ANNUAL REPORT 2025

**Pražská plynárenská, a.s.
and the Pražská plynárenská, a.s. Group**

PRAŽSKÁ PLYNÁRENSKÁ

This Annual Report was compiled pursuant to Act No. 563/1991 Coll., on accounting, as amended, and Act No. 90/2012 Coll., on business corporations and co-operatives (Corporations Act), as amended.

In Prague on 21 April 2026

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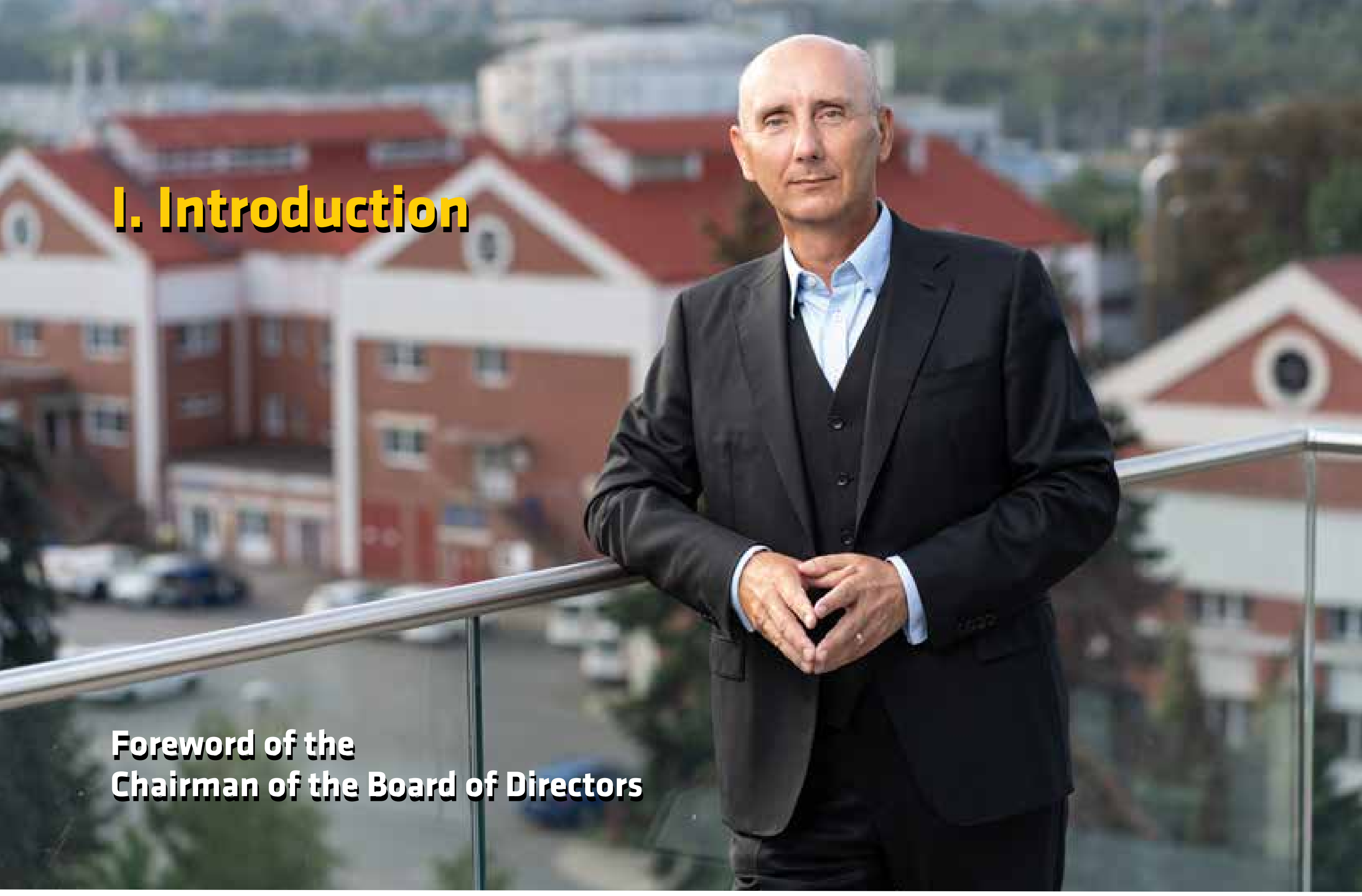
I. Introduction



Foreword of the Chairman of the Board of Directors

Dear friends,

Whether we like change or not, I get the feeling that we've been dealing with it constantly and practically everywhere of late. The energy sector is no exception; it is undergoing dynamic development, driven by technological changes, geopolitical factors and a growing emphasis on sustainability and energy security. As a result, our customers' needs, requirements and preferences are also changing, and, logically, Pražská plynárenská, a.s. must also adapt if it is to succeed in this evolving environment. Over the past year, we have been adapting our established business models and services for our customers, quite literally on the fly. I firmly believe that we have dealt with the challenges and situations that the past year has presented us with successfully and with honour, and that the changes we have implemented will be for the better and their significance will be recognised in the years to come.

I am very pleased that, alongside all these changes, there are fortunately still some things that, on the contrary, do not change and remain stable. One of these is the strong performance of Pražská plynárenská, a.s., which we managed to achieve in 2025, just as we did the previous year. I am all the more pleased by this as we were also one of the most competitively priced suppliers on the domestic energy market throughout the year, which, amongst other things, led to an increase in our customer base.

In this connection I would like to thank not only all employees for their good work, but also our business partners for their helpfulness and cooperation, and especially our customers who have been very loyal to our Company in the long term. We appreciate that very much.

Ing. Ludvík Baleka
Chairman of the Board of Directors

II. SELECTED COMPANY DATA

Unless stated otherwise, the information in this section applies to the individual Financial Statements provided. The individual Financial Statements were processed according to the International Financial Reporting Standards (IFRS) in the form adopted by the EU.

Basic Company information

Business name:	Pražská plynárenská, a.s. ("PP, a.s." or "Company")
Registered office:	Prague 1 – Nové Město Národní 37, Postal code 110 00
Company ID No.:	601 93 492
Tax ID No.:	CZ60193492
Incorporation in the Commercial Register:	The Municipal Court in Prague, Section B, Insert 2337
Bank details:	ČSOB, a.s., Account No.: 916780043/0300
Phone:	+420 267 171 111
Data box ID:	au7cgsv
Business offices:	Jungmannova 31, Palác Adria, Prague 1 U Plynárny 500, Michle, Prague 4
Website:	**www.ppas.cz** **Facebook:** prazskaplynarenskaas **YouTube:** Pražská plynárenská a.s. **LinkedIn** Pražská plynárenská, a.s.

Company profile

Pražská plynárenská, a.s., ranks among the most important domestic energy suppliers and provides energy to more than 447,000 consumption points. The history of Pražská plynárenská, a.s., is inextricably linked with Prague, as the roots of the gas industry in the capital can be traced back as far as 1847. Today, the Company reliably delivers energy and provides services to its customers throughout the Czech Republic. Over time, the Company has undergone developments reflecting societal changes, technological progress and has been repeatedly tested in various difficult situations and proved its resilience while gaining invaluable experience. This is one of the reasons why Pražská plynárenská, a.s. is currently a modern and prosperous supplier of energy able to respond flexibly and quickly to the changing requirements and needs of its customers.

The scope of the Company's business is expanding significantly. The traditional sales of natural gas and electricity are being significantly expanded with the use of subsidiaries to include heat sales, where the market share has increased significantly. The Company also specialises in the construction and operation of energy facilities, renewable energy sources and the supply of smart energy solutions.

Pražská plynárenská, a.s. considers it a priority to ensure energy security and comfortable customer service, where the gradual application of digitalisation allows to optimise service costs, prepare new products and effectively offer comprehensive service packages for customers. Pražská plynárenská, a.s. bases its competitiveness on the background of a stable and strong company owned by the City of Prague.

Importance of the Company and its contributions to the region

Within the framework of its business activities, Pražská plynárenská, a.s. is dedicated to the principles of sustainable development and its activities contribute to improving the quality of life of the region and its inhabitants. In addition to its business operations, Pražská plynárenská, a.s. has long been active in widely beneficial activities and the development of civic society.

The Company shares its success with the general public in the form of traditional and continuing support of various cultural, sports, and social projects. It owns a unique collection of Czech collages, which is highly regarded in professional circles; it has been curating and steadily expanding it for many years.

Key economic indicators (2021–2025) [1]

		2021	2022	2023	2024	2025
Revenues	in thous. CZK	17,769,778	33,780,126	28,170,857	30,829,161	27,381,187
Profit before tax	in thous. CZK	555,964	709,527	1,646,029	2,320,827	1,350,462
Profit after tax	in thous. CZK	521,818	639,835	952,474	1,103,699	720,139
Equity	in thous. CZK	2,949,935	3,664,972	4,735,043	5,804,125	6,437,708
Registered capital	in thous. CZK[2]	431,972	431,972	431,972	431,972	431,972
Natural gas	**Number of con-sumption points as of 31/ 12/**	388,067	369,970	351,645	352,916	352,124
Electric power	**Number of con-sumption points as of 31/ 12/**	76,562	75,669	56,507	76,071	94,884

1 Unconsolidated figures

2 Registered capital entered in the Commercial Register.

Securities issued as of 31 December 2025

Type	**Common share**	**Common share**	**Common share**
Form	Bearer shares	Registered shares	Registered shares
Semblance	Book-registered	Book-registered	Book-registered
Number of pieces	950,338 pieces	489,568 pieces	1 piece
Nominal value	CZK 300	CZK 300	CZK 300
Total emission volume	CZK 285,101,400	CZK 146,870,400	CZK 300
ISIN	CZ 0005084350	CZ 0005123190	CZ 0005123208

The negotiability of the registered shares is limited. Their owner must get the approval of the General Assembly to transfer them.
The Company's LEI code is 315700QBYOTLGRRMO011.

The Company does not hold treasury shares.

Ownership structure of Pražská plynárenská, a.s., as at 31 December 2025

Throughout 2025, Pražská plynárenská, a.s. was directly controlled by the Capital City of Prague, Company ID No.: 000 64 581, with its registered office at Mariánské nám. 2, 110 01 Prague 1.

Capital Interests

Pražská plynárenská, a.s. holds 100% capital interests in the following four subsidiary companies:

- Pražská plynárenská Distribuce, a.s.
  U Plynárny 500/44, Michle, Prague 4, postcode 140 00
  Company ID No.: 210 31 088
  www.ppdistribuce.cz

- Pražská plynárenská Servis distribuce, a.s.,
  member of the Pražská plynárenská, a.s. Group
  U Plynárny 1450/2a, Michle, Prague 4, Postal Code 140 00
  Company ID No.: 471 16 471
  www.ppsd.cz

- MONTSERVIS PRAHA, a.s.,
  U Plynárny 500/44, Michle, Prague 4, postcode 140 00
  Company ID No.: 005 51 899
  www.montservispraha.cz

- Prometheus, energetické služby, a.s.,
  member of the Pražská plynárenská, a.s. Group
  U Plynárny 500, Prague 4, postcode 140 00
  Company ID No.: 630 72 599
  www.prometheus-es.cz

  - Subsidiary of Prometheus, energetické
    služby, a.s., owns a 75% equity interest
    in the company Teplo pro Kbely a.s.,
    U Plynárny 500/44, Michle, Prague 4, postcode 140 00
    Company ID No.: 097 83 172
    www.teploprokbely.cz

  - Subsidiary of Prometheus, energetické
    služby, a.s., owns a 51% equity interest
    in the company Teplo pro Prahu, a.s.,
    U Plynárny 500/44, Michle, Prague 4, postcode 140 00
    Company ID No.: 171 38 558
    www.teplopp.cz

Further information on the subsidiaries and second-tier subsidiaries is provided on their websites.

Information about Organisational Units Abroad

As of 31 December 2025, Pražská plynárenská, a.s. has no branches or other parts of its business abroad.

Information about the Company bodies and management of the Company

Board of Directors

At a meeting of the Board of Directors of Pražská plynárenská, a.s., held on 4 March 2025, Ing. Milan Cízl was elected to the post of Vice-Chairman of the Board of Directors of PP, a.s., with effect from 4 March 2025 .

As of 31 December 2025, the structure of the Board of Directors was as follows:

Ing. Ludvík Baleka, Chairman of the Board of Directors,
Ing. Milan Cízl, Vice-Chairman of the Board of Directors,
Ing. Petr Kovařík, MBA, Member of the Board of Directors.
Ing. Martin Slabý, Member of the Board of Directors.

The Board of Directors of Pražská plynárenská, a.s., pursuant to Section 156(2) Civil Code has the following distribution of powers to its members (as at 31 December 2025):

- Ing. Ludvík Baleka, in charge of the Management of the Company,
- Ing. Milan Cízl,
  in charge of Finance and Administration,
- Ing. Petr Kovařík, MBA, in charge of the Sales Department,
- Ing. Martin Slabý, in charge of Strategy.

Supervisory Board

The Prague City Council has re-elected Mr Petr Klepáček as a member of the Supervisory Board of PP, a.s., with effect from 18 November 2025; his previous term of office had expired on 17 November 2025.

Following a request from a member of the Supervisory Board of PP, a.s., Ing. At its meeting on 5 November 2025, the Supervisory Board discussed Patrik Nacher's resignation and approved the termination of his position with effect from 30 November 2025.

As of 31 December 2025 the structure of the Supervisory Board was as follows:

Mgr. Jan Recman, Chairman of the Supervisory Board,
Ing. Tomáš Hřebík, Ph.D., Member of the Supervisory Board,
Mgr. Tomáš Kaplan, Member of the Supervisory Board,
Mgr. Alice Klementová, Member of the Supervisory Board,
Petr Klepáček, Member of the Supervisory Board,
Mgr. Jindřich Lechovský, Member of the Supervisory Board,
Ing. Vladimír Schmalz, Member of the Supervisory Board,
JUDr Martin Šenkýř, Member of the Supervisory Board,
Mgr. Miroslav Vránek, Member of the Supervisory Board,
Ing. Lukáš Wagenknecht, Member of the Supervisory Board.

Audit Committee

As of 31 December 2025 the structure of the Audit Committee was as follows:

Ing. Ondřej Kajml, Chairman of the Audit Committee,
Mgr. Peter Chrenko, Member of the Audit Committee,
RNDr. Jan Materna, Ph.D., Member of the Audit Committee.

III. INFORMATION ON THE ACTIVITIES OF PRAŽSKÁ PLYNÁRENSKÁ, A.S.

The information in this section applies to the individual Financial Statements provided, unless stated otherwise. The individual Financial Statements were processed according to the International Financial Reporting Standards (IFRS) in the form adopted by the EU.

Energy industry in 2025

In 2025, the world was undergoing a transformation of its geopolitical and economic order, and there was a growing emphasis on security and self-sufficiency in supplies. Ongoing armed conflicts, particularly in Ukraine, and instability in Europe and around the world have increased market uncertainty, thereby placing greater demands on corporate leadership, risk management and cost flexibility. At the same time, efforts continued to tackle global challenges, particularly climate change, the energy transition and social sustainability.

The energy market stabilised to some extent in 2025, mainly due to lower gas prices, but it continued to be affected by geopolitical tensions. The transition from coal to renewable energy sources continued. The growth in renewable energy sources has contributed to more frequent instances of zero or negative spot electricity prices; however, the overall level of electricity prices has remained volatile. Electricity prices in Europe also continued to be influenced by high emission allowance prices and growing demand for electricity (e.g. due to data centres and electric vehicles).
By contrast, wholesale gas prices have stabilised following a period of heightened volatility and are continuing to fall gradually.

Significant legislative changes have taken place in the Czech Republic, in particular the introduction of community energy, energy storage, aggregation and flexibility under the LEX OZE II and III amendments. The Energy Regulatory Office has stepped up its market oversight and introduced new tools to protect consumers. The postponement of the introduction of the EU ETS II system until 2028 has allayed concerns about the impact on households.

Natural gas trading

Pražská plynárenská, a.s., operates in the natural gas market under licence No. 241218964 issued by the Energy Regulatory Office. The year 2025 was characterised by stabilised supplies and a gradual fall in prices compared with the previous crisis years. Fierce competition put pressure on both profit margins and market shares. Customers actively took advantage of the fall in prices to lock in rates and negotiate better pricing terms.

The Company has focused on maintaining and slightly increasing its market share, including in regions outside Prague, on rigorous cost management and on ensuring security of supply, including through the use of gas storage facilities.

The 27th of October was a significant day , as the Company entered into a long-term contract to purchase natural gas from Europe's largest producer of this commodity, the Norwegian company Equinor Gas Marketing Europe AS.

Electric power sales

Pražská plynárenská, a.s., trades in electricity on the basis of licence No. 141015380 issued by the Energy Regulatory Office. In 2025, despite fierce competition, the customer portfolio continued to grow. This was driven by new fixed-term products and sign-up bonuses. There is continued interest in the purchase of surplus electricity.

The transition of the energy sector towards renewable sources brings with it new expectations from both customers and regulatory bodies, as well as the risks associated with meeting those expectations.

Corporate social responsibility

Social responsibility is part of our corporate culture, our values and our business strategy. Pražská plynárenská, a.s. and its employees behave responsibly towards the environment and society as a whole.

The Environment

Pražská plynárenská, a.s. has long been committed to striking a balance between economic growth and environmental protection, as well as to minimising the impact of its activities on the local community. By utilising modern technologies, it helps to ensure that its environmental impact is already minimal.
The Company places great emphasis on monitoring the development of its carbon footprint and identifying measures to reduce it. The Company's environmental policy also includes continuous environmental training and education of all employees.
The Company has long been committed to environmentally friendly activities such as emission savings, especially the reduction of CO_2 emissions through the promotion of the use of biomethane in transport. Furthermore, projects such as photovoltaic power stations, heat pumps, biomethane trading and other new technologies that enable emissions to be reduced.

The Company is subject to regular environmental inspections with an emphasis on compliance with legislation and rules set by the Company. Tasks resulting from them have been fulfilled.

The documents submitted to the state authorities in 2025 were free from errors. The Company duly fulfils its obligations under current legislation and the relevant licences.

Work on completing the remediation of the old environmental contamination continued in 2025. "Project documentation for the remediation of the naphthalene site and its surroundings, and the area of the underground tanks (Cleaning Plant II) at the Michle site of Pražská plynárenská, a.s." was drawn up; this was approved by the Ministry of Finance and all relevant authorities, and subsequently, during the course of the year, the administrative permits required from state authorities to launch a tender for a contractor to carry out the remediation work were secured.

The ongoing remediation is reducing the potential risks to the ecosystem and human health in the Michle area.

Human resources management

HR work and the social field

As of 31 December 2025, Pražská plynárenská, a.s., employed a total of 489 people.

In the area of human resources, we succeeded in fulfilling all our obligations under the collective agreement and in organising internal events for staff and their children, notably Gas Industry Day, a theatre performance and a St Nicholas's Day party for the families of our staff. Subsequently, in 2025, the Company took part in a mass blood donation programme on two occasions. A new collective agreement covering the years 2026 to 2029 was also concluded.

Occupational health and safety at work, fire protection

In the area of occupational health and safety and fire protection (training and inspections), the legally required inspections and revisions of reserved technical equipment (pressure, lifting, electrical, gas) in PP, a.s.'s buildings and workplaces were duly carried out within the required deadlines.

In 2025, no occupational injury, which could have resulted in an injury and work disability lasting longer than three calendar days, or which could have resulted in an employee's death, was recorded.

Depending on the prevalence of risk factors, the Company carries out both work classified in Category 1 – which predominates – and work classified in Categories 2 to 4, which may affect employees' health and may pose a risk to their health.

The PP, a.s. Group provides occupational health services for its employees in accordance with Section 53 et seq. of Act No. 373/2011 Coll., on specific health services, as amended.

The Company provides employees with entry training and also through e-learning with periodic two-year training focusing on legal and other regulations to ensure occupational health and fire protection, including regular knowledge tests, in accordance with Section 37 item 5 and Section 103 item 2,3 of the Labour Code and in accordance with Section 16 of Act No. 133/1985 Coll., on fire protection.

Based on Section 4(1)(c) of Act No. 309/2006 Coll., as amended, Pražská plynárenská, a.s., performs regular inspections and reviews of production and work equipment.

Compliance, risk management and internal audit

Pražská plynárenská, a.s., respects the basic principles of corporate governance and makes targeted efforts to increase and protect the value of the organisation through, among other things, risk management, the application of a compliance programme, controlling management or the use of internal audit services. The Company places great emphasis on maximum transparency and supports the City of Prague's strategic objective in the fight against bribery; it therefore maintains a certified anti-corruption management system in accordance with the international standard ISO 37001.

Pražská plynárenská, a.s., adopts a comprehensive and systematic approach to risk management and corporate governance. The aim of the risk management system is the timely identification, ongoing monitoring and regular assessment of risks, with a view to minimising their potential impact on the Company's financial performance, financial stability and reputation.

Risks are recorded and categorised in an internal risk register, which serves as the primary tool for managing them. The process involves the systematic identification of emerging risks and the regular reassessment of existing risks in terms of their likelihood of occurrence and potential impact. The results of the assessment are regularly reported to the Company's relevant management and supervisory bodies.

Key risk areas include, in particular, market risks (including commodity risks relating to energy price movements), liquidity risk, credit risk and operational risks. The management of these risks is based on a combination of preventive measures, internal control mechanisms and established limits.

An integral part of the risk management system is also the insurance strategy, which is an important tool for mitigating selected business risks.

The Company is aware of the growing risks arising from the globalised digital environment and the increasing cyber threats. Information and communications technology (IT/ICT) security, including cyber and information security, is managed systematically at a central level and is integrated into the overall risk management framework. The measures adopted include organisational, technical and procedural measures aimed at protecting key systems, data and infrastructure.

Information about research or development of new products or procedures in the current accounting period

Pražská plynárenská, a.s. did not engage in any research or development of new products or procedures.

Information for publication required under special legal regulations

The Company does not have any additional information required for disclosure by specific legislation.

Sustainability Report

In 2025, Pražská plynárenská, a.s., began to focus systematically on sustainability and ESG issues, including the management and assessment of its carbon footprint. In this context, preparatory work has begun on the preparation of a sustainability report in accordance with the requirements of the CSRD and the related European Sustainability Reporting Standards (ESRS). Although the obligation to publish a sustainability report will not apply to the Company until 2028, the Company has decided to adopt these requirements gradually in order to ensure it is prepared for the future EU regulatory framework. The first mandatory sustainability report will be published for the 2027 financial year.

IV. INFORMATION ON THE ACTIVITIES OF THE PRAŽSKÁ PLYNÁRENSKÁ, A.S. GROUP

The information in this section applies to the consolidated Financial Statements provided unless stated otherwise. The consolidated Financial Statements were processed according to the International Financial Reporting Standards (IFRS) in the form adopted by the EU.

Activity information

The Pražská plynárenská, a.s. Group, ("PP, a.s. Group" or "Group") comprises the parent company Pražská plynárenská, a.s., four first-tier subsidiary companies and two second-tier subsidiary companies:

- Pražská plynárenská Distribuce, a.s. (PPD, a.s."),
- Pražská plynárenská Servis distribuce, a.s., a member of the Pražská plynárenská, a.s. Group, ("PPSD, a.s."),
- MONTSERVIS PRAHA, a.s., ("MONT, a.s."),
- Prometheus, energetické služby, a.s., member of the Group Pražská plynárenská, a.s., ("Prometheus, a.s."),
  - Teplo pro Kbely a.s. (TpK a.s.),
  - Teplo pro Prahu, a.s. (TpP, a.s.).

The main objectives of the PP, a.s. Group are the sale and distribution of natural gas, the sale of electricity and activities in the heating industry.

Other business activities of the PP, a.s. Group include:

- operation, maintenance and renewal of the gas distribution network;
- production and distribution of heat, construction of boiler houses, production of electricity and operation of energy equipment;
- building construction and maintenance, service and repair of gas equipment;
- maintenance of motor vehicles, construction and operation of CNG filling stations, inn-keeping activity;
- construction, reconstruction and installation of boiler rooms, heat exchanger stations and heat distribution systems;
- construction, reconstruction and modernisation of the heat management;
- installation, repairs, revision and testing of gas equipment and filling of gas containers;
- assembly, repairs, inspection and tests of electrical equipment.

Research and development activities

None of the member companies of the PP, a.s. Group engaged in any research or development of new products or procedures.

Corporate social responsibility

Social responsibility is part of our corporate culture, our values and our business strategy. The PP, a.s. Group and its employees behave responsibly towards the environment and society as a whole. Through a responsible approach, waste is sorted, toner and paper consumption is reduced, and a range of socially and environmentally significant projects are supported in the long term.

The Environment

Environmental protection is one of the highest priorities of the PP, a.s. Group and is not only understood as fulfilling legal requirements, but is primarily focused on preventive activities – environmental education of all employees. The Group is guided by the latest scientific knowledge and chooses environmentally friendly technologies.

In 2025, there were no extraordinary events, accidents or incidents within the activities of the individual companies of the Group that would have a negative impact on the environment. None of the Group's companies have received any sanctions from the state authorities in the environmental field and all obligations under the applicable legislation have been met, as well as all applicable permits. The Group creates appropriate conditions for the prevention and minimisation of negative impacts on environmental components.

On the basis of the Environmental Management System, PPSD, a.s. successfully obtained ISO 14001 certification in 2025.

Human resources management

HR work and the social field

As of 31 December 2025, the Group employed a total of 997 people.

In the area of human resources, we succeeded in fulfilling all our obligations under the collective agreement and in organising internal events for staff and their children, notably Gas Industry Day, a theatre performance and a St Nicholas's Day party for the families of our staff. Subsequently, in 2025, the Group took part in a mass blood donation programme on two occasions. A new collective agreement covering the years 2026 to 2029 was also concluded.

Occupational health and safety at work, fire protection

In the area of occupational health and safety and fire protection (training and inspections), the legally required inspections and revisions of reserved technical equipment (pressure, lifting, electrical, gas) in the Group's buildings and workplaces were carried out properly and within the required deadlines.

In 2025, there were 2 cases of work accidents resulting in injury to an employee with incapacity to work for more than three calendar days or death of an employee.

In the Group, depending on the degree of occurrence of the factors, there are works classified in category 1, which predominate, as well as works classified in categories 2 to 4, which may affect the health of employees and may be hazardous to the health of employees.

The PP, a.s. Group provides occupational health services for its employees in accordance with Section 53 et seq. of Act No. 373/2011 Coll., on specific health services, as amended.

The Group provides employees with entry training and also through e-learning with periodic two-year training focusing on legal and other regulations to ensure occupational health and safety and fire protection, including regular knowledge tests, in accordance with Section 37 item 5 and Section 103 item 2,3 of the Labour Code and in accordance with Section 16 of Act No. 133/1985 Coll., on fire protection.

Based on Section 4(1)(c) of Act No. 309/2006 Coll., as amended, the Group performs regular inspections and reviews of production and work equipment.

Compliance, risk management and internal Audit

PP, a.s. Group respects the basic principles of corporate governance and strives to increase and protect the value of the organisation through, among other things, comprehensive risk management, the application of a compliance programme, controlling management and the use of internal audit services. PP, a.s., PPD, a.s. and PPSD, a.s. maintain a certified anti-bribery management system in accordance with the international standard ISO 37001.

The Group's individual companies are responding to the challenges posed by the rapidly evolving technological and security landscape. IT/ICT security and related cyber and information security are coordinated at Group level, enabling a consistent approach to risk management, the sharing of best practice and the effective implementation of security measures across the Group.

Information about Organisational Units Abroad

As of 31 December 2025, no company belonging to the Group operated an organisational unit abroad.

Sustainability Report

In 2025, PP, a.s. began to focus systematically on sustainability and ESG issues, including the management and assessment of its carbon footprint. In this context, preparatory work has begun on the preparation of a sustainability report in accordance with the requirements of the CSRD and the related European Sustainability Reporting Standards (ESRS). Although the obligation to publish a sustainability report will not apply to PP, a.s. Group until 2028, PP, a.s. Group has decided to gradually adopt these requirements in order to ensure it is prepared for the future EU regulatory framework. The first mandatory sustainability report will be published for the 2027 financial year.

V. EXPECTED DEVELOPMENT OF THE GROUP

The year 2026 and the period thereafter will continue to be characterised by a heightened degree of uncertainty and volatility in wholesale prices for natural gas and electricity, as a result of persistent geopolitical risks, structural changes in energy markets and the ongoing transformation of the European energy sector. The energy sector remains under pressure, not only in terms of ensuring the security and stability of supply, but also with regard to the affordability of energy for end users. The issue of energy affordability is thus becoming a perennial topic within the broader social context.

This year is also characterised by a full-scale adaptation to new market and regulatory conditions, with long-term cost-effectiveness now taking centre stage in the market, rather than simply security of supply. The energy sector is facing pressure to accelerate modernisation, with the affordability of energy being a key determinant of the competitiveness of Czech – and, by extension, pan-European – industry, as well as the standard of living of households. For the Group, effective management and the ability to respond immediately to dynamic developments in the field of decarbonisation and European legislation are crucial this year.

Further integration of renewable energy sources (RES) into the distribution network is expected during the current period. The year 2026 confirms that renewable energy sources are no longer merely a supplement, but an integral part of the energy mix, which places extreme demands on the stability of the grid. Power balancing services and the development of large-capacity storage facilities play a key role. Through advanced technologies for managing consumption and generation (Smart Grids), the Group effectively balances supply and demand, thereby strengthening the overall resilience of the system.

In the market for supplies to end customers, the era of simply selling commodities is coming to an end. The c of 2026 requires a comprehensive energy partnership. PP, a.s. is therefore expanding its portfolio to include innovative value-added services, energy consultancy and digital tools for the active management of its own energy consumption. The digitisation of processes is no longer merely a goal; it is becoming the norm, enabling the Company to maintain a high level of customer satisfaction whilst remaining price-competitive, even in an environment of increased pressure on profit margins.

The Group will continue to strengthen its cooperation with the capital city of Prague. As a key player in the implementation of the City of Prague's Climate Plan, we are actively contributing to reducing the city's carbon footprint through specific projects in the areas of decarbonisation, the development of community energy schemes and increasing the energy self-sufficiency of individual city districts.

VI. IMPORTANT EVENTS AT THE BEGINNING OF 2026

On 1 January 2026, the terms of office of the following members of the Audit Committee of PP, a.s., came to an end: Ing. Ondřej Kajml, Mgr. Peter Chrenek and RNDr. Jan Materna, Ph.D. At the meeting of the Prague City Council on 12 January 2026, the following persons were reappointed with immediate effect as members of the Audit Committee of PP, a.s.: Ing. Ondřej Kajml, Mgr. Peter Chrenko and RNDr. Jan Materna, Ph.D.

At the meeting of the Audit Committee of PP, a.s. on 22 January 2026, Ing. Ondřej Kajml was elected Chairman of the Audit Committee of PP, a.s. with immediate effect.

On 12 February 2026, the term of office of JUDr. Martin Šenkýř, a member of the Supervisory Board of PP, a.s., came to an end . At the meeting of the Prague City Council held on 23 February 2026, JUDr. Martin Šenkýř was re-elected as member of the Supervisory Board of PP, a.s., with effect from 24 February 2026.

In light of the armed conflict and security instability in the Middle East, the Company is monitoring developments in the geopolitical situation in the region. The Company has no direct business activities or financial interests in the affected areas that would pose an immediate threat to its stability. The Company's management perceives the main risks arising from this conflict to lie primarily in the potential volatility of energy commodity prices. At the time of preparing the Financial Statements, it is not possible to reliably quantify these indirect effects on future profitability and cash flows. However, the Company continues to meet its obligations in full and on time, and the Company's management is not aware of any facts that would call into question the going concern assumption.

VII. FINANCIAL SECTION

INDIVIDUAL FINANCIAL STATEMENTS

Individual Financial Statements for the year ended 31 December 2025 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

Pražská plynárenská, a.s. Accounting Statement of Financial Position as at 31 December 2025 Compiled in compliance with the IFRS in the wording adopted by the EU			
	Note:	**31 December 2025**	**31 December 2024**
		thous. CZK	**thous. CZK**
ASSETS **Fixed assets**			
Land, buildings, and equipment	7.1	817,408	822,504
Real estate investments	7.2	92,034	77,800
Intangible assets	7.3	112,491	92,658
Investments into subsidiaries	7.5	1,458,702	1,458,702
Assets originating from the right of use	7.4	8,312	11,733
Deferred tax receivable	7.19	72,287	59,411
Incremental costs of obtaining a contract	7.10	31,024	13,287
Contract assets	7.11	10,660	3,683
Other fixed assets		2	2
Fixed assets – total		**2,602,920**	**2,539,780**
Short-term assets			
Inventories	7.6	1,375,798	1,271,249
Trade and other receivables	5.1. / 7.7	4,756,000	4,384,849
Cash and cash equivalents	5.1. / 7.8	3,958,414	4,836,113
Other assets	7.9	72,343	76,892
Incremental costs of obtaining a contract	7.10	51,099	32,734
Contract assets	7.11	27,131	12,389
Receivables arising from tax due	7.20	95,299	0
Short-term assets – total		**10,336,084**	**10,614,226**
TOTAL ASSETS		**12,939,004**	**13,154,006**
EQUITY AND LIABILITY **Equity**			
Registered capital	7.12	431,972	431,972
Revaluation of hedging derivatives	7.14	-95,084	-8,528
Retained earnings	7.13	5,380,681	4,276,982
Income after tax for the period		720,139	1,103,699
Equity – total		**6,437,708**	**5,804,125**
Long-term liabilities			
Trade liabilities and other long-term liabilities		26,164	96
Lease liabilities	7.4	7,338	10,910
Reserves	7.21	81,034	330,743
Long-term liabilities – total		**114,536**	**341,749**
Short-term liabilities			
Trade payables and advances received	7.15	4,910,217	5,485,033
Lease liabilities	7.4	3,572	3,509
Other liabilities	7.18	776,523	557,295
Due income tax	7.20	0	487,145
Other tax liabilities	7.20	288,144	373,120
Reserves	7.21	408,304	102,030
Short-term liabilities – total		**6,386,760**	**7,008,132**
TOTAL EQUITY AND LIABILITIES		**12,939,004**	**13,154,006**

Pražská plynárenská, a.s. **Accounting Statement of Comprehensive Income as at 31 December 2025** Compiled in compliance with the IFRS in the wording adopted by the EU			
	Note:	**1-12/2025**	**1-12/2024**
		thous. CZK	**thous. CZK**
Revenues from sales	7.22	26,657,565	29,583,383
Purchased gas, electricity, materials, and services connected with gas and electricity supplies	7.23	24,481,627	27,149,658
Other operating income	7.24	397,532	743,937
Personnel costs	7.25	678,189	663,108
Depreciation of fixed assets	7.26	85,952	86,475
Gains/losses arising from the impairment of financial assets	7.7	-8,629	13,694
Other operating costs	7.27	606,789	287,821
Operating profit/loss		**1,211,169**	**2,126,564**
Financial costs	7.28	186,797	307,578
Financial revenues	7.29	326,090	501,841
Financial profit/loss		**139,293**	**194,263**
Profit before tax		**1,350,462**	**2,320,827**
Income tax	7.30	630,323	1,217,128
Profit after tax		**720,139**	**1,103,699**
Items that may be reclassified and reported as profit or loss:			
Settlement of hedging derivatives (change in fair value)	7.14	-120,359	-10,795
Deferred tax on hedging derivatives	7.14	25,275	2,267
Other comprehensive income	7.14	-95,084	-8,528
Comprehensive income for the period		**625,055**	**1,095,171**

Pražská plynárenská, a.s. Statement of Changes in Equity for the year ended 31 December 2025 Compiled in compliance with the IFRS in the wording adopted by the EU				
	Registered capital	**Revaluation of hedging derivatives**	**Retained earnings**	**Total**
	thous. CZK	**thous. CZK**	**thous. CZK**	**thous. CZK**
Note	7.12	7.14	7.13	
Balances as at 1 January 2024	**431,972**	**26,089**	**4,276,982**	**4,735,043**
Income after tax for the period	0	0	1,103,699	1,103,699
Other comprehensive income	0	-8,528	0	-8,528
Comprehensive income	**0**	**-8,528**	**1,103,699**	**1,095,171**
Other transactions	0	-26,089	0	-26,089
Status as at 31 December 2024	**431,972**	**-8,528**	**5,380,681**	**5,804,125**
Income after tax for the period	0	0	720,139	720,139
Other comprehensive income	0	-95,084	0	-95,084
Comprehensive income	**0**	**-95,084**	**720,139**	**625,055**
Other transactions	0	8,528	0	8,528
As at 31 December 2025	**431,972**	**-95,084**	**6,100,820**	**6,437,708**

Pražská plynárenská, a.s. **Cash Flow Statement for the year ended 31 December 2025** Compiled in compliance with the IFRS in the wording adopted by the EU			
	Note:	**2025**	**2024**
		thous. CZK	**thous. CZK**
Profit before tax		**1,350,462**	**2,320,827**
Adjustments to profit before tax		**-202,950**	**-615,073**
Depreciation of fixed assets	7.26	85,952	86,475
Write-offs of receivables		26,567	66,345
Change in the position of adjustments and reserves		20,645	-297,450
Profit from sales of fixed assets	7.24	-3,198	-2,577
Net interest	7.28 / 7.29	-172,449	-302,865
Revenues from dividends and profit shares	7.24	-170,332	-165,000
Other non-cash movements (revaluation of derivatives)		9,865	0
Net cash flows from operations before tax and changes in working capital		**1,147,512**	**1,705,754**
Change in working capital needs		**-1,172,906**	**-897,773**
Change in receivables from operations		-424,950	990,134
Change in liabilities from operations		-643,407	-1,636,163
Change in inventories (gross)		-104,549	-251,743
Net cash flow from operations before tax		**-25,394**	**807,982**
Interest paid	7.28	-4,156	-9,672
Interest received		186,877	333,816
Income tax on current activities and additional tax paid minus tax refunds		-1,202,634	-1,303,111
Shares of profit received (+)	7.24	170,332	165,000
Net cash flow from operations		**-874,975**	**-5,985**
Expenses related to the acquisition of fixed tangible and intangible fixed assets		-112,012	-85,253
Revenues from sales of fixed assets		3,723	2,580
Net cash flow from investments		**-108,289**	**-82,673**
Payment of long-term liabilities		22,496	-3,953
Change in loans from the parent and subsidiary companies*	7.18	83,069	-144,389
Net cash flows from financing activities		**105,565**	**-148,342**
Balance of cash and cash equivalents at beginning of accounting period		**4,836,113**	**5,073,114**
Net change in cash and cash equivalents for the accounting period		**-877,699**	**-237,001**
Balance of cash and cash equivalents at end of accounting period		**3,958,414**	**4,836,113**

** Cash flows from loans from the subsidiary companies and short-term bank loans are reported net because they constitute cash income and payments with quick turnover and short-term maturity.*

1. Name, registered office, and information on the founding of the Company

Pražská plynárenská, a.s. (hereinafter the "Company", "PP" or "PP, a.s.") was incorporated on 31 December 1993 and has its registered office at Prague 1 – Nové Město, Národní 37, postcode 110 00, Czech Republic. The Company ID number is 601 93 492. The Company LEI is 315700QBYOTLGRRMO011.

The Company's main subject of business is gas and electricity trading.

Based on the current results, the expected profit to be generated during the next 12 months, the availability of credit facilities, and other means of managing liquidity, the Company Management believes that it has sufficient financial capacity to continue its business for at least 12 months from the date of the signing of these Financial Statements.

1.1. Major shareholders of the Company

The sole shareholder controlling the Company as at 31 December 2025 is the Capital City of Prague.

1.2. Assessment of the conflict in Ukraine

In 2025, the military conflict in Ukraine and the related sanctions against the Russian Federation continued. The Company has no direct exposure to companies based in Ukraine or the Russian Federation, or to companies that are under sanctions and the Company's existence is not threatened thereby. As at the date of these Financial Statements, the Company's obligations are being met as they fall due and the going concern basis continues to apply.

2. Rules for compilation of the Financial Statements

Declaration of conformity

These separate Financial Statements (hereinafter also referred to as "Financial Statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) in the wording adopted by the European Union (EU).

The Financial Statements, excluding the Cash Flow Statement, are prepared on the accrual accounting basis.

The list of applied accounting methods and policies is available in section 4.

In the compilation of the Financial Statements, the Company used the standards and interpretations that should mandatorily be applied to the period beginning on 1 January 2025.

Information about the Consolidated Financial Statements

In addition to these Separate Financial Statements, the Company also prepares and publishes Consolidated Financial Statements of the parent company – Pražská plynárenská, a.s. and its subsidiaries in accordance with IFRS as at 31/ 12/ A subsidiary is an enterprise controlled by the parent company.

Valuation method

The Financial Statements were prepared on the basis of historical prices defined in sections 4.8.2., 4.11.1., 4.13. and 4.14.

Reporting and functional currency

These Financial Statements are presented in Czech crowns (CZK), which is the Company's current functional currency. The financial information reported in CZK was rounded up to whole thousands.

Accounting period

The accounting period for compilation of these Financial Statements is the period from 1 January 2025 to 31 December 2025. The Company's current accounting period is the calendar year ending 31 December.

Comparative period

For the purpose of demonstrating the financial position, the comparative period chosen was the balance as of 31 December 2024; and to demonstrate profit/loss, changes in equity capital, and overview of cash flows, results from the period starting on 1 January 2024 and ending on 31 December 2024 were used.

Use of estimates and value judgements

When preparing the Financial Statements in accordance with IFRS, the Company's management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets
and liabilities, income and expenses. The actual results may differ from these estimates.

The estimates and assumptions are reviewed continuously. The review of accounting estimates is taken into consideration in the period in which the given estimate was reviewed, and in all concerned future periods.

Information on the fundamental judgements during application of the accounting procedures, which have a more significant impact on the amounts reported in the Financial Statements, is provided in the following notes:

- section 4.20.1. – Uninvoiced gas supplies
- section 4.20.2. – Uninvoiced electricity supplies

3. Adoption of new or revised accounting standards and interpretations

Standards and interpretations in effect during the current period

In the current period, the following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union are effective:

• Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

New standards coming into force in 2026:
• Amendments to IFRS 9 and IFRS 7 – Financial Instruments and Disclosures:
Classification and valuation
• Amendments to IFRS 9 and IFRS 7 – Financial Instruments and Disclosures: Contracts relating to nature-dependent electricity
• Annual Improvements to IFRS – Volume 11

New standard coming into force in 2027:
• IFRS 18 – Presentation and disclosure in the Financial Statements

The Company is currently assessing the impact of IFRS 18 on its Financial Statements and on the scope and content of the information disclosed. Newly issued standards, amendments to standards and their interpretations approved by the EU do not have a significant impact on the Company's Financial Statements.

New standards, interpretations and amendments to the existing standards issued by IASB but not yet adopted by the European Union:

• IFRS 19 – Subsidiaries not subject to public accountability: Publication
• Amendments to IAS 21 – Restatement in hyperinflationary economies

Newly issued standards, amendments to standards and their interpretations approved by the EU, which are not yet effective and have not been applied by the Company, do not have a significant impact on the Company's Financial Statements.

4. Basic assumptions for preparation of the Consolidated Financial Statements and significant accounting policies

The accounting procedures described below were used consistently in all the accounting periods reported in these Financial Statements.

4.1. Intangible assets

4.1.1. Valuation of intangible assets

Separately acquired intangible assets are reported at acquisition cost minus accumulated amortisation and value depreciation losses.

4.1.2. Amortisation

Intangible assets are amortised applying the straight-line method over their estimated useful lives as shown in the following table:

Intangible asset category	Service life (number of years)
Software	4
Assessable rights	4

The expected useful life and the amortisation method are reviewed at the end of each accounting period; the effect of any change in estimates is applied prospectively.

4.2. Land, buildings, and equipment

4.2.1. Recognition and valuation

Land, buildings, and equipment are reported at acquisition cost, less accumulated adjustments (except land) and losses due to value depreciations.

The acquisition cost of land, buildings, and equipment includes all costs related to their acquisition, less any relevant discounts.

The costs related to acquisition include direct costs incurred in the delivery and putting the assets into working condition and costs incurred to return the affected area back to its original condition.

The repair and maintenance costs of property, buildings, and equipment are recognised in the Statement of Comprehensive Income in the period in which they occurred.

Subsequent expenditures are included at net book value or recognised as separate assets, if the Company may get financial gain in respect to this item and if the price of the item can be measured reliably.

4.2.2. Depreciation

Buildings and equipment are depreciated applying the straight-line method over their estimated useful lives.

The estimated service life of individual asset categories of tangible assets is always reviewed at the end of the accounting period. The estimated useful lives used in these Financial Statements are shown in the following table:

Categories of tangible assets	Service life (number of years)
Buildings and other constructions	25 - 50
Tangible movables and their sets	2 - 14
Vehicles (means of transport)	4 - 8
Computer equipment and other hardware	2 - 4
Other tangible fixed assets	30

Land owned by the Company is not depreciated. The effect of any change in the estimated useful life or depreciation method is applied prospectively.

4.2.3. Disposals

Gains and losses on disposals of a particular item of property, building, or equipment are determined as the difference between the sale proceeds and the carrying amount of assets involved and are recognised in the net amount in the Statement of Comprehensive Income.

4.3. Impairment in the value of non-financial assets

Upon each occurrence of events or changes that indicate or may result in the rise of the book value of land, buildings, or equipment as well as other non-financial assets including intangible assets to a value that exceeds their recoverable value, a review is done to determine whether the assets have been impaired. Tangible and intangible assets not yet available for use are reviewed for impairment annually An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less its selling costs and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.4. Real estate investments

Assets (particularly office buildings and warehouses) that are managed for the purpose of long-term rental income or capital appreciation, or both, and which are not occupied by the Company are reported as investment property. Real estate investments are initially valued at acquisition cost, including related transaction costs and borrowing costs, if any. The Company uses the cost model for subsequent measurement of investment properties in accordance with IAS 16.

Real estate investments are depreciated using the straight-line method based on their estimated useful lives. Depreciation charges for the accounting period are recognised in the Statement of Comprehensive Income for this period.

The useful life is always checked at the end of the accounting period and is 50 years for real estate investments.

Real estate investments are leased to tenants with lease fees which are payable monthly or quarterly. Lease payments in certain contracts include the option to increase the fee by inflation, but there are no other variable lease payments that depend on the index or rate.

4.5. Assets originating from the right of use and lease liabilities

4.5.1. Assets originating from the right of use

The Company leases various assets, especially non-residential premises. Contracts may contain both lease and non-lease components. The Company assigns equivalent value to lease and non-lease components based on their relative separate prices.

Leased assets resulting from lease contracts are initially measured based on the present values of lease liabilities and include:

- any lease payments made on or before the commencement date, minus any lease incentives received,
- all initial direct costs and
- the cost of returning the asset under the terms required by the lease contracts.

Assets with the right to use are generally depreciated on the straight-line basis over the term of the lease. If the Company is reasonably certain that it will exercise the option to purchase, the asset with the right to use is depreciated over the life of the underlying assets. Depreciation on items of assets with the right to use is calculated using the straight-line basis against their estimated use.

The Company applies an exemption from recognition for leases that define a lease for 12 months or less as of the effective date of the lease and do not include the option to purchase the underlying asset as well as lease contracts where the underlying asset has a low value. Lease payments for these assets are reported as Other operating costs.

4.5.2. Lease liabilities

Lease liabilities are initially measured based on the present value. Lease liabilities include the net present value of the following lease payments:

• fixed payments less receivables from leasing incentives,

• variable payment leasing, which is based on an index or rate, originally measured using the index or rate as of the commencement date,

• the implementation price of a call option, provided that the Company is reasonably certain that the option will be used and

• penalty payments for termination of the lease, provided that the lease term reflects application of this option.

Lease payments are discounted using the implicit interest rate. If this rate cannot be easily determined, the lessee's incremental borrowing rate is used, which is the rate that the lessee would have to pay to borrow the funds needed to obtain an asset of similar value as an asset with right for use in a similar economic environment and with similar terms.

To determine the incremental borrowing rate, the Company uses, if possible, as the starting point the recent third-party financing received by the lessee, adjusted so it reflects changes in the financing conditions after the financing was accepted by the third party.

Lease finance costs (interests) are recognised as an expense over the lease term, so as to produce a constant periodic rate of interest on the remaining part of the liability for each period.

Payments related to short-term leases of assets and to all low-value asset leases are reported on a straight-line basis as an expense in profit or loss. A short-term lease is a lease with a term of 12 months or less.

4.6. Investments into subsidiaries

Subsidiaries are all companies controlled by the Company, that is, if it is exposed to variable revenues or it is entitled to them on the basis of its own involvement in the given unit and may influence these revenues due to its own powers and if it has power over the unit or has invested in it (i.e. if it has existing rights that form the basis for current capability to control the operations that significantly impact the revenues of such a unit).

Investments in subsidiaries are valued at acquisition price, less the impairment loss. Transaction costs are reported as a component of the acquisition price. Transaction costs are costs directly related to the acquisition of the investments, such as legal fees, transfer taxes, and other acquisition-related costs.

Investments are evaluated by debasement any time there is a reason that the accounting value of the investments may not be realised. In the event the recoverable value of the investment is less than its book value, the book value is reduced to the recoverable value.

4.7. Inventories

Inventories are reported at the acquisition cost or with the recoverable value, whichever is lower. The acquisition cost of the inventories includes the acquisition price and expenses incurred in bringing inventories to their present condition and location.

The price of natural gas compressed into underground gas storage is determined on the basis of supplier invoices received for the given month. The price of stored gas is calculated under the allocation model based on the movement of gas in the storage facility and based on the invoices received for the given month, which is also the price of the extracted natural gas in the month following the given month.

The weighted average cost method is used monthly for disposals of inventories.

4.8. Financial assets

The Company classifies its financial assets according to IFRS 9 into the following categories:

• financial assets at incurred cost (debt instruments),

• financial assets at fair value posted to profit or loss.

4.8.1. Financial liabilities at incurred cost

Classification of financial assets upon first entry depends on the characteristics of the contractual cash flows of the financial assets and the business model of the Company for their management.

The Company values the financial assets at incurred cost if both of the following conditions are fulfilled:
• The financial asset is held within the framework of the business model with the intention to hold the financial asset for the purpose of getting contractual cash flows, and
• The contractual conditions of the financial assets lead to the set data of the cash flows, which are exclusively repayments of the principal and interest on the outstanding principal.

Gains and losses from derecognition, modification, or impairment of assets are reported in the profit or loss.

The financial assets of the Company at incurred cost include the trade and other receivables, cash and cash equivalents, as well as other financial assets in the Statement of Financial Position.

The Company reports an adjustment entry for Expected Credit Losses (ECL) for all the financial assets at incurred cost. The Company uses a three-level ECL. In the first reporting of the financial assets, if there is no evidence of failure, the Company assigns the financial assets to Level 1. If a significant increase in the credit risk has occurred since the date of first reporting, the Company will assign such a financial asset to Level 2. If the financial asset fulfils the definition of failure, the Company transfers it to Level 3.

The Company considers potential failure as a situation in which it will not be able to collect all the outstanding amounts according to the initially negotiated conditions. The Company considers as serious indicators of failure significant financial difficulties of debtors and the probability that the debtor will enter bankruptcy proceedings or financial restructuring.

Application of the simplified approach using the impairment matrix

In the case of trade receivables without a significant financing element, the Company defines the volume of the adjusting entries according to the matrix. This matrix is based on the application of a reasonable degree of losses on unpaid trade receivable balances (i.e. age analysis of the receivables).

When determining the size of the adjusting entries by simplified procedure, the Company takes the following steps.
1) The Company first divides its individual trade receivables into groups with characteristics similar to credit risk.
2) In the second step, the Company sets a ratio of historical loss for each group with a similar credit risk. In 2026, the Company expects its customers' payment morale to deteriorate due to the current deteriorated macroeconomic indicators, which has been reflected in the current loss ratio (i.e. % of outstanding receivables to maturity for 2025).
3) At the next step, the Company determines the expected losses for each group of receivables, which is further divided into partial categories according to the number of days that they are overdue.
4) Subsequently, the Company will enumerate the adjusting entries on the basis of the current gross volume of trade receivables multiplied by the ratio of the expected losses.
5) The Company also took into account a risk surcharge, which is based on an estimate of the future development of outstanding receivables, where the Company took into account (in addition to other issues) the amount of outstanding advance payments.

In the case of trade receivables and contractual asserts, the Company in the calculation of ECL applies the simplified approach and reports adjusting entries in the amount of the full life ECL at each Financial Statements date. The Company created a matrix of adjusting entries, which is based on historical experience with credit losses and is adjusted by outlook information specific for the debtors
and the economic environment, namely the expected growth in GDP and the expected change in the unemployment rate.

The impairment loss is reported in the profit or loss. Unrecoverable trade receivables are written off against the adjusting entries. The Company writes off receivables after taking all legal steps associated with the collection efforts. Subsequently, the paid amounts for receivables already written off are reported in the profit or loss.

If the trade receivable is qualified as unrecoverable, a 100% adjusting entry is created for it. The creation of adjusting entries is posted to profit or loss.

4.8.2. Financial assets at fair value reported in profit or loss

Derivative financial instruments are, upon first posting, reported at fair value as at the date of negotiation of the contract and subsequently revalued at fair value. The method for reporting the final profit or loss or funds from cash flow hedging reserves depends on whether the given derivative is classified as a hedging derivative or as a trade derivative. The Company secures expected future cash flows from the purchase of gas and electricity through short-term FX forwards and FX swaps. To secure future cash flows with maturity of more than one year, the Company uses in certain cases the so-called roll-over strategy, which is used to secure expected future cash flows with a series of currency derivatives with a shorter maturity. As of the date of the maturity of the currency derivative - classified as a rollover, a new one is immediately established under current market conditions with the same nominal value. The value of such a hedging derivative at the settlement date must be retained in the accounting reserve in equity until the hedged item is realised.

The Company determines whether hedging is effective at the beginning of the hedging instrument application by using the critical parameters method and at least at the reporting date and at the date of prepapration of the Financial Statements using the dollar-offset method, which compares cumulative changes in the fair value of the hedging instrument and cumulative changes in the fair value of a hypothetical derivative representing the hedged item.

At the same time, the Company has considered potential sources of inefficiency but does not consider them significant.
The potential sources of inefficiencies of security are:
• changes in the timing of the realisation of the hedged item.
• significant changes in the credit risk of any of the counterparties of the hedged item and/or instrument,
• reduction of the realised amount of the hedged item below the value of the hedging instrument,
• non-zero initial value of the hedging derivative.

The default accounting regulation governing the rules for accounting for financial instruments (in this case financial derivatives) and hedging accounting is the IFRS 9 standard. Under the transitional provisions of IFRS 9, the Company used the option to proceed in accordance with the rules of IAS 39 and decided not to use the parts of IFRS 9 dealing with hedging accounting.

The Company's Treasury and Financing Department monitors the currency risk of the Company to ensure that this risk is as small as possible. The real value of derivatives is determined as the net present value of cash flows arising from derivatives.

4.9. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, which are held for the purpose of covering short-term liabilities.

4.10. Equity

4.10.1. Registered capital

The registered capital of the Company consists of ordinary shares. Preferred shares were not issued. At the same time, the Company does not hold any own shares.

4.10.2. Profit funds

Profit funds are created from the profit of the Company. Usage of funds created from profit is in accordance with the Company's Articles of Incorporation.

4.11. Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or as other financial liabilities.

Financial liabilities are classified according to whether they are held for trading or not. Financial liabilities comprise mainly trade payables, short-term bank loans, overdraft accounts, loans and credit from the parent company, and other liabilities. Short-term trade liabilities and other financial liabilities, excluding liabilities at fair value reported in the profit or loss, are initially reported at fair value and subsequently valued at book value using the effective interest rate method.

4.11.1. Financial liabilities posted at fair value to the profit or loss

Financial liabilities are classified at fair value through profit or loss if intended for trading which includes financial derivatives that were not designated as hedging instruments.

Derivatives are the only type of financial liabilities recognised at fair value through gain or loss of the Company.

4.11.2. Other financial liabilities

Other financial liabilities are initially measured at fair value and subsequently measured at incurred cost discounted at the effective interest rate. The portion of long-term liabilities with contracted maturity within one year are classified in short-term liabilities.

4.11.3. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers through the regular course of business.

Accounts payable are classified as short-term liabilities if payment is due within one year. If not, they are recorded as long-term liabilities.

Trade payables are initially recognised at fair value and subsequently measured at incurred cost discounted at the effective interest rate.

4.12. Uninvoiced deliveries and advances received

The Company compensates the value of uninvoiced deliveries and advances received. The resulting figure for individual customers is close to the actual receivable and the actual payable in our dealings with customers. Receivables from customers are classified as financial assets, which will be settled in cash. Liabilities towards customers are non-financial liabilities (advances received), which will be settled by supplying gas, electricity, or other non-cash supply.

4.13. Bank loans

Loans and financial aid are initially recognised at fair value, which is equal to the fair value of the received performance, less the costs related to the provision of a loan or financial aid. Interest-bearing bank loans and other short-term financial borrowings are subsequently recognised at incurred cost considering the materiality principle and using the effective interest rate method. Any difference between proceeds (less transaction costs incurred) and redemption value is recognised in profit or loss over the period of the loan using the effective interest rate method. Borrowing costs related to a particular asset are capitalised into the acquisition costs of the asset.

4.13.1. Lending costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

4.14. Bonds

The Company initially recognises the issued debt securities and subordinate liabilities at fair value on the date of their creation. After initial recognition, these financial liabilities are valued at incurred cost using the effective interest rate.

Transaction expenditure (e.g. legal services and other financial costs related to the acquisition of bonds) are accrued over their entire duration, and thus become part of the accrued value of the bonds.

4.15. Reserves

A reserve is recognised when the Company has an unconditional obligation as a result of past events, it is probable that the Company will have to settle the obligation, and the amount can be reliably estimated.

Reserves are measured as the best estimate of expenditures expected to be required to settle the obligation at the reporting date, considering risks and uncertainties connected with the obligation. Reserves not drawn in the following year are recognised as at the balance sheet date at their discounted value in case the impact of the discount as at the balance sheet date is significant.
Market interest rates are used for discounting.

4.16. Revenues from contracts with customers

The Company reports revenue if the obligation to fulfil by transfer of the promised goods or services to the customer, who gains control over this asset, entails the supply of services and goods and their acceptance by the customer.

Revenues from sales of goods and services are presented net of Value Added Tax and net of discounts and are measured at fair value of the consideration received or receivable on an accrual basis.

These one-off discounts and bonuses lead to the reporting of contractual assets, which are subsequently amortised for the residual contract term. If discounts and bonuses for the service are provided during the contract term in a non-uniform way, and the monthly service is provided to the customer uniformly, the total revenues from the services are reported on a uniform basis.

In this case, the constant monthly revenues will also be reported in compliance with the IFRS 15. A discount may be provided at the beginning or during the contract term. The discounts and bonuses may be provided gradually, which means that the size of the discount changes during the minimum term of the contract. The discounts and bonuses are reported during the contract term on a linear basis through the contractual asset, which is created in the period of lower payments and subsequently amortised over the residual contract term.

When posting contractual assets within the framework of the model of expected loss according to IFRS 9, the customer's credit risk is considered.

It is typical in the domestic market to conclude combined services agreements with customers where the total price is billed to the customer, both for the commodity and the distribution services, which the trader has purchased at the given distribution company. The distribution service price is a part of the price for combined services provided to customers. The Company concluded that in case of distribution services the Company acts as a responsible entity (and not as a representative) and reports revenues from services in full, including the part representing distribution services.

4.16.1. Incremental costs of obtaining a contract

Sales agent commissions and other costs are treated as incremental costs to obtain a contract with the customer and are reported as an asset. These costs are amortised over the estimated customer retention period and amortisation is reported under Other operating costs.

4.16.2. Revenues from sales and distribution of natural gas

Revenue from natural gas sales is recognised when the commodity is delivered. Revenue from sales of natural gas on the liberalised market is measured based on the commodity value reflecting all costs for natural gas purchases and the gross margin that covers the costs of electricity trade and profit, and the cost of other energy services related to gas deliveries to the customer in the required quantity and at the required time.

The price for end customers consists of the price for services provided by OTE including a fee covering operations of the Energy Regulatory Office ("ERO"), a two-component price for distribution consisting of the price paid for purchased natural gas and monthly or yearly fixed price for distribution capacity and price of other services related to the supply. This price is a two-component price and consists of the commodity price and fixed monthly payment or capacity component of the price.

The price for other supply services for households and low volume customers is usually fixed for the period based on the Company's business decision. For medium and large customers, there is an option to either set the price as a fixed price with a validity of one month or longer, or to use one of the products offered (e.g. fixing the price for a longer period, or a combination of fixed and spot prices).

The price for the distribution services represents a two-component price and it is regulated by ERO. The price for OTE services is also regulated by ERO, and it contains a fee according to Section 17d of Act No. 458/2000 Coll., as amended.

Gas supply and distribution to high-volume and middle-volume customer categories are billed on a monthly basis according to the measured consumption. Gas supplies to low-volume customer categories ("MO") and households ("DOM") are billed periodically once every 12 months (according to Article 15, Act No. 70/2016 Coll.), based on the reading of the consumption at each consumption point, or based on the reading provided by the customer alone.

Revenues from MO and DOM categories consist of the actually billed revenues and revenues from uninvoiced gas (see section 4.20.1). The amount of uninvoiced gas is calculated from the total amount of purchased gas in the particular year based on past behaviour of individual customers and is valued in relation to the valid price list of the Company, or to individually set prices and products.

4.16.3. Revenues from sales of electricity

Revenue from the sale of electricity is recognised when the commodity is delivered. Revenue from the sale of electricity is measured based on the commodity value reflecting all costs for electricity purchases and the gross margin that covers costs of electricity trade and profit, and the cost of other energy services related to electricity deliveries to the customer in the required quantity and at the required time

The electricity price consists of two components, regulated and non-regulated items. The regulated component is composed of the price for electricity distribution (the Company uses external electricity distributors) and the regulated services. The individual items are published by ERO according to its price decisions. The price level for electricity distribution may vary by distributor.

The non-regulated price component contains primarily the price for electricity supply, respectively electricity consumed at a high tariff in CZK/MWh and electricity consumed at a low tariff in CZK/MWh. A part of this non-regulated component can also be the fixed monthly payments for the distribution point in CZK/month. The fixed monthly price for delivery of electricity is determined by the trader using the market principles. The price for the electricity supply is derived from the price established at the energy stock exchange. The final price also includes the electricity tax and VAT.

Electricity supply and distribution to middle-volume customer categories – households ('MOO') – and middle-volume customer categories – entrepreneurs ('MOP') – are billed based on the measured consumption of each consumption point, which is performed in the reading cycle set by the relevant provider of the distribution network. Electricity supplies to categories MOO and MOP with Type C readings (annual) are billed periodically once within 12 months based on the reading of the consumption of each offtake point, based on customer self-reading. In the case of Type B reading (monthly) in categories MOO and MOP, the electricity supplies are billed on a monthly basis according to the reading of the consumption of each consumption point (according to the provisions of Section 15 Decree No. 70/2016 Coll., and the provisions of Section 3 Decree No. 152/2016 Coll.).
Revenues from MOO and MOP categories consist of the actually billed revenues and revenues from so called “uninvoiced electricity” (see section 4.20. 2). The amount of uninvoiced electricity is calculated from the total amount of purchased electricity in the particular year based on past behaviour of individual customers and is valued in relation to the valid price list of the Company, or to individually set prices and products.

Electricity supply and distribution to high-volume categories (VO), whose consumption points are at high or very high voltage levels, are billed on a monthly basis and based on the measured consumption. Revenues from VO consist of actually billed revenues.

4.16.4. Revenues from sales of goods

These revenues are reported on the date of the release of the goods from the warehouse and are reported minus discounts and VAT. Prices and payment terms are based on individual contracts.

4.16.5. Revenues from miscellaneous services

Sales are reported on the date of the release of the goods from the warehouse and are reported minus discounts and VAT. Prices and payment terms are based on individual contracts.

4.17. Foreign currency conversions

Transactions in a foreign currency other than the functional currency of the Company are converted using the exchange rates announced by the Czech National Bank as at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate published by the Czech National Bank as at the reporting date of the Financial Statements. Foreign exchange profits and losses are recognised as financial profits or losses in the period in which they occurred.

4.18. Employee benefits

4.18.1. Contributions to the state pension scheme

The Company pays contributions for its employees into the state pension system, which is managed on the basis of a defined contribution plan. The Company has no other liabilities related to the state pension scheme after paying contributions in the amount defined by law.

4.18.2. Additional pension and life insurance

In accordance with the valid Collective Agreement, the Company makes monthly contributions to pension and life insurance schemes for its employees, which are paid to an independent entity under a defined contribution scheme. These contributions are recognised in profit/loss as incurred.

4.18.3. Other benefits

Other benefits (e.g. paid holidays) are continuously recognised as expenses when incurred.

4.18.4. Termination benefits

The Company also provides termination benefits to its executives. These benefits are granted if certain conditions are met, namely compliance with non-competition and confidentiality clauses. Amounts are determined based on monthly bonuses. The Company recognises the liability for the termination benefits as at the date when it can no longer withdraw the offer, i.e. as at the signature date of the performance contract.

4.19. Taxes

Income tax comprises current and deferred tax.

4.19.1. Current tax

Current income tax represents the estimated tax payable for the accounting period calculated by using the tax rate and the relevant laws enacted as of the end of the reporting period and valid for the period.

The estimated current tax is reduced by advances paid toward income tax. The short-term receivable is recognised in the case that the income tax advances paid exceed the estimated current tax as at the reporting date.

4.19.2. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the Statement of Financial Position and their tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination. A deferred tax receivable is recognised if it is probable that taxable profit will be earned in the future, which will allow application of these temporary differences.
The deferred tax asset and liability are determined using the tax rate expected to be valid in the period in which the tax asset is realised or the tax liability is settled, according to tax law enacted as at the end of the reporting period.

Offsetting the deferred tax asset and liability is allowed when there is a legally enforceable right to offset the current tax asset and the current tax liability and when the deferred tax asset and liability relates to income tax collected by the same tax authority and if the Company intends to settle its current tax assets and liabilities on a net basis.

4.20. Significant accounting estimates and main sources of uncertainty about the estimates

Preparing the Financial Statements requires using estimates and assumptions that affect the figures in the Statement of Financial Position presented as at the reporting date and the financial performance for the reporting period in question. The estimates and assumptions are calculated on the basis of all relevant available information. Nevertheless, as implied by the nature of an estimate, the real values may differ from the estimates in the future.

4.20.1. Uninvoiced gas deliveries

The Company Management considers the determination of uninvoiced gas supplies and the distribution fees to low-volume customers and households ('MODOM') to be the most significant areas subject to the use of estimates. As of 31 December 2025, the value of uninvoiced gas and distribution fees to low-volume customers and households represented CZK 4,883,017 thous. (as of 31 December 2024, the amount was CZK 4,604,142 thous.)

This estimate is determined using the balancing method, as the difference between total gas purchases and sales of monthly invoiced customers, losses and own consumption during that period. This estimate is then reduced by gas supplies for MODOM categories that have already been invoiced for the given period.

Unbilled gas supplies to large-volume (VO) and to medium-volume consumers (SO) are also reported in the accounting estimates. These estimates do not carry any risk because they are created on the basis of actual gas meter readings.

Sensitivity analysis

The percentage ratio of losses to the distributed amount used for calculation of the uninvoiced gas in 2025 is 1.50%. The median ratio of the balance difference to the distributed amount for the last 6 years is equal to 2.07%. If in 2025, the ratio of losses to the total amount of gas distributed was equal to the long-term average, i.e. it would be less (greater) by 0.6 percentage points (while all other variables would remain unchanged), the pre-tax profit as of 31 December 2025 would be CZK 11.5 mil. higher (lower) due to higher (lower) revenues in the uninvoiced gas deliveries.

4.20.2. Uninvoiced electric power deliveries

Similarly as natural gas, the Company management considers the determination of the amount of uninvoiced electricity and the distribution fee for the categories of low-volume (MOP) and households (MOO) to be an important area of application of estimates. As of 31 December 2025, the value of uninvoiced energy and distribution fee to low-volume customers and households represented CZK 1,157,333 thous. (as of 31 December 2024, the amount was CZK 1,140,994 thous.) .

This estimate is determined using the balancing method, as the difference between total electricity purchases and sales of electricity invoiced on a monthly basis to customers and own consumption during the period in question. Within the framework of the accounting estimates, estimates relating to large volume (VO) consumers are also reported, but these estimates represent a minimum degree of risk because they are based on already billed items. Through these estimates, they are only transferred to the corresponding accounting period.

Sensitivity analysis

The sensitivity analysis of the uninvoiced electricity segment shows a change in the amount of this item provided that the nomination deviation related to the acquisition of the commodity is included in the input balance. As a rule, this deviation amounts to between 3-5% of the volume of technical units sold (738,304 MWh). In the case of the Company, the amount of the purchase deviation for 2025 would be around the category of MOO and MOP in the amount of around 22,149 MWh. The fixed price for the valuation of the deviation is set at CZK 5,350 per MWh, which in the case of the Company would impact the generation of uninvoiced electricity in the total amount of ± CZK 118.5 million .

5. Financial Risk Management

5.1. Credit Risk

The selection of counterparties for transactions with the financial resources of the Company is limited to very creditworthy institutions and is regulated according to the procedures and directives stipulated in the investment strategy approved by the Company's General Meeting. The Company performs only financial transactions whose originator or underwriter has a high rating (investment rating grades) in terms of credit investments issued by competent and independent global rating agencies and for whom it is also possible to continuously monitor the credit quality indicators through the financial market. Cooperating banks enjoy long-term credit ratings A1– A3, issued by Moody's.

The credit risk associated with the counterparties in business transactions is managed by the Company using various tools such as insurance, credit limits, differential collection process, etc.

Credit risk in the case of trading and other receivables, as well as other financial assets, is also limited thanks to risk management tools and the debt collection process. The concentration of credit risks is perceived by the Company in connection with the subsidiary company Pražská plynárenská Distribuce, a.s. This is because principles and operating advances linked with the purchase of distribution services were provided.

Trade and other receivables

IFRS 9 introduced a new model of expected impairment loss, which requires more timely identification of credit losses. The standard specifically requires the accounting units to report the expected credit losses. The Company creates an adjusting entry that represents the estimate of expected credit loss to the trade receivables, other receivables, and contractual assets. Cash and cash equivalents are also subject to the requirements for reduction of value according to the IFRS 9; nevertheless, the ascertained loss from reduction of value was insignificant.

Impairment losses are reported in such a manner as to cover both individually significant exposure to credit risk and portfolio loss in the case of assets for which impairment is not assessed individually. Objective proof of receivables portfolio impairment includes the past experience of the Company with collection of payments, changes in the internal and external assessments of customers, the Company's current position, and insights into the economy during the expected service life of the receivables.

In the case of financial assets, which include cash and cash equivalents, loans, term deposits, trade receivables, and other receivables, exposure of the Company to credit risk is established from the potential failure of the counterparty and is maximally equal to the book value of these financial assets. The Company values its financial investments as of each balance date to find out whether objective evidence for the degradation of asset values exists. Financial investments are considered impaired if the objective evidence indicates that one or more events have negatively affected the estimated future cash flows of this investment. Significant financial assets are tested individually for impairment. The remaining financial assets are evaluated on a portfolio basis in groups that have similar characteristics in terms of credit risk. The impairment loss on financial assets is calculated as the difference between its book value and the current value of estimated cash flows discounted at the initial effective interest rate. All impairment losses are recognised in the profit or loss. Impairment loss is derecognised if the derecognition is objectively related to events that occurred after reporting the loss. Derecognition of an impairment loss is reported in the profit or loss. Trade receivables from customers with a higher credit risk are to a certain extent secured by lien in the form of advances received. The Company creates an adjusting entry that represents the estimate of the expected credit loss to the trade receivables, uninvoiced gas deliveries to other receivables, and contractual assets.

The structure of the allowances is divided into a total of 3 levels according to the expected loss from credit risk. Credit impaired receivables classified as Level 1 are those receivables up to 30 days past due, as well as past due receivables and uninvoiced deliveries for which an adjusting entry is made in accordance with IFRS 9. Credit-impaired receivables classified as Level 2 are those that are 1 to 6 months past due. The Company classifies receivables that are more than 6 months past due and individually assessed receivables for which there is a high probability of expected credit risk loss as Level 3.

The table summarises the complete overview of trade and other receivables minus the adjusting entry:

Type of receivable (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables from third parties	714,478	758,178
Trade receivables from subsidiaries	522,319	445,774
Trade receivables from other affiliates	0	31
Trade receivables from the parent company	25	0
Financial trade receivables	**1,236,822**	**1,203,983**
Allowance for trade receivables	-202,612	-235,984
Net trade receivables – financial	**1,034,210**	**967,999**
Unbilled receivables (less advance payments)	2,388,607	2,168,584
Allowance for uninvoiced receivables	-17,712	-20,359
Loans provided	1,080,000	1,050,000
Total trade and other receivables – financial	**4,485,105**	**4,166,224**
Other receivables - non-financial	277,241	224,849
Allowance for non-financial receivables	-6,346	-6,224
Net value of other receivables - non-financial	**270,895**	**218,625**
Total trade and other receivables – short-term	**4,756,000**	**4,384,849**

Other non-financial receivables consist primarily of VAT claims relating to advance payments received, deferred income and operating advances paid for services and materials.

The structure of allowances for trade and other receivables according to the level of expected interest rate impairment is shown in the following tables:

31 December 2025

Allowances for receivables (in thous. CZK)	EXPECTED INTEREST RISK IMPAIRMENT			
	Level 1	Level 2	Level 3	Total
Cat. MO	27,220	620	40,310	68,150
Cat. DOM	27,815	504	39,215	67,534
Cat. VO	7,945	31	16,363	24,339
Cat. Other	18,060	711	41,530	60,301
Total	**81,040**	**1,866**	**137,418**	**220,324**

31 December 2024

Allowances for receivables (in thous. CZK)	EXPECTED INTEREST RISK IMPAIRMENT			
	Level 1	Level 2	Level 3	Total
Cat. MO	37,137	458	44,901	82,496
Cat. DOM	32,671	398	47,453	80,522
Cat. VO	12,613	104	19,274	31,991
Cat. Other	26,296	371	34,666	61,333
Total	**108,717**	**1,331**	**146,294**	**256,342**

Cash and cash equivalents and other financial assets

The Company makes only short-term cash deposits within 3 months (cash, deposit bills, term deposits, and REPO operations). The Company transfers its free cash to financial instruments. Selecting the counterparties for financial transactions with cash is limited to parties with high creditworthiness.
The Company performs only financial transactions whose originator or underwriter has a high rating in terms of credit instruments (investment rating grades) issued by competent and independent global rating agencies and for whom it is also possible to continuously monitor the credit quality indicators through the financial market.

Cash and cash equivalents are also subject to the requirements for reduction of value according to the IFRS 9; nevertheless, the ascertained loss from reduction of value was insignificant.

Moody's long-term rating (in thous. CZK)	Bank rating	31 December 2025	31 December 2024
Cash on hand	not assigned	1,240	1,484
Money in bank accounts	A1-A3	3,957,174	4,834,629
Total exposure of cash, cash equivalents, and other financial assets		**3,958,414**	**4,836,113**

5.2. Liquidity risk

Liquidity risk is a risk that the accounting entity will not fulfil its obligations arising from financial liabilities.

The goal for liquidity risk management is to keep a balance between financing operating activities and financial flexibility to meet trade payables and liabilities to creditors of the Company on time.

The Company Management minimises liquidity risk (i.e. the risk of a lack of cash to pay liabilities) by continuous, ongoing management and planning of its future cash flows. The main tool for planning of cash flows is the preparation of a midterm plan, which is prepared annually for a 3-year period. The cash flow plan for the following year is subsequently divided into individual days and kept up to date. Based on this detailed forecast, the Company ensures that a sufficient level of liquid cash is available to settle its liabilities.

The Company Management monitors the liquidity and its development on the basis of weekly reports; the Company Management also receives short-term liquidity forecasts.

The Company has operational financing in the form of an overdraft facility, revolving financing and bank guarantees. These external financial resources are provided by a consortium of two banks, i.e. Československá obchodní banka, a.s., and Česká spořitelna, a.s.
In connection with the financing, in 2023, the following agreements were entered into between the Company and Československá obchodní banka, a.s. (also on behalf of Česká spořitelna, a.s.):

- Agreement on the establishment of a lien on the Company's plant between the Company and Československá obchodní banka, a.s.,
- Agreement on the establishment of a lien on the receivables under bank account management agreements between the Company and Československá obchodní banka, a.s.,
- Agreement establishing a ban on burdening and alienation between the Company and Československá obchodní banka, a.s.

The Company has also arranged a short-term euro overdraft facility with Raiffeisenbank, a.s. for the purpose of trading on the energy exchange and related documentation for trading on the energy exchange:

- The Company concluded an Agreement on the pledge of receivables from accounts with Raiffeisenbank a.s.

Short-term funding structure as at 31 December 2025:

(in thous. CZK)	Limit	From	To	Interest rate
Overdraft credit facilities in CZK	1,000,000	15 May 2023	15 May 2027	floating-rate
Committed guarantee/revolving credit facilities	4,000,000	15 May 2023	15 May 2027	fixed/floating-rate
Uncommitted facilities for guarantees	20,000	19 January 2017	for an indefinite period of time	fixed
EUR overdraft facility with RB (EUR 0.5 mil., using an exchange rate of 24.245 CZK/EUR)	12,123	31 May 2025	31 May 2026	floating-rate

In 2025, the Company did not draw down any credit facilities other than bank guarantees; as at 31 December 2025, no bank loan had been drawn down; only funds that were drawn were from subsidiaries that amounted to CZK 370,607 thous. (as at 31 December 2024: CZK 287,539 thous.), which represent liabilities from cash-pooling. The average credit interest rate between the Company and its subsidiaries for 2025 was 2.64% per annum and the average debit interest rate between the Company and its subsidiaries for 2025 was 3.85% per annum.

Short-term funding structure as at 31 December 2024:

(in thous. CZK)	Limit	From	To	Interest rate
Overdraft credit facilities in CZK	1,000,000	15 May 2023	15 May 2027	floating-rate
Committed guarantee/revolving credit facilities	4,000,000	15 May 2023	15 May 2027	fixed/floating-rate
Uncommitted facilities for guarantees	20,000	19 January 2017	for an indefinite period of time	fixed
Loan with guarantee with the Capital City of Prague	4,000,000	24 June 2022	24 June 2025	floating-rate
EUR overdraft facility with RB (EUR 0.5 mil., using an exchange rate of 25.185 CZK/EUR)	12,593	31 May 2024	31 May 2025	floating-rate

Drawing short-term bank loans allows the Company to optimise its coverage of seasonal fluctuations in cash flows, which accompany the purchase and sale of energy. An integral part of Company funding is the utilisation of financial resources of all PP Group companies aggregated in cash pooling. Using these free resources means that drawing short-term loans from the banks is reduced.

In connection with the conditions under the loan agreements, financial indicators are monitored at the consolidated PP Group data level. In case of their non-fulfilment, the banks may request premature loan repayment. These indicators were fulfilled as of 31 December 2025 and as of 31 December 2024.

The liquidity position is supported by the system of advance payments; whereas the high-volume and middle-volume categories pay advances several times during the month, the low-category and households pay advances monthly or quarterly. The setting of the advances takes into account the past consumption for all categories (an algorithm based on three-year historical consumption is used), as well as the seasonal character of the gas consumption, and the gas price.

The following tables show the liabilities grouped by residual period to contractual maturity as at 31 December 2025 and as at 31 December 2024. The size of the liabilities shown in the tables is equivalent to the non-discounted cash flows, including interest, where relevant. The interest is based on the loan amount as at 31 December 2025 and on the interest rates valid on the financial market as of 31 December 2025. Lease liabilities are reported separately in section 7.4.

31 December 2025:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	Total
Derivatives (currency forwards and commodity futures)	2,311,746	1,881,025	1,462,361	291,712	5,946,844
Trade and other liabilities	4,638,248	0	45	2,713	4,641,006
Loans from subsidiaries – cash pooling	370,607	0	0	0	370,607
Total	**7,320,601**	**1,881,025**	**1,462,406**	**294,425**	**10,958,457**

31 December 2024:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	Total
Derivatives (currency forwards and commodity futures)	1,835,867	1,228,810	678,439	0	3,743,115
Trade and other liabilities	4,646,643	0	0	96	4,646,739
Loans from subsidiaries and PPH – cash pooling	287,539	0	0	0	287,539
Total	**6,770,049**	**1,228,810**	**678,439**	**96**	**8,677,393**

The main aim of the analysis of liabilities is the identification of unavoidable liabilities that have to be paid (within the legal limitations), which represent a cash outflow that negatively impacts liquidity.

Concluded guarantees

The Company has its financial liabilities secured with Československá obchodní banka, a.s., as of 31 December 2025:

- on behalf of OTE, a. s., up to CZK 150,000 thous. (under the Deviation Settlement Agreement No. AP 006/09 dated 11/ 12/ 2009);
- on behalf of OTE, a. s., up to CZK 225,000 thous. (under the Deviation Settlement Agreement No. A3602/14 dated 4/ 12/ 2014 and the Agreement on access to the organised short-term electricity market No. B3602/14 of 4/ 12/ 2014);
- to the benefit of RWE Supply Trading GmbH, in the amount of EUR 15,000 thous. (CZK 363,675 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 3/ 6/ 2014);
- to the benefit of Uniper Global Commodities SE in the amount of EUR 20,000 thous. (CZK 484,900 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 14/ 6/ 2021);
- to the benefit of EDF, in the amount of EUR 10,000 thous. (CZK 242,450 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 4/ 5/ 2016).

The Company has secured its financial liabilities with Československá obchodní banka, a.s., as of 31 December 2024:
• on behalf of OTE, a. s., up to CZK 150,000 thous. (under the Deviation Settlement Agreement No. AP 006/09 dated 11/ 12/ 2009);
• on behalf of OTE, a. s., up to CZK 225,000 thous. (under the Deviation Settlement Agreement No. A3602/14 dated 4/ 12/ 2014 and the Agreement on access to the organised short-term electricity market No. B3602/14 of 4/ 12/ 2014);
• to the benefit of RWE Supply Trading GmbH, in the amount of EUR 15,000 thous. (CZK 377,775 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 3/ 6/ 2014);
• to the benefit of Uniper Global Commodities SE in the amount of EUR 20,000 thous. (CZK 503,700 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 14/ 6/ 2021);
• to the benefit of EDF, in the amount of EUR 10,000 thous. (CZK 251,850 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 4/ 5/ 2016).

These concluded guarantees are not included in the Balance Sheet.

5.3. Market risk

5.3.1. Interest rate risk

Interest rate risk is defined as risk related to changes in fair value of future cash flows from financial instruments as a result of interest rate fluctuation.
The goal of interest rate risk management is to eliminate risk emerging from interest rate fluctuations of interest-bearing financial liabilities and receivables using an appropriate structure.

The Company Management monitors interest rate risk on the basis of regular reporting, which includes information about the current interbank interest rates (mainly PRIBOR and EURIBOR) and assessment of actual interest expenses. The Company Management is provided with short-term forecasts of these interest rates. In 2025 (and 2024), the Company did not draw down credit facilities and only drew down cash from subsidiaries under cash pooling.

Sensitivity analysis
If the interest rate had increased/decreased by 100 basic points while all other variables held constant as of 1 January 2025, the profit before tax for 2025 would have been lower/higher by CZK 1,657 thous. as a result of the increased/decreased interest expense (for 2024: CZK 2,487 thous.) .

5.3.2. Exchange rate risk

Exchange rate risk means that the future cash flows from financial instruments will change as result of changes in currency rates.

Movements in exchange rates represent a risk due to the fact that the Company purchases virtually all its natural gas and electricity with foreign currencies. The choice of currency for purchases made in forward purchases is fully dependent on the overall commercial conditions offered. The Group always secures the exchange rate risk in the form of currency forwards at the bank for most of the purchased volume. All spot purchase transactions are carried out in EUR, while a certain portion of these purchases are sold in EUR, or the purchase is made to the portfolio of customers at the listed price using the exchange rate in force on the purchase date. The Company actively manages exchange rate risk through quarterly closing of open foreign currency positions, by setting a stop-loss limit and by managing the purchase of natural gas and electricity in foreign currency, thus maintaining full hedging of long-term currency risk.

The movement in exchange rates constitutes a risk as the Company keeps receivables and payables in foreign currencies. Starting on 1 January 2019, the Company decided to apply a secure accounting system in order to secure future cash flows in foreign currencies from the purchase of commodities.

Sensitivity analysis
If the CZK/EUR exchange rate as of 31 December 2025 had weakened (increased) / strengthened (dropped) by 0.5 CZK/EUR while all other variables held constant, the profit before tax as at 31 December 2025 as a result of revaluation of liabilities in EUR would have been lower/higher by CZK 2,505 thous. (as of 31 December 2024: CZK 2,029 thous.) .

If the CZK/EUR exchange rate were to increase/decrease by 0.5 CZK/EUR as of 31 December 2025, while all other variables remained unchanged, profit before tax as of 31 December 2025 would be CZK 15,401 thousand higher/lower due to the revaluation of receivables in EUR (as of 31 December 2024: CZK 2,353 thous.) .

(in thous. CZK)	2025 increase of 0.5 CZK/EUR	2024	2025 decrease of 0.5 CZK/EUR	2024
Liabilities in EUR	-2,505	-2,029	2,505	2,029
Receivables in EUR	15,401	2,353	-15,401	-2,353
Impact on the profit and loss account before tax	**12,896**	**324**	**-12,896**	**-324**

If the CZK/EUR exchange rate were to increase/decrease by 0.5 CZK/EUR as of 31 December 2025, while all other variables remained unchanged, other comprehensive income as of 31 December 2025 would be CZK 118,356 thousand higher/lower as a result of the revaluation of hedged forward purchases agreed as of 31 December 2025 (as of 31 December 2024: CZK 73,852 thous.) .

(in thous. CZK)	2025 increase of 0.5 CZK/EUR	2024	2025 decrease of 0.5 CZK/EUR	2024
Secured forward purchases in EUR	118,356	73,852	-118,356	-73,852
Impact on total comprehensive income	**118,356**	**73,852**	**-118,356**	**-73,852**

5.3.3. Derivative financial tools

The settlement of purchases of natural gas and electricity in EUR exposes the Company to a risk of changes in future cash flows upon settlement of these transactions due to changes in the EUR/CZK exchange rate. The Company decided to regulate this risk by means of currency swaps and forwards. To secure future cash flows with maturity of more than one year, the Company uses in certain cases the so-called rollover strategy, which is used to secure expected future cash flows with a series of currency derivatives with shorter maturities. As of the date of the maturity of the currency derivative – classified as a rollover, a new one is immediately established under current market conditions with the same nominal value.

Cash flow hedging:

31 December 2025:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Cash flow hedging – future liabilities	2,311,746	1,881,025	1,462,361	231,102	0	5,886,234

31 December 2024:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Cash flow hedging – future liabilities	1,835,867	1,228,810	678,439	0	0	3,743,115

Hedged cash flow derivatives

31 December 2025:

(in thous. CZK)	Nominal value	Fair value		Hedged period	Average hedged exchange rate
		Positive	Negative		
Currency forwards	5,886,234	0	120,359	0-2 years	24.867

31 December 2024:

(in thous. CZK)	Nominal value	Fair value		Hedged period	Average hedged exchange rate
		Positive	Negative		
Currency forwards	3,743,115	0	10,795	0-1 year	25.342

5.4. Fair value estimate

Fair values of financial assets and liabilities that are traded in an active market are determined by using prices quoted (unadjusted) on the active markets.

The fair value of a currency derivative relative to the nominal value of a trade results from the difference between the agreed forward rate and the expected rate at the maturity of the trade. This currency difference is discounted to the date on which the fair value is determined. The resulting valuation of the net present value is sent by the bank with which the derivative transaction was agreed. As at the end of the reporting period, the Company classified its financial assets and liabilities at fair value through profit or loss under Level 2 featuring entry data used to determine the fair value (see Note 5.1.)

The book values of short term receivables after deducting their impairment and short term liabilities, bonds and loans are close to their fair values.

5.5. Offsetting financial receivables and financial liabilities

31 December 2025:

(in thous. CZK)	Gross amount in the Statement of Financial Position	Gross amount of the offsetting in the Statement of Financial Position	Net amount after compensation in the Statement of Financial Position	The amount which is subject of the framework netting agreement and similar arrangements in the Statement of Financial Position	Total net exposure value
Trade and other receivables	4,485,105	0	4,485,105	136,240	4,348,865
Trade and other financial liabilities	2,674,305	0	2,674,305	136,240	2,538,065

31 December 2024:

(in thous. CZK)	Gross amount in the Statement of Financial Position	Gross amount of the offsetting in the Statement of Financial Position	Net amount after compensation in the Statement of Financial Position	The amount which is subject of the framework netting agreement and similar arrangements in the Statement of Financial Position	Total net exposure value
Trade and other receivables	4,166,225	0	4,166,225	223,498	3,942,727
Trade and other financial liabilities	957,838	0	957,838	223,498	734,340

5.6. Net profit and losses from financial instruments

(in thous. CZK)	2025	2024
Trade receivables (particularly depreciation of receivables and creation of provisions)	6,885	-15,282
Cash and cash equivalents (especially profits from the appreciation of funds)	159,642	287,419
Financial derivatives (in particular, gains/losses on derivative transactions)	14,753	-21,761
Bank loans (especially losses from bank fees and liability commissions)	-33,902	-64,566
Other financial liabilities (especially currency exchange profits / losses)	-2,888	-25,786
Net gains (+) / losses (-) reported in the profit/loss statement	**144,490**	**160,024**
Financial derivatives in other comprehensive income (settlement)	-120,359	-10,795
Net gains (+) / losses (-) reported in other total income	**-120,359**	**-10,795**
Total net gains (+) / losses (-)	**24,131**	**149,229**

6. Capital Management

Optimal capitalisation of the Company balances between capital gains and the ability to cover all mature liabilities.

The goal of capital risk management is to maintain such proportion of equity and liabilities that all financial liabilities are repaid and the Company's value increase for shareholders is ensured. The Company's management continuously evaluates the current and expected results including planned and potential investments and cash flows, and adjusts the capital structure to achieve these goals.

The goal of the Company is to achieve such business results to be able to fulfil financial indicators agreed with banks. In case of their non-fulfilment, the banks may request premature loan repayment. These indicators were fulfilled as of 31 December 2025 and as of 31 December 2024.

7. Notes to the Financial Statements

7.1. Land, buildings, and equipment

The balance of fixed assets under construction as at 31 December 2025 and 31 December 2024 comprises primarily investment projects focused on the refurbishment of buildings and the modernisation of IT infrastructure.

Land, property, plant and equipment (in thous. CZK) Acquisition value	Land	Buildings and other constructions	Tangible movables and their sets	Vehicles (means of transport)	Computer equipment and other hardware	Other tangible fixed assets	Tangible fixed assets under construction	Total
Balance as at 1/ 1/ 2024	**75,748**	**1,086,639**	**299,835**	**39,545**	**134,494**	**41,059**	**17,277**	**1,694,597**
Purchases	0	0	0	0	0	0	50,131	50,131
Transfers	0	21,072	10,965	3,501	7,401	5,904	-48,843	0
Reclassifications from/ to investment property (IAS 40)	0	-687	0	0	0	0	0	-687
Decreases	0	0	-7,460	-8,552	-10,478	-48	0	-26,538
Balance as at 31/ 12/ 2024	**75,748**	**1,107,024**	**303,340**	**34,494**	**131,417**	**46,915**	**18,565**	**1,717,503**
Purchases	0	0	0	0	0	0	46,755	46,755
Transfers	0	10,332	2,799	3,435	16,250	1,244	-34,060	0
Decreases	-147	-2,933	-16,861	-5,563	-15,151	0	-4	-40,659
Balance as at 31/ 12/ 2025	**75,601**	**1,114,423**	**289,278**	**32,366**	**132,516**	**48,159**	**31,256**	**1,723,599**
Accumulated depreciation, adjustments, impairment, recharging								
Balance as at 1/ 1/ 2024	**0**	**461,643**	**263,134**	**21,709**	**119,019**	**6,314**	**0**	**871,819**
Reclassification of depreciation from/to investment property (IAS 40)	0	-207	0	0	0	0	0	-207
Depreciation	0	23,497	9,518	6,282	10,025	582	0	49,904
Allowances	0	-23	0	0	0	0	0	-23
Accumulated depreciation for disposals	0	0	-7,452	-8,552	-10,442	-48	0	-26,494
Balance as at 31/ 12/ 2024	**0**	**484,910**	**265,200**	**19,439**	**118,602**	**6,848**	**0**	**894,999**
Depreciation	0	24,186	9,556	6,578	10,466	549	0	51,335
Allowances	0	-23	0	0	0	0	0	-23
Accumulated depreciation for disposals	0	-2,933	-16,772	-5,273	-15,142	0	0	-40,120
Balance as at 31/ 12/ 2025	**0**	**506,140**	**257,984**	**20,744**	**113,926**	**7,397**	**0**	**906,191**
Net book value 2024	**75,748**	**622,114**	**38,140**	**15,055**	**12,815**	**40,067**	**18,565**	**822,504**
Net book value 2025	**75,601**	**608,283**	**31,294**	**11,622**	**18,590**	**40,762**	**31,256**	**817,408**

The Company plant of Pražská plynárenská, a.s. was pledged in favour of the creditors Československá obchodní banka, a.s., and Česká spořitelna, a.s., with the following liens on the Company plant:

(i) To secure debts under the Operating Loan Agreement up to CZK 5,000 million of 15 May 2023, as amended, secured debts of Pražská plynárenská, a.s., from operational financing, which may arise up to the amount of CZK 10,000 mil., and further (ii) to secure debts under the Promissory Note Programme Agreement up to an amount of CZK 1,200 mil. dated 2 November 2023, securing the debts of the subsidiary Pražská plynárenská Distribuce, a.s., which may arise up to a maximum of CZK 2,400 mil.

7.2. Real estate investments

(in thous. CZK) Acquisition value	Real estate investments
Balance as at 1/ 1/ 2024	**177,383**
Increases*	5,117
Reclassifications from/to investment property (IAS 40)	687
Balance as at 31/ 12/ 2024	**183,187**
Increases*	18,225
Balance as at 31/ 12/ 2025	**201,412**
Accumulated depreciation, depreciation, impairment	
Balance as at 1/ 1/ 2024	**101,314**
Depreciation	3,867
Reclassification of depreciation from/to investment property (IAS 40)	206
Balance as at 31/ 12/ 2024	**105,387**
Depreciation	3,991
Balance as at 31/ 12/ 2025	**109,378**
Net book value 2024	**77,800**
Net book value 2025	**92,034**

** Increases represent the technical improvements of buildings.*

Some properties located in the Michle facility, where the Company's operating and administrative buildings are located, include a part that is held for rent or capital appreciation and another part that is held for the production or supply of goods or services, or for administrative and office purposes. The Company has set a criterion and reports the property as an investment property if more than 70% of the floor area is leased.

The Company has chosen to use the cost model for the subsequent valuation of investment property in accordance with IAS 16. Fair value valuation was not implemented for the following reasons:

• buildings are leased within the Group (i.e. to other subsidiaries);
• the facility in Michle represents an enclosed space intended only for the Pražská plynárenská, a.s. Group.

Rent from investment in real estate amounted to CZK 21,135 thous. as at 31/ 12/ 2025 and 14,890 thous. as at 31/ 12/ 2024. Rent is reported in Other operating income.

Direct operating costs (including repairs and maintenance) incurred from investment property amounted to CZK 10,125 thousand as at 31/ 12/ 2025 and 7,271 thous. as at 31/ 12/ 2024. These costs are reported in Other operating expenses.

7.3. Intangible assets

Intangible assets (in thous. CZK) Acquisition value	Software	Assessable rights	Incomplete Long-term intangible assets	Total
Balance as at 1/ 1/ 2024	**925,392**	**14,062**	**22,016**	**961,470**
Purchases	0	0	29,935	29,935
Transfers	27,694	149	-27,843	0
Balance as at 31/ 12/ 2024	**953,086**	**14,211**	**24,108**	**991,405**
Purchases	0	0	47,038	47,038
Transfers	43,177	552	-43,729	0
Decreases	-161	0	0	-161
Balance as at 31/ 12/ 2025	**996,102**	**14,763**	**27,417**	**1,038,282**
Accumulated depreciation, depreciation, impairment				
Balance as at 1/ 1/ 2024	**855,402**	**14,062**	**0**	**869,464**
Depreciation	29,249	34	0	29,283
Balance as at 31/ 12/ 2024	**884,651**	**14,096**	**0**	**898,747**
Depreciation	27,122	83	0	27,205
Accumulated depreciation for disposals	-161	0	0	-161
Balance as at 31/ 12/ 2025	**911,612**	**14,179**	**0**	**925,791**
Net book value 2024	**68,435**	**115**	**24,108**	**92,658**
Net book value 2025	**84,490**	**584**	**27,417**	**112,491**

The average remaining depreciation period for software is 24 months.

An impairment test has been performed on intangible fixed assets under construction based on future usage analysis and no impairment was identified.

7.4. Assets originating from the right of use and lease liabilities

(in thous. CZK) Acquisition value	Non-residential premises
Balance as at 1/ 1/ 2025	**40,828**
Decreases	0
Balance as at 31/ 12/ 2025	**40,828**
Accumulated depreciation, depreciation, impairment	
Balance as at 1/ 1/ 2025	**29,095**
Depreciation	3,421
Balance as at 31/ 12/ 2025	**32,516**
Net book value 1/ 1/ 2025	**11,733**
Net book value 31/ 12/ 2025	**8,312**

(in thous. CZK) Acquisition value	Non-residential premises
Balance as at 1/ 1/ 2024	**40,828**
Decreases	0
Balance as at 31/ 12/ 2024	**40,828**
Accumulated depreciation, depreciation, impairment	
Balance as at 1/ 1/ 2024	**25,674**
Depreciation	3,421
Balance as at 31/ 12/ 2024	**29,095**
Net book value 1/ 1/ 2024	**15,154**
Net book value 31/ 12/ 2024	**11,733**

The Company mostly leases non-residential premises. Lease contracts are usually concluded for an indefinite time. The Company has estimated the lease term in these cases from 5 to 10 years.

As of 31 December 2025, the Company reported lease liabilities as follows:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Long-term lease liabilities	0	0	0	7,338	0	7,338
Short-term lease liabilities	887	891	1,794	0	0	3,572
Total	**887**	**891**	**1,794**	**7,338**	**0**	**10,910**

As of 31 December 2024, the Company reported lease liabilities as follows:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Long-term lease liabilities	0	0	0	10,910	0	10,910
Short-term liabilities from lease	872	875	1,762	0	0	3,509
Total	**872**	**875**	**1,762**	**10,910**	**0**	**14,419**

The total cash flow related to lease liabilities in 2025 amounted to CZK 3,954 thous. and in 2024 amounted to CZK 4,016 thous.

Interest cost from lease liabilities included in the 2025 and 2024 financial expenses are reported in section 7.28.

Short-term lease expenses included in Other operating costs and leasing of low-value assets, which are not reclassified as lease liabilities, are reported in section 7.27.

7.5. Investments into subsidiaries

The Company held shares in the following subsidiary companies as at 31 December 2025 and 31 December 2024:

Pražská plynárenská Distribuce, a.s.
Registered office: U Plynárny 500/44, Prague 4, Postal Code 140 00

Pražská plynárenská Servis distribuce, a.s.,
Member of the PP, a.s. Group
Registered office: U Plynárny 1450/2a, Prague 4, Postal Code 140 00

Prometheus, energetické služby, a.s.,
Member of the PP, a.s. Group
Registered office: U Plynárny 500, Prague 4, postcode 140 00

MONTSERVIS PRAHA, a.s.
Registered office: U Plynárny 500/44, Prague 4, Postal Code 140 00

As at 31 December 2025	Number of stocks (in pieces)	Book value of the share (in thous. CZK)	Held share (%)	Voting right share	Location of business
Pražská plynárenská Distribuce, a.s.	10,000	1,180,348	100	100	Czech Republic
Pražská plynárenská Servis distribuce, a.s., member of the Pražská plynárenská, a.s. Group	202,106	30,458	100	100	Czech Republic
Prometheus, energetické služby, a.s., member of the Pražská plynárenská, a.s. Group	128	204,896	100	100	Czech Republic
MONTSERVIS PRAHA, a.s.	240	43,000	100	100	Czech Republic
Book value		**1,458,702**			

Status as at 31 December 2024	Number of stocks (in pieces)	Book value of the share (in thous. CZK)	Held share (%)	Voting right share	Location of business
Pražská plynárenská Distribuce, a.s.	10,000	1,180,348	100	100	Czech Republic
Pražská plynárenská Servis distribuce, a.s., a member of the Pražská plynárenská, a.s. Group	202,106	30,458	100	100	Czech Republic
Prometheus, energy services, a.s., member of the Pražská Group plynárenská, a.s.	128	204,896	100	100	Czech Republic
MONTSERVIS PRAHA, a.s.	240	43,000	100	100	Czech Republic
Book value		**1,458,702**			

There is no difference between the percentage of ownership and the percentage of voting rights in any of the subsidiaries.

7.6. Inventories

Inventories mainly represent gas stored in the gas storage. This gas was extracted in 2025 and recognised as consumption in the amount of CZK 508,265 thous. (in 2024: CZK 306,863 thous.). The Company did not make an inventory valuation allowance in 2025 and 2024.

No surpluses and/or shortfalls in inventories were found during stock-taking in 2025.

7.7. Short-term and other receivables

Type of receivable (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables from third parties	714,478	758,178
Trade receivables from subsidiaries	522,319	445,774
Trade receivables from other affiliates	0	31
Trade receivables from the parent company	25	0
Financial trade receivables	**1,236,822**	**1,203,983**
Allowance for trade receivables	-202,612	-235,984
Net value of trade receivables - financial	**1,034,210**	**967,999**
Uninvoiced deliveries (less advance payments)	2,388,607	2,168,584
Allowance for uninvoiced receivables	-17,712	-20,359
Loans provided	1,080,000	1,050,000
Total trade and other receivables – financial	**4,485,105**	**4,166,224**
Other receivables - non-financial	277,241	224,849
Allowance for non-financial receivables	-6,346	-6,224
Net value of other receivables - non-financial	**270,895**	**218,625**
Total trade and other receivables – short-term	**4,756,000**	**4,384,849**

Other non-financial receivables consist primarily of VAT claims relating to advance payments received, deferred income and operating advances paid for services and materials.

Short-term operating advances provided to individual suppliers for natural gas and electricity purchases and purchases of gas distribution services were offset with estimated payables created for these suppliers.

In 2025 the offset amount of advances with estimated payables was CZK 1,963,987 thousand (2024: CZK 1,750,873 thous.).

Outstanding trade receivables are not secured. Receivables from related parties are defined in detail in section 7.32.

Changes in adjusting entries for trade receivables may be analysed as follows:

Allowances for doubtful accounts (in thous. CZK)	31 December 2025	31 December 2024
Initial balance as of 1 January	256,342	310,035
Recognition and reversal of provisions	-8,751	13,584
Use of the allowance	27,267	67,277
Final balance as of 31 December	**220,324**	**256,342**

The structure of allowances for trade and other receivables according to the level of expected interest rate impairment is shown in the following tables:

31 December 2025:

Allowances for doubtful accounts (in thous. CZK)	Expected interest risk impairment			
	Level 1	Level 2	Level 3	Total
Cat. MO	27,220	620	40,310	68,150
Cat. DOM	27,815	504	39,215	67,534
Cat. VO	7,945	31	16,363	24,339
Cat. Other	18,060	711	41,530	60,301
Total	**81,040**	**1,866**	**137,418**	**220,324**

31 December 2024:

Allowances for doubtful accounts (in thous. CZK)	Expected interest risk impairment			
	Level 1	Level 2	Level 3	Total
Cat. MO	37,137	458	44,901	82,496
Cat. DOM	32,671	398	47,453	80,522
Cat. VO	12,613	104	19,274	31,991
Cat. Other	26,296	371	34,666	61,333
Total	**108,717**	**1,331**	**146,294**	**256,342**

The following table shows losses due to depreciation of financial assets relating to trade and other receivables:

Loss due to depreciation of financial assets (in thous. CZK)	31 December 2025	31 December 2024
Change in the valuation allowance - to existing receivables	-35,897	-53,584
Loss due to receivables written-off	27,268	67,277
Loss due to depreciation of financial assets	**-8,629**	**13,693**

The book value of the trade and other receivables is close to their fair value.

7.8. Cash and cash equivalents

In 2025 and 2024, the Company did not hold any promissory notes for short-term investment purposes.

The structure of cash and cash equivalents is shown below:

Cash and cash equivalents (in thous. CZK)	31 December 2025	31 December 2024
Cash on hand	1,240	1,484
Funds held in bank accounts	3,957,174	4,834,629
Total	**3,958,414**	**4,836,113**

7.9. Other assets

Other assets (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables from revaluation of currency derivatives held for trading fair value	0	0
Prepaid expenses	72,343	76,892
Other assets – total	**72,343**	**76,892**

7.10. Incremental costs of obtaining a contract

Incremental costs (in thous. CZK)	31 December 2025	31 December 2024
Commission paid to traders – long-term part	31,024	13,287
Commission paid to traders – short-term part	51,099	32,734
Incremental costs – total	**82,123**	**46,021**

The incremental costs to obtain a contract represent the commissions of sales representatives.

7.11. Contract assets

Contract assets (in thous. CZK)	31 December 2025	31 December 2024
Bonuses to customers – long-term part	10,660	3,683
Bonuses to customers – short-term part	27,131	12,389
Contract assets – total	**37,791**	**16,072**

Contract assets represent bonuses to customers for negotiating a contract or amendments.

7.12. Registered capital

Form of shares	2025		2024	
	Number of pieces	Nominal value (CZK)	Number of pieces	Nominal value (CZK)
Bearer shares	950,338	300	950,338	300
Registered shares	489,569	300	489,569	300
Total	**1,439,907**		**1,439,907**	
Total share capital		**431,972,100**		**431,972,100**

Bearer shares are issued in book-registered form.

The registered shares are issued in book-registered form, their transferability is limited and the general meeting of the shareholders must give the owner its consent for their transfer, following discussion at the Board of Directors and the Supervisory Board. All shares have equal rights. All the shares are fully paid-up. The Company shareholder has both rights and obligations. The basic duty of the shareholder is the obligation to deposit. Shareholder rights include:

• Right to a share of the profits,
• Right to vote,
• Right to request and receive an explanation at the General Meeting on matters relating to the Company or persons controlled by it or to exercise shareholder rights,
• Right to present proposals and counter-proposals on matters included on the agenda of the General Meeting,
• Rights of qualified shareholders to ask the Board of Directors to convene a General Meeting and the Supervisory Board to review the performance of the Board of Directors,
• Right to bring a lawsuit action against a member of the Board of Directors or the Supervisory Board, the right to seek repayment of the issue price against shareholders who defaulted on repayment,
• Right to request a squeeze-out of participating securities,
• Right to a share in the liquidation balance.

7.13. Profit funds

The Company is fully governed by the new Corporations Act and utilised the option not to create a profit fund. Usage of funds created from profit is in accordance with the Company's Articles of Incorporation. Profit funds may be transferred to retained earnings or may be used to offset losses.

On 23 June 2025, the Prague City Council, acting in the capacity of the General Meeting, approved the Company's Financial Statements for 2024 and resolved to transfer the profit for 2024 in the amount of CZK 1,103,699 thous. into retained earnings of previous years.

By the date of issue of these Financial Statements, the Company did not propose distribution of the profit for 2025.

7.14. Cash flow hedge

The cash flow hedge represents accumulated profits and losses from effective cash flow hedging. The cumulative accrued profit or loss on hedging derivatives is reclassified as profit or loss only if the secured transaction affects profit or loss, or it is included as a basis adjustment in the secured non-financial item in accordance with applicable accounting rules.

Gains and losses reclassified during the year from equity are included in the profit or loss on the line Purchased gas and electricity, materials and services
related to gas and electricity supplies.

(in thous. CZK)	31 December 2025	31 December 2024
Balance as of the beginning of the year	-8,528	26,089
Change in fair value of hedging derivatives	-109,565	-43,819
Related deferred income tax	**23,009**	**9,202**
Balance as of the end of year	**-95,084**	**-8,528**

Reclassification to the comprehensive profit/loss for the period (in thous. CZK)	2025	2024
Profit after tax	**720,139**	**1,103,699**
Fair value of non-matured hedging derivatives	-120,359	-10,795
Fair value of matriculated continuing hedging derivatives	0	0
Effective component of the fair value of hedging derivatives	**-120,359**	**-10,795**
Deferred tax receivable from hedging derivatives	25,275	2,267
Comprehensive income for the period	**625,055**	**1,095,171**

7.15. Trade payables, advances, principals received – short term

Trade payables, advances and principle received – short-term (in thous. CZK)	31 December 2025	31 December 2024
Trade liabilities payable to third parties	2,666,226	3,038,383
Trade liabilities payable to subsidiaries	5,767	8,872
Trade liabilities payable to other related parties	2,312	2,142
Operating advances and short-term principal received (non-financial liabilities)	2,235,912	2,435,636
Trade payables, advances received and principals – total	**4,910,217**	**5,485,033**

Trade payables and advances received - short-term (by maturity) (in thous. CZK)	Trade payables	Short-term advances received and principals	Contingent liability accounts (Estimated payables)	Total
Balance as at 31/ 12/ 2024	**171,586**	**2,435,636**	**2,877,811**	**5,485,033**
of which due within 6 months	171,586	2,435,636	2,877,811	5,485,033
Balance as at 31/ 12/ 2025	**202,407**	**2,235,912**	**2,471,898**	**4,910,217**
of which due within 6 months	202,362	2,235,912	2,471,898	4,910,172
of which due in 6 months to 1 year	45	0	0	45
Total as of 31/ 12/ 2024	**171,586**	**2,435,636**	**2,877,811**	**5,485,033**
Total as of 31/ 12/ 2025	**202,407**	**2,235,912**	**2,471,898**	**4,910,217**

Liabilities to related parties are defined in detail in section 7.32. Trade payables and other liabilities have not been secured by any Company assets.

As of 31 December 2025, funds were drawn from subsidiaries in the amount of CZK 370,607 thous., which represent liabilities arising from cash-pooling.

Funds provided under the cash-pooling arrangement bore interest at the O/N PRIBOR lending rate minus 1.00% p.a. in 2025. In 2024, they bore interest at the lending rate as follows: in 01-06/2024: O/N PRIBOR - 1.50% p.a., in 07-12/2024: O/N PRIBOR - 1.00% p.a.

Funds drawn down under the cash-pooling arrangement in 2025 bore interest at a debit rate of O/N PRIBOR + 0.25% p.a. In 2024, the same debit rate of O/N PRIBOR + 0.25% p.a. applied.

The book value of the trade payables and other liabilities is close to their fair value.

7.15.1. Financial derivatives for trading

The fair value of financial derivatives is reported in net value for each type of derivative separately under Other assets - if it is positive for the Group, and in Other liabilities - if negative:

(in thous. CZK)	31 December 2025			31 December 2024		
	Fair value		Nominal value	Fair value		Nominal value
	Positive	Negative		Positive	Negative	
Commodity futures	0	9,865	60,610	0	38,136	0

The Company trades natural gas, which is supplied as a physical commodity and electricity on the EEX (European Energy Exchange), which follows a financial settlement.

In 2025, the costs from the settlement of trade derivatives reported in the comprehensive profit/loss statement were CZK 54,218 thous. (in 2024, the costs were CZK 29,917 thous.), see sections 7.28 and 7.29.

In 2025, losses from the settlement of trade derivatives reported in the comprehensive profit/loss statement were CZK 68,873 thous., (in 2024 revenue amounted to CZK 8,059 thous.), see sections 7.28 and 7.29.

7.16. Uninvoiced deliveries and advances received

31 December 2025 (in thous. CZK)	Cat. DOM	Cat. MO	Cat. VO/SO	Other	Total
Uninvoiced deliveries	2,452,031	2,304,769	907,259	1,425,630	7,089,688
Advance payments received	-2,746,914	-2,509,162	-597,263	-1,061,774	-6,915,113
Clearing of Accounts	**2,265,916**	**1,387,460**	**597,264**	**450,442**	**4,701,082**
Uninvoiced deliveries – after off-setting	186,115	917,308	309,996	975,188	2,388,606
Advances received – after offset-ting	-480,997	-1,121,702	0	-611,331	-2,214,031

31 December 2024 (in thous. CZK)	Cat. DOM	Cat. MO	Cat. VO/SO	Other	Total
Uninvoiced deliveries	2,531,720	2,322,454	1,228,634	1,394,395	7,477,203
Advance payments received	-2,915,960	-2,826,296	-859,883	-1,115,100	-7,717,239
Clearing of Accounts	**2,405,918**	**1,551,613**	**859,883**	**491,205**	**5,308,619**
Uninvoiced deliveries - after offsetting	125,802	770,841	368,751	903,190	2,168,584
Advance payments received - after offsetting	-510,042	-1,274,683	0	-623,895	-2,408,620

7.17. Loans

The details of loans are given in section 5.2.

In connection with the conditions under the loan agreements, financial indicators are monitored at the consolidated PP, a.s. Group data level. In case of their non-fulfilment, premature loan repayment may be requested. These indicators were fulfilled as of 31 December 2025 and 31 December 2024. Overview of the movement of liabilities from financial operations – Supplementary Note to the Cash Flow Statement:

(in thous. CZK)	31/ 12/ 2024	Cash flows	Non-cash flows – Revaluation of liabilities using the effective interest rate method	31/ 12/ 2025
Loans from subsidiaries – cash pooling (see section 5.2.)	287,539	73,284	9,784	370,607
Total	**287,539**	**73,284**	**9,784**	**370,607**

(in thous. CZK)	31/ 12/ 2023	Cash flows	Non-cash flows – Revaluation of liabilities using the effective interest rate method	31/ 12/ 2024
Loans from subsidiaries – cash pooling (see section 5.2.)	431,928	-133,175	-11,214	287,539
Total	**431,928**	**-133,175**	**-11,214**	**287,539**

7.18. Other liabilities

Other liabilities (in thous. CZK)	31 December 2025	31 December 2024
Loans from related companies (cashpooling)	370,607	287,539
Liabilities from revaluation of commodity derivatives to fair value	9,865	38,136
Liabilities from revaluation of securing derivatives to fair value	161,201	10,795
Total financial liabilities	**541,673**	**336,470**
Liabilities to employees – current portion	206,240	199,905
Liabilities to employees – non-current portion*	23,451	0
Payables towards social insurance institutions	17,010	16,455
Other non-financial liabilities	11,600	4,465
Non-financial liabilities total	**258,301**	**220,825**
Other liabilities total	**799,974**	**557,295**

**reported as part of the item ‘Trade and other long-term liabilities’ in the statement of financial position*

Liabilities payable to employees also include liabilities related to wages and unpaid future liabilities payable to the members of the statutory bodies of the Company according to contracts describing performance of executive functions (section 4.18.4) in the amount of CZK 42,487 thous. (2024: CZK 42,487 thous.) .

7.19. Deferred tax receivables and liabilities

Compensation of deferred tax assets and liabilities was as follows:

Deferred tax liability (-) and deferred tax receivable (+) (in thous. CZK)	**31 December 2025**	**31 December 2024**
Deferred tax asset expected to be realised after more than 12 months	79,691	62,573
Deferred tax asset expected to be realised within 12 months	98,987	89,198
Deferred tax liability payable after more than 12 months	-106,391	-92,360
Deferred tax liability payable within 12 months	0	0
Net deferred tax liability (-) / tax asset (+)	**72,287**	**59,411**

Deferred tax was calculated using an effective tax rate of 21%.

Deferred tax liability (-) and deferred tax receivable(+) (in thous. CZK) The item represents deferred tax from the following titles	**31 December 2025**	**31 December 2024**
Difference in the residual prices of fixed assets	-80,177	-78,314
Tax non-deductible portion of impairment allowances on receivables – temporary difference	19,767	28,353
Other provisions and temporary differences	95,564	83,791
Liabilities towards employees and board members	36,149	35,598
Incremental costs of obtaining a contract	-25,182	-13,039
Lease liabilities	891	755
Change in fair value of hedging derivative	25,275	2,267
Total	**72,287**	**59,411**

Deferred tax liability (-) and deferred tax receivable(+) (in thous. CZK)	Difference in the residual prices of fixed assets	The tax-non-deductible portion of OP receivables and inventories	Liabilities towards employees and board members	Provisions and securing derivatives	Total
01 January 2024	**-74,045**	**31,217**	**45,398**	**146,155**	**148,724**
profit (+) / loss (-)	-4,269	-2,864	-9,800	-81,582	-98,515
other comprehensive income	0	0	0	9,202	9,202
31 December 2024	**-78,314**	**28,353**	**35,598**	**73,775**	**59,411**
profit (+) / loss (-)	-1,863	-8,586	551	22,774	12,876
31 December 2025	**-80,177**	**19,767**	**36,149**	**96,549**	**72,287**

7.20. Other tax liabilities and receivables

Other tax liabilities in 2025 consist of personal income tax in the amount of CZK 4,844 thous. (2024: CZK 4,573 thous.), VAT in the amount of CZK 259,723 thousand (2024: CZK 344,528 thous.) and other taxes and charges in the amount of CZK 23,577 thous. (2024: CZK 24,019 thous.) .

The receivable in respect of income tax due amounts to CZK 95,299 thous. (liability of CZK 487,145 thous. as at 31/12/2024).

7.21. Other reserves

Reserves (in thous. CZK) Book value	Long-term/short-term
Balance as at 1/ 1/ 2024	**657,577**
Creation of reserves	133,452
Use of provisions	-358,256
Balance as at 31/ 12/ 2024	**432,773**
Creation of reserves	190,004
Use of provisions	-133,439
Balance as at 31/ 12/ 2025	**489,338**
Net book value 2024	**432,773**
Net book value 2025	**489,338**

Provisions as at 31 December 2025 consist primarily of a provision for onerous contracts in accordance with IAS 37 amounting to (CZK 337,187 thous.) and the reserve for remediation of ecological burden (CZK 34,612 thous.) .

7.22. Revenues from sales

Revenues from sales (in thous. CZK)	2025	2024
Sale of natural gas	15,174,767	17,948,441
Sale of gas distribution	4,224,070	3,590,246
CNG Sales	205,584	113,498
Sale of flexibility	3,564	3,039
Sale of electricity	3,880,448	4,880,739
Sale of electricity distribution	2,743,189	2,648,206
Other services	375,766	351,132
of which revenues from meal provisions	18,209	16,973
of which revenues from other services (mainly SLAs)	357,557	334,159
Sale of goods and products (services)	133	94
Revenues from contracts with customers	**26,607,521**	**29,535,395**
Revenues from property leases	50,044	47,988
Total	**26,657,565**	**29,583,383**

7.23. Purchased gas, electricity, materials and services connected with gas and electricity supplies

Purchased gas and electricity, materials and services relating to gas and electricity supplies (in thous. CZK)	2025	2024
Costs of gas purchases	13,715,603	16,223,665
of which gas reservoir costs	194,789	107,283
Gas distribution fee	4,217,988	3,591,316
Costs of electricity purchases	3,585,276	4,739,616
Electricity distribution fee	2,745,904	2,651,615
Other energy-related costs	6,018	5,440
Purchasing expenses – total	**24,270,789**	**27,211,652**
Derivative-related costs, hedged item	210,838	-56,554
Total	**24,481,627**	**27,155,098**

7.24. Other operating income

Other operating income (in thous. CZK)	2025	2024
Profit from sales of fixed assets	3,198	2,577
Income from sale of material	171	365
Income from write-off of receivables	736	892
Income from write-off of lapsed liabilities	29,202	-51
Court fee compensations	3,183	3,502
Benefits from insurance (indemnity)	1,363	763
Shares of the profit	170,332	165,000
Other	189,347	570,889
Total	**397,532**	**743,937**

7.25. Personnel costs

Personnel costs (in thous. CZK)	2025	2024
Employees	619,933	597,950
Members of statutory bodies	58,256	65,158
Future benefits to members of statutory bodies under performance contracts (section 4.18.4)	0	0
Total	**678,189**	**663,108**

Related parties to the Company are also key management personnel, who are the members of statutory bodies.

During 2025 and 2024, no loans or credit facilities were provided to members of the Board of Directors, members of the Supervisory Board or to other management members. Company cars, computers and telecommunication equipment are available for use by the Board members and other executives.

In 2025, the Company did not make any payments to members of its statutory bodies under their contracts of service (see section 4.18.4). In 2024, the actual figure was CZK 2,352 thous. No profit shares were paid to members of statutory bodies in 2025 and 2024.

Contributions to the state pension scheme (on the basis of defined contributions) in 2025 amounted to CZK 91,537 thous. per employee (2024: CZK 86,230 thous.) and CZK 3,143 thous. for members of statutory bodies (2024: CZK 3,961 thous.).

7.26. Depreciation of fixed assets

Depreciation of fixed assets (in thous. CZK)	2025	2024
Depreciation of buildings and other structures	24,186	23,497
Depreciation of real estate investments	3,991	3,867
Depreciation of movables and sets of movables	9,556	9,518
Depreciation of vehicles	6,578	6,282
Depreciation of IT equipment and other hardware	10,466	10,025
Depreciation of tangible fixed assets	549	582
Depreciation of intangible assets	27,205	29,283
Depreciation of assets originating from the right of use	3,421	3,421
Total	**85,952**	**86,475**

7.27. Other operating costs

Other operating costs (in thous. CZK)	2025	2024
Consumption of materials and energy	33,267	44,966
Costs of goods	70	47
Services	479,705	436,381
of which asset repair and maintenance costs	8,310	7,676
of which claims collection costs	13,771	10,492
of which promotion, advertising and marketing costs	85,777	98,733
of which lease payments (short-term lease and low-value assets)	3,071	4,041
of which IT systems management and repair costs	106,511	97,256
of which business representatives’ commission costs	89,327	101,603
of which consulting costs	35,223	18,604
of which building operational costs	24,691	24,935
of which catering costs	0	0
of which costs of other services	113,024	73,041
Taxes and fees	3,177	3,160
Other (particularly changes in provisions)	90,570	-196,733
Total	**606,789**	**287,821**

Information on fees paid to the auditing company is disclosed in the Annex to the Consolidated Financial Statements of Pražská plynárenská, a.s. as of 31 December 2025.

7.28. Financial costs

Financial costs (in thous. CZK)	2025	2024
Interest expense	4,156	9,672
Lease liabilities – interest paid	223	284
Costs arising from the settlement of trading derivatives	54,218	29,917
Bank charges	43,562	73,777
Other financial expense (mainly foreign exchange losses)	84,638	193,928
Total	**186,797**	**307,578**

7.29. Financial revenues

Financial revenues (in thous. CZK)	2025	2024
Interest income	176,828	312,821
Income from contractual penalties and interests from default	5,797	5,554
Revenues arising from the settlement of trading derivatives	68,873	8,059
Other financial revenues (mainly foreign exchange profits)	74,592	175,407
Total	**326,090**	**501,841**

7.30. Income tax

Income tax expense recognised in the comprehensive statement includes:

(in thous. CZK)	2025	2024
Income tax – current	617,997	1,038,975
Income tax - adjustment of income tax from previous years	2,193	79,639
Income tax – deferred	10,133	98,514
Income tax on profit after tax	**630,323**	**1,217,128**

As of 1 January 2023, the Company is subject to windfall profits tax. The total estimated tax liability for 2025 is CZK 617,997 thous. (of which CZK 252,815 thous. represents the tax with application of 21% tax rate and CZK 365,182 thous. with application of 60% tax rate). Reconciliation of the tax base and estimated total tax calculated on accounting profit multiplied by the applicable corporate tax rate and the effective tax rate on windfall profits.

(in thous. CZK)	2025	2024
Profit before tax	1,350,462	2,320,827
Tax due at a rate of 21%	283,597	487,374
Tax on windfall profits	365,182	678,661
Non-taxable income	-38,923	-107,009
Tax non-deductible expenses	21,463	-27,827
Gifts	-234	-2,378
Other*	-762	188,308
Income tax at the effective rate **	630,323	1,217,128
Tax expense	**630,323**	**1,217,128**

** this mainly involves a difference in the method of calculating tax on windfall profits compared with the 21% tax due (it is not based on the accounting profit for the current period, but on the so-called comparative tax bases from previous years)*
***effective tax rate for 2025 was 46.67% (in 2024 it was 52.44%)*

The Company is subject to the Large Multinational Group and Large Domestic Group Tax Equalisation Act effective for the 2024 tax year. The Company did not create a provision for domestic withholding tax in 2025, as it meets the criteria for the application of the temporary safe harbour, which is based on the calculation of a simplified effective tax rate.

7.31. Dividends paid

No dividend was paid in 2025 and 2024 to the parent company.

7.32. Related party transactions and balances

Transactions related to the purchase or sale of energy (gas, electricity, heat, CNG) to companies controlled by the Capital City of Prague were concluded according to market conditions and are not presented in the following tables.

The Company was involved in the following transactions with related parties:

SUBSIDIARIES Revenues (in thous. CZK)	2025	2024
Revenue from supply and distribution natural gas and electricity	352,824	398,706
Revenues from sale of services	330,325	327,902
Revenues from the sale of fixed assets	2,135	50
Revenues from the sale of goods and materials	6,699	2,256
Shares of the profit	170,332	165,000
Other revenue	50,932	80,806
Total revenues	**913,247**	**974,720**

Costs (in thous. CZK)	2025	2024
Consumption of materials and energy	12,531	9,643
Gas distribution fee	2,387,571	1,999,332
Purchase of other services	20,941	19,512
Other costs	7,654	9,944
Total costs	**2,428,697**	**2,038,432**

OTHER RELATED PARTIES Revenues (in thous. CZK)	**2025**	**2024**
Revenues from sale of services	117	199
Other revenue	1	6
Total revenues	**118**	**205**

Costs (in thous. CZK)	**2025**	**2024**
Consumption of materials and energy (excluding gas, electricity, heat, CNG)	1,254	881
Purchase of other services	5,094	8,592
Other costs	269	0
Total costs	**6,617**	**9,473**

PARENT COMPANY OF THE CAPITAL CITY OF PRAGUE Costs (in thous. CZK)	**2025**	**2024**
Purchase of services	4,530	0
Other costs	26,000	26,000
Total costs	**30,530**	**26,000**

The Group reported the following balances with related parties:

SUBSIDIARIES Receivables and payables (in thous. CZK)	**31 December 2025**	**31 December 2024**
Trade receivables	522,319	445,744
Short-term advances paid*	278,525	277,418
Loan granted**	1,080,000	1,050,000
Estimated receivables	72,890	79,863
Other accounts receivable	20,259	28,683
Total receivables	**1,973,993**	**1,881,708**
Trade payables	5,767	8,872
Short-term advances received*	16,404	20,430
Estimated payables	15,906	230
Financial resources from subsidiaries	370,607	287,539
Other liabilities	553	665
Total accounts payable	**409,237**	**317,736**

**these balances are reported including VAT*
loans granted to Pražská plynárenská Distribuce, a.s. and Prometheus, energetické služby, a.s., a member of the Pražská plynárenská, a.s. Group

OTHER RELATED PARTIES Receivables and payables (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables	0	31
Short-term advances paid*	432	1,065
Total receivables	**432**	**1,096**
Trade payables	2,312	2,142
Total accounts payable	**2,312**	**2,142**

PARENT COMPANY OF THE CAPITAL CITY OF PRAGUE Receivables and payables (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables	25	0
Short-term advances paid*	699	0
Total receivables	**724**	**0**

**these balances are reported including VAT*

The dividends paid to shareholders in 2025 and 2024 are set out in section 7.31. Transactions and balances with key management are disclosed in sections 7.25. and 7.18.

Other related parties represent companies and affiliates controlled by the ultimate parent company (Capital City of Prague).

7.33. Regulatory framework

As at 1 January 2007, the Company in line with the requirements of the European Directives on the liberalisation of the gas market and amendment of the Energy Act unbundled part of its operations and transferred the part of the enterprise related to the distribution of natural gas to its subsidiary company. This led to the legal separation of the distribution system operator from the previously vertically integrated gas company and the establishment of the subsidiary Pražská plynárenská Distribuce, a.s., which took over the role of distribution system operator. Under the granted licences, the Company trades in natural gas and electricity.

Gas and electricity trading (the trader is not subject to price regulation).

The gas and electricity market is fully liberalised, and all customers thus have the option to choose their own supplier. The Company is engaged in the purchase and sale of gas and electricity (commodities) including related operations.

The commodity price is contractual (unregulated), while the price of distribution services is regulated. The distribution service price is regulated by the Energy Regulatory Office.

7.34. Contractual and other future commitments

The expenditure for the acquisition of tangible and intangible assets contracted as of 31 December 2025, which have not yet been incurred, amounts to CZK 44,831 thous. (as at 31 December 2024: CZK 4,666 thous.) .

SUBSIDIARIES (in thous. CZK)	2025	2024
Up to 1 year	0	3,710
Total	**0**	**3,710**

OTHER COMPANIES (in thous. CZK)	2025	2024
Up to 1 year	7,867	956
1-3 years	30,876	0
3-5 years	6,088	0
Above 5 years	0	0
Total	**44,831**	**956**

The aggregate of future minimum payments for services - mainly for the use of gas storage capacity - totalled CZK 346,055 thous. as at 31 December 2025 excluding effective VAT (as at 31 December 2024: CZK 209,482 thous.) .

(in thous. CZK)	2025	2024
Up to 1 year	144,941	150,782
1-3 years	181,950	55,864
3-5 years	19,164	2,522
Above 5 years	0	314
Total	**346,055**	**209,482**

7.35. Long-term gas supply contracts

The Company has entered into a long-term contract for the purchase of natural gas with a major supplier, under which it has undertaken to purchase minimum, fixed daily volumes of gas for the duration of the contract until 2035.

The contract specifies a daily contractual gas quantity ('DCQ') and includes a take-or-pay mechanism, under which the Company is obliged to pay for the agreed quantity of gas regardless of its actual consumption, with the option to draw on so-called 'make-up gas' in subsequent periods under the terms set out in the contract. The price of the gas supplied is not fixed, but is linked to the daily natural gas market index in Germany (Trading Hub Europe – Day-Ahead Index), with a fixed mark-up and, where applicable, an adjustment for transmission capacity costs depending on the delivery point. As a result of this pricing structure, the contract price changes continuously in line with market price movements.

As at the balance sheet date, this agreement constitutes an executory contract, under which both parties have material future obligations. In accordance with International Financial Reporting Standards, the liabilities arising from this contract are not recognised as such in the balance sheet, as, at the balance sheet date, the contract does not constitute an onerous contract within the meaning of IAS 37 and the Company expects to derive reasonable economic benefits from it.

The Company continuously assesses whether a contract is becoming loss-making, particularly in view of developments in market prices, regulatory conditions and the expected use of the gas purchased. If, in the future, the unavoidable costs of fulfilling the contract were to exceed the expected economic benefits, the Company would recognise a provision for an onerous contract in accordance with IAS 37.

8. Other facts

8.1. Contingent liabilities

No court cases that would materially affect the Company's profit/loss statement are being conducted or prepared.

The Company has no contingent liability arising from possible major future costs that relate to a past period and which could arise as a result of damage to the environment and harm to an employee's health on record.

The Company management is not aware of any important potential Company liabilities as of 31 December 2025 apart from those mentioned in section 5.2 and 7.21.

8.2. Events after the balance sheet date of the Financial Statements

In light of the armed conflict and security instability in the Middle East, the Company is monitoring developments in the geopolitical situation in the region. The Company has no direct business activities or financial interests in the affected areas that would pose an immediate threat to its stability. The Company's management perceives the main risks arising from this conflict to lie primarily in the potential volatility of energy commodity prices. At the time of preparing the Financial Statements, it is not possible to reliably quantify these indirect effects on future profitability and cash flows. However, the Company continues to meet its obligations in full and on time, and the Company's management is not aware of any facts that would call into question the going concern assumption.

On 1 January 2026, the terms of office of the following members of the Company's Audit Committee came to an end: Ing. Ondřej Kajml, Mgr. Peter Chrenek and RNDr. Jan Materna, Ph.D. At the meeting of the Prague City Council on 12 January 2026, they were reappointed as members of the Company's Audit Committee with immediate effect.

At a meeting of the Company's Audit Committee on 22 January 2026, Ing. Ondřej Kajml was elected Chairman of the Company's Audit Committee with immediate effect .

On 12 February 2026, the term of office of a member of the Company's Supervisory Board, JUDr. Martin Šenkýř, ended. At the meeting of the Prague City Council on 23 February 2026, JUDr. Martin Šenkýř has been re-elected as a member of the Company's Supervisory Board, with effect from 24 February 2026.

8.3. Authorisation of the Financial Statements

The Financial Statements were approved by the Company Board of Directors for publishing on the date stated below. The approved Financial Statements may be supplemented or amended upon request and approved by the sole shareholder at the General Meeting.

In Prague on 21 April 2026

Ing. Ludvík Baleka
Chairman of the Board of Directors

Ing. Milan Cízl
Vice-Chairman of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

Individual Financial Statements for the year ended 31 December 2025 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

Pražská plynárenská, a.s. Consolidated Balance Sheet as at 31 December 2025 Compiled in compliance with the IFRS in the wording adopted by the EU			
	Note:	**31/ 12/ 2025**	**31/ 12/ 2024**
		('000 CZK)	**('000 CZK)**
ASSETS **Fixed assets**			
Land, buildings, and equipment	7.1	10,028,740	9,445,382
Intangible assets	7.2	170,053	150,146
Assets originating from the right of use	7.4	60,459	22,821
Incremental costs of obtaining a contract	7.9	31,024	13,287
Contract assets	7.10	10,660	3,683
Other fixed assets		12,629	10,769
Fixed assets – total		**10,313,565**	**9,646,088**
Short-term assets			
Inventories	7.5	1,430,981	1,309,434
Trade and other receivables	7.6	3,301,130	2,774,334
Cash and cash equivalents	7.7	3,988,821	4,836,262
Other assets	7.8	68,086	94,232
Incremental costs of obtaining a contract	7.9	51,099	32,734
Contract assets	7.10	27,131	12,389
Receivables arising from tax due		95,299	1,397
Short-term assets – total		**8,962,547**	**9,060,782**
TOTAL ASSETS		**19,276,112**	**18,706,870**
EQUITY AND LIABILITIES **Equity**			
Registered capital	7.11	431,972	431,972
Profit funds	7.12	238,960	238,960
Revaluation of hedging derivatives	7.13	-95,084	-8,528
Retained earnings		10,055,858	8,718,443
Equity		**10,631,706**	**9,380,847**
Non-controlled shares		304,543	212,355
Equity – total		**10,936,249**	**9,593,202**
Long-term liabilities			
Trade liabilities and other long-term liabilities	7.14	28,537	13,231
Lease liabilities	7.4	59,787	22,468
Deferred tax liability	7.19	715,573	679,859
Reserves	7.21	81,034	382,135
Long-term liabilities – total		**884,931**	**1,097,693**
Short-term liabilities			
Bank loans	7.17	250,000	640,000
Trade payables, advances, principals received – short term	7.15	5,485,038	5,899,227
Lease liabilities	7.4	6,046	4,239
Other liabilities	7.18	595,812	409,421
Due income tax		304,787	516,350
Other tax liabilities	7.20	316,659	404,708
Reserves	7.21	496,590	142,030
Short-term liabilities – total		**7,454,932**	**8,015,975**
TOTAL EQUITY AND LIABILITIES		**19,276,112**	**18,706,870**

Pražská plynárenská, a.s. Consolidated statement of the comprehensive profit/loss statement as at 31 December 2025 Compiled in compliance with the IFRS in the wording adopted by the EU			
	Note:	2025	2024
		('000 CZK)	('000 CZK)
Revenues from sales	7.22	28,382,653	30,834,214
Purchased gas, electricity, materials, and services connected with gas and electricity supplies	7.23	23,070,893	25,878,874
Other operating income	7.24	247,284	594,059
Personnel costs	7.25	1,202,715	1,117,911
Depreciation of fixed assets	7.26	485,504	446,799
Impairment gains/losses on financial assets	7.6	-10,930	19,447
Other operating costs	7.27	1,385,597	944,530
Operating profit/loss		**2,496,158**	**3,020,712**
Financial costs	7.28	214,711	356,824
Financial revenues	7.29	275,958	421,414
Financial profit/loss		**61,247**	**64,590**
Profit before tax		**2,557,405**	**3,085,302**
Income tax	7.30	1,132,185	1,447,709
Profit after tax		**1,425,220**	**1,637,593**
Items that may be reclassified and reported as profit or loss:			
Settlement of hedging derivatives (change in fair value)	7.13	-120,359	-10,795
Deferred tax on hedging derivatives	7.13	25,275	2,267
Other comprehensive income	7.13	-95,084	-8,528
Comprehensive income for the period		**1,330,136**	**1,629,065**

Profit after tax belonging to:			
Parent company owners		1,333,032	1,575,597
Non-controlled shares		92,188	61,996
Comprehensive result belonging to			
Parent company owners		1,237,948	1,567,069
Non-controlled shares		92,188	61,996

Pražská plynárenská, a.s. Consolidated statement of changes in equity for the year ended 31 December 2025 Compiled in compliance with the IFRS in the wording adopted by the EU						
	Registered capital	**Profit funds**	**Revaluation of hedging derivatives**	**Retained earnings**	**Non-controlled shares**	**Total**
	('000 CZK)	**('000 CZK)**	**('000 CZK)**	**('000 CZK)**	**('000 CZK)**	**('000 CZK)**
Note	7.11	7.12	7.13			
As at 1 January 2024	**431,972**	**238,960**	**26,089**	**7,140,936**	**150,359**	**7,988,316**
Income after tax for the period	0	0	0	1,575,597	61,996	1,637,593
Other comprehensive income	0	0	-8,528	0	0	-8,528
Comprehensive income	**0**	**0**	**-8,528**	**1,575,597**	**61,996**	**1,629,065**
Other transactions	0	0	-26,089	1,910	0	-24,179
Status as at 31 December 2024	**431,972**	**238,960**	**-8,528**	**8,718,443**	**212,355**	**9,593,202**
Income after tax for the period	0	0	0	1,333,032	92,188	1,425,220
Other comprehensive income	0	0	-95,084	0	0	-95,084
Comprehensive income	**0**	**0**	**-95,084**	**1,333,032**	**92,188**	**1,330,136**
Other transactions	0	0	8,528	4,383	0	12,911
As at 31 December 2025	**431,972**	**238,960**	**-95,084**	**10,055,858**	**304,543**	**10,936,249**

Pražská plynárenská, a.s. Consolidated statement of cash flows for the year ended 31 December 2025 Compiled in compliance with the IFRS in the wording adopted by the EU			
	Note:	2025 ('000 CZK)	2024 ('000 CZK)
Profit before tax		**2,557,405**	**3,085,302**
Adjustments to profit before tax		**423,780**	**119,163**
Depreciation of fixed assets	7.26	485,504	446,799
Write-offs of receivables		28,333	66,816
Change in the position of adjustments and reserves		12,454	-214,374
Profit from sales of fixed assets	7.24	-4,089	-3,231
Net interest	7.28 / 7.29	-98,422	-176,847
Net cash flows from operations before tax and changes in working capital		**2,981,185**	**3,204,465**
Change in working capital needs		**-1,152,069**	**-906,881**
Change in receivables from operations		-571,575	564,936
Change in liabilities from operations		-459,929	-1,234,302
Change in inventories (gross)		-120,565	-237,515
Net cash flow from operations before tax		**1,829,116**	**2,297,584**
Interest paid		-15,780	-37,830
Interest received		126,986	244,560
Income tax paid on ordinary activities and additional assessments minus tax refunds		-1,378,927	-1,384,473
Net cash flow from operations		**561,395**	**1,119,841**
Acquisition cost of fixed assets		-1,085,996	-1,007,327
Revenues from sales of fixed assets		14,535	5,469
Net cash flow from investments		**-1,071,461**	**-1,001,858**
Change in long-term liabilities		52,625	2,637
Change in bank loans *	7.17	-390,000	-360,055
Net cash flows from financing activities		**-337,375**	**-357,418**
Cash and cash equivalents at the beginning of the accounting period		**4,836,262**	**5,075,697**
Net change in cash and cash equivalents per accounting period		**-847,441**	**-239,435**
Cash and cash equivalents at the end of the accounting period		**3,988,821**	**4,836,262**

**Cash flows from short-term bank loans are reported on a net basis, as these are cash receipts and payments with a rapid turnover and short-term maturity*

1. Name, registered office, and information on the founding of the Company

Pražská plynárenská, a.s., (hereinafter the “Company” or "PP, a.s.") was incorporated on 31 December 1993 and has its registered office at Prague 1 – Nové Město, Národní 37, postcode 110 00, Czech Republic.
The Company ID number is 601 93 492. The Company LEI is 315700QBYOTLGRRMO011.

1.1. Definition of the group and its business activities

The Pražská plynárenská, a.s. Group, (hereinafter referred to as “the Group”) consists of the parent company and all its subsidiaries.

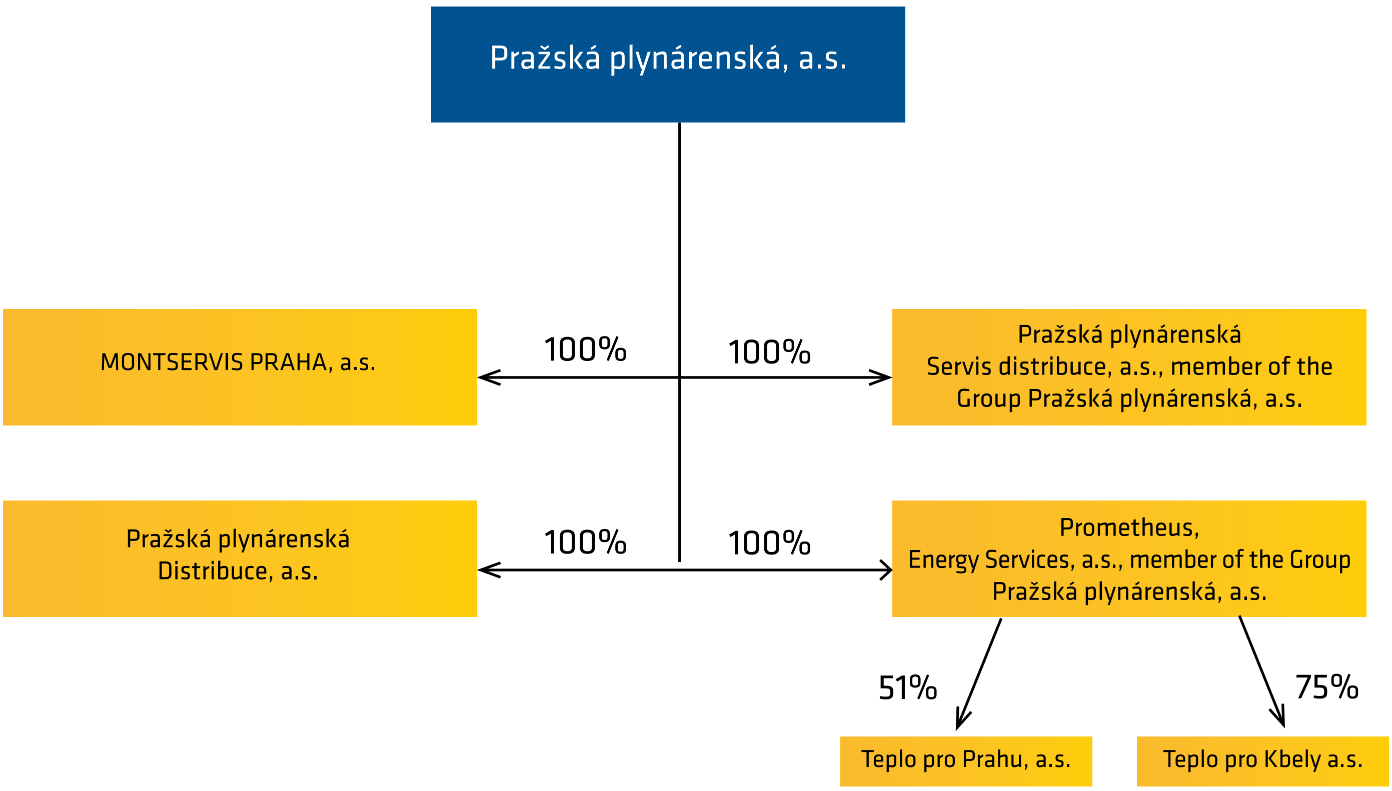
The Group’s core business activity is the sale/distribution of natural gas and the sale of electricity.

Other Group business activities are:

- provision of services related to information technologies and the purchase and sale of hardware and software;
- provision of services in the field of research into the cause of natural gas losses, measuring and metrology in the gas industry;
- service, maintenance, repairs and construction of gas facilities;
- rendering services relating to the management and maintenance of movable and immovable property;
- generation and distribution of energy;
- management of energy facilities and the installation of photovoltaic systems.

Based on the current results, the expected profit to be generated during the next 12 months, the availability of credit facilities and other means of managing liquidity, management of the Group believes that the Group has sufficient financial capacity to continue its business for at least 12 months from the date of signing these Consolidated Financial Statements.

Organisational structure of the Group as at 31 December 2025:



1.2. Company shareholder

As at 31 December 2025, just as it was as at 31 December 2024, the sole controlling shareholder of the Company is the City of Prague.

1.3. Merger and formation of a new company

In 2024, on the basis of the "Merger Project" (hereinafter referred to as the Merger), in accordance with the provisions of Section 61a et seq. in conjunction with Section 100 et seq. of Act No. 125/2005 Coll., on the Transformation of Commercial Companies and Cooperatives, as amended, the dissolving company Pražská plynárenská Distribuce, a.s., a member of the Pražská plynárenská, a.s. Group, with registered office at U Plynárny 500, 145 08 Prague 4, Company ID No.: 274 03 505, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 10356 (hereinafter referred to as the "Dissolving Company") carried out a merger by merger with the successor company Nová PP Distribuce, a.s., with its registered office at U Plynárny 500/44, 140 00 Prague 4, Company ID No.: 210 31 088, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 28573 (the "Successor Companies"). On 1 July 2024, the name of the Successor Company was changed to Pražská plynárenská Distribuce, a.s.

The decisive date of the Merger within the meaning of Section 10 of the Act on Conversions, i.e. the date from which the acts of the Dissolving Company shall be deemed, from an accounting point of view, to have been carried out on account of the Successor Company, shall be 1 January 2024.

In 2025, the military conflict in Ukraine and the related sanctions against the Russian Federation continued. The Group has no direct exposure to companies based in Ukraine or
in the Russian Federation, or against companies subject to sanctions, and the Company's continued existence is not thereby jeopardised. As at the date of these Financial Statements, the Group's obligations are being met as they fall due and the going concern basis continues to apply.

2. Rules for preparation of Consolidated Financial Statements

Declaration of conformity

The consolidated financial statements were processed according to the International Financial Reporting Standards (IFRS) in the form adopted by the EU.

Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements were prepared on the basis of historical acquisition prices except for cases defined in sections 4.7.2., 4.10.1., 4.12. and 4.13. The Consolidated Financial Statements have been prepared on a going concern basis.

Functional and presentation currency of the consolidated financial statements

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (so-called "functional currency").

The currency of the Financial Statements of each company in the Group and the reporting currency of the consolidated financial statements is Czech crowns (CZK). Figures in the Consolidated Financial Statements, unless stated otherwise, are presented in thousands of Czech crowns (CZK thous.).

Use of estimates and value judgements

During the preparation of the Financial Statements according to the IFRS, the Group Management makes estimates and value judgements as well as assumptions, which impact the use of the accounting procedures and the reported volumes of assets and liabilities, revenues, and costs. The actual results may differ from these estimates.

The estimates and assumptions are reviewed continuously. The review of accounting estimates is taken into consideration in the period in which the given estimate was reviewed, and in all concerned future periods.
Information on the fundamental judgements during application of the accounting procedures, which have a more significant impact on the amounts reported in the Financial Statements, are stated in the following notes:

- section 4.19.1 – Uninvoiced gas deliveries
- section 4.19.2. – Uninvoiced electricity deliveries

3. Adoption of new or revised accounting standards and interpretations

Standards and interpretations in effect during the current period

In the current period, the following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union are effective:

- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

New standards coming into force in 2026:
• Amendments to IFRS 9 and IFRS 7 – Financial Instruments and Disclosures: Classification and valuation
• Amendments to IFRS 9 and IFRS 7 – Financial Instruments and Disclosures: Contracts relating to nature-dependent electricity
• Annual Improvements to IFRS – Volume 11

New standard coming into force in 2027:
• IFRS 18 – Presentation and disclosure in the Financial Statements

The Group is currently assessing the impact of IFRS 18 on its financial statements and on the scope and content of the information disclosed. Other newly issued standards, amendments to standards and their interpretations approved by the EU do not have a significant impact on the Group's Financial Statements.

New standards, interpretations and amendments to the existing standards issued by IASB but not yet adopted by the European Union:
• IFRS 19 – Subsidiaries not subject to public accountability: Publication
• Amendments to IAS 21 – Restatement due to hyperinflation

Newly issued standards, amendments to standards and their interpretations approved by the EU, which are not yet effective and have not been applied by the Company, do not have a significant impact on the Company's Financial Statements.

4. Basic principles for preparation of Consolidated Financial Statements and significant accounting policies

4.1. Consolidation principles

4.1.1. Subsidiary companies

The consolidated financial statements of the Group consist of the Financial Statements of Pražská plynárenská, a.s., and its subsidiaries. A subsidiary is a company (including a structured company) into which the Company has invested and which is controlled by the Company.

In assessing whether the Company controls the entity into which it has invested, the key consideration is whether the Company is exposed to variable income from this entity or whether the Company is entitled to receive the income based on its commitment in the entity and the Company can influence the income through the control exercised in the entity. The results of subsidiaries acquired or disposed of by the Company during the year are included in the consolidated statement of comprehensive income from the date of acquisition to the date of disposal. The accounting policies used when preparing the subsidiaries' financial statements are in compliance with the accounting policies of the parent company.

All group transactions within the Group, balances, revenues, and costs are eliminated during consolidation.

4.1.2. Company business combinations

Company business combinations are accounted for using the purchase method on the acquisition date, which is the date on which the Company obtains control.

In the case of an acquisition of a business, the Company assesses whether the acquired financial assets and assumed financial liabilities are classified and defined in the manner that corresponds to their contractual, economic and other relevant conditions at the date of purchase.

Non-controlling interests in subsidiaries are in relation to Teplo pro Kbely a.s. (25% share) and Teplo pro Prahu, a.s. (49% share).

4.1.3. Goodwill

Goodwill is initially measured at the amount of the difference between the paid value plus the value of any non-controlled interests and the fair value of interests previously held and between the net fair value of identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is reported at the acquisition cost less accumulated losses in value. The reported goodwill is tested for possible impairment - loss in value. This test is performed at least once a year or more frequently if there are indicators of possible devaluation of goodwill.

At the acquisition date, goodwill is allocated to those cash-generating units where it is expected that these units will benefit from the synergies arising from the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets. Impairment of goodwill is established by determining the recoverable amount of the cash-generating units to which the goodwill has been allocated. If the recoverable amount of the cash-generating unit is less than its book value, the loss in value is reported.

The impairment test determines the recoverable amount of a cash-generating unit, which is calculated as value representing the actual use. Value representing the use is the current value of future cash flows expected to be generated by the cash-generating unit.

4.2. Intangible assets

4.2.1. Valuation of intangible assets

Separately acquired intangible assets are reported at acquisition cost minus accumulated amortisation and value depreciation losses.

4.2.2. Amortisation

Intangible assets are amortised applying the straight-line method over their estimated useful lives as shown in the following table:

Intangible asset category	Useful life (number of years)
Software	4
Assessable rights	4

The expected useful life and the amortisation method are reviewed at the end of each accounting period; the effect of any change in estimates is applied prospectively.

4.3. Land, buildings, and equipment

4.3.1. Recognition and valuation

Land, buildings and equipment are reported at acquisition cost, less accumulated adjustments (except land) and losses due to value depreciations.

The acquisition cost of land, buildings, and equipment includes all costs related to their acquisition, less any relevant discounts.

The costs related to acquisition include direct costs incurred in the delivery and putting the assets into working condition and costs incurred to return the affected area back to its original condition.
The repair and maintenance costs of land, buildings and equipment are recognised in the consolidated statement of comprehensive profit/loss in the period in which they occurred.

Subsequent expenditures are included in net book value or recognised as a separate asset, if the Group might achieve financial gain in respect to this item and if the price of the item can be measured reliably.

4.3.2. Depreciation

Buildings and equipment are depreciated applying the straight-line method over their estimated useful lives.

The estimated service life of individual asset categories of tangible assets is always reviewed at the end of the accounting period. The estimated useful lives used in these consolidated financial statements are shown in the following table:

Tangible asset category	Useful life (number of years)
Gas pipelines, buildings and other structures	25 - 50
Tangible movables and their sets	2 - 14
Heating technologies and other tangible assets	15 - 30

The following expected service lives were applied to the tangible movable assets and their sets:

Tangible movables and their sets	Useful life (number of years)
Vehicles (means of transport)	4 - 10
Computer equipment	2 - 4
Gas meters, reducers and regulators	10
Mechanical parts of control stations	10
Other movables	2 - 14

Land owned by the Group is not depreciated. The effect of any change in the estimated useful life or depreciation method is applied prospectively.

4.3.3. Disposals

Gains and losses on disposals of a particular item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of assets involved and are recognised in the net amount in the consolidated statement of comprehensive income.

4.4. Assets originating from the right of use and lease liabilities

4.4.1. Assets originating from the right of use

The Group leases various assets, especially non-residential premises. Contracts may contain both lease and non-lease components. The Group assigns equivalent value to lease and non-lease components based on their relative separate prices.

Leased assets resulting from lease contracts are initially measured based on the present values of lease liabilities and include:
• any lease payments made on or before the commencement date, minus any lease incentives received,
• all initial direct costs and
• the cost of returning the asset under the terms required by the lease contracts.

Assets with the right to use are generally depreciated on the straight-line basis over the term of the lease. If the Group is reasonably certain that it will exercise the option to purchase, the asset with the right to use is depreciated over the life of the underlying assets. Depreciation on items of assets with the right to use is calculated using the straight-line basis against their estimated use.

The Company applies an exemption from recognition for leases that define a lease for 12 months or less as of the effective date of the lease and do not include the option to purchase the underlying asset as well as lease contracts where the underlying asset has a low value. Lease payments for these assets are reported as Other operating costs.

4.4.2. Lease liabilities

Lease liabilities are initially measured based on the present value. Lease liabilities include the net present value of the following lease payments:
• fixed payments less receivables from leasing incentives,
• variable payment leasing, which is based on an index or rate, originally measured using the index or rate as of the commencement date,
• the implementation price of a call option, provided that the Group is reasonably certain that the option will be used, and
• penalty payments for termination of the lease, provided that the lease term reflects application of this option.

Lease payments are discounted using the implicit interest rate. If this rate cannot be easily determined, the lessee's incremental borrowing rate is used, which is the rate that the lessee would have to pay to borrow the funds needed to obtain an asset of similar value as an asset with right for use in a similar economic environment and with similar terms.
To determine the incremental borrowing rate, the Group uses, if possible, as the starting point the recent third-party financing received by the lessee, adjusted so it reflects changes in the financing conditions after the financing was accepted by the third party.

Lease finance costs (interests) are recognised as an expense over the lease term, so as to produce a constant periodic rate of interest on the remaining part of the liability for each period.
Payments related to short-term leases of assets and to all low-value asset leases are reported on a straight-line basis as an expense in profit or loss. A short-term lease is a lease with a term of 12 months or less.

4.5. Impairment in the value of non-financial assets

Upon each occurrence of events or changes that indicate or may result in the rise of the book value of land, buildings, or equipment as well as other non-financial assets including intangible assets to a value that exceeds their recoverable value, a review is done to determine whether the assets have been impaired. Goodwill and intangible assets not yet available for use are reviewed for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less its selling costs and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.6. Inventories

Inventories are reported at the acquisition cost or with the recoverable value, whichever is lower. The acquisition cost of the inventories includes the acquisition price and expenses incurred in bringing inventories to their present condition and location.
The price of natural gas compressed into underground gas stor-

age is determined on the basis of supplier invoices received for the given month. The price of stored gas is calculated under the allocation model based on the movement of gas in the storage facility and based on the invoices received for the given month, which is also the price of the extracted natural gas in the month following the given month.

The weighted average cost method is used monthly for disposals of inventories.

4.7. Financial assets

The Group classifies its financial assets according to the IFRS 9 into the following categories:
- financial assets at incurred cost (debt instruments),
- financial assets at fair value posted to profit or loss.

4.7.1. Financial liabilities at incurred cost

Classification of financial assets upon first entry depends on the characteristics of the contractual cash flows of the financial assets and the business model of the Group for their management.

The Group values the financial assets at incurred cost if both of the following conditions are fulfilled:
- The financial asset is held within the framework of the business model with the intention to hold the financial asset for the purpose of getting contractual cash flows, and
- The contractual conditions of the financial assets lead to the set data of the cash flows, which are exclusively repayments of the principal and interest on the outstanding principal.

Gains and losses from derecognition, modification, or impairment of assets are reported in the profit or loss.

The financial assets of the Group at incurred cost include the trade and other receivables, cash and cash equivalents as well as other financial assets in the Statement of Financial Position.

The Group reports an adjustment entry for Expected Credit Losses (ECL) for all the financial assets at incurred cost.

The Group uses a three-level ECL. In the first reporting of the financial assets, if there is no evidence of failure, the Group assigns the financial assets to Level 1. If a significant increase in the credit risk has occurred since the date of first reporting, the Group will assign such financial asset to Level 2. If the financial asset fulfils the definition of failure, the Group transfers it to Level 3.

The Group considers a potential failure a situation where it will not be able to collect all outstanding amounts based on the initially negotiated conditions. The Group considers serious indicators of a failure significant financial difficulties of debtors and the probability that the debtor will enter bankruptcy or financial restructuring.

Application of the simplified approach using the impairment matrix

In the case of trade receivables without a significant financing element, the Group defines the volume of the adjusting entries according to the matrix. This matrix is based on the application of a reasonable degree of losses on unpaid trade receivable balances (i.e. age analysis of the receivables).
When determining the amount of adjusting entries by simplified procedure, the Group takes the following steps:
1) The Group first divides its individual trade receivables into groups with characteristics similar to credit risk.
2) In the second step, the Company sets a ratio of historical loss for each group with a similar credit risk. In 2025, the Company expects its customers' payment morale to deteriorate due to the current deteriorated macroeconomic indicators, which has been reflected in the current loss ratio (i.e. % of outstanding receivables to maturity for 2025).
3) At the next step, the Group determines the expected losses for each group of receivables, which is further divided into partial categories according to the number of days that they are overdue.
4) Subsequently, the Group will enumerate the adjusting entries on the basis of the current gross volume of trade receivables multiplied by the ratio of the expected losses.
5) The Group also took into account a risk surcharge, which is based on an estimate of the future development of outstanding receivables, where the Group took into account (in addition to other issues) the amount of outstanding advance payments.

In the case of trade receivables and contractual asserts, the Group in the calculation of ECL applies the simplified approach and reports adjusting entries in the amount of the full life ECL at each financial statement date. The Group created a matrix of adjusting entries, which is based on historical experience with credit losses and is adjusted by outlook information specific for the relevant debtors and economic environment, which is the expected GDP growth and the expected change in the unemployment rate.
The impairment loss is reported in the profit or loss. Unrecoverable trade receivables are written off against the adjusting entries. The Group writes off receivables after taking all legal

steps associated with collection efforts. Subsequently, the paid amounts for receivables already written off are reported in the profit or loss.
If the trade receivable is qualified as unrecoverable, a 100% adjusting entry is created for it. The creation of adjusting entries is posted to profit or loss.

4.7.2. Financial assets at fair value reported in profit or loss

Derivative financial instruments are, upon first posting, reported at fair value as at the date of negotiation of the contract and subsequently revalued at fair value. The method for reporting the final profit or loss or funds from cash flow hedging reserves depends on whether the given derivative is classified as a hedging derivative or as a trade derivative.

The Group secures expected future cash flows from the purchase of gas and electricity through short-term FX forwards and FX swaps. To secure future cash flows with maturity of more than one year, the Group uses in certain cases the so-called rollover strategy, which is used to secure expected future cash flows with a series of currency derivatives with shorter maturities. As of the date of the maturity of the currency derivative - classified as a rollover, a new one is immediately established under current market conditions with the same nominal value. The value of such a hedging derivative at the settlement date must be retained in the accounting reserve in equity until the hedged item is realised.

The Group determines whether hedging is effective at the beginning of the hedging instrument application by using the critical parameters method and at least at the financial statements date and at a balance sheet date using the dollar-offset method, which compares cumulative changes in the fair value of the hedging instrument and cumulative changes in the fair value of a hypothetical derivative representing the hedged item.

At the same time, the Group has considered potential sources of inefficiency but does not consider them significant.

The potential sources of inefficiencies of security are:
Changes in the timing of the realisation of the hedged item.
• significant changes in the credit risk of any of the counterparties of the hedged item and/or instrument,
• reduction of the realised amount of the hedged item below the value of the hedging instrument,
• non-zero initial value of the hedging derivative.

The default accounting regulation governing the rules for accounting for financial instruments (in this case financial derivatives) and hedging accounting is the IFRS 9 standard. Under the transitional provisions of IFRS 9, the Group used the option to proceed in accordance with the rules of IAS 39 and decided not to use the parts of IFRS 9 dealing with hedging accounting.

The Group's Treasury Department monitors the currency risk of the Group to ensure that this risk is as small as possible. The real value of derivatives is determined as the net present value of cash flows arising from derivatives.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, which are held for the purpose of covering short-term liabilities.

4.9. Equity

4.9.1. Registered capital

The registered capital of the Group consists of ordinary shares. Preferred shares of the Group were not issued. At the same time, the Group does not hold any own shares.

4.9.2. Profit funds

Profit-based funds are generated from the profit or loss of the Group companies. Usage of funds created from profit is in accordance with the Articles of Incorporation of the Group companies.

4.10. Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or as other financial liabilities.

Financial liabilities are classified according to whether they are held for trading or not. Financial liabilities comprise mainly of trade payables, short-term bank loans, overdraft accounts, loans and credit from the parent company, and other liabilities.

Short-term trade liabilities and other financial liabilities, excluding liabilities at fair value reported in the profit or loss, are initially reported at fair value and subsequently valued at book value using the effective interest rate method.

4.10.1. Financial liabilities posted at fair value to the profit or loss

Financial liabilities are classified at fair value through profit or loss if intended for trading which includes financial derivatives that were not designated as hedging instruments.

Derivatives are the only type of financial liabilities recognised at fair value through gain or loss of the Group.

4.10.2. Other financial liabilities

Other financial liabilities are initially measured at fair value and subsequently measured at incurred cost discounted at the effective interest rate. The portion of long-term liabilities with contracted maturity within one year are classified in short-term liabilities.

4.10.3 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers through the regular course of business.

Accounts payable are classified as short-term liabilities if payment is due within one year. If not, they are recorded as long-term liabilities.

Trade payables are initially recognised at fair value and subsequently measured at incurred cost discounted at the effective interest rate.

4.11. Uninvoiced deliveries and advances received

The Group compensates the value of uninvoiced supplies and advances received. The resulting value, per individual customer, nears the actual receivable from or payable to customers. Receivables from customers are classified as financial assets, which will be settled in cash. Liabilities towards customers are non-financial liabilities (advances received), which will be settled by supplying gas, electricity, or other non-cash supply.

4.12. Bank loans

Loans and financial aid are initially recognised at fair value, which is equal to the fair value of the received performance, less the costs related to the provision of a loan or financial aid. Interest-bearing bank loans and other short-term financial borrowings are subsequently recognised at incurred cost considering the materiality principle and using the effective interest rate method. Any difference between proceeds (less transaction costs incurred) and redemption value is recognised in profit or loss over the period of the loan using the effective interest rate method. Borrowing costs related to a particular asset are capitalised into the acquisition costs of the asset.

4.12.1. Lending costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

4.13. Bonds

The Group initially recognises the issued debt securities and subordinate liabilities at fair value on the date of their creation. After initial recognition, these financial liabilities are valued at incurred cost using the effective interest rate.

Transaction expenditure (e.g. legal services and other financial costs related to the acquisition of bonds) are accrued over their entire duration, and thus become part of the accrued value of the bonds.

4.14. Reserves

A reserve is recognised when the Group has an unconditional obligation as a result of past events, it is probable that the Group will have to settle the obligation, and the amount can be reliably estimated.

Reserves are measured as the best estimate of expenditures expected to be required to settle the obligation at the reporting date, considering risks and uncertainties connected with the obligation. Reserves not drawn in the following year are recognised as at the balance sheet date at their discounted value in case the impact of the discount as at the balance sheet date is significant. Market interest rates are used for discounting.

4.15. Revenues from contracts with customers

The Group reports revenue when the obligation to perform by transfer of the promised goods or services to the customer, who gets control over this asset, is fulfilled, which means after supply of services and goods and their acceptance by the customer.

Revenues from sales of goods and services are presented net of Value Added Tax and net of discounts and are measured at fair value of the consideration received or receivable on an accrual basis.

These one-off discounts and bonuses lead to the reporting of contractual assets, which are subsequently amortised for the residual contract term. If discounts and bonuses for the service are provided during the contract term in a non-uniform way, and the monthly service is provided to the customer uniformly, the total revenues from the services are reported on a uniform basis.

In this case, the constant monthly revenues will also be reported in compliance with the IFRS 15. A discount may be provided at the beginning or during the contract term. The discounts and bonuses may be provided gradually, which means that the size of the discount changes during the minimum term of the contract. The discounts and bonuses are reported during the contract term on a linear basis through the contractual asset, which is created in the period of lower payments and subsequently amortised over the residual contract term. When posting contractual assets within the framework of the model of expected loss according to IFRS 9, the customer's credit risk is considered.

It is typical in the domestic market to conclude combined services agreements with customers where the total price is billed to the customer, both for the commodity and the distribution services, which the trader has purchased at the given distribution company. The distribution service price is a part of the price for combined services provided to customers. The Group concluded that in case of distribution services the Group acts as a responsible entity (and not as a representative) and reports revenues from services in full, including the part representing distribution services.

4.15.1. Incremental costs of obtaining a contract

Sales agent commissions and other costs are treated as incremental costs to obtain a contract with the customer and are reported as an asset. These costs are amortised over the estimated customer retention period and amortisation is reported under Other operating costs.

4.15.2 Revenue from the sale and distribution of natural gas

Revenue from natural gas sales is recognised when the commodity is delivered. Revenue from sales of natural gas on the liberalised market is measured based on the commodity value reflecting all costs for natural gas purchases and the gross margin that covers the costs of electricity trade and profit, and the cost of other energy services related to gas deliveries to the customer in the required quantity and at the required time.

The price for end customers consists of the price for services provided by OTE including a fee covering operations of the Energy Regulatory Office ("ERO"), a two-component price for distribution consisting of the price paid for purchased natural gas and monthly or yearly fixed price for distribution capacity and price of other services related to the supply. This price is a two-component price and consists of the commodity price and fixed monthly payment or capacity component of the price.

The price of other supply services for households and low volume customers is usually fixed for the period based on the Group's business decision. For medium and large customers, there is an option to either set the price as a fixed price with a validity of one month or longer, or to use one of the products offered (e.g. fixing the price for a longer period, or a combination of fixed and spot prices).

The price for the distribution services represents a two-component price and it is regulated by ERO. The price for OTE services is also regulated by ERO, and it contains a fee according to Section 17d of Act No. 458/2000 Coll., as amended.

Gas supply and distribution to high-volume and middle-volume customer categories are billed on a monthly basis according to the measured consumption. Natural gas supplies
Gas supplies to low-volume customer categories ("MO") and households ("DOM") are billed periodically once every 12 months (according to Article 15, Act No. 70/2016 Coll.), based on the reading of the consumption at each consumption point, or based on the reading provided by the customer alone.

Revenues from MO and DOM categories consist of actually billed revenues and revenues from uninvoiced gas (see Sections 4.19.1 and 5.1). The amount of uninvoiced gas is calculated from the total amount of purchased gas in the particular year based on past behaviour of individual customers and is valued in relation to the valid price list published by the Group, or based on individually set prices and products.

4.15.3. Revenues from sales of electricity

Revenue from the sale of electricity is recognised when the commodity is delivered. Revenue from the sale of electricity is measured based on the commodity value reflecting all costs for electricity purchases and the gross margin that covers costs of electricity trade and profit, and the cost of other energy services related to electricity deliveries to the customer in the required quantity and at the required time

The electricity price consists of two components, regulated and non-regulated items. The regulated component is composed of the price for electricity distribution (the Group uses external electricity distributors) and the regulated services. The individual items are published by ERO according to its price decisions. The price level for electricity distribution may vary by distributor.

The unregulated component of the electricity price consists primarily of the cost of electricity supply, i.e. the price of electricity consumed at the high tariff in CZK/MWh and the price of electricity consumed
at the off-peak rate in CZK/MWh. A part of this non-regulated component can also be the fixed monthly payments for the distribution point in CZK/month. The fixed monthly price for delivery of electricity is determined by the trader using the market principles. The price for the electricity supply is derived from the price established at the energy stock exchange. The final price also includes the electricity tax and VAT.
Electricity supply and distribution to middle-volume customer categories – households ('MOO') – and middle-volume customer categories – entrepreneurs ('MOP') – are billed based on the measured consumption of each consumption point, which is performed in the reading cycle set by the relevant provider of the distribution network. Electricity supplies to categories MOO and MOP with Type C readings (annual) are billed periodically once within 12 months based on the reading of the consumption of each offtake point, based on customer self-reading. In the case of Type B reading (monthly) in categories MOO and MOP, the electricity supplies are billed on a monthly basis according to the reading of the consumption of each consumption point (according to the provisions of Section 15 Decree No. 70/2016 Coll., and the provisions of Section 3 Decree No. 152/2016 Coll.).

Revenues from the MOO and MOP categories consist of actually billed revenues and revenues from uninvoiced electricity. The amount of uninvoiced electricity is calculated from the total amount of purchased electricity in the particular year based on past behaviour of individual customers and is valued in relation to the valid price list of the Company, or to individually set prices and products.

Electricity supply and distribution to high-volume categories (VO), whose consumption points are at high or very high voltage levels, are billed on a monthly basis and based on the measured consumption. Revenues from VO consist of actually billed revenues.

4.15.4. Revenues from sales of goods

These revenues are reported on the date of the release of the goods from the warehouse and are reported minus discounts and VAT. Prices and payment terms are based on individual contracts.

4.15.5. Revenues from miscellaneous services

Sales are reported on the date of the release of the goods from the warehouse and are reported minus discounts and VAT. Prices and payment terms are based on individual contracts.

Revenues from the sale of other services are mainly related to construction and maintenance of gas and water pipelines, rent and IT services.

4.16. Foreign currency conversions

Transactions in a foreign currency other than the functional currency of the Group are converted using the exchange rates announced by the Czech National Bank as at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate published by the Czech National Bank as at the reporting date of the consolidated statement. Foreign exchange profits and losses are recognised as financial profits or losses in the period in which they occurred.

4.17. Employee benefits

4.17.1. Contributions to the state pension scheme

The Group pays contributions for its employees to the state pension system, which is managed on the basis of a defined contribution plan. The Group has no other liabilities related to the state pension scheme after paying contributions in the amount defined by law.

4.17.2. Additional pension and life insurance

In accordance with the valid Collective Agreement, the Group makes monthly contributions to pension and life insurance schemes for its employees, which are paid to an independent entity under a defined contribution scheme These contributions are recognised in profit/loss as incurred.

4.17.3. Other benefits

Other benefits (e.g. paid holidays) are continuously recognised as expenses when incurred.

4.17.4. Termination benefits

The Company also provides termination benefits to its executives. These benefits are granted if certain conditions are met, namely compliance with non-competition and confidentiality clauses. Amounts are determined based on monthly bonuses. The Group recognises the liability for the termination benefits as at the date when it can no longer withdraw the offer, i.e. as at the signature date of the executive performance contract.

4.18. Taxes

Income tax comprises current and deferred tax.

4.18.1. Current tax

Current income tax represents the estimated tax payable for the accounting period calculated by using the tax rate and the relevant laws enacted as of the end of the reporting period and valid for the period.

The estimated current tax is reduced by advances paid toward income tax. The short-term receivable is recognised in the case that the income tax advances paid exceed the estimated current tax as at the reporting date.

4.18.2. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the Consolidated Balance Sheet and their tax values. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination. A deferred tax receivable is recognised if it is probable that taxable profit will be earned in the future, which will allow application of these temporary differences.

The deferred tax asset and liability are determined using the tax rate expected to be valid in the period in which the tax asset is realised or the tax liability is settled, according to tax law enacted as at the end of the reporting period. Offsetting the deferred tax asset and liability is allowed when there is a legally enforceable right to offset the current tax asset and the current tax liability and when the deferred tax asset and liability relates to income tax collected by the same tax authority and if the Group intends to settle its current tax assets and liabilities on a net basis.

4.19. Significant accounting estimates and main reasons for uncertainties in the determination of estimates

Preparation of consolidated financial statements requires using estimates and assumptions that affect the figures for the financial position presented as at the reporting date and profit/loss statement for the reporting period The estimates and assumptions are calculated on the basis of all relevant available information. Nevertheless, as implied by the nature of an estimate, the real values may differ from the estimates in the future.

4.19.1. Uninvoiced gas deliveries

The Group Management considers the determination of uninvoiced gas supplies and the distribution fees to low-volume customers and households ("MODOM") to be the most significant area subject to the use of estimates. As of 31 December 2025, the value of uninvoiced gas and distribution fees to low-volume customers and households represented CZK 4,883,017 thous. (as of 31 December 2024, the amount was CZK 4,604,142 thous.) .

This estimate is determined using the balancing method, as the difference between total gas purchases and sales of monthly invoiced customers, losses and own consumption during that period. This estimate is then reduced by gas supplies for MODOM categories that have already been invoiced for the given period.

Unbilled gas supplies to large-volume (VO) and to medium-volume consumers (SO) are also reported in the accounting estimates. These estimates do not carry any risk because they are created on the basis of actual gas meter readings.

Sensitivity analysis

The percentage ratio of losses to the distributed amount used for calculation of the uninvoiced gas in 2025 is 1.50%. The median ratio of the balance difference to the distributed amount for the last 6 years is equal to 2.07%. If in 2025, the ratio of losses to the total amount of gas distributed was equal to the long-term average, i.e. it would be less (greater) by 0.6 percentage points (while all other variables would remain unchanged), the pre-tax profit as of 31 December 2025 would be CZK 11.5 mil. higher (lower) due to higher (lower) revenues in the uninvoiced gas deliveries.

4.19.2. Uninvoiced electric power deliveries

Similarly as natural gas, the Group Management considers the determination of the amount of uninvoiced electricity and the distribution fee for the categories of low-volume (MOP) and households (MOO) to be an important area of application of estimates. As of 31 December 2025, the value of uninvoiced energy and distribution fee to low-volume customers and households represented CZK 1,157,333 thous. (as of 31 December 2024, the amount was CZK 1,140,994 thous.) .

This estimate is determined using the balancing method, as the difference between total electricity purchases and sales of electricity invoiced on a monthly basis to customers and own consumption during the period in question. Within the framework of the accounting estimates, estimates relating to large volume (VO) consumers are also reported, but these estimates represent a minimum degree of risk because they are based on already billed items. Through these estimates, they are only transferred to the corresponding accounting period.

Sensitivity analysis

The sensitivity analysis of the uninvoiced electricity segment shows a change in the amount of this item provided that the nomination deviation related to the acquisition of the commodity is included in the input balance. Usually, the amount of this deviation is in the range of 3-5% of the number of technical units sold. In the case of Pražská plynárenská, a.s., the amount of the purchase deviation for the category of MOO and MOP for 2025 would be around 22,149 MWh. The fixed price for the valuation of the deviation is set at CZK 5,350 per MWh, which in the case of Pražská plynárenská, a.s., would have an impact on the generation of uninvoiced electricity in the total amount of ± CZK 118.5 mil.

5. Financial Risk Management

5.1. Credit Risk

Selecting the counterparties for financial transactions in the Group is limited to parties with high creditworthiness. The Group performs only financial transactions whose originator or underwriter has a high rating in terms of credit investments issued by competent and independent global rating agencies and for whom it is also possible to continuously monitor the credit quality indicators through the financial market. Cooperating banks enjoy long-term credit ratings A1– A3, issued by Moody's.

The Group manages the credit risk associated with counterparties to commercial transactions using various instruments such as insurance, credit limits, differentiated recovery process, etc. In the case of cash, cash equivalents and short-term bank financing, credit risk is limited by the Group depositing cash with major credit institutions. Credit risk in the case of trading and other receivables, as well as other financial assets, is also limited thanks to risk management tools and the debt collection process.

Trade and other receivables

IFRS 9 introduced a new model of expected impairment loss, which requires more timely identification of credit losses. The standard specifically requires the accounting units to report the expected credit losses. The Group creates an adjusting entry that represents the estimate of expected credit loss to the trade receivables, to other receivables and contractual assets. Cash and cash equivalents are also subject to the requirements for reduction of value according to the IFRS 9; nevertheless, the ascertained loss from reduction of value was insignificant.

Impairment losses are reported in such a manner as to cover both individually significant exposure to credit risk and portfolio loss in the case of assets for which impairment is not assessed individually. Objective proof of the impairment of value in the receivable portfolio includes the past experience of the Group with collection of payments, changes in the internal and external assessments of customers, the Group's current position, and insights into the economy during the expected service life of the receivables.

In the case of financial assets, which include cash and cash equivalents, loans, term deposits, trade receivables, and other receivables, exposure of the Group to credit risk is established from the potential failure of the counterparty and is maximally equal to the book value of these financial assets.

The Group values its financial investments as at each balance sheet date to ascertain whether objective evidence of impairment exists. A financial investment is regarded as impaired if objective evidence indicates that one or more events have had a negative impact on the estimated future cash flows of that investment.

Significant financial assets are tested individually for impairment. The remaining financial assets are evaluated on a portfolio basis in groups that have similar characteristics in terms of credit risk. The impairment loss on financial assets is calculated as the difference between its book value and the current value of estimated cash flows discounted at the initial effective interest rate. All impairment losses are recognised in the profit or loss. Impairment loss is derecognised if the derecognition is objectively related to events that occurred after reporting the loss. Derecognition of an impairment loss is reported in the profit or loss.

Trade receivables from customers with a higher credit risk are to a certain extent secured by lien in the form of advances received.

The Group creates an adjusting entry that represents the estimate of expected credit loss to the trade receivables, to other receivables and contractual assets.

The structure of the allowances is divided into a total of 3 levels according to the expected loss from credit risk. Credit impaired receivables classified as Level 1 are those receivables up to 30 days past due, as well as past due receivables and uninvoiced deliveries for which an adjusting entry is made in accordance with IFRS 9. Credit-impaired receivables classified as Level 2 are those that are 1 to 6 months past due. The Group classifies receivables that are more than 6 months past due and individually assessed receivables for which there is a high probability of expected loss from credit risk into Level 3.

The table summarises the complete overview of trade and other receivables minus the adjusting entry:

Type of receivable (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables from third parties	786,905	675,943
Trade receivables from related parties	20,686	575
Financial trade receivables	**807,591**	**676,518**
Allowances for trade receivables	-208,643	-246,119
Net trade receivables – financial	**598,948**	**430,399**
Uninvoiced deliveries	2,556,073	2,270,142
Allowance for uninvoiced receivables	-17,712	-20,358
Total trade and other receivables – financial	**3,137,309**	**2,680,183**
Short-term operational advances made	143,597	84,629
Other receivables – non-financial	26,570	15,746
Allowances for other receivables and advances paid	-6,346	-6,224
Total trade and other receivables – non-financial	**163,821**	**94,151**
Total trade and other receivables – short-term	**3,301,130**	**2,774,334**

The structure of allowances for trade and other receivables according to the level of expected interest rate impairment is shown in the following tables:

31 December 2025:

Allowances for doubtful accounts (in thous. CZK)	Expected interest risk impairment			
	Level 1	Level 2	Level 3	Total
Cat. MO	27,220	620	40,310	68,150
Cat. DOM	27,815	504	39,215	67,534
Cat. VO	7,945	32	16,363	24,340
Cat. Other	18,060	1,428	46,843	66,331
Total	**81,040**	**2,584**	**142,731**	**226,355**

31 December 2024:

Allowances for doubtful accounts (in thous. CZK)	Expected interest risk impairment			
	Level 1	Level 2	Level 3	Total
Cat. MO	37,137	458	44,901	82,496
Cat. DOM	32,671	399	47,453	80,523
Cat. VO	12,613	104	19,274	31,991
Cat. Other	26,296	627	44,544	71,467
Total	**108,717**	**1,588**	**156,172**	**266,477**

Cash and cash equivalents and other financial assets

The Group makes only short-term cash deposits (cash, deposit bills, term deposits, and REPO operations). The Group transfers its free cash to financial instruments. Selecting the counterparties for financial transactions with cash is limited to parties with high creditworthiness.

The Group performs only financial transactions whose originator or underwriter has a secure creditworthy assessment by the competent autonomous global rating agencies on the investment scale and it is also possible to continuously monitor the credit quality indicators through the financial market.
Cash and cash equivalents are also subject to the requirements for reduction of value according to the IFRS 9; nevertheless, the ascertained loss from reduction of value was insignificant.

Cash and cash equivalents (in thous. CZK)	Bank rating	31 December 2025	31 December 2024
Cash on hand	not assigned	1,390	1,552
Money in bank accounts	A1 - A3	3,987,431	4,834,710
Total exposure of cash, cash equivalents, and other financial assets		**3,988,821**	**4,836,262**

5.2. Liquidity risk

Liquidity risk is a risk that the accounting entity will not fulfil its obligations arising from financial liabilities.

The goal for liquidity risk management is to keep a balance between financing of operating activity and financial flexibility to meet trade payables and liabilities to creditors of the Group on time.

Management of the Group minimises liquidity risk (i.e. the risk of a lack of cash to pay liabilities) by continuous ongoing management and planning of its future cash flows. The main tool for planning of cash flows is the preparation of a midterm plan, which is prepared annually for a 3-year period. The cash flow plan for the following year is subsequently divided into individual days and kept up to date. Based on this detailed forecast, the Group ensures that a sufficient level of liquid cash is available to settle its liabilities. The availability of funding and the possibility of closing market positions are important for cautious management of liquidity risk.

The Group Management monitors the liquidity and its development on the basis of weekly reports; the Group Management also receives short-term liquidity forecasts.

Pražská plynárenská, a.s. has operational financing in the form of overdraft credit facilities, revolving financing and bank guarantees. These external financial resources are provided by a consortium of two banks, i.e. Československá obchodní banka, a.s., and Česká spořitelna, a.s.

Pražská plynárenská Distribuce, a.s. has secured working capital financing in the form of a bill of exchange programme provided by Československá obchodní banka, a.s. (ČSOB) and Česká spořitelna, a.s. (ČS), as well as revolving loans arranged with UniCredit Bank Czech Republic and Slovakia, a.s. (UCB) and with Raiffeisenbank a.s. (RFB). PPD, a.s. is financed by a combination of bank financing and an intercompany loan.

In connection with the financing, in 2023, the following documents were concluded between the Group and Československá obchodní banka, a.s., (also on behalf of Česká spořitelna, a.s.), UniCredit Bank Czech Republic and Slovakia, a.s., and Raiffeisenbank a.s., in addition to the existing loan agreements:
• Agreement on the establishment of a lien on the Company's plant between the Company and Československá obchodní banka, a.s.,
• Agreement on the establishment of a lien on the receivables under bank account management agreements between the Company and Československá obchodní banka, a.s.,
• Agreement establishing a ban on burdening and alienation between the Company and Československá obchodní banka, a.s.,
• Agreement establishing a ban on burdening and alienation between the Group and UniCredit Bank Czech Republic and Slovakia, a.s,
• Agreement establishing a ban on burdening and alienation between the Group and Raiffeisenbank a.s.

An Agreement for a Loan of up to CZK 1 billion is concluded between Pražská plynárenská, a.s. and Pražská plynárenská Distribuce, a.s.

An agreement for a loan of up to CZK 300 million has been concluded between Pražská plynárenská, a.s. and Prometheus, energetické služby, a.s., a member of the Pražská plynárenská, a.s. Group.

The Group has also arranged a short-term euro overdraft facility with Raiffeisenbank a.s. for the purpose of trading on the energy exchange and related documentation for trading on the energy exchange:
• The Group concluded with Raiffeisenbank a.s. an Agreement on the pledge of receivables from accounts with Raiffeisenbank a.s.

Short-term funding structure as at 31 December 2025:

(in thous. CZK)	Limit	From	To	Interest rate
Overdraft credit facilities in CZK	1,000,000	15 May 2023	15 May 2027	floating-rate
Committed guarantee/revolving credit facilities	4,000,000	15 May 2023	15 May 2027	fixed/floating-rate
Uncommitted facilities for guarantees	20,000	19 January 2017	for an indefinite period of time	fixed
EUR overdraft facility with RB (EUR 0.5 mil., using an exchange rate of 24.245 CZK/EUR)	12,123	31 May 2025	31 May 2026	floating-rate
ČSOB and ČS Currency Exchange Programme	1,200,000	02 November 2023	02 November 2027	floating-rate
UCB committed revolving credit facility	600,000	02 November 2023	02 November 2027	floating-rate
RFB committed revolving credit facility	600,000	02 November 2023	02 November 2027	floating-rate
Total	**7,432,123**			

As at 31 December 2025, PPD has drawn down the promissory note programme in the amount of CZK 200,000 thous., revolving credit from UCB in the amount of CZK 25,000 thous. and revolving credit from RFB in the amount of CZK 25,000 thous.

Short-term funding structure as at 31 December 2024:

(in thous. CZK)	Limit	From	To	Interest rate
Overdraft credit facilities in CZK	1,000,000	15 May 2023	15 May 2027	floating-rate
Committed guarantee/revolving credit facilities	4,000,000	15 May 2023	15 May 2027	fixed/floating-rate
Uncommitted facilities for guarantees	20,000	19 January 2017	for an indefinite period of time	fixed
Loan with guarantee with the Capital City of Prague	4,000,000	24 June 2022	24 June 2025	floating-rate
EUR overdraft facility with RB (EUR 0.5 mil., using an exchange rate of 25.185 CZK/EUR)	12,593	31 May 2024	31 May 2025	floating-rate
ČSOB exchange programme	1,200,000	02 November 2023	02 November 2027	floating-rate
UCB committed revolving credit facility	600,000	02 November 2023	02 November 2027	floating-rate
RFB committed revolving credit facility	600,000	02 November 2023	02 November 2027	floating-rate
Total	**11,432,593**			

As at 31 December 2024, PPD, a.s. had drawn down the promissory note programme in the amount of CZK 400 thous., revolving credit from UCB in the amount of CZK 120 thous. and revolving credit from RFB in the amount of CZK 120 thous.

Drawing of short-term bank loans allows the Group to optimise coverage of seasonal fluctuations in its cash flows, which accompany the purchase and sale of energy. An integral part of Group funding is the utilization of the financial resources of Group companies aggregated in cash-pooling. Using these free resources means that drawing short-term loans from the banks is reduced. Financial ratios are monitored at the Group's consolidated level in relation to the terms of the loan agreements. In case of their non-fulfilment, the banks may request premature loan repayment. These indicators were fulfilled as of 31 December 2025 and as of 31 December 2024.

The liquidity position is supported by the system of advance payments; whereas the high-volume and middle-volume categories pay advances several times during the month, the low-category and households pay advances monthly or quarterly. The setting of the advances takes into account the past consumption for all categories (an algorithm based on three-year historical consumption is used), as well as the seasonal character of the gas consumption, and the gas price.

The following tables show the liabilities grouped by residual period to contractual maturity as at 31 December 2025 and as at 31 December 2024. The size of the liabilities shown in the tables is equivalent to the non-discounted cash flows, including interest, where relevant. The interest is based on the loan amount as at 31 December 2025 and on the interest rates valid on the financial market as of 31 December 2025.

Lease liabilities are reported separately in section 7.4.

31 December 2025:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Derivatives (currency forwards and commodity futures)	2,311,746	1,881,025	1,462,361	291,712	0	5,946,844
Revolving credit PPD	50,184	0	0	0	0	50,184
PPD exchange programme	0	200,000	0	0	0	200,000
Trade and other liabilities	2,893,137	0	0	10,399	162	2,903,743
Total	**5,255,067**	**2,081,025**	**1,462,406**	**302,111**	**162**	**9,100,771**

31 December 2024:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Derivatives (currency forwards and commodity futures)	1,835,867	1,228,810	678,439	0	0	3,743,115
Revolving credit PPD	240,992	0	0	0	0	240,992
PPD exchange programme	0	0	400,000	0	0	400,000
Trade and other liabilities	3,118,266	666	171	13,231	0	3,132,334
Total	**5,195,125**	**1,229,476**	**1,078,610**	**13,231**	**0**	**7,516,441**

The main aim of the analysis of liabilities is the identification of unavoidable liabilities that have to be paid (within the legal limitations), which represent a cash outflow that negatively impacts liquidity.

Concluded guarantees

The Group has secured its financial liabilities with Československá obchodní banka, a.s., as of 31 December 2025:

- on behalf of OTE, a. s., up to CZK 150,000 thous. (under the Deviation Settlement Agreement No. AP 006/09 dated 11/ 12/ 2009);
- on behalf of OTE, a. s., up to CZK 225,000 thous. (under the Deviation Settlement Agreement No. A3602/14 dated 4/ 12/ 2014 and the Agreement on Access to the Organised Short-term Electricity Market No. B3602/14 of 4/ 12/ 2014);

on behalf of RWE Supply Trading GmbH, in the amount of EUR 15,000 thousand (CZK 363,675 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 3/ 6/ 2014);

on behalf of Uniper Global Commodities SE in the amount of EUR 20,000 thous. (CZK 484,900 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 14/ 6/ 2021);

- to the benefit of EDF in the amount of EUR 10,000 thous. (CZK 242,450 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 4/ 5/ 2016);

on behalf of Ředitelství silnic a dálnic ČR, up to the amount of CZK 52 thousand (according to the agreement No. 4200033782 on subsequent payment conditions with deferred maturity, of 29/ 11/ 2019);

on behalf of M – SILNICE, a.s., up to CZK 1,537 thous. (according to the Contract for Work, project No. 925119003 and concluded on 19/ 12/ 2019).

The Group secured its financial liabilities with Československá obchodní banka, a.s., as of 31 December 2024:

- on behalf of OTE, a. s., up to CZK 150,000 thous. (under the Deviation Settlement Agreement No. AP 006/09 dated 11/ 12/ 2009);
- on behalf of OTE, a. s., up to CZK 225,000 thous. (under the Deviation Settlement Agreement No. A3602/14 dated 4/ 12/ 2014 and the Agreement on access to the organised short-term electricity market No. B3602/14 of 4/ 12/ 2014);

on behalf of RWE Supply Trading GmbH, in the amount of EUR 15,000 thousand (CZK 377,775 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 3/ 6/ 2014);

on behalf of Uniper Global Commodities SE in the amount of EUR 20,000 thous. (CZK 503,700 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 14/ 6/ 2021);

- to the benefit of EDF in the amount of EUR 10,000 thous. (CZK 251,850 thous.) due to being present and active on the gas market (according to the EFET Agreement dated 4/ 5/ 2016);

• on behalf of Ředitelství silnic a dálnic ČR, up to the amount of CZK 52 thousand (according to the agreement No. 4200033782
• on subsequent payment conditions with deferred maturity, of 29/ 11/ 2019);
on behalf of M – SILNICE, a.s., up to CZK 1,537 thous. (according to the Contract for Work, project No. 925119003 and concluded on 19/ 12/ 2019).

These concluded guarantees are not included in the consolidated statement of the financial position.

5.3. Market risk

5.3.1. Interest rate risk

Interest rate risk is defined as risk related to changes in fair value of future cash flows from financial instruments as a result of interest rate fluctuation.

The goal of interest rate risk management is to eliminate risk emerging from interest rate fluctuations of interest-bearing financial liabilities and receivables using an appropriate structure.

The Group Management monitors interest rate risk on the basis of regular reporting, which includes information about the current interbank interest rates (mainly PRIBOR) and assessment of actual interest expenses. The Group Management is provided with a short term forecast of these interest rates. In 2025 and 2024, the Group drew down short-term bank loans (promissory note programme, revolving credit facilities) and cash under cash pooling.

Sensitivity analysis

If the interest rate had increased/decreased by 100 basic points while all other variables held constant as of 1 January 2025, the profit before tax as of 31 December 2025 would have been CZK 4,450 thous. lower/higher as a result of the increased/decreased interest expense (as of 31 December 2024: CZK 7,198 thous.) .

5.3.2. Exchange rate risk

Exchange rate risk means that the future cash flows from financial instruments will change as result of changes in currency rates.

Movements in exchange rates represent a risk due to the fact that the Group purchases virtually all its gas and electricity in foreign currencies. The choice of currency for purchases made in forward purchases is fully dependent on the overall commercial conditions offered. The Group always secures the exchange rate risk in the form of currency forwards at the bank for most of the purchased volume. All spot purchase transactions are carried out in EUR, while a certain portion of these purchases are sold in EUR, or the purchase is made to the portfolio of customers at the listed price using the exchange rate in force on the purchase date. The Group actively manages currency risk through quarterly closing of open foreign currency positions, by setting a stop-loss limit and by managing the purchase of natural gas and electricity in foreign currency, thus maintaining full hedging of long-term currency risk.

Fluctuation of exchange rates constitutes a further risk as the Group keeps receivables and payables in foreign currencies. Starting on 1 January 2019, the Group decided to apply a secure accounting system in order to secure future cash flows in foreign currencies from the purchase of commodities.

Sensitivity analysis

If the CZK/EUR exchange rate as of 31 December 2025 had weakened (increased) / strengthened (dropped) by 0.5 CZK/EUR while all other variables held constant, the profit before tax as at 31 December 2025 as a result of revaluation of liabilities in EUR would have been lower/higher by CZK 2,505 thous. (as of 31 December 2024: CZK 2,029 thous.) .

If the CZK/EUR exchange rate were to increase/decrease by 0.5 CZK/EUR as of 31 December 2025, while all other variables remained unchanged, profit before tax as of 31 December 2025 would be CZK 15,401 thousand higher/lower due to the revaluation of receivables in EUR (as of 31 December 2024: CZK 2,353 thous.) .

(in thous. CZK)	2025	2024	2025	2024
	increase of 0.5 CZK/EUR		decrease of 0.5 CZK/EUR	
Liabilities in EUR	-2,505	-2,029	2,505	2,029
Receivables in EUR	15,401	2,353	-15,401	-2,353
Impact on profit before tax	**12,896**	**324**	**-12,896**	**-324**

If the CZK/EUR exchange rate were to increase/decrease by 0.5 CZK/EUR as of 31 December 2025, while all other variables remained unchanged, other comprehensive income as of 31 December 2025 would be CZK 118,356 thousand higher/lower as a result of the revaluation of hedged forward purchases agreed as of 31 December 2025 (as of 31 December 2024: CZK 73,852 thous.) .

(in thous. CZK)	2025	2024	2025	2024
	increase of 0.5 CZK/EUR		decrease of 0.5 CZK/EUR	
Secured forward purchases in EUR	118,356	73,852	-118,356	-94,167
Impact of total profit / loss result	**118,356**	**73,852**	**-118,356**	**-94,167**

5.3.3. Derivative financial tools

The settlement of purchases of natural gas and electricity in EUR exposes the Group to a risk of changes in future cash flows upon settlement of these transactions due to changes in the EUR/CZK exchange rate. The Group decided to regulate this risk by means of currency swaps and forwards. To secure future cash flows with maturity of more than one year, the Group uses in certain cases the so-called rollover strategy, which is used to secure expected future cash flows with a series of currency derivatives with shorter maturities. Upon the maturity of a currency derivative classified as a rollover, a new contract is immediately entered into on current market terms
with the same face value.

Cash flow hedging:

31 December 2025:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Cash flow hedging – future liabilities	2,311,746	1,881,025	1,462,361	231,102	0	5,886,234

31 December 2024:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	Total
Cash flow hedging – future liabilities	1,835,867	1,228,810	678,439	0	0	3,743,115

Derivatives securing cash flows:

31 December 2025:

(in thous. CZK)	Nominal value	Fair value		Hedged period	Average hedged rate
		Positive	Negative		
Currency forwards	5,886,234	0	120,359	0-2 years	24.867

31 December 2024:

(in thous. CZK)	Nominal value	Fair value		Hedged period	Average hedged rate
		Positive	Negative		
Currency forwards	3,743,115	0	10,795	0-1 year	25.342

5.4. Fair value estimate

Fair values of financial assets and liabilities that are traded in an active market are determined by using prices quoted (unadjusted) on the active markets.

The fair value of a currency derivative relative to the nominal value of a trade results from the difference between the agreed forward rate and the expected rate at the maturity of the trade. This currency difference is discounted to the date on which the fair value is determined. The resulting valuation of the net present value is sent by the bank with which the derivative transaction was agreed.

As at the end of the reporting period, the Group classified its financial assets and liabilities at fair value through profit or loss under Level 2 featuring entry data used to determine the fair value (see section 5.1.).

The book values of short term receivables after deducting their impairment and short term liabilities, bonds and loans are close to their fair values.

5.5. Offsetting financial receivables and financial liabilities

31 December 2025:

(in thous. CZK)	Gross amount of compensation in the Statement of Financial Position	Gross value of the credit in the Statement of Financial Position	Net value after compensation in the Statement of Financial position	The amount which is subject of the framework netting agreement and similar arrangements in the Statement of Financial Position	Total net value exposure
Trade and other receivables	3,137,309	0	3,137,309	136,240	3,001,069
Trade and other financial liabilities	2,927,978	0	2,927,978	136,240	2,791,738

31 December 2024:

(in thous. CZK)	Gross amount of compensation in the Statement of Financial Position	Gross value of the credit in the Statement of Financial Position	Net value after compensation in the Statement of Financial position	The amount which is subject of the framework netting agreement and similar arrangements in the Statement of Financial Position	Total net value exposure
Trade and other receivables	2,680,183	0	2,680,183	223,498	2,456,685
Trade and other financial liabilities	3,119,103	0	3,119,103	223,498	2,895,605

5.6. Net profit and losses from financial instruments

(in thous. CZK)	2025	2024
Trade receivables (mainly write-off of receivables and creation of allowances)	8,491	-21,036
Cash and cash equivalents (mainly profits from appreciated financial resources)	104,717	229,757
Bonds (particularly cost interest)	-3,021	-2,413
Financial derivatives (especially losses from derivative transactions)	14,637	-39,699
Bank loans (particularly cost interest)	-52,111	-109,851
Other financial liabilities (especially currency exchange gains / losses)	17,740	24,107
Net gains (+) / losses (-) reported in the profit/loss statement	**90,453**	**80,865**
Financial derivatives in other comprehensive income (settlement)	-120,359	-10,795
Net gains (+) / losses (-) reported in other total income	**-120,359**	**-10,795**
Total net gains (+) / losses (-)	**-29,906**	**70,070**

6. Capital Management

Optimal capitalisation of the Group is balancing between capital gains and capability to cover all mature liabilities.

The goal of capital risk management is to maintain such proportion of equity and liabilities that all financial liabilities are repaid and that the Group's value increase for shareholders is ensured. The Group Management continuously evaluates the current and expected results including planned and potential investments and cash flows, and adjusts the capital structure to achieve these goals.

The goal of the Group is to achieve such business results as to fulfil these financial indicators. In case of their non-fulfilment, the banks may request premature loan repayment. These indicators were fulfilled as of 31 December 2025 and as of 31 December 2024.

7. Notes to the Consolidated Financial Statements

7.1. Land, buildings, and equipment

Land, buildings, and equipment (in thous. CZK) Acquisition value	Land	Gas pipelines, buildings and other structures	Tangible movables and their sets	Heating technology and other fixed tangible assets	Incomplete tangible fixed assets	Advance payments for fixed tangible assets	Total
Balance as at 1/ 1/ 2024	**140,411**	**13,498,815**	**2,170,676**	**423,726**	**102,820**	**4,789**	**16,341,237**
Effect of merger*	0	0	16,937	0	0	0	16,937
Purchases	0	0	0	0	964,082	0	964,082
Transfers	66	755,131	133,004	58,508	-946,709	28,901	28,901
Decreases	0	-7,835	-130,948	-8,229	-256	-20,423	-167,691
Balance as at 31/ 12/ 2024	**140,477**	**14,246,111**	**2,189,669**	**474,005**	**119,937**	**13,267**	**17,183,466**
Purchases	0	0	0	0	1,060,134	0	1,060,134
Transfers	197	710,679	165,578	106,806	-983,260	14,977	14,977
Decreases	-2,213	-47,597	-136,078	-13,673	-56	-27,986	-227,603
Balance as at 31/ 12/ 2025	**138,461**	**14,909,193**	**2,219,169**	**567,138**	**196,755**	**258**	**18,030,974**
Accumulated depreciation, adjustments, impairment, recharging							
Balance as at 1/ 1/ 2024	**0**	**5,641,976**	**1,676,997**	**136,631**	**0**	**0**	**7,455,604**
Depreciation	0	281,060	106,420	26,049	0	0	413,529
Effect of merger*	0	0	9,876	0	0	0	9,876
Allowances	0	-23	0	0	0	0	-23
Accumulated depreciation for disposals	0	-7,327	-126,618	-6,957	0	0	-140,902
Balance as at 31/ 12/ 2024	**0**	**5,915,686**	**1,666,675**	**155,723**	**0**	**0**	**7,738,084**
Depreciation	0	304,581	120,222	26,119	0	0	450,922
Allowances	0	-23	0	0	0	0	-23
Accumulated depreciation for disposals	0	-45,358	-133,577	-7,814	0	0	-186,749
Balance as at 31/ 12/ 2025	**0**	**6,174,886**	**1,653,320**	**174,028**	**0**	**0**	**8,002,234**
Net book value 2024	**140,477**	**8,330,425**	**522,994**	**318,282**	**119,937**	**13,267**	**9,445,382**
Net book value 2025	**138,461**	**8,734,307**	**565,849**	**393,110**	**196,755**	**258**	**10,028,740**

** This item reflects the intra-group transfer of assets resulting from the spin-off of part of the assets from Pražská plynárenská Servis distribuce, a.s., a member of the Pražská plynárenská, a.s. group, and the subsequent merger into the successor company Pražská plynárenská Distribuce, a.s., carried out in 2024.*

The most significant part of unfinished investments in tangible fixed assets as of 31 December 2025 and 31 December 2024 consists of investment projects and projects related to building modifications and development of the existing distribution network, which are in various stages of completion and whose project preparation and implementation requires a longer time horizon. Above all, these projects are also related to the value of reported and provided advances for tangible fixed assets, which mainly represent advances for materials and services that are provided by external entities.

Tangible movable assets and their sets - detail (in thous. CZK) Acquisition value	Vehicles (means of transport)	Computer equipment	Gas meters, counters and controllers	Mechanical parts of control stations	Other tangible movable assets	Total
Balance as at 1/ 1/ 2024	**174,044**	**120,351**	**691,905**	**528,398**	**655,978**	**2,170,676**
Effect of merger	14,788	48	0	0	2,101	16,937
Transfers	22,686	7,377	88,705	0	14,236	133,004
Decreases	-24,020	-10,631	-53,265	-484	-42,548	-130,948
Balance as at 31/ 12/ 2024	**187,498**	**117,145**	**727,345**	**527,914**	**629,767**	**2,189,669**
Transfers	32,066	16,249	72,655	14,120	30,488	165,578
Decreases	-16,950	-15,151	-73,327	-3,518	-27,132	-136,078
Balance as at 31/ 12/ 2025	**202,614**	**118,243**	**726,673**	**538,516**	**633,123**	**2,219,169**
Accumulated depreciation, adjustments, impairment, recharging						
Balance as at 1/ 1/ 2024	**107,719**	**96,953**	**421,694**	**469,553**	**581,078**	**1,676,997**
Depreciation	19,008	9,770	41,294	9,659	26,689	106,420
Effect of merger	8,187	48	0	0	1,641	9,876
Accumulated depreciation for disposals	-20,662	-10,621	-52,687	-484	-42,164	-126,618
Balance as at 31/ 12/ 2024	**114,252**	**96,150**	**410,301**	**478,728**	**567,244**	**1,666,675**
Depreciation	22,687	10,457	46,637	8,330	32,111	120,222
Accumulated depreciation for disposals	-15,869	-15,137	-72,033	-3,518	-27,020	-133,577
Balance as at 31/ 12/ 2025	**121,070**	**91,470**	**384,905**	**483,540**	**572,335**	**1,653,320**
Net book value 2024	**73,246**	**20,995**	**317,044**	**49,186**	**62,523**	**522,994**
Net book value 2025	**81,544**	**26,773**	**341,768**	**54,976**	**60,788**	**565,849**

The Company plant of Pražská plynárenská, a.s. was pledged in favour of the creditors Československá obchodní banka, a.s., and Česká spořitelna, a.s., with the following liens on the Company plant:

(i) To secure debts under the Operating Loan Agreement up to CZK 5,000 million of 15 May 2023, as amended, secured debts of Pražská plynárenská, a.s., from operational financing, which may arise up to the amount of CZK 10,000 mil., and further

(ii) to secure debts under the Promissory Note Programme Agreement up to an amount of CZK 1,200 mil. dated 2 November 2023, securing the debts of the subsidiary Pražská plynárenská Distribuce, a.s., which may arise up to a maximum of CZK 2,400 mil.

7.2. Intangible assets

Intangible assets (in thous. CZK) Acquisition value	Goodwill	Software	Assessable rights	Intangible fixed assets under construction	Total
Balance as at 1/ 1/ 2024	**30,824**	**881,678**	**14,415**	**22,294**	**949,211**
Purchases	0	0	0	29,978	29,978
Transfers	0	27,973	189	-28,162	0
Decreases	0	0	-89	0	-89
Balance as at 31/ 12/ 2024	**30,824**	**909,651**	**14,515**	**24,110**	**979,100**
Purchases	0	0	0	47,210	47,210
Transfers	0	43,347	554	-43,901	0
Decreases	0	-161	0	0	-161
Balance as at 31/ 12/ 2025	**30,824**	**952,837**	**15,069**	**27,419**	**1,026,149**
Accumulated depreciation, depreciation, impairment					
Balance as at 1/ 1/ 2024	**0**	**785,640**	**14,415**	**0**	**800,055**
Depreciation	0	28,938	47	0	28,985
Accumulated depreciation for disposals	0	0	-86	0	-86
Balance as at 31/ 12/ 2024	**0**	**814,578**	**14,376**	**0**	**828,954**
Depreciation	0	27,199	104	0	27,303
Accumulated depreciation for disposals	0	-161	0	0	-161
Balance as at 31/ 12/ 2025	**0**	**841,616**	**14,480**	**0**	**856,096**
Net book value 2024	**30,824**	**95,073**	**139**	**24,110**	**150,146**
Net book value 2025	**30,824**	**111,221**	**589**	**27,419**	**170,053**

The average remaining depreciation period for software is 2 years.

7.3. Goodwill

As of 31 December 2025, goodwill in the Group includes the incorporation of goodwill due to the acquisition of 90% ownership in MONTSERVIS PRAHA, a.s. which occurred on 8 March 2019. This goodwill was allocated to the cash-generating unit MONTSERVIS PRAHA. As of 24 June 2020, Pražská plynárenská, a.s. increased its ownership stake in this company to 95%. As of 21 May 2021, Pražská plynárenská increased its ownership stake to 100%.

The Group has tested goodwill for value impairment (value in use). Tests performed as of 31 December 2025 did not indicate any decrease in the value of goodwill. Value from the use was calculated on the basis of discounted cash flows, which were based on a medium-term business plan (a three-year period 2026-2028). The business plan has been approved by management and is current as of the time of the value impairment test performance. The business plan is based on past experience and expected future developments, while taking into account the current pandemic situation.

Revenue growth from 2026 to 2028 is constant at 4%, and personnel cost growth from 2026 to 2028 of 4% is based on the Collective Agreement.

Using a discounted cash flow method with a discount rate of 7.11% (2024: 7.9%), the present value of free cash flows in excess of the value of the cash-generating unit was determined. In 2025 and 2024, no impairment of goodwill was ascertained.

7.4. Assets originating from the right of use and lease liabilities

(in thous. CZK) Acquisition value	Non-residential premises and lands
Balance as at 1/ 1/ 2025	**56,149**
Increases	44,917
Balance as at 31/ 12/ 2025	**101,066**
Accumulated depreciation, depreciation, impairment	
Balance as at 1/ 1/ 2025	**33,328**
Depreciation	7,279
Balance as at 31/ 12/ 2025	**40,607**
Net book value 1/ 1/ 2025	**22,821**
Net book value 31/ 12/ 2025	**60,459**

(in thous. CZK) Acquisition value	Non-residential premises and lands
Balance as at 1/ 1/ 2024	**56,149**
Increases	0
Decreases	0
Balance as at 31/ 12/ 2024	**56,149**
Accumulated depreciation, depreciation, impairment	
Balance as at 1/ 1/ 2024	**29,043**
Depreciation	4,285
Balance as at 31/ 12/ 2024	**33,328**
Net book value 1/ 1/ 2024	**27,106**
Net book value 31/ 12/ 2024	**22,821**

The Group mainly leases various non-residential premises and land. Lease contracts are usually concluded for an indefinite time. The Group has estimated the term of lease in these cases from 5 to 10 years.

As of 31 December 2025, the Group reported lease liabilities as follows:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	5 years or more	Total
Long-term lease liabilities	0	0	0	12,906	6,459	40,422	59,787
Short-term lease liabilities	1,497	1,506	3,040	0	0	0	6,043
Total	**1,497**	**1,506**	**3,040**	**12,906**	**6,459**	**40,422**	**65,830**

As of 31 December 2024, the Group reported lease liabilities as follows:

(in thous. CZK)	0-3 months	3-6 months	6-12 months	1-3 years	3-5 years	5 years or more	Total
Long-term lease liabilities	0	0	0	12,144	1,331	8,994	22,468
Short-term lease liabilities	1,053	1,057	2,129	0	0	0	4,239
Total	**1,053**	**1,057**	**2,129**	**12,144**	**1,331**	**8,994**	**26,707**

The total cash flow related to lease liabilities in 2025 amounted to CZK 11,173 thous. and in 2024 amounted to CZK 5,301 thous.

Interest expenses from lease liabilities included in the 2025 financial expenses are reported in section 7.28.

Short-term lease expenses included in Other operating costs and leasing of low-value assets, which are not reclassified as lease liabilities, are reported in section 7.27.

7.5 Inventories

Inventories mainly represent gas stored in the gas storage. This gas was extracted in 2025 and recorded as consumption in the amount of CZK 508,265 (in 2024: CZK 306,863 thous.) . The Company did not make an inventory valuation allowance in 2025 and 2024.

No surpluses and/or shortfalls in inventories were found during stock-taking in 2025.

7.6 Short-term trade and other receivables

Type of receivable (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables from third parties	786,905	675,943
Trade receivables from related parties	20,686	575
Financial trade receivables	**807,591**	**676,518**
Allowances for trade receivables	-208,643	-246,119
Net trade receivables – financial	**598,948**	**430,399**
Uninvoiced deliveries	2,556,073	2,270,142
Allowance for uninvoiced receivables	-17,712	-20,358
Total trade and other receivables – financial	**3,137,309**	**2,680,183**
Short-term operational advances made	143,597	84,629
Other receivables – non-financial	26,570	15,746
Allowances for other receivables and advances paid	-6,346	-6,224
Total trade and other receivables – non-financial	**163,821**	**94,151**
Total trade and other receivables – short-term	**3,301,130**	**2,774,334**

Short-term operating advances provided to individual suppliers for natural gas and electricity purchases and purchases of gas distribution services were offset with anticipated payables created. In 2025 the offset amount of advances with estimated payables was CZK 974,521 thousand (2024: CZK 904,949 thous.) .

Outstanding trade receivables are not secured. Receivables from related parties are detailed in Section 5.1.

The age structure of outstanding trade and other receivables that have not been classified as impaired as of the date of the consolidated financial statements is as follows:

Receivables past due (in thous. CZK)	31 December 2025	31 December 2024
up to 30 days	35,919	46,284
Total	**35,919**	**46,284**

The age structure of trade and other receivables that have been classified as impaired as of the date of the consolidated financial statements is as follows:

Receivables past due (in thous. CZK)	31 December 2025	31 December 2024
up to 6 months	53,285	61,094
6 to 12 months	15,977	10,648
more than 1 year	132,570	149,249
Total	**201,832**	**220,991**

Changes in adjusting entries for trade receivables may be analysed as follows:

Allowances for doubtful accounts (in thous. CZK)	31 December 2025	31 December 2024
Initial balance as of 1 January	266,477	314,845
Creation of an allowance for receivables	-123	19,339
Use of the allowance	39,999	67,707
Final balance as of 31 December	**226,355**	**266,477**

The structure of allowances for trade and other receivables according to the level of expected interest rate impairment is shown in the following tables:

31 December 2025:

Allowances for doubtful accounts (in thous. CZK)	Expected interest risk impairment			
	Level 1	Level 2	Level 3	Total
Cat. MO	27,220	620	40,310	68,150
Cat. DOM	27,815	504	39,215	67,534
Cat. VO	7,945	32	16,363	24,340
Cat. Other	18,060	1,428	46,843	66,331
Total	**81,040**	**2,584**	**142,731**	**226,355**

31 December 2024:

Allowances for doubtful accounts (in thous. CZK)	Expected interest risk impairment			
	Level 1	Level 2	Level 3	Total
Cat. MO	37,137	458	44,901	82,496
Cat. DOM	32,671	399	47,453	80,523
Cat. VO	12,613	104	19,274	31,991
Cat. Other	26,296	627	44,544	71,467
Total	**108,717**	**1,588**	**156,172**	**266,477**

The following table shows losses due to depreciation of financial assets relating to trade and other receivables:

Loss due to depreciation of financial assets (in thous. CZK)	31 December 2025	31 December 2024
Change in the allowance - for existing receivables	-39,999	-48,260
Loss due to receivables written-off	29,069	67,707
Impairment losses on financial assets total	**-10,930**	**19,447**

The book value of the trade and other receivables is close to their fair value.

7.7. Cash and cash equivalents

The structure of cash and cash equivalents is shown below:

Cash and cash equivalents (in thous. CZK)	31 December 2025	31 December 2024
Cash on hand	1,390	1,552
Money in bank accounts	3,987,431	4,834,710
Total	**3,988,821**	**4,836,262**

7.8. Other assets

Other assets (in thous. CZK)	31 December 2025	31 December 2024
Receivables from revaluation of commodity derivatives to fair value	10,602	0
Other (especially capitalised costs)	57,484	94,232
Other assets – total	**68,086**	**94,232**

7.9. Incremental costs of obtaining a contract

Incremental costs (in thous. CZK)	31 December 2025	31 December 2024
Commission paid to traders – long-term part	31,024	13,287
Commission paid to traders – short-term part	51,099	32,734
Incremental costs – total	**82,123**	**46,021**

The incremental costs to obtain a contract represent the commissions of sales representatives.

7.10. Contract assets

Contract assets (in thous. CZK)	31 December 2025	31 December 2024
Bonuses to customers – long-term part	10,660	3,683
Bonuses to customers – short-term part	27,131	12,389
Contract assets – total	**37,791**	**16,072**

Contract assets represent bonuses to customers for negotiating a contract or amendments.

7.11. Registered capital

Form of shares	2025		2024	
	Number of pieces	Nominal value (CZK)	Number of pieces	Nominal value (CZK)
Bearer shares	950,338	300	950,338	300
Registered shares	489,569	300	489,569	300
Total	**1,439,907**		**1,439,907**	
Total share capital		**431,972,100**		**431,972,100**

Bearer shares are issued in book-registered form.
The registered shares are issued in book-registered form, their transferability is limited and the general meeting of the shareholders must give the owner its consent for their transfer, following discussion at the Board of Directors and the Supervisory Board. All shares have equal rights. All the shares are fully paid-up. The Group shareholder has both rights and obligations. The basic duty of the shareholder is the obligation to deposit. Shareholder rights include:

- Right to a share of the profits,
- Right to vote,
- Right to request and receive an explanation at the General Meeting on matters relating to the Group or for the exercise of shareholder rights,
- Right to present proposals and counter-proposals on matters included on the agenda of the General Meeting,
- Rights of qualified shareholders to ask the Board of Directors to convene a General Meeting and the Supervisory Board to review the performance of the Board of Directors,
- Right to bring a lawsuit action against a member of the Board of Directors or the Supervisory Board, the right to seek repayment of the issue price against shareholders who defaulted on repayment,
- Right to require the compulsory transfer of the securities,
- Right to a share in the liquidation balance.

7.12. Profit funds

The Companies from the Group are fully governed by the new Corporations Act and utilised the option not to create a profit fund. Usage of funds created from profit is in accordance with the Articles of Incorporation of the Group companies.

Profit funds may be transferred to retained earnings or may be used to offset losses.

7.13. Cash flow hedge

The cash flow hedge represents accumulated profits and losses from effective cash flow hedging. The cumulative accrued profit or loss on hedging derivatives is reclassified as profit or loss only if the secured transaction affects profit or loss, or it is included as a basis adjustment in the secured non-financial item in accordance with applicable accounting rules.

Gains and losses reclassified during the year from equity are included in the profit or loss on the line Purchased gas and electricity, materials and services related to gas and electricity supplies.

(in thous. CZK)	31 December 2025	31 December 2024
Balance as of the beginning of the year	-8,528	26,089
Change in fair value of hedging derivatives	-109,565	-43,819
Related deferred income tax	23,009	9,202
Balance as of the end of year	**-95,084**	**-8,528**

Reclassification to the comprehensive profit/loss for the period (in thous. CZK)	2025	2024
Profit after tax	**1,425,220**	**1,637,593**
Fair value of unmatured hedging derivatives	-120,359	-10,795
Fair value of matriculated continuing hedging derivatives	0	0
Effective component of the fair value of hedging derivatives	**-120,359**	**-10,795**
Deferred tax asset on hedging derivatives	25,275	2,267
Comprehensive income for the period	**1,330,136**	**1,629,065**

7.14. Trade liabilities and other long-term liabilities

Other liabilities (in thous. CZK) Maturity	Long-term advances received	Other long-term liabilities	Total
Balance as at 31/ 12/ 2024	**0**	**13,231**	**13,231**
of which: due in less than 5 years	0	13,231	13,231
Balance as at 31/ 12/ 2025	**0**	**28,537**	**28,537**
of which: due in less than 5 years	0	23,470	23,470
of which due after 5 years	0	5,067	5,067
Total as of 31/ 12/ 2024	**0**	**13,231**	**13,231**
Total as of 31/ 12/ 2025	**0**	**28,537**	**28,537**

7.15. Trade payables, advances, principals received – short term

Trade payables advances and principle received – short-term	31 December 2025	31 December 2024
Trade liabilities payable to third parties	2,838,702	3,077,997
Trade payables to related parties	48,434	41,106
Operating advances and short-term principal received (non-financial liabilities)	2,597,902	2,780,124
Trade payables, advances received and total principals	**5,485,038**	**5,899,227**

Trade payables and advances received - short-term (by maturity) (in thous. CZK)	Trade payables	Short-term advances received and principals	Contingent liability Accounts	Total
Balance as at 31/ 12/ 2024	**195,344**	**2,780,124**	**2,923,759**	**5,899,227**
of which due within 6 months	195,173	2,780,124	2,923,759	5,899,056
of which due in 6 months to 1 year	171	0	0	171
Balance as at 31/ 12/ 2025	**359,259**	**2,597,902**	**2,527,877**	**5,485,038**
of which due within 6 months	359,214	2,597,902	2,527,877	5,484,993
of which due in 6 months to 1 year	45	0	0	45
Total as of 31/ 12/ 2025	**359,259**	**2,597,902**	**2,527,877**	**5,485,038**

Liabilities to related parties are defined in detail in section 7.32.

Trade payables and other liabilities have not been secured by any Group assets.

Funds provided under the cash-pooling arrangement bore interest at the O/N PRIBOR lending rate minus 1.00% p.a. in 2025. In 2024, they bore interest at the lending rate as follows: in 01-06/2024: O/N PRIBOR - 1.50% p.a., in 07-12/2024: O/N PRIBOR - 1.00% p.a.

Funds drawn down under the cash-pooling arrangement in 2025 bore interest at a debit rate of O/N PRIBOR + 0.25% p.a. In 2024, the same debit rate of O/N PRIBOR + 0.25% p.a. applied.

The book value of the trade payables and other liabilities is close to their fair value.

7.15.1. Derivatives

7.15.1.1. Financial derivatives for trading

The fair value of financial derivatives is reported in net value for each type of derivative separately in the item Other Assets if it is positive for the Group and in the item Other Liabilities if it is negative:

(in thous. CZK)	31 December 2025			31 December 2024		
	Fair value		Nominal value	Fair value		Nominal value
	Positive	Negative		Positive	Negative	
Commodity futures	0	9,865	60,610	0	38,136	0

The Company trades natural gas, which is supplied as a physical commodity and electricity on the EEX (European Energy Exchange), which follows a financial settlement.

In 2025, the costs from the settlement of trade derivatives reported in the comprehensive profit/loss statement were CZK 54,218 thousand, (in 2024, the costs were CZK 29,917 thous.), see sections 7.28 and 7.29.

In 2025, losses from the settlement of trade derivatives reported in the comprehensive profit/loss statement were CZK 68,873 thous., (in 2024 revenue amounted to CZK 8,059 thous.), see sections 7.28 and 7.29.

7.16. Uninvoiced deliveries and advances received

31 December 2025 (in thous. CZK)	Cat. DOM	Cat. MO	Cat. VO/SO	Other	Total
Uninvoiced deliveries	2,653,361	2,390,462	935,191	1,899,241	7,878,255
Advance payments received	-2,949,549	-2,644,389	-567,175	-1,425,938	-7,587,051
Clearing of Accounts	**2,467,246**	**1,473,154**	**567,175**	**814,607**	**5,322,182**
Uninvoiced deliveries – after offsetting	186,115	917,308	368,016	1,084,634	2,556,073
Advances received – after offsetting	-482,303	-1,171,235	0	-611,331	-2,264,869

31 December 2024 (in thous. CZK)	Cat. DOM	Cat. MO	Cat. VO/SO	Other	Total
Uninvoiced deliveries	2,709,899	2,387,991	1,245,626	1,801,266	8,144,782
Advance payments received	-3,031,007	-2,915,946	-800,021	-1,495,710	-8,242,684
Clearing of Accounts	**2,584,098**	**1,617,150**	**800,021**	**873,371**	**5,874,640**
Uninvoiced deliveries – after offsetting	125,801	770,841	445,605	927,895	2,270,142
Advances received – after offsetting	-446,909	-1,298,796	0	-622,339	-2,368,044

7.17. Bank loans

The details of loans are given in Section 5.2.

Financial ratios are monitored at the Group's consolidated level in relation to the terms of the loan agreements. In case of their non-fulfilment, premature loan repayment may be requested. These indicators were fulfilled as of 31 December 2025 and as of 31 December 2024.

Overview of the movement of liabilities from financial operations – Supplementary Note to the Cash Flow Statement:

(in thous. CZK)	31/ 12/ 2024	Cash flows	Non-cash flows – Revaluation of liabilities using the effective interest rate method	31/ 12/ 2025
PPD exchange programme	400,000	-208,080	8,080	200,000
PPD bank loan from UCB	120,000	-96,003	1,003	25,000
PPD bank loan from RFB	120,000	-96,003	1,003	25,000
Total	**640,000**	**-400,085**	**10,085**	**250,000**

(in thous. CZK)	31/ 12/ 2023	Cash flows	Non-cash flows – Revaluation of liabilities using the effective interest rate method	31/ 12/ 2024
PPD exchange programme	600,000	-224,920	24,920	400,000
PPD bank loan from UCB	200,000	-87,224	7,224	120,000
PPD bank loan from RFB	200,000	-87,224	7,224	120,000
Total	**1,000,000**	**-399,368**	**39,368**	**640,000**

7.18. Other liabilities

Other liabilities	31 December 2025	31 December 2024
Liabilities from revaluation of commodity derivatives to fair value	9,865	38,136
Liabilities from revaluation of securing derivatives to fair value	161,201	10,795
Total financial liabilities	**171,066**	**48,931**
Payables towards employees	385,300	316,626
Payables towards social insurance institutions	32,873	30,025
Other non-financial liabilities	6,573	13,839
Non-financial liabilities total	**424,746**	**360,490**
Other liabilities total	**595,812**	**409,421**

Liabilities payable to employees also include liabilities related to wages and unpaid future liabilities payable to the members of the statutory bodies of the Group according to contracts describing executive performance (Section 4.17.4) in the amount of CZK 56,591 thousand (2024: CZK 63,347 thous.) .

7.19. Deferred tax receivables and liabilities

Compensation of deferred tax assets and liabilities was as follows:

Deferred tax liability (-) and deferred tax receivable(+) (in thous. CZK)	31 December 2025	31 December 2024
Deferred tax asset expected to be realised in more than 12 months	92,795	64,269
Deferred tax asset expected to be realised up to 12 months	129,894	120,418
Deferred tax liability to be settled in more than 12 months	-938,262	-864,546
Net deferred tax liability	**-715,573**	**-679,859**

Deferred tax was calculated using an effective tax rate of 21%.

Deferred tax liability (-) and deferred tax asset (+) (in thous. CZK)	31 December 2025	31 December 2024
The item represents deferred tax from the following titles		
Difference in the residual prices of fixed assets	-912,049	-850,500
The non-tax-deductible portion of bad debt provisions – temporary difference	23,540	28,353
Inventory adjustment	584	790
Other provisions, adjustment entries and temporary differences	101,503	96,684
Lease liabilities	2,374	1,662
Change in fair value of hedging derivative	25,275	2,267
Incremental costs of obtaining a contract	-25,182	-13,039
Liabilities towards employees and board members	68,382	53,925
Total	**-715,573**	**-679,859**

Deferred tax liability (-) and deferred tax receivable(+) (in thous. CZK)	Difference in residual values of fixed assets	Tax non-deductible portion of impairment allowances on receivables and inventories	Liabilities to employees and members of bodies	Other	Total
31 December 2024	**-850,500**	**29,143**	**53,925**	**87,574**	**-679,859**
profit (+) / loss (-)	-61,549	-5,019	14,457	16,396	-35,714
31 December 2025	**-912,049**	**24,124**	**68,382**	**103,970**	**-715,573**

Deferred tax liability (-) and deferred tax receivable(+) (in thous. CZK)	Difference in residual values of fixed assets	Tax non-deductible portion of impairment allowances on receivables and inventories	Liabilities to employees and members of bodies	Other	Total
31 December 2023	**-773,202**	**29,485**	**70,599**	**158,699**	**-514,419**
profit (+) / loss (-)	-77,299	-343	-16,674	-80,327	-174,642
other comprehensive income	0	0	0	9,202	9,202
31 December 2024	**-850,501**	**29,142**	**53,925**	**87,574**	**-679,859**

7.20. Other tax liabilities and receivables

Other tax receivables in 2025 and 2024 mainly consist of a value added tax liability.

7.21. Reserves

Reserves (in thous. CZK) Book value	Long-term	Short-term
Balance as at 1/ 1/ 2024	**690,756**	**0**
Creation of reserves	142,279	61,753
Reversals of reserves	-370,623	0
Reclassification of reserve	-80,277	80,277
Balance as at 31/ 12/ 2024	**382,135**	**142,030**
Creation of reserves	32,486	201,701
Use of reserves	-38,698	-142,030
Reclassification of reserve	-294,889	294,889
Balance as at 31/ 12/ 2025	**81,034**	**496,590**
Net book value 2024	**382,135**	**142,030**
Net book value 2025	**81,034**	**496,590**

Reserves as at 31 December 2025 mainly include a provision for loss-making contracts (CZK 337,187 thous.), reserves for repairs of high-pressure gas pipelines (CZK 60,000 thous.), a reserve for the remediation of ecological burdens (CZK 34,612 thous.) and a reserve for land remediation at CNG stations (CZK 13,936 thous.).

7.22. Revenues from sales

Revenues from sales (in thous. CZK)	2025	2024
Sale of natural gas	14,884,417	17,609,298
Sale of own and third-party gas distribution	5,644,381	4,810,795
Sale of heat and CNG	902,732	674,216
Sale of flexibility	3,564	3,039
Sale of electricity	3,878,178	4,874,985
Sale of third-party electricity distribution	2,734,067	2,639,899
Other services	318,196	205,885
of which revenues from asset repairs and maintenance	124,162	101,787
of which revenues from construction of gas pipelines	77,269	33,482
of which revenues from earthworks	6,266	1,635
of which revenues from other services	110,499	68,981
Sale of goods and products (services)	1,575	1,711
Revenues from contracts with customers	**28,367,110**	**30,819,828**
Revenues from property leases	15,543	14,386
Total	**28,382,653**	**30,834,214**

7.23. Purchased gas, electricity, materials and services connected with gas and electricity supplies

Purchased gas, electricity, materials and services connected with gas and electricity supplies (in thous. CZK)	2025	2024
Costs of gas purchases	14,699,763	16,952,092
of which gas reservoir costs	194,789	107,283
Gas distribution fee	1,830,574	1,591,983
Costs of electricity purchases	3,591,582	4,747,185
Electricity distribution fee	2,738,136	2,644,168
Purchasing expenses – total	**22,860,055**	**25,935,428**
Derivative-related costs, hedged item	210,838	-56,554
Total	**23,070,893**	**25,878,874**

7.24. Other operating income

Other operating income (in thous. CZK)	2025	2024
Profit from sales of fixed assets	4,089	3,231
Income from sale of material	8,815	7,858
Income from write-off of receivables	736	891
Income from write-off of lapsed liabilities	29,202	-51
Court fee compensations	3,237	3,690
Benefits from insurance (indemnity)	2,985	2,431
Other	198,220	576,009
Total	**247,284**	**594,059**

7.25. Personnel costs

Personnel costs (in thous. CZK)	2025	2024
Employees	1,091,574	1,006,153
Members of statutory bodies	106,860	95,678
Future benefits to members of statutory bodies provided under contract defining their executive performance (Section 4.17.4)	4,281	16,080
Total	**1,202,715**	**1,117,911**

Related parties to the Group are also key management personnel, who are members of statutory bodies.

During 2025 and 2024, no loans or credit facilities were provided to members of the Board of Directors, members of the Supervisory Board or to other management members of the Group. Company cars, computers and telecommunication equipment are available for use by the Board members and other executives.

Personal expenses of members of statutory bodies in 2025 include benefits paid under performance contracts (see Section 4.17.4) in the amount of CZK 602 thousand (2024: CZK 4,954 thous.) .

No profit shares were paid to members of statutory bodies in 2025 and 2024.

Contributions to the state pension scheme (on the basis of defined contributions) in 2025 amounted to CZK 175,505 thous. per employee (2024: CZK 157,434 thous.) and CZK 8,301 thous. for members of statutory bodies (2024: CZK 9,348 thous.) .

7.26. Depreciation of fixed assets

Depreciation of fixed assets (in thous. CZK)	2025	2024
Depreciation of buildings and other structures	32,632	32,505
Depreciation of pipelines	267,308	244,090
Depreciation of the buildings of regulating stations	4,641	4,465
Depreciation of the technology of regulating stations	8,330	9,659
Depreciation of gas meters, reducers and regulators	46,637	41,294
Depreciation of boiler installations and other fixed assets	26,119	26,049
Depreciation of vehicles	22,687	19,008
Depreciation of intangible assets	27,303	28,985
Depreciation of IT equipment	10,457	9,770
Depreciation of other movables	32,111	26,689
of which depreciation of other gas facilities	13,726	9,794
of which depreciation of other assets (inventories, etc.)	18,385	16,895
Depreciation of assets originating from the right of use	7,279	4,285
Total	**485,504**	**446,799**

7.27. Other operating costs

Other operating costs (in thous. CZK)	2025	2024
Consumption of materials and energy	124,044	110,041
Costs of goods	1,208	4,771
Lease fees	91,090	84,219
Services	1,068,268	867,280
of which: asset repair and maintenance costs	517,834	385,079
of which claims collection costs	6,033	7,034
of which promotion, advertising and marketing costs	85,434	99,659
of which IT systems management and repair costs	106,521	98,313
of which business representatives' commission costs	89,327	101,603
of which consulting costs	50,390	35,969
of which: gas meter reading costs	26,033	22,356
of which: telecommunication service and postal charges	21,479	24,523
of which: educational costs	6,531	5,239
of which costs of other services	158,686	87,505
Other (mainly provision for inventories and changes in provisions)	100,987	-121,781
Total	**1,385,597**	**944,530**

The total remuneration of the auditing company Deloitte Audit, s.r.o., for the statutory audit of the financial statements for 2025 amounted to CZK 4,959 thousand. without VAT (2024: CZK 5,478 thous.). without VAT).

7.28. Financial costs

Financial costs (in thous. CZK)	2025	2024
Interest expense	25,360	54,631
Lease liabilities – interest paid	2,703	584
Cost paid to settle trade derivatives	54,218	29,917
Bank charges	43,776	73,988
Other financial expense	88,654	197,704
Total	**214,711**	**356,824**

Other financial expenses represent mainly foreign exchange differences.

7.29. Financial revenues

Financial revenues (in thous. CZK)	2025	2024
Interest income	126,485	232,062
Income from contractual fines and default interest	6,002	5,841
Cost paid to settle trade derivatives	68,873	8,059
Other financial revenues	74,598	175,452
Total	**275,958**	**421,414**

Other financial income and expenses represent mainly foreign exchange differences.

7.30. Income tax

The income tax expense recognised in the consolidated statement of comprehensive income consists of the following:

(in thous. CZK)	2025	2024
Income tax – current	1,067,687	1,192,433
Income tax – adjustment of income tax from previous years	5,775	80,010
Income tax – deferred	58,723	175,267
Income tax on profit after tax	**1,132,185**	**1,447,710**

From 1 January 2023, the Group is subject to windfall tax, i.e. the obligation to pay tax on unexpected profits. The Group's total estimated tax liability for 2025 amounted to CZK 1,067,687 thous. (2024: CZK 1,192,433 thous.) . Of which CZK 489,156 thous. (2024: CZK 508,723 thous.) (CZK) represents tax after deduction of a tax rate of 21% and CZK 578,531 thous. (2024: CZK 683,710 thous.) tax with application of 60% tax rate.

Reconciliation of the tax base and theoretical tax charge is calculated from consolidated accounting profit before tax multiplied by the effective income tax rate

(in thous. CZK)	2025	2024
Profit before tax	2,557,405	3,085,302
Tax due at a rate of 21%	537,055	647,913
Tax on windfall profits	578,531	683,710
Non-taxable income	-44,834	-76,271
Tax non-deductible expenses	38,007	4,892
Gifts	-442	-2,689
Other*	23,869	190,155
Tax at the effective rate**	1,132,185	1,447,710
Tax expense	**1,132,185**	**1,447,710**

**this includes, in particular, a difference in the method of calculating tax on windfall profits compared with the 21% tax due (it is not based on the accounting profit for the current period, but on the so-called comparative tax bases from previous years)*
***effective tax rate for 2025 was 44.27% (in 2024 it was 46.92%)*

The Company is subject to the Large Multinational Group and Large Domestic Group Tax Equalisation Act effective for the 2024 tax year. The Company did not create a provision for domestic withholding tax in 2025, as it meets the criteria for the application of the temporary safe harbour, which is based on the calculation of a simplified effective tax rate.

7.31. Dividends paid

No dividend was paid for 2025 and 2024.

7.32. Related party transactions and balances

Transactions related to the purchase or sale of energy (gas, electricity, heat, CNG) to companies controlled by the Capital City of Prague were concluded according to market conditions and are not presented in the following tables.

The Group was involved in the following transactions with related parties:

ULTIMATE PARENT COMPANY (Capital City of Prague) Revenues (in thous. CZK)	**2025**	**2024**
Revenues from sale of services	15,573	9,712
Other revenue	191	116
Total revenues	**15,764**	**9,828**

Costs (in thous. CZK)	**2025**	**2024**
Purchase of other services	8,030	1,071
Other costs	26,022	26,002
Total costs	**34,052**	**27,073**

OTHER RELATED PARTIES Revenues (in thous. CZK)	**2025**	**2024**
Revenues from sale of services	44,205	10,582
Revenue from sold property	0	352
Other revenue	3	293
Total revenues	**44,208**	**11,227**

Costs (in thous. CZK)	**2025**	**2024**
Purchase of material	7,511	7,833
Purchase of other services	115,541	89,962
Other costs	1,739	2,340
Total costs	**124,791**	**100,135**

The Group recognised the following balances with related parties:

ULTIMATE PARENT COMPANY (Capital City of Prague) Receivables and payables (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables	5,659	462
Short-term advances paid*	699	0
Total receivables	**6,358**	**462**
Trade payables	907	15
Short-term advance payments received	76,261	60
Total accounts payable	**77,168**	**75**

**these balances are reported including VAT*

OTHER RELATED PARTIES Receivables and payables (in thous. CZK)	31 December 2025	31 December 2024
Trade receivables	15,027	113
Short-term advances paid*	1,433	2,011
Total receivables	**16,460**	**2,124**
Trade payables	47,527	41,091
Short-term advances received*	1,222	1,665
Total accounts payable	**48,749**	**42,756**

**these balances are reported including VAT*

The dividends paid to shareholders in 2025 and 2024 are set out in section 7.31.

Transactions and balances with key management are disclosed in sections 7.25. and 7.18.

Other related parties represent companies and affiliates controlled by the ultimate parent company (Capital City of Prague).

7.33. Regulatory framework

Under the granted licences, the Group trades in natural gas and electricity.

a) Gas and electricity trading (the trader is not subject to price regulation).

The gas and electricity market is fully liberalised, and all customers thus have the option to choose their own supplier.

b) Gas distribution – price regulation

The prices for natural gas distribution on the Czech gas market are regulated in accordance with the Energy Act and published in the price list of the independent regulatory body, the Energy Regulatory Office.

2025 was the final year of the fifth regulatory period. Throughout the year, work continued on the preparation and phased implementation of the regulatory rules for the sixth regulatory period, which begins on 1 January 2026. The key objectives relating to the safety and reliability of energy systems, the sustainable operation of the regulated sector and a stable business environment in the energy sector remain firmly enshrined in the Price Regulation Methodology for the period 2026–2030.

The Energy Regulatory Office determines for PPD, a.s., in accordance with applicable legislation, the permitted revenues from licensed activities. As for 2025, the Company has received permitted revenues through prices and conditions set out in Price decision No. 12/2025 of 27 November 2025, defining regulated prices related to gas supply, with effect from 1 January 2026.

It is also in the competence of the Authority to protect the legitimate interests of the licensees whose activity is regulated in compliance with Section 17 (4) of the Energy Act. The legislative framework of price regulation that is stipulated under Section 19a (1) of the Energy Act guarantees coverage of the legitimate (justified) costs to the regulated subjects to ensure reliable, safe and efficient performance of the licensed activity, also depreciation and reasonable profit to ensure return on investments in facilities used to perform the licensed activity. The price regulation policies, among other things, also state the procedure in the event of deviations between the regulated revenues for the regulated year and the subsequently truly achieved revenues in the regulated year. In such scenario, the Energy Regulatory Office shall compensate for the deviation during the next period.

7.35. Contractual and other future commitments

The expenditure for the acquisition of tangible and intangible assets contracted as of 31 December 2025, which have not yet been incurred, amounts to CZK 477,488 thous. (2024: CZK 376,433 thous.) .

(in thous. CZK)	2025	2024
Up to 1 year	143,339	165,750
1-3 years	260,394	148,532
3-5 years	67,329	52,166
Above 5 years	6,426	9,985
Total	**477,488**	**376,433**

The aggregate of future minimum payments for services - mainly for the use of gas storage capacity - totalled CZK 386,525 thous. as at 31 December 2025 excluding effective VAT (as at 31 December 2024: CZK 247,825 thous.).

(in thous. CZK)	2025	2024
Up to 1 year	185,256	189,064
1-3 years	181,991	55,880
3-5 years	19,188	2,534
Above 5 years	90	347
Total	**386,525**	**247,825**

7.34. Long-term gas supply contracts

The Group has entered into a long-term contract for the purchase of natural gas with a major supplier, under which it has undertaken to purchase minimum, fixed daily volumes of gas for the duration of the contract until 2035.

The contract specifies a daily contractual gas quantity ('DCQ') and includes a take-or-pay mechanism, under which the Group is obliged to pay for the agreed quantity of gas regardless of its actual consumption, with the option to draw on so-called 'make-up gas' in subsequent periods under the terms set out in the contract. The price of the gas supplied is not fixed, but is linked to the daily natural gas market index in Germany (Trading Hub Europe – Day-Ahead Index), with a fixed mark-up and, where applicable, an adjustment for transmission capacity costs depending on the delivery point. As a result of this pricing structure, the contract price changes continuously in line with market price movements.

As at the balance sheet date, this agreement constitutes an executory contract, under which both parties have material future obligations. In accordance with International Financial Reporting Standards, the liabilities arising from this contract are not recognised as such in the balance sheet, as, at the balance sheet date, the contract does not constitute an onerous contract within the meaning of IAS 37 and the Group expects to derive reasonable economic benefits from it.

The Group assesses on an ongoing basis whether a contract is becoming loss-making, particularly in view of developments in market prices, regulatory conditions and the expected utilisation of the gas purchased. If, in the future, the unavoidable costs of fulfilling the contract were to exceed the expected economic benefits, the Group would recognise a provision for an onerous contract in accordance with IAS 37.

8. Other facts

8.1. Contingent liabilities

The Group has no contingent liability arising from possible major future costs that relate to a past period and which could arise as a result of damage to the environment and harm to an employee's health on record.

The Group Management is not aware of any important potential Group liabilities as of 31 December 2025 apart from those mentioned in sections 5.2 and 7.21.

8.2. Events after the balance sheet date of the Financial Statements

In light of the armed conflict and security instability in the Middle East, the Company is monitoring developments in the geopolitical situation in the region. The Company has no direct business activities or financial interests in the affected areas that would pose an immediate threat to its stability. The Company's management perceives the main risks arising from this conflict to lie primarily in the potential volatility of energy commodity prices. At the time of preparing the Financial Statements, it is not possible to reliably quantify these indirect effects on future profitability and cash flows. However, the Company continues to meet its obligations in full and on time, and the Company's management is not aware of any facts that would call into question the going concern assumption.

On 1 January 2026, the terms of office of the following members of the Company's Audit Committee ended: Ing. Ondřej Kajml, Mgr. Peter Chrenek and RNDr. Jan Materna, Ph.D. At the meeting of the Prague City Council on 12 January 2026, they were reappointed as members of the Company's Audit Committee with immediate effect.

At a meeting of the Company's Audit Committee on 22 January 2026, Ing. Ondřej Kajml was elected Chairman of the Company's Audit Committee with immediate effect .

On 12 February 2026, the term of office of a member of the Company's Supervisory Board, JUDr. Martin Šenkýř, ended. At the meeting of the Prague City Council on 23 February 2026, JUDr. Martin Šenkýř has been re-elected as a member of the Company's Supervisory Board, with effect from 24 February 2026.

The Board of Directors of the Company, acting as the statutory representative of the sole shareholder in the capacity of the general meeting of MONTSERVIS PRAHA, a.s., re-elected, with effect from 20 January 2026 as a member of the Company's Supervisory Board, Mr Ing. Ludvík Balek. Furthermore, with effect from 11 February 2026, it removed Mr Daniel Lešek from his position as Chairman of the Board of Directors.

On 6 January 2026, Ing. Jan Maděra was elected to the position of member of the Supervisory Board of Prometheus, energetické služby, a.s., a member of the Pražská plynárenská, a.s. group, with effect from 26 January 2026.

The Annual General Meeting of Teplo pro Kbely a.s. re-elected Mr Petr Dolejš and Mr Jan Maděra as members of the Company's Board of Directors, and Mr Vladimír Olmr, Ms Ivana Šestáková and Mr Leoš Biskup as members of the Supervisory Board, with effect from 20 January 2026.

At the same time, at a meeting of the Board of Directors of Teplo pro Kbely a.s., Mr Petr Dolejš was elected Chairman of the Board of Directors, whilst at a meeting of the Supervisory Board, Mr Vladimír Olmr was elected Chairman of the Supervisory Board.

8.3. Authorisation of the Financial Statements

The Consolidated Financial Statements were authorised by the Company Board of Directors for publishing and issue on the date stated below. The Consolidated Financial Statements authorised in this manner may be supplemented or amended upon request and approval of the sole shareholder at the General Meeting.

In Prague on 21 April 2026

Ing. Ludvík Baleka
Chairman of the Board of Directors

Ing. Milan Cízl
Vice-Chairman of the Board of Directors

VIII. INFORMATION ABOUT THE PEOPLE RESPONSIBLE FOR THE ANNUAL REPORT AND AUDIT OF THE FINANCIAL STATEMENTS

Ing. Ludvík Baleka, Chairman of the Board of the Directors of Pražská plynárenská, a.s.,

and

Ing. Milan Cízl, Vice-Chairman of the Board of Directors of Pražská plynárenská, a.s.,

declare that the data presented in this Annual Report corresponds to the facts and that no matters of substance that could affect a true and fair assessment of Pražská plynárenská, a.s. have been omitted.

In Prague on 21 April 2026

In Prague on 21 April 2026

Ing. Ludvík Baleka
Chairman of the Board of Directors
Pražská plynárenská, a.s.

Ing. Milan Cízl
Vice-Chairman of the Board of Directors
Pražská plynárenská, a.s.

The Company's Financial Statements for 2025 were audited by Deloitte Audit s.r.o., registered office Italská 2581/67, 120 00, Prague 2 – Vinohrady, Company ID No.: 496 20 592, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, file 24349 and on the list of auditing companies at the Chamber of Auditors of the Czech Republic under Licence No. 079.

The Company's consolidated financial statements for 2025 were audited by Deloitte Audit s.r.o., registered office Italská 2581/67, 120 00, Prague 2 – Vinohrady, Company ID No.: 496 20 592, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, file 24349 and on the list of auditing companies at the Chamber of Auditors of the Czech Republic under Licence No. 079.


Fotovoltaika
Plynové kotle
Tepelná čerpadla
ENERGETICKÁ ŘEŠENÍ
PRAŽSKÁ PLYNÁRENSKÁ

IX. REPORT ON RELATIONS BETWEEN THE CONTROLLING AND CONTROLLED ENTITY AND RELATIONS BETWEEN THE CONTROLLED ENTITY AND OTHER ENTITIES UNDER THE CONTROL OF THE SAME ENTITY (AFFILIATES) FOR 2025

prepared by the Board of Directors of Pražská plynárenská, a.s., with its registered office at Prague 1 - Nové Město, Národní 37, postcode 110 00, Company ID No. 601 93 492, registered at the Municipal Court in Prague under File number B 2337 ("Pražská plynárenská, a.s., or "PP, a.s." or also the "Company").

This Report has been prepared by the Board of Directors of the controlled entity pursuant to the provisions of Act No. 90/2012 Coll., Act on commercial companies and cooperatives, as amended (Act on Corporations), hereinafter referred to as the "Act on Corporations", for 2025 (the "Accounting Period"). The Report was prepared by the Board of Directors pursuant to Section 82 of the cited Act, while taking into account the provisions of Section 504 of Act No. 89/2012 Coll., of the Civil Code, which defines trade secret regulations.

The Report on Relations is an integral part of the Company's 2025 Annual Report.

Introduction

The enclosed graphical representation of the shareholder structure of Pražská plynárenská, a.s. as at 31 December 2025 (See Annex 1) shows the basic relations of the related entities. The chart shows that the controlling person as at 31 December 2025 was the Capital City of Prague with 100% of the share capital of the controlled person.

The Articles of Association of Pražská plynárenská, a.s. show that the election and dismissal of the members of the Supervisory Board is decided by the sole shareholder exercising the powers of the General Meeting (as of 31 December 2025 the Capital City of Prague), the election of the members of the Management Board is decided by the Supervisory Board of the Company.

The Board of Directors of Pražská plynárenská, a.s. in this Report describes the relationship between:

– PP, a.s., and the Capital City of Prague, i.e. the controlled entity and the entity directly controlling the controlled entity ,

– related entities, i.e. Pražská plynárenská, a.s., and the Capital City of Prague, the party directly controlling the controlled entity and its controlled entities.

The relations between the related entities, i.e. Pražská plynárenská, a.s. and its subsidiary companies, are described in the Reports on Relations of the individual subsidiary companies.

1. Structure of the control relations

1.1. Entity controlling a directly controlled entity

It is the City of Prague, Company ID No.: 000 64 581, with its registered office at Mariánské nám. 2, 110 01 Prague 1.

1.2. Controlled entity

prepared by the Board of Directors of Pražská plynárenská, a.s., with its registered office at Národní 37, 110 00 Prague 1 – Nové Město, Company ID No.: 601 93 492 ("PP, a.s." or the "controlled entity").

1.3. Other entities controlled by the same controlling entity

The organisations and companies, in which the Capital City of Prague had a major share in 2025 and with whom PP, a.s., entered into a contractual relationship in 2025 are listed below in section 2.

1.4. Related parties

These are Pražská plynárenská, a.s., the Capital City of Prague and other company organisations where the Capital City of Prague owned a major share in 2025 and which it controlled.

1.5. Role of PP, a.s., in the Group

PP, a.s. operates in the Pražská plynárenská, a.s. Group as the controlling business corporation. It exercises its influence through participation in the general meetings of its subsidiary companies, staffing of the boards of directors and supervisory boards of the subsidiaries and application of the Group's directives.

2. Description of the relations between the related parties

2.1. Method and means of control

PP, a.s., was mainly controlled by its sole shareholder through representatives in the Supervisory Board , as well as through the exercise of voting rights at the General Meeting of PP, a.s.

2.2. Contracts concluded between related entities, valid in 2025

2.2.1. Contracts concluded between PP, a.s., and the Capital City of Prague or parties under its control

a) Contracts for gas and electricity supplies

AKROP, s. r. o., Company ID No.: 264 32 331

Centrum služeb pro rodinu a dítě a dětský domov Charlotty Masarykové, Company ID No.: 008 74 957

Dětský domov a Školní jídelna [Children's Home and School Cafeteria], Company ID No.: 613 89 293

Dětský domov [Children's Home], Company ID No.: 000 67 563

Divadlo na Vinohradech [Vinohrady Theatre], Company ID No.: 000 64 386

Dopravní podnik hl. m. Prahy, Company ID No.: 000 05 886

Fakultní základní umělecká škola Hudební a taneční fakulty AMU v Praze, Company ID No.: 673 61 471

Gymnázium Jaroslava Heyrovského, Company ID No.: 604 46 234

Gymnázium Karla Sladkovského, Company ID No.: 613 85 131

Gymnázium, Company ID No.: 604 60 784

Gymnázium, Company ID No.: 604 59 085

Hudební divadlo v Karlíně, Company ID No.: 000 64 335

Jedličkův ústav a Mateřská škola a Základní škola a Střední škola, Company ID No.: 708 73 160

Kolektory Praha, a.s., Company ID No.: 267 14 124

Kongresové centrum Praha, a.s., Company ID No.: 630 80 249

Lesy hl. m. Prahy, Company ID No.: 452 47 650

Mateřská škola speciální, Company ID No.: 604 46 633

Minor, Company ID No.: 000 64 351

Obecní dům, a.s., Company ID No.: 272 51 918

Pražská strojírna, a. s., Company ID No.: 601 93 298

Pražské služby, a.s., Company ID No.: 601 94 120

Pražská energetika, a. s., Company ID No.: 601 93 913

Smíchovská střední průmyslová škola a gymnázium, Company ID No.: 613 86 855

Střední odborná škola – Centrum odborné přípravy a Gymnázium, Company ID No.: 148 91 212

Střední průmyslová škola elektrotechnická a gymnázium V Úžlabině, Company ID No.: 613 85 409

Střední škola designu a umění, knižní kultury a ekonomiky, Company ID No.: 613 88 262

Střední škola podnikání a gastronomie, Company ID No.: 496 29 077

Školní jídelna, Praha 5 – Smíchov, Company ID No.: 708 42 132

Technická správa komunikací hl. m. Prahy, a.s., Company ID No.: 034 47 286

Technologie hlavního města Prahy, a.s., Company ID No.: 256 72 541

Teplo pro Prahu a.s., Company ID No.: 171 38 558

TRADE CENTRE PRAHA a.s., Company ID No.: 004 09 316

VODA Želivka, a.s., Company ID No.: 264 96 224

Výstaviště Praha, a.s., Company ID No.: 256 49 329

Vyšší odborná škola a Střední průmyslová škola dopravní, Company ID No.: 708 37 899

Vyšší odborná škola grafická a Střední průmyslová škola grafická, Company ID No.: 708 37 783

Vyšší odborná škola stavební a Střední průmyslová škola stavební, Company ID No.: 613 88 726

Vyšší odborná škola uměleckoprůmyslová a Střední uměleckoprůmyslová škola, Company ID No.: 613 88 025

Zahrada pro duši, Company ID No.: 082 97 517

Základní umělecká škola Klementa Slavického, Company ID No.: 673 60 572

Základní umělecká škola, Company ID No.: 481 35 143

Základní umělecká škola, Company ID No.: 684 07 289

Základní umělecká škola, Company ID No.: 613 87 452

Zoologická zahrada hl. m. Prahy, Company ID No.: 000 64 459

Želivská provozní a. s., Company ID No.: 291 31 804

b) Other agreements

Československá akademie obchodní Dr. Edvarda Beneše, Company ID No. 006 38 463 – Agreement on the content and scope of practical training and the conditions under which it is to be carried out
Divadlo Na zábradlí, Company ID No.: 000 64 394 – cooperation agreement

Divadlo v Dlouhé, Company ID No.: 000 64 343 – cooperation agreement

Divadlo pod Palmovkou, Company ID No.: 000 64 301 – cooperation agreement

Domov Sulická, Company ID No.: 708 73 046 – contract for the sale and purchase of compressed natural gas

Dopravní podnik hl. m. Prahy, a.s., Company ID No.: 000 05 886 – right of lien agreement

Dům dětí a mládeže hlavního města Prahy, Company ID No.: 000 64 289 – contract for the promotion of family day

Gymnázium, Botičská 1, Company ID No.: 613 881 06 – land lease contract

Hlavní město Praha, Company ID No.: 000 64 581 – lease agreements for non-residential premises, lease agreements for premises used for business purposes, lease agreements for parking spaces

Městská knihovna v Praze, Company ID No.: 000 64 467 – property letting agreement

Městská poliklinika Praha, Company ID No.: 001 28 601 – contract for the sale and purchase of compressed natural gas

Obecní dům, a.s., Company ID No.: 272 51 918 - promotion contract on the premises of Obecní dům [Municipal House]

Obchodní akademie, Company ID No.: 613 85 387 – agreement on the content and scope of practical training and the conditions under which it is to take place

Obchodní akademie Holešovice, Company ID No.: 613 86 626 – agreement on the completion of a work placement

Pražská energetika, a.s., Company ID No.: 601 93 913 – EFET contract, commercial tenancy agreements, subletting agreements for commercial premises

PREdistribuce, a.s., Company ID No.: 273 76 516 – connection agreement, agreement on the creation of an easement

Pražské služby, a.s., Company ID No.: 601 94 120 – contract for the work: waste collection and disposal, contract for the sale and purchase of compressed natural gas, contract for the promotion of CNG vehicles, contract for the provision of promotion and advertising, contract for the establishment of an easement

Pražské vodovody a kanalizace, a.s., Company ID No.: 256 56 635 - contract for water supply and sewage disposal, contract for purchase of biomethane

Střední odborná škola automobilní, informatiky a Gymnázium, Company ID No.: 004 97 070 – contract for the provision of post-warranty servicing and repairs of company vehicles

Švandovo divadlo na Smíchově, Company ID No.: 000 64 327 – cooperation agreement

Technická správa komunikací hl. m. Prahy, a.s., Company ID No.: 034 47 286 – agreement on the establishment of an easement

Technologie hlavního města Prahy, Company ID No.: 256 72 541 – EFET framework agreements

TRADE CENTRE PRAHA, Company ID No.: 004 09 316 – Contract for the Provision of Telecommunications Services

Vyšší odborná škola a Střední průmyslová škola elektrotechnická Františka Křižíka, Company ID No.: 708 37 881 – work experience agreement for students at the secondary technical school

2.2.2. Overview of the conduct of the controlled entity to the benefit of or upon request of the related entities

In the Accounting Period, no decision was made by the sole shareholder exercising the powers of the General Meeting of Pražská plynárenská, a.s., regarding conduct that would affect the assets of Pražská plynárenská, a.s., whose value would exceed 10% of the equity of Pražská plynárenská, a.s., according to the last Financial Statements, i.e. whose value would exceed the amount of CZK 580,413 thous. according to the Financial Statement of 31 December 2024.

2.3. Other legal acts

Hlavní město Praha, Company ID No.: 000 64 581 – memorandum defining cooperation and mutual support for youth focusing on the preparation of young adults to study for vocational positions (vocational certificate) in the Capital City of Prague.

Pražská energetika, a.s., Company ID No.: 601 93 913 – memorandum of cooperation
Pražské služby, a.s., Company ID No.: 601 94 120 – memorandum of mutual cooperation

Pražská vodohospodářská společnost, a.s., Company ID No.: 256 56 112 - memorandum on mutual cooperation in the field of mobility, reduction of emission and effective cost reduction.

Pražské vodovody a kanalizace, a.s., Company ID No.: 256 56 635 - memorandum on mutual cooperation in the field of mobility, reduction of emission and effective cost reduction.

Technická správa komunikací hl. m. Prahy, Company ID No.: 034 47 286 – memorandum of mutual cooperation

The controlled entity does not suffer any detriment from this relationship.

2.4. Assessment of detriment suffered by the controlled entity

PP, a.s. did not suffer any detriment from control by the controlling entity.

2.5. Assessment of the statutory body

The statutory body assessed the advantages and disadvantages arising from the relations between persons referred to in section 1 and stated that benefits prevailed and that there were no risks arising from these relationships for the controlled entity.

As of 31 December 2025, the sole controlling shareholder of Pražská plynárenská, a.s. was the City of Prague, which controlled it directly.

Pražská plynárenská, a.s, is a member of the Group, which includes subjects engaged mainly in activities related to energy trade and distribution and heating industry. Pražská plynárenská, a.s., as the controlling entity, is committed to reducing costs across the Group through the centralised provision of services.

2.6. Other facts

2.6.1. Members of PP, a.s. bodies

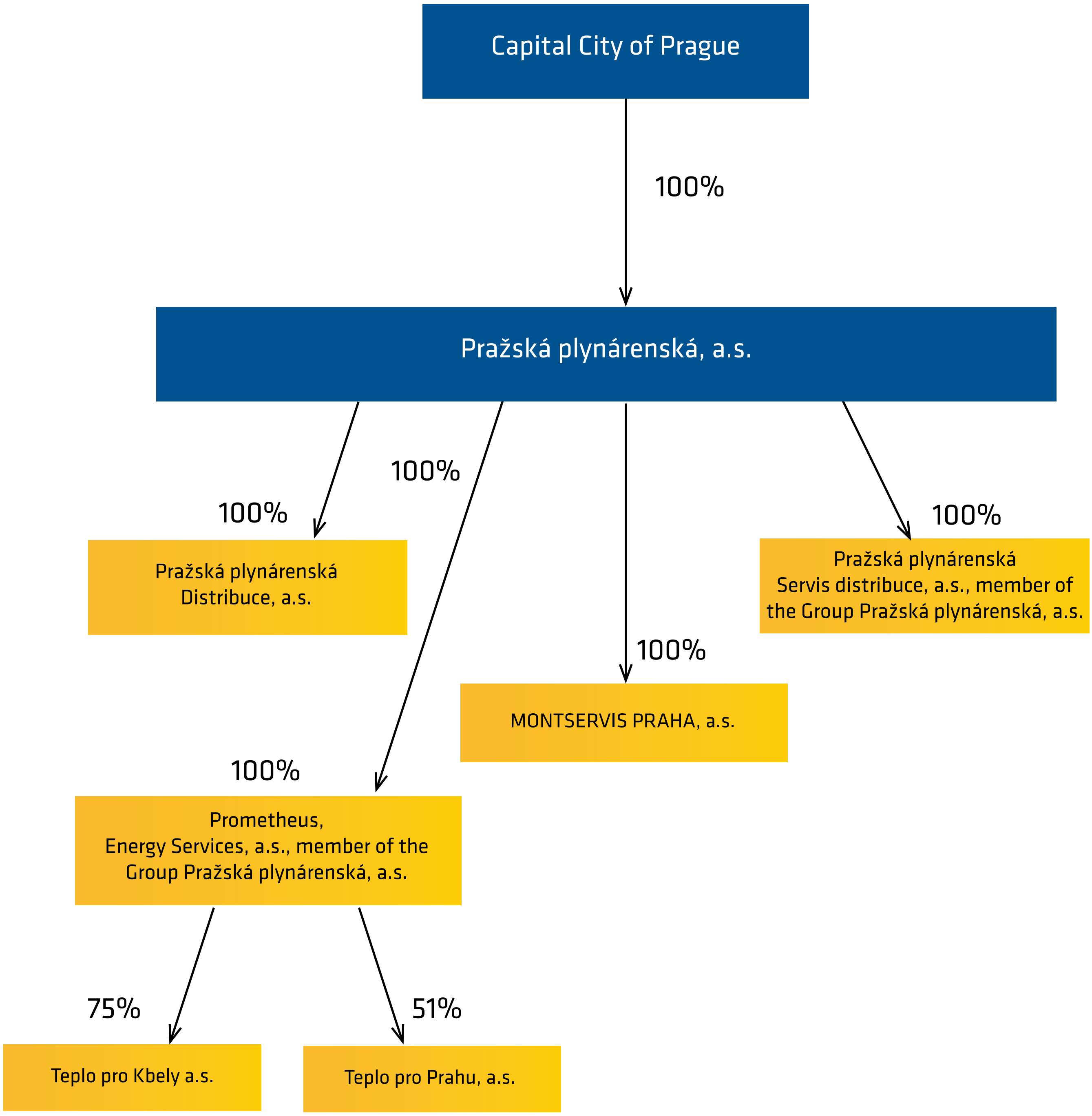
The Board of Directors of Pražská plynárenská, a.s., is not aware that any member of the Company bodies influenced the decisions of the Board of Directors or the Supervisory Board to the benefit of the controlling entity or the entity controlled by the same controlling entity.

In Prague on 24 March 2026

Ing. Ludvík Baleka
Chairman of the Board of Directors
Pražská plynárenská, a.s.

Ing. Milan Cízl
Vice-Chairman of the Board of Directors
Pražská plynárenská, a.s.

Chart showing relationships as at 31 December 2025:



X. ANNUAL REPORT ON THE PROVISION OF INFORMATION PURSUANT TO ACT NO. 106/1999 COLL., ON FREE ACCESS TO INFORMATION FOR 2025

ANNUAL REPORT

on the provision of information pursuant to Act No. 106/1999 Coll.,
on free access to information for 2025

Within the meaning of Section 18 of the Act No. 106/1999 Coll., defining free access to information, as amended (hereinafter the **Act** only), Pražská plynárenská, a.s. publishes this annual report which defines its activities relating to information sharing during 2025:

a) Number of applications for information submitted and number of decisions to refuse requests:
A total of 7 applications were submitted
A total of 5 refusal/partial refusal decisions were issued.

b) Number of appeals submitted against issued the decision:
Four appeals were lodged against the decision.

c) A copy of the essential parts of each decision of the court reviewing the legality of the obliged entity's decision to refuse the request for information and an overview of all expenses incurred by the obliged entity in connection with legal proceedings on the rights and obligations under this Act, including costs for its own staff and costs of legal representation:
No decision was issued concerning the review of the legality of the decision of the obliged entity.

d) List of exclusive licences granted, including justification for the issuance of an exclusive license:
No exclusive licence was granted.

e) Number of complaints submitted in accordance with Section 16a, reasons for the complaint filing and brief description of complaint settlement procedures:
One complaint has been submitted challenging the procedure followed in connection with the application to receive information in accordance with Section 16a of the Act.
The complaint was lodged against the postponement of a request for information, as the obliged body considered that it did not have sufficient authority to deal with the request, since the request concerned the subsidiary Pražská plynárenská Servis distribuce, a.s., a member of the Pražská plynárenská, a.s. group, and therefore a company other than the obliged body. The supervisory authority subsequently instructed the obligated body to process the applicant's request. The data subject provided the applicant with the requested information within the specified time limit.

f) Other information related to the application of this Act:
Information concerning the possibility to exercise the right to receive information under the Act is available to applicants at ppas.cz website and also at the company filing office at Národní 37/38, 110 00 Prague 1.

10 February 2026

Ing. Ludvík Baleka
Chairman of the Board of Directors
Pražská plynárenská, a.s.

10 February 2026

Ing. Milan Cízl
Vice-Chairman of the Board of Directors
Pražská plynárenská, a.s.

XI. ABBREVIATIONS

a.s.	joint-stock company
OSH	Occupational Safety and Health
CNG	Compressed Natural Gas
CSRD	EU Directive on Sustainability Reporting (Corporate Sustainability Reporting Directive)
CZK	Czech crown
acc. no.:	Account Number
ČNB	Czech National Bank
CR	Czech Republic
ČSOB	Československá obchodní banka, a. s.
TAX ID	Tax Identification Number
DOM	household customer – natural person using gas for personal needs connected with housing or for personal needs of members of the natural person's household
VAT	Value Added Tax
EFET	European Federation of Energy Traders
ERÚ	Energy Regulatory Office
ESG	Environment, Social and Corporate Governance
ESRS	European Sustainability Reporting Standards
ETS	European Emissions Trading Scheme
EU	European Union
EUR	euro – common currency of the European Union
GmbH	Gesellschaft mit beschränkter Haftung (German abbreviation for a limited liability company)
IFRS	International Financial Reporting Standards
ISIN	Identification number under which a share was recorded at the Centrální depozitář cenných papírů, a.s. (Securities Centre / Central Depository of Securities)
ISO	International Organisation for Standardisation (International Organisation for Standardisation)
IT	Information technology
ICT	Information and communication technology
CZK	Czech crown
kg	kilogramme
pc	piece
m3	cubic metre
mil.	million
bil.	Billion
MONT, a.s.	MONTSERVIS PRAHA, a.s.
MO	small customer – end (low-volume) customer who is not a large, medium-sized or household customer

MOO small electricity customer - households

MOP small electricity customer - business customers

MWh megawatt hour

OTE market operator

OZE/RE renewable energy

FP fire protection

PP, a.s. Pražská plynárenská, a.s.

PPD, a.s. Pražská plynárenská Distribuce, a.s.

PPSD, a.s. Pražská plynárenská Servis distribuce, a.s., member of the Pražská plynárenská, a.s. Group

Prometheus, a.s. Prometheus, energetické služby, a.s., member of the Pražská plynárenská, a.s. Group

s. r. o. Limited liability company

Coll. Collection of laws of the Czech Republic

SO medium-sized customer – natural person or legal entity whose offtake gas facility is connected to the transport or distribution system and whose annual consumption at the offtake point is at least 630 MWh but does not exceed 4,200 MWh

Tel. phone number

thous. thousand

TpK Teplo pro Kbely a.s.

TpP Teplo pro Prahu, a.s.

VO Large customer – natural person or legal entity whose offtake gas facility is connected to the transport or distribution system and whose annual consumption at the offtake point exceeds 4,200 MWh

LC the Labour Code

XII. AUDITOR'S REPORT

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Churchill I
Italská 2581/67
120 00 Prague 2 - Vinohrady
Czech Republic

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

registered with the Municipal Court
in Prague, Section C, Insert 24349
Company ID No.: 49620592
Tax ID No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT

For shareholders of
Pražská plynárenská, a.s.

Registered office: Národní 37, 110 00 Prague 1 - Nové Město

Auditor's opinion

We have audited the accompanying Separate Financial Statements of Pražská plynárenská, a.s. (hereinafter also referred to as 'the Company'), prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which comprise the Statement of Financial Position as at 31 December 2025, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, and the Notes to these Financial Statements, which contain significant (material) information on the accounting policies applied.

We have also audited the accompanying Consolidated Financial Statements of Pražská plynárenská, a.s. and its subsidiaries (the "Group"), prepared in accordance with IFRS as adopted by the European Union, which comprise the Consolidated Statement of Financial Position as at 31 December 2025, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements that include significant (material) disclosures about accounting policies used.

In our opinion:

- the attached Financial Statements give a true and fair view of the financial position of Pražská plynárenská, a.s. as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards as adopted by the European Union.
- the attached Consolidated Financial Statements give a true and fair view of the consolidated financial position of the Pražská plynárenská Group as at 31 December 2025 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS accounting standards as adopted by the European Union.

Basis for the Auditor's Opinion

We conducted the Audit in accordance with the Act on Auditors and the standards of the Chamber of Auditors of the Czech Republic for auditing, which are the International Standards on Auditing (ISA), possibly supplemented and modified by related application clauses. Our responsibility as stipulated by these regulations is outlined in detail in the section on the Auditor's responsibility for the Audit of the Financial Statements. In accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the company and have fulfilled other ethical obligations arising from these regulations. We assume that the evidence that we obtained provides a sufficient and appropriate basis for us to make our statement.

Other information included in the Annual Report

In accordance with Section 2(b) of the Auditors Act, other information is information contained in the Consolidated Annual Report other than the Separate and Consolidated Financial Statements and our Auditor's Report. The Company's Board of Directors is responsible for the other information.

Our opinion on the Financial Statements does not apply to the other information. Nevertheless, as part of our responsibilities related to the Audit of the Financial Statements, we are also obliged to familiarise ourselves with the other information and assess whether this other information is not significantly (materially) inconsistent with the Financial Statement or our knowledge of the accounting entity, obtained while auditing the Financial Statements, or whether the information does not prove to be significantly (materially) incorrect. We also assess whether other information was prepared in all significant (material) aspects according to the applicable legal regulations. This assessment means whether the other information fulfils the requirements of the legal regulations for formal essentials and procedures for processing of other information in the context of significance (materiality), i.e. whether any non-observance of the given requirements could influence the judgement made on the basis of other information.

Based on the accomplished procedures, to the extent to which we can judge, we state that:

• The other information describing the facts that are also presented in the Separate and Consolidated Financial Statements is, in all material respects, consistent with the Separate and Consolidated Financial Statements.
• The other information was processed in compliance with the legal regulations.

We are also required to state whether based on findings and awareness about the Company and the Group, which we arrived at while conducting the Audit, the other information does not contain any significant (material) inaccuracies. As part of the procedures described, we did not discover any significant (material) inaccuracies in other information obtained.

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

The Board of Directors is responsible for the preparation of Separate and Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Communities and for such internal control as it determines is necessary to enable the preparation of Separate and Consolidated Financial Statements that are free from significant (material) inaccuracy, whether due to fraud or error.

In preparing the Separate and Consolidated Financial Statements, the Board of Directors is required to assess the going concern status of the Company and the Group and, if applicable, to describe in the Notes to the Separate and Consolidated Financial Statements matters relating to the going concern and the application of the going concern assumption in the preparation of the Separate and Consolidated Financial Statements, except where the Board of Directors plans to dissolve the Company or the Group or to wind up the Company, or the Group or has no realistic alternative but to do so.

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

Responsibility of the auditor for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the Separate and Consolidated Financial Statements taken as a whole are free from significant (material) inaccuracies, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. The adequate certainty is a large rate of certainty; however, it is not a guarantee that the Audit carried out in compliance with the regulations given above will reveal in all cases a possible significant (material) inaccuracy in the Separate and Consolidated Financial Statement. Inaccuracies might occur due to fraud or mistake and are considered significant (material) if it is possible to realistically presume that they would affect individually, or in total, the economic decisions which the users of the Separate and Consolidated Financial Statement will accept on its basis.

During the Audit in accordance with the above-stated regulations, it is our obligation to apply professional judgement and maintain professional scepticism during the entire Audit. It is also our obligation:

• To identify and assess the risks of the significant (material) inaccuracy of the Separate and Consolidated Financial Statement caused by fraud or mistake, propose and perform auditing procedures reacting to these risks and to obtain sufficient and suitable probative information we are able to use for the opinion. A risk that we do not reveal a significant (material) inaccuracy resulting from a fraud is bigger than a risk of not revealing significant (material) inaccuracies resulting from an error, because a fraud may be connected with secret agreements, falsification, wilful default, untrue statements or avoidance of internal inspections.

• To become familiar with the internal control systems of the Company or the Group relevant for the Audit to the extent that will enable us to propose auditing approaches that are suitable in view of the particular circumstances and so that we can express our opinion regarding the effectiveness of the internal control system.
• To assess the appropriateness of the accounting policies used, the reasonableness of the accounting estimates made and the information provided by the Board of Directors in this regard in the notes to the Separate and Consolidated Financial Statement.
• To assess the appropriateness of the use of the going concern basis of accounting in the preparation of the Separate and Consolidated Financial Statement by the Board of Directors and whether, in the light of the evidence gathered, a significant (material) uncertainty exists as a result of events or conditions that may cast significant doubt about the Company's or Group's ability to continue as a going concern. If we conclude that such significant (material) uncertainty exists, it is our responsibility to draw attention in our report to the information presented in the Notes to the Separate and Consolidated Financial Statement and, if that information is not sufficient, to express a modified opinion. Our findings regarding the Company's or Group's ability to continue in its activities are based on the evidence that we have received by the date of our report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
• To evaluate the overall presentation, disaggregation and content of the Separate and Consolidated Financial Statement, including the notes, and whether the Separate and Consolidated Financial Statement present the underlying transactions and events in a manner that results in a fair presentation.
• To obtain sufficient and appropriate evidence about the financial information of the entities included in the Group and its business activities to provide a basis for expressing an opinion on the Consolidated Financial Statement. We are responsible for the management of the Group Audit, its supervision and its performance. The Auditor's Opinion on the Consolidated Financial Statement is our sole responsibility.

It is our duty to inform the Board of Directors and the Supervisory Board, among others, about the planned scope and time of the Audit, and about significant findings that we collected while carrying out the Audit, including any significant faults discovered in the internal control systems.

In Prague on 21 April 2026

Auditing company:

Deloitte Audit s.r.o.
licence number 079

Statutory auditor:

Michal Černý
licence number 2483

PRAŽSKÁ
PLYNÁRENSKÁ

Pražská plynárenská, a.s.
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