

2022

Annual Report



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AUDITOR'S REPORT

1. SELECTED COMPANY INFORMATION

Company: Dobrá Energie, s.r.o.
Registered office: Prague – Prague 1, Klimentská 1216/46, 110 00
Corporate ID: 242 40 834
Tax ID: CZ24240834
Recorded in: Register of Companies maintained by the Municipal Court in Prague,
File C Insert 196464
E-Mail: info@dobra-energie.eu
Website: www.dobra-energie.eu
Customer line: +420 226 284 283

Sole owner: EP ENERGY TRADING, a.s.
Registered office: Prague – Prague 1, Klimentská 1216/46, 110 02
Corporate ID: 273 866 43

COMPANY PROFILE

Dobrá Energie, s.r.o., limited liability company, is a reliable supplier of electricity and natural gas to households and companies in the Czech Republic.

It offers a professional approach, fast and open dealings, good quality services and especially interesting and competitive prices to its customers.

Since 2021, the entity has been a subsidiary of EP ENERGY TRADING, a.s., operating on the Czech and Slovak markets since 2005. Thanks to this acquisition, Dobrá energie became part of EP Infrastructure, a.s., which is Europe's leading energy infrastructure utility, focused on natural gas transit, distribution and storage, electricity distribution and heating industry. Thanks to the economic strength of its owner, Dobrá energie is a stable partner for its customers, offering one of the best price conditions on the market and the assurance of compliance with contractual obligations.

2. REPORT OF THE MANAGEMENT ON THE COMPANY'S BUSINESS ACTIVITIES AND BALANCE OF ASSETS

All listed data are prepared in line with the Czech Accounting Standards.

Economic results for 2022

In the year ended 31 December 2022, Dobrá Energie, s.r.o. reported sales of nearly CZK 2 billion. The profit before tax amounted to almost CZK 583 million.

Principal business activities in 2022

The principal business activities include the sale of electricity and gas to end customers in the Czech Republic. At the end of 2022, the Company served almost 50,000 collection points.

Electricity

In 2022, the total sales of electricity to end customers in the Czech Republic in technical units reached 219 GWh.

Natural gas

In 2022, Dobrá Energie, s.r.o supplied 313 GWh of natural gas to end customers in the Czech Republic.

Further development

For 2023, the principal task is to maintain current market positions in the sale of electricity and gas and to increase sales in the household segment. The Company will focus on maintaining its profitability in the energy supplies to end customer segments despite the current highly competitive conditions on the market and a prudent approach to risk that the Company upholds.

Internally, the Company will focus on optimising processes and improving the quality of service to end customers.

Research and development activities

The Company does not focus on research and development activities.

Environmental protection and labour relations

The Company always behaves in an environmentally friendly manner when using consumer materials. Labour relations comply with the Labour code.

Information on objectives and methods of risk management

The Company is, among other things, exposed to currency and market risks in its standard business activities. The Company's management regularly monitors and assesses these risks in cooperation with the risk management department. The objective of the Company's management is to decrease potential negative impacts of these risks.

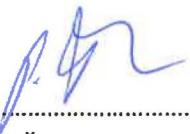
Other requirements

During 2022, the Company acquired no treasury shares.

Significant post balance sheet events

Significant post balance sheet events are presented in the notes to the financial statement that form part of this annual report.

In Prague on 27 April 2023



Petr Švec
Statutory Executive



Ladislav Sladký
Statutory Executive

3. REPORT ON RELATED PARTY TRANSACTIONS

3. REPORT ON RELATED PARTY TRANSACTIONS

Prepared by – Controlled Entity:

Name: Dobrá Energie s.r.o.
Registered office: Klimentská 1216/46, Nové Město, 110 00 Prague 1
Corporate ID: 242 40 834
Recorded in: Register of Companies maintained by the Municipal Court in Prague, File C, Insert 196464

Represented by statutory executives Petr Švec and Ladislav Sladký.

Controlling Entity:

Name: EP ENERGY TRADING, a.s.
Registered office: Prague - Prague 1, Klimentská 1216/46, Postcode 110 02
Corporate ID: 273 86 643
Ownership interest: 100%

EP ENERGY TRADING, a.s. has been the Controlling Entity since 1 July 2021.

Until 1 July 2021, the Controlling Entities were VORAGO HOLDING LTD, registration number 368 965, with its registered office at 1060 Nicosia, Stasinou & Boumpoulinas 3, 1st Floor, Republic of Cyprus with a 51% investment in the Company; and Optimal-Energy.cz, a.s., Corporate ID: 292 35 642, with its registered office at Příkop 838/6, Zábrdovice, 602 00 Brno and a 49% equity investment in the Company.

EP ENERGY TRADING, a.s. is controlled by EP Energy, a.s., Corporate ID: 292 59 428, with its registered office at Pařížská 130/26, Josefov, 110 00 Prague 1. EP Energy, a.s. has a 100% equity investment in EP ENERGY TRADING.

The Controlled Entity's scope of activities is electricity and gas trade.

The Controlling Entity is the owner of the Controlled Entity.

The Controlling Entity exercises its influence over the Controlled Entity primarily by adopted decisions of the General Meeting.

List of the Related Parties the Controlled Entity was in contractual relationship with in 2022:

EP ENERGY TRADING, a.s.
Prague - Prague 1, Klimentská 1216/46, Postcode: 110 02, Corporate ID: 273 86 643

EP Infrastructure, a.s.
Prague – Prague 1, Pařížská 130/26, Postcode: 110 00, Corporate ID: 024 13 507

Overview of mutual contracts and performances in the reporting period:

1. Service Agreement

Based on this agreement, EP ENERGY TRADING, a.s. provided the Controlled Entity with the following services:

- a. Back office services in the amount of CZK 7,175 thousand;
- b. rebilling of vehicle lease in the amount of CZK 340 thousand;
- c. rebilling of fuel in the amount of CZK 319 thousand; and
- d. rebilling of IT technology in the amount of CZK 83 thousand.

2. Agreement on supplies of natural gas

Based on this agreement, EP ENERGY TRADING, a.s. provided the Controlled Entity with natural gas supplies in 2022 for the purpose of securing sourcing with regard to its end customers in the amount of CZK 280,483 thousand.

3. Agreement on supplies of electricity

Based on this agreement, EP ENERGY TRADING, a.s. provided the Controlled Entity with electricity supplies in 2022 for the purpose of securing sourcing with regard to its end customers in the amount of CZK 513,088 thousand.

4. Professional service agreement

Based on this agreement, EP Infrastructure, a.s. provided the Controlled Entity with services in 2022 in the amount of CZK 138 thousand.

Description of benefits and disadvantages arising from relations between the parties pursuant to Section 82:

All contracts and agreements concluded with related parties within the business group may be regarded as standard and bilaterally advantageous.

Overview of measures made in the last reporting period

(made at the instigation or in the interest of the Controlling Entity or the entities controlled by it, if such a measure related to assets exceeding 10% of equity of the Controlled Entity as determined from the most recent set of financial statements):

No other legal acts or measures were adopted in the interest or at the instigation of the related parties.

Assessment on whether the Controlled Entity suffered a detriment and assessment of its settlement

The Controlled Entity did not suffer any detriment to its assets or rights from its performance for the benefit of the related parties.

From the above-mentioned, following risks arise for the Controlled Entity: none

In Prague on 31 March 2023

Petr Švec
Statutory Executive

Ladislav Sladký
Statutory Executive

FINANCIAL STATEMENTS IN ACCORDANCE WITH THE CZECH
ACCOUNTING STANDARDS

BALANCE SHEET
full version

As of
31.12.2022
 (in CZK thousand)

Dobrá Energie s.r.o.
Corporate ID 242 40 834

Klimentská 1216/46
Nové Město
110 02 Praha 1

		31.12.2022			31.12.2021
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	2 221 433	2 245	2 219 188	1 350 201
B.	Fixed assets	3 607	704	2 903	
B.I.	<i>Intangible fixed assets</i>	3 607	704	2 903	
B.I.2.	<i>Valuable rights</i>	3 551	704	2 847	
B.I.2.1.	Software	3 551	704	2 847	
	<i>Prepayments for intangible fixed assets and intangible fixed assets under construction</i>				
B.I.5.		56		56	
B.I.5.2.	Intangible fixed assets under construction	56		56	
C.	Current assets	2 208 933	1 541	2 207 392	1 350 201
C.II.	<i>Receivables</i>	2 179 019	1 541	2 177 478	1 152 337
C.II.1.	Long-term receivables	23 003		23 003	73 949
C.II.1.4.	Deferred tax asset	293		293	867
C.II.1.5.	<i>Receivables - other</i>	22 710		22 710	73 081
C.II.1.5.2.	Long-term prepayments made	22 710		22 710	73 081
C.II.2.	<i>Short-term receivables</i>	2 156 016	1 541	2 154 475	1 078 359
C.II.2.1.	Trade receivables	18 937	1 541	17 396	11 105
C.II.2.2.	Receivables - controlled or controlling entity	910 867		910 867	
C.II.2.4.	<i>Receivables - other</i>	1 226 212		1 226 212	1 067 254
C.II.2.4.3.	State - tax receivables				23 385
C.II.2.4.4.	Short-term prepayments made	235 942		235 942	425 490
C.II.2.4.5.	Estimated receivables	981 437		981 437	618 198
C.II.2.4.6.	Sundry receivables	8 833		8 833	181
C.IV.	<i>Cash</i>	29 914		29 914	197 864
C.IV.1.	Cash on hand				64
C.IV.2.	Cash at bank	29 914		29 914	197 800
D.	Other assets	8 893		8 893	30
D.1.	Deferred expenses	8 893		8 893	30

		31.12.2022	31.12.2021
	TOTAL LIABILITIES & EQUITY	2 219 185	1 350 203
A.	Equity	566 561	95 268
A.I.	<i>Share capital</i>	9 000	9 000
A.I.1.	Share capital	9 000	9 000
A.II.	<i>Share premium and capital funds</i>	3 450	3 450
A.II.2.	<i>Capital funds</i>	3 450	3 450
A.II.2.1.	Other capital funds	3 450	3 450
A.IV.	<i>Retained earnings (+/-)</i>	82 816	49
A.IV.1.	Accumulated profits or losses brought forward (+/-)	82 767	
A.IV.2.	Other profit or loss from prior years (+/-)	49	49
A.V.	<i>Profit or loss for the current period (+/-)</i>	471 295	82 769
A.VI.	Profit share prepayments declared (-)		
B.+C.	Liabilities	1 652 623	1 254 935
B.	Reserves	95 011	395
B.II.	Income tax reserve	94 913	
B.IV.	Other reserves	98	395
C.	Payables	1 557 612	1 254 540
C.I.	<i>Long-term payables</i>	3 036	2 532
C.I.3.	Long-term prepayments received	3 036	2 532
C.II.	<i>Short-term payables</i>	1 554 577	1 252 008
C.II.3.	Short-term prepayments received	1 203 404	755 436
C.II.4.	Trade payables	99 340	1 776
C.II.8.	<i>Other payables</i>	251 833	494 796
C.II.8.3.	Payables to employees	1 343	321
C.II.8.4.	Social security and health insurance payables	769	
C.II.8.5.	State - tax payables and subsidies	28 759	9 802
C.II.8.6.	Estimated payables	220 938	484 673
C.II.8.7.	Sundry payables	24	

PROFIT AND LOSS ACCOUNT
structured by the nature of expense method

Dobrá Energie s.r.o.
Corporate ID 242 40 834

Year ended
31.12.2022
(in CZK thousand)

Klimentská 1216/46
Nové Město
110 02 Praha 1

		Year ended 31.12.2022	Year ended 31.12.2021
II.	Sales of goods	1 958 547	1 228 850
A.	Purchased consumables and services	1 371 938	1 116 058
A.1.	Costs of goods sold	1 347 752	1 004 626
A.2.	Consumed material and energy	704	144
A.3.	Services	23 482	111 288
D.	Staff costs	9 188	544
D.1.	Payroll costs	6 672	400
D.2.	Social security and health insurance costs and other charges	2 516	144
D.2.1.	Social security and health insurance costs	2 303	139
D.2.2.	Other charges	213	5
E.	Adjustments to values in operating activities	-4 071	1 494
E.1.	Adjustments to values of intangible and tangible fixed assets	704	
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	704	
E.3.	Adjustments to values of receivables	-4 775	1 494
III.	Other operating income	2 138	3 114
III.3.	Sundry operating income	2 138	3 114
F.	Other operating expenses	11 196	417
F.3.	Taxes and charges	9	40
F.4.	Reserves relating to operating activities and complex deferred expenses	-395	177
F.5.	Sundry operating expenses	11 582	200
*	Operating profit or loss (+/-)	572 434	113 451
VI.	Interest income and similar income	19 763	475
VI.1.	Interest income and similar income - controlled or controlling entity	19 763	475
VII.	Other financial income	545	8 519
K.	Other financial expenses	9 811	20 244
*	Financial profit or loss (+/-)	10 497	-11 250
**	Profit or loss before tax (+/-)	582 931	102 201
L.	Income tax	111 635	19 433
L.1.	Due income tax	111 060	19 643
L.2.	Deferred income tax (+/-)	575	-210
**	Profit or loss net of tax (+/-)	471 296	82 768
***	Profit or loss for the current period (+/-)	471 296	82 768
*	Net turnover for the current period	1 980 993	1 240 958

**STATEMENT OF
CHANGES IN EQUITY**

Year ended
31.12.2022
(in CZK thousand)

Dobrá Energie s.r.o.
Corporate ID 242 40 834

Klimentská 1216/46
110 02 Praha 1

	Share capital	Capital funds	Accumulated profits brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 December 2020	9 000	3 450	49	29 651	42 150
Distribution of profit or loss				-29 651	-29 651
Profit or loss for the current period				82 768	82 768
Balance at 31 December 2021	9 000	3 450	49	82 768	95 267
Distribution of profit or loss			82 767	-82 767	
Profit or loss for the current period				471 295	471 295
Balance at 31 December 2022	9 000	3 450	82 816	471 295	566 561

CASH FLOW STATEMENT

for the year ended 31 December 2022

(in thousands of Czech crowns)

Translated from the Czech original

Name and regist. office of the Company

Dobrá Energie s.r.o.
Klimentská 1216/46
Praha - Praha 1, PSČ 11002
Czech Republic

Identification number

24240834

	Current period	Prior period
P. Cash and cash equivalents, beginning of period	197 864	84 287
Net operating cash flow		
Z. Accounting profit (loss) from ordinary activities	582 931	102 201
A.1. Non-cash transactions	- 24 131	- 298
A.1.1. Depreciation and amortisation of fixed assets	704	
A.1.2. Change in:	- 5 072	177
A.1.2.2. provisions and other adjustments	- 5 072	177
A.1.5. Expense and revenue interests accounted for	- 19 763	- 475
A.* Net operating cash flow before taxation and changes in working capital	558 800	101 903
A.2. Changes in working capital	191 955	82 554
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	- 110 614	- 145 327
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	302 569	227 881
A.** Net operating cash flow before taxation	750 755	184 457
A.4. Interest received	11 411	475
A.5. Income tax paid on ordinary income and income tax relating to prior periods	- 16 148	- 19 433
A.*** Net operating cash flow	746 018	165 499
Investing activities		
B.1. Acquisition of fixed assets	- 3 607	
B.1.2. Acquisition of intangible fixed assets	- 3 607	
B.3. Advances and loans to related parties	- 910 867	
B.*** Net cash flow from investing activities	- 914 474	
Financing activities		
C.1. Change in long-term resp. short-term liabilities from financing	506	438
C.2. Increase and decrease in equity from cash transactions	- 52 360	
C.2.6. Dividends paid, including withholding tax paid and bonuses paid to board members	- 52 360	
C.*** Net cash flow from financing activities	506	- 51 922
F. Net increase or decrease in cash balance	- 167 950	113 577
R. Cash and cash equivalents, end of period	29 914	197 864

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

1. Description and principal activities

Establishment and description of the Company

Dobrá Energie, s.r.o. ("the Company") was registered upon the entry in the Register of Companies maintained by the Municipal Court in Prague, Section 196464, File C, on 29 June 2012 as rj three s.r.o. The principal activities of the Company are electricity trading and the sale of electricity, natural gas and related services to end customers in the Czech Republic.

Ownership structure

The sole owner of the Company as of 31 December 2022 is:

EP ENERGY TRADING, a.s.
Klimentská 1216/46
110 02 Prague 1
Czech Republic

Registered office

Dobrá Energie, s.r.o.
Klimentská 1216/46
110 00 Prague 1
Czech Republic

Corporate ID

242 40 834

Statutory Body as of 31 December 2022

Petr Švec	Statutory Executive
Ladislav Sladký	Statutory Executive

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by EP Investment S.à r.l., with its registered office at 39. Avenue John F. Kennedy, L-1855 Luxembourg.

The consolidated financial statements of the narrowest group of entities to which the Company as a consolidated entity belongs are not prepared by EP Energy Trading, a.s. as the parent company; the financial statements of all group companies are part of the consolidated financial statements of EP Infrastructure, a.s., with its registered office at Pařížská 130/26, Josefov, 110 00 Prague 1. The consolidated financial statements for 2022 will be published in the Register of Companies.

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

Changes in the Register of Companies

In 2022, no changes were recorded in the Register of Companies.

Foreign branch or any part of the business abroad

The Company does not have any branch abroad.

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

2. Significant accounting policies applied by the Company

These financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, (the "Act on Accounting") and Regulation of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, for business entities using double-entry bookkeeping, as amended for 2022. Comparative information for 2021 is provided in accordance with the structure and designation of balance sheet and profit and loss account items specified by the Regulation as amended for 2022.

The financial statements have been prepared on a going concern basis.

a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost. Tangible fixed assets costing less than CZK 40 thousand and intangible fixed assets costing less than CZK 60 thousand are not recognised in the balance sheet and are charged to expenses in the year that they are acquired.

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

Assets	Method	Period
Incorporation expenses	Straight-line	5 years
PC equipment	Straight-line	4 years
Valuation difference	Straight-line	15 years

In the profit and loss account, depreciation/amortisation is presented in 'Adjustments to values of intangible and tangible fixed assets – permanent'.

Technical improvements increase the cost of fixed assets if the related expenses exceed CZK 80 thousand. Technical improvements to leased office premises are reported in 'Structures'. Leasehold improvements are depreciated over the lease term.

b) Non-current financial assets

The Company does not record any non-current financial assets.

c) Creation of provisions and reserves

Receivables

The Company creates provisions for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables.

In the profit and loss account, the creation and release of provisions is presented in 'Adjustments to values of receivables'.

Reserves

An income tax reserve is created as the financial statements are prepared before the tax liability is determined. In the subsequent reporting period, the Company releases this reserve and records the actual tax liability determined.

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

In the balance sheet, the income tax reserve is reduced by income tax prepayments, and the net receivable (if any) is recorded in 'State - tax receivables'.

A reserve for outstanding vacation days is created as of the balance sheet date, based on an analysis of outstanding vacation days in the reporting period and average payroll expenses, including social security and health insurance expenses per employee.

d) Foreign currency translation

The Company applies the Czech National Bank's official rate to foreign currency transactions. During the year, foreign exchange gains and losses are recognised when realised and unrealised exchange gains and losses are recognised at monthly closing dates.

At the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank's official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss.

e) Derivatives

The Company does not recognise any derivatives.

f) Leased assets

Lease payments are not expensed.

g) Income tax

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as of the first day of the reporting period, and any additionally assessed tax and refunds for previous periods.

Deferred tax is provided on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability will be utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future reporting periods.

Deferred tax in respect of items that are recorded directly in equity is also recorded in equity.

h) Classification of liabilities

Any long-term liabilities, bank loans and overdrafts that are due within one year of the balance sheet date are classified as short-term.

i) Consolidation

Pursuant to Section 22aa of Act No. 563/1991 Coll., on Accounting, the financial statements of the Company and other entities subject to consolidation are included in the consolidated financial statements prepared by EP Infrastructure, a.s., with its registered office at Pařížská 130/26, Josefov, 110 00 Prague 1; therefore, the Company does not prepare the consolidated financial statements. The consolidated financial statements of EP Infrastructure a.s. will be published in compliance with Section 22aa (2c) and under Section 21a of Act No. 563/1991 Coll., on Accounting.

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

3. Changes to accounting policies

In 2022, the Company made no changes to its accounting policies.

4. Fixed assets

a) Intangible fixed assets

2022	Software	Intangible assets under constr.	Total
Acquisition cost			
Balance at 31/12/2021	--	--	--
Additions	3 551	56	3 607
Disposals	--	--	--
Reclassification	--	--	--
Balance at 31/12/2022	3 551	56	3 607
Accumulated amortisation			
Balance at 31/12/2021	--	--	--
Amortisation	704	--	704
Accumulated amortisation on disposals	--	--	--
Balance at 31/12/2022	704	--	704
Net book value 31/12/2021	0	0	0
Net book value 31/12/2022	2 847	56	2 903

b) Tangible fixed assets

The Company does not record any tangible fixed assets.

5. Financial assets

The Company does not record any non-current financial assets.

6. Leased assets

The Company has no leased assets.

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

7. Off-balance sheet tangible and intangible fixed assets

In accordance with the accounting policy described in Note 2(a) above, the Company expensed a part of tangible and intangible fixed assets to the profit and loss account in the year that they were acquired. The carrying amount of these tangible and intangible fixed assets charged to expenses in the current year was as follows:

	31/12/2022	31/12/2021
Tangible fixed assets	121	118
Total	121	118

8. Valuation difference on acquired assets

The Company does not recognise any valuation difference on acquired assets.

9. Trade receivables and payables

- Short-term trade receivables total CZK 18,937 thousand (2021 – CZK 11,105 thousand), of which CZK 14,842 thousand is overdue. A provision of CZK 1,541 thousand (2021 – CZK 6,316 thousand) was created as of 31 December 2022 for doubtful receivables.
- Short-term trade payables total CZK 99,340 thousand (2021 – CZK 1,776 thousand), of which CZK 3,228 thousand is overdue.

10. State – tax receivables

The Company does not record any tax receivables (2021 – CZK 23,385 thousand as a VAT receivable and electricity and gas tax payable).

11. Prepayments made

- Long-term prepayments total CZK 22,710 thousand (2021 – CZK 73,081 thousand), predominantly comprising a security deposit provided to PPD of CZK 1,299 thousand, a security deposit provided to GasNet, s.r.o. of CZK 20,710 thousand (2021 – CZK 17,500 thousand), a security deposit provided to EG.D, a.s. of CZK 160 thousand, a security deposit provided to E.ON, a.s. of CZK 260 thousand (2021 – CZK 260 thousand), and a security deposit provided to Quantum, a.s. of CZK 175 thousand (2021 – CZK 150 thousand).
- Short-term prepayments total CZK 235,942 thousand (2021 – CZK 425,490 thousand) and primarily comprise prepayments for the distribution of electricity and natural gas.

12. Estimated receivables

Estimated receivables of CZK 981,437 thousand (2021 – CZK 618,198 thousand) primarily comprise estimates for unbilled distribution and supply of electricity totalling CZK 617,171 thousand (2021 – CZK 407,785 thousand) and distribution and supply of natural gas totalling CZK 364,026 thousand (2021 – CZK 210,413 thousand).

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

13. Sundry receivables and payables – long-term and short-term

Sundry receivables of CZK 8,833 thousand (2021 – CZK 181 thousand) primarily comprise the cashpool benefit of CZK 8,392 thousand.

Sundry payables of CZK 24 thousand (2021 – CZK 0 thousand) primarily comprise the cashpool fees of CZK 24 thousand.

14. Derivatives

The Company does not record any derivatives.

15. Provisions

	Provisions for receivables	Total
Balance at 31/12/2021	6 316	6 316
Creation	1 386	1 386
Release/use	-6 161	-6 161
Balance at 31/12/2022	1 541	1 541

16. Deferred expenses

Deferred expenses of CZK 8,893 thousand (2021 – CZK 30 thousand) mainly represent deferred expenses on commissions.

17. Share capital

The Company's share capital of CZK 9,000 thousand (2021 – CZK 9,000 thousand) was paid up to 100%.

18. Equity

a) Distribution of profit/loss

As of the date of preparation of the financial statements, the Company's management had not decided on the manner of distribution of the profit for 2022.

19. Reserves

	Reserve for outstanding vacation days	Other reserves	Total
Balance at 31/12/2021	1	394	395
Creation	98	111 060	111 158
Release/use	-1	-394	-395
Balance at 31/12/2022	98	111 060	111 158

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

20. Prepayments received

- a) Short-term prepayments received consist of prepayments of CZK 1,203,404 thousand (2021 – CZK 755,436 thousand) received from end customers in connection with the sale of electricity and natural gas.
- b) Long-term prepayments received total CZK 3,036 thousand (2021 – CZK 2,532 thousand) and primarily include received security deposits.

21. Social security and health insurance liabilities

Social security and health insurance liabilities total CZK 769 thousand (2021 – CZK 0 thousand), of which CZK 515 thousand (2021 – CZK 0 thousand) relates to social security liabilities and CZK 254 thousand (2021 – CZK 0 thousand) to health insurance liabilities. None of these liabilities are overdue.

22. State – tax payables and subsidies

Tax payables amount to CZK 28,759 thousand (2021 – CZK 9,802 thousand), of which CZK 329 thousand (2021 – CZK 0 thousand) relates to income tax on employment and CZK 543 thousand to taxes on electricity and gas (2021 – CZK 595 thousand) and CZK 27,877 thousand (2021 – CZK 0 thousand) relates to a VAT payable.

23. Estimated payables

Estimated payables of CZK 220,938 thousand (2021 – CZK 484,673 thousand) primarily comprise estimates for unbilled electricity and gas distribution totalling CZK 220,235 thousand (2021 – CZK 480,837 thousand) and estimates for overhead costs.

24. Sales information

The Company supplies two types of commodities to end customers – electricity and natural gas – and provides related services. Sales of these commodities and services were as follows:

		Domestic sales	Total
Electricity	2022	1 317 964	1 317 964
	2021	844 316	844 316
Natural gas	2022	640 583	640 583
	2021	384 534	384 534
Total	2022	1 958 547	1 958 547
	2021	1 228 850	1 228 850

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

25. Sundry operating income and expenses

Sundry operating income totals CZK 2,138 thousand (2021 – CZK 3,114 thousand) and mainly includes charges for payment reminders, contractual penalties and default interest.

Sundry operating expenses total CZK 11,582 thousand (2021 – CZK 200 thousand) and mainly represent expenses for donations made of CZK 5,000 thousand (2021 – CZK 50 thousand), and write-offs of receivables of CZK 6,244 thousand (2021 – CZK 60 thousand).

26. Other financial income and expenses

Other financial income and expenses primarily comprise foreign exchange gains and losses.

27. Related parties

a) Trade receivables and payables

The following related party balances are included in the trade receivables and payables described in Note 8 above:

	Receivables at		Payables at	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
EP Energy, a.s.	919 259	--	--	--
EP ENERGY TRADING, a.s.	--	--	83 115	40 808
EP Infrastructure, a.s.	--	--	100	--
Total	919 259	--	83 215	40 808

b) Cash pool

The Company reports cash on a group cash pool account kept by EP Energy, a.s. amounting to CZK 910,867 thousand (2021 – CZK 0 thousand). This cash pool is reported in 'Receivables – controlled or controlling entity'. Interests gained from the cash pool in total amount of CZK 8,392 thousand are reported in 'Sundry Receivables'.

c) Transactions with related parties

All material transactions with related parties were carried out based on the arm's length principle.

	Revenue for year		Expenses for year	
	2022	2021	2022	2021
EP Infrastructure, a.s.	--	--	100	--
EP Energy, a.s.	19 032	--	--	--
EP ENERGY TRADING, a.s.	--	--	834 891	40 808
Total	19 032	--	834 991	40 808

Dobrá Energie, s.r.o.

Notes to the Czech statutory financial statements (translated from the Czech original)

Year ended 31 December 2022

(All amounts are shown in thousands of Czech crowns "CZK '000")

28. Employees and executives

Average number of employees and executives and personnel expenses for 2022:

2022	Number	Wages and salaries	Social security and health insurance expenses
Employees and executives	7	6 672	2 303
Total	7	6 672	2 303

Average number of employees and executives and personnel expenses for 2021:

2021	Number	Wages and salaries	Social security and health insurance expenses
Employees and executives	4	400	144
Total	4	400	144

In 2022 and 2021, members of management, supervisory and administrative bodies received no advances, deposits, loans, guarantees or other benefits.

29. Fees payable to statutory auditors

This information is presented in the notes to the consolidated financial statements of EP Infrastructure, a.s. in which the Company is included.

30. Income tax

a) Current tax

Current income tax comprises the tax estimate for 2022 of CZK 111,060 thousand (2021 – CZK 19,643 thousand).

An income tax reserve of CZK 111,060 thousand was reduced by corporate income tax prepayments of CZK 16,147 thousand and the net payable of CZK 94,913 thousand was reported in 'Income tax reserve'.

b) Deferred tax

	Assets		Liabilities		Net	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Adjustments to receivables and other temporary differences	293	867	--	--	293	867
Deferred tax asset/(liability)	293	867	--	--	293	867

In accordance with the accounting policies described in Note 2(h), a tax rate of 19% was used to calculate deferred tax (2021 – 19%).

Dobrá Energie, s.r.o.

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(All amounts are shown in thousands of Czech crowns "CZK '000")

A change in deferred tax consists of a change in deferred tax recognised in profit/loss of CZK 575 thousand.

31. Contingent liabilities and off-balance sheet commitments

The Company does not record any off-balance sheet items.

32. Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Cash and cash equivalents as of the year-end are as follows:

	Balance at	
	2022	2021
Cash	29 913	197 864
Cash and cash equivalents	29 913	197 864

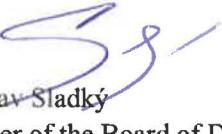
33. Material subsequent event

In relation to the ongoing military invasion in Ukraine and the related sanctions against the Russian Federation, the Company identified the risks and adopted relevant measures to reduce the impacts on its operations. Based on available information and the current developments, the Company continuously analyses the situation and assesses its impacts. The Company's management considered the potential implications of this situation on its activities and operations and came to the conclusion that they do not have a significant impact on the financial statements for the year ended 31 December 2021 or on the going concern assumption for 2022.

However, it cannot be ruled out that there will be any further adverse developments in the situation that would subsequently have a negative impact on the Company, its operations, financial position, results, cash flows and outlook in general.

Prepared on 27 April 2023


Petr Švec
Member of the Board of Directors


Ladislav Sladký
Member of the Board of Directors

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT To the Partner of Dobrá Energie s.r.o.

Having its registered office at: Klimentská 1216/46, Nové Město, 110 00 Praha 1

Opinion

We have audited the accompanying financial statements of Dobrá Energie s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2022, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Dobrá Energie s.r.o. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

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

Other Information in the Annual Report

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

In Prague on 28 April 2023

Audit firm:

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

Statutory auditor:

Ladislav Šauer
registration no. 2261

