

part of eex group



Annual Report 2022  
POWER EXCHANGE  
CENTRAL EUROPE, a.s.

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## 1. Company profile

**POWER EXCHANGE CENTRAL EUROPE, a.s. (PXE) is an energy exchange specialising in the energy markets of Central and South-eastern Europe.**

PXE was established on 8 January 2007 (under the name of the Prague Energy Exchange), and from 17 July 2007 it began offering electricity trading in the Czech Republic, including settlements. PXE then expanded its activities to other countries and also started to organise natural gas trading with a delivery point in the Czech Republic. In 2016, PXE became part of the EEX Group.

Within the EEX Group, PXE is responsible for the development of energy products and services in the region of Central and South-eastern Europe, where it also carries out acquisition activities and care for trading participants.

In addition to electricity products, in cooperation with CEGH Gas Exchange, EEX operates CEGH Czech Gas Exchange for gas trading in the form of spot and derivative products with delivery to a virtual trading point in the Czech Republic.

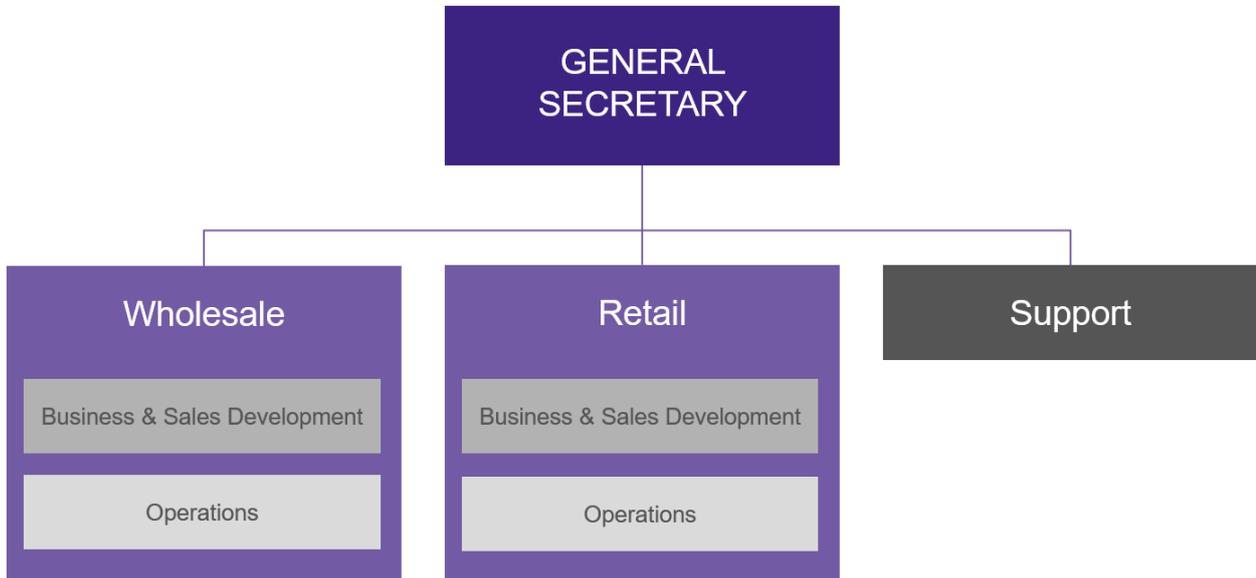
Derivative products traded through PXE are traded under a license from the European Energy Exchange AG (EEX) and on the EEX platform (T7 trading system). PXE holds a commodity exchange license issued by the Ministry of Industry and Trade, under which it operates its PARC commodity platform.

Market participants have access to 20 European markets from a single location through EEX membership and a single group trading platform, making it possible to trade electricity and gas almost anywhere in Europe.

PXE also enables end-customers – in particular municipalities, firms, government organisations and any large consumers in general – to find the most suitable electricity and natural gas supplier via electronic auctions.

PXE cooperates closely with entities of the PX group, which includes the Prague Stock Exchange (Burza cenných papírů Praha, PSE) – one-third owner of PXE, and the Central Securities Depository Prague (Centrální depozitář cenných papírů, CSD Prague) and Energy Clearing Counterparty a.s. (EnCC). PSE is the largest and oldest securities market organiser in the Czech Republic. CSD Prague, which has a dominant position in the settlement of securities trades on the Czech capital market and maintains a central register of dematerialised securities issued in the Czech Republic. PXE has no branches abroad.

## 2. Organisational structure



## 3. Report on business activities and the state of assets

### 3.1 Introduction

Dear Mesdames, dear Sirs,

Last year, I called 2021 the most difficult year in the history of POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter referred to as "PXE"), but it turned out that 2022 was even more difficult. At the beginning of the year, the Czech Republic was still dealing with the consequences of the termination of electricity and natural gas supplies to end customers by Bohemia Energy, only to witness the Russian Federation's military aggression against Ukraine shortly afterwards. Paradoxically, the start of the war provided many traders with clarification as to the reasons for such an unprecedented increase in natural gas and electricity prices from the second half of 2021, but it also raised new concerns about future developments. Energy commodity prices were growing gradually as traders perceived increasing risks related to securing supplies of natural gas to Europe.

The price crisis culminated in the last week of August, when the prices of the annual supplies of German electricity gradually increased and reached an unprecedented level of 1,050 EUR/MWh. Nobody could have imagined such a price a year earlier. This price was, of course, a consequence of the similarly unprecedented increase in the price of natural gas, which reached a record of 312 EUR/MWh in the annual supply in the TTF trade zone.

Europe's efforts to fill natural gas reservoirs before the winter season basically at any cost contributed to such an unprecedented increase in prices, so that the stocks of this commodity would be sufficient to cover the entire winter period. Unfortunately, the situation was worsened by technical problems that had occurred in more than half of French nuclear reactors, and which were not fully resolved by the end of 2022.

The rise in prices and the accompanying unprecedented volatility resulted in a situation where traders had to secure their transactions both on stock exchanges and in bilateral trading by making deposit margins or bank guarantees. As a consequence, many producers were close to insolvency due to the requirements for financing business activities even though they were able to sell electricity at very favourable prices and generate extraordinary profits.

Naturally, this development was reflected in the business activities of all traders. Trading was concentrated on exchange platforms, which had proven to represent the safest way of trading in the event of a crisis. Despite all the difficulties and bankruptcies of some smaller traders, there was no avalanche effect of bankruptcies, and the entire sector overcame the crisis in relatively good condition. Despite the above, PXE experienced a significant drop in trading volumes.

The trading volume of PXE derivatives on electricity, i.e., transactions concluded under license and in cooperation with our majority shareholder, European Energy Exchange AG ("EEX"), reached a volume of just under 112 TWh, which is a 48% year-on-year decrease, even though, this is the fourth largest trading volume in the sixteen-year history of PXE.

The situation in Czech natural gas trading showed a completely different dynamic compared to electricity derivatives. In natural gas trading, PXE cooperates with its sister company CEGH, and together we managed to increase market liquidity and the trading volume reached a new record of 50 TWh. This represents a 79% increase compared to last year. We thus strengthened our position as the most important trading platform for trading in Czech natural gas.

Record results were also achieved in the area of providing services for end-consumers. Unfortunately, this trading has been affected by a high level of uncertainty for consumers resulting from the government's unclear approach to assistance with high prices. Finally, we managed to secure deliveries to end-customers at the volume of 3 TWh despite significant uncertainties.

In the coming year, we expect a certain calming down of the situation and expect a return to normal, i.e., reasonable prices for energy commodities and trading volumes. We hope that common sense will prevail among politicians, and political ideas regarding major interventions in the market structure will take a back seat. The European energy market works well and is able to ensure fair energy prices for Europeans, but only on the condition that EU states implement a responsible international energy policy.

Thank you for your interest in PXE activities, and we look forward to the further development of the European energy market, of which PXE will also be an integral part in 2023.

**David Kučera**

General Secretary of PXE

## 3.2 Key data

	2022	2021
Number of exchange days	257	258
<b>Power Futures</b>		
<b>Trading volume (MWh)</b>	<b>111,802,825</b>	<b>213,587,068</b>
base load	111,692,029	212,461,240
peak load	110,796	1,125,828
<b>Trading volume (MEUR)</b>	<b>32,823</b>	<b>22,441</b>
base load	32,789	22,260
peak load	35	181
<b>Number of contracts (MW)</b>	<b>196,525</b>	<b>322,733</b>
base load	196,245	321,397
peak load	280	1,336
<b>Number of trades</b>	<b>25,704</b>	<b>40,356</b>
base load	25,669	40,190
peak load	35	166
<b>Gas Futures</b>		
<b>Trading volume (MWh)</b>	<b>16,402,656</b>	<b>9,547,575</b>
base load	16,402,656	9,575,575
peak load	0	0
<b>Trading volume (MEUR)</b>	<b>2,221</b>	<b>486</b>
base load	2,221	486
peak load	0	0
<b>Number of contracts (MW)</b>	<b>11,394</b>	<b>4,570</b>
base load	11,394	4,570
peak load	0	0
<b>Number of trades</b>	<b>653</b>	<b>400</b>
base load	653	400
peak load	0	0
<b>Gas Spot</b>		
<b>Trading volume (MWh)</b>	<b>34,167,772</b>	<b>18,643,802</b>
base load	34,167,772	18,643,802
peak load	0	0
<b>Trading volume (MEUR)</b>	<b>3,858</b>	<b>1,059</b>
base load	3,858	1,059
peak load	0	0
<b>Number of contracts (MW)</b>	<b>1,188,315</b>	<b>641,736</b>
base load	1,188,315	641,736
peak load	0	0
<b>Number of trades</b>	<b>19,134</b>	<b>11,412</b>
base load	19,134	11,412
peak load	0	0

### 3.3 Financial performance

In 2022, POWER EXCHANGE CENTRAL EUROPE, a.s. (PXE) generated revenues from its own services of TCZK 51,874 (2021: TCZK 58,212). The structure of revenues was as follows:

(TCZK)	2022	2021
Energy trading fees and related services	29,835	40,857
Gas trading fees and related services	5,390	3,622
Annual fixed fee to EEX	4,330	4,460
Auction fee charged to end participants	12,302	9,273
Other services	17	0
<b>Revenue from own services</b>	<b>51,874</b>	<b>58,212</b>

The Company's sales of provided services decreased by a total amount of TCZK 6,338, i.e., by 10.9% compared to the previous period. The decrease in sales was mainly due to a decrease in trading volumes on the electricity futures market and the related fees.

In the current period of 2022, the company reported a loss of TCZK 18,249 (2021: profit of TCZK 1,736).

Total assets of the Company as at 31 December 2022 amounted to TCZK 50,008 (2021: TCZK 51,269). The structure of assets was as follows:

(TCZK)	2022	2021
Fixed assets (net)	6,127	20,153
Receivables and other current assets (net)	12,749	15,420
Short-term financial assets (net)	31,132	15,696
<b>Total assets</b>	<b>50,008</b>	<b>51,269</b>

In the current period of 2022, the general meeting of the company held on 8 June 2022 decided on the transfer of the profit in the amount of TCZK 1,736 to retained earnings. On 7 December 2022, the shareholders agreed on a capital contribution outside share capital in the total amount of TCZK 18,000.

The average FTE number of employees was 10.5 in 2022 (2021: 11.3). The Company complies with all applicable labour laws and regulations.

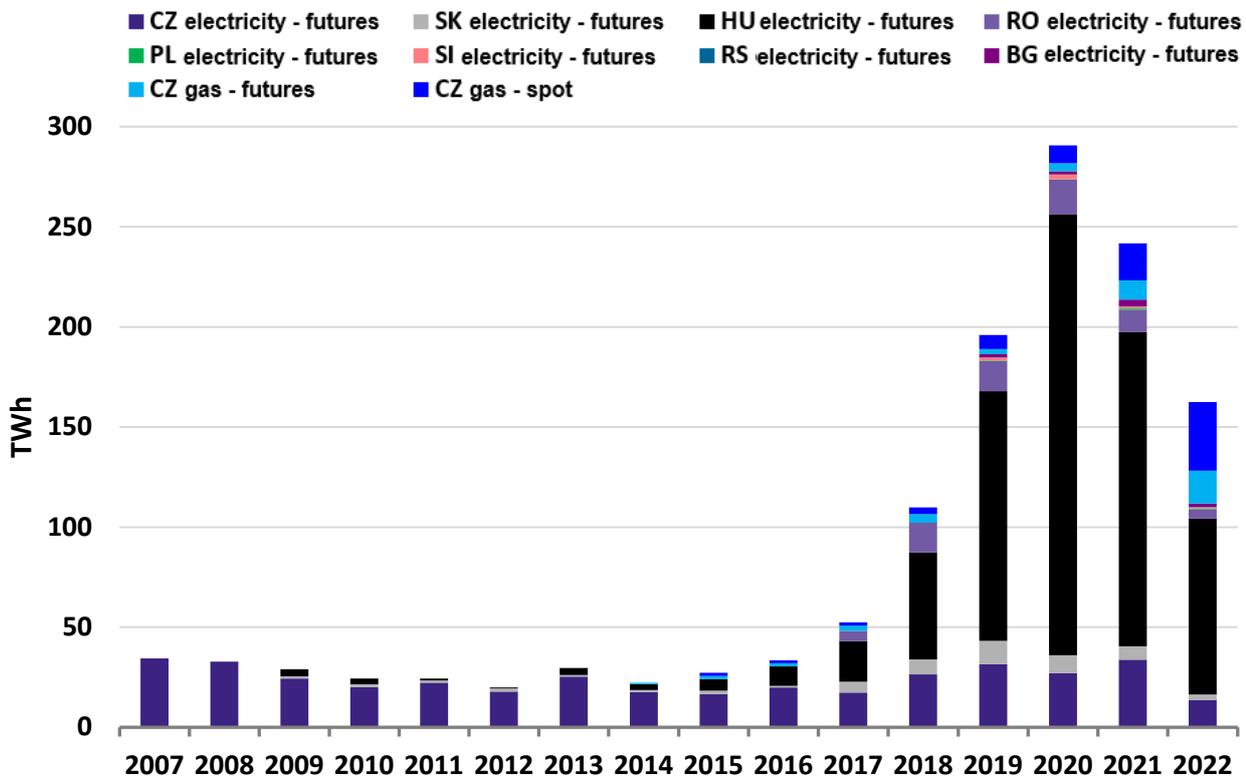
The Company does not conduct any research and development activities. All necessary services in this area are provided under an agreement on the provision of support services between related parties. As the Company's activity is inherently environmentally friendly, no special activities are conducted in this area. The Company did not acquire own shares in 2022. The Company does not have a branch or some other part of its business enterprise abroad.

## 4. Activities in 2022

### 4.1 Trading

In 2022, 111.80 TWh of electricity and 50.57 TWh of natural gas was traded on PXE. In the case of gas, this was the best result in the entire existence of PXE.

*Development of annual trading volumes in individual markets:*



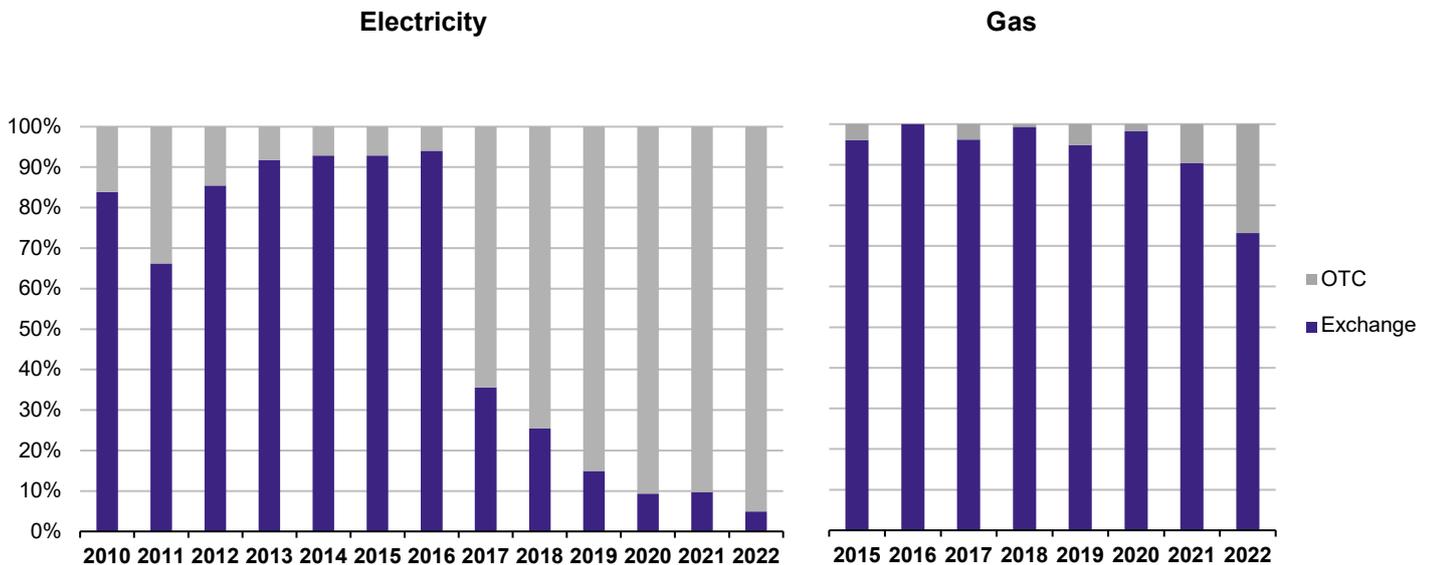
In particular, due to the significant deterioration of the geopolitical situation in Europe, PXE recorded a decrease in the volumes of traded contracts on the EEX T7 platform. On the contrary, the financial volumes of trades exceeded all previous years due to the increase in prices.

The highest volume of electricity deals was achieved on the Hungarian market, where it reached almost 88.0 TWh. The volume on the Czech market reached 13.7 TWh, in Romania 4.6 TWh, in Slovakia 2.7 TWh and in Bulgaria 1.8 TWh. Trade volumes on other markets did not exceed 1 TWh.

Year 2022 was a significant year for gas trading, which recorded a strong increase, both from the point of view of liquidity, the number of contracts concluded, and the volumes achieved. On the spot market, the volume of closed deals amounted to 34.2 TWh, the gas futures market crossed the threshold of 16.4 TWh. In both cases, these are record volumes since the start of trading in this commodity.

Total volumes were largely represented by so-called registered OTC trades.

*Share of OTC registered trades in the total traded volume:*

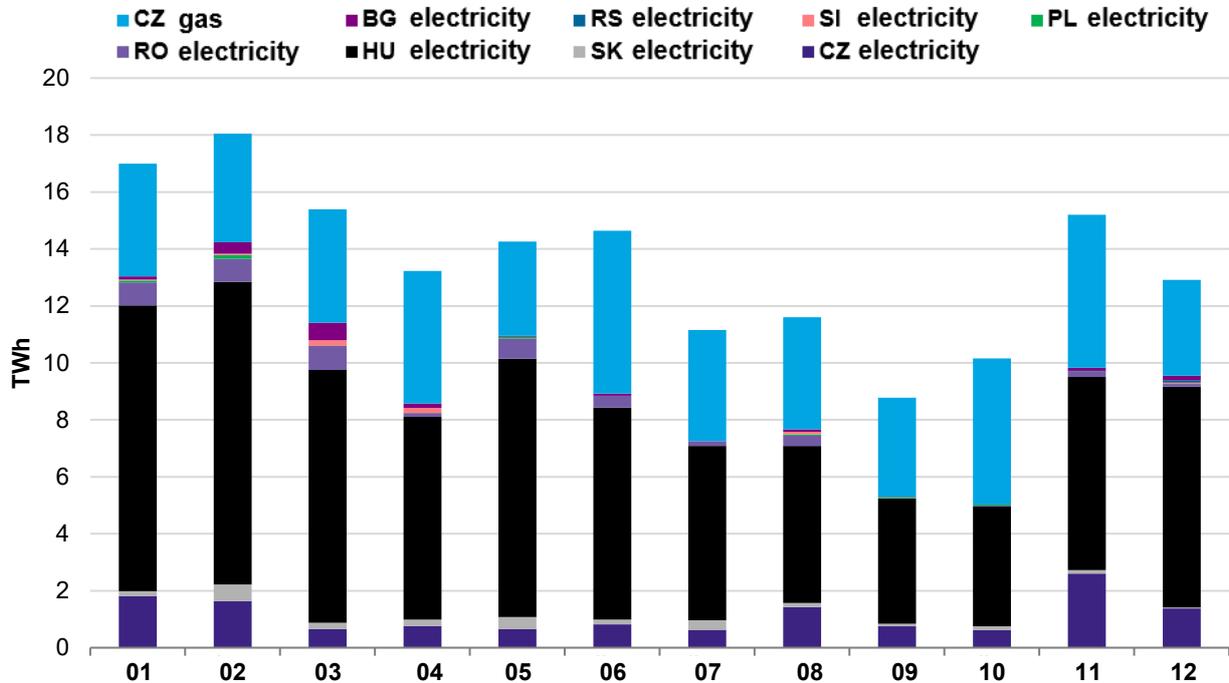


Trading with local spreads contributed significantly to the total volumes in the past year. A volume of 2.3 TWh was traded on the German-Hungarian spread, German-Czech spread 1.2 TWh, and Italian-Hungarian spread 1.1 TWh (the given data do not include volumes traded from implied prices and OTC registrations). Czech-Slovak, German-Slovak and Slovak-Hungarian spreads were also represented in smaller volumes.

The past year was marked by considerable uncertainty, which manifested itself in increased volatility on both commodities.

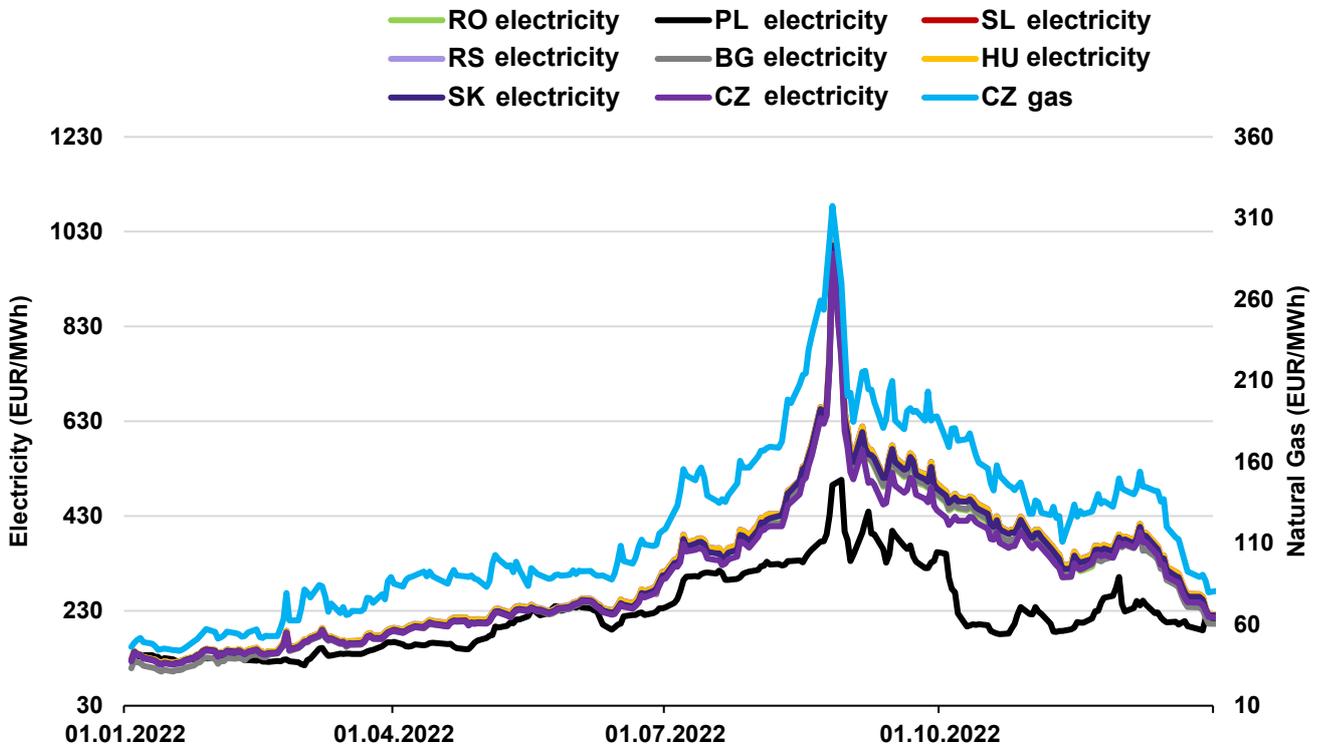
The first factor that was reflected in the prices of electricity and gas right from the beginning of the year was the gradual decrease in the import of Russian gas to Europe. Energy companies were thus forced to reorient their operations to the import of LNG in a very short time. One of the other important reasons for the dramatic increase in energy prices was the outages of nuclear reactors in France. The unplanned outages were caused by corrosion at the welds, and problems with their removal persisted for the rest of 2022. The lack of energy in the European grid thus put pressure on other sources of electricity, especially gas and coal. In addition, Europe in 2022 was accompanied by a significant drought, which complicated energy production, especially in Norway.

Development of monthly traded volumes on individual markets in 2022:



The contract in the base load for the supply of electricity in 2023 (CZ CAL-23) closed the first trading day in 2022 at a price of 123.88 EUR/MWh, the annual contract for the supply of gas CZ VTP (CAL-23) at 46.16 EUR/MWh. The prices of both contracts rose steadily for the first two quarters and on July 7, 2022, they surpassed the previous price highs of 2021. The price of electricity closed trading for the day at EUR 371.68/MWh and gas at EUR 155.52/MWh. In the case of both commodities, this was an increase of more than 200%. After a slight correction in the market, strong uncertainty has arisen, which was exacerbated not only by the very low production of French reactors, the outage of the American LNG terminal Freeport, but also by the continued slowdown in Russian gas imports, which fell by more than 80% compared to 2021. The price of electricity (CZ CAL-23) thus reached its historical maximum and closed on August 26, 2022 at a price of EUR 984/MWh, and the CZVTP gas contract (CAL-23) at EUR 317.51/MWh. In the following days, there was a strong drop in the prices of both commodities, despite the complete closure of the Nord Stream 1 gas pipeline. The price drop continued until the end of the year, mainly thanks to free LNG capacity due to low demand from Asia. The gas reservoirs were filled in time, and the warm weather at the beginning of the winter season, combined with the high production of wind farms, supported a further decline. The annual electricity supply contract (CZ CAL-23) was concluded on December 28, 2022 at EUR 241.98/MWh, the CZVTP gas contract (CAL-23) at EUR 90.54/MWh.

Development of the price of base load annual delivery in 2022:

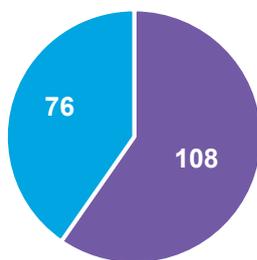


The CZ base load delivery (CAL-24) closed on the first trading day on December 29, 2023 at a price of EUR 230.00/MWh, the CZ VTP gas contract (CAL-24) at EUR 86.77/MWh.

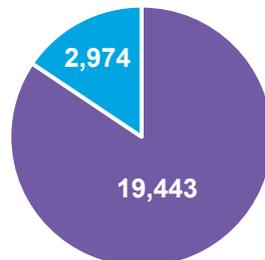
## 4.2 Electricity and natural gas auctions for end consumers (PXE auctions)

In 2022, a total of 108 electricity auctions and 76 natural gas auctions for end customers were successfully organised on the PXE in 94 exchange days. A total of 2,182,035 MWh of electricity and 758,489 MWh of natural gas was traded, accounting for 19,443 electricity withdrawal points and 2,974 gas withdrawal points. Customers purchased the two commodities primarily for 2023, but a significant portion of transactions related to 2024 – 2025 as well.

Number of auctions:

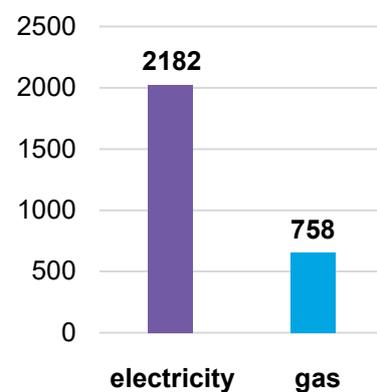


Number of withdrawal points:



■ electricity ■ gas

Volume in GWh:



Most auction organisers were customers from the government sector, i.e., regions, cities and municipalities. By using PXE auctions, these entities comply with the tender conditions and requirements stipulated by the Public Procurement Act. In addition to these organisers, a number of commercial entities also utilised PXE's services.

In 2022, the major customer, with a total volume of MWh 1,346,481 in a power auctions, was Správa železnic (Railway Administration), which used the option of purchasing electricity on the spot market, thus securing supplies for 2023. By purchasing commodities on the short-term market, customers reacted to the capping of commodities.

Despite the unfavorable situation on the wholesale energy market, great interest in end-user energy auctions organized by PXE on its PARC platform continued in 2022.

## 5. List of exchange members

### Exchange members as at 31 December 2022:

- Burza cenných papírů Praha, a.s., id.no.: 471 15 629, with its registered office at Rybná 14/682, 110 05 Praha 1 (founder, shareholder)
- European Energy Exchange AG, with its registered office at Augustusplatz 9, 04109 Leipzig, Germany, recorded under no. HRB 18409 in the Commercial Register B kept by the Leipzig Court (member admitted by the exchange chamber, shareholder)
- European Commodity Clearing AG, with its registered office at Augustusplatz 9, 04109 Leipzig, Germany, recorded under no. HRB 22362 in the Commercial Register B kept by the Leipzig Court (member admitted by the exchange chamber)
- doc. JUDr. Bohumil Havel PhD. (representative of the state in the exchange chamber)

## 6. Private and trading officers, exchange court of arbitration

PXE trading officers as at 31 December 2022:

- Lukáš Melichar
- Jolana Slífková
- Dina Lašová
- Tomáš Otáhal
- David Chramosta
- Alena Lovíšková

Private officers do not operate on the PXE and there is no PXE exchange court of arbitration.

## 7. Activities assigned by PXE to third persons

As from 1 January 2016, the Prague Stock Exchange (PSE, Burza cenných papírů Praha, a.s.) ensures for the PXE the following activities:

- Bookkeeping
- Advisory and consulting services
- IT infrastructure development, support and maintenance
- Office management services
- PR
- Other communication and support services

## 8. Report on relations

## Report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity for the 2022 accounting period

In accordance with Section 82 of Act No. 90/2012 Coll., Act on Corporations and Cooperatives (Act on Business Corporations), effective by 31.12.2022 ("BCA"), the Stock Exchange Chamber of **POWER EXCHANGE CENTRAL EUROPE, a.s.** has prepared this report on relations between

the controlling entity **European Energy Exchange AG**, with its registered office in Augustusplatz 9, 041 09 Leipzig, Germany, identification No. HRB 18409, recorded in the Commercial Register maintained by the Leipzig Court ("**EEX**" or the "**Controlling Entity**"),

and

the controlled entity **POWER EXCHANGE CENTRAL EUROPE, a.s.**, with its registered office in Praha 1, Rybná 682/14, identification No. 278 65 444, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 15362 (the "**Controlled Entity**" or "**PXE**")

for the 2022 accounting period.

EEX's parent company is **Deutsche Börse AG**, with its registered office in Frankfurt am Main, which can be considered as an entity indirectly controlling PXE due to its majority share in the controlling entity. The Stock Exchange Chamber is not aware of any contractual relationships between PXE and the parent company of EEX or any performance rendered on any other grounds for 2022.

The report also contains information on relations with other entities controlled by the same Controlling Entity. These were:

- **European Commodity Clearing AG**, with its registered address at Augustusplatz 9, 04109 Leipzig, Germany ("**ECC AG**"),
- **European Commodity Clearing Luxembourg S.á.r.l.**, with its registered address at 42, Avenue JF Kennedy, L-1855 Luxembourg, the Grand Duchy of Luxembourg ("**ECC Lux**"),
- **EEX CEGH Gas Exchange Services GmbH**, with its registered address at Floridsdorfer Hauptstrasse 1, 1210 Vienna, Austria ("**CEGH**").

The **structure of relations** between the above entities is characterised by the participation interest which EEX holds in

- a) ECC AG, amounting to 100%; ECC AG also holds 100% in ECC Lux,
- b) CEGH amounting to 51%.

Pursuant to Section 82 (2) (b) and (c) of BCA, **control was exercised** through a share in the voting rights representing no less than 66.67% of all votes in a business corporation (Section 75 (3) of BCA).

The Stock Exchange Chamber of PXE is aware that a shareholders' agreement was concluded between PXE shareholders (EEX and Burza cenných papírů Praha, a.s.) in 2016, containing, inter alia, an agreement on the majority of votes necessary for the general meeting of PXE to decide on individual

matters of the Controlled Entity. The Stock Exchange Chamber of PXE is further aware that the content of the shareholders' agreement has been reflected in the statutes of the Controlled Entity.

The Controlled Entity can be considered an independent and highly autonomous company which is a controlled entity by definition and whose principal activity is stipulated by law.

### Overview of acts and agreements

The report also includes:

- a) information indicating the acts performed in the 2022 accounting period at the instigation or in the interest of the Controlling Entity or entities controlled by the Controlling Entity where such acts concern assets with a value exceeding 10% of the Controlled Entity's equity identified from the last financial statements (Section 82 (2) (d) of BCA; and
- b) an overview of agreements concluded between the Controlled Entity and the Controlling Entity or between controlled entities (Section 82 (2) (e) of BCA).

Concerning a), the general meeting held on 8 June 2022 decided, inter alia, to approve the 2021 statutory financial statements of the Controlled Entity as well as on the non-payment of the profit share and the transfer of the profit for distribution in the total amount of CZK 6,468 thousand to retained earnings.

No other acts pursuant to Section 82 (2) (d) of BCA were performed in the 2022 accounting period.

Together with CEGH, the Controlling Entity is a significant source of revenue for the Controlled Entity. In the accounting period of 2022, the share of revenues coming from the Controlling Entity and CEGH represented more than 75% of the total revenues of PXE.

On 7 December 2022, the PXE Stock Exchange Chamber decided (on the basis of the previous agreement between shareholders) to provide an additional payment outside the share capital. The amount of the contribution, which was provided by the Controlling Entity to PXE on the basis of this decision, was CZK 12,000 thousand.

Concerning b), contracts and agreements were concluded under Section 82 (2) (e) of BCA.

Relations between EEX and the Controlled Entity were determined by the following agreements:

#### *Agreements made with EEX:*

Date of agreement	Name of agreement	Description of performance
5 May 2015	Non-disclosure Agreement	Bilateral non-disclosure agreement
1 October 2015	Letter of Intent	Strategic cooperation between BCPP, PXE and EEX
20 January 2016	Cooperation Agreement	Agreement on conditions for strategic cooperation between the parties
15 June 2017	Cooperation Agreement 2017 as amended by amendment No. 1 dated 29 July 2019 and amendment No. 2 dated 11 November 2022	Subsequent provisions of support services by PXE to EEX market
30 August 2019	Data Processing Agreement according to Article 28 GDPR	Processing of personal data in the context of Cooperation Agreement 2017

25 March 2021	Market Data Interface Agreement	Providing of services of Public or Private Website Widgets
7 December 2022	Contract on Additional Cash Contribution Outside the Registered Capital	Provision of an additional payment to PXE's equity outside of the share capital in the amount of CZK 12,000 thousand

*Agreements made with Powernext S.A.S (Powernext ceased to exist by a merger, EEX being the successor):*

Date of agreement	Name of agreement	Description of performance
28 June 2017	Confidentiality Agreement	Bilateral non-disclosure agreement
22 December 2017	Agreement	Migration of gas products from PXE to Powernext
25 June 2018	Data Processing Agreement	Processing of personal data in the context of Amended and Restated Cooperation Agreement relating to Pegas CEGH Czech Gas Exchange Market

Relations between ECC AG and the Controlled Entity were determined by the following agreements:

Date of agreement	Name of agreement	Description of performance
16 February 2012	Confidentiality Agreement	Bilateral non-disclosure agreement
5 April 2013	Agreement on placement of the branch seat in the real property, as amended by Amendment No. 1 dated 1 July 2013; terminated by agreement on 30 September 2022	Provision of a registered office to branch of ECC AG at PXE's premises
8 December 2017	Agreement on Changes to the Clearing and Settlement Setup (between ECC AG, ECC Lux, PXE and EnCC*)	Provision of support service by PXE; provision of settlement services by ECC AG
5 March 2018	Agreement on Assumption of Liability	PXE commitment to indemnify ECC AG and ECC Lux in context of retention the current method of nominations of gas products

\*EnCC means Energy Clearing Counterparty, a.s., with its registered office at Rybná 14/682, 110 05 Praha 1

Relations between ECC Lux and the Controlled Entity were determined by the following agreements:

Date of agreement	Name of agreement	Description of performance
7 March 2013	Agreement on placement of the branch seat in the real property – Luxembourg, as amended by Amendment No. 1 dated 1 July 2013	Provision of a registered office to branch of ECC Lux at PXE's premises
8 December 2017	Agreement on Changes to the Clearing and Settlement Setup (between ECC AG, ECC Lux, PXE and EnCC)	Provision of support service by PXE; provision of settlement services by ECC AG

5 March 2018	Agreement on Assumption of Liability	PXE commitment to indemnify ECC AG and ECC Lux in context of retention the current method of nominations of gas products
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\*EnCC means Energy Clearing Counterparty, a.s., with its registered office at Rybná 14/682, 110 05 Praha 1

Relations between CEGH and the Controlled Entity were determined by the following agreements:

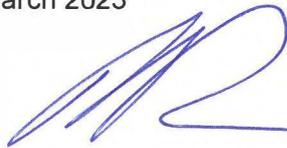
Date of agreement	Name of agreement	Description of performance
6 December 2017	Amended and Restated Cooperation Agreement relating to Pegas CEGH Czech Gas Exchange Market	Provision of support services by PXE to PEGAS CEGH Czech Gas Market
30 October 2018	Data Processing Agreement	Processing of personal data in the context of Amended and Restated Cooperation Agreement relating to Pegas CEGH Czech Gas Exchange Market

#### Assessment of advantages and disadvantages arising from relations within the group of companies

No significant advantages or disadvantages or any potential risks arise from participation in any group. The possibility of sharing the expertise of the group and the group synergies in reducing costs can be considered an advantage.

The report is to be attached to the annual report pursuant to a special legal regulation (Section 84 (2) of BCA). No review of the report by an inspection body is required pursuant to Section 83 (3) of BCA.

Prague, 24 March 2023



Petr Koblík  
Chairman of the Exchange Chamber



David Kučera  
General Secretary (holder of procuration)

## **9. Financial section**

### **9.1 Financial statements**

## **FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**Name of the Business Corporation:** POWER EXCHANGE CENTRAL EUROPE, a.s.  
**Registered office:** Prague 1, Rybná 682/14  
**Legal Status:** Joint Stock Company  
**Identification Number:** 278 65 444  
**Date:** 24 March 2023

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		31.12.2022			31.12.2021
		Gross	Provision	Net	Net
<b>BALANCE SHEET</b>		<b>POWER EXCHANGE CENTRAL EUROPE, a.s.</b>			
as at 31 December 2022 (in TCZK)		ID: 278 65 444			
					Rybná 682/14 110 05 Prague 1
<b>TOTAL ASSETS</b>	<b>001</b>	<b>76,325</b>	<b>(26,317)</b>	<b>50,008</b>	<b>51,269</b>
<b>B. Fixed assets</b>	<b>003</b>	<b>32,444</b>	<b>(26,317)</b>	<b>6,127</b>	<b>20,153</b>
<b>B.I. Intangible fixed assets</b>	<b>004</b>	<b>32,151</b>	<b>(26,063)</b>	<b>6,088</b>	<b>20,091</b>
<b>B.I.2. Royalties</b>	<b>006</b>	<b>32,151</b>	<b>(26,063)</b>	<b>6,088</b>	<b>20,091</b>
B.I.2.1. Software	007	32,151	(26,063)	6,088	20,091
<b>B.II. Tangible fixed assets</b>	<b>014</b>	<b>265</b>	<b>(254)</b>	<b>11</b>	<b>34</b>
B.II.2. Equipment	018	265	(254)	11	34
<b>B.III. Long-term investments</b>	<b>027</b>	<b>28</b>	<b>-</b>	<b>28</b>	<b>28</b>
B.III.1. Interests – subsidiaries and controlling party	028	28	-	28	28
<b>C. Current assets</b>	<b>037</b>	<b>43,491</b>	<b>-</b>	<b>43,491</b>	<b>30,645</b>
<b>C.II. Receivables</b>	<b>046</b>	<b>12,359</b>	<b>-</b>	<b>12,359</b>	<b>14,949</b>
<b>C.II.1. Long-term receivables</b>	<b>047</b>	<b>517</b>	<b>-</b>	<b>517</b>	<b>23</b>
C.II.1.4. Deferred tax asset	051	494	-	494	23
<b>C.II.1.5. Receivables - other</b>	<b>052</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>23</b>
C.II.1.5.2. Long-term advances paid	054	23	-	23	23
<b>C.II.2. Short-term receivables</b>	<b>057</b>	<b>11,842</b>	<b>-</b>	<b>11,842</b>	<b>14,926</b>
C.II.2.1. Trade receivables	058	881	-	881	780
<b>C.II.2.4. Receivables - other</b>	<b>061</b>	<b>10,961</b>	<b>-</b>	<b>10,961</b>	<b>14,146</b>
C.II.2.4.1. Receivables from shareholders	062	125	-	125	221
C.II.2.4.3. Taxes – receivables from the state	064	3,596	-	3,596	5,779
C.II.2.4.4. Short-term advances paid	065	-	-	-	1
C.II.2.4.5. Estimated receivables	066	7,220	-	7,220	8,145
C.II.2.4.6. Other receivables	067	20	-	20	-
<b>C.IV. Cash</b>	<b>075</b>	<b>31,132</b>	<b>-</b>	<b>31,132</b>	<b>15,696</b>
C.IV.1. Cash in hand	076	3	-	3	12
C.IV.2. Cash at banks	077	31,129	-	31,129	15,684
<b>D. Prepayments and accrued income</b>	<b>078</b>	<b>390</b>	<b>-</b>	<b>390</b>	<b>471</b>
D.1. Prepaid expenses	079	390	-	390	471

		31.12.2022	31.12.2021
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>082</b>	<b>50,008</b>	<b>51,269</b>
<b>A. Equity</b>	<b>083</b>	<b>36,219</b>	<b>36,468</b>
<b>A.I. Share capital</b>	<b>084</b>	<b>30,000</b>	<b>30,000</b>
A.I.1. Share capital	085	30,000	30,000
<b>A.II. Share capital and capital contributions</b>	<b>088</b>	<b>18,000</b>	<b>-</b>
A.II.2. Capital contributions	090	18,000	-
A.II.2.1. Other capital contributions	091	18,000	-
<b>A.IV. Retained earnings / Accumulated losses</b>	<b>099</b>	<b>6,468</b>	<b>4,732</b>
A.IV.1. Retained earnings or (accumulated losses)	100	6,468	4,732
<b>A.V. Profit / (loss) for the current period</b>	<b>102</b>	<b>-18,249</b>	<b>1,736</b>
<b>B.+ C. Liabilities</b>	<b>104</b>	<b>12,831</b>	<b>14,230</b>
<b>B. Provisions</b>	<b>105</b>	<b>816</b>	<b>788</b>
B.4. Other provisions	109	816	788
<b>C. Payables</b>	<b>110</b>	<b>12,015</b>	<b>13,442</b>
<b>C.I. Long-term payables</b>	<b>111</b>	<b>-</b>	<b>643</b>
C.I.8. Deferred tax liability	121	-	643
<b>C.II. Short-term payables</b>	<b>126</b>	<b>12,015</b>	<b>12,799</b>
C.II.4. Trade payables	132	2,072	2,403
<b>C.II.8. Liabilities - other</b>	<b>136</b>	<b>9,943</b>	<b>10,396</b>
C.II.8.3. Liabilities to employees	139	5,679	6,099
C.II.8.4. Liabilities for social security and health insurance	140	2,223	2,309
C.II.8.5. Taxes and state subsidies payable	141	1,663	1,814
C.II.8.6. Estimated payables	142	295	45
C.II.8.7. Other liabilities	143	83	129
<b>D. Accruals and deferred income</b>	<b>147</b>	<b>958</b>	<b>571</b>
D.1. Accrued expenses	148	290	227
D.2. Deferred income	149	668	344

<b>INCOME STATEMENT</b>		<b>POWER EXCHANGE CENTRAL EUROPE, a.s.</b>	
<b>by category</b>		<b>ID: 278 65 444</b>	
for the year ended 31 December 2022 (in TCZK)		Rybná 682/14 110 05 Prague 1	
		Year ended 31.12.2022	Year ended 31.12.2021
I. Sales of products and services	001	51,874	58,212
A. Cost of sales	003	24,253	24,408
A.2. Raw materials and consumables used	005	387	425
A.3. Services	006	23,866	23,983
D. Staff costs	009	25,938	25,378
D.1. Wages and salaries	010	20,047	19,782
D.2. Social security, health insurance and other costs	011	5,891	5,596
D.2.1. Social security and health insurance costs	012	5,336	5,081
D.2.2. Other costs	013	555	515
E. Value adjustments in operating activities	014	18,162	4,395
E.1. Value adjustments of fixed assets	015	18,162	4,395
E.1.1. Depreciation and amortization and write-off of fixed assets	016	6,518	4,395
E.1.2. Provision for impairment of fixed assets	017	11,644	-
III. Operating income - other	020	96	195
III.3. Other operating income	023	96	195
F. Operating expenses - other	024	2,666	1,416
F.3. Taxes and charges	027	172	42
F.4. Operating provisions and complex prepaid expenses	028	28	145
F.5. Other operating expenses	029	2,466	1,229
<b>* Operating result</b>	<b>030</b>	<b>(19,049)</b>	<b>2,810</b>
VI. Interest and similar income	039	28	9
VI.2. Interest and similar income – subsidiaries or controlling party	041	28	9
J. Interest and similar expenses	043	1	-
J.1. Interest and similar expenses - subsidiaries or controlling party	044	1	-
VII. Other financial income	046	169	272
K. Other financial expenses	047	402	715
<b>* Financial result</b>	<b>048</b>	<b>(206)</b>	<b>(434)</b>
<b>** Net profit / (loss) before tax</b>	<b>049</b>	<b>(19,255)</b>	<b>2,376</b>
L. Tax on profit or loss	050	(1,006)	640
L.1. Tax on profit or loss - current	051	131	110
L.2. Tax on profit or loss - deferred	052	(1,137)	530
<b>** Net profit / (loss) after tax</b>	<b>053</b>	<b>(18,249)</b>	<b>1,736</b>
<b>*** Net profit / (loss) for the financial period</b>	<b>055</b>	<b>(18,249)</b>	<b>1,736</b>
Net turnover for the financial period	056	52,167	58,688

<b>STATEMENT OF CHANGES IN EQUITY</b>		<b>POWER EXCHANGE CENTRAL EUROPE, a.s.</b> ID: 278 65 444			
as at 31 December 2022 (in TCZK)		Rybná 682/14 110 05 Prague 1			
	Share capital	Share premium and capital funds	Retained earnings or (accumulated losses)	Net profit / (loss) for the financial period	Total
<b>Balance as at 31 December 2020</b>	<b>30,000</b>	-	<b>4,539</b>	<b>24,193</b>	<b>58,732</b>
Distribution of profit or loss	-	-	-	-	-
Dividends paid	-	-	193	(24,193)	<b>(24,000)</b>
Other contributions from shareholders	-	-	0	-	-
Net profit / (loss) for the current period	-	-	0	1,736	<b>1,736</b>
<b>Balance as at 31 December 2021</b>	<b>30,000</b>	-	<b>4,732</b>	<b>1,736</b>	<b>36,468</b>
Distribution of profit or loss	-	-	1,736	(1,736)	-
Dividends paid	-	-	-	-	-
Other contributions from shareholders	-	18,000	-	-	<b>18,000</b>
Net profit / (loss) for the current period	-	-	-	(18,249)	<b>(18,249)</b>
<b>Balance as at 31 December 2022</b>	<b>30,000</b>	<b>18,000</b>	<b>6,468</b>	<b>(18,249)</b>	<b>36,219</b>

## 1 GENERAL INFORMATION

### 1.1 Incorporation and description of the business corporation

POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter the "Company" or "PXE"), with its registered office at Rybná 682/14, Prague 1, was incorporated by means of a Founding Contract dated 8 January 2007. The Company was registered in Commercial Register on 5 March 2007.

#### Types of commodity exchange transactions:

- a) commodities transactions with prompt delivery;
- b) term commodities transactions – transactions with commodity derivatives;
- c) auxiliary exchange transactions related to exchange-traded commodities (especially insurance contracts, storage contracts, transportation contracts and shipping contracts);
- d) advisory and consultancy activities, preparation of appraisals and studies on commodity and derivative trading;
- e) intermediation of trade and services in commodity and derivative trading business.

#### The exchange transactions involve:

- a) electric power;
- b) gas;
- c) indices derived from prices of commodities, except for the commodities which are not allowed for trading by law for reasons of security and state protection or for the purposes of regulation of the commodities market and protection of material reserves.

#### Registered capital

The registered capital recorded in the Commercial Register as at 31 December 2022 of TCZK 30,000 (2021: TCZK 30,000) comprises 60 registered ordinary shares in book-entry form with a nominal value of TCZK 500. Shares are convertible upon the approval of the board of directors.

#### Shareholders of the Company:

Burza cenných papírů Praha, a.s. (hereinafter „BCPP“)	investment of TCZK 10,000
European Energy Exchange AG (hereinafter „EEX“)	investment of TCZK 20,000

### 1.2 Share in a foreign company

Since 2021, the company POWER EXCHANGE CENTRAL EUROPE, a.s. is the 100% owner of the company POWER EXCHANGE CENTRAL EUROPE, a.s. Power Exchange Central Europe Poland, Sp.z.o.o., with registered office at Aleja Jana Pawła II 80 / 39 00-175 Warsaw, Poland (hereinafter referred to as "PXE Poland")

### 1.3 Corporate structure

The company is managed by the Secretary General.

The following departments are directly subordinated to the Secretary General:

- Trading Department,
- Business Development Department,
- Internal Security and Internal Audit Department,
- Services department.

**1.4 Exchange Chamber and the Supervisory Board as at 31 December 2022**

	Position	Name
<b>Exchange Chamber</b>	Chairman	Ing. Petr Kobic
	Member	Doc. JUDr. Bohumil Havel, PhD.
	Member	Steffen Köhler
<b>Supervisory Board</b>	Chairman	Mgr. Radan Marek, LL.M.
	Member	Timothy Greenwood
	Member	Steffen Riediger
	Member	Dina Lašová

Two members of the Exchange Chamber acting jointly may represent the Company.

**1.5 The impact of COVID-19 and the conflict in Ukraine on the Company's business**

The ending effect of the restrictions related to the global COVID -19 pandemic and especially the escalation of the situation in Ukraine into a war conflict affected the year 2022 in an unprecedented way. Commodity prices reached unexpected heights and the Czech government was forced to set a caps for electricity and gas prices. As a result, traded volumes have fallen and, for example, auctions for end-customers have stopped completely. Only a certain calm down of the market situation due to the opening of new LNG terminals contributed to a recovery of the energy market at the end of 2022 and increased auction volumes. In 2023, the Company expects a certain stabilization and continuation of this trend.

## 2 ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared based on the accounting records kept in compliance with the Act on Accounting and relevant regulations and decrees effective in the Czech Republic.

These financial statements have been prepared in compliance with Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provision of Act No. 563/1991 Coll. on Accounting, as amended, for business entities using double-entry bookkeeping.

All figures are presented in thousands of Czech crowns (TCZK), unless indicated otherwise.

Management has considered the impact of the novel coronavirus causing the COVID-19 disease when assessing the valuation of assets and liabilities and going concern assumptions.

These financial statements are non-consolidated.

The consolidated financial statements of the smallest group of entities of which the Company forms a part as a consolidated entity are prepared by European Energy Exchange AG, with its registered office at Augustusplatz 9, 04109 Leipzig, Germany. The consolidated financial statements are available at the consolidating entity's registered office. European Energy Exchange AG consolidates PXE using the full method.

The consolidated financial statements of the largest group of entities of which the Company forms a part as a consolidated entity are prepared by Deutsche Börse AG, with its registered office at Mergenthalerallee 61, 65760 Eschborn, Germany. The consolidated financial statements are available at the consolidating entity's registered office.

### 2.2 Tangible fixed assets

Tangible assets with useful life longer than one year and a unit cost of more than TCZK 80 in 2022, are treated as tangible fixed assets and assets with an acquisition cost of more than TCZK 40 in 2022 is in the category of low-value tangible fixed assets.

Purchased tangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition.

Tangible assets with useful life longer than one year and a unit cost below TCZK 40 in 2022, are not recognized in the balance sheet but are charged in the profit and loss account upon acquisition and recorded in the operating records.

Tangible fixed assets are depreciated applying the straight-line method over their estimated useful lives as follows:

Asset category	Accounting depreciation
Computer equipment	3-5 years
Furniture and equipment	5-10 years
Low-value tangible fixed assets	2-3 years

#### Creation of provision for impairment

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount.

Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred. Technical improvements of tangible fixed assets are capitalized.

### 2.3 Intangible fixed assets

All intangible assets with a useful life longer than one year and a unit cost of more than TCZK 40 are treated as intangible fixed assets.

Purchased intangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition.

Intangible assets with useful life over 1 year and a unit cost not exceeding TCZK 40 are not reported in the balance sheet, but they are charged to the profit and loss account in the year of acquisition and reported in operating records.

Intangible fixed assets are amortized applying the straight-line method over their estimated useful lives as follows:

Assets category	Accounting depreciation
Software	3-5 years
Incorporation costs	3 years

#### Creation of provision for impairment

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount.

### 2.4 Cash and cash equivalents

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

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

### 2.5 Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange of the Czech National Bank at the date of transaction.

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

### 2.6 Receivables and liabilities

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers.

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

### 2.7 Provisions

Provisions are recognized when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### 2.8 Income tax

Income tax for the period comprises current tax and the change in deferred tax assets / liability. Current tax comprises an estimate of tax payable calculated based on the taxable income, having the tax rate valid as at first day of the accounting period, and any adjustments to taxes for previous periods.

## 2.9 Deferred tax expense

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

## 2.10 Related parties

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

- the founders and the person controlling the founder, who directly or indirectly can exercise substantial or decisive influence on the Company, and companies where these persons have substantial or decisive influence;
- members of the Exchange Chamber and parties close to such members, including entities in which they have a controlling or significant influence;
- subsidiaries and associates and joint-venture companies.

Material transactions with related parties are disclosed in Note 3.4.5, 3.8.5 and 3.17.

## 2.11 Revenues

Sales are recognized as at the date the services are rendered and are stated net of discounts and value added tax.

## 2.12 Leasing

The Company used assets purchased through operating lease. The purchase price of the assets acquired by operating lease is not capitalized in fixed assets. Leasing instalments are expensed evenly over the lease term.

## 2.13 Group VAT registration

Effective from 1 January 2009, Burza cenných papírů Praha, a.s., POWER EXCHANGE CENTRAL EUROPE, a.s. and Centrální depozitář cenných papírů, a.s. (hereinafter "CDCP") created a Value Added Tax group according to Act no. 235/2004. As at 1 January 2011, Energy Clearing Counterparty, a.s. has become a member of the Group. The companies that are part of the Group have the only and joint tax identification number.

As at 1 January 2022, the Group used an advance coefficient of 100 % (as at 1 January 2021: 88 %). The Group applied this coefficient for calculating a proportional VAT deduction on acquired supplies in 2022. In the VAT return for December 2022 a settlement coefficient of 100% was calculated and represents the advance coefficient for 2022. The Company had no acquired supplies in 2022 which would not be subject of VAT deduction.

The VAT return for the Group is filed by its representative member BCPP. Other members of the Group charge their own part of the tax liability or excess deduction of taxes, where appropriate, and they have receivables or payables from BCPP in their accounting books.

## 2.14 Use of estimates

The preparation of financial statements requires the use of estimates and forecasts that influence reported values of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses for the accounting period. The Company's management is convinced that the applied estimates and forecasts will not be significantly different from real values in the next accounting periods.

## 2.15 Subsequent events

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

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

#### **2.16 Changes to accounting methods and procedures**

The company has not changed any of its accounting methods and procedures during 2022 or 2021.

### 3 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

#### 3.1 Fixed assets

##### 3.1.1 Intangible fixed assets

(in TCZK)

Cost	Software	Intangible fixed assets in the course of construction	Total
Balance as at 1 January 2021	17,102	-	17,102
Additions	10,913	-	10,913
Disposals	-	-	-
Balance as at 31 December 2021	28,015	-	28,015
Additions	4,136	-	4,136
Disposals	-	-	-
Balance as at 31 December 2022	32,151	-	32,151

(in TCZK)

Accumulated depreciation	Software	Intangible fixed assets in the course of construction	Total
Balance as at 1 January 2021	3,558	-	3,558
Additions	4,366	-	4,366
Disposals	-	-	-
Balance as at 31 December 2021	7,924	-	7,924
Additions	6,495	-	6,495
Impairment charges	11,644	-	11,644
Disposals	-	-	-
Balance as at 31 December 2022	26,063	-	26,063

(in TCZK)

Net book value	Software	Intangible fixed assets in the course of construction	Total
Balance as at 1 January 2021	13,544	-	13,544
Balance as at 31 December 2021	20,091	-	20,091
Balance as at 31 December 2022	6,088	-	6,088

Depreciation of intangible fixed assets charged to the profit and loss account amounted to:

(in TCZK)

	Depreciation
2022	6,495
2021	4,366

As at 31 December 2022, the Company has recognized a temporary impairment of intangible assets in the amount of TCZK 11,644 due to the inability to generate revenues in the current difficult energy market situation.

##### 3.1.2 Tangible fixed assets

(in TCZK)

Cost	Computer equipment	Low-value tangible fixed assets	Total
Balance as at 1 January 2021	138	295	433
Additions	-	-	-
Disposals	(70)	(31)	(101)
Balance as at 31 December 2021	68	264	332
Additions	-	-	-
Disposals	-	(67)	(67)
Balance as at 31 December 2022	68	197	265

(in TCZK)

Accumulated depreciation	Computer equipment	Low-value tangible fixed assets	Total
Balance as at 1 January 2021	80	290	370
Additions	24	5	29
Disposals	(70)	(31)	(101)
Balance as at 31 December 2021	34	264	298
Additions	23	-	23
Disposals	-	(67)	(67)
Balance as at 31 December 2022	57	197	254

(in TCZK)

Net book value	Computer equipment	Low-value tangible fixed assets	Total
Balance as at 1 January 2021	58	5	63
Balance as at 31 December 2021	34	-	34
Balance as at 31 December 2022	11	-	11

Depreciation of tangible fixed assets charged to the profit and loss account amounted to:

(in TCZK)

	Depreciation
2022	23
2021	29

### 3.1.3 Long - term financial assets

(in TCZK)

Net amount	31 December 2022	Additions	Disposals	31 December 2021
Power Exchange Central Europe, Sp. z.o.o.	28	-	-	28
Balance as at 31 December 2022	28	-	-	28

Since 2021, the Company recognizes long-term financial assets in the amount of TCZK 28 which represents share in Power Exchange Central Europe Poland, Sp. z.o.o.

(in TCZK)

31 December 2022	Net carrying value	% of share capital	Net profit/(loss)	Equity	Dividend income
Power Exchange Central Europe Poland, Sp. z.o.o.	28	100 %	73	121	-
Total	28		73	121	-

### 3.2 Leased assets

As at 31 December 2022, the Company has an operating lease contracts for one car and for the rent of premises. Total lease payments including operating leases paid in 2022 excluding VAT were TCZK 1,657 (2021: TCZK 1,817).

The Company is committed to contractual payables under operating lease as follows:

(in TCZK)

	As at 31 December 2022	As at 31 December 2021
Due within 1 year	1,438	1,447
Due in 1 to 5 years	1,354	1,943
Due after 5 years	-	-
Total	2,792	3,390

### 3.3 Short-term financial assets

	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Short-term financial assets</b>		
<b>Cash, thereof:</b>	<b>3</b>	<b>12</b>
- cash in hand	3	12
<b>Bank accounts</b>	<b>31,129</b>	<b>15,684</b>
<b>Short-term financial assets total</b>	<b>31,132</b>	<b>15,696</b>

### 3.4 Receivables

#### 3.4.1 Trade receivables

	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Short-term</b>		
- trade receivables	881	780
<b>Total trade receivables</b>	<b>881</b>	<b>780</b>

The Company does not record receivables of more than 180 days after due date, therefore no provision for doubtful receivables was recognized (2021: TCZK 0).

Unsettled receivables as at 31 December 2022 have not been covered by guarantees and none of them are due after more than 5 years.

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

#### 3.4.2 Receivable from employees

As at 31 December 2022, the Company recognized a receivable from employees in the amount of TCZK 20 (2021: TCZK 0).

#### 3.4.3 Ageing analysis of short-term trade receivables

Year	Category	Due	Days after due date					Receivables Total
			1 - 90	91 - 180	181 - 365	1 - 2 years	2 years	
2022	Short term	623	258	-	-	-	-	881
	Impairment provision	-	-	-	-	-	-	-
	<b>Total</b>	<b>623</b>	<b>258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>881</b>
2021	Short term	445	335	-	-	-	-	780
	Impairment provision	-	-	-	-	-	-	-
	<b>Total</b>	<b>445</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>780</b>

#### 3.4.4 Taxes – receivables from the state

	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
VAT	96	253
Income tax refund	3,500	5,526
<b>Tax receivables total</b>	<b>3,596</b>	<b>5,779</b>

**3.4.5 Receivables from related parties**

Company name	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Trade receivables</b>		
European Commodity Clearing AG	-	7
European Commodity Clearing Luxembourg S.a.r.l.	-	7
<b>Total</b>	<b>-</b>	<b>14</b>

Trade receivables are not recognized.

Company name	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Receivables due from shareholders</b>		
Burza cenných papírů Praha, a.s.	125	221
<b>Total</b>	<b>125</b>	<b>221</b>

Receivables due from shareholders are represented by VAT receivable.

Company name	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Estimated receivables</b>		
Burza cenných papírů Praha, a.s.	-	9
European Energy Exchange AG	2,382	4,522
EEX CEGH Gas Exchange Services GmbH	4,838	3,614
<b>Total</b>	<b>7,220</b>	<b>8,145</b>

The Company reports estimated revenues for monthly services in connection with commodity derivative trading and settlement on the EEX T7 platform and from gas trading on the Powernext platform.

**3.5 Prepayments and accrued income**

Company name	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Prepaid expenses</b>	<b>390</b>	<b>471</b>
Lease payments BCPP	111	160
IT	124	168
Insurance	113	94
Other	42	49
<b>Total accruals and deferrals</b>	<b>390</b>	<b>471</b>

### 3.6 Equity

#### 3.6.1 Share capital

Share capital recorded in the Commercial Register amounts to TCZK 30,000 (2021: TCZK 30,000). Share capital comprises 60 registered shares with a nominal value of TCZK 500 each (2021: 60 registered shares with a nominal value of TCZK 500 each).

#### 3.6.2 Capital contributions

On 7 December 2022, the members of the Exchange Chamber approved a contribution to the Company's equity of TCZK 18,000. This additional fee was paid to both shareholders in a proportional amount on December 29, 2022.

#### 3.6.3 Distribution of the profit for 2021 and planned distribution of 2022 profit

The proposal for the distribution and transfer of the 2021 profit was approved by the General Meeting on 8 June 2022. No profit share was paid out and the retained earnings were increased to the amount of TCZK 6,468.

### 3.7 Provisions

	(in TCZK)	
	Income tax provision	Other provisions
<b>As at 1 January 2022</b>	-	788
Utilization	-	-
Release	-	(788)
Additions	-	816
<b>As at 1 January 2022</b>	-	816

	(in TCZK)	
	2022	2021
Income tax provision	-	-
Other provisions	816	788
<b>As at 31 December</b>	<b>816</b>	<b>788</b>

In 2022, the Company in accordance with its accounting policies recognized a provision for untaken holiday of TCZK 816 (2021: TCZK 788).

### 3.8 Payables

#### 3.8.1 Trade payables

	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Short-term trade payables and received advances</b>		
Short-term		
- suppliers	2,072	2,403
<b>Total short-term trade payables</b>	<b>2,072</b>	<b>2,403</b>

Unsettled receivables as at 31 December 2022 have not been covered by guarantees and none of them are due after more than 5 years.

#### 3.8.2 Liabilities for social security and health insurance

As at 31 December 2022, the Company recognized social security and health insurance liabilities of TCZK 2,223 (2021: TCZK 2,309).

Liabilities are not overdue.

### 3.8.3 Taxes and state subsidies payable

As at 31 December 2022, the Company recognized tax liabilities of TCZK 1,663 (2021: TCZK 1,814) that consist of income tax on wages (prepaid and withheld) for December 2022.

Liabilities are not overdue.

### 3.8.4 Estimated payables

Estimated payables of TCZK 295 (2021: TCZK 45) are made up of estimates for uninvoiced services related to 2022.

### 3.8.5 Liabilities – related parties

Company name	(in TCZK)	
	As at 31 December 2022	As at 31 December 2021
<b>Short-term trade payables</b>		
Burza cenných papírů Praha, a.s.	21	135
Energy Clearing Counterparty, a.s.	192	177
European Energy Exchange AG	723	-
Power Exchange Central Europe Poland, Sp. z.o.o.	106	-
<b>Total</b>	<b>1,042</b>	<b>312</b>

Liabilities are not overdue.

Company name	(in TCZK)	
	As at December 2022	As at December 2021
<b>Estimated payables</b>		
Burza cenných papírů Praha, a.s.	35	1
European Energy Exchange AG	-	19
Energy Clearing Counterparty, a.s.	40	19
<b>Total</b>	<b>75</b>	<b>39</b>

### 3.9 Accruals and deferred income

Company name	(in TCZK)	
	As at December 2022	As at December 2021
<b>Accrued expenses</b>	<b>290</b>	<b>227</b>
Other	290	227
<b>Deferred income</b>	<b>668</b>	<b>344</b>
Other	668	344
<b>Total accruals and deferrals</b>	<b>958</b>	<b>571</b>

### 3.10 Deferred tax

Deferred tax title	(in TCZK)	
	As at December 2022	As at December 2021
Difference between the tax and net book value of fixed assets	(900)	(793)
Provisions	155	150
Social and health insurance	-	-
Not utilized tax losses carried forward	1,239	-
<b>Deferred tax asset (+) / liability (-)</b>	<b>494</b>	<b>(643)</b>
<b>Income (+) / expense (-) from change in the deferred tax liability</b>	<b>1,137</b>	<b>(530)</b>

Deferred tax as at 31 December 2022 is calculated at a tax rate of 19% (tax rate for 2021 and beyond) depending on the period in which the temporary differences are expected to be settled.

Potential deferred tax asset in the amount of TCZK 2,212 as of December 31, 2022 (as of December 31, 2021: TCZK 0) due to impairment provision for fixed assets has not been recognized, as its utilization in the future is not probable. The 19% rate has been used to calculate it as at 31 December 2022 and 2021.

### 3.11 Income tax on ordinary activities

	(in TCZK)	
	2022	2021
Net profit before taxation	(19,255)	2,376
Theoretical income tax using the domestic tax rate of 19% (2021: 19%)	-	451
Tax impact of tax non-deductible expenses	-	(287)
Tax impact of tax non-taxable revenues	-	-
<b>Total tax liability</b>	<b>-</b>	<b>164</b>
Prior years' tax refund	131	(54)
<b>Current tax</b>	<b>131</b>	<b>110</b>
Deferred tax change	(1,137)	530
<b>Total income tax on ordinary activities</b>	<b>(1,006)</b>	<b>640</b>

	(in TCZK)	
	2022	2021
<b>Total tax liability</b>	<b>-</b>	<b>164</b>
Advance payment on income tax (incl. withholding taxes)	3,500	5,690
<b>Income tax provision</b>	<b>-</b>	<b>-</b>

### 3.12 Revenue analysis

	(in TCZK)		
	2022		
	Domestic	Foreign	Total
<b>Commodity exchange fee</b>			
<b>Trading fees – electricity</b>	-	<b>34,165</b>	<b>34,165</b>
Annual fixed fee	-	4,330	4,330
Variable fees	-	29,835	29,835
<b>Trading fees – gas</b>	-	<b>5,390</b>	<b>5,390</b>
Variable fees	-	4,444	4,444
Participation fee	-	946	946
Fee for auctions for end customers	12,302	-	12,302
Commodity exchange information	-	17	17
<b>Total revenue from the sale of services</b>	<b>12,302</b>	<b>39,572</b>	<b>51,874</b>

	(in TCZK)		
	2021		
	Domestic	Foreign	Total
<b>Commodity exchange fee</b>			
<b>Trading fees – electricity</b>	-	<b>45,317</b>	<b>45,317</b>
Annual fixed fee	-	4,460	4,460
Variable fees	-	40,857	40,857
<b>Trading fees – gas</b>	-	<b>3,622</b>	<b>3,622</b>
Variable fees	-	2,222	2,222
Participation fee	-	1,400	1,400
Fee for auctions for end customers	9,273	-	9,273
Commodity exchange information	-	-	-
<b>Total revenue from the sale of services</b>	<b>9,273</b>	<b>50,550</b>	<b>58,212</b>

**3.13 Costs of services**

	(in TCZK)	
	2022	2021
Audit	547	480
Travelling	509	91
Rent and services	1,448	1,415
Representation	280	187
Operating leasing – cars	816	974
Repair and maintenance	13	12
Other services	3,270	3,033
Supporting services BCPP	8,057	7,762
Supporting services PXE Poland	2,253	1,076
Advisory and legal services	2,183	3,669
Promotion	1,112	2,454
Servicing	3,118	2,758
Training, workshops, conferences	260	72
<b>Total</b>	<b>23,866</b>	<b>23,983</b>

**3.14 Other operating expenses**

	(in TCZK)	
	2022	2021
Other operating expenses	1,105	334
Insurance	199	209
Fee for the operation of the OTE clearing system upon the registration of gas supplies + charge for OTE business data	463	180
Settlement EnCC – justified expenses	699	506
<b>Total other operating expenses</b>	<b>2,466</b>	<b>1,229</b>

**3.15 Financial income**

	(in TCZK)	
	2022	2021
<b>Interest income:</b>	<b>28</b>	<b>9</b>
- from bank accounts	28	9
<b>Foreign exchange gains</b>	<b>169</b>	<b>272</b>
<b>Total financial income</b>	<b>197</b>	<b>281</b>

**3.16 Financial expenses**

	(in TCZK)	
	2022	2021
<b>Banking charges:</b>	<b>1</b>	<b>-</b>
- other banking charges	1	-
<b>Banking charges:</b>	<b>95</b>	<b>94</b>
- other banking charges	73	75
- other financial expenses	22	19
<b>Foreign exchange losses</b>	<b>307</b>	<b>621</b>
<b>Total financial expenses</b>	<b>403</b>	<b>715</b>

### 3.17 Related-party transactions

All significant transactions are carried out at arm's length.

Effective from 1 January 2015, the Company has been applying a transfer pricing documentation to related party transactions comprising the manner of determining financially justifiable valuation of the so-called support services. In accordance with this documentation, a Contract for providing support services between related parties was signed.

#### 3.17.1 Revenues from related parties

2022 (in TCZK)

Entity	Relation to the Company	Revenue from own services	Other operating income	Financial income	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of CPP	-	-	2	2
Energy Clearing Counterparty, a.s.	Member of BCPP	-	-	3	3
European Energy Exchange AG	Member of EEX	34,164	-	131	34,295
EEX CEGH Gas Exchange Services GmbH	Member of EEX	5,390	90	-	5,480
European Commodity Clearing Lux. S.a.r.l.	Member of EEX	-	-	-	-
European Commodity Clearing, AG	Member of EEX	-	6	-	6
<b>Total income</b>		<b>39,554</b>	<b>96</b>	<b>136</b>	<b>39,786</b>

2021 (in TCZK)

Entity	Relation to the Company	Revenue from own services	Other operating income	Financial income	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of BCPP	-	-	1	1
Energy Clearing Counterparty, a.s.	Member of BCPP	-	-	6	6
European Energy Exchange AG	Member of EEX	45,317	-	244	45,561
EEX CEGH Gas Exchange Services GmbH	Member of EEX	3,622	180	-	3,802
European Commodity Clearing Lux. S.a.r.l.	Member of EEX	-	8	-	8
European Commodity Clearing, AG	Member of EEX	-	7	-	7
<b>Total income</b>		<b>48,939</b>	<b>195</b>	<b>251</b>	<b>49,385</b>

Revenues from European Energy Exchange AG comprise a share in annual fixed fees of TCZK 4,329 (2021: TCZK 4,460) variable fees of TCZK 29,835 (2021: TCZK 40,857).

Revenues from EEX CEGH Gas Exchange Services GmbH represent variable fees of TCZK 5,390 (2021: TCZK 3,622), following from the contract on cooperation and related to gas spot trading on the Powernext platform valid from 8 December 2017.

Financial income is represented by foreign exchange gains.

**3.17.2 Expenses from related parties**

**2022** (in TCZK)

Entity	Relation to the Company	Services	Operating expenses	Financial expenses	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of BCPP	9,202	-	-	9,202
Centrální depozitář cenných papírů, a.s.	Member of BCPP	6	-	-	6
Energy Clearing Counterparty, a.s.	Member of BCPP	829	699	1	1,529
European Energy Exchange, AG	Member of EEX	704	-	115	819
EEX CEGH Gas Exch. Services GmbH	Member of EEX	-	-	59	59
Power Exchange Central Europe Poland, Sp. z.o.o.	Member of EEX	2,253	-	66	2,319
<b>Total</b>					

**2021** (in TCZK)

Entity	Relation to the Company	Services	Operating expenses	Financial expenses	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of BCPP	8,863	-	1	8,864
Centrální depozitář cenných papírů, a.s.	Member of BCPP	7	-	-	7
Energy Clearing Counterparty, a.s.	Member of BCPP	913	506	1	1,420
European Energy Exchange, AG	Member of EEX	-	-	74	74
EEX CEGH Gas Exch. Services GmbH	Member of EEX	36	-	32	68
Power Exchange Central Europe Poland, Sp. z.o.o.	Member of BCPP	1,076	-	28	1,104
<b>Total</b>		<b>10,895</b>	<b>506</b>	<b>136</b>	<b>11,537</b>

Expenses incurred in relation to transactions with Burza cenných papírů Praha, a.s. comprise support services of TCZK 8,057 (2021: TCZK 7,762), lease of non-residential premises including lease-related services TCZK 1,145 (2021: TCZK 1,101).

Expenses incurred in relation to transactions with Centrální depozitář cenných papírů, a.s. comprise administration of emission records and LEI management of TCZK 6 (2021: TCZK 7).

Expenses incurred in relation to transactions with Energy Clearing Counterparty, a.s. comprise central counterparty services of TCZK 829 (2021: TCZK 913) and payment of justified expenses of TCZK 699 (2021: TCZK 506).

Expenses incurred in relation to transactions with Power Exchange Central Europe Poland, Sp. z.o.o. comprise supporting services to a company of TCZK 2,253 (2021: TCZK 1,076).

#### 4 EMPLOYEES, MANAGEMENT AND STATUTORY BODIES

##### 4.1 Staff costs and number of employees (without benefits to members of the Company's bodies)

2022	Average calculated number of employees	Wages and salaries total (in TCZK)
Employees	11	24,699
<b>Total</b>	<b>11</b>	<b>24,699</b>

2021	Average calculated number of employees	Wages and salaries total (in TCZK)
Employees	11	24,160
<b>Total</b>	<b>11</b>	<b>24,160</b>

Personnel expenses relating to employees and executives do not include performance provided to members of the Company's bodies, contributions to employees' pension and life assurance schemes and other social benefits.

In accordance with employee benefit policies, the Company contributes to employees' pension and life assurance schemes and provides other social benefits totaling TCZK 654 (2021: in TCZK 604).

##### 4.2 Loans, credits and other benefits provided to the members Company's bodies

In 2022 and 2021, total personnel expenses and other benefits provided to members of statutory bodies amounted to:

2022	Exchange Chamber	Total
Remuneration of the statutory body's members	585	585
<b>Total</b>	<b>585</b>	<b>585</b>

(in TCZK)

2021	Exchange Chamber	Total
Remuneration of the statutory body's members	585	585
<b>Total</b>	<b>585</b>	<b>585</b>

(in TCZK)

Values correspond to internal background materials and rules of the Company.

#### 5 CONTINGENT LIABILITIES

The management of the Company is not aware of any contingent liabilities as at 31 December 2022.

## 6 SUBSEQUENT EVENTS

No events have occurred subsequent to balance sheet date that would have a material impact on the financial statements as at 31 December 2022.

Prague, 24 March 2023



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Petr Kobic

Chairman of the Exchange Chamber



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David Kučera

General Secretary (holder of procuration)

## **10. Auditor's report on the financial statements and annual report**



## Independent Auditor's Report

To the shareholders of POWER EXCHANGE CENTRAL EUROPE, a.s.

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of POWER EXCHANGE CENTRAL EUROPE, a.s., with its registered office at Rybná 682/14, Praha 1 (the "Company") as at 31 December 2022 and of the Company's financial performance for the year ended 31 December 2022 in accordance with Czech accounting legislation.

### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022,
- the income statement for the year ended 31 December 2022,
- the statement of changes in equity for the year ended 31 December 2022, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

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### Other information

The statutory body is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

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Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

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### Responsibilities of the statutory body and supervisory board of the Company for the financial statements

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

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

The supervisory board of the Company is responsible for overseeing the financial reporting process.

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### Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

24 March 2023

PricewaterhouseCoopers Audit, s.r.o.  
represented by Partner

Eva Loulová  
Statutory Auditor, Licence No. 1981

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

## 11. Contact information

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