement are general, senior unsecured debts of the EPIF and rank equally in right of payment with the EPIF's existing and future indebtedness that is not subordinated in right of payment.

Further, the EPIF's Facility Agreement contain customary events of defaults, including, among other things, non-payment, other obligations, misrepresentation, cross-default, insolvency, insolvency proceedings, preventive restructuring, creditors' process, unlawfulness and invalidity, cessation of business, repudiation and rescission of agreements and material adverse change. If any of such event of default occurs, the EPIF's Facility Agreement may be cancelled and declared immediately due and payable or payable on demand.

SPPD and Eustream Finance Contracts

The SPPD and Eustream Finance Contracts contains a financial covenant ensuring that at the end of each measurement period (being a period of 12 months ending on 31 January and 31 July of any year), the SPPD or Eustream group's net debt to group's EBITDA ratio (i.e. net leverage) is not more than 2.65 to 1.

In addition, both finance contracts contain customary events of defaults, including, among other things, non-payment, misrepresentation, cross-default of the company or its subsidiaries, insolvency, insolvency proceedings, litigation and administrative proceedings, other obligations, creditors' process, material adverse change and unlawfulness. If any of such event of default occurs, the finance contracts may be declared immediately due and payable on demand.

EP Centrale Ostiglia and EP Centrale Tavazzano Montanaso Project finance facilities

In March 2024, EP Centrale Ostiglia S.p.A. signed a new EUR 320 million project finance facility. This financing will cover costs incurred in relation to construction of a new 881 MW CCGT power plant in Italy.

EP Centrale Tavazzano Montanaso S.p.A. is a party to EUR 230 million project finance facility, which will cover costs incurred in relation to construction of a new 803 MW CCGT power plant in Italy.

Both facilities are subject to financial covenants tested annually. These covenants measure historic and forecast Annual Debt Service Cover Ratio (ratio of available cash flows to pay the debt obligation and the debt obligation) and Debt to Equity ratio. The loans become repayable on demand if the financial covenants are not met at the testing date unless the non-compliance is covered by the equity contribution by the parent company, subject to which the failure is cured. Both companies complied with the covenants in 2024.

Fair value information

The fair value of interest-bearing instruments held at amortised costs is shown in the table below:

In millions of EUR	31 December 2024		31 December 2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Issued debentures at amortised costs	4,767	4,572	4,680	4,167
Loans payable to credit institutions	2,469	2,493	2,455	2,425
Revolving credit facility	399	401	1,052	1,060
Lease liabilities	254	250	242	238
Factoring loans	1	1	103	103
Loans payable to other than credit institutions	432	432	67	67
Total	**8,322**	**8,149**	**8,599**	**8,060**

Issued debentures are categorised within Level 1 or 2 of the fair value hierarchy. Bank loans are categorised within Level 2 or 3 of the fair value hierarchy (for detail of valuation methods refer to Note 2(e) i – Assumption and estimation uncertainties).

Significant investing and financing activities not requiring cash:

In millions of EUR	31 December 2024	31 December 2023
Investing activities		–
Financing activities	(753)	(2)
Total	**(753)**	**(2)**

For the year 2024, non-cash financing activities include partial set-off of liabilities from dividends declared by EPH to J&T ENERGY HOLDING, a.s. in amount of EUR 159 million with receivables from loans provided and dividends in amount of EUR 79 million were set off with receivables from contributions to other capital funds. Liabilities from dividends declared by EP Group, a.s. to its shareholders were set off with receivables from loans provided in amount EUR 594 million.

For the year 2023, non-cash financing activities include partial set-off of liabilities from dividends declared by EPH to J&T ENERGY HOLDING, a.s. in amount of EUR 849 million and partial set-off of receivables from contributions to other funds provided to EP Energy Transition, a.s. by J&T ENERGY HOLDING in amount of EUR 847 million.

Reconciliation of movement of liabilities to cash flows arising from financing activities

In millions of EUR	Liabilities							Equity				
	Loans from credit institutions	Loans from other than credit institutions	Revolving credit facility	Factoring loans	Bank overdraft	Issued debentures	Lease liabilities	Share capital / premium	Reserves	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2024	**2,455**	**67**	**1,052**	**103**	**–**	**4,680**	**242**	**2,577**	**(2,058)**	**4,009**	**9,207**	**22,334**
Changes from financing cash flows												
Proceeds from loans and borrowings	1,012	369	610	–	–	641	–	–	–	–	–	**2,632**
Repayment of borrowings	(906)	(10)	(1,271)	(103)	–	(547)	–	–	–	–	–	**(2,837)**
Transaction cost related to loans and borrowings	(12)	–	–	–	–	(4)	–	–	–	–	–	**(16)**
Payment of lease liabilities	–	–	–	–	–	–	(99)	–	–	–	–	**(99)**
Contribution to other funds	–	–	–	–	–	–	–	–	69	–	74	**143**
Set-off of dividends with loans provided	–	–	–	–	–	–	–	–	–	(594)	(159)	**(753)**
Dividend paid	–	–	–	–	–	–	–	–	–	(178)	(826)	**(1,004)**
Total change from financing cash flows	**94**	**359**	**(661)**	**(103)**	**–**	**90**	**(99)**	**–**	**69**	**(772)**	**(911)**	**(1,934)**
Changes arising from obtaining or losing of control of subsidiaries	–	5	–	–	–	–	–	–	–	–	–	**5**
Transfer to liabilities held for sale	(107)	–	–	–	–	–	(29)	–	–	–	–	**(136)**
Total effect of changes in foreign exchange rates	10	(2)	–	–	–	(7)	3	–	32	–	(20)	**16**
Other changes												
Liability related												
Interest expense	176	4	44	6	–	154	8	–	–	–	–	**392**
Interest paid	(159)	(1)	(36)	(5)	–	(150)	(8)	–	–	–	–	**(359)**
Increase of lease liability	–	–	–	–	–	–	137	–	–	–	–	**137**
Liability from dividends not paid	–	–	–	–	–	–	–	–	–	76	60	**136**
Total liability-related other changes	**17**	**3**	**8**	**1**	**–**	**4**	**137**	**–**	**–**	**76**	**60**	**306**
Equity related												
Other equity related changes	–	–	–	–	–	–	–	–	292	362	900	**1,554**
Total equity-related other changes	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**292**	**362**	**900**	**1,554**
Balance at 31 December 2024	**2,469**	**432**	**399**	**1**	**–**	**4,767**	**254**	**2,577**	**(1,665)**	**3,675**	**9,236**	**22,145**

In millions of EUR	Liabilities							Equity				
	Loans from credit institutions	Loans from other than credit institutions	Revolving credit facility	Factoring loans	Bank overdraft	Issued debentures	Lease liabilities	Share capital / premium	Reserves	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2023	**1,512**	**68**	**1,507**	**99**	**–**	**4,350**	**185**	**2,577**	**(1,518)**	**1,107**	**6,101**	**15,988**
Changes from financing cash flows												
Proceeds from loans and borrowings	3,754	79	1,260	5	–	538	–	–	–	–	–	**5,636**
Repayment of borrowings	(3,444)	(91)	(1,704)	(2)	–	(203)	–	–	–	–	–	**(5,444)**
Transaction cost related to loans and borrowings	(17)	–	(11)	–	–	(3)	–	–	–	–	–	**(31)**
Payment of lease liabilities	–	–	–	–	–	–	(77)	–	–	–	–	**(77)**
Contribution to other funds	–	–	–	–	–	–	–	–	–	–	64	**64**
Distribution of other funds	–	–	–	–	–	–	–	–	(137)	–	–	**(137)**
Set-off of dividends with loans provided	–	–	–	–	–	–	–	–	–	–	(2)	**(2)**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(172)**	**(739)**	**(911)**
Total change from financing cash flows	293	(12)	(455)	3	–	332	(77)	–	(137)	(172)	(677)	**(902)**
Changes arising from obtaining or losing of control of subsidiaries	634	9	–	–	–	–	50	–	(706)	127	635	**749**
Total effect of changes in foreign exchange rates	(35)	2	3	–	–	(10)	–	–	(20)	–	(61)	**(121)**
Other changes												
Liability related												
Interest expense	211	–	25	6	–	111	6	–	–	–	–	**359**
Interest paid	(160)	–	(28)	(5)	–	(103)	(3)	–	–	–	–	**(299)**
Increase of lease liability	–	–	–	–	–	–	81	–	–	–	–	**81**
Liability from dividends not paid	–	–	–	–	–	–	–	–	–	(77)	(243)	**(320)**
Total liability-related other changes	**51**	**–**	**(3)**	**1**	**–**	**8**	**84**	**–**	**–**	**(77)**	**(243)**	**(179)**
Equity related												
Other equity related changes	–	–	–	–	–	–	–	–	323	3,024	3,452	**6,799**
Total equity-related other changes	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**323**	**3,024**	**3,452**	**6,799**
Balance at 31 December 2023	**2,455**	**67**	**1,052**	**103**	**–**	**4,680**	**242**	**2,577**	**(2,058)**	**4,009**	**9,207**	**22,334**

26. Provisions

In millions of EUR	Employee benefits	Provision for emission rights	Onerous contracts	Provision for lawsuits and litigations	Environmental provision	Provision for restoration and decommissioning[2]	Other	Total
Balance at 1 January 2024	**321**	**5,017**	**41**	**30**	**117**	**4,265**	**104**	**9,895**
Provisions made during the period	25	4,106	241	4	1	826	27	**5,230**
Provisions used during the period	(48)	(4,842)	–	(11)	(1)	(134)	12	**(5,024)**
Provisions released during the period	(3)	1	(15)	(2)	(6)	(413)	(40)	**(478)**
Actuarial gains/losses	(22)	–	–	–	–	–	–	**(22)**
Change in provision recorded in property, plant and equipment	–	–	–	–	–	25	–	**25**
Transfer to liabilities held for sale	(1)	(1)	–	–	–	–	(3)	**(5)**
Effect of movements in foreign exchange rates	(2)	4	–	2	(1)	6	(1)	**8**
Unwind of discount[1]	13	–	1	–	3	91	1	**109**
Balance at 31 December 2024	**283**	**4,285**	**268**	**23**	**113**	**4,666**	**100**	**9,738**
Non-current	*233*	*–*	*54*	*8*	*109*	*4,428*	*26*	***4,858***
Current	*50*	*4,285*	*214*	*15*	*4*	*238*	*74*	***4,880***

(1) Unwinding of discount is included in interest expense.
(2) As at 31 December 2024, the balance mainly consists of represents mining related provisions recorded by Lausitz Energie Verwaltungs GmbH in amount of EUR 3,213 million and mining related provisions recorded by MIBRAG GmbH in amount of EUR 638 million.

In millions of EUR	Employee benefits	Provision for emission rights	Onerous contracts	Provision for lawsuits and litigations	Environmental provision	Provision for restoration and decommissioning[3]	Other	Total
Balance at 1 January 2023	**167**	**1,614**	**34**	**24**	**–**	**1,179**	**95**	**3,113**
Provisions made during the period	31	2,519	1	13	2	189	34	**2,789**
Provisions used during the period	(26)	(1,814)	(11)	(2)	–	(52)	(2)	**(1,907)**
Provisions released during the period	(4)	(79)	(28)	(17)	(1)	(83)	(19)	**(231)**
Actuarial gains/losses	47	–	–	–	–	–	–	**47**
Change in provision recorded in property, plant and equipment	–	–	–	–	–	25	–	**25**
Acquisitions through business combinations[1]	98	2,777	45	12	115	2,959	2	**6,008**
Transfer	–	–	–	–	–	6	(6)	**–**
Unwind of discount[2]	8	–	–	–	1	42	–	**51**
Balance at 31 December 2023	**321**	**5,017**	**41**	**30**	**117**	**4,265**	**104**	**9,895**
Non-current	*267*	*–*	*41*	*9*	*111*	*4,020*	*27*	***4,475***
Current	*54*	*5,017*	*–*	*21*	*6*	*245*	*77*	***5,420***

(1) The purchase of LEAG group, Rijnmond Power Holding B.V., PZEM and Sloe Group, MaasStroom Energie C.V., Enecogen V.O.F. and SGL – Schienen Güter Logistik GmbH.
(2) Unwinding of discount is included in interest expense.
(3) As at 31 December 2023, the balance mainly consists of represents mining related provisions recorded by Lausitz Energie Verwaltungs GmbH in amount of EUR 2,981 million and mining related provisions recorded by MIBRAG GmbH in amount of EUR 472 million.

Accounting for provisions involves frequent use of estimates, such as probability of occurrence of uncertain events or calculation of the expected outcome. Such estimates are based on past experience, statistical models and professional judgement.

Employee benefits

The Group recorded a significant amount as provision for long-term employee benefits related to its employees. Valuations of these provisions are sensitive to assumptions used in the calculations, such as future salary and benefit levels, discount rates, employee leaving rate, late retirement rate, mortality and life expectancy. The management considered various estimated factors and how these estimates would impact the recognised provision. As a result of this analysis, no significant variances to the recorded provision are expected.

The provision for employee benefits in the amount of EUR 283 million (2023: EUR 321 million) was recorded by Lausitz Energie Verwaltungs GmbH, Gazel Energie Generation S.A.S., EP Power Minerals GmbH, NAFTA Germany GmbH, MINERALplus GmbH, Stredoslovenská distribučná, a.s., Kraftwerk Mehrum GmbH, Fiume Santo S.p.A., SPP - distribúcia, a.s., NAFTA a.s., eustream, a.s., Stredoslovenská energetika Holding, a.s., EP Power Grit GmbH, EP Produzione S.p.A., EP Centrale Ostiglia S.P.A, EP Centrale Tavazzano Montanaso S.P.A., EP Produzione Centrale Livorno Ferraris S.p.A., Elektrárny Opatovice, a.s. and others.

i. Gazel Energie Generation S.A.S.

The provision recorded by Gazel Energie Generation S.A.S. amounts to EUR 97 million (2023: EUR 119 million), fully represented by defined benefit pension schemes.

The schedules below summarise information about the defined benefit obligations and plan assets.

In millions of EUR	2024	2023
Plan A		
Fair value of plan asset	–	–
Present value of obligations	(25)	(31)
Total employee (benefit) asset	**(25)**	**(31)**
Plan B		
Fair value of plan asset	–	–
Present value of obligations	(2)	(2)
Total employee (benefit) asset	**(2)**	**(2)**
Plan C		
Fair value of plan asset	–	–
Present value of obligations	(69)	(85)
Total employee (benefit) asset	**(69)**	**(85)**
Plan D		
Fair value of plan asset	–	–
Present value of obligations	(1)	(1)
Total employee (benefit) asset	**(1)**	**(1)**

During the year ended 31 December 2024, benefits paid by plans were EUR 3 million (2023: EUR 2 million), current service costs amounted to EUR 2 million (2023: EUR 1 million) and current interest costs were less than EUR 1 million in both years. Actuarial gains recognised in other comprehensive income were EUR 26 million (2023: loss EUR 39 million).

ii. SSE Holding Group

Pension Plans

This program has a defined contribution pension plan under which the Group pays fixed contributions to third parties or government. The Group has no legal or constructive obligation to pay further funds, if the amount of plan assets is insufficient to pay all the performance of employees who are eligible for the current and prior periods.

The amount of benefits depends on several factors, such as age, years of service and salary.

Unfunded pension plan with defined benefit

From 2022, the companies within the SSE Holding Group signed individual collective agreements for the period 2023 – 2025, the Companies are obliged to pay its employees upon age pension or disability pension, depending on seniority, the following multiples of the average monthly salary.

Other benefits

The Companies in the SSE Holding Group also pays benefits for work and life anniversaries. The Companies had created expectations on the part of its employees that it will continue to provide the benefits and it is management's judgement that it is not probable that the Group will cease to provide them.

iii. Lausitz Energie Verwaltungs GmbH (LEAG Group)

The provision recorded by LEAG Group amounts to EUR 96 million (2023: EUR 109 million), of which EUR 76 million (2023: EUR 73 million) represents a defined benefit pension scheme and EUR 20 million (2023: 36 million) represents other post-employment benefits.

The schedules below summarise information about the defined benefit obligations and plan assets.

In millions of EUR	2024	2023
Plan A		
Fair value of plan asset	–	–
Present value of obligations	(76)	(73)
Total employee (benefit) asset	**(76)**	**(73)**
Plan B		
Fair value of plan asset	–	–
Present value of obligations	(20)	(36)
Total employee (benefit) asset	**(20)**	**(36)**

During the year ended 31 December 2024, benefits paid by plans were EUR 37 million (2023: EUR 37 million), current service costs amounted to EUR 13 million (2023: EUR 31 million), past service costs amounted to EUR 1 million (2023: EUR 2 million) and current interest costs to EUR 6 million (2023: EUR 7 million) and actuarial gains losses recognised in other comprehensive income were EUR 4 million (2023: EUR 11 million).

iv. Other companies

The long-term employee benefits program at Slovak companies (NAFTA, SPPD and eustream) is a defined benefit program, under which employees are entitled to a lump-sum payment upon old age or disability retirement as a multiple of the employee's average salary and, subject to vesting conditions. To date it has been an unfunded program, with no separately allocated assets to cover the program's liabilities. The Companies also pays benefits for work and life anniversaries.

The Companies had created expectations on the part of its employees that it will continue to provide the benefits and it is management's judgement that it is not probable that the Group will cease to provide them.

Companies located in the United Kingdom (EP UK Investments Limited, EP Ballylumford Limited and EP Kilroot Limited) and as of 31 December 2023 also in Germany (Helmstedter Review GmbH) report defined benefit plan assets in excess of obligations in amount of EUR 50 million (2023: EUR 45 million). Plan assets are included in trade receivables and other assets (refer to Note 20).

Provision for emission rights

Provision for emission rights is recognised regularly during the year based on the estimated number of tonnes of CO_2 emitted. It is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provision for lawsuits

A provision of EUR 23 million relates mainly to litigations and claims described in Note 35 – Litigations and claims (refer to Note 35 – Litigations and claims for more details).

As disclosed in Note 35 – Litigations and claims, there are other legal proceedings in which the Group is involved and for which the possibility of an outflow of resources was assessed as remote as at the date of the preparation of these consolidated financial statements, and therefore no provision was recorded as at 31 December 2024 and 31 December 2023.

Provision for restoration and decommissioning

The provision of EUR 4,666 million (2023: EUR 4,265 million) was primarily recorded by entities in Energy Transition, Flexible Power Generation and Other segments in Germany (EUR 3,389 million; 2023: EUR 3,583 million); Italy (EUR 203 million; 2023: EUR 190 million) and France (EUR 151 million; 2023: EUR 172 million) and by Storage segment (EUR 221 million; 2023: EUR 205 million).

i. Storage (POZAGAS a.s., NAFTA a.s., NAFTA Germany GmbH and SPP Storage, s.r.o.)

NAFTA a.s. and NAFTA Germany GmbH (through its subsidiaries) have a number of production wells and 236 storage wells. Production wells that are currently in production or are being used for other purposes are expected to be abandoned after reserves have been fully produced or when it has been determined that the wells will not be used for any other purposes. Storage wells are expected to be abandoned after the end of their useful lives. Companies have the obligation to dismantle the production and storage wells, decontaminate contaminated soil, restore the area, and restore the site to its original condition to the extent as stipulated by law. These costs are expected to be incurred between 2023 and 2093.

The average discount rate applied to calculate present value of the provision was 2.34% (2023: 2.64%) and the average escalation rate was 1.77% (2023: 1.53%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 29 million (2023: EUR 25 million), while an increase of 1% would increase the present value of the provisions by EUR 43 million (2023: EUR 42 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 22 million (2023: EUR 24 million), while a decrease of 1% would increase the present value of the provisions by EUR 54 million (2023: EUR 42 million). These analyses assume that all other variables remain constant.

ii. Italy (EP Produzione S.p.A., Fiume Santo S.p.A. and EP Centrale Tavazzano Montanaso S.p.A.)

As at 31 December 2024, the provisions recognized by the companies represent asset retirement provision related to the eventual retirement of tangible assets, provisions for restoration of land in Lombardia (Tavazzano and Ostiglia plants) and Sardegna (Fiume Santo plant) regions, provision for health and safety risk and potential liabilities arising from regulatory rules for Fiume Santo plant.

The average discount rate applied to calculate present value of the provision was 2.23% (2023: 3.39%) and the average escalation rate was 0.80% (2023: 0.86%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 12 million (2023: EUR 11 million), while an increase of 1% would increase the present value of the provisions by EUR 13 million (2023: EUR 12 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 12 million (2023: EUR 11 million), while a decrease of 1% would increase the present value of the provisions by EUR 13 million (2023: EUR 12 million). These analyses assume that all other variables remain constant.

iii. Germany (MIBRAG GmbH, Helmstedter Revier GmbH, Lausitz Energie Verwaltungs GmbH)

According to the German Federal Mining Law, a mining company is obliged to re-cultivate/reclaim all the land used for mining purposes after discontinuation of mining operations. The requirements to be met for this purpose are set forth in a comprehensive framework operation plan and compliance is monitored by the mining authorities.

As at 31 December 2024, the provision for re-cultivation of both Schleenhain and Profen strip mines recorded by MIBRAG GmbH is based on the recommendations of The German Commission on Growth, Structural change and Employment („coal commission“) from 26 January 2019 which proposes a gradual reduction and closure of all coal-fired power plants and subsequently strip mines in Germany by 2035.

The mining-related provisions are recognised at settlement amounts. New findings are taken into account in the annual review of the technical concepts and settlement amounts. The determination of provisions is based on internal technical estimates and external expert opinions and takes into account changing technologies and procedures for the planned measures to be realised. The mining-related provisions include, in particular, the costs of creating the post-mining landscape with a focus on remaining area design, recultivation, relocation measures and compensations, water management compensation measures, remediation and disposal obligations, and the dismantling of technical facilities.

The average discount rate applied to calculate present value of the provision was 2.30% (2023: 2.43%) and the average escalation rate was 1.63% (2023: 1.66%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 507 million (2023: EUR 347 million), while an increase of 1% would increase the present value of the provisions by EUR 650 million (2023: EUR 399 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 499 million (2023: EUR 341 million), while a decrease of 1% would increase the present value of the provisions by EUR 650 million (2023: EUR 400 million). These analyses assume that all other variables remain constant.

iv. France

As at 31 December 2024, the provisions recognized by the companies in France represent mainly provisions for dismantling the power plants of Gazel Energie Generation S.A.S. (including Emile Huchet and Provence power plants, closed power plants of Hornaing and Lucy and provision for restoration of land) and provision for dismantling the windfarms and solar farms.

The average discount rate applied to calculate present value of the provision was 2.97% (2023: 3.01%) and the average escalation rate was 1.77% (2023: 2.00%).

At the reporting date, a decrease of escalation rate by 1% would reduce the present value of the provisions by EUR 19 million (2023: EUR 11 million), while an increase of 1% would increase the present value of the provisions by EUR 22 million (2023: EUR 12 million).

An increase of discount rate by 1% would reduce the present value of the provisions by EUR 18 million (2023: EUR 11 million), while a decrease of 1% would increase the present value of the provisions by EUR 23 million (2023: EUR 12 million). These analyses assume that all other variables remain constant.

v. Other

Other companies estimated the provision for decontamination and restoration and long-term asset retirement using the existing technology and current prices adjusted for expected future inflation and discounted using a discount rate that reflects the current market assessment of the time value of money – risk free rate.

Those sites have not been included in stress testing as the change in provisions due to a change in parameters would have insignificant impact on the Group's financial statements.

27. Deferred income

In millions of EUR

	31 December 2024	31 December 2023
Government grants	92	98
Other deferred income	72	55
Total	**164**	**153**
Non-current	88	95
Current	76	58
Total	**164**	**153**

Balance of government grants in amount of EUR 92 million (2023: EUR 98 million) is mainly represented by eustream, a.s. of EUR 54 million (2023: EUR 56 million), Elektrárny Opatovice, a.s. of EUR 11 million (2023: EUR 13 million) and others. Balance of government grants recognized by eustream is primarily represented by subsidies from the European Commission relating to projects such as interconnection pipelines between Poland and Slovakia or Hungary and Slovakia.

Balance of other deferred income in amount of EUR 72 million (2023: EUR 55 million) is mainly represented by EP NI Energy Limited 30 million (2023: EUR 4 million), EP Ballylumford Limited of EUR 16 million (2023: EUR 10 million).

28. Financial instruments

Financial instruments and other financial assets

In millions of EUR

	31 December 2024	31 December 2023
Assets carried at amortised cost		
Loans to other than credit institutions	1,233	936
Bills of exchange at amortized cost	–	1
Impairment of loans to other than credit institutions	(12)	(11)
Total	**1,221**	**926**
Assets carried at fair value		
Hedging: *of which*	312	731
Commodity derivatives cash flow hedge(1)	*302*	*726*
Interest rate swaps cash flow hedge	*–*	*3*
Currency forwards cash flow hedge	*10*	*2*
Non-hedging: *of which*	2,786	4,377
Equity option at fair value through PL(2)	*1,598*	*1,629*
Commodity derivatives reported as trading(3)	*1,171*	*2,710*
Currency forwards reported as trading	*16*	*22*
Interest rate swaps reported as trading	*–*	*15*
Other derivatives reported as trading	*1*	*1*
Receivables at fair value through PL: *of which*	80	138
Contingent consideration at fair value through PL(4)	*80*	*138*
Equity instruments at fair value through OCI: *of which*	222	248
Shares at fair value through OCI	*222*	*248*
Equity instruments at fair value through PL: *of which*	13	10
Shares at fair value through PL	*13*	*10*
Total	**3,413**	**5,504**
Non-current	819	870
Current	3,815	5,560
Total	**4,634**	**6,430**

(1) Commodity derivatives designated as cash flow hedges primarily relate to forwards or other type of derivative contracts for sale/purchase of electricity, gas and emission allowances
(2) For more details on equity option, including the use of unobservable inputs and sensitivity analysis, refer to Note 17.
(3) Commodity derivatives reported as trading relate mainly to risk management activities on our supply and generation business for which however the Group does not maintain formal hedge accounting documentation required by IFRS.
(4) In 2016, the Group acquired 33% effective share in SE Group for EUR 150 million which is subject to a price adjustment mechanism. Final purchase price may result in partial return of consideration paid or additional payment for the share. As at 31 December 2024, the Group recognized a receivable of EUR 75 million as an estimated future settlement of the price to be received from the seller (2023: liability of EUR 70 million).

Financial instruments and other financial liabilities

In millions of EUR

	31 December 2024	31 December 2023
Liabilities carried at amortised cost		
Other financial liabilities	6	1
Total	**6**	**1**
Liabilities carried at fair value		
Hedging: *of which*	373	921
Commodity derivatives cash flow hedge	*327*	*917*
Currency forwards cash flow hedge	*5*	*3*
Interest rate swaps cash flow hedge	*41*	*1*
Non-hedging: *of which*	841	1,727
Commodity derivatives reported as trading[(1)]	*826*	*1,670*
Interest rate swaps reported as trading	*7*	*49*
Currency forwards reported as trading	*4*	*7*
Other derivatives reported as trading	*2*	*1*
Currency options for trading	*2*	*-*
Total	**1,214**	**2,648**
Non-current	284	210
Current	936	2,439
Total	**1,220**	**2,649**

(1) Commodity derivatives reported as trading relate mainly to risk management activities on our supply and generation business for which however the Group does not maintain formal hedge accounting documentation required by IFRS.

The weighted average interest rate on loans to other than credit institutions for 2024 was 4.54% (2023: 5.41%).

Fair values and respective nominal amounts of derivatives are disclosed in the following table:

In millions of EUR	31 December 2024			
	Nominal amount buy	Nominal amount sell	Positive fair value	Negative fair value
Hedging: *of which*	4,759	(7,946)	312	(373)
Commodity derivatives cash flow hedge	*3,687*	*(6,874)*	*302*	*(327)*
Currency forwards cash flow hedge	*897*	*(891)*	*10*	*(5)*
Interest rate swaps cash flow hedge	*175*	*(181)*	*–*	*(41)*
Non-hedging: *of which*	16,184	(12,853)	2,786	(841)
Commodity derivatives reported as trading	*12,840*	*(11,338)*	*1,171*	*(826)*
Equity option at fair value through PL	*1,598*	*–*	*1,598*	*–*
Currency forwards reported as trading	*977*	*(947)*	*16*	*(4)*
Interest rate swaps reported as trading	*412*	*(212)*	*–*	*(7)*
Other derivatives reported as trading	*157*	*(156)*	*1*	*(2)*
Currency options for trading	*200*	*(200)*	*–*	*(2)*
Total	**20,943**	**(20,799)**	**3,098**	**(1,214)**

In millions of EUR	31 December 2023			
	Nominal amount buy	Nominal amount sell	Positive fair value	Negative fair value
Hedging: *of which*	2,998	(8,315)	731	(921)
Commodity derivatives cash flow hedge	*2,333*	*(7,655)*	*726*	*(917)*
Currency forwards cash flow hedge	*582*	*(579)*	*2*	*(3)*
Interest rate swaps cash flow hedge	*83*	*(81)*	*3*	*(1)*
Non-hedging: *of which*	12,898	(11,944)	4,377	(1,727)
Commodity derivatives reported as trading	*8,368*	*(9,039)*	*2,710*	*(1,670)*
Equity option at fair value through PL	*1,629*	*–*	*1,629*	*–*
Currency forwards reported as trading	*1,400*	*(1,404)*	*22*	*(7)*
Interest rate swaps reported as trading	*1,154*	*(1,154)*	*15*	*(49)*
Other derivatives reported as trading	*347*	*(347)*	*1*	*(1)*
Total	**15,896**	**(20,259)**	**5,108**	**(2,648)**

Swap derivatives are recognised in respect of interest rate swaps as described in detail in Note 32 – Risk management policies and disclosures.

Commodity derivatives are recognised in respect of contracts for purchase and sale of electricity, which are denominated in CZK and EUR where the contractual condition of derivatives does not meet the “own use exemption” as noted in IFRS 9.2.4.

Sensitivity analysis relating to the fair values of financial instruments is included in the Note 32 – Risk management policies and disclosures.

In millions of EUR	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:				
Hedging: *of which*	–	312	–	**312**
Commodity derivatives cash flow hedge	–	*302*	–	***302***
Currency forwards cash flow hedge	–	*10*	–	***10***
Interest rate swaps cash flow hedge	–	–	–	**–**
Non-hedging: *of which*	–	1,163	1,623	**2,786**
Commodity derivatives reported as trading	–	*1,146*	*25*	***1,171***
Equity option at fair value through PL	–	–	*1,598*	***1,598***
Currency forwards reported as trading	–	*16*	–	***16***
Interest rate swaps reported as trading	–	–	–	**–**
Other derivatives reported as trading	–	*1*	–	***1***
Receivables at fair value through PL: *of which*	–	–	80	**80**
Contingent consideration at fair value through PL	–	–	*80*	***80***
Equity instruments at fair value through OCI: *of which*	–	–	222	**222**
Shares at fair value through OCI	–	–	*222*	***222***
Equity instruments at fair value through PL: *of which*	13	–	–	**13**
Equity instruments at fair value through PL	*13*	–	–	***13***
Total	**13**	**1,475**	**1,925**	**3,413**
Financial liabilities carried at fair value:				
Hedging: *of which*	–	373	–	**373**
Commodity derivatives cash flow hedge	–	*327*	–	***327***
Currency forwards cash flow hedge	–	*5*	–	***5***
Interest rate swaps cash flow hedge	–	*41*	–	***41***
Non-hedging: *of which*	–	833	8	**841**
Commodity derivatives reported as trading	–	*818*	*8*	***826***
Interest rate swaps reported as trading	–	*7*	–	***7***
Currency forwards reported as trading	–	*4*	–	***4***
Other derivatives reported as trading	–	*2*	–	***2***
Currency options for trading	–	*2*	–	***2***
Total	**–**	**1,206**	**8**	**1,214**

In millions of EUR	31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:				
Hedging: *of which*	–	731	–	**731**
Commodity derivatives cash flow hedge	–	*726*	–	***726***
Interest rate swaps cash flow hedge	–	*3*	–	***3***
Currency forwards cash flow hedge	–	*2*	–	***2***
Non-hedging: *of which*	–	2,723	1,654	**4,377**
Commodity derivatives reported as trading	–	*2,685*	*25*	***2,710***
Equity option at fair value through PL	–	–	*1,629*	***1,629***
Currency forwards reported as trading	–	*22*	–	***22***
Interest rate swaps reported as trading	–	*15*	–	***15***
Other derivatives reported as trading	–	*1*	–	***1***
Receivables at fair value through PL: *of which*	–	–	138	**138**
Contingent consideration at fair value through PL	–	–	*138*	***138***
Equity instruments at fair value through OCI: *of which*	–	–	248	**248**
Shares at fair value through OCI	–	–	*248*	***248***
Equity instruments at fair value through PL: *of which*	10	–	–	**10**
Equity instruments at fair value through PL	*10*	–	–	***10***
Total	**10**	**3,454**	**2,040**	**5,504**
Financial liabilities carried at fair value:				
Hedging: *of which*	–	921	–	**921**
Commodity derivatives cash flow hedge	–	*917*	–	***917***
Currency forwards cash flow hedge	–	*3*	–	***3***
Interest rate swaps cash flow hedge	–	*1*	–	***1***
Non-hedging: *of which*	–	1,719	8	**1,727**
Commodity derivatives reported as trading	–	*1,662*	*8*	***1,670***
Interest rate swaps reported as trading	–	*49*	–	***49***
Currency forwards reported as trading	–	*7*	–	***7***
Other derivatives reported as trading	–	*1*	–	***1***
Total	**–**	**2,640**	**8**	**2,648**

There were no transfers between fair value levels in either 2024 or 2023.

The fair value of financial instruments held at amortised costs is shown in the table below:

In millions of EUR	Carrying value 31 December 2024	Fair value 31 December 2024
Financial assets	**(1)1,221**	**309**
Loans to other than credit institutions	–	309
Bills of exchange at amortized cost	1,221	309
Total		
Financial liabilities		
Other financial liabilities	6	6
Total	**6**	**6**

In millions of EUR	Carrying value 31 December 2023	Fair value 31 December 2023
Financial assets	**(1)925**	**935**
Loans to other than credit institutions	1	1
Other short-term deposits	926	936
Total		
Financial liabilities		
Other financial liabilities	1	1
Total	**1**	**1**

(1) Loans to other than credit institutions are stated net of impairment.

All financial instruments held at amortised costs are categorised within Level 2 of the fair value hierarchy (for detail of valuation methods refer to Note 2(e) i – Assumption and estimation uncertainties).

Transactions with power, gas and emission rights not recognized on balance sheet

The following information pertains to contracts on delivery or sale of emission rights. These contracts meet the requirements of IFRS 9 for the application of the own-use exemption and therefore do not fall in the scope of IFRS 9 (refer to Note 3(f) – Derivative financial instruments – Transactions with emission rights and energy) and are reported as off-balance sheet items, not derivatives. The management carefully assessed conditions of the contracts and concluded that all contracts are intended to be settled via physical delivery needed for consumption or physically delivered quantities shall be sold as part of its ordinary business, therefore the contracts are not reported as derivatives.

As at 31 December 2024 the Group is contractually obliged to forward purchase 9,664,876 pieces (2023: 21,274,125 pieces) of emission rights at an average price 60.92 EUR/piece (2023: 77.56 EUR/piece), with delivery predominantly in 2025 for risk management purposes to cover for hedged power production in respective year. Amounts presented within commitments for future purchases include only emission allowances that are not already reflected through the provision for the emission allowances on the balance sheet. Contracts for forward purchases of emission rights are for already contracted future power sales held under hedge accounting as per IFRS 9, where the corresponding contingent asset is reported as an off balance sheet item in Note 28. Financial instruments.

For more details about the contractual obligations of forward purchases or forward sales of power, gas and emission allowances refer to Note 30 – Commitments and contingencies.

29. Trade payables and other liabilities

In millions of EUR	31 December 2024	31 December 2023
Trade payables	1,315	1,261
Accrued expenses	262	549
Liabilities from dividends(1)	176	319
Estimated payables	466	300
Margin of stock exchange derivatives	157	246
Payroll liabilities	213	222
Other tax liabilities	236	221
Uninvoiced supplies	259	172
Advance payments received	19	11
Retentions to contractors	9	8
Other liabilities	795	1,668
Total	**3,907**	**4,977**
Non-current	35	1,314
Current	3,872	3,663
Total	**3,907**	**4,977**

(1) In 2024, the balance relates mostly to dividend payable in amount of EUR 174 million declared to SPP, a.s. as a non-controlling shareholder. In 2023, the balance consists of dividend payable in the amount of EUR 76 million declared to shareholders of the Company and EUR 243 million declared to non-controlling shareholders of subsidiary companies.

Trade payables and other liabilities have not been secured as at 31 December 2024 and 31 December 2023.

The balance of other liabilities as at 31 December 2024 mostly consist of liability arising from put option over non-controlling interest in LEAG Group.

Put option over non-controlling interest in LEAG Group

In June 2023, the Group entered into a share purchase agreement to acquire a 20% stake in LEAG Group from its minority shareholder. The transaction was completed in October 2023, at which point the Group began fully consolidating LEAG.

As part of the agreement, the seller retains the right to sell the remaining 30% stake to the Group at its market price, as determined by mutual agreement between the parties. Consequently, as of 31 December 2023, the Group recognized a liability to the minority shareholder of EUR 1,287 million, following the IFRS applicable rules and reflecting market conditions at the end of 2023. As at 15 October 2024, the seller has exercised the put option and negotiations between the parties have commenced regarding the share price. As at 31 December 2024, the liability was revaluated to EUR 527 million.

As at 31 December 2024 and 2023, no liabilities to social and health insurance or tax authorities were overdue.

Estimated payables are recognised based on contractual conditions or invoices received after the balance sheet date but before the financial statements are published.

As at 31 December 2024 and 2023, the fair values of trade payables and other liabilities equal to their carrying amounts.

The Group's exposure to currency and liquidity risk related to trade payables and other liabilities is disclosed in Note 32 – Risk management policies and disclosures.

30. Commitments and contingencies

Off balance sheet liabilities

In millions of EUR

	31 December 2024	31 December 2023
Commitments for future purchases	2,206	2,342
Granted pledges – securities	121	762
Granted guarantees and warranties	12	39
Other granted pledges	1,320	650
Other granted commitments	188	267
Total	**3,847**	**4,060**

Commitments for future purchases

Commitments for future purchases include contractually agreed future purchases of long-term tangible assets, intangible assets including emission allowances (unless covered by provision as of 31 December 2024 or 31 December 2023) and services.

Granted guarantees and warranties

Guarantees given include guarantees in the amount of EUR 12 million (2023: EUR 23 million) used mainly as a collateral for external financing by related parties and in the year ended 31 December 2023 also payment guarantees of EUR 16 million.

Granted pledges – securities

Granted pledges represent securities of individual Group companies used as collateral for external financing.

Other granted commitments

In 2018, MIBRAG GmbH ("MIBRAG") concluded agreements with Saxony's Upper Mining Authority ("SOBA") and Saxony-Anhalt's State Office of Geology and Mining ("LAGB"), to ensure that the expenses for restoring open-cast mines are covered. The concluded agreements provide for the establishment of a special fund designed to financially shore up future liquidity requirements, which is to be set up successively by transferring certain assets to this fund by MIBRAG and by reinvesting the assets within the fund.

The two special purpose vehicles were established in 2020 and have since been funded as contractually agreed. MIBRAG is in close contact with the two mining authorities regarding need for adjustments resulting from the dynamic developments of the recent past.

In case of Lynemouth Power Limited, approximately 75-88% of annual biomass consumption (average annual consumption representing 1.5 megatonnes) has been contracted under two “take or pay” schemes, with a certain flexibility. Both contracts are concluded until 31 December 2027.

Moreover, other granted commitments as of 31 December 2024 include commitment for capacity market penalties in amount of EUR 83 million (31 December 2023: EUR 6 million) recognized by EP Centrale Ostiglia S.p.A, EP Centrale Tavazzano Montanaso S.p.A. and Fiume Santo S.p.A. These commitments relate to future possible underperformance under capacity market contracts (for capacity market contracts refer to off balance sheet assets).

Other granted pledges

In millions of EUR

	31 December 2024	31 December 2023
Property, plant and equipment	892	164
Trade receivables	272	382
Cash and cash equivalents	82	47
Inventories	19	20
Loans granted	1	–
Other	54	37
Total	**1,320**	**650**

Off balance sheet assets

In millions of EUR

	31 December 2024	31 December 2023
Received contractual commitments for capacity payments	4,782	4,724
Received commitments from future sales	3,228	6,715
Received loan commitments	2,881	2,372
Other received guarantees and warranties	1,573	1,079
Other received commitments	–	153
Total	**12,464**	**15,043**

Received contractual commitments for capacity payments

Received contractual commitments for capacity payments as of 31 December 2024 and 2023 are reported by entities in EPUKI Group of EUR 2,546 million (2023: EUR 2,724 million), EPP Group of EUR 1,683 million (2023: EUR 1,399 million), LEAG Group of EUR 534 million (2023: EUR 579 million) and by Enecogen V.O.F. of EUR 19 million (2023: EUR 22 million).

Other received guarantees and warranties

Other received guarantees and warranties mainly consist of various financial and non-financial guarantees received from the customers recognized by EP Commodities a.s., entities in LEAG Group and EPP Group, PZEM Energy Company B.V. and others of EUR 1,114 million (2023: EUR 721 million), guarantees received from parent company of the customer to secure trade receivables recognized by eustream, a.s. and SPP - distribúcia, a.s. in the amount of EUR 274 million (2023: EUR 258 million), granted guarantees related to margining by LEAG Group of EUR 100 million (2023: EUR 100 million) and of received guarantee by EP Centrale Tavazzano Montanaso S.P.A in connection to power plant construction of EUR 85 million (2023: nil).

31. Leases

a) Leases as a lessee

The Group leases buildings, pipelines, locomotives and wagons and personal cars. The leases have various lease terms and run under various period of time. For some leases, the Group has an option to renew the lease after the end of the lease term.

The Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases (lease term 12 months or shorter). The Group recognises the lease payments associated with these leases as an expense.

Right-of-use assets

Right-of-use assets related to leased land and buildings and technical equipment, plant and machinery that do not meet the definition of investment property are presented as property, plant and equipment (refer to Note 15).

In millions of EUR	Land and building	Technical equipment, plant and machinery	Total
Balance at 1 January 2024	**78**	**164**	**242**
Depreciation charge for the year	(14)	(86)	**(100)**
Additions to right-of-use assets	17	120	**137**
Effects of movements in foreign exchange rate	–	2	**2**
Transfer to liability held for sale	–	(27)	**(27)**
Balance at 31 December 2024	**81**	**173**	**254**
Balance at 1 January 2023	**49**	**140**	**189**
Depreciation charge for the year	(11)	(66)	**(77)**
Additions to right-of-use assets	11	70	**81**
Additions in business combinations	29	21	**50**
Effects of movements in foreign exchange rate	–	(1)	**(1)**
Balance at 31 December 2023	**78**	**164**	**242**

Maturity analysis of lease liabilities

In millions of EUR

	31 December 2024	31 December 2023
Undiscounted contractual cash flows by maturity		
Up to 3 months	14	20
3 months to 1 year	47	54
1–5 years	157	122
Over 5 years	44	48
Total undiscounted contractual cash flows	**262**	**244**
Carrying amount	**254**	**242**

Amounts recognized in profit or loss

In millions of EUR

	2024	2023
Depreciation charge for the year	(100)	(77)
Interest on lease liabilities	(8)	(6)
Expenses related to short-term leases	(15)	(15)
Expenses related to leases of low-value assets, excluding short-term leases of low-value assets	(2)	(2)
Expenses related to variable lease payments not included in measurement of lease liability	(18)	(5)

Amounts recognized in statement of cash flows

In millions of EUR

	2024	2023
Payment of lease liabilities	(99)	(77)
Payment of interest related to lease liabilities	(8)	(3)
Total cash outflow for leases	**(107)**	**(80)**

32. Risk management policies and disclosures

This section provides details of the Group's exposure to financial and operational risks and the way it manages such risks. The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, interest rate, commodity price risk, foreign exchange risk, concentration risk and regulatory risk.

As part of its operations, the Group is exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices. To minimise this exposure, the Group enters into derivatives contracts to mitigate or manage the risks associated with individual transactions and overall exposures, using instruments available on the market.

a) Credit risk

i. Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans and advances.

The Group has established a credit policy under which each new customer requesting products/services over a certain limit (which is based on the size and nature of the particular business) is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group uses credit databases for analysis of creditworthiness of new customers and after deemed creditworthy they are also subject to Risk committee approval. The Group's policy is also to require suitable collateral to be provided by customers such as a bank guarantee or a parent company guarantee. The exposure to credit risk is monitored on an ongoing basis.

Additional aspects mitigating credit risk

The Group operates mainly as an energy and power generation and distribution company, and thus has a specific customer structure. The distribution companies represent a comparatively low credit risk. The large clients are dependent upon electricity supplies which significantly mitigates the credit risks. In addition, bank guarantees and advance payments are required before active operation with traders. Previous experience shows that such elements are very favourable in terms of credit risk mitigation. Customers of distribution and supply segment of Heat Infra segment are required to pay prepayments which further decrease credit risk. In energy and power generation sector, increasing proportion of the revenues is generated from the regulated and/or state-controlled entities (especially in relation to the green energy production and services provided to grids; refer to Note 3(n) – Revenues for description of grid services), which represent a comparatively low credit risk. At the same time substantial volume of the transactions is done with large clients with solid credit standing and/or are realized through exchanges, which provides for further risk mitigation.

The carrying amount of financial assets (plus guarantees issued) represents the maximum credit exposure if counterparties fail to carry out completely their contractual obligations and any collateral or security proves to be of no value. The maximum credit exposure amounts disclosed below therefore greatly exceed expected losses, which are included in the allowance for impairment.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses. The Group measures loss allowances at an amount equal to lifetime ECLs except for those financial assets for which credit risk has not increased significantly since initial recognition. For trade receivables and contract assets, the Group has elected to measure loss allowances at an amount equal to lifetime ECLs.

At the reporting date, the maximum exposure to credit risk by the type of counterparty and by geographic region is provided in the following tables.

Credit risk by type of counterparty

As at 31 December 2024
In millions of EUR

	Corporate (non-financial institutions)	State, government	Financial institutions	Banks	Individuals	Other	Total
Assets							
Cash and cash equivalents	–	–	50	8,480	–	–	**8,530**
Restricted cash	9	59	–	935	–	–	**1,003**
Contract assets	63	–	–	–	–	72	**135**
Trade receivables and other assets	3,061	549	90	565	41	45	**4,351**
Financial instruments and other financial assets	4,507	–	16	101	–	10	**4,634**
Total	**7,640**	**608**	**156**	**10,081**	**41**	**127**	**18,653**

As at 31 December 2023
In millions of EUR

	Corporate (non-financial institutions)	State, government	Financial institutions	Banks	Individuals	Other	Total
Assets							
Cash and cash equivalents	–	–	–	7,435	–	–	**7,435**
Restricted cash	56	–	–	718	–	–	**774**
Contract assets	75	–	–	–	–	–	**75**
Trade receivables and other assets	3,901	601	20	1,163	9	24	**5,718**
Financial instruments and other financial assets	6,285	–	76	59	–	10	**6,430**
Total	**10,317**	**601**	**96**	**9,375**	**9**	**34**	**20,432**

Credit risk by location of debtor

As at 31 December 2024
In millions of EUR

	Czech Republic	Slovakia	Switzer-land	Italy	Germany	United Kingdom	France	Ireland	Nether-lands	Luxem-bourg	Other	Total
Assets												
Cash and cash equivalents	875	1,507	441	402	4,772	134	101	21	59	–	218	**8,530**
Restricted cash	1	–	–	–	972	29	–	–	–	–	1	**1,003**
Contract assets	72	63	–	–	–	–	–	–	–	–	–	**135**
Trade receivables and other assets	198	191	299	631	1,664	568	360	(38)	361	10	107	**4,351**
Financial instruments and other financial assets	1,099	1,993	102	80	383	351	512	–	38	–	76	**4,634**
Total	**2,245**	**3,754**	**842**	**1,113**	**7,791**	**1,082**	**973**	**(17)**	**458**	**10**	**402**	**18,653**

As at 31 December 2023
In millions of EUR

	Czech Republic	Slovakia	Switzer-land	Italy	Germany	United Kingdom	France	Ireland	Nether-lands	Luxem-bourg	Other	Total
Assets												
Cash and cash equivalents	1,048	976	700	372	2,799	223	57	114	1,125	–	21	**7,435**
Restricted cash	2	–	–	–	733	18	–	5	15	–	1	**774**
Contract assets	12	63	–	–	–	–	–	–	–	–	–	**75**
Trade receivables and other assets	223	161	461	530	2,058	777	242	105	933	17	211	**5,718**
Financial instruments and other financial assets	858	1,716	408	79	715	1,023	1,070	–	338	–	223	**6,430**
Total	**2,143**	**2,916**	**1,569**	**981**	**6,305**	**2,041**	**1,369**	**224**	**2,411**	**17**	**456**	**20,432**

As at 31 December 2024, location Other comprises mainly debtors located in Hungary and Austria (2023: Poland, Belgium and Hungary).

ii. Impairment losses

Credit risk – impairment of financial assets

The following table provides information about the changes in the loss allowance during the period.

In millions of EUR	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	Total
Balance at 1 January 2024	**(33)**	**(8)**	**(33)**	**–**	**(74)**
Impairment losses recognized during the year	(22)	(1)	–	–	**(23)**
Reversal of impairment losses recognized during the year	6	–	3	–	**9**
Change in credit risk	–	–	(1)	–	**(1)**
Write-offs	5	–	–	–	**5**
Transfer to assets held for sale	4	–	–	–	**4**
Balance at 31 December 2024	**(40)**	**(9)**	**(31)**	**–**	**(80)**

In millions of EUR	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	Total
Balance at 1 January 2023	**(26)**	**(9)**	**(34)**	**–**	**(69)**
Impairment losses recognized during the year	(12)	(1)	(5)	–	**(18)**
Reversal of impairment losses recognized during the year	6	–	2	–	**8**
Transfer between stages	(4)	–	4	–	**–**
Change in credit risk	3	2	–	–	**5**
Write-offs	1	–	–	–	**1**
Effects of movements in foreign exchange rate	(1)	–	–	–	**(1)**
Balance at 31 December 2023	**(33)**	**(8)**	**(33)**	**–**	**(74)**

The most significant change which contributed to change in the loss allowance during 2024 and 2023 was mainly change in the gross carrying amount of trade receivables. For more information on creation of loss allowance refer to Note 28 – Financial instruments.

The ageing of financial assets, excluding cash and cash equivalents and derivatives, at the reporting date was:

Credit risk – impairment of financial assets

As at 31 December 2024 In millions of EUR	Other term deposits	Contract assets	Loans to other than credit institutions	Trade receivables and other assets	Total
Before maturity (net)	–	111	1,221	4,252	**5,584**
After maturity (net)	–	24	–	99	**123**
Total	**–**	**135**	**1,221**	**4,351**	**5,707**
A – Assets (gross)					
– before maturity	–	111	1,221	4,295	**5,627**
– after maturity <30 days	–	24	–	60	**84**
– after maturity 31–180 days	–	–	–	34	**34**
– after maturity 181–365 days	–	–	–	4	**4**
– after maturity >365 days	–	1	12	25	**38**
Total assets (gross)	**–**	**136**	**1,233**	**4,418**	**5,787**
B – Loss allowances for assets					
– before maturity	–	–	–	(43)	**(43)**
– after maturity <30 days	–	–	–	(1)	**(1)**
– after maturity 31–180 days	–	–	–	(1)	**(1)**
– after maturity 181–365 days	–	–	–	(2)	**(2)**
– after maturity >365 days	–	(1)	(12)	(20)	**(33)**
Total loss allowances	**–**	**(1)**	**(12)**	**(67)**	**(80)**
Total assets (net)	**–**	**135**	**1,221**	**4,351**	**5,707**

Credit risk – impairment of financial assets

As at 31 December 2023 In millions of EUR	Other term deposits	Contract assets	Loans to other than credit institutions	Trade receivables and other assets	Total
Before maturity (net)	1	55	924	5,634	**6,614**
After maturity (net)	–	20	1	84	**105**
Total	**1**	**75**	**925**	**5,718**	**6,719**
A – Assets (gross)					
– before maturity	1	55	924	5,660	**6,640**
– after maturity <30 days	–	20	–	59	**79**
– after maturity 31–180 days	–	–	12	11	**23**
– after maturity 181–365 days	–	–	–	4	**4**
– after maturity >365 days	–	1	–	46	**47**
Total assets (gross)	**1**	**76**	**936**	**5,780**	**6,793**
B – Loss allowances for assets					
– before maturity	–	–	–	(26)	**(26)**
– after maturity <30 days	–	–	–	()	**(1)**
– after maturity 31–180 days	–	–	(11)	(1)	**(12)**
– after maturity 181–365 days	–	–	–	(2)	**(2)**
– after maturity >365 days	–	(1)	–	(32)	**(33)**
Total loss allowances	**–**	**(1)**	**(11)**	**(62)**	**(74)**
Total assets (net)	**1**	**75**	**925**	**5,718**	**6,719**

Group calculates a collective loss allowance for trade receivables on the basis of a simplified approach based on historical provision matrix. Probability of default is taken from a historical provision matrix (set up separately by each component) with element of forward-looking information (the Group incorporates the following forward-looking information: GDP growth, unemployment rate, interest rates, change in stock market index). The resulting collective loss allowance was not significant as at 31 December 2024 and therefore was not recognized.

The Group assessed the need to create a credit loss allowance for receivables due from banks (included in the item cash and cash equivalents) and concluded that the resulting loss allowance would be negligible and therefore it was not recognized.

b) Liquidity risk

The Group faces the risk that it will experience difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they fall due. In particular, high volatility of commodity prices.

To mitigate its general liquidity risk, the Group focuses on diversifying sources of funds, which gives the Group flexibility and limits its dependency on a single financing source, and also holds a portion of its assets in highly liquid funds. As of 31 December 2024 and 31 December 2023, the Group had available undrawn committed term, revolving credit and overdraft facilities in the amount of EUR 2,881 million and EUR 2,372 million, respectively, providing additional liquidity to the Group.

Liquidity risk is evaluated by monitoring changes in the financing structure and comparing these changes with the Group's liquidity risk management strategy. The Group typically seeks to have sufficient cash available on demand and assets with short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations, although this excludes the impact of extreme events that cannot be reliably predicted, like natural disasters. As of 31 December 2024 and 31 December 2023, the Group had EUR 8,530 million and EUR 7,435 million, respectively, of cash and cash equivalents.

The table below provides an analysis of financial liabilities by relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities. Therefore, in the case of liabilities, the earliest required repayment date is shown.

Maturities of financial liabilities

As at 31 December 2024 In millions of EUR	Carrying amount	Contractual cash flows[(1)]	Up to 3 months	3 months to 1 year	1–5 years	Over 5 years
Liabilities						
Loans and borrowings	[(2)]**8,322**	9,097	867	888	6,202	1,140
Trade payables and other liabilities	[(3)]**3,751**	3,774	2,650	1,090	34	–
Financial instruments and financial liabilities	[(4)]**1,184**	1,115	536	295	283	1
Total	**13,257**	**13,986**	**4,053**	**2,273**	**6,519**	**1,141**
Net liquidity risk position[(5)]	**4,659**	**3,953**	**8,640**	**1,796**	**(5,762)**	**(721)**

* Contract liabilities in amount of EUR 261 million are not shown in the table above as these items are not expected to cause any future cash outflow.
(1) Contractual cash flows disregarding discounting to net present value and including potential interest.
(2) The Group has available committed undrawn term facilities and revolving facilities in amount of EUR 2,881 million.
(3) Advances received and margin payments in amount of EUR 156 million are excluded from the carrying amount as these items will cause no future cash outflow.
(4) Variation margin payments paid in amount of EUR 36 million are excluded from the carrying amount of financial instruments and other financial liabilities as these items will cause no future cash outflow. Variation margin payments represent already cash-effective changes resulting from derivative financial instruments.
(5) Positive net liquidity risk position represents excess of financial assets over financial liabilities and vice versa. Financial assets in net liquidity risk position exclude advances given and margin payments in amount of EUR 231 million as these items will cause no future cash outflow and equity instruments in amount of EUR 234 million as these items are non-monetary assets.

As at 31 December 2023
In millions of EUR

	Carrying amount	Contractual cash flows[1]	Up to 3 months	3 months to 1 year	1–5 years	Over 5 years
Liabilities						
Loans and borrowings	[2]**8,599**	9,487	47	1,082	7,189	1,158
Trade payables and other liabilities	[3]**4,721**	4,721	2,334	1,073	1,312	1,169
Financial instruments and financial liabilities	[4]**2,116**	2,116	951	955	210	–
Total	**15,436**	**16,324**	**3,332**	**3,110**	**8,711**	**1,171**
Net liquidity risk position[5]	**3,647**	**2,788**	**8,232**	**3,169**	**(7,512)**	**(1,101)**

* Contract liabilities in amount of EUR 225 million are not shown in the table above as these items are not expected to cause any future cash outflow.
(1) Contractual cash flows disregarding discounting to net present value and including potential interest.
(2) The Group has available committed undrawn term facilities and revolving facilities in amount of EUR 2,372 million.
(3) Advances received and margin payments in amount of EUR 256 million are excluded from the carrying amount as these items will cause no future cash outflow.
(4) Variation margin payments paid in amount of EUR 533 million are excluded from the carrying amount of financial instruments and other financial liabilities as these items will cause no future cash outflow. Variation margin payments represent already cash-effective changes resulting from derivative financial instruments.
(5) Positive net liquidity risk position represents excess of financial assets over financial liabilities and vice versa. Financial assets in net liquidity risk position exclude advances given and margin payments in amount of EUR 772 million as these items will cause no future cash outflow and equity instruments in amount of EUR 257 million as these items are non-monetary assets.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

c) Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or re-price at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The Group uses interest rate swaps and other types of derivatives to reduce the amount of debt exposed to interest rate fluctuations and to reduce borrowing costs.

The table below provides information on the extent of the Group's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that re-price to a market rate of interest before maturity, the next re-pricing date. Those assets and liabilities that do not have a contractual maturity date or are not interest-bearing are grouped together in the "maturity undefined" category.

Financial information relating to interest bearing and non-interest bearing assets and liabilities and their contractual maturity or re-pricing dates as at 31 December 2024 is as follows:

In millions of EUR	Up to 1 year	1 year to 5 years	Over 5 years	Undefined maturity (or non-interest bearing)	Total
Assets					
Cash and cash equivalents	8,530	–	–	–	**8,530**
Restricted cash	1,003	–	–	–	**1,003**
Trade receivables and other assets	660	2	–	3,689	**4,351**
Financial instruments and other financial assets[1]	1,209	117	30	3,278	**4,634**
Total	**11,402**	**119**	**30**	**6,967**	**18,518**
Liabilities					
Loans and borrowings[2]	2,427	4,836	1,053	6	**8,322**
Trade payables and other liabilities	552	–	–	3,355	**3,907**
Financial instruments and financial liabilities[1]	156	9	–	1,055	**1,220**
Total	**3,135**	**4,845**	**1,053**	**4,416**	**13,449**
Net interest rate risk position	**8,267**	**(4,726)**	**(1,023)**	**2,551**	**5,069**
Effect of interest rate swaps	20	(26)	–	–	**(6)**
Net interest rate risk position (incl. IRS)[3]	**8,287**	**(4,752)**	**(1,023)**	**2,551**	**5,063**

(1) The Group contractually agreed to swap float interest rate for a fixed rate (at some of its bank loans).
(2) Disregarding agreed interest rate swaps.
(3) Net interest rate risk position represents financial assets less financial liabilities plus effect of IRS. Positive net interest rate risk position means that increase in interest rates would cause lower net interest expense of the Group and vice versa.

Notional amounts of financial instruments are included in Note 28 – Financial instruments.

Interest rate risk exposure as at 31 December 2023 was as follows:

In millions of EUR	Up to 1 year	1 year to 5 years	Over 5 years	Undefined maturity (or non-interest bearing)	Total
Assets					
Cash and cash equivalents	7,435	–	–	–	**7,435**
Restricted cash	774	–	–	–	**774**
Trade receivables and other assets	156	–	–	5,562	**5,718**
Financial instruments and other financial assets(1)	948	25	22	5,435	**6,430**
Total	**9,313**	**25**	**22**	**10,997**	**20,357**
Liabilities					
Loans and borrowings(2)	4,018	3,427	1,139	15	**8,599**
Trade payables and other liabilities	8	–	–	4,969	**4,977**
Financial instruments and financial liabilities(1)	58	7	–	2,584	**2,649**
Total	**4,084**	**3,434**	**1,139**	**7,568**	**16,225**
Net interest rate risk position	**5,229**	**(3,409)**	**(1,117)**	**3,429**	**4,132**
Effect of interest rate swaps	500	(299)	(200)	–	**1**
Net interest rate risk position (incl. IRS)(3)	**5,729**	**(3,708)**	**(1,317)**	**3,429**	**4,133**

(1) The Group contractually agreed to swap float interest rate for a fixed rate (at some of its bank loans).
(2) Disregarding agreed interest rate swaps.
(3) Net interest rate risk position represents financial assets less financial liabilities plus effect of IRS. Positive net interest rate risk position means that increase in interest rates would cause lower net interest expense of the Group and vice versa.

Notional amounts of financial instruments are included in Note 28 – Financial instruments.

Sensitivity analysis

The Group performs stress testing using a standardised interest rate shock, for financial assets and liabilities to be repriced up to 1 year time, i.e. an immediate decrease/increase in interest rates by 1% along the whole yield curve is applied to the interest rate positions of the portfolio.

At the reporting date, a change of 1% in market interest rates would have increased or decreased profit by the amounts shown in the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

In millions of EUR	2024 Profit (loss)	2024 Profit (loss)	2023 Profit (loss)	2023 Profit (loss)
Interest rate	*EURIBOR*	*SONIA*	*EURIBOR*	*SONIA*
Increase in interest rates by 1%	(17)	–	(22)	–
Decrease in interest rates by 1%	17	–	22	–

The analysis stated above does not reflect the impact of change in interest rate on the fair value of derivatives.

d) Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Group is exposed to a currency risk on sales, purchases and borrowings that are denominated in currency other that the respective functional currencies of Group entities, primarily EUR, CZK, USD, PLN and GBP.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include forward exchange contracts, most with a maturity of less than one year.

These contracts are also normally agreed with a notional amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the euro against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances on the level of individual companies within the Group.

As of 31 December 2024, the Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the table below:

In millions of EUR

	CZK	USD	EUR	GBP	PLN	Other
Assets						
Cash and cash equivalents	106	21	37	8	21	3
Trade receivables and other assets	9	15	118	175	15	–
Financial instruments and other financial assets	132	3	144	414	3	3
Total (A)	**247**	**39**	**299**	**597**	**39**	**6**
Off balance sheet assets (B)						
Receivables from forward exchange contracts	529	12	106	241	12	–
	529	**12**	**106**	**241**	**12**	**–**
Liabilities						
Loans and borrowings	450	16	357	3	16	21
Trade payables and other liabilities	247	2	51	128	2	–
Financial instruments and financial liabilities	9	21	35	187	21	–
Total (C)	**706**	**39**	**443**	**318**	**39**	**21**
Off balance sheet liabilities (D)						
Payables related to forward exchange contracts	73	–	105	12	–	–
	73	**–**	**105**	**12**	**–**	**–**
Net FX risk position (E) = (A - C)	**(459)**	**–**	**(144)**	**279**	**–**	**(15)**
Effect of forward exchange contracts (F) = (B - D)	456	12	1	229	12	–
Net FX risk position (incl. forward exchange contracts and cash flow hedges on FX risk) (G) = (E + F)	**(3)**	**12**	**(143)**	**508**	**12**	**(15)**

Foreign currency denominated intercompany receivables and payables are included in sensitivity analysis for foreign exchange risk. These balances are eliminated in consolidated balance sheet but their effect on profit or loss of their currency revaluation is not fully eliminated. Therefore, the total amounts of exposure to foreign exchange risk do not equal to respective items reported on consolidated balance sheet.

As of 31 December 2023, the Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the table below:

In millions of EUR

	CZK	USD	EUR	GBP	PLN	Other
Assets						
Cash and cash equivalents	126	7	17	4	3	3
Trade receivables and other assets	1,300	8	125	121	49	3
Financial instruments and other financial assets	1,709	60	444	130	120	–
Total (A)	**3,135**	**75**	**586**	**255**	**172**	**6**
Off balance sheet assets (B)						
Receivables from forward exchange contracts	235	11	179	472	–	–
	235	**11**	**179**	**472**	**–**	**–**
Liabilities						
Loans and borrowings	1,362	44	334	58	–	2
Trade payables and other liabilities	14	–	127	71	–	–
Financial instruments and financial liabilities	2,648	18	103	183	19	9
Total (C)	**4,024**	**62**	**564**	**312**	**19**	**11**
Off balance sheet liabilities (D)						
Payables related to forward exchange contracts	162	–	133	12	–	–
	162	**–**	**133**	**12**	**–**	**–**
Net FX risk position (E) = (A - C)	**(889)**	**13**	**22**	**(57)**	**153**	**(5)**
Effect of forward exchange contracts (F) = (B - D)	73	11	46	460	–	–
Net FX risk position (incl. forward exchange contracts and cash flow hedges on FX risk) (G) = (E + F)	**(816)**	**24**	**68**	**403**	**153**	**(5)**

Foreign currency denominated intercompany receivables and payables are included in sensitivity analysis for foreign exchange risk. These balances are eliminated in consolidated balance sheet but their effect on profit or loss of their currency revaluation is not fully eliminated. Therefore, the total amounts of exposure to foreign exchange risk do not equal to respective items reported on consolidated balance sheet.

Off-balance sheet assets and liabilities include payables and receivables from forward exchange contracts (refer to Note 28 – Financial instruments).

The following significant exchange rates applied during the period:

EUR	31 December 2024		31 December 2023	
	Average rate	Reporting date spot rate	Average rate	Reporting date spot rate
CZK 1	0.03981	0.03971	0.04166	0.04045
GBP 1	1.18117	1.20601	1.14971	1.15068
USD 1	0.92389	0.96256	0.92484	0.90498

Sensitivity analysis

A strengthening (weakening) of the Euro, as indicated below, against the CZK, GBP, PLN and USD at the reporting date would have increased (decreased) net assets by the amounts shown in the following table. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably likely at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in millions of EUR	2024 Profit (loss)	2023 Profit (loss)
CZK (5% strengthening of EUR)	23	44
GBP (5% strengthening of EUR)	(14)	3
PLN (5% strengthening of EUR)	(2)	(8)
USD (5% strengthening of EUR)	–	(1)

A weakening of the Euro against the above currencies at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

e) Commodity risk

The Group is exposed to the risk of volatility and long-term changes in the prices of commodities or items that it generates, transports, distributes or uses for its operations, mainly power, gas, coal, biomass, heat and emission allowances, both on the supply and the demand side. This volatility and changes may result from many factors, including, among other things, weather conditions, seasonality, changes in the prices of primary or alternative fuels, transmission or transportation constraints, global economic conditions and geopolitical developments, price and availability of alternative energy sources, the development of renewable energy sources and state subsidies for them, changes in generation efficiencies or changes in production levels and storage costs of gas, coal and various other factors outside of the Group's control. In particular, such volatility and changes may adversely affect margins and spreads that the Group realizes in its operations.

Price fluctuations are particularly significant when there is either a major shortage or substantial excess in the wholesale energy markets. While the Group can profit from situations of major shortage or substantial excess in the wholesale energy markets, there is a risk that high volatility combined with any shortage of products or lack of liquidity could limit the Group's ability to reduce its exposure to risk in the energy markets quickly and efficiently. The Group seeks to limit the risk of commodity price fluctuations using margined, partially margined and non-margined hedging through forward contracts, swaps and other types of derivatives. Commodity derivatives consist primarily of forward contracts for the purchase or sale of power, gas and emission allowances, which are used to hedge the commodity price primarily for power generating companies, as well as gas-related activities.

The Group manages the commodity price risks associated with its proprietary trading activities by generally trading on a back-to-back basis, i.e., purchasing from the market where it has a customer in place to purchase the commodity.

Sensitivity analysis

A 5% change in the market price of the natural gas would have impact on the fair value of cash flow hedging derivatives of EUR 4 million (2023: EUR 4 million).

A 5% change in the market price of the electricity would have impact on the fair value of cash flow hedging derivatives of negative EUR 3 million (2023: negative EUR 3 million).

A change in the market price of electricity of 1 EUR/MWh would have decreased or increased revenues from sales of electricity by EUR 66 million (2023: EUR 74 million). This analysis assumes that all other variables, in particular gas prices and emission rights prices, remain constant.

f) Regulatory risk

The Group is exposed to risks resulting from the state regulation of electricity, gas and heat industries and by a wide range of changing environmental, heritage, health and safety and other requirements in the Slovak Republic, the Czech Republic, Italy, the United Kingdom, Germany, Ireland, France, Switzerland and the EU, including those governing the discharge and emission of pollutants (such as the recently published best available techniques for large combustion plants on the basis of Industrial Emissions Directive). Changes to existing regulations or the adoption of other new regulations may have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Slovak republic

The price regulation in the Slovak Republic is carried out by the Slovak Regulatory Office for Network Industries ("RONI") in accordance with Act No. 250/2012 Coll., on Regulation in Network Industries, and the implementing legislation issued by RONI for the current regulatory period started on 1 January 2023 and ending on 31 December 2027

Electricity industry price regulation is regulated by RONI's Decrees No. 246/2023 Coll. and No. 107/2023 Coll. The maximum price for access to the distribution network and electricity distribution reflects electricity distribution and electricity transmission, including losses incurred during electricity transmission, and is denominated in euro per unit of electricity distributed to end consumers in the relevant year. Electricity prices for vulnerable customers, including households and small enterprises, are regulated by providing a capped profit margin per MWh.

Slovak law provides for the designation of a supplier of last resort in the electricity sector that must supply electricity to a customer whose original electricity supplier has lost its ability to supply electricity. The supply of electricity by the supplier of last resort is subject to price regulation and the supplier of last resort is designated by RONI on the basis of a tender published by RONI. SSE is currently designated as a supplier of last resort for the area of central Slovak Republic.

Gas price regulation is regulated by RONI's Decrees No. 450/2022 Coll. and No. 451/2022 Coll. The regulated prices for access to the distribution system and gas distribution are charged by the gas DSO (distribution system operator) to gas suppliers who then pass the prices to their end-customers. Gas prices for vulnerable customers, including households and small enterprises, are regulated by providing a capped profit margin per MWh.

The gas transmission tariffs applicable to eustream are primarily regulated by Commission Regulation 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (network code on harmonised tariffs), in combination with national legislation. RONI issued a decision implementing the rules of the network code, setting the reference price methodology including reference prices applicable for entry/exit points with EU Member States. Benchmarking of tariffs is used as the secondary adjustment of the reference prices calculated on the cost base principles.

On 5 June 2024, RONI published a price decision regarding the transmission tariffs. The new tariffs, effective from the beginning of 2025 until the end of the current regulatory period in 2027, are set at EUR 1.0/MWh/day for all entry and exit points, except for the domestic point, which is set at EUR 0.9/MWh/day for both entry and exit points. The new tariff structure is more transparent, providing a unified rate for all connection points, with a discount only for the domestic point. Additionally, the price decision introduced a floating tariff for all entry and exit points, enabling tariff adjustments in the event of significant changes in economic parameters, even for existing contracts. This change will not apply to existing long-term contracts that have a fixed operating schedule.

The European energy market has been affected by a continuous increase in power generation from renewables and a decline in electricity production in conventional coal-fired and nuclear power plants. This creates uncertainty as to whether there will be sufficient power generation capacity in the coming years. The EPH Group believes that conventional power production is necessary to ensure security of electricity supply in the European market, in particular in view of the latest events on energy market and variable nature of power generation from renewables.

The energy crises in 2022 proved that European governments can introduce new regulation to tackle unexpected market situations as such. Those can range from extraordinary taxation of profits to capping the revenue that comes from sale of power from selected types of power plants or request restart of standby power plants. Changes or extensions of such regulations can affect the Group's operational and financial performance.

Particularly given the need for safeguarding security of electricity supply, the EU Member States have introduced capacity remuneration mechanisms aimed to overcome the market and regulatory inefficiency, mainly the fact that at times of power shortage, energy markets are incapable of offering a sufficiently high price for power generation. This inefficiency has increased as it is precisely renewable sources that have almost zero variable costs.

In particular, the risk of price uncertainty in future auction rounds, the risk of market failures, changes in market parameters, and the risk of abolition of the market are associated with capacity markets. These risks might adversely affect the Group's business, financial position, economic performance, cash flows and prospects.

France

Group's French operations are affected by regulation of production from renewable sources and coal-fired sources. Group's renewable sources are mainly on long term power purchase agreements, where the power is sold for a fixed rate. Contracts are entered into with an obliged purchaser (namely EDF OA). Changes in regulations that would affect rules for PPA contracts can affect the Group's operational and financial performance.

French regulation sets limitation on emissions produced by coal-fired power plants. Such limitation effectively limit economical production of those. Change in this regulation can adversely affect the Groups financial performance.

Germany

As a result of increasing investments in renewable sources by the Group, it has become more exposed to renewable energy regulation in Germany and its potential changes. Regulation is mainly determined by Regulation Energies Act ("EEG"), which governs in particular the remuneration for electricity generated from renewable energy sources. Depending on the type of renewable energy sources used as well as the commissioning date of the plant, the remuneration follows a tender procedure or is based on a mandatory feed-in tariff. Changes in regulation might adversely affect the Group's business, financial position or future investment decisions.

Further the Group's coal operations are subject to the Act to Reduce and End Coal-Fired Power Generation ("KVBG"), which set the date for overall coal phase-out at end of 2038. Changes in the Act might adversely affect the Group's business, financial position, economic performance, cash flows and prospects.

The UK

Renewable power generation of Lynemouth biomass power plant in the UK is awarded by the contract for difference until 2027, which secures a stable level of revenues by earning payment for difference between market and agreed strike price.

Regulation in the UK provide framework for capacity market mechanism. It is based on auctions for capacity market agreements whereby they receive a monthly payment for providing MWh during times of system stress. Existing facilities bid for capacity market agreements on an annual basis. New build facilities or qualifying extensions to existing plant can apply for 15 year capacity market agreements if they satisfy certain criteria relating to levels of investment.

As of January 2021, the EU ETS was replaced by the United Kingdom Emissions Trading Scheme ("UK ETS"). The UK ETS was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (as amended) which requires power generation facilities which produce greenhouse gas emissions to obtain a greenhouse gas emissions permit. Allowances must be submitted to the regulator in accordance with the permit. The UK ETS is very similar in the way it operates to the EU ETS. United Kingdom Emissions Allowances are traded freely in the United Kingdom.

Italy

The 2019 Energy and Climate National Package (so called "Piano Nazionale Integrato per l'Energia e il Clima"or "PNIEC"), which was approved by the Italian Government and published in January 2020, provides, among other issues, for the phase- out of coal- fired power generation by 2025 in the country.

More recently, in the Italy adequacy report, Terna has clarified that in order to solve the criticalities in Sardinia and to allow the disposal of coal plants it will be necessary to realize, in addition to the new Tyrhenian Link connection, a new capacity for about 550 MW of new programmable capacity distributed appropriately on the island. With reference to the Tyrhenian Link, Terna reported that the investment will be completed in 2028 and that the divestiture of the island's coal generation can therefore take place progressively as the new resources enter into service.

Consequently, these declarations impact the future of Fiume Santo power plant, which operation is considered as technically critical to provide stability of power supply on the island. Currently, Fiume Santo is operated under a "must run" regime allowing full cost recovery by by 2026 (under certain conditions).

The Italian energy framework includes a Capacity Market mechanism, introduced in 2019 to ensure the power system's reliability and support the transition to cleaner energy and operative since 2022 (1st delivery year). The CM aims at encouraging investments in both new and existing capacity to meet peak demand while promoting the integration of renewable energy sources and reducing reliance on coal-fired power generation. By providing stable remuneration to capacity producers, it ensures that system stability is not compromised during this transition. Operators of production units (programmable and non-programmable) can participate in the tender organized by Terna. For the capacity selected as a result of the tender, they have to offer the capacity and have the right to receive an annual fixed premium. Recent auctions (CM 2025 and 2026) have attracted significant investments, including advanced technologies like battery storage (BESS – Battery Energy Storage System) and demand-response systems, highlighting the effectiveness of this approach.

Additionally, Italy has established a Guaranteed Minimum Prices ("GMP") scheme to support renewable energy producers, ensuring stable revenue for those utilizing technologies such as solar, hydro, biogas, and biomass by protecting them from market price volatility. The scheme ensures coverage of operational costs without including investment expenses and differentiates prices based on plant capacity. It also requires compliance with sustainability criteria outlined in Article 42 of Legislative Decree 199/2021. Administered by ARERA, the GMP scheme is to be updated and confirmed annually to reflect market and inflation dynamics.

The Netherlands

Regulatory changes can impact the profitability of EP NL. Uncertainty with regards to what will change and when, further increases the regulatory risk. For example, the introduction of charging gas customers for CO_2 as of 2026 or the obligation to comingle green gas for those customers as of 2027. The Group entities in the Netherlands have already been signing delivery contracts for those years, even though the specifics were not made clear yet nor the law has been passed yet.

EU Emission Trading System

Despite all the Group's continuous efforts in the area of environmental sustainability, emission allowances represent a significant cost item and emission allowance's price affects substantially economic performance of the Group. In order to achieve environmental benefits, the EU legislation established a system of trading with emission allowances according to the Kyoto Protocol. The international market for CO_2 emission allowances is driven by the EU ETS. EU ETS ended its Phase III, which began on 1 January 2013 and ended on 31 December 2020. Within the Phase IV (2021–2030), the overall number of emission allowances was to decline at an annual rate of 2.20 per cent from 2021 onwards. Energy intensive sectors with a high risk of relocation outside of the EU were to be allocated free allowances until 2030 at 100 per cent.

However, in December 2022, European parliament and Council of Ministers agreed on the reform of the ETS, which will become effective from 1 January 2024. Based on this agreement the greenhouse gas emissions are to be reduced by 62% by 2030 as compared to 2005 (previous target was by 43%). As result, a 4.3% linear decrease in period 2024-2027 and 4.4% linear decrease in period 2028-2030 in the number of EUAs auctioned annually will be implemented. In addition, annually 24% of the surplus certificates in circulations will be held back in market stability reserve until 2030, while previous legislation expected decrease of the rate to 12% in 2024.

From January 2024, the EU ETS also covers the shipping sector, with emissions from maritime transport being subject to the same cap-and-trade principles as other industries covered by the EU ETS. In 2024, the system starts by covering 40% of emissions from eligible vessels, with the coverage increasing to 70% in 2025 and 100% by 2026. At the same time, 2024 will also start to see free allowances for the aviation sector to be phased out. Free allowances will be reduced by 25% in 2024 and 50% in 2025 while the industry will have to pay for 100% of their emissions from 2026.

However, energy crises in 2022 and increasing power prices triggered action from European Commission that decided to front load sales of allowances that were scheduled to be auctioned between 2027-2030 to before 31 August 2026 to raise around 40% of planned EUR 20 billion.

Together with the increase of non-thermal production in EU (mainly French nuclear fleet) and decreasing power demand from industry, we were witnessing decreasing price of EUA in 2024. If prices are to increase again and it is not reflected in power prices, it might have a negative impact on the Group.

g) Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of its business.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group monitors its net leverage, defined as net financial debt divided by underlying EBITDA. The Group's net leverage at the end of the reporting period was as follows:

In millions of EUR	31 December 2024	31 December 2023
Loans and borrowings	8,322	8,599
Issued bills of exchange	–	–
Less: cash and cash equivalents	8,530	7,435
Net financial debt[1]	**(208)**	**1,164**
Underlying EBITDA[2]	3,613	4,675
Net leverage	**(0.1)**	**0.2**

(1) Net financial debt = Loans and borrowings + Issued bills of exchange – Cash and cash equivalents.
(2) For definition of Underlying EBITDA and its reconciliation to the closest IFRS measure, refer to Note 5 – Operating segments.

h) Hedge accounting

Cash flow hedge

The balance as at 31 December 2024 represents primarily derivative agreements to hedge on interest rate, foreign exchange rate, electricity price, gas price, emission allowances price, coal price and the effect from a cash flow hedge recognised on the Group level.

The effective portion of fair value changes in financial derivatives designated as cash flow hedges are recognised in equity.

During the period the Group reclassified EUR 75 million (positive impact on profit or loss) from hedging reserves to profit or loss (2023: EUR 13 million (positive impact on profit or loss)).

The following table provides a reconciliation of amounts recorded in equity attributable to owners of the Company by category of hedging instrument:

In millions of EUR	Commodity derivatives – cash flow hedge[1]	Interest rate swaps – cash flow hedge	Currency forwards – cash flow hedge[2]	Equity accounted investees – cash flow hedge	Total
Balance at 1 January 2024	**86**	**(26)**	**97**	**48**	**205**
Cash flow hedges reclassified to profit or loss	(49)	–	(26)	–	(75)
Deferred tax – cash flow hedges reclassified to profit or loss	13	–	7	–	20
Revaluation of cash flow hedges	(50)	(4)	4	–	(50)
Deferred tax – cash flow hedges revaluation	(2)	1	(1)	–	(2)
Changes in hedging reserves recognized by equity accounted investees	–	–	–	(71)	(71)
Balance at 31 December 2024	**(2)**	**(29)**	**81**	**(23)**	**27**

(1) Including also hedge of foreign currency risk.
(2) As at 31 December 2024 cash flow hedge reserve related to currency forwards includes revaluation of both currency forwards that are recognised on balance sheet as at 31 December 2024 and currency forwards that were already derecognised in prior periods. The Group concluded that the future hedged cash flows are still highly probable, therefore the revaluation is retained in equity until the hedged forecast transaction occurs.

In millions of EUR	Commodity derivatives – cash flow hedge[1]	Interest rate swaps – cash flow hedge	Currency forwards – cash flow hedge[2]	Equity accounted investees – cash flow hedge	Total
Balance at 1 January 2023	**55**	**(17)**	**118**	**(228)**	**(72)**
Cash flow hedges reclassified to profit or loss	24	(10)	(27)	–	(13)
Deferred tax – cash flow hedges reclassified to profit or loss	(4)	2	7	–	5
Revaluation of cash flow hedges	46	(1)	(1)	–	44
Deferred tax – cash flow hedges revaluation	(35)	–	–	–	(35)
Changes in hedging reserves recognized by equity accounted investees	–	–	–	276	276
Balance at 31 December 2023	**86**	**(26)**	**97**	**48**	**205**

(1) Including also hedge of foreign currency risk.
(2) As at 31 December 2023 cash flow hedge reserve related to currency forwards includes revaluation of both currency forwards that are recognised on balance sheet as at 31 December 2023 and currency forwards that were already derecognised in prior periods. The Group concluded that the future hedged cash flows are still highly probable, therefore the revaluation is retained in equity until the hedged forecast transaction occurs.

Share of non-controlling interest on hedging reserve amounted to negative EUR 194 million (2023: negative EUR 36 million). Share of non-controlling interest on effective changes in fair value of cash flow hedges, net of tax, and reclassification of cash flow hedges to profit or loss amounted to negative EUR 158 million (2023: positive EUR 441 million).

Cash flow hedges – hedge of foreign currency risk and commodity price risk of revenues of power production with financial derivatives

The Group applies hedge accounting for hedging instruments designed to hedge the commodity price risk and the foreign currency risk of cash-flows from Group's power production sold to or commodities purchased from the third parties. This includes commodity derivatives with net settlement for commodity risk. As a result of the hedge relationship on the Group level, the Group recorded a change in cash flow hedge reserve of negative EUR 5 million (2023: positive EUR 77 million). For risk management policies, refer to Note 32(d) and (e) – Risk management policies and disclosures.

Cash flow hedges – hedge of commodity price risk of gas and coal

The Group applies hedge accounting for commodity hedging instruments designed to hedge cash flow from sales and purchases of gas and coal. The hedging instruments are commodity swaps concluded with third parties to hedge selling price of gas in-kind or coal sold and purchase price of gas and coal purchased. The hedged items are proportions of expected cash outflows or inflows for commodities purchased or sold that are expected to occur and impact profit or loss in 2024 till 2025. As a result of the hedge relationship on the Group level, the Group recorded a change in a cash flow hedge reserve of positive EUR 1 million (2023: positive EUR 59 million).

Cash flow hedges – hedge of commodity price risk of emission allowances

The Group applies hedge accounting for commodity hedging instruments designed to hedge cash flow from purchase of emission allowances in UK and EU. The hedging instruments are commodity swaps concluded with third parties to hedge purchase price of emission allowances needed to cover the production. The hedged items are proportions of expected cash outflows for emission allowances purchased that are expected to occur and impact profit or loss in 2023 till 2026. As a result of the hedge relationship on the Group level, the Group recorded a change in a cash flow hedge reserve of negative EUR 84 million (2023: negative EUR 105 million).

The following tables provide details of cash flow hedge commodity derivatives gas, power, emission allowances and coal for commodity price risk recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	31 December 2024			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	43	57	940	1,083
3 months to 1 year	212	242	2,418	5,470
1–5 years	47	28	329	321
Over 5 years	–	–	–	–
Total	**302**	**327**	**3,687**	**6,874**

In millions of EUR	31 December 2023			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	287	88	967	668
3 months to 1 year	392	751	1,179	6,145
1–5 years	47	78	187	842
Over 5 years	–	–	–	–
Total	**726**	**917**	**2,333**	**7,655**

The following tables provide details of cash flow hedge currency derivatives recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	31 December 2024			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	–	–	–	–
3 months to 1 year	–	1	–	1
1–5 years	–	–	–	–
Over 5 years	–	–	–	–
Total	**–**	**1**	**–**	**1**

In millions of EUR	31 December 2023			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	–	–	–	–
3 months to 1 year	–	1	38	36
1–5 years	–	–	–	–
Over 5 years	–	–	–	–
Total	**–**	**1**	**38**	**36**

Cash flow hedges – hedge of interest rate risk

The Group applies hedge accounting for hedging instruments designed to hedge interest rate risk of its debt financing. The hedging instruments are interest rate swaps used in order to hedge risk related to repricing of interest rates on its financing. As a result of the hedge relationship on the Group level, the Group recorded a change in interest rate cash flow hedge reserve of negative EUR 3 million (2023: EUR 9 million). For risk management policies, refer to Note 32(c) – Risk management policies and disclosures.

The following tables provide details of cash flow hedge interest rate swaps recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	31 December 2024			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	–	–	–	–
3 months to 1 year	–	35	155	155
1–5 years	–	6	20	26
Over 5 years	–	–	–	–
Total	**–**	**41**	**175**	**181**

In millions of EUR	31 December 2023			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	–	–	–	–
3 months to 1 year	2	–	82	80
1–5 years	1	1	1	1
Over 5 years	–	–	–	–
Total	**3**	**1**	**83**	**81**

Cash flow hedges – hedge of foreign currency risk with financial derivatives

The Group applies hedge accounting for hedging instruments designed to hedge the foreign currency risk cash-flows from biomass purchases denominated in foreign currencies (USD and CAD). The hedging instruments are foreign currency forwards concluded with third parties. Although some of the derivatives were unwound, the hedging is still in place as the hedged items are still expected to materialize. The hedged items are proportions of expected cash outflows in USD and CAD that are expected to occur and impact profit or loss in periods of 2023 to 2027. As a result of the hedge relationship, on the Group consolidated level, the Group reported a change in foreign currency cash flow hedge reserve of negative EUR 16 million (2023: negative EUR 21 million). For risk management policies, refer to Note 32(d) and (e) – Risk management policies and disclosures.

The following table provides details of cash flow hedge currency derivatives for foreign currency risk recorded by the Group as at 31 December 2024 and 2023:

In millions of EUR	31 December 2024			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	2	1	240	238
3 months to 1 year	4	3	391	389
1–5 years	4	–	266	263
Over 5 years	–	–	–	–
Total	**10**	**4**	**897**	**890**

In millions of EUR	31 December 2023			
	Positive fair value	Negative fair value	Nominal amount hedged (buy)	Nominal amount hedged (sell)
Up to 3 months	–	2	162	163
3 months to 1 year	2	–	382	380
1–5 years	–	–	–	–
Over 5 years	–	–	–	–
Total	**2**	**2**	**544**	**543**

Cash flow hedges – equity accounted investees

Equity accounted investee Slovenské elektrárne, a.s. applies hedge accounting to hedge exchange rate risk, interest rate risk and electricity price. As a result of the hedge relationship, on the Group consolidated level, the Group reported a change in cash flow hedge reserve of negative EUR 71 million (2023: positive EUR 257 million) As the hedge accounting is applied by equity accounted investee, the hedging derivatives are not recognised on Group's consolidated statement of financial position.

LEAG group applies hedge accounting for commodity hedging instruments designed to hedge cash-flows to purchase emission rights. The hedging instruments are commodity derivatives designed to hedge purchase price for future purchases of emission rights. As a result of the hedge relationship for the period from 1 January 2023 to 29 September 2023, for which the LEAG group was equity accounted investee on the Group consolidated level, the Group reported a change in a cash flow hedge reserve of positive EUR 276 million.

33. Related parties

The Group has a related party relationship with its shareholders and other parties, as identified in the following table

The summary of transactions with related parties during the period ended 31 December 2024 and 31 December 2023 was as follows:

In millions of EUR	31 December 2024		31 December 2023	
	Trade receivables and other financial assets	Trade payables and other financial liabilities	Trade receivables and other financial assets	Trade payables and other financial liabilities
Companies controlled by ultimate shareholder(1)	883	1	734	1
Associates and joint ventures	114	3	108	3
Other related parties	7	1	–	1
Total	**1,004**	**5**	**842**	**5**

(1) Daniel Křetínský represents the ultimate shareholder.

The summary of transactions with related parties during the period ended 31 December 2024 and 31 December 2023 was as follows:

In millions of EUR	2024		2023	
	Revenues and other income	Expenses	Revenues and other income	Expenses
Companies controlled by ultimate shareholder(1)	4	6	17	6
Associates and joint ventures(2)	13	16	1,251	1,386
Other related parties	4	3	1	2
Total	**21**	**25**	**1,269**	**1,394**

(1) Daniel Křetínský represents the ultimate shareholder.
(2) Includes transactions with LEAG Group for the period from 1 January 2023 to 29 September 2023(refer to Note 6.a).

Transactions with the key management personnel

For the financial years ended 31 December 2024 and 2023 the Group's key management personnel is represented by members of the Board of Directors of the following major entities: EP Infrastructure, a.s., Stredoslovenská energetika Holding, a.s. and its major subsidiaries, SPP Infrastructure, a.s., eustream, a.s., SPP - distribúcia, a.s., NAFTA a.s., NAFTA Germany GmbH, POZAGAS, a.s., Elektrárny Opatovice, a.s., EOP Distribuce a.s., United Energy, a.s., Plzeňská teplárenská, a.s., SPP Storage, s.r.o., EP ENERGY TRADING, a.s, EP Power Europe, a.s., EPUKI Group, EP Commodities, a.s., EP Commodities AG, EP Resources AG, EP Produzione Group, EPNEI Group, EP NL Group, MIBRAG Energy Group, Saale Energie, Kraftwerk Mehrum GmbH, EP France Group, EP Power Minerals Group, EP Investment Advisors, s.r.o. Energetický a průmyslový holding, a.s., LEAG Group and Košík Group.

Total compensation and related social and health insurance charges incurred by the respective entities were as follows:

In millions of EUR	2024	2023
Nr. of personnel	151	145
Compensation, fees and rewards	27	22
Compulsory social security contributions	5	4
Total	**32**	**26**

Other remuneration of Group management (management of all components within the Group) is included in Note 10 – Personnel expenses. All transactions were performed under the arm's length principle.

34. Group entities

The Group comprises several major operating entities and subgroups, as well as a number of entities whose contribution to the consolidation is negligible.

The following table presents the Company's economic ownership in major operating components of the Group as of 31 December 2024 and 31 December 2023.

Name	Domicile	Relation	Effective proportion of ownership interest 2024	2023
EP Group, a.s.	Czech Republic		parent company	parent company
EP HoldCo a.s.	Czech Republic	Joint venture	50%	50%
Including: Supratuc2020, S.L.	Czech Republic	Joint venture	25%	25%
EP Energy Transition, a.s.	Czech Republic		56%	56%
Including: Lausitz Energie Verwaltungs GmbH	Germany	Subsidiary	35%	35%
Including: Lausitz Energie Kraftwerke AG	Germany	Subsidiary	39.2%	39.2%
Including: Lausitz Energie Bergbau AG	Germany	Subsidiary	39.2%	39.2%
Including: Scandbio AB	Sweden	Subsidiary	39.2%	-
Including: FVE Holding, s.r.o.	Czech Republic	Subsidiary	35%	35.2%
EP Real Estate, a.s.	Czech Republic	Subsidiary	56%	56%
EC Investments a.s.	Czech Republic	Subsidiary	56%	56%
Including: Košík.cz s.r.o.	Czech Republic	Subsidiary	42%	42%
Including: DoDo Group SE	Czech Republic	Associate	21.35%	18.75%
Including: CE Electronics Holding a.s.	Czech Republic	Associate	28%	28%
Including: Heureka Group a.s.	Czech Republic	Associate	28%	28%
CZECH MEDIA INVEST a.s.	Germany	Joint venture	50%	50%
Including: CZECH NEWS CENTER a.s.	Czech Republic	Joint venture	50%	50%
Including: INTERNATIONAL MEDIA INVEST a.s.	Czech Republic	Joint venture	50%	50%
Including: Editis Holding S.A.	France	Joint venture	50%	50%
Including: Rockaway GRF Investments a.s.	Czech Republic	Joint venture	25%	25%
Including: CMI media SASU	France	Joint venture	50%	50%
Including: Czech Radio Center a.s.	Czech Republic	Joint venture	50%	50%
Including: Active Radio a.s.	Czech Republic	Joint venture	50%	50%
Energetický a průmyslový holding, a.s.	Czech Republic	Subsidiary	56%	56%
*Including:*Kraftwerk Mehrum GmbH	Germany	Subsidiary	56%	56%
Including: MIBRAG GmbH	Germany	Subsidiary	56%	56%
Including: Helmstedter Revier GmbH	Germany	Subsidiary	56%	56%
Including: Saale Energie GmbH	Germany	Subsidiary	56%	56%
Including: EP Power Minerals GmbH	Germany	Subsidiary	56%	56%

Name	Domicile	Relation	Effective proportion of ownership interest 2024	2023
Including: EP Power Grit GmbH	Germany	Subsidiary	56%	56%
Including: MINERALplus Gesellschaft für Mineralstoffaufbereitung und Verwertung mbH	Germany	Subsidiary	56%	56%
Including: Lynemouth Power Limited	United Kingdom	Subsidiary	56%	56%
Including: EP SHB Limited	United Kingdom	Subsidiary	56%	56%
Including: EP Langage Limited	United Kingdom	Subsidiary	56%	56%
Including: EP Ballylumford Limited	United Kingdom	Subsidiary	56%	56%
Including: EP Kilroot Limited	United Kingdom	Subsidiary	56%	56%
Including: Tynagh Energy Limited	United Kingdom	Subsidiary	44.8%	44.8%
Including: West Burton Flexible Generation Limited	United Kingdom	Joint Venture	28%	-
Including: EP Commodities AG	Switzerland	Subsidiary	56%	56%
Including: EP Commodities, a.s.	Czech Republic	Subsidiary	56%	56%
Including: HHE Group Ventures Kft.	Hungary	Joint Venture	26.53%	-
Including: EP Produzione S.p.A.	Italy	Subsidiary	56%	56%
Including: Fiume Santo S.p.A.	Italy	Subsidiary	56%	56%
Including: EP Produzione Centrale Livorno Ferraris S.p.A.	Italy	Subsidiary	42%	42%
Including: Ep Centrale Tavazzano Montanaso S.P.A.	Italy	Subsidiary	56%	56%
Including: Ergosud S.p.A.	Italy	Joint venture	28%	28%
Including: Fusine Energia S.r.l.	Italy	Subsidiary	56%	47.77%
Including: Biomasse Crotone S.p.A.	Italy	Subsidiary	56%	47.77%
Including: Biomasse Italia S.p.A.	Italy	Subsidiary	56%	47.77%
Including: Gazel Energie Generation S.A.S.	France	Subsidiary	56%	56%
Including: Illico S.A.S.	France	Subsidiary	56%	56%
Including: Gazel Energie Solutions S.A.S.	France	Subsidiary	56%	56%
Including: Dynamo S.A.S.	France	Subsidiary	56%	56%
Including: EP NL B.V. (former EP Netherlands B.V.)	Netherlands	Subsidiary	56%	56%
Including: EP NL Rijnmond 1 B.V. (former Rijnmond Power Holding B.V.)	Netherlands	Subsidiary	56%	56%
Including: EP NL ZBL B.V. (former PZEM Pipe B.V.)	Netherlands	Subsidiary	56%	56%
Including: PZEM Energy Company B.V.	Netherlands	Subsidiary	56%	56%
Including: EP NL Sloe Centrale B.V. (former Sloe Centrale B.V.)	Netherlands	Subsidiary	56%	56%
Including: Enecogen B.V.	Netherlands	Joint operation	28%	28%
Including: EP NL Rijnmond 2 B.V (former MaasStroom Energie C.V.)	Netherlands	Subsidiary	56%	56%
Including: EP Resources AG	Switzerland	Subsidiary	56%	56%
Including: EP Resources CZ a.s.	Czech Republic	Subsidiary	56%	56%
Including: Slovenské elektrárne, a.s.	Slovakia	Associate	18%	18%
Including: EP Logistics International, a.s.	Czech Republic	Subsidiary	56%	56%
Including: SŽ EP Logistika d.o.o.	Slovenia	Associate	27.44%	27.44%
Including: EPIF Investments a.s.	Czech Republic	Subsidiary	56%	56%

Group entities
(continued)

Name	Domicile	Relation	Effective proportion of ownership interest 2024	2023
Including: EP ENERGY TRADING, a.s.	Germany	Subsidiary	38.64%	38.64%
Including: EOP Distribuce, a.s.	Czech Republic	Subsidiary	38.64%	38.64%
Including: Stredoslovenská energetika Holding, a.s.	Slovakia	Subsidiary	18.93%	18.93%
Including: Stredoslovenská distribučná, a.s.	Slovakia	Subsidiary	18.93%	18.93%
Including: EP Cargo a.s.	Czech Republic	Subsidiary	38.64%	38.64%
Including: Plzeňská teplárenská, a.s.	Czech Republic	Subsidiary	13.52%	13.52%
Including: SPP Infrastructure, a. s.	Slovakia	Subsidiary	18.93%	18.93%
Including: SPP - distribúcia, a.s.	Slovakia	Subsidiary	18.93%	18.93%
Including: NAFTA a.s.	Czech Republic	Subsidiary	26.65%	26.65%
Including: POZAGAS a.s.	Czech Republic	Subsidiary	23.95%	23.95%
Including: NAFTA Germany GmbH	Germany	Subsidiary	26.65%	26.65%
Including: eustream, a.s.	Slovakia	Subsidiary	18.93%	18.93%

35. Litigations and claims

Biomasse Italia S.p.A. and Biomasse Crotone S.p.A.

A criminal investigation in connection with which certain former directors of Biomasse Italia S.p.A. and Biomasse Crotone S.p.A. as well as an employee of the company Biomasse Italia S.p.A. was closed and the trial phase started. Further to the closing of the investigation, the proceeding no longer includes the two former directors of the company. However, the employee of Biomasse Italia S.p.A was included. The companies were not subject to any investigation. Based on the information received so far, there are no elements which could indicate that criminal proceedings could be brought against the companies or that proceedings potentially affecting the companies' assets could be initiated. The Group will continue to monitor the progress of the case.

EP Resources AG ("EPR AG")

EPR AG faces four arbitrations, with three different suppliers, over alleged breaches of Russian coal supply contracts, all arising from international sanctions imposed on Russia in March 2022. As EPR AG considers all claims unsubstantiated, with chance of loss ranging from possible to remote, no provisions were recorded as of 31 December 2024.

First supplier seeks USD 221 million, alleging non-performance of five contracts, while EPR AG argues that fulfilling them would have violated sanctions by making resources available to sanctioned individuals. First supplier also opened a second arbitration on same matter. The Company soke anti-arbitration injunction and based on the partial award, the first arbitration will continue while the second will be terminated. Second and third suppliers seek USD 6 million plus an unspecified amount, asserting contract breaches, while EPR AG maintains that sanctions legally prevented performance. At the moment, it is not possible to predict the outcome of the potential future proceedings nor the actual amount payable.

EPUKI Group

At the date of signing, there is an open investigation raised by Office of Gas and Electricity Markets ("Ofgem") against two group companies operating in the UK. The Companies are cooperating with Ofgem on this matter, but uncertainty exists in relation to the timing and resolution. No provision has been made for any potential outflow given the stage of the process and uncertainty in future outcome.

36. Subsequent events

a) Major acquisitions

Acquisition of stake in International Distribution Services

On 30 April 2025, EP UK BidCo Limited, indirect subsidiary of EP Group a.s., announced that it has exceeded 75% share in International Distribution Services Plc („IDS") and as of this moment started to control IDS. IDS is an international business that provides postal and delivery services across their extensive networks. The IDS group consists of two principal operations – UK based operation, which includes Royal Mail and Parcelforce Worldwide, and international operation, General Logistics System (GLS). The price per share paid in this transaction amounted to GBP 3.6. As of 27 May 2025, EP UK Bidco Limited owned approximately 90.15% in IDS. Since the acquisition accounting has not been completed further details have not been disclosed.

Acquisition of additional 50% stake in Slovak Power Holding

On 23 May 2025, Energetický a průmyslový holding, a.s. ("EPH"), a subsidiary of EP Group, a.s., announced that it has successfully completed the acquisition of an additional 50% stake in Slovak Power Holding B.V. ("SPV"). As a result, EPH now owns a 100% stake in SPH, which in turn owns a 66% majority stake in Slovenské elektrárne, a.s., Slovakia's largest electricity producer. The total consideration for the acquisition of 100% of SPH's share capital in amount of EUR 150 million was already paid by EPH during the completion of the first phase of the transaction, when the 50% stake in SPH was acquired. Since the acquisition accounting has not been completed further details have not been disclosed.

b) Other subsequent events

During January and February 2025, the Group disposed of 51% of its share in EP Resources AG, EP Resources DE GmbH, EP Resources CZ a.s., EP Resources PL S.A. and EPR Asia Pte. Ltd. and lost control over the entities. The disposed entities were classified as held for sale as of 31 December 2024.

On 12 February 2025, SPP Infrastructure Financing B.V. (the "Issuer") and eustream, a.s. (the "Guarantor") announced that the Issuer redeemed at their principal amount the EUR 500 million 2.625 per cent. guaranteed notes due 12 February 2025, issued on 12 February 2015, guaranteed by the Guarantor.

In February 2025, EPH has successfully raised its debut Japanese term loan credit facility (the "Samurai Loan") totalling JPY 80.0 billion (equivalent USD 528 million at current exchange rate). The Samurai Loan marks the largest debut samurai transaction for a global corporate borrower since the global financial crisis. A samurai loan is a predominantly yen-denominated loan issued in Japan by a non-Japanese company. The Samurai Loan comprises a JPY80.0 billion equivalent 5-year credit facility, maturing February 2030. The loan pays an interest margin of 160bps over TONAR, offering a highly attractive rate for the borrower. It was arranged by SMBC Group which acted as the Sole Coordinator, Sole Bookrunner, and Mandated Lead Arranger.

On 28 February 2025, EPH repaid part of term loan provided by banks in amount of EUR 500 million which was due in 2028.

On 17 March 2025, EPH Financing CZ, a.s. redeemed at their principal the CZK 7,500 million (EUR 300 million) 4.5 per cent. notes due 17 March 2025, issued 17 March 2020.

On 21 March 2025, EP Energy Transition, a.s. through its subsidiary LEAG Holding, a.s. acquired additional 30% stake in LEAG from PPF, through acquisition of 37.5% stake in LEAG Holding, a.s. and has become the sole shareholder of LEAG. EP Energy Transition, together with the company's management, will continue the energy transition process, focusing on moving away from traditional fossil fuels toward more environmentally friendly solutions. Planned investments include the development of large-scale battery storage facilities, highly efficient hydrogen-ready gas power plants, and the construction of renewable energy sources.

Except for the matters described above and elsewhere in the Notes, the Company's management is not aware of any other material subsequent events that could have an effect on the consolidated financial statements as at 31 December 2024.

Appendices*:

Appendix 1 – Business combinations

* Information contained in the appendices form part of the complete set of these consolidated financial statements.

Date: 30 May 2025

Signature of the authorised representative

Daniel Křetínský
Chairman of the board of directors

Pavel Horský
Member of the board of directors

Appendix 1 – Business combinations

The following tables provide further information on the amounts recognised for assets acquired and liabilities assumed as at the acquisition date for individually significant business combinations through step acquisitions and acquisitions.

Effect of acquisitions

i. 31 December 2024

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of Scandbio Group are provided in the following table.

In millions of EUR	Carrying amount	Fair value adjustment	2024 Total
Property, plant, equipment, land, buildings	16	–	16
Trade receivables and other assets	11	–	11
Inventories	28	–	28
Cash and cash equivalents	9	–	9
Loans and borrowings	(11)	–	(11)
Trade payables and other liabilities	(17)	–	(17)
Net identifiable assets and liabilities	**36**	**–**	**36**
Goodwill on acquisitions of subsidiaries/ joint operation			8
Cost of acquisition			**44**
Consideration paid, satisfied in cash (A)			44
Total consideration transferred			**44**
Less: Cash acquired (B)			9
Net cash inflow (outflow) (C) = (B – A)			**(35)**

(1) Represents values at 100% share.

In millions of EUR	2024 Total
Revenue of the acquirees recognised since the acquisition date	10
Profit (loss) of the acquirees recognised since the acquisition date	–

In millions of EUR	2024 Total
Revenue of the acquirees recognised in the year ended 31 December 2024*	4,006
Profit (loss) of the acquirees recognised in the year ended 31 December 2024*	155

* Before intercompany elimination; based on local statutory financial information.

ii. 31 December 2023

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of LEAG Group are provided in the following table.

In millions of EUR	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	2,152	(720)	1,432
Intangible assets	1,651	1,667	3,318
Investment property	17	6	23
Trade receivables and other assets	2,982	–	2,982
Financial instruments and other financial assets	203	8	211
Inventories	289	–	289
Restricted cash	544	–	544
Cash and cash equivalents	4,313	–	4,313
Deferred tax asset	208	(208)	–
Provisions	(5,975)	84	(5,891)
Deferred tax liabilities	–	(131)	(131)
Loans and borrowings	(32)	–	(32)
Financial instruments and other financial liabilities	(984)	–	(984)
Trade payables and other liabilities	(1,750)	–	(1,750)
Net identifiable assets and liabilities	**3,618**	**706**	**4,324**
Non-controlling interest			(1,297)
Bargain purchase gain on acquisitions of a subsidiary			(865)
Cost of acquisition			**2,162**
Consideration paid, satisfied in cash (A)			–
Fair value of the previously held share			2,162
Total consideration transferred			**2,162**
Less: Cash acquired (B)			4,313
Net cash inflow (outflow) (C) = (B – A)			**4,313**

(1) Represents values at 100% share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date	2,048
Profit (loss) of the acquirees recognised since the acquisition date	(54)

In millions of EUR	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	11,355
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	2,442

* Before intercompany elimination; based on local statutory financial information.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of Rijnmond Power Holding B.V. are provided in the following table.

In millions of EUR	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	20	(2)	18
Trade receivables and other assets	6	–	6
Inventories	1	–	1
Cash and cash equivalents	20	–	20
Deferred tax assets	4	–	4
Provisions	(9)	–	(9)
Loans and borrowings	(7)	–	(7)
Trade payables and other liabilities	(31)	–	(31)
Net identifiable assets and liabilities	**4**	**(2)**	**2**
Goodwill on acquisitions of subsidiaries			10
Cost of acquisition			**12**
Consideration paid, satisfied in cash (A)			12
Total consideration transferred			**12**
Less: Cash acquired (B)			20
Net cash inflow (outflow) (C) = (B – A)			**8**

(1) Represents values at 100% share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date*	152
Profit (loss) of the acquirees recognised since the acquisition date*	(3)

In millions of EUR	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	152
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	(3)

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date PZEM and Sloe Group are provided in the following table.

In millions of EUR	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	367	(127)	240
Intangible assets	4	(2)	2
Trade receivables and other assets	791	–	791
Financial instruments and other financial assets	382	–	382
Inventories	30	–	30
Cash and cash equivalents	127	–	127
Deferred tax assets	60	33	93
Provisions	(81)	–	(81)
Deferred tax liabilities	(2)	(2)	(4)
Loans and borrowings	(573)	–	(573)
Financial instruments and other financial liabilities	(552)	–	(552)
Trade payables and other liabilities	(148)	–	(148)
Net identifiable assets and liabilities	**405**	**(98)**	**307**
Goodwill on acquisitions of subsidiaries			4
Cost of acquisition			**311**
Consideration paid, satisfied in cash (A)			311
Total consideration transferred			**311**
Less: Cash acquired (B)			127
Net cash inflow (outflow) (C) = (B – A)			**(184)**

(1) Represents values at 100% share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date*	1,752
Profit (loss) of the acquirees recognised since the acquisition date*	200

* Before intercompany eliminations with other Group companies.

In millions of EUR

	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	1,752
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	200

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of MaasStroom Energie C.V. are provided in the following table.

In millions of EUR

	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	41	77	118
Trade receivables and other assets	17	–	17
Inventories	5	–	5
Cash and cash equivalents	9	–	9
Provisions	(14)	–	(14)
Deferred tax liabilities	(10)	1	(9)
Loans and borrowings	(39)	–	(39)
Trade payables and other liabilities	(51)	27	(24)
Net identifiable assets and liabilities	**(42)**	**105**	**63**
Goodwill on acquisitions of subsidiaries			20
Cost of acquisition			**83**
Consideration paid, satisfied in cash (A)			83
Total consideration transferred			**83**
Less: Cash acquired (B)			9
Net cash inflow (outflow) (C) = (B – A)			**(74)**

(1) Represents values at 100% share.

In millions of EUR

	2023 Total
Revenue of the acquirees recognised since the acquisition date*	10
Profit (loss) of the acquirees recognised since the acquisition date*	(4)

In millions of EUR

	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	24
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	(10)

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of Enecogen V.O.F. are provided in the following table.

In millions of EUR

	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	196	37	233
Intangible assets	11	–	11
Trade receivables and other assets	34	(27)	7
Financial instruments and other financial assets	6	–	6
Cash and cash equivalents	12	–	12
Deferred tax assets	4	(4)	–
Provisions	(12)	–	(12)
Deferred tax liabilities	(7)	(9)	(16)
Loans and borrowings	(7)	–	(7)
Trade payables and other liabilities	(42)	–	(42)
Net identifiable assets and liabilities	**195**	**(3)**	**192**
Goodwill on acquisitions of subsidiaries/ joint operations			28
Cost of acquisition			**220**
Consideration paid, satisfied in cash (A)			220
Total consideration transferred			**220**
Less: Cash acquired (B)			12
Net cash inflow (outflow) (C) = (B – A)			**(208)**

(1) Represents values at 100% and values at 50% share for joint operation Enecogen V.O.F.

In millions of EUR

	2023 Total
Revenue of the acquirees recognised since the acquisition date*	40
Profit (loss) of the acquirees recognised since the acquisition date*	16

In millions of EUR

	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	140
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	45

* Before intercompany eliminations with other Group companies.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of SGL – Schienen Güter Logistik GmbH are provided in the following table.

In millions of EUR	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	1	–	1
Trade receivables and other assets	4	–	4
Cash and cash equivalents	3	–	3
Provisions	(1)	–	(1)
Trade payables and other liabilities	(3)	–	(3)
Net identifiable assets and liabilities	**4**	**–**	**4**
Bargain purchase gain on acquisitions of subsidiaries			(3)
Cost of acquisition			**1**
Consideration paid, satisfied in cash (A)			1
Total consideration transferred			**1**
Less: Cash acquired (B)			3
Net cash inflow (outflow) (C) = (B – A)			**2**

(1) Represents values at 100% share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date	3
Profit (loss) of the acquirees recognised since the acquisition date	–

In millions of EUR	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	23
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	1

* Before intercompany elimination; based on local statutory financial information.

The fair value of the consideration transferred and the amounts recognised for assets acquired and liabilities assumed at the acquisition date of FVE Holding a.s. are provided in the following table.

In millions of EUR	Carrying amount(1)	Fair value adjustments	2023 Total(1)
Property, plant, equipment, land, buildings	19	–	19
Intangible assets	–	23	23
Trade receivables and other assets	1	–	1
Cash and cash equivalents	5	–	5
Deferred tax asset	1	(1)	–
Deferred tax liabilities	–	(4)	(4)
Loans and borrowings	(35)	–	(35)
Financial instruments and other financial liabilities	(1)	–	(1)
Net identifiable assets and liabilities	**(10)**	**18**	**8**
Goodwill on acquisitions of a subsidiary			3
Cost of acquisition			**11**
Consideration paid, satisfied in cash (A)			11
Total consideration transferred			**11**
Less: Cash acquired (B)			5
Net cash inflow (outflow) (C) = (B – A)			**(6)**

(1) Represents values at 100% share.

In millions of EUR	2023 Total
Revenue of the acquirees recognised since the acquisition date	–
Profit (loss) of the acquirees recognised since the acquisition date	–

In millions of EUR	2023 Total
Revenue of the acquirees recognised in the year ended 31 December 2023*	4
Profit (loss) of the acquirees recognised in the year ended 31 December 2023*	5

* Before intercompany elimination; based on local statutory financial information.

VI. Single Audit Report

Deloitte.

Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
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Registered by the Municipal Court in Prague,
Section C, File 24349
ID. No.:49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of EP Group, a.s.

Having its registered office at: Pařížská 130/26, Josefov, 110 00 Praha 1

Opinion

We have audited the accompanying financial statements of EP Group, a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of EP Group, a.s. as at 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, consolidated financial statements and auditor's reports thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information with the exception of the sustainability report 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 with the exception of the sustainability report 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 with the exception of the sustainability report is prepared in compliance with applicable law or regulation.

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

Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

In Prague on 30 May 2025

Audit firm:

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

Statutory auditor:

Ladislav Šauer
registration no. 2261

VII. Statutory Financial Statements

In this section

Financial Statements for the Year Ended 31 December 2024

Name of the Company:	EP Group, a.s.
Registered Office:	Pařížská 130/26, Josefov, 110 00 Prague 1
Legal Status:	Joint Stock Company
Corporate ID:	086 49 197

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 30 May 2025.

Statutory body of the reporting entity:	Signature:
JUDr. Daniel Křetínský Chairman of the Board **Mgr. Pavel Horský** Member of the Board	

Balance sheet
full version

EP Group, a.s.
Corporate ID 086 49 197
Pařížská 130/26
Josefov
110 00 Praha 1

As of 31.12.2024
(in EUR thousand)

		31.12.2024			31.12.2023
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	**6,325,131**	**5,140**	**6,319,991**	**6,149,391**
B.	**Fixed assets**	**5,440,959**	**5,140**	**5,435,819**	**5,284,598**
B.III.	***Non-current financial assets***	**5,440,959**	**5,140**	**5,435,819**	**5,284,598**
B.III.1.	Equity investments – controlled or controlling entity	4,963,646	5,140	4,958,506	4,945,781
B.III.3.	Equity investments in associates	477,293		477,293	338,817
B.III.5.	Other non-current securities and investments	20		20	
C.	**Current assets**	**884,170**		**884,170**	**864,793**
C.I.	***Inventories***	113		113	**1,948**
C.I.2.	Work in progress and semifinished goods	113		113	1,948
C.II.	***Receivables***	**883,379**		**883,379**	**862,474**
C.II.2.	Short-term receivables	**883,379**		**883,379**	**862,474**
C.II.2.1.	Trade receivables	3,992		3,992	
C.II.2.2.	Receivables – controlled or controlling entity	878,771		878,771	862,322
C.II.2.4.	*Receivables – other*	**616**		**616**	**152**
C.II.2.4.3.	State – tax receivables	604		604	152
C.II.2.4.4.	Short-term prepayments made	10		10	
C.II.2.4.5.	Estimated receivables	1		1	
C.II.2.4.6.	Sundry receivables	1		1	
C.IV.	***Cash***	**678**		**678**	**371**
C.IV.2.	Cash at bank	678		678	371
D.	**Other assets**	**2**		**2**	
D.1.	Deferred expenses	2		2	

		31.12.2024	31.12.2023
	TOTAL LIABILITIES & EQUITY	**6,319,991**	**6,149,391**
A.	**Equity**	**6,300,768**	**6,068,359**
A.I.	***Share capital***	**2,591,168**	**2,591,168**
A.I.1.	Share capital	2,591,168	2,591,168
A.II.	***Share premium and capital funds***	**660,466**	**679,204**
A.II.2.	*Capital funds*	**660,466**	**679,204**
A.II.2.1.	Other capital funds	754,250	685,370
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	(93,784)	(6,166)
A.IV.	***Retained earnings (+/-)***	**2,102,252**	**896,274**
A.IV.1.	Accumulated profits or losses brought forward (+/-)	2,102,252	896,274
A.V.	***Profit or loss for the current period (+/-)***	**946,882**	**1,901,713**
B.+C.	**Liabilities**	**19,223**	**81,032**
B.	**Reserves**	**2,816**	**4,756**
B.2.	Income tax reserve	2,811	4,756
B.4.	Other reserves	5	
C.	**Payables**	**16,407**	**76,276**
C.II.	***Short-term payables***	**16,407**	**76,276**
C.II.4.	Trade payables	11,763	274
C.II.8.	*Other payables*	**4,644**	**76,002**
C.II.8.1.	Payables to partners		76,002
C.II.8.3.	Payables to employees	20	
C.II.8.4.	Social security and health insurance payables	11	
C.II.8.5.	State – tax payables and subsidies	3	
C.II.8.7.	Sundry payables	4,610	

Profit and loss account
structured by the nature of expense method

EP Group, a.s.
Corporate ID 086 49 197
Pařížská 130/26
Josefov
110 00 Praha 1

Year ended 31.12.2024
(in EUR thousand)

		Year ended 31.12.2024	Year ended 31.12.2023
I.	Sales of products and services	3,620	
A.	Purchased consumables and services	16,637	1,227
A.2.	Consumed material and energy	14	1
A.3.	Services	16,623	1,226
B.	Change in internally produced inventory (+/-)	(113)	
D.	Staff costs	277	
D.1.	Payroll costs	208	
D.2.	Social security and health insurance costs and other charges	69	
D.2.1.	Social security and health insurance costs	68	
D.2.2.	Other charges	1	
III.	Other operating income	200	1
III.3.	Sundry operating income	200	1
F.	Other operating expenses	4,344	1
F.3.	Taxes and charges	1,101	
F.4.	Reserves relating to operating activities and complex deferred expenses	5	
F.5.	Sundry operating expenses	3,238	1
*	**Operating profit or loss (+/-)**	**(17,325)**	**(1,227)**

		Year ended 31.12.2024	Year ended 31.12.2023
IV.	Income from non-current financial assets – equity investments	898,698	1,870,338
IV.1.	Income from equity investments – controlled or controlling entity	898,698	1,870,338
G.	Costs of equity investments sold	70	71
VI.	Interest income and similar income	38,171	32,897
VI.1.	Interest income and similar income – controlled or controlling entity	37,425	32,897
VI.2.	Other interest income and similar income	746	
I.	Adjustments to values and reserves relating to financial activities	(36,843)	(6,268)
J.	Interest expenses and similar expenses	957	203
J.1.	Interest expenses and similar expenses – controlled or controlling entity	948	138
J.2.	Other interest expenses and similar expenses	9	65
VII.	Other financial income	198	579
K.	Other financial expenses	1,381	649
*	**Financial profit or loss (+/-)**	**971,502**	**1,909,159**
**	**Profit or loss before tax (+/-)**	**954,177**	**1,907,932**
L.	Income tax	7,295	6,219
L.1.	Due income tax	7,295	6,219
**	**Profit or loss net of tax (+/-)**	**946,882**	**1,901,713**
***	**Profit or loss for the current period (+/-)**	**946,882**	**1,901,713**
*	**Net turnover for the current period**	**940,887**	**1,903,815**

Statement of changes in equity

EP Group, a.s.
Corporate ID 086 49 197
Pařížská 130/26
Josefov
110 00 Praha 1

Year ended 31.12.24
(in EUR thousand)

	Share capital	Other capital funds	Gains or losses from the revaluation of assets	Accumulated profits brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 December 2022	**2,591,168**	**815,200**	**(11,115)**	**256,882**	**886,083**	**4,538,218**
Distribution of profit or loss				886,083	(886,083)	
Profit shares declared				(246,691)		(246,691)
Gains or losses from the revaluation of assets and liabilities			4,949			4,949
Additional equity contribution		(129,830)				(129,830)
Profit or loss for the current period					1,901,713	1,901,713
Balance at 31 December 2023	**2,591,168**	**685,370**	**(6,166)**	**896,274**	**1,901,713**	**6,068,359**
Impact of the transition to the functional currency EUR as of 1 Jan 2024			6,166			**6,166**
Distribution of profit or loss				1,901,713	(1,901,713)	
Additional equity contribution		68,880				68,880
Profit shares declared				(695,736)		(695,736)
Gains or losses from the revaluation of assets and liabilities			(93,784)			(93,784)
Profit or loss for the current period					946,882	946,882
Rounding				1		1
Balance at 31 December 2024	**2,591,168**	**754,250**	**(93,784)**	**2,102,252**	**946,882**	**6,300,768**

Cash flow statement

EP Group, a.s.
Corporate ID 086 49 197
Pařížská 130/26
Josefov
110 00 Praha 1

Year ended 31.12.24
(in EUR thousand)

		Year ended 31.12.2024	Year ended 31.12.2023
P.	**Opening balance of cash and cash equivalents**	**371**	**1,023**
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	954,177	1,907,933
A.1.	Adjustments for non-cash transactions	(971,430)	(1,909,263)
A.1.2.	Change in provisions and reserves	(36,838)	(6,268)
A.1.4.	Revenues from profit shares	(898,628)	(1,870,267)
A.1.5.	Recognised interest expense and recognised interest income	(37,214)	(32,695)
A.1.6.	Adjustments for other non-cash transactions	1,250	(33)
A.*	**Net operating cash flow before tax and changes in working capital**	**(17,253)**	**(1,330)**
A.2.	Change in non-cash components of working capital	8,900	(1,901)
A.2.1.	Change in operating receivables and other assets	(4,458)	2,774
A.2.2.	Change in operating payables and other liabilities	11,523	(2,727)
A.2.3.	Change in inventories	1,835	(1,948)
A.**	**Net cash flow from operations before tax**	**(8,353)**	**(3,231)**
A.3.	Interest paid	(61)	(203)
A.4.	Interest received	44	102
A.5.	Income tax paid and additionally assessed tax for previous periods	(9,204)	(4,379)
A.***	**Net operating cash flows**	**(17,574)**	**(7,711)**
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(201,902)	(270,774)
B.2.	Proceeds from fixed assets sold	70	71
B.3.	Loans and borrowings to related parties	(704,224)	(110,145)
	Received profit shares	826,904	664,286
B.***	**Net investment cash flows**	**(79,152)**	**283,438**
	Cash flow from financial activities		
C.1.	Change in payables from financing	205,974	24,152
C.2.	Impact of changes in equity	(108,941)	(300,531)
C.2.2.	Capital payments to partners	(177,821)	(170,701)
C.2.3.	Other cash contributions made by partners and shareholders	68,880	(129,830)
C.***	**Net financial cash flows**	**97,033**	**(276,379)**
F.	**Net increase or decrease in cash and cash equivalents**	**307**	**(652)**
R.	**Closing balance of cash and cash equivalents**	**678**	**371**

Notes to the financial statements for the year ended 31 december 2024

(in EUR '000)

Company name:	EP Group, a.s.
Registered office:	Pařížská 130/26, Josefov, 110 00 Prague 1
Legal status:	Joint stock company
Corporate ID:	086 49 197

Contents

Notes

1. General Information

1.1. Incorporation and Description of Business

EP Group, a.s. (the "Company") was formed as a joint stock company on 8 August 2019 and was incorporated following its registration in the Register of Companies on 30 October 2019 with the original name of EP Group Investments a.s. The name was changed to EP Corporate Group, a.s. on 10 January 2020. Subsequently, the name was changed to EP Group, a.s. by an entry in the Register of Companies on 17 October 2024.

The Company's primary business activity is production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act.

The Company's primary activity is the management of its own property.

The following table shows legal entities with an equity interest in the Company and the amount of their equity interest:

	Ownership percentage	Voting rights
EP Investment S.à r.l.	89.29 %	89.29 %
Tiliacordata Limited	10.71 %	10.71 %
Total	**100.00 %**	**100.00 %**

1.2. Board of Directors and Supervisory Board at the Balance Sheet Date

Board of Directors	Supervisory Board
Daniel Křetínský (Chairman)	**Petr Sekanina** (Chairman)
Pavel Horský (Member)	**Tereza Štefunková** (Member)
Marek Spurný (Member)	**Jana Bodnárová** (Member)
Jan Špringl (Member)	

The members of the Board of Directors are authorised to represent the Company in all matters. Externally, the Company is jointly represented by the Chairman of the Board of Directors and any other member of the Board.

2. Accounting Principles and Policies

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with the 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 general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

The Company's financial statements have been prepared as of the balance sheet date, i.e. 31 December 2024, for the period from 1 January 2024 to 31 December 2024 (the "year" or "reporting period").

These financial statements are presented in thousands of euros (EUR '000), unless stated otherwise.

2.1. Financial Assets

Non-current financial assets consist of equity investments in subsidiaries and associates, debt securities that the Company can and intends to hold to maturity, and other long-term securities for which the intention of the Company is generally unknown at the time of acquisition.

Upon acquisition securities are carried at cost defined by Section 48 of Regulation No. 500/2002 Coll. The cost of securities does not include interest on loans to acquire them and holding costs.

Equity investments are valued at cost at the balance sheet date and an allowance is made in the event of a temporary decrease in the recoverable amount of the relevant investment based on tests performed. Impairment tests are performed in the form of discounted operating cash flows.

The equity investments contributed to the share capital of the Company were valued according to the opinion of an independent expert appointed by the court.

If the equity investments are held in foreign currencies, they are revalued at the end of the reporting period at the current exchange rate announced by the ECB against 'Gains or losses from the revaluation of assets and liabilities' in equity.

Available-for-sale securities and investments are measured at fair value, if determinable. The change in fair value of available-for-sale securities is accounted for against 'Gains or losses from the revaluation of assets and liabilities' in equity if the change in fair value is not likely to be permanent. If it is an impairment that is likely to be permanent, it is recognised as a current period expense. If, subsequent to the recognition of an impairment in expense accounts, there is a demonstrable increase in the fair value of available-for-sale securities, the increase in fair value is recognised to the extent of the previously recognised impairment as income for the period. The Company uses the market value of the securities at the date of the financial statements as the fair value.

If the securities are held in foreign currencies, they are revalued at the end of the reporting period at the current exchange rate published by the ECB against 'Gains or losses from the revaluation of assets and liabilities' in equity.

2.2. Receivables

Receivables are stated at their nominal value, and assigned receivables at cost, i.e. including the costs related to their acquisition (Section 25 of Act 563/1991 Coll.). At the balance sheet date, temporary impairment of doubtful receivables is recognised through the creation of a provision charged to expense, which is shown in the balance sheet in the adjustment column. The Company recognises allowances for receivables on the basis of its own analysis of the solvency of its customers.

Receivables from loans provided are increased by uncollected interest (excluding interest on late payments) at the date of the financial statements.

2.3. Loans and Borrowings Provided and Received

Short-term and long-term loans or borrowings are stated at their nominal value upon receipt. When the financial statements are prepared, the balance of the loan or borrowing is increased by the interest outstanding and charged by the bank or other party. The portion of long-term loans that are repayable within one year of the balance sheet date is also recognised as a short-term loan.

2.4. Foreign Currency Translation

The Company uses the current exchange rates of the European Central Bank at the time of acquisition of assets or origination of liabilities to translate assets and liabilities in foreign currencies into EUR.

Realised exchange gains and losses are charged to the current year's income or expense.

At the balance sheet date, the relevant assets and liabilities are translated at the European Central Bank's exchange rate, and any exchange rate differences on the valuation of assets and liabilities have been recognised in the financial income or expense accounts (except for equity investments, see Note 2.1).

The opening balances of accounts as of the first day of the reporting period in which the change of accounting currency occurred were determined by converting the closing balances of the accounts, from which these opening balances are derived, using the ECB exchange rate applicable on the balance sheet date of the previous reporting period.

The information for the previous reporting period presented in the financial statements was stated using the ECB exchange rate applicable on the balance sheet date of the previous reporting period.

2.5. Income Taxation

Income tax payable is calculated using the applicable tax rate on accounting profit increased or decreased by permanently or temporarily unrecognisable tax expenses and non-tax income (e.g. creation and recognition of other provisions and allowances, representation expenses, difference between accounting and tax depreciation).

The Company recognises an income tax provision because the time of preparation of the financial statements precedes the time of determination of the tax liability. In the subsequent reporting period, the Company releases the reserve and recognises the identified tax liability.

In the balance sheet, the income tax provision is reduced by income tax prepayments made, any resulting receivable is recognised under 'State – tax receivables', and any resulting liability is recognised under 'Income tax provision'.

Deferred income tax is determined for companies that form a group of companies and for all entities that are required to have their financial statements audited. It is based on the balance sheet approach, i.e. temporary differences between the tax bases of assets or liabilities and their carrying amounts in the balance sheet, restated at the expected income tax rate for the following reporting period.

The Company accounts for deferred tax assets only when it is probable that they will be utilised in future reporting periods.

2.6. Income and Expense Recognition

Income and expenses are recognised on an accrual basis. In accordance with the prudence principle, the Company charges provisions and allowances to cover all known risks, losses and impairments at the date of the financial statements.

2.7. Use of Estimates

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

2.8. Consolidation

The Company prepares consolidated financial statements in line with the International Financial Reporting Standards as adopted by the EU. The consolidated financial statements are part of the consolidated annual report, which is available at the Company's registered office.

The consolidated financial statements of the broadest group of entities for the year 2024 are prepared by EP Investment S.à r.l., Place de Paris 2, L-2314, Luxembourg, where the consolidated financial statements are available.

2.9. Dividends

Dividend income is recognised when the right to receive dividends is declared. Profit share prepayments received are charged to current period income, i.e. to the period in which the decision to make the prepayment is declared.

2.10. Year-on-Year Changes in Accounting Policies

Net turnover for the reporting period

In the year 2024, due to the change in accounting legislation, the method of calculating the net turnover indicator for the reporting period was changed. The net turnover is now understood to mean the amount of income from the sale of products, goods, and the provision of services for the reporting period, as well as other income that forms the base of the entity's business model. When determining this income, consideration is given to the industry and market in which the entity operates and the nature of its activities. Previously, the net turnover indicator was defined as the sum of all income reported under the relevant lines of the profit and loss account in the financial statements.

Since all income reported in the profit and loss account relates to the activities that form the base of the entity's business model, the Company has decided to retain its current method for calculating the net turnover indicator. Therefore, the net turnover reported in the financial statements for the previous reporting period is fully comparable with that of the current reporting period, and a comparative figure for the prior year is also presented in the financial statements.

2.11. Other Significant Events

War in Ukraine

In the context of the ongoing military conflict in Ukraine and the related sanctions against the Russian Federation, the Company has identified risks and has taken reasonable measures to mitigate the impact on its business. Based on available information and current developments, the Company continuously analyses the situation and assesses its direct impact on the Company. The Company's management has assessed the potential impact of this situation on its operations and business and has concluded that it does not currently have a material impact on these financial statements or on the going concern assumption in 2025. However, further negative developments in this situation cannot be ruled out, which could subsequently have a negative impact on the Company, its business, financial condition, results of operations, cash flows and overall prospects.

In accordance with the accounting policy described in Note 2.1 Financial Assets, the value of the equity interests has been tested for impairment. The Company monitors the financial performance of its subsidiaries on a regular basis and evaluates scenarios for the performance of key subsidiaries. For the purpose of preparing the financial statements, the Company has evaluated scenarios of possible future developments that may impact the value of the equity interests. The Company has used various scenarios of future developments, including pessimistic options, which included, among others, a complete cessation of Russian gas flows to EU countries. As part of the impairment testing performed, the Company did not identify any impairment of equity interests as of 31 December 2024 caused by the ongoing military conflict in Ukraine that would require an adjustment to the respective valuations in the financial statements under applicable accounting regulations. However, future developments cannot be reliably predicted, and therefore, the need for adjustments to the values of equity investments in future periods cannot be ruled out.

Functional Currency

Based on the amendment to Regulation No. 500/2002 Coll., the Company conducted an analysis of the primary economic environment in which it operates. Following this analysis, the Company concluded that its functional currency is the euro. Accordingly, with effect from 1 January 2024, the Company changed its functional currency from the historically used Czech crown (CZK) to the euro (EUR).

Pillar Two

The Company is part of a multinational group that, from 2024, is subject to new rules on global minimum taxation of multinational enterprise (MNE) groups at a rate of 15% introduced under Pillar Two of the BEPS 2.0 initiative.

In simplified terms, the Pillar Two rules require that if the effective tax rate in any jurisdiction in which the Group operates – calculated as the ratio of adjusted profit or loss to adjusted corporate income tax – is below 15%, the Group will be liable to pay a top-up tax to bring the effective tax rate in that jurisdiction up to the minimum threshold of 15%.

The legislation also provides for a transitional period during which affected MNE groups may apply simplified calculations in place of the full Pillar Two effective tax rate computation. This transitional relief is known as the Transitional Safe Harbour (TSH) and may be applied for up to three years following the entry into force of the relevant domestic legislation. The TSH replaces the standard Pillar Two calculations with simplified tests based primarily on data reported in the Country-by-Country (CbC) Report and three alternative tests. In any jurisdiction where at least one of the prescribed tests is met, the top-up tax is deemed to be nil.

The Company, in cooperation with the Group's Pillar Two compliance team, performed an assessment of its potential exposure to top-up tax for the 2024 financial year. This assessment was based on preliminary financial information available for the Group entities for 2024, as well as data reported in the 2023 Country-by-Country Report.

Based on this assessment, the Company may not meet the eligibility criteria for application of the Transitional Safe Harbour. Accordingly, a preliminary calculation of the effective tax rate under the Pillar Two rules was carried out, based on the 2024 preliminary financial data, adjusted for material reconciling items as required by the Pillar Two framework (where applicable). This indicative calculation suggests that the Company is not expected to incur any top-up tax for the period.

It should be noted that the above analysis is an estimate, as the indicative computation is based on newly enacted and evolving legislation, which remains subject to interpretation and amendment across different jurisdictions. Furthermore, not all required information for a full and final computation under Pillar Two is currently available.

3. Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets which are easily convertible into cash in an amount agreed in advance.

Cash and cash equivalents can be analysed as follows:

(in EUR '000)	Balance at 31 Dec 2024	Balance at 31 Dec 2023
Cash at bank	678	371
Total cash and cash equivalents	**678**	**371**

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

4. Additional Information

4.1. Non-Current Financial Assets

	Ownership	Total profit (+) loss (-) for the period from 1 Jan 2024 to 31 Dec 2024 (in CZK/EUR '000)	Share capital at 31 Dec 2024 (in CZK/EUR '000)	Cost at 31 Dec 2024 (in EUR '000)	Cost at 31 Dec 2023 (in EUR '000)
Equity investments – controlled or controlling entity					
Energetický a průmyslový holding, a.s.	56% plus 1 share	EUR 5,177,212	EUR 4,304,189	3,557,566	3,550,899
Ogen s.r.o.*	100%	CZK (54)	CZK 107	1,326	1,346
EC Investments a.s.*	56% plus 1 share	CZK (566,626)	CZK 8,805,992	143,247	133,721
FoundHold EP Corporate Group, a.s.*	100%	CZK 6	CZK 1,417	79	81
EP Real Estate a.s.*	56% plus 1 share	CZK 15,638	CZK 8,243,550	194,008	192,586
EP Energy Transition, a.s.	56% plus 1 share	CZK (62,345)	CZK 47,755,086	1,063,971	1,074,742
EP Project Finance, a.s.	56% plus 1 share	–	–	3,449	–
Total				**4,963,646**	**4,953,375**
Equity investments in associates					
CZECH MEDIA INVEST a.s.*	50%	CZK (699,540)	CZK 13,483,243	330,837	332,051
EP HoldCo a.s.*	50%	CZK (119)	CZK 2,323,477	46,456	47,322
thyssenkrupp Dritte. Beteiligungsgesellschaft mbH*	20%	–	–	100,000	–
Total				**477,293**	**379,373**
Other equity investments					
thyssenkrupp Vierte Beteiligungsgesellschaft mbH*	19.99%			20	–
EP Global Commerce a.s.	9.9%			–	–
Total				**20**	**-**

* Data from the unaudited financial statements as at 31 December 2024.

Based on the impairment test performed, the Company recognised an impairment allowance of EUR 1,322 thousand on its financial investment in Ogen s.r.o. (as of 31 December 2023: EUR 1,347 thousand), EUR 0 thousand on its financial investment in CZECH MEDIA INVEST a.s. (as of 31 December 2023: EUR 40,556 thousand), EUR 79 thousand on its financial investment in FoundHold EP Corporate Group, a.s. (as of 31 December 2023: EUR 81 thousand), and EUR 3,739 thousand on its financial investment in EP Real Estate, a.s. (as of 31 December 2023: EUR 0 thousand).

The companies' registered offices as of 31 December 2024 are as follows:

CZECH MEDIA INVEST a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EC Investments a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
Energetický a průmyslový holding, a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EP Energy Transition, a.s.	Týn 640/2, Staré město, 110 00 Praha 1, Czech Republic
EP Global Commerce a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EP HoldCo a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EP Project Finance, a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
EP Real Estate, a.s.	Partyzánská 1/7, Holešovice, 170 00 Praha 7, Czech Republic
FoundHold EP Corporate Group, a.s.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
Ogen s.r.o.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic
thyssenkrupp Dritte. Beteiligungsgesellschaft mbH	thyssenkrupp Allee 1, 45143 Essen, Germany
thyssenkrupp Vierte Beteiligungsgesellschaft mbH	thyssenkrupp Allee 1, 45143 Essen, Germany

The following changes in non-current financial assets occurred in 2024:

On 15 January 2024, an additional equity contribution in the amount of EUR 449 thousand was granted to EP Energy Transition, a.s.

On 19 January 2024, an additional equity contribution in the amount of EUR 7,188 thousand was granted to EC Investments a.s.

On 29 January 2024, an additional equity contribution in the amount of EUR 452 thousand was granted to EP Energy Transition, a.s.

On 15 March 2024, the company EP Project Finance, a.s. was incorporated.

On 27 March 2024, an additional equity contribution in the amount of EUR 2,709 thousand was granted to EP Real Estate, a.s.

On 10 April 2024, an additional equity contribution in the amount of EUR 4,857 thousand was granted to EC Investments a.s.

On 10 April 2024, an additional equity contribution in the amount of EUR 1,084 thousand was granted to CZECH MEDIA INVEST a.s.

On 19 April 2024, an additional equity contribution in the amount of EUR 443 thousand was granted to EP Energy Transition, a.s.

On 8 May 2024, 44% less one share interest in EP Project Finance, a.s. was sold to J&T CAPITAL PARTNERS, a.s.

On 29 May 2024, the Company acquired a 19.99% equity interest in thyssenkrupp Vierte Beteiligungsgesellschaft mbH from thyssenkrupp AG.

On 24 June 2024, an additional equity contribution in the amount of EUR 67,880 thousand was granted to Energetický a průmyslový holding, a.s.

On 30 July 2024, an additional equity contribution in the amount of EUR 3,360 thousand was granted to EP Project Finance, a.s.

On 30 July 2024, an additional equity contribution in the amount of EUR 7,500 thousand was granted to EP Energy Transition, a.s.

On 30 July 2024, an additional equity contribution in the amount of EUR 3,736 thousand was granted to CZECH MEDIA INVEST a.s.

On 31 July 2024, the Company acquired a 20% equity interest in thyssenkrupp Dritte Beteiligungsgesellschaft mbH from thyssenkrupp AG.

On 20 August 2024, an additional equity contribution in the amount of EUR 2,226 thousand was granted to EP Real Estate, a.s.

On 15 October 2024, the Company acquired a 9.9% equity interest in EP Global Commerce a.s. from EP Investment S.à r.l.

On 19 December 2024, an additional equity contribution in the amount of EUR 4 thousand was granted to Ogen s.r.o.

4.2. Short-Term Receivables

a) Receivables – controlled or controlling entity

As of 31 December 2024, short-term receivables include the loan listed below which bears a fixed interest rate of 5.2% until 14 October 2024 and is interest-free thereafter, with a maturity date of 22 December 2025.

31 December 2024
(EUR '000)

Counterparty	Principal	Outstanding interest
EP Global Commerce a.s.	779,342	99,429
Total	**779,342**	99,429

As of 31 December 2023, the short-term receivables include the loan below, which bears a fixed interest rate of 5.2% and is due on 22 December 2024, as well as an outstanding balance of EUR 132,050 thousand relating to the declared dividend dated 21 December 2023 from Energetický a průmyslový holding, a.s., which was paid in 2024.

31 December 2023
(EUR '000)

Counterparty	Principal	Outstanding interest
EP Global Commerce a.s.	662,190	68,082
Total	**662,190**	68,082

b) State – Tax receivables

As of 31 December 2024, this item comprises a value-added tax receivable of EUR 604 thousand (2023: EUR 152 thousand).

4.3. Equity

Share capital

As of 31 December 2024, EP Group, a.s. had 4,480,002 registered ordinary shares in certificated form with a nominal value of CZK 14,300, thus the Company's share capital amounted to EUR 2,591,168 thousand.

There were no acquisitions of treasury shares or treasury holdings in the reporting period.

Other capital funds

As of 31 December 2024, other capital funds amount to EUR 754,250 thousand.

In 2024, additional equity contributions from the Company's shareholders amounted to a total of EUR 68,880 thousand.

Gains or losses from the revaluation of assets and liabilities

The change in the line Gains or losses from the revaluation of assets and liabilities is due to the exchange difference on revaluation of equity investments denominated in foreign currencies.

Accumulated profits or losses brought forward

In June, July, and August 2024, the General Meeting of the Company resolved to pay dividends in the total amount of EUR 695,736 thousand, which were partially offset against loans and partially settled in cash.

On 11 June 2024, the General Meeting of the Company resolved to transfer the profit for 2023 to accumulated profits brought forward.

As of the balance sheet date, there is not yet a proposal for the distribution of the profit for 2024. The distribution proposal will be prepared by the Board of Directors for the Company's shareholders and subsequently discussed and approved.

4.4. Short-Term Payables

a) Trade Payables

None of the trade payables has a maturity of more than 5 years at the balance sheet date.

b) Payables to Shareholders

As of 31 December 2023, the payable to shareholders consists of a payable from the declared dividend in the amount of EUR 76,002 thousand, which was paid in 2024.

c) Sundry Payables

As of 31 December 2024, sundry payables comprise a loan including interest from J&T Private Investments II B.V. in the amount of EUR 4,610 thousand. The loan bears a fixed interest rate of 5.2% and is due on 30 June 2025.

4.5. Income Tax Provision

In 2024, the Company recognised an income tax provision in the amount of EUR 7,295 thousand (2023: EUR 6,216 thousand), which was reduced by income tax prepayments made in the amount of EUR 4,484 thousand (2023: EUR 1,460 thousand).

4.6. Deferred Income Tax

No deferred tax asset or deferred tax liability was recognised.

4.7. Income and Expenses

Services represent mainly accounting, auditing, legal, notarial and consultancy costs.

Income from equity investments – controlled or controlling entity includes income from dividends declared and dividend prepaid by Energetický a průmyslový holding, a.s. in the amount of EUR 880,148 thousand (2023: EUR 1,870,267 thousand) and EC Investments a.s. of EUR 18,480 thousand (2023: EUR 0 thousand) and the sale of the equity investment of 44% less one share in EP Project Finance, a.s. to J&T CAPITAL PARTNERS, a.s. in the amount of EUR 70 thousand.

Interest income and interest expense is also a significant item.

Other financial expenses or other financial income represent mainly foreign exchange losses or gains.

4.8. Related Party Information (Excluding Balances Stated Above)

Pursuant to Regulation No. 500/2002 Coll., Section 39b (8), the Company does not disclose transactions entered into between the entities of the consolidation unit if these consolidated entities are wholly owned by the Company.

In addition to the income detailed in the sections above, the Company recognised the following income and expenses in relation to related parties that are not wholly owned by the Company:

(EUR '000)

Counterparty	Income 2024	Expenses 2024	Income 2023	Expenses 2023
Interest income / expenses	32,073	–	32,862	65
Other operating income / expenses	290	60	–	–
Other financial income / expenses	–	–	–	–
Total	**32,363**	60	**32,862**	**65**

4.9. Employees, Management and Statutory Bodies

As of 31 December 2024, the Company had a total of 11 employees (2023: 0 employees).

Members of the Company's Board of Directors, members of the Company's Supervisory Board and persons with management authority did not receive any benefits (prepayments, deposits, borrowings and loans, etc.) for the performance of their duties in 2024 and 2023.

4.10. Total Fee to the Statutory Auditors

This information is set out in the notes to the consolidated financial statements for the year ended 31 December 2024.

4.11. Off-Balance Sheet Operations

EP Group, a.s. has signed a Shareholder Support Letter for EP Global Commerce Group in relation to its third-party financing.

5. Post Balance Sheet Events

On 27 March 2025, it was decided to make a profit share prepayment of EUR 209,086 thousand to the Company as it is a shareholder in Energetický a průmyslový holding, a.s.

Other than the matters set out above and in the other sections, management is not aware of any other material subsequent events that could affect the financial statements for the year ended 31 December 2024.

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